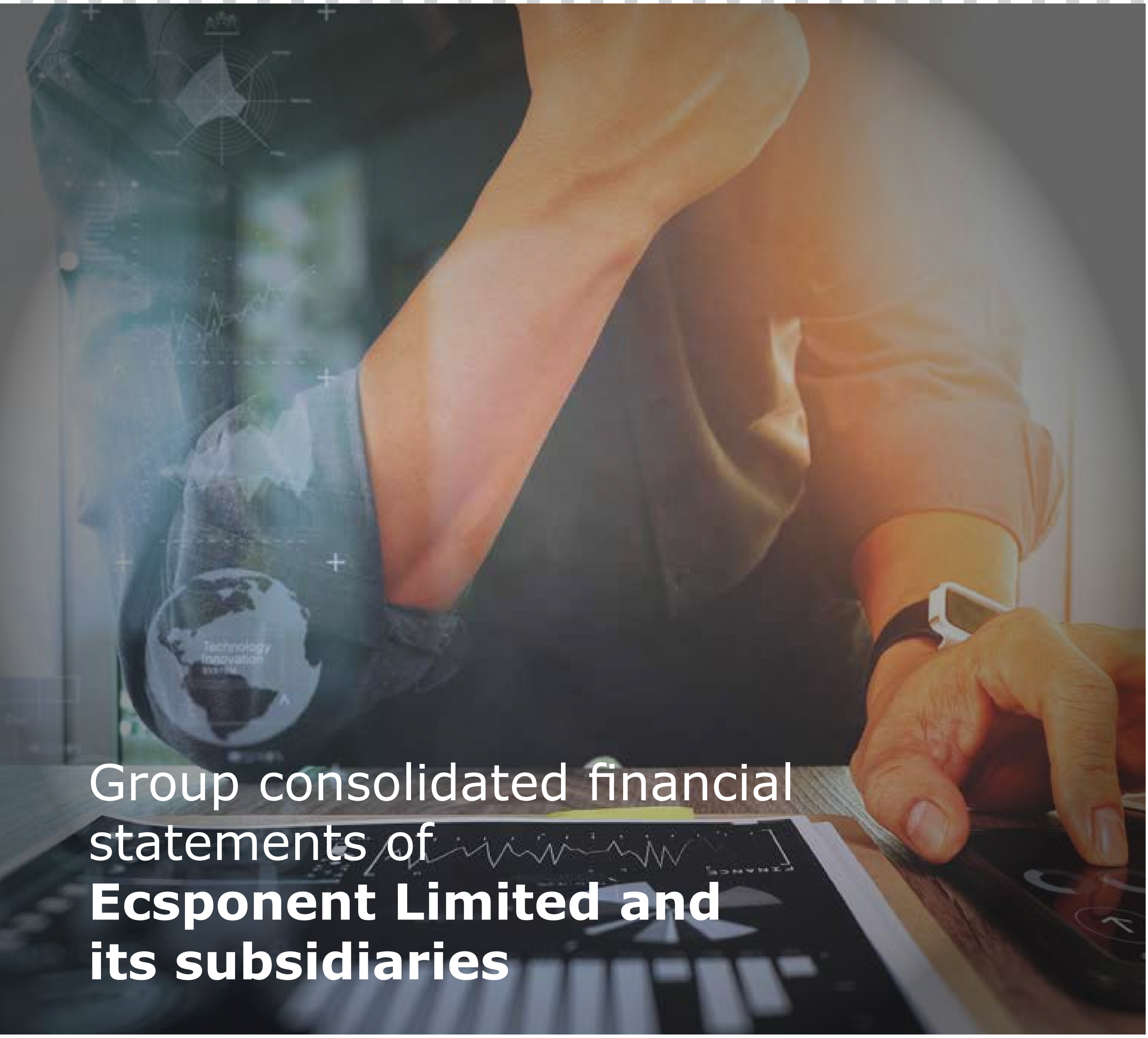

Group consolidated financial statements of **Ecsponent Limited and its subsidiaries**

The financial year end of the group was changed from 31 December annually to 31 March effective for the current financial period, resulting in a 15-month period compared to the 12 months of the comparative period. This was done in line with the significant corporate action as defined below as part of the process of rationalising the operations and investments of the group.

The Board advised shareholders on 20 December 2016 that the group had undertaken a process of rationalising its operations and investments including a series of financial transactions designed to streamline operations and re-align the group for increased strategic growth. These transactions provide uncompromising focus on the core business of capital raising, SME funding, enterprise development and private equity investment. As a result of the rationalisation the statement of profit and loss is presented in two categories being Continued and Discontinued Operations. The comparative period has also been 're-presented' to reflect the two categories and does not represent a restatement. Furthermore, the current period's assets and liabilities related to the operations subject to the rationalisation (disposal groups) have been classified as 'Held for sale' in these financial statements, as required by IFRS 5. Refer to note 28 for more detail in this regard.

Consolidated statement of **financial position**

For the period ended 31 March 2017

Figures in Rand	Notes	Group 31 Mar 2017	Group 31 Dec 2015	Company 31 Mar 2017	Company 31 Dec 2015
Assets					
Non-current assets					
Property, plant and equipment	3	6 810 370	8 474 552	-	-
Intangible assets and goodwill	4	6 011 221	8 557 217	-	-
Investment in subsidiaries	5	-	-	33 427 245	32 914 981
Other financial assets	6	667 088 829	98 065 585	-	-
Deferred tax asset	7	28 457 583	12 191 111	-	-
Trade and other receivables	10	4 655 684	3 127 532	-	-
		713 023 688	**130 415 997**	**33 427 245**	**32 914 981**
Current assets					
Inventories	8	1 222 370	1 819 206	-	-
Loans to group companies	9	-	-	897 802 593	310 419 199
Other financial assets	6	314 541 898	278 450 140	-	-
Trade and other receivables	10	36 150 363	40 378 568	2 609 879	7 212 905
Current tax receivable		185 618	-	-	-
Cash and cash equivalents	11	25 379 829	15 114 825	4 781 946	3 803
		377 480 077	**335 762 738**	**905 194 417**	**317 635 907**
Non-current assets held for sale	28	**124 313 331**	**-**	**3 575 557**	**-**
Total assets		**1 214 817 096**	**466 178 735**	**942 197 219**	**350 550 888**
Equity					
Share capital	12	145 169 140	118 071 505	145 169 140	118 071 505
Reserves	13	-398 375	-37 170 357	-	-
Accumulated loss		-37 785 228	-2 710 615	-17 184 504	-25 950 450
Equity attributable to equity holders of parent		106 985 537	78 190 532	127 984 636	92 121 055
Non-controlling interest	14	-11 428 696	-4 653 294	-	-
Total equity		**95 556 840**	**73 537 238**	**127 984 636**	**92 121 055**
Liabilities					
Non-current liabilities					
Preference shares	15	921 924 764	312 073 556	794 403 659	253 360 860
Other financial liabilities	16	871 443	12 766 740	-	-
Deferred revenue	17	2 537 629	9 551 735	-	-
Deferred tax liability	7	13 453 706	5 939 300	4 948 945	2 358 307
		938 787 543	**340 331 330**	**799 352 604**	**255 719 167**
Current liabilities					
Preference shares	15	6 048 079	1 763 411	5 548 805	1 763 411
Loans from group companies	9	-	-	800	900
Other financial liabilities	16	10 475 921	15 495 239	-	-
Current tax payable		11 863 947	3 142 208	7 609 891	-
Deferred revenue	17	147 886	4 144 225	-	-
Trade and other payables	18	20 778 454	22 391 113	1 700 482	946 355
Bank overdraft	11	468 900	5 373 970	-	-
		49 783 187	**52 310 166**	**14 859 979**	**2 710 666**
Liabilities of disposal groups held for sale	28	**130 689 526**	**-**	**-**	**-**
Total liabilities		**1 119 260 255**	**392 641 497**	**814 212 584**	**258 429 833**
Total equity and liabilities		**1 214 817 096**	**466 178 735**	**942 197 219**	**350 550 888**

Consolidated statement of **profit or loss**

For the period ended 31 March 2017

Figures in Rand	Notes	Group 31 Mar 2017	Group 31 Dec 2015 (Re-presented)	Company 31 Mar 2017	Company 31 Dec 2015
Continuing operations					
Revenue	19	321 794 638	144 705 445	-	-
Cost of sales		-43 781 558	-23 818 054	-	-
Gross profit		**278 013 080**	**120 887 391**	**-**	**-**
Other income	20	88 542 877	21 862 300	28 390 339	7 316 305
Operating expenses		-137 370 074	-98 330 847	-47 584 941	-25 115 556
Operating profit	21	**229 185 884**	**44 418 844**	**-19 194 603**	**-17 799 251**
Fair value adjustments	22	-11 017 229	5 639 051	-	-
Investment revenue	19	-	144 180	135 290 732	40 473 426
Income from equity accounted investment	23	-	1 741 813	-	-
Finance costs	24	-130 350 574	-26 929 121	-92 097 601	-19 420 196
Profit before taxation		**87 818 081**	**25 014 767**	**23 998 529**	**3 253 979**
Taxation	26	-23 094 223	-7 786 489	-22 576 781	-2 182 671
Profit from continuing operations for the period		**64 723 858**	**17 228 278**	**1 421 748**	**1 071 308**
Discontinued operations					
Profit from discontinued operations	27	2 852 433	2 705 934	7 344 198	-
Profit for the period		**67 576 291**	**19 934 212**	**8 765 946**	**1 071 308**
Attributable to:					
Owners of the parent:					
Profit from continuing operations		75 160 187	20 653 023		
Profit from discontinued operations		2 852 433	2 705 934		
		78 012 620	**23 358 957**		
Non-controlling interest:					
Loss from continuing operations		-5 303 047	-2 223 869		
Loss from discontinued operations		-5 133 282	-1 200 876		
		-10 436 329	**-3 424 745**		
Total profit / (loss) attributable to:					
Owners of the parent		78 012 620	23 358 957		
Non-controlling interest	14	-10 436 329	-3 424 745		
		67 576 291	**19 934 212**		
Basic and fully diluted earnings per share (cents) attributable to equity holders of the parent:					
from continuing operation		8,074	2,291		
from discontinued operation		0,306	0,300		
from continuing and discontinued operations	40	**8,380**	**2,591**		

Consolidated statement of **comprehensive income**

For the period ended 31 March 2017

Figures in Rand	Note	Group		Company	
			Re-presented		
		31 Mar 2017	31 Dec 2015	31 Mar 2017	31 Dec 2015
Profit for the period		**67 576 291**	**19 934 212**	**8 765 946**	**1 071 308**
Other comprehensive income					
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations		391 505	-418 308	-	-
Taxation related to components of other comprehensive income		-109 516	117 126	-	-
Other comprehensive loss for the period		**281 989**	**-301 182**	**-**	**-**
Total comprehensive income for the period		**67 858 280**	**19 633 030**	**8 765 946**	**1 071 308**
Attributable to:					
Total comprehensive income / (loss) attributable to:					
Owners of the parent		78 097 211	23 358 957		
Non-controlling interest	14	-10 238 931	-3 725 927		
		67 858 280	**19 633 030**		

Consolidated statement of **changes in equity**

For the period ended 31 March 2017

Group

Figures in Rand	Note	Share capital	Common control reserve	Foreign currency translation reserve	Other non-dis-tributable reserve	Total reserves	Accumu-lated (loss) / retained profit	Total attributable to owners of the parent	Non-controlling interest	Total equity
Balance at 1 January 2015		**118 071 505**	**-36 687 391**	**-54 516**	**3 842 049**	**-32 899 858**	**-28 504 715**	**56 666 932**	**-3 795 325**	**52 871 607**
Profit / (loss) for the period		-	-	-	-	-	23 358 957	23 358 957	-3 424 745	19 934 212
Other comprehensive income		-	-	-428 450	-	-428 450	-	-428 450	127 269	-301 182
Purchase of non-controlling interest	14	-	-	-	-3 842 049	-3 842 049	2 435 143	-1 406 906	2 439 507	1 032 601
Balance at 31 December 2015		**118 071 505**	**-36 687 391**	**-482 966**	**-**	**-37 170 357**	**-2 710 615**	**78 190 533**	**-4 653 294**	**73 537 238**
Profit / (loss) for the period		-	-	-	-	-	78 012 620	78 012 620	-10 436 329	67 576 291
Other comprehensive income		-	-	84 591	-	84 591	-	84 591	197 398	281 989
Issue of shares	12	27 097 635	-	-	-	-	-	27 097 635	-	27 097 635
Business combinations and common control acquisitions	37	-	-56 824 377	-		-56 824 377	-	-56 824 377	-18 154 834	-74 979 211
Realisation of common control reserve	13	-	93 511 768	-		93 511 768	-93 511 768	-	-	-
Disposal of subsidiaries	38	-	-	-	-	-		-	2 042 898	2 042 898
Purchase of non-controlling interest	14	-	-	-	-	-	-19 575 465	-19 575 465	19 575 465	-
Balance at 31 March 2017		**145 169 140**	**-**	**-398 375**	**-**	**-398 375**	**-37 785 228**	**106 985 537**	**-11 428 696**	**95 556 840**
Notes		12	13	13	13				14	

Company

Figures in Rand	Note	Share capital	Accumu-lated (loss)	Total equity
Balance at 1 January 2015		**118 071 505**	**-27 021 758**	**91 049 747**
Profit for the period		-	1 071 308	1 071 308
Balance at 31 December 2015		**118 071 505**	**-25 950 450**	**92 121 055**
Profit for the period		-	8 765 946	8 765 946
Issue of shares	12	27 097 635	-	27 097 635
Balance at 31 March 2017		**145 169 140**	**-17 184 504**	**127 984 636**
Notes		12		

Consolidated statement of cash flows

For the period ended 31 March 2017

Figures in Rand	Notes	Group		Company	
		31 Mar 2017	31 Dec 2015	31 Mar 2017	31 Dec 2015
Cash flow from operating activities					
Cash generated by / (used in) operations	30	177 263 029	20 340 388	-33 850 712	-19 939 782
Investment revenue		-	388 128	128 440 732	31 473 426
Finance costs		-106 731 684	-18 504 199	-62 561 747	-13 254 231
Dividends received		-	-	6 850 000	9 000 000
Taxation paid	31	-25 234 074	-1 221 914	-14 496 226	-149
Net cash from operating activities		**45 297 271**	**1 002 403**	**24 382 047**	**7 279 264**
Cash flow from investing activities					
Purchase of property, plant and equipment	3	-5 513 162	-2 618 577	-	-
Sale of property plant and equipment		1 261 212	285 363	-	94 523
Investment in intangible assets	4	-187 312	-4 290 146	-	-
Investment in subsidiaries	5	-	-	-2 869 607	-706 950
Loans advanced to group companies		-	-	-553 912 574	-224 282 389
Investment in associates	23	-	-1 033 500	-	-1 033 500
Proceeds on sale of investment in subsidiary	38	-	450 000	-	-
Cash and cash equivalents disposed of	38	-24 994 040	2 039 606	-	-
Proceeds on disposal of associate	23	-	5 250 000	-	5 250 000
Other financial assets - advances		-797 841 554	-443 637 567	-	-
Proceeds from other financial assets (business finance advances)		133 063 547	191 109 881	-	2 866 124
Business combinations	37	10 233 335	600 148	-	-
Net cash from investing activities		**- 683 977 975**	**-251 844 792**	**-556 782 182**	**-217 812 192**
Cash flow from financing activities					
Proceeds on preference share issues		579 442 268	247 511 197	517 824 514	210 088 407
Other financial liabilities raised		77 154 459	25 632 736	-	-
Repayment of other financial liabilities		-18 899 037	-4 495 586	-	-
Proceeds on rights offer	12	19 465 302	-	19 465 302	-
Odd lot offer share buy back	12	-111 537	-	-111 537	-
Acquisition of non-controlling interest	14	-1	-404 730	-1	-404 730
Net cash from financing activities		**657 051 454**	**268 243 617**	**537 178 278**	**209 683 677**
Total cash movement for the period		**18 370 750**	**17 401 228**	**4 778 143**	**-849 251**
Effect of exchange rate movement on cash balances		-1 631 200	-711 089	-	-
Cash at the beginning of the period		9 740 855	-6 949 284	3 803	853 054
Total cash at the end of the period	11	**26 480 405**	**9 740 855**	**4 781 946**	**3 803**

Accounting policies

For the period ended 31 March 2017

Presentation of annual financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB'), the Financial Reporting Guides as issued by the South African Institute of Chartered Accountants' ('SAICA') Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act of South Africa 2008, as amended.

The financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rand.

These accounting policies are consistent with the previous period.

Consolidation

Investments in subsidiaries

Company annual financial statements

In the company's separate annual financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

Basis of consolidation

The consolidated financial statements incorporate the annual financial statements of the company and all investees that are controlled by the company ("group").

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

The group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the group has less than a majority of the voting rights of an investee, it considers all relevant facts and circumstances in assessing whether or not the group's voting rights in an investee are sufficient to give it power.

Consolidation procedures

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal. Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for the non-controlling interest.

Transactions that result in changes in ownership levels - where the group has control of the subsidiary both before and after the transaction - are regarded as equity transactions and are recognised directly in the statement of changes in equity. The carrying amounts of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such

Accounting **policies** (continued)

transactions is recognised in equity attributable to the owners of the parent.

When the group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:
(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

When a change in the group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary, including any goodwill, are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings, if required by a specific standard.

Any retained interest in the entity is remeasured at fair value. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

Business combinations – no common control

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity that are recognised within equity.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are generally recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If a gain on bargain purchase arises, the application of IFRS 3 is reassessed. Thereafter the excess is recognised immediately in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

Business combinations involving entities under common control

Business combinations involving entities under common control comprise business combinations where both entities remain under the ultimate control of the holding company before and after the combination, and that control is not transitory.

The group applies merger accounting for all its common control transactions from the date that it obtains control. In terms of this:

- the assets and liabilities of the acquiree are recorded at their existing carrying amounts (not fair value);
- if necessary, adjustments are made to achieve uniform accounting policies);
- intangible assets and contingent liabilities are recognised only to the extent that they were recognised by the acquiree in accordance with applicable IFRS;
- no goodwill is recognised. Any difference between the acquirer's cost of investment and the acquiree's equity is presented separately directly in equity as a common control reserve (CCR) on consolidation;
- any non-controlling interest is measured as a proportionate share of the carrying amounts of the related assets and liabilities (as adjusted to achieve uniform accounting policies); and
- any expenses of the combination are written off immediately in profit or loss, except for the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are recognised within equity.

When control is lost, resulting in the common control of entities, the balance of CCR recognised in respect of that acquisition is realised directly to retained earnings on the effective date when control is lost.

Investment in associates

Associates are those entities over which the group has significant influence, but no control or joint control, over the financial and operating policies.

In the separate company financial statements, investments in associates are recognised initially at cost. The cost of the investment includes transaction costs. Subsequently, the investments are measured at cost less any accumulated impairment, if any.

The group's investments in associates are accounted for using the equity method of accounting.

The consolidated financial statements include the group's share of the profit or loss and other comprehensive income, after adjustments to align the accounting policies with those of the group, from the date that significant influence commences until the date that significant influence ceases.

Accounting **policies** (continued)

On acquisition of the investment in the associate, any excess of the cost of the investment over the group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

When a group entity transacts with an associate of the group, profits and losses resulting from the transactions with the associate are recognised in the group's consolidated financial statements only to the extent of interests in the associate that are not related to the group.

When the group's share of losses exceeds the carrying amount of the associate, including any long-term investments, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the group has an obligation or has made a payment on behalf of the associate.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. Goodwill is not amortised but is tested at least annually for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

For the purposes of impairment testing, goodwill is allocated to each of the group's cash-generating units (or groups of cash-generating units) that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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

Property, plant and equipment

Property, plant and equipment are 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 them, except to the extent that they represent day to day repair costs. 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 are carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value. 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.

Accounting **policies** (continued)

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

Item	Depreciation method	Average useful life
Plant and machinery	Straight line	3 to 8 years
Furniture and fixtures	Straight line	5 to 7 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 to 4 years
Leasehold improvements	Straight line	1 to 5 years

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. This is calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Intangible assets

Intangible assets are initially recognised at cost. Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are accounted for on the same basis as intangible assets that are acquired separately.

Intangible assets – all

Intangible assets with an indefinite useful life are not amortised. Instead, they are tested for impairment annually and whenever there is an indication that the asset may be impaired. If the useful asset is subsequently assessed as having a finite life, it is tested for impairment and the remaining carrying amount is amortised over its useful life.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for as a change in accounting estimate.

The useful lives are as follows:

Item	Useful life
Computer software	5 - 6 years
Payroll deduction code	Indefinite
Banking license	Indefinite
Asset management license	Indefinite
Goodwill	Indefinite

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments. The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value. For financial instruments that are not classified as at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument. Transaction costs on financial instruments at fair value through profit or loss are recognised immediately in profit or loss.

Classification

The group has classified its financial instruments as follows:

Financial assets classified as loans and receivables at amortised cost:

- Other financial assets (excluding those designated as at fair value)
- Loans to group companies
- Trade and other receivables
- Cash and cash equivalents

Financial instruments designated at fair value through profit or loss:

- Acquired debt collection books are classified as financial instruments as they comprise a contractual right to receive cash or another financial asset.
- Listed equities acquired in the current financial period.

Financial liabilities classified as at amortised cost:

- Preference shares
- Other financial liabilities
- Loans from group companies
- Trade and other payables
- Bank overdraft

Accounting **policies** (continued)

Classification as debt or equity

Preference shares, which are mandatorily redeemable on a specific date and which have a compulsory coupon, are classified as liabilities. Directly attributable transaction cost are capitalised on initial recognition and amortised over the period of the product using the effective interest method.

The dividends on these preference shares are recognised in profit or loss as interest expense.

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 method. Financial assets are reduced by accumulated impairment losses, if any.

Financial liabilities (including borrowings and trade and other payables) 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 substantially transferred all risks and rewards of ownership.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, are recognised in profit or loss.

Financial liabilities are derecognised when the obligation is discharged or cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment of financial assets

At each reporting date the group assesses all financial assets measured at amortised cost to determine whether there is objective evidence of impairment, for example significant financial difficulties of the debtor, probability that the debtor will enter insolvency and default of payments, increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Significant financial assets are assessed individually. Those where there is no objective evidence of impairment are assessed for impairment again but on a collective basis.

Impairment losses are recognised in profit or loss. The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and employee benefit loan books, where the carrying amount is reduced through the use of an allowance account.

Where financial assets are impaired through the use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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

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. Cash and cash equivalents are initially measured at fair value and subsequently at amortised cost.

Bank overdraft and borrowings

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

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. Ordinary shares are classified as equity. Mandatorily redeemable preference shares with stated coupons are classified as liabilities.

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

Any incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Accounting **policies** (continued)

Tax

Current tax assets and liabilities

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated income statement due to items of income or expense that are taxable or deductible in different periods and items that are never taxable or deductible.

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

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

Deferred tax assets and liabilities

Deferred tax is recognised for all temporary differences, except to the extent that the deferred tax 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) and is not part of a business combination. Further to this deferred tax is not recognised on the initial recognition of goodwill and a deferred tax asset is only recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax is not recognised on temporary differences associated with investments in subsidiaries and associates, where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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 business combination, or
- a transaction or event that is recognised, in the same or a different period, in other comprehensive income or directly in equity.

Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability and is not discounted.

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

Inventories

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

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

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories with a similar nature and use to the group.

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

Impairment of non-financial assets

Frequency of testing

At the end of each reporting period, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication of impairment. When it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Accounting **policies** (continued)

Calculating impairment
When an impairment calculation is performed, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised immediately in profit or loss.

If there is an indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased, the recoverable amounts of those assets are estimated. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, provided that the increased carrying amount does not exceed the carrying amount that would have been determined had no previous impairment loss been recognised for the asset (or cash-generating unit). A reversal of an impairment loss is recognised immediately in profit or loss.

Impairment of associates
The entire carrying amount of the investment in an associate (including goodwill) is tested for impairment in accordance with IAS 36 - Impairment of Assets, as a single asset or as a cash-generating unit by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

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

When the group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the group will retain a non-controlling interest in its former subsidiary after the sale.

When the group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the group discontinues the use of the equity method in relation to the portion that is classified a held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method. The group discontinues the use of the equity method at the time of disposal when the disposal results in the group losing significant influence over the associate.

Measurement
Non-current assets held for sale (or disposal group) are measured at the lower of the carrying amount and fair value less costs to sell. A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

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

Presentation – discontinued operations
The group has chosen to present and disclose information to enable users of the financial statements to evaluate the financial effects of discontinued operations and disposals of non-current assets (or disposal groups), through the re-allocation of specific inter group transactions and balances to 'Continuing-' and 'Discontinuing operations', in order to show the impact of on the financial performance and position post the transactions.

No longer held for sale
If the group has classified an asset (or disposal group) as held for sale but the criteria above are no longer met, the group no longer classifies the asset (or disposal group) as held for sale. Instead it measures the non-current asset that ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) at the lower of:
- its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation or amortisation that would have been recognised had the asset (or disposal group) not been classified as held for sale, and
- its recoverable amount at the date of the subsequent decision not to sell.

After the disposal takes place, the group accounts for any retained interest in the associate in accordance with IAS 39 unless the retained interest continues to be an associate, in which case the group uses the equity method (see the accounting policy regarding investments in associates above).

Employee benefits

Short-term employee benefits
The costs of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care) are recognised in the period in which the service is rendered and are not discounted.

Accounting **policies** (continued)

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Revenue

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

The group's revenue consists of:

i. Interest revenue
ii. Administration fees
    a. Origination fees on loans measured at amortised cost
    b. Monthly servicing / administration fees
iii. Insurance
iv. Fees for managerial and administration services
v. Stem cell processing and storage fees
vi. Sale of goods
vii. Rendering of services
viii. Collection fees and collections of acquired debt
ix. Investment revenue
    a. Interest
    b. Dividends

Revenue recognition

i. Interest revenue

Interest income earned on trading advances is recognised as revenue, on a time apportioned method taking into account the effective yield on assets.

ii. Administration fees

Administration fees charged consist of two components:

a) Origination fees on loans measured at amortised cost

These fees are charged upfront, are capitalised into the loan, and are primarily based on the cost of granting the loan to the individual. In accordance with IAS 18 - Revenue, these origination fees are considered an integral part of the loan agreement and therefore recognised as an integral part of the effective interest rate. They are accounted for over the shorter of the original contractual term and the actual term of the loan using the effective interest rate method. The deferred portion of the fees is recorded in the statement of financial position as a provision for deferred administration fees.

b) Monthly servicing fees / administration fees

These are fees that relate to payment plan debtors and are charged to customers on a monthly basis. They form an integral part of the effective interest rate. These fees are recognised as part of the effective interest rate over the shorter of the original contractual term and the actual term of the loans and receivables. Beyond the original contractual term of the loan, the fee is recognised in profit or loss as it is charged to the customer on a monthly basis.

While both these components are regarded as integral parts of the effective interest rate, they are not accounted for as interest income, but rather as non-interest income.

iii. Insurance

These charges are levied to clients on a monthly basis for the insurance cover taken out on the loan subscriptions. These fees are not capitalised to the loan, as the fees are paid over to the insurer / underwriter on behalf of the client.

iv. Fees for managerial and administration services

The group provides various administrative and management services to entities. For these services, revenue is recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific management services provided and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

v. Stem cell processing and storage fees

The group provides facilities that allow for the cryogenic preservation and storage of umbilical cord stem cells. The group charges a fee for the processing and storage of these cells. Revenue related to these fees is recognised in the accounting period in which the services are rendered, with reference to the stage of completion of the storage term at the end of the reporting date. Processing fees are therefore recognised once the cells have been prepared and analysed for storage.

vi. Sale of goods

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.

vii. Rendering of services

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.

Accounting **policies** (continued)

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

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.

viii. Collection fees and collections of acquired debt

The group provides specialised collection services relating to debtors of certain corporates. Revenue related to collections and commissions is recognised in the accounting period in which the services are rendered. The collections revenue recognised on the collection of acquired debt is recognised on receipt of the debts.

ix. Investment revenue

a) Interest
Interest income earned on investment advances is recognised as revenue, on a time apportioned method taking into account the effective yield on assets. Other interest is recognised, in profit or loss, using the effective interest rate method.

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

Foreign currencies

Functional and presentation currency

The consolidated financial statements are presented in Rand which is the group's functional and presentation currency.

Items included in the financial statements of each entity within the group are measured using the currency of the primary economic environment in which the entity operates (functional currency).

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in the functional currency, by converting it using 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 financial statements, are recognised in profit or loss in the period in which they arise.

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

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

Investments in foreign subsidiaries

The results and financial position of a foreign operation are translated into Rand using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised in other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are initially recognised in other comprehensive income and accumulated in the translation reserve.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

On the disposal of a foreign operation all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the company are reclassified to profit or loss.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred. No borrowing costs have been capitalised because the group does not have any qualifying assets.

Accounting **policies** (continued)

Share-based payment transactions of the group

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed immediately because there is no vesting period.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Earnings per share

The group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributed to ordinary shareholders and the weighted average number of ordinary shares outstanding.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Impairment provisions of other financial assets and trade and other receivables

The group assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables and loans and receivables is calculated on an individual basis if the debtor is significant, otherwise it is calculated on a portfolio basis. It is 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.

Refer to note 10 where the significant estimates are disclosed.

Deferred tax

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

Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Refer to notes 6 and 26 where the significant judgements and estimates are disclosed.

Control over entities where voting rights are 50% or less

Judgement is required in determining whether the group has control over the investments where only 50% or less of the voting rights are held.

Refer to note 5 where the significant judgements are disclosed.

Accounting **policies** (continued)

New standards and interpretations

Standards and interpretations not yet effective

Standard or interpretation	Detail	Effective date
IAS 7 (amendment)	**Statement of cash flows** The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities; namely (i) changes from financing cash flows, (ii) changes arising from obtaining or losing control of subsidiaries or other businesses, (iii) the effect of changes in foreign exchange rates, (iv) changes in fair values, and (v) other changes. *The amendments will be applied prospectively and will not have a material impact on the group's financial statements.*	Annual periods beginning on or after 1 January 2017.
IAS 12 (amendment)	**Income taxes** The amendments clarify that unrealised losses on debt instruments measured at fair value in the financial statements and at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use. It further clarifies that; (i) the carrying amount of an asset does not limit the estimation of probable future taxable profits, (ii) estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences, and (iii) an entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type. *The amendments will be applied retrospectively; however, an entity may recognise the change in the opening retained earnings of the earliest comparative period presented. The amendment will not have a material impact on the group's financial statements.*	Annual periods beginning on or after 1 January 2017.
IAS 27 (amendment)	**Separate financial statements** The amendment allows entities to account for investments in subsidiaries, joint ventures and associates in their separate financial statements at cost, in accordance with IFRS 9, or using the equity method. *The revised standard will be applied retrospectively and will not have a material impact on the group's financial statements.*	Annual periods beginning on or after 1 January 2017.
IAS 28 (amendment)	**Investment in associates and joint ventures** Annual improvements 2014-2016 cycle: The amendment clarifies whether an entity has an investment-by-investment choice for measuring investees at fair value in accordance with IAS 28 by a venture capital organisation, or a mutual fund, unit trust or similar entities including investment linked insurance funds. *The amendment will be applied retrospectively and will not have a material impact on the group's financial statements.*	Annual periods beginning on or after 1 January 2018.

Accounting **policies** (continued)

Standard or interpretation	**Detail**	**Effective date**
IFRS 2 Share-based payment (amendments)	**Effects of vesting conditions on the measurement of a cash-settled share-based payment** The amendment provides requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions with a net settlement feature for withholding tax obligations and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. *The amendment will be applied retrospectively and will not have a material impact on the group's financial statements. The group historically has not had any cash-settled share-based payments.*	Annual periods beginning on or after 1 January 2018.
IFRS 5 (amendment)	**Non-current assets held for sale** The amendment clarifies that when an asset is reclassified from 'held for sale' to 'held for distribution' or vice versa this does not result in a change to a plan of sale. It further expands on guidance that a change to a plan of sale should be applied to an asset that ceases to be held for sale but is not reclassified as held for distribution. *The revised standard will be applied prospectively and will not have a material impact on the group's financial statements.*	Annual periods beginning on or after 1 January 2016.
IFRS 9 (new)	**Financial instruments** The standard requires financial assets to be measured either at amortised cost or fair value depending on the business model under which they are held and the cash flow characteristics of the instrument. The standard contains new hedge accounting requirements aimed at better aligning the accounting treatment with the risk management strategy. In addition, the standard replaces the incurred loss impairment model in IAS 39 with an expected loss model. It will no longer be necessary for a credit event to have occurred before credit losses are recognised. *The revised standard will be applied retrospectively and will not have a material impact on the group's financial statements.*	Annual periods beginning on or after 1 January 2018.

Accounting **policies** (continued)

Standard or interpretation	Detail	Effective date
IFRS 9 with IFRS 4 (amendment)	The amendments address the reservations for issuing the IFRS 9 and IFRS 4 on different effective dates as there would be accounting mismatch and volatility that will arise in profit or loss if IFRS 9 is applied before the new insurance contract. Two approaches were included in the amended IFRS 4 to address issues raised by interested parties which are: ▪ The overlay approach. With this approach, entities will reclassify from profit or loss a certain portion of income and expenses to OCI for financial assets measured at fair value through profit or loss through application of IFRS 9. These financial assets classified at fair value through profit or loss should not be instruments that would have been classified as such under IAS 39 and the financial assets should relate to contracts that fall within the scope of IFRS 4. ▪ Temporary exemption approach. With this approach, entities whose activities are predominantly issuing insurance contracts and have never applied any version of IFRS 9 will be exempted from applying IFRS 9 up until the earlier of 1 January 2021 and the adoption of the new IFRS 4 standard. *The amendments will be applied retrospectively and will not have a material impact on the group's financial statements.*	Annual periods beginning on or after 1 January 2018.
IFRS 10, IFRS 12 and IAS 28 (amendments)	Consolidate financial statements and investments in associates **Applying the consolidation exemption** The amendment clarifies that the exemption from preparing consolidated financial statements is available to intermediate parent entities which are subsidiaries of investment entities. **Subsidiaries which act as an extension of an investment entity** The amendment clarifies that an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities. **Equity accounting for investments in associates and joint ventures** The amendment allows entities which are not investment entities, but have an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entities may choose to retain the fair value measurement applied by the investment entities or to perform a consolidation at the level of the investment entities. **Sale or contribution of assets between an investor and its associate or joint venture** The amendment clarifies the treatment of the sale or contribution of assets from an investor to its associate or joint venture by requiring (a) full recognition of gains and losses arising on the sale or contribution of assets that constitute a business, and (b) partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interests in that associate or joint venture. *The revised standard will be applied prospectively and will not have a material impact on the group's financial statements.*	Annual periods beginning on or after 1 January 2016. Effective date is yet to be determined.

Accounting **policies** (continued)

Standard or interpretation	Detail	Effective date
IFRS 12 (amendment)	**Disclosure of interests in other entities** Annual improvements cycle 2014-2016: The amendment clarifies the scope of IFRS 12, that is, whether if the disclosures for IFRS 12 should also be made to an entity's interest in an entity classified as held for sale. The IASB concluded that the disclosures should also apply to interests that are classified as held for sale or discontinued operations. *The amendment will be applied retrospectively and will not have a material impact on the group's financial statements.*	Annual periods beginning on or after 1 January 2017
IFRS 15 (new)	**Revenue From contracts with customers** The IFRS replaces IAS 18 Revenue and provides a single, principles based five-step model to be applied to all contracts with customers. The steps involve identifying the contract, identifying the performance obligations under the contract, determining the transaction price, allocating the transaction price to the performance obligations in the contract, and recognising revenue when the entity satisfies a performance obligation. **Clarification to IFRS 15 revenue from contracts with customers:** The amendment does not change the underlying principles of IFRS 15 but it provides clarity as to how to apply those principles. The amendments clarify how to identify a performance obligation in a contract, determine whether a company is a principal or an agent; and determine whether the revenue from granting a licence should be recognised at a point in time or over time. The amendments also provide reliefs to reduce cost and complexity for a company when it first applies the new standard. *The amendment will be applied retrospectively and will not have a material impact on the group's financial statements based on the group's assessment of the underlying principles on the continuing operations of the group.*	Annual periods beginning on or after 1 January 2018. Annual periods beginning on or after 1 January 2018.
IFRS 16 (new)	**Leases** The new standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance leases. *The new standard could have an impact on the group's financial statements and may be applied with full retrospective effect or under a modified retrospective approach. Early adoption is permitted. The current operating lease agreements of the group are not deemed to be material and would therefore not result in a material impact.*	Annual periods beginning on or after 1 January 2019.

Notes to the Consolidated **Financial Statements**

For the period ended 31 March 2017

3. Property, plant and equipment

	2017			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Group						
Land and buildings	1 380 068	-	1 380 068	1 380 068	-	1 380 068
Plant and machinery	4 886 569	-1 957 110	2 929 460	4 241 556	-1 441 302	2 800 254
Leasehold improvements	2 082 360	-797 927	1 284 433	2 709 924	-944 658	1 765 266
Information technology equipment	2 123 258	-1 431 364	691 894	1 591 721	-715 627	876 094
Furniture and fixtures	651 345	-499 055	152 290	1 156 180	-592 309	563 871
Motor vehicles	973 421	-663 568	309 853	1 624 126	-558 739	1 065 387
Office equipment	142 574	-80 202	62 372	79 556	-55 944	23 612
Total	**12 239 596**	**-5 429 225**	**6 810 370**	**12 783 131**	**-4 308 579**	**8 474 552**

Group – Reconciliation of property, plant and equipment

	Opening balance	Business combinations	Additions	Disposals	Disposals through sale of investment in subsidiary	Depreciation	Transfer to non-current assets held for sale	Foreign exchange movements	Total
2017									
Land and buildings	1 380 068	-	-	-	-	-	-	-	1 380 068
Plant and machinery	2 800 256	-	645 013	-	-	-502 951	-	-12 858	2 929 460
Leasehold improvements	1 765 265	-	2 669 770	-1 054 797	-28 424	-1 152 372	-954 954	39 945	1 284 433
Information technology equipment	876 093	903 402	539 156	-118 392	-55 131	-943 290	-504 607	-5 337	691 894
Furniture and fixtures	563 871	91 944	435 327	-372 074	-77 417	-202 504	-297 876	11 018	152 290
Motor vehicles	1 065 387	-	644 190	-92 262	-38 250	-331 461	-892 309	-45 442	309 853
Office equipment	23 612	32 444	579 705	-	-	-119 979	-378 728	-74 682	62 373
Total	**8 474 552**	**1 027 790**	**5 513 162**	**-1 637 524**	**-199 222**	**-3 252 557**	**-3 028 474**	**-87 356**	**6 810 370**
Notes		37			38	21	28		

Notes to the Consolidated **Financial Statements**

For the period ended 31 March 2017

3. Property, plant and equipment (continued)

The group calculates depreciation on assets after taking account of the residual values of the underlying assets. The current residual value of the land and buildings exceeded the cost and hence no depreciation charge was recognised for the current or previous financial period. The residual values are reviewed annually.

2015	Opening balance	Business combinations	Additions	Disposals	Disposals through sale of investment in subsidiary	Depreciation	Foreign exchange movements	Total
Land and buildings	-	1 380 068	-	-	-	-	-	1 380 068
Plant and machinery	2 676 266	-	493 419	-	-	-369 429	-	2 800 256
Leasehold improvements	1 847 768	-	338 523	-	-	-437 842	16 816	1 765 265
Information technology equipment	560 033	5 365	708 108	-3 955	-32 923	-377 677	17 142	876 093
Furniture and fixtures	231 443	984	434 246	-	-30 191	-98 971	26 360	563 871
Motor vehicles	787 875	211 215	638 700	-308 316	-62 163	-249 847	47 923	1 065 387
Office equipment	30 333	2 449	5 581	-466	-	-14 285	-	23 612
Total	**6 133 718**	**1 600 081**	**2 618 577**	**-312 737**	**-125 277**	**-1 548 051**	**108 241**	**8 474 552**
Notes		37			38	21		

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.
The group had no outstanding contractual commitments to acquire additional items of property, plant and equipment at the end of the respective reporting periods.
The group had no assets subject to finance lease agreements at the end of the respective reporting periods.
The following assets were encumbered by other financial liabilities, as described in note 16.

- Land and buildings (in favour of Standard Bank) with a carrying value of R1 380 068.

Notes to the Consolidated Financial Statements

For the period ended 31 March 2017

4. Intangible assets and goodwill

	2017			2015		
Group	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Payroll deduction code	-	-	-	275 321	-	275 321
Computer software	3 583 256	-1 563 785	2 019 471	-	-	-
Banking license	-	-	-	4 290 146	-	4 290 146
Goodwill	3 991 750	-	3 991 750	3 991 750	-	3 991 750
Total	**7 575 006**	**-1 563 785**	**6 011 221**	**8 557 217**	**-**	**8 557 217**

Group – Reconciliation of intangible assets

2017	Opening balance	Additions	Business combinations	Disposal	Transfer to non-current assets held for sale	Amortisation	Foreign exchange movements	Total
Payroll deduction code	275 321	-	-	-275 321	-	-	-	-
Computer software	-	187 312	2 570 990	-	-	-738 831	-	2 019 471
Asset management license	-	-	9 255 232	-	-9 255 232	-	-	-
Banking license	4 290 146	-	-	-	-4 210 800	-	-79 346	-
Goodwill	3 991 750	-	-	-	-	-	-	3 991 750
Total	**8 557 217**	**187 312**	**11 826 222**	**-275 321**	**-13 466 032**	**-738 831**	**-79 346**	**6 011 221**
Notes			37		28	21		

Notes to the Consolidated Financial Statements

For the period ended 31 March 2017

4. Intangible assets and goodwill (continued)

2015	Opening balance	Additions	Business combina-tions	Impair-ments	Total
Development costs	706 512	-	-	-706 512	-
Payroll deduction code	275 321	-	-	-	275 321
Computer software	150 000	-	-	-150 000	-
Banking license	-	4 290 146	-	-	4 290 146
Goodwill	-	-	3 991 750	-	3 991 750
Total	**1 131 833**	**4 290 146**	**3 991 750**	**-856 512**	**8 557 217**
Notes			37	21	

Annual impairment tests

The group assesses all intangible assets with an indefinite useful life on an annual basis. The recoverable amounts of the cash generating units ("CGUs") related to intangible assets are determined from value in use calculations, which are higher than the fair value less cost to sell. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on historical information and expectations of future changes in the market.

Computer software

The group acquired a controlling interest in Return on Innovation (Pty) Ltd on 1 March 2016. ROI has intangible assets (development costs), which consists of the integration, printing, and broadcasting software, in order to accommodate the South African market.

Computer software are amortised over a period ranging from 52 to 65 months.

Payroll deduction code

Ecsponent's employee benefit operations acquired Ligagu Investments (Pty) Ltd, a company incorporated in Swaziland. The company holds a deduction code, i.e. approval from the Swaziland government to deduct loan repayments from governmental employees' salaries. This allows the employee benefit operations to secure loan repayments to Swaziland governmental employees payroll.

During the current financial period the group disposed of its interest in the payroll deduction code through the disposal of its investment in Ligagu Investments (Pty) Ltd on 30 June 2016.

Banking license

Ecsponent's financial service operations acquired a deposit taking banking license in Zambia through its operation Ecsponent Financial Services (Pty) Ltd (Zambia). This allows the financial services operation in Zambia to raise capital in the local market through competitive products in sustaining future growth in micro finance lending and enterprise development.

The banking license is not amortised as is deemed to have an indefinite useful life. The useful life was reviewed at the end of the reporting period and management is confident that the license will remain available on an indefinite basis to the business.

During the financial period the group assessed the recoverable amount through the annual impairment assessment. The assessment determined that the banking license cost allocated to the financial services cash generating unit was not impaired and consequently no impairment was recognised. The group entered into an agreement which will result in the loss of control of its wholly owned subsidiary, Ecsponent Financial Services Limited (Zambia). At period end the agreement was not yet effective and all assets and liabilities of the disposal group have been classified as 'held for sale'. Refer to notes 28 and 33 for more detail.

Goodwill

Ecsponent Ltd acquired a 100% interest in Ecsponent Procurement Services (Pty) Ltd (formerly Quilibet Trading (Pty) Ltd), a supplier of engineering goods and services, effective 1 March 2015. The transaction was a strategic purchase to unlock opportunities for secured funding to select financial service companies and credit to small, medium and micro enterprises and providing specific goods and services required by relevant vendors. The transaction yielded a goodwill element of R4 million. For further details please refer to note 35.

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination.

The goodwill is not amortised as is deemed to have an indefinite useful life.

Notes to the Consolidated **Financial Statements**

For the period ended 31 March 2017

4. Intangible assets and goodwill (continued)

During the financial period the group assessed the recoverable amount through the annual impairment assessment. The assessment determined that the goodwill allocated to the cash generating unit was not impaired and consequently no impairment was recognised.

Goodwill was tested for impairment by using value in use because it is higher than the fair value less cost to sell. Cash flow forecasts are derived from the most recent financial budgets of Ecsponent Procurement Services (Pty) Ltd approved by management. The cash flows are forecast for the following five years based on an estimated and very conservative growth rate of 8%. This rate does not exceed the average long-term growth rate for the relevant markets. A pre-tax discount rate of 11% (2015: 11%) was used for the value in use calculation after the impact of the industry related risk.

The following key assumptions were included in the financial budgets to determine the future cash flows:

- Continued growth of budgeted sales volumes and services of a very conservative 8%;
- Continued growth in budgeted gross margins based on historical performance, of 10%;
- Maintaining the budgeted levels of overheads; and
- Growth of new business and enterprise development funding based on past experience of the market demand.

Asset management license

Ecsponent acquired 51% of the ordinary share capital of Clade, which wholly owns the shares of Exchange Trade Fund Ltd, effective 30 June 2016. It has category 2 and 2A investment licenses with the Financial Services Board, allowing the entity to offer a comprehensive range of hybrid investment solutions for investors. For further details please refer to note 35.

The asset management license is not amortised as it is deemed to have an indefinite useful life and therefore no amortisation was raised during the period since acquisition.

During the current financial period the group disposed of its interest in the asset management license through the disposal of its investment in Clade Investment Management (Pty) Ltd on 31 March 2017. Refer to note 38 for more detail.

The group had no outstanding contractual commitments to acquire additional items of intangible assets at the end of the respective reporting periods.

The group had no assets that were encumbered by other financial liabilities, as described in note 16.

Notes to the Consolidated **Financial Statements**

For the period ended 31 March 2017

5. Interest in subsidiaries

Subsidiary	Held by	Nature of business	Country of incorporation	% holding		Profit / (loss) for the period (#)	
				31-Mar-17	31-Dec-15	31-Mar-17	31-Dec-15
Ecsponent Credit Services (Pty) Ltd	Ecsponent Ltd (SA)	Financial services	South Africa	100,00%	100,00%	2 168 430	2 571 993
Ecsponent Financial Services (Pty) Ltd	Ecsponent Ltd (SA)	Financial services	South Africa	100,00%	100,00%	1 567 660	4 622 991
Ecsponent Holdings (Pty) Ltd (Botswana)	Ecsponent Ltd (SA)	Financial services	Botswana	0,00%	70,00%	-P3 663 555	-
Ecsponent Asset Management Ltd	Ecsponent Holdings (Pty) Ltd (Botswana)	Financial services	Botswana	0,00%	70,00%	-P4 050 291	-
Ecsponent Limited	Ecsponent Ltd (SA)	Financial services	Botswana	100,00%	70,00%	P1 525 643	P840 296
Sanceda Collections Botswana (Pty) Ltd	Ecsponent Ltd (Botswana)	Debt collection	Botswana	100,00%	70,00%	P473 322	-P492 809
Sure Choice (Pty) Ltd	Ecsponent Ltd (SA)	Financial services	Botswana	50,00%	50,00%	-P120 331	P1 420 990
Ecsponent Holdings (Pty) Ltd (Swaziland)	Ecsponent Ltd (SA)	Financial services	Swaziland	100,00%	100,00%	-4 303	-1 534
Ecsponent Limited	Ecsponent Holdings (Pty) Ltd (Swaziland)	Financial services	Swaziland	84,70%	84,70%	1 299 603	-8 853
Sanceda Collections Swaziland (Pty) Ltd	Sanceda Collections (Pty) Ltd	Debt collection	Swaziland	51,00%	51,00%	-2 642 380	-317 467
Ligagu Investments (Pty) Ltd trading as GetBucks Swaziland	Ecsponent Ltd (SA)	Financial services	Swaziland	0,00%	51,00%	1 568 588	1 142 274
Ecsponent Financial Services Ltd (Zambia)	Ecsponent Ltd (SA)	Financial services	Zambia	100,00%	100,00%	-ZMK3 553 097	-ZMK 811 032
Cryo-Save SA (Pty) Ltd	Ecsponent Ltd (SA)	Biotechnologies	South Africa	50,00%	50,00%	-4 338 160	-2 117 313
Cryo-Save Namibia (Pty) Ltd	Cryo-Save SA (Pty) Ltd	Biotechnologies	Namibia	100,00%	100,00%	12 123	-107 526
Salveo Swiss Technologies Limited	Ecsponent Ltd (SA)	Biotechnologies	South Africa	50,00%	50,00%	-2 194 474	-3 947 920
Lazaron Biotechnologies (Pty) Ltd	Ecsponent Ltd (SA)	Biotechnologies	South Africa	100,00%	100,00%	-42 719	60 609
Ecsponent Biotech (Pty) Ltd	Ecsponent Ltd (SA)	Biotechnologies	South Africa	100,00%	0,00%	-189 241	-
Vitasave (Pty) Ltd	Ecsponent Biotech (Pty) Ltd	Biotechnologies	South Africa	51,00%	0,00%	-7 092	-

Notes to the Consolidated **Financial Statements**

For the period ended 31 March 2017

5. Interest in subsidiaries (continued)

Subsidiary	Held by	Nature of business	Country of incorporation	% holding		Profit / (loss) for the period (#)	
				31-Mar-17	31-Dec-15	31-Mar-17	31-Dec-15
Sanceda Collections (Pty) Ltd	Ecsponent Ltd (SA)	Debt collection	South Africa	100,00%	100,00%	-41 572	1 801 566
Ecsponent Management Services Ltd (formerly Vinguard Ltd)	Ecsponent Ltd (SA)	Management services	South Africa	100,00%	100,00%	-160 973	23 505 104
Ecsponent Treasury Services (Pty) Ltd	Ecsponent Ltd (SA)	Treasury services	South Africa	100,00%	0,00%	-22 164 622	-
Ecsponent Development Fund (Pty) Ltd	Ecsponent Ltd (SA)	Financial Services	South Africa	100,00%	0,00%	48 747 140	-
Ecsponent Procurement Services (Pty) Ltd (formerly Quilibet Trading (Pty) Ltd)	Ecsponent Ltd (SA)	Engineering goods & service	South Africa	100,00%	100,00%	-1 975 495	976 271
Ecsponent Financial (Pty) Ltd	Ecsponent Ltd (SA)	Financial services	South Africa	100,00%	100,00%	-	-
Return on Innovation (Pty) Ltd	Ecsponent Ltd (SA)	Media monitoring	South Africa	51,00%	0,00%	-3 727 235	-
Clade Investment Management (Pty) Ltd	Ecsponent Ltd (SA)	Financial services	South Africa	0,00%	0,00%	-2 281 719	-
Exchange Traded Fund (Pty) Ltd	Clade Investment Management (Pty) Ltd	Financial services	South Africa	0,00%	0,00%	-	-

The individual subsidiary profit / (loss) as disclosed above is before the adjustment for group eliminations.

The company subsidiaries are incorporated in South Africa, Botswana, Swaziland, Namibia and Zambia, with the South African principal place of business being the Gauteng-based registered office of the holding company.

Notes to the Consolidated Financial Statements

For the period ended 31 March 2017

5. Interest in subsidiaries (continued)

Name of company	Country of incorporation	Principal place of business
Ecsponent Holdings (Pty) Ltd (Swaziland)	Swaziland	Mbabane
Ecsponent Limited (Swaziland)	Swaziland	Mbabane
Getbucks Swaziland (Pty) Ltd	Swaziland	Mbabane
Sanceda Collections Swaziland (Pty) Ltd	Swaziland	Mbabane
Ecsponent Holdings (Pty) Ltd (Botswana)	Botswana	Gaborone
Ecsponent Asset Management Ltd	Botswana	Gaborone
Ecsponent Limited (Botswana)	Botswana	Gaborone
Sure Choice (Pty) Ltd	Botswana	Gaborone
Sanceda Collections Botswana (Pty) Ltd	Botswana	Gaborone
Cryo-Save Namibia (Pty) Ltd	Namibia	Windhoek
Ecsponent Financial Services Ltd (Zambia)	Zambia	Lusaka

Acquisitions and disposals

The group concluded an agreement to acquire 51% of the issued share capital in a media monitoring operation, Return on Innovation (Pty) Ltd as part of its private equity investment portfolio, effective 1 March 2016.

Ecsponent Development Fund (Pty) Ltd (EDF), a subsidiary of the company, agreed to acquire the assets and liabilities constituting the 'business' conducted by Ecsponent Investment Holdings (Pty) Ltd as a going concern. The group concluded an agreement to acquire the business of the company, effective 30 June 2016.

Ecsponent acquired 51% of the ordinary share capital of Clade Investment Management (Pty) Ltd and its wholly owned subsidiary Exchange Traded Fund (Pty) Ltd, effective 30 June 2016. The group however concluded an agreement to dispose of its 51% interest in Clade as part of the group restructuring through a plan to exit the asset management operations. The agreement became effective on 31 March 2017.

During the current financial period the group registered two new companies which houses the biotechnology operations of Ecsponent Biotech and Vitasave respectively.

Ecsponent entered into an agreement to dispose of its 51% shareholding in Ligagu Investments, its subsidiary in Swaziland providing retail credit loans to individuals. The investment was effectively sold on 30 June 2016.

The group started its retail operations in Zambia through Ecsponent Financial Services Limited (Zambia) during the 2015 financial period, taking up 100% of the issued share capital for ZMK 500 000 (R706 950). During the current financial period, the group capitalised a further ZMK 2 000 000 (R2 868 607) as a result of the capital adequacy requirements of the deposit-taking license in Zambia.

Refer to note 37 for detailed additional information regarding the group acquisition transactions.

Subsidiaries where 50% or less than 50% voting powers are held

Cryo-Save SA (Pty) Ltd and its wholly owned subsidiary Cryo-Save Namibia (Pty) Ltd

The company holds 50% of the voting powers in Cryo-Save SA (Pty) Ltd ("Cryo-Save SA") which in turn holds 100% of the voting powers in Cryo-Save Namibia (Pty) Ltd.

The investment in Cryo-Save SA is considered a subsidiary because the company is exposed, or has rights, to variable returns from its involvement with Cryo-Save SA and has the ability to affect those returns through its power over Cryo-Save SA. The management team reports directly into the Ecsponent group executive structure for strategic guidance and assistance and the group has provided disproportionate financing to this subsidiary.

Salveo Swiss Technologies Ltd

The company holds 50% of the voting powers in Salveo Swiss Technologies Ltd ("Salveo"). The investment in Salveo is considered a subsidiary because the company is exposed, or has rights, to variable returns from its involvement with Salveo and has the ability to affect those returns through its power over Salveo. The management team reports directly into the Ecsponent group executive structure for strategic guidance and assistance and the group has provided disproportionate financing to this subsidiary.

Sure Choice (Pty) Ltd

The company holds 50% of the voting powers in Sure Choice (Pty) Ltd ("SC"). The investment in SC is considered a subsidiary because the company is exposed, or has rights, to variable returns from its involvement with SC and has the ability to affect those returns through its power over SC. The management team reports directly into the Ecsponent group executive structure for strategic guidance and assistance and the group has provided disproportionate financing to this subsidiary.

Notes to the Consolidated Financial Statements

For the period ended 31 March 2017

5. Interest in subsidiaries (continued)

Subsidiaries pledged as security
At 31 March 2017 and up to the date of the report none of the subsidiaries have been pledged as security.

There are no significant restrictions to the group in respect of the ability to access assets & liabilities of the subsidiaries.

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

Subsidiary	Held by	% holding 31-Mar-17	% holding 31-Dec-15	Carrying value 31-Mar-17	Carrying value 31-Dec-15
Ecsponent Credit Services (Pty) Ltd	Ecsponent Ltd (SA)	100,00%	100,00%	100	100
Ecsponent Financial Services (Pty) Ltd	Ecsponent Ltd (SA)	100,00%	100,00%	15 000 000	15 000 000
Ecsponent Holdings (Pty) Ltd (Botswana)	Ecsponent Ltd (SA)	0,00%	70,00%	-	100
Ecsponent Limited (Botswana)	Ecsponent Ltd (SA)	100,00%	70,00%	5 000 000	5 000 000
Ecsponent Holdings (Pty) Ltd (Swaziland)	Ecsponent Ltd (SA)	100,00%	100,00%	700	700
Ligagu Investments (Pty) Ltd trading as Getbucks Swaziland	Ecsponent Ltd (SA)	0,00%	51,00%	-	281 786
Ecsponent Financial Services Ltd (Zambia)	Ecsponent Ltd (SA)	100,00%	100,00%	3 575 557	706 950
Cryo-Save SA (Pty) Ltd	Ecsponent Ltd (SA)	50,00%	50,00%	2 151 995	2 151 995
Salveo Swiss Technologies Limited	Ecsponent Ltd (SA)	50,00%	50,00%	4 838 067	4 838 067
Lazaron Biotechnologies (Pty) Ltd	Ecsponent Ltd (SA)	100,00%	100,00%	1 500	1 500
Sanceda Collections (Pty) Ltd	Ecsponent Ltd (SA)	100,00%	100,00%	1 000	1 000
Ecsponent Management Services Ltd (formerly Vinguard Ltd)	Ecsponent Ltd (SA)	100,00%	100,00%	805 241	805 241
Ecsponent Procurement Services (Pty) Ltd (formerly Quilibet Trading (Pty) Ltd)	Ecsponent Ltd (SA)	100,00%	100,00%	5 100 000	5 100 000
Return on Innovation (Pty) Ltd	Ecsponent Ltd (SA)	51,00%	0,00%	1 500 000	-
Ecsponent Treasury Services (Pty) Ltd	Ecsponent Ltd (SA)	100,00%	0,00%	1 000	-
Ecsponent Financial (Pty) Ltd	Ecsponent Ltd (SA)	100,00%	100,00%	1 570	1 570
				37 976 730	**33 889 009**
Impairment of investment in subsidiary				-973 928	-974 028
Investment transferred to non-current asset held for sale			28	-3 575 557	-
				33 427 245	**32 914 981**

Notes to the Consolidated Financial Statements

For the period ended 31 March 2017

5. Interest in subsidiaries (continued)

The investment transferred to non-current assets held for sale relates to the investment held in Ecsponent Financial Services Ltd (Zambia).
For more detail refer to note 28.

Subsidiary	Held by	% holding		Carrying value	
		31-Mar-17	31-Dec-15	31-Mar-17	31-Dec-15
The impairment provision consist of the following:					
Cryo-Save SA (Pty) Ltd				-946 947	-946 947
Ecsponent Financial (Pty) Ltd				-1 470	-1 470
Ecsponent Holdings (Pty) Ltd (Botswana)				-	-100
Ecsponent Management Services Ltd (formerly Vinguard Ltd)				-25 511	-25 511
				-973 928	**-974 028**

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6. Other financial assets

Figures in Rand	Group		Company	
	2017	2015	2017	2015
At fair value through profit or loss – designated				
Acquired debt	-	8 873 568	-	-
In prior years the group acquired loan books at a significant discount from large corporates and collected on the debt. The acquired debt portfolio at 31 December 2015, comprised a gross collectable of R98.6 million (2014: R34.2 million). At 31 December 2015 the fair value of the acquired debt was R8.9 million (2014: R3.2 million). The acquired debt portfolio was sold for R9 million during the current financial period on 28 February 2016. Refer to note 38 for more detail.				
Listed shares	232 979 597	-	-	-
On 30 March 2017, the group acquired 1 100 000 foreign denominated listed equities, representing 10% of the issued share capital of the MyBucks group, as part of its private equity portfolio. The shares are listed on the Frankfurt Stock Exchange.				
	232 979 597	**8 873 568**	**-**	**-**

Refer to note 39 for details relating to the relevant fair value measurement assumptions.

Figures in Rand	Group 2017	Group 2015	Company 2017	Company 2015
Loans and receivables carried at amortised cost				
Employee benefit advances	-	77 644 679	-	-
The group provides financial services and products to the unbanked and marginalised sectors of the economy. The advances are granted at various interest rates ranging between 26% and 32% (2015: 26 - 32%) per annum. The advances are limited to a maximum capital loan of R250 000 and the repayment terms vary from short term, 1 month loans, to a maximum repayment period of 60 months. The group has entered into an agreement to dispose of this line of business during December 2016. Refer to note 28 for more detail in this regard (Sure Choice - Other financial assets). The group also disposed of its interest in the Swaziland retail lending business on 30 June 2016. Refer to note 38 for more detail.				
Business funding – advances	748 651 130	271 798 842	-	-
The business funding advances are secured, via a cession of the underlying equity and/or assets, ranging between 100 - 200%. The advances bear interest at fixed interest rates based on the entity risk profile, ranging between 24 - 30% (2015: 24 - 30%) and repayment terms are facility specific, ranging between 2 - 5 years.				

Notes to the Consolidated Financial Statements

For the period ended 31 March 2017

6. Other financial assets (continued)

Figures in Rand	Group		Company	
	2017	2015	2017	2015
GetBucks (Pty) Ltd - Purchase price repayment facility	-	18 198 636	-	-
The repayment facility is secured over the loanbook sold and bears interest at 11% per annum. The facility is repayable over 12 months commencing on 30 June 2015. The facility was settled in full during March 2017.				
	748 651 130	**367 642 157**	**-**	**-**
Total other financial assets	**981 630 727**	**376 515 725**	**-**	**-**
Non-current assets				
Loans and receivables	667 088 829	98 065 585	-	-
	667 088 829	**98 065 585**	**-**	**-**
Current assets				
At fair value through profit and loss - designated	232 979 597	8 873 568	-	-
Loans and receivables	81 562 301	269 576 572	-	-
	314 541 898	**278 450 140**	-	-
Total other financial assets	**981 630 727**	**376 515 725**	**-**	**-**

Credit quality of other financial assets

Refer to note 39, Financial instruments - Fair value and Risk management, credit risk sub-section for further details.

Fair value of other financial assets

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

Loans and receivables are measured at amortised cost, which approximates their carrying amounts.

Notes to the Consolidated Financial Statements

For the period ended 31 March 2017

7. Deferred taxation

Figures in Rand	Notes	Group		Company	
		2017	2015	2017	2015
Accelerated capital allowances for tax purposes		-43 256	324 816	-	-
Accruals		199 793	224 699	-	-
Fair value adjustments		2 351 805	904 732	-	-
Tax losses available for set-off against future taxable income		14 376 034	5 440 862	-	4 241
Capital growth accruals		9 162 079	682 255	6 199 866	1 855 967
Trade receivable impairments		1 001 999	1 365 302	-	-
Deferred revenue		1 365 873	3 131 309	-	-
Deferred transaction cost		-13 395 631	-5 939 300	-11 148 811	-4 218 515
Foreign currency translation reserve		-14 819	117 136	-	-
		15 003 877	**6 251 811**	**-4 948 945**	**-2 358 307**

The deferred tax asset disclosed in the group statement of financial position as non-current asset comprises:

Accelerated capital allowances for tax purposes	-	324 816
Accruals	199 793	224 699
Fair value adjustments	2 351 805	904 732
Tax losses available for set-off against future taxable income	14 376 034	4 047 562
Capital growth accruals	9 162 079	682 255
Trade receivable impairments	1 001 999	2 758 602
Deferred revenue	1 365 873	3 131 309
Foreign currency translation reserve	-	117 136
	28 457 583	**12 191 111**

The deferred tax liability disclosed in the group statement of financial position as non-current liabilities comprises:

Accelerated capital allowances for tax purposes	-43 256	-
Deferred transaction cost	-13 395 631	-5 939 300
Foreign currency translation reserve	-14 819	-
	-13 453 706	**-5 939 300**

Notes to the Consolidated **Financial Statements**

For the period ended 31 March 2017

7. Deferred taxation (continued)

Reconciliation of the deferred tax asset / (liability):

Figures in Rand	Notes	Group		Company	
		2017	**2015**	**2017**	**2015**
Deferred tax asset at the beginning of the period		6 251 811	11 568 661	-2 358 307	-175 785
(Increase) / decrease in tax losses available for set-off against future taxable income		16 679 272	-2 930 893	-4 241	-38 456
Originating temporary differences on capital growth accruals		7 331 535	549 498	5 032 635	1 167 241
Originating temporary differences on trade receivable impairments		611 109	795 351	-	-
Originating temporary differences on intangible and tangible fixed asset		-165 387	-124 183	-	911 956
Originating temporary differences on accruals		-21 391	-190 743	-	-4 748
Originating temporary differences on income received in advance		-431 424	691 194	-	-
Originating temporary differences on deferred transaction cost		-9 408 539	-4 799 789	-6 930 306	-4 218 515
Originating temporary differences on fair value adjustments		2 686 287	1 270 440	-	-
Originating temporary differences on impairments		-688 726	1 410 151	-688 726	-
Derecognition due to disposal of investment	38	-7 492 063	-2 281 570	-	-
Recognition on acquisition of investment	37	5 281 656	-	-	-
Derecognition due to transfer to disposal group held for sale	28	-5 211 364	-	-	-
Effect of foreign currency translation		-418 900	293 693	-	-
		15 003 877	**6 251 811**	**-4 948 945**	**-2 358 307**

Tax losses available for set-off against future taxable income

The group recognises the net tax benefit relating to deferred income tax assets arising from future deductible temporary differences and past income tax losses. The deferred income tax asset is recognised to the extent it is probable that taxable income will be available from forecast profits to realise the future tax saving. (Refer to note 26 - Taxation, for additional information regarding the estimated tax losses). The expectation of future profits is based on the continued improvement in the group's operating results arising from the restructure initiatives already implemented and the continuation of the group's restructure and recapitalisation project. The main objective of the initiative is to ensure the group's profitability and sustainability.

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8. Inventories

Figures in Rand	Group		Company	
	2017	2015	2017	2015
Finished goods	544 718	1 023 441	-	-
Merchandise	677 652	795 765	-	-
	1 222 370	**1 819 206**	**-**	**-**
The amount of inventory recognised as an expense during the period amounted to	25 272 810	13 788 958	-	-

No inventory was written off during the current or comparative financial period, neither has any reversal of previous write-down inventory amounts been recognised in the 2017 or comparative period presented above.

Inventory pledged as security

There are no inventories pledged as security.

9. Loans to / (from) group companies

Ecsponent Management Services Ltd (formerly Vinguard Ltd)	-	290 625 430
The loan is unsecured, bears interest at 17.35% per annum and is repayable on demand.		
Ecsponent Treasury Services (Pty) Ltd	866 593 813	-
The loan is unsecured, bears interest at 14% per annum and is repayable on demand.		
Ecsponent Management Services Ltd (formerly Vinguard Ltd)	-	10 936 939
The loan is unsecured, interest free and is repayable on demand. The loan was ceded to Ecsponent Treasury Services during the current financial period in a process of consolidating the loan facilities of the group through its treasury vehicle.		
Ecsponent Treasury Services (Pty) Ltd	13 436 939	-
The loan is unsecured, interest free and is repayable on demand. The loan has been subordinated to the benefit of Ecsponent Management Services' other creditors to the extent that its liabilities exceed the company's assets fairly valued.		
Ecsponent Financial (Pty) Ltd	-100	-100
The loan is unsecured, interest free and is repayable on demand.		
Ligagu Investments (Pty) Ltd trading as GetBucks Swaziland	-	-100
The loan is unsecured, interest free and is repayable on demand.		
Ecsponent Holdings (Pty) Ltd (Swaziland)	-700	-700
The loan is unsecured, interest free and is repayable on demand.		
Ecsponent Limited (Botswana)	12 731 730	13 662 000
The loan is unsecured, interest free and is repayable on demand.		
Cryo-Save South Africa (Pty) Ltd	5 040 111	5 040 111
The loan is unsecured, interest free and is repayable on demand.		
Ecsponent Financial Services Ltd (Zambia)	-	1 038 683
The loan is unsecured, interest free and is repayable on demand.		
	897 801 793	**321 302 263**

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

Figures in Rand	Company	
	2017	**2015**
Impairment of loans to subsidiaries	-	-10 883 964
	897 801 793	**310 418 299**
Current assets	897 802 593	310 419 199
Current liabilities	-800	-900
	897 801 793	**310 418 299**

The maximum exposure to credit risk at the reporting date is the carrying value of each class of loan mentioned above.

The impairment provision related to the Ecsponent Management Services Ltd interest free loan, as detailed above.

The company does not hold any collateral as security. The company has released the provision against the above loan accounts amounting to R10 883 964 (2015: R10 883 964).

10. Trade and other receivables

Figures in Rand	Group		Company	
	2017	**2015**	**2017**	**2015**
Trade receivables	27 622 489	27 578 815	-	-
Prepayments	5 431 592	5 573 745	-	981 996
Other receivables	257 387	2 739 748	-	1 250 000
Deposits	266 613	423 077	-	-
VAT	7 227 967	7 190 715	2 609 879	4 980 909
	40 806 047	**43 506 100**	**2 609 879**	**7 212 905**
Non-current	4 655 684	3 127 532	-	-
Current	36 150 363	40 378 568	2 609 879	7 212 905
	40 806 047	**43 506 100**	**2 609 879**	**7 212 905**

Credit quality of trade and other receivables

Refer note 39, Financial Instruments - Fair value and risk management.

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10. Trade and other receivables (continued)

Trade receivables

Age analysis of trade and other receivables.

Figures in Rand	2017		2015	
	Trade receivable	Impairment provision	Trade receivable	Impairment provision
Current	7 403 059	-	12 201 837	-
30 days	2 496 905	-	2 895 652	-
60 days	1 173 959	-	1 580 657	-
90 days	1 264 973	-	1 518 506	-
Over 90 days	20 386 733	-5 103 139	12 157 702	-2 775 541
	32 725 628	**-5 103 139**	**30 354 355**	**-2 775 541**

Trade and other receivables which are less than three months past due are not considered to be impaired, unless specific uncertainty exists relating to the recoverability. The group assesses the recoverability of individual trade receivable balances on a continuous basis to identify any possible impairments based on the underlying circumstances.

It is the policy of the group to allow varying credit terms of up to 60 months for payment plan debtors.

Fair value of trade and other receivables

There is no material difference between the fair value of trade and other receivables and their carrying value.

Trade and other receivables impaired

During the period ending 31 March 2017, trade and other receivables of R1 942 079 were impaired and provided for (2015: R1 857 999), and R1 682 430 of the provisions were released during the 2017 financial period. The total amount of the provision was R5 103 139 as at 31 March 2017 (2015: R2 775 541).

The ageing of these debtors is as follows:

Figures in Rand	Notes	Group	
		2017	2015
3 to 6 months		-	-
Over 6 months		5 103 139	2 775 541

Reconciliation of provision for impairment of trade and other receivables

	Notes	2017	2015
Opening balance		2 775 541	945 699
Provision for impairment		1 942 079	1 857 999
Provision for impairment released		-1 682 430	-28 156
Provisions acquired through acquisitions under common control	37	2 067 949	-
		5 103 139	**2 775 541**

The provision for impaired receivables has been included in operating expenses in profit or loss (refer to note 21). The reversal of the impairment provisions was recognised in Other income in profit or loss. (Refer to note 20).

Notes to the Consolidated Financial Statements

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11. Cash and cash equivalents

Figures in Rand	Notes	Group 2017	Group 2015	Company 2017	Company 2015
Cash and cash equivalents from continuing operations					
Bank balance		25 379 829	15 114 825	4 781 946	3 803
Bank overdraft		-468 900	-5 373 970	-	-
		24 910 929	**9 740 855**	**4 781 946**	**3 803**
Cash and cash equivalents from disposal groups held for sale					
Bank balance	28	6 166 340	-	-	-
Bank overdraft	28	-4 596 864	-	-	-
		1 569 476	**-**	**-**	**-**
Total cash and cash equivalents		**26 480 405**	**9 740 855**	**4 781 946**	**3 803**
Current assets		25 379 829	15 114 825	4 781 946	3 803
Current liabilities		-468 900	-5 373 970	-	-
		24 910 929	**9 740 855**	**4 781 946**	**3 803**
Cash and cash equivalents included in assets held for sale		6 166 340	-	-	-
Bank overdraft included in liabilities of disposal group held for sale		-4 596 864	-	-	-
		1 569 476	**-**	**-**	**-**

Secured bank overdraft facilities

The group’s secured overdraft facilities amounted to R1 million at 31 March 2017 (2015: R500 000). The facility is secured via a cession of the debtors book of R12.6 million (2015: R3.9 million) and surety in the name of Ecsponent Limited. The overdraft facility bears interest at the prime overdraft rate of 10.5% (2015: 10.25%)

Cash and cash equivalents reclassified to non-current assets held for sale

The investment in Sure Choice (Pty) Ltd was classified as a disposal group held for sale at period end resulting in the reclassification of cash and cash equivalents. For more detail refer to note 28.

The group has secured a P4 million overdraft facility available in Botswana, amounting to R5.1 million at 31 March 2017 (2015: R5.4 million), over a pledge of R92.8 million (2015: R65.9 million) of the employee benefit advances. In addition, fixed deposits amounting to R5.1 million (2015: R5.6 million) (BWP 4 million) have been pledged as further security for the facility.

Notes to the Consolidated **Financial Statements**

For the period ended 31 March 2017

12. Share capital

Figures in Rand	Notes	Group 2017	Group 2015	Company 2017	Company 2015
Authorised ordinary shares					
Number of authorised ordinary shares of no par value		1 000 000 000 000	1 000 000 000	1 000 000 000 000	1 000 000 000
Issued ordinary shares					
Number of issued ordinary shares of no par value		**1 079 550 795**	**901 588 049**	**1 079 550 795**	**901 588 049**

Ordinary shares

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at the general meetings of the company.

Reconciliation of the number of ordinary shares issued

	Group 2017	Group 2015	Company 2017	Company 2015
Reported at the beginning of the period	901 588 049	901 588 049	901 588 049	901 588 049
Issue of ordinary shares	177 962 746	-	177 962 746	-
	1 079 550 795	**901 588 049**	**1 079 550 795**	**901 588 049**

The following share issues took place during the 2017 financial period:

	Issue date	Issue price (cents per share)	Number of shares issued
Issue of shares for the Clade Investment Management acquisition	30-Jun-16	20,95	19 095 617
Directors' share issue - May 2016	10-Jun-16	18,58	9 847 769
Directors' share issue - June 2016	05-Jul-16	17,87	221 908
Directors' share issue - July 2016	08-Aug-16	18,62	244 744
Odd lot offer - repurchase and cancellation - 19 August 2016	25-Aug-16	20,55	-51 476
Specific repurchase and cancellation - 19 August 2016	25-Aug-16	20,55	-491 282
Directors' share issue - August 2016	06-Sep-16	17,51	260 125
Directors' share issue - September 2016	04-Oct-16	15,54	293 146
Directors' share issue - October 2016	07-Nov-16	15,37	219 644
Directors' share issue - November 2016	05-Dec-16	13,54	249 359
Directors' share issue - December 2016	06-Jan-17	13,56	292 393
Rights offer 2017	22-Feb-17	15,00	135 758 403
Directors' share issue - March 2017	31-Mar-17	13,56	12 022 396
			177 962 746

Notes to the Consolidated Financial Statements

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12. Share capital (continued)

No share issue took place during the 2015 financial period.

The rights offer to take up additional Ecsponent shares at 15 cents a share was available to all existing Ecsponent Limited shareholders as recorded in the share register on the record date of February 2017. The rights offer circular distributed to shareholders was approved by the JSE Securities Exchange.

The rights offer was furthermore underwritten by Alexander Mason (Pty) Ltd, the new majority shareholder of Ecsponent Ltd to the amount of R20 million.

Unissued ordinary shares

The unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting.

Issued capital

Figures in Rand	Notes	Group		Company	
		2017	2015	2017	2015
Ordinary shares		145 169 140	118 071 505	145 169 140	118 071 505
		145 169 140	**118 071 505**	**145 169 140**	**118 071 505**

Reconciliation of the ordinary share capital

Figures in Rand	Notes	Group 2017	Group 2015	Company 2017	Company 2015
Reported at the beginning of the period		118 071 505	118 071 505	118 071 505	118 071 505
Issue of shares for the Clade Investment Management acquisition	37	4 000 000	-	4 000 000	-
Director share issue in lieu of services	21	2 113 169	-	2 113 169	-
Director share issue - incentives	21	1 630 701	-	1 630 701	-
Capitalisation of share issue expenses		-286 243	-	-286 243	-
Proceeds from rights offer		20 363 761	-	20 363 761	-
Capitalisation of rights offer direct costs		-612 216	-	-612 216	-
Purchase of shares in terms of odd lot and specific share buy back		-111 537	-	-111 537	-
		145 169 140	**118 071 505**	**145 169 140**	**118 071 505**

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13. Reserves

2017	Common control reserve	Foreign currency translation reserve	Total reserves
Opening balance	-36 687 391	-482 966	-37 170 357
Common control acquisitions	-56 824 377	-	-56 824 377
Foreign operations – foreign currency translation differences	-	84 591	84 591
Realisation of common control reserve due to the loss of control#	93 511 768	-	93 511 768
	-	**-398 375**	**-398 375**

During the current financial period, the previous majority shareholder (ultimate parent – Ecsponent Capital (RF) Limited ("Capital")) disposed of 34.9% of its interest in Ecsponent Ltd, resulting in the loss of control. The entities as described above therefore are no longer controlled by the same ultimate holding entity. On the effective date, the common control reserve was therefore realised to retained earnings, as per the accounting policies applied.

2015	Common control reserve	Foreign currency translation reserve	Other non-distributable reserves	Total reserves
Opening balance	-36 687 391	-54 516	3 842 049	-32 899 858
Foreign operations – foreign currency translation differences	-	-428 450	-	-428 450
Realisation of non-distributable reserve to retained earnings (refer to note 14)	-	-	-3 842 049	-3 842 049
	-36 687 391	**-482 966**	**-**	**-37 170 357**

Common control reserve

In terms of the group's accounting policies, business combinations involving entities under common control comprise business combinations where both entities remain under the ultimate control of the holding company before and after the combination, and that control is not transitory. The group applies merger accounting for all its common control transactions requiring that the assets and liabilities of the purchased business be incorporated at the consolidated book value (by the ultimate parent) and the difference between the purchase consideration and the book value of the assets and liabilities be recorded in equity as a common control reserve.

The common control reserve arose as a result of the following transactions with the majority shareholder (or related subsidiary) of Ecsponent Ltd:

The acquisitions of the following growth businesses from Ecsponent Capital (RF) Limited (Capital) and other related parties, entered into by the group on 5 March 2014, were approved by shareholders in a general meeting held on 25 July 2014. The effective date of the acquisitions was determined as 31 July 2014:

Ecsponent Limited (company incorporated in Botswana) and its subsidiary	12 553 474
Ecsponent Financial Services (Pty) Ltd	10 619 479
Sanceda Collection Services (Pty) Ltd	13 514 438
Common control reserve arising from the 2014 business combinations	**36 687 391**

The group concluded an agreement to acquire 51% of a media monitoring entity, Return on Innovation (Pty) Ltd (ROi) from Capital, effective 1 March 2016.

Ecsponent Development Fund (Pty) Ltd, a 74% subsidiary of Ecsponent Ltd agreed to acquire the business conducted by Ecsponent Investment Holdings (Pty) Ltd (EIH) as a going concern. The business provides high yielding financing opportunities which offer an attractive proposition for the company. The group concluded an agreement to acquire the business of the company, effective 30 June 2016.

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13. Non-distributable reserves (continued)

		Foreign currency translation reserve
Return on Innovation (Pty) Ltd	37	2 145 296
Business of EIH	37	54 679 081
Common control reserve arising from the 2016/2017 business combinations		**56 824 377**

Foreign currency translation reserve (FCTR)

The FCTR comprises all foreign currency differences arising from the translation of the financial statements of foreign operations into the group's reporting currency, South African Rand.

Other non-distributable reserve

Equity adjustment in the trading of shares in a subsidiary where control has not been lost.

14. Non-controlling interest

Figures in Rand	Notes	Group	
		2017	**2015**
Balance at the beginning of the period		-4 653 294	-3 795 325
Non-controlling interest in current period income		-10 436 329	-3 424 745
Foreign currency translation on non-controlling interest		197 398	127 269
Acquisition of non-controlling interest		19 575 468	256 937
Business combinations and common control acquisitions	37	-18 154 834	-
Disposal of investments	38	2 042 895	2 182 570
Total non-controlling interest at the end of the period		**-11 428 696**	**-4 653 294**

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14. Non-controlling interest (continued)

The table below summarises the information relating to each of the group's subsidiaries for the financial period ended 31 March 2017 that has material non-controlling interest, before any intra-group eliminations.

Figures in Rand	Cryo-Save South Africa (Pty) Ltd	Cryo-Save Namibia (Pty) Ltd	Salveo Swiss Technology Limited	VitaSave (Pty) Ltd	Clade Investment Management (Pty) Ltd[3]	Return on Innovation (Pty) Ltd (ROi)	Ecsponent Development Fund (Pty) Ltd[2]	Ecsponent Ltd (Swaziland)
Non-controlling interest	50,00%	50,00%	50,00%	49,00%	49,00%	49,00%	26,00%	15,30%
Carrying amount of non-controlling interest								
Non-current assets	8 821 825	52 324	6 149 152	2 758	-	5 065 517	4 980 322	55 571 371
Current assets	20 442 945	135 354	2 726 073	371	-	2 447 535	3 342 797	56 934 559
Non-current liabilities	-6 905 906	-80 963	-547 926	-	-	-	-	-109 199 977
Current liabilities	-27 759 787	-212 847	-15 575 434	-10 120	-	-12 049 894	-33 464 415	-1 410 922
Net assets	**-5 400 923**	**-106 132**	**-7 248 135**	**-6 991**	**-**	**-4 536 842**	**-25 141 296**	**1 895 031**
Carrying amount of non-controlling interest	**-2 700 461**	**-53 069**	**-3 623 695**	**-3 425**	**-**	**-2 223 053**	**-**	**289 940**
Profit/Loss allocated to non-controlling interest								
Revenue	24 230 796	626 244	8 107 220	-	16 391	10 692 824	12 626 142	22 570 907
Total comprehensive profit / (loss) for the period	**-4 338 160**	**12 123**	**-2 194 474**	**-7 092**	**-1 840 388**	**-3 271 556**	**602 068**	**1 299 603**
Allocated to non-controlling interest	**-2 169 080**	**6 062**	**-1 097 237**	**-3 475**	**-901 790**	**-1 603 062**	**156 538**	**198 839**
Cash flow of subsidiaries with non-controlling interest								
Cash flows from operating activities	-4 938 071	104 970	-4 075 066	-9 849	-3 686 780	-4 045 128	963 885	9 754 714
Cash flows from investing activities	-639 878	-	-1 579	-	-	-272 701	-6 711 569	-70 352 196
Cash flows from financing activities	4 634 896	-104 250	3 864 953	10 120	-4 646 313	4 300 843	5 862 065	65 323 538
Net (decrease)/increase in cash and cash equivalents	**-943 053**	**720**	**-211 692**	**271**	**-8 333 093**	**-16 986**	**114 381**	**4 726 056**

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14. Non-controlling interest (continued)

Figures in Rand	Ligagu Investments (Pty) Ltd trading as GetBucks Swaziland[1]	Sanceda Swaziland (Pty) Ltd	Ecsponent Ltd Botswana[4]	Ecsponent Holdings (Pty) Ltd Botswana[3]	Ecsponent Asset Management (Pty) Ltd (Botswana)[3]	Sanceda (Pty) Ltd Botswana[5]	Sure Choice (Pty) Ltd	Total
Non-controlling interest	49,00%	49,00%	0,00%	30,00%	51,00%	30,00%	50,00%	
Carrying amount of non-controlling interest								
Non-current assets	-	1 116 850	64 907 086	-	-	7 007	95 694 394	
Current assets	-	225 745	234 047 111	-	-	191 092	16 002 420	
Non-current liabilities	-	-	-19 118 693	-	-	-	-110 012 302	
Current liabilities	-	-4 301 442	-278 085 485	-	-	-221 635	-5 557 405	
Net assets	**-**	**-2 958 847**	**1 750 020**	**-**	**-**	**-23 536**	**-3 872 893**	**-45 650 543**
Carrying amount of non-controlling interest	**-**	**-1 449 834**	**-**	**-**	**-**	**-**	**-1 665 098**	**-11 428 696**
Profit/Loss allocated to non-controlling interest								
Revenue	8 247 297	135 343	25 806 857	14 843 044	359 148	73 911	42 577 052	
Total comprehensive profit / (loss) for the period	**1 568 588**	**-2 642 380**	**2 001 857**	**-4 807 098**	**-5 314 548**	**-884 909**	**-157 892**	
Allocated to non-controlling interest	**768 608**	**-1 294 766**	**-**	**-1 442 129**	**-2 710 420**	**-265 473**	**-78 944**	**-10 436 329**
Cash flow of subsidiaries with non-controlling interest								
Cash flows from operating activities	8 605 585	-3 445 805	18 377 507	-4 767 271	-7 032 200	-2 101 570	-9 681 804	
Cash flows from investing activities	-22 069 114	-259 287	-12 298 574	-7 351 640	-19 815 950	-	-18 027 917	
Cash flows from financing activities	14 961 854	3 707 655	-6 281 791	13 351 241	45 465 392	2 120 155	26 489 983	
Net (decrease)/increase in cash and cash equivalents	**1 498 325**	**2 563**	**-202 858**	**1 232 330**	**18 617 242**	**18 585**	**-1 219 738**	

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14. Non-controlling interest (continued)

Notes

- No dividends were declared or paid from subsidiaries with non-controlling interest.
- Ecsponent Limited incorporated the following entities during the period under review:
  - Ecsponent Biotech (Pty) Ltd (incorporated in South Africa) as a wholly owned subsidiary;
  - Ecsponent Development Fund (Pty) Ltd (incorporated in South Africa);
- Ecsponent Biotech (Pty) Ltd incorporated the following entities during the period under review:
  - Vitasave (Pty) Ltd (incorporated in South Africa). A 49% non-controlling interest was issued to an external party at incorporation;
- Ecsponent Holdings (Pty) Ltd (Botswana) incorporated the following entities during the period under review:
  - Ecsponent Asset Management Ltd (incorporated in Botswana). A 30% non-controlling interest was issued to an external party effectively on 1 January 2016;
- The following changes to non-controlling interests were effected during the period under review:
  - The Ecsponent Ltd (Botswana) non-controlling interest was purchased effective on 1 January 2016 from Ecsponent Holdings (Pty) Ltd (Botswana), taking the controlling interest from 70% to 100%:

Non-controlling interest at 1 January 2016	-65 329
Consideration paid	-
Total realisation directly to equity	**-65 329**

  - The Sanceda Collection (Pty) Ltd (Botswana) non-controlling interest was purchased effective on 1 July 2016 from Ecsponent Holdings (Pty) Ltd (Botswana), by Ecsponent Ltd (Botswana), taking the controlling interest from 70% to 100%:

Non-controlling interest at 1 January 2016	-455 368
Consideration paid	-
Total realisation directly to equity	**-455 368**

  - Ecsponent Ltd made the following acquisitions during the current financial period (as detailed below):

Return on Innovation (Pty) Ltd	619 991
Clade Investment Management (Pty) Ltd and subsidiary	-1 676 345

  - Ecsponent Development Fund (Pty) Ltd made the following acquisitions during the current financial period (as detailed below):

Business of Ecsponent Investment Holdings (Pty) Ltd	19 211 309

  - The Ecsponent Ltd (Botswana) non-controlling interest was purchased effective on 1 January 2016 from Ecsponent Holdings (Pty) Ltd (Botswana), taking the controlling interest from 70% to 100%:

Non-controlling interest at 1 January 2016	-19 054 771
Consideration paid	1
Total realisation directly to equity	**-19 054 770**

  - Ecsponent Ltd made the following disposals during the current financial period (as detailed below):

Ligagu Investments (Pty) Ltd	1 245 645
Clade Investment Management (Pty) Ltd and subsidiary	774 555
Ecsponent Holdings (Pty) Ltd (Botswana) and subsidiary	-4 063 096

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14. Non-controlling interest (continued)

The following table summarises the changes in the company's ownership interest as a result of the acquisitions and disposal during the period:

Figures in Rand	Ligagu Investments (Pty) Ltd trading as GetBucks Swaziland	Ecsponent Holdings (Pty) Ltd (Botswana)	Ecsponent Asset Management Ltd (Botswana)	Clade Investment Management (Pty) Ltd	Return on Innovation (Pty) Ltd	Ecsponent Development Fund (Pty) Ltd	Total
Non-controlling ownership interest at beginning of the period	-477 037	-300	-	-	-	-	-477 337
Share of comprehensive profit / (loss) for the period	-768 608	1 411 004	2 652 461	901 790	1 603 062	-156 538	5 643 171
At acquisition equity and reserves	-	-	-69	-1 676 345	619 992	19 211 309	18 154 885
Purchase of minority interest						-19 054 771	-19 054 771
Disposal of investment in subsidiaries	1 245 645	-1 410 704	-2 652 392	774 555	-	-	-2 042 896
Non-controlling ownership interest at 31 March 2017	**-**	**-**	**-**	**-**	**2 223 053**	**-**	**2 223 053**

Figures in Rand	Ecsponent Ltd Botswana	Sanceda Collections Botswana (Pty) Ltd	Ecsponent Asset Management (Pty) Ltd (Botswana)	Total
Non-controlling ownership interest at beginning of the period	65 329	196 317	-	-215 691
Share of comprehensive profit / (loss) for the period	-	259 051	3 475	5 905 697
At acquisition equity and reserves	-	-	-49	18 154 836
Purchase of minority interest	-65 329	-455 368	-	-19 575 468
Disposal of investment in subsidiaries	-	-	-	-2 042 896
Non-controlling ownership interest at 31 March 2017	**-**	**-**	**3 426**	**2 226 479**

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14. Non-controlling interest (continued)

The table below summarises the information relating to each of the group's subsidiaries for the financial period ended 31 December 2015 that has material non-controlling interest, before any intra-group eliminations.

Figures in Rand	Ecsponent Management Services Ltd (foremerly Vinguard Ltd)	Cryo-Save South Africa (Pty) Ltd	Salveo Swiss Technology Limited	Ecsponent Limited (Swaziland)	Sure Choice (Pty) Ltd	Komo Finance (Pty) Ltd	Ligagu Investments (Pty) Ltd trading as Getbucks Swaziland	Sanceda Swaziland (Pty) Ltd	Ecsponent Holdings (Pty) Ltd (Botswana)	Total
Non-controlling interest	24,13%	50,00%	50,00%	15,30%	50,00%	49,00%	49,00%	49,00%	30,00%	
Carrying amount of non-controlling interest										
Non-current assets	887 445	7 463 098	3 828 083	126 641	62 028 196	-	911 263	120 418	515 286	
Current assets	354 965 551	16 390 450	1 905 931	37 473 580	20 554 614	-	13 153 148	148 012	49 076 195	
Non-current liabilities	-	-998 899	-87 171	-36 120 339	-16 050 750	-	-4 242 140	-	-22 627 580	
Current liabilities	-350 129 039	-24 035 668	-10 700 506	-884 454	-70 618 370	-	-8 848 727	-584 897	-27 842 258	
Net assets	**5 723 957**	**-1 181 019**	**-5 053 663**	**595 428**	**-4 086 310**	**-**	**973 544**	**-316 467**	**-878 357**	
Carrying amount of non-controlling interest	**-**	**-590 513**	**-2 526 458**	**91 100**	**-1 688 049**	**-**	**477 037**	**-155 069**	**-261 343**	**-4 653 294**
Profit/Loss allocated to non-controlling interest										
Revenue	69 424 592	20 940 763	4 183 959	5 957 382	23 596 709	5 220 936	7 418 611	61 657	17 359 391	
Total comprehensive profit / (loss) for the period	**23 505 104**	**-2 224 839**	**-3 947 920**	**-8 853**	**1 759 754**	**-4 303 568**	**1 142 274**	**-317 467**	**430 328**	
Allocated to non-controlling interest	**359 636**	**-1 112 420**	**-1 973 960**	**-1 355**	**879 879**	**-2 108 749**	**559 714**	**-155 558**	**128 068**	**-3 424 745**
Cash flow of subsidiaries with non-controlling interest										
Cash flows from operating activities	34 975 070	299 266	-6 357 789	-119 671	4 073 498	-9 762 762	3 673 209	-450 397	-11 037 361	
Cash flows from investing activities	-25 755 044	1 279 653	6 561 888	-22 208 789	-3 343 930	16 153 346	-6 753 298	-	11 944 879	
Cash flows from financing activities	-9 100 000	-592 987	-	24 346 328	8 320 443	-4 374 724	4 053 898	450 397	-681 643	
Net (decrease)/increase in cash and cash equivalents	**120 026**	**985 932**	**204 099**	**2 017 868**	**9 050 011**	**2 015 860**	**973 809**	**-**	**225 875**	

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14. Non-controlling interest (continued)

Notes

- No dividends were declared or paid from subsidiaries with non-controlling interest.
- Ecsponent Limited incorporated the following entities during the period under review:
  - Sanceda Collections (Pty) Ltd (incorporated in Swaziland);
  - Ecsponent Holdings (Pty) Ltd (incorporated in Botswana), this entity was incorporated as the holding company for both Ecsponent Ltd (Botswana) and Sanceda Collections (Pty) Ltd (Botswana);
  - Sanceda Collections (Pty) Ltd (incorporated in Botswana);
- The following changes to non-controlling interests were effected during the period under review:
  - The Ecsponent Management Services Ltd (formerly Vinguard) non-controlling interest was purchased effective on 24 June 2015 taking the controlling interest from 75.87% to 100%:

Non-controlling interest at 24 June 2015	627 183
Consideration paid (R375 000 was settled through the issue of Class A preference shares)	779 730
Goodwill recognised directly in equity	1 406 913
Realisation of non-distributable reserve recognised on sale to non-controlling interest	-3 842 049
Total realisation directly to equity	**-2 435 136**

  - Ecsponent Credit Services (Pty) Ltd disposed of its 51% controlling interest in Komo Finance (Pty) Ltd effective on 31 July 2015:

Proceeds on sale of investment	450 000
Less cost of investment (including loan account sold)	-6 574 343
Less since acquisition reserves amount	2 788 174
Realisation of initial gain on bargain purchase	-166 519
Loss on disposal of investment	**-3 502 687**

  - Ecsponent Holdings (Pty) Ltd (Botswana) was incorporated as the holding company of Ecsponent Ltd (Botswana) and Sanceda Collections (Pty) Ltd (Botswana) during the 2015 financial period. A 30% non-controlling interest was issued to an external party effectively on 1 July 2015:

Proceeds on sale of investment	-
Less at acquisition reserves	370 737
Gain on disposal of investment	**370 737**

  - Sanceda Collections (Pty) Ltd was incorporated in Swaziland during the latter part of the 2015 financial period and a non-controlling interest was issued to an external party effective during October 2015.

The following summarises the changes in the company's ownership interest as a result of the acquisitions and disposal during the period:

	Ecsponent Management Services Ltd (formerly Vinguard Ltd)	Komo Finance (Pty) Ltd	Sanceda Swaziland (Pty) Ltd	Ecsponent Holdings (Pty) Ltd (Botswana)	Total
Non-controlling ownership interest at beginning of the year	-986 819	-73 822	-	-	-1 060 641
Share of comprehensive profit / (loss) for the year	359 636	-2 108 748	-155 559	109 394	-1 795 277
At acquisition equity and reserves	-	-	490	-370 737	-370 247
Purchase of minority interest	627 183	-	-	-	627 183
Disposal of investment in subsidiary	-	2 182 570	-	-	2 182 570
Non-controlling ownership interest at 31 December 2015	**-**	**-**	**-155 069**	**-261 343**	**-416 411**

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15. Preference shares

Figures in Rand	Notes	Group 2017 Number	Group 2015 Number	Company 2017 Number	Company 2015 Number
Authorised preference shares					
Ecsponent Limited (incorporated in South Africa)					
Class A preference shares of no par value		1 000 000 000	1 000 000 000	1 000 000 000	1 000 000 000
Class B preference shares of no par value		1 000 000 000	1 000 000 000	1 000 000 000	1 000 000 000
Class C preference shares of no par value		1 000 000 000	1 000 000 000	1 000 000 000	1 000 000 000
Class D preference shares of no par value		1 000 000 000	1 000 000 000	1 000 000 000	1 000 000 000
Class E preference shares of no par value		1 000 000 000	1 000 000 000	1 000 000 000	1 000 000 000
Class F preference shares of no par value		1 000 000 000	1 000 000 000	1 000 000 000	1 000 000 000
Ecsponent Limited (incorporated in Swaziland)					
Class A preference shares of E1.00		100 000 000	100 000 000	-	-
Class B preference shares of E1.00		100 000 000	100 000 000	-	-
Class C preference shares of E1.00		100 000 000	100 000 000	-	-
Class D preference shares of E1.00		100 000 000	100 000 000	-	-
Class E preference shares of E1.00		100 000 000	100 000 000	-	-
Class F preference shares of E1.00		100 000 000	100 000 000	-	-
Class G preference shares of E1.00		100 000 000	100 000 000	-	-
Class H preference shares of E1.00		100 000 000	100 000 000	-	-
Ecsponent Limited (incorporated in Botswana)					
Class A preference shares of no par value		100 000 000	100 000 000	-	-
Class B preference shares of no par value		100 000 000	100 000 000	-	-
		7 000 000 000	**7 000 000 000**	**6 000 000 000**	**6 000 000 000**

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15. Preference shares (continued)

Reconciliation of the number of preference shares in issue:

	Ecsponent Limited (South Africa)		
	Class A	Class B	Class C
Reported at the beginning of the period	326 798	688 485	1 641 290
Issue of preference shares during the year	88 797	969 216	4 383 149
	415 595	**1 657 701**	**6 024 439**
Weighted average issue price per share (Rands)	**95,26**	**100,00**	**100,00**

	Ecsponent Limited (Swaziland)	
	Class A	Class E
Reported at the beginning of the period	18 058 000	18 174 000
Issue of preference shares during the year	35 137 000	35 553 700
	53 195 000	**53 727 700**
Weighted average issue price per share (Emalangeni)	**1,00**	**1,00**
Weighted average issue price per share (converted to Rand)	**1,00**	**1,00**

	Ecsponent Limited (Botswana)	
	Class A	Class B
Reported at the beginning of the period	14 764 000	2 067 000
Redemption of preference shares during the year	-3 014 000	-
	11 750 000	**2 067 000**
Weighted average issue price per share (Pula)	**1,00**	**1,00**
Weighted average issue price per share (Rand)	**1,27**	**1,27**

The preference shares are issued on an on-going basis to investors under a general authority provided to the directors to issue shares for cash.

Unissued preference shares

The unissued preference shares in all regions are under the control of the directors.

Classification of redeemable preference shares

Holders of the preference shares receive a cumulative dividend subject to the terms of the preference share class issued. The preference shares do not have the right to participate in any additional dividends declared to ordinary shareholders. These shares do not have voting rights at general meetings of the company.

The preference shares are redeemable after 60 months from the initial issue date and as a result are classified as debt and disclosed as such in the statement of financial position. The dividends declared to preference shareholders are classified as finance costs and disclosed on this basis in the statement of profit and loss.

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15. Preference shares (continued)

Preference share liability

The preference share liability at the end of the year comprises the following:

Figures in Rand	Group 2017 R	Group 2015 R	Company 2017 R	Company 2015 R
Held at amortised cost				
Preference shares issued by Ecsponent Limited (South Africa):				
Preference share - class A	39 209 899	29 929 569	39 209 899	29 929 569
Initial issue price redeemable after 5 years. Monthly dividend paid at a rate of 10% per annum.				
Preference share - class B	178 736 347	68 791 650	178 736 347	68 791 650
Preference share redeems at 170% of the initial issue after 5 years. No monthly dividends are paid.				
Preference share - class C	582 006 219	156 403 051	582 006 219	156 403 051
Initial issue price redeemable after 5 years. Monthly dividend paid at a rate of prime plus 4% per annum.				
Preference shares issued by Ecsponent Limited (Swaziland):				
Preference share - class A	50 484 240	16 938 630	-	-
5 year income provider with a variable rate redeemable, convertible units of E1 000 comprising E1 preference share and E999 claim. 15% rate at present paid monthly.				
Preference share - class E	59 130 239	19 146 486	-	-
5 year capital growth provider with a zero rate redeemable, convertible units of E1 000 comprising E1 preference share and E999 claim. Redeemed at end of 5 years at E2 000.				
Preference shares issued by Ecsponent Limited (Botswana):				
Preference share - class A	14 861 346	19 450 071	-	-
5 year income provider with a variable rate redeemable, convertible units of P1 000 comprising P1 preference share and P999 claim. 15% rate at present paid monthly.				
Preference share - class B	3 544 554	3 177 509	-	-
5 year capital growth provider with a zero rate redeemable, convertible units of P1 000 comprising P1 preference share and P999 claim. Redeemed at end of 5 years at P2 000.				
Total preference shares	**927 972 844**	**313 836 967**	**799 952 465**	**255 124 271**
Non-current liabilities				
At amortised cost	**921 924 764**	**312 073 556**	**794 403 659**	**253 360 860**
Current liabilities				
At amortised cost	**6 048 079**	**1 763 411**	**5 548 805**	**1 763 411**

The current portion of the preference shares as listed above relates to the monthly accrued dividends payable as at the reporting date for Class A and Class C preference shares.

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16. Other financial liabilities

Figures in Rand	Group		Company	
	2017	2015	2017	2015
Held at amortised cost				
K Evans	-	562 243	-	-
Loan is unsecured and repayable on 31 May 2019 at the end of the 5 year term. Interest is payable monthly at an interest rate of 30% per annum (2015: 30%). The group has entered into an agreement to dispose of this line of business during December 2016. Refer to notes 28 and 33 for more detail in this regard (Sure Choice - Other financial liabilities).				
Experite AG (formerly Cryo-Save AG)	3 912 232	3 917 070	-	-
The loan is unsecured, interest free and is repayable on demand.				
Cryo-Save Labs	1 670 620	1 974 257	-	-
The loan is unsecured, interest free and is repayable on demand.				
Esperite NV (formerly Cryo-Save NV)	494 358	486 401	-	-
The loan is unsecured and repayable on demand. The loan bears interest at the 1 year EURIBOR (European Interbank Offered Rate) plus 1%.				
Esperite NV (formerly Cryo-Save NV)	120 000	120 000	-	-
The loan is unsecured, interest free and is repayable on demand.				
GetBucks (Pty) Ltd (Swaziland)	-	4 053 898	-	-
The term loan is unsecured, bears interest at 25% per annum (2015: 25%) and capital and interest is repayable on 27 March 2018.The investment in Ligagu Investment (Pty) Ltd was disposed of effective on 30 June 2016. For more detail refer to note 38.				
GetBucks (Pty) Ltd (Botswana)	4 240 787	-	-	-
The loan is unsecured, bears interest at 24% and is repayable on demand.				
Capital Bank - Term loan facility	-	8 977 266	-	-
The term loan bears interest at Botswana Prime + 6% (currently 13%, 2015: 13.5%) per annum and capital and interest is repayable over 60 months from 25 August 2015. The loan is secured over the following: ▪ *Lien over fixed deposit of P4 million* ▪ *Cession of loan book for P14 million in favour of Capital Bank Ltd Botswana* ▪ *Corporate guarantee for P11.3 million from Ecsponent Ltd Botswana* *The investment in Sure Choice (Pty) Ltd was classified as a disposal group held for sale at period end resulting in the reclassification of the financial liability. For more detail refer to notes 27, 28 and 33.*				

Notes to the Consolidated Financial Statements

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16. Other financial liabilities (continued)

Figures in Rand	Group		Company	
	2017	2015	2017	2015
Capital Bank - Asset financing facility	-	329 936	-	-
The term loan bears interest at Botswana Prime + 3% (currently 10%, 2015: 10.5%) per annum and capital and interest are repayable over 48 months from 25 August 2015. The loan is secured over the asset financed. The investment in Sure Choice (Pty) Ltd was classified as a disposal group held for sale at period end resulting in the reclassification of the financial liability. For more detail refer to notes 27, 28 and 33.				
Standard Bank - Property bond	909 367	949 069	-	-
The term loan bears interest at South African Prime + 0.55% (11.05%, 2015: 10.8%) per annum and capital and interest are repayable over 180 months from 1 December 2014. The loan is secured over the property purchased.				
WesBank - Asset financing facility	-	12 004	-	-
The term loan bears interest at South African Prime (10.5%, 2015: 10.25%) per annum and capital and interest are repayable over 37 months from 15 March 2013. The loan is secured over the vehicle purchased. The loan was settled in full during the current period.				
Ecsponent Projects (Pty) Ltd (incorporated in Botswana)	-	4 873 059	-	-
The loan is unsecured, bears interest at 24% per annum and capital and interest are repayable on demand. The group has entered into an agreement to dispose of this line of business. Refer to notes 28 and 33 for more detail in this regard (Ecsponent Holdings (Pty) Ltd Botswana - Other financial liabilities).				
Fixed term deposits	-	2 006 776	-	-
The fixed term deposits are unsecured, bear interest at fixed annual rates and are repayable after 6 or 12 months, depending on the product. The investment in Ecsponent Financial Services Ltd (Zambia) was classified as a disposal group held for sale at period end resulting in the reclassification of the financial liability. For more detail refer to notes 27, 28 and 33.				
Total other financial assets	**11 347 364**	**28 261 980**	**-**	**-**
Non-current liabilities				
At amortised cost	871 443	12 766 740	-	-
Current liabilities				
At amortised cost	10 475 921	15 495 239	-	-
Total other financial liabilities	**11 347 364**	**28 261 979**	**-**	**-**

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17. Deferred revenue

Figures in Rand	Group		Company	
	2017	**2015**	**2017**	**2015**
Deferred administration fees	2 685 515	13 695 960	-	-
Non-current liabilities	2 537 629	9 551 735	-	-
Current liabilities	147 886	4 144 225	-	-
	2 685 515	**13 695 960**	**-**	**-**

Administration fees are charged upfront to recover the administration cost of originating employee benefit loans and stem cell storage repayment facilities. In accordance with the group's accounting policy for revenue, these origination fees are recognised as an integral part of the effective interest rate and are accounted for over the shorter of the original contractual term and the actual term of the loan using the effective interest method. The portion of the administration fees that relate to future periods is disclosed as deferred revenue in the statement of financial position. The employee benefit loan book operations have been classified as a discontinued operation and all assets and liabilities related to this disposal group have been classified as held for sale at period end. For more detail refer to notes 27, 28 and 33.

18. Trade and other payables

Trade payables	8 417 070	9 157 644	1 292 244	833 826
Amounts received in advance	3 050 278	2 072 680	-	-
VAT	1 715 990	3 694 541	-	-
Payroll liabilities	3 317 482	2 688 797	267 118	-1 964
Accrued leave pay	1 007 114	727 045	-	-
Accrued audit fees	841 764	720 034	101 120	95 400
Other accrued expenses	1 694 586	1 205 306	40 000	1 000
Other payables	734 169	1 735 908	-	-
Withholding tax	-	389 158	-	18 093
	20 778 454	**22 391 113**	**1 700 482**	**946 355**

Accrued liabilities represent contractual liabilities that relate to expenses that were incurred, but not paid at statement of financial position date.

The book value of trade payables, accrued liabilities and other payables are considered to approximate their fair value at 31 March 2017.

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19. Revenue

Figures in Rand	Notes	Group		Company	
			Re-presented		
		2017	**2015**	**2017**	**2015**
Revenue					
Interest revenue		232 285 771	62 593 746	-	-
Origination and administration fees		8 855 878	11 089 588	-	-
Insurance		743 818	63 154	-	-
Management fees		2 331 000	8 625 133	-	-
Stem cell processing and storage		32 233 857	25 041 240	-	-
Sale of goods		30 891 703	15 332 433	-	-
Rendering of services		10 281 524	-	-	-
Collection commissions and collections of acquired debt		4 171 088	21 960 152	-	-
		321 794 638	**144 705 445**	**-**	**-**
Investment revenue					
Subsidiaries interest		-	-	103 540 732	31 471 483
Subsidiaries capital raising fees		-	-	24 900 000	-
Subsidiaries dividend		-	-	6 850 000	9 000 000
Other miscellaneous		-	144 180	-	1 943
		-	**144 180**	**135 290 732**	**40 473 426**
Total revenue		**321 794 638**	**144 849 625**	**135 290 732**	**40 473 426**

During the current financial period group revenue amounting to R64 633 858 was transferred to discontinued operations (2015: R24 740 090). Refer to note 27 for more detail in this regard.

No group investment revenue was transferred to discontinued operations for the 31 March 2017 financial period (2015: R243 947).

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20. Other income

Figures in Rand	Notes	Group 2017	Group 2015 *Re-presented*	Company 2017	Company 2015
Expense recoveries		11 002 784	1 191 891	757 678	6 319 561
Realisation of lease straight lining liability		-	896 609	-	-
Profit on foreign currency exchange differences		508 371	1 810 243	-	-
Profit on sale of other financial asset		-	17 229 960	-	-
Profit on sale of businesses	38	66 726 081	-	15 718 214	-
Profit on sale of property, plant and equipment		64 964	-	-	-
Profit on sale of investment in associate		-	-	-	966 500
Ad hoc fee income		3 744 526	-	-	-
Reversal of impairment provisions		3 318 366	-	10 883 964	-
Interest on loan - sales of businesses		1 529 932	-	1 025 521	-
Other miscellaneous		1 647 853	733 597	4 962	30 244
		88 542 877	**21 862 300**	**28 390 339**	**7 316 305**

Group other income amounting to R70 709 was transferred to discontinued operations for the 31 March 2017 financial period (2015: R90 732).

21. Operating profit / (loss)

Operating profit / (loss) for the period is stated after accounting for the following:

Administration and management fees		-	-	-	800 000
Operating lease charges					
Premises		3 744 437	4 378 927	-	-
Equipment		428 299	448 767	-	-
Profit/(loss) on sale of equity accounted investment	23	-	775 313	-	-966 500
Loss on foreign currency exchange differences		23 066 186	522 314	993 724	-
Loss on sale of business	38	-	3 502 689	-	-
Impairment of other financial assets		2 136 579	3 303 605	-	-
Impairment of intangible assets		-	856 512	-	-
Impairment of trade and other receivables	30	1 942 079	1 857 999	-	-
Depreciation on property, plant and equipment	3	3 252 557	1 369 688	-	3 164
Amortisation of intangible assets	4	738 831	-	-	-
Employee costs - settled in cash		51 017 027	36 609 444	1 201 189	844 213
Employee costs - settled in shares	30	3 743 870	-	354 000	-

Group operating expenses amounting to R26 454 278 were transferred to discontinued operations for the 31 March 2017 financial period (2015: R8 830 228).

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22. Fair value adjustments

Figures in Rand	Notes	Group 2017	Group 2015 *Re-presented*	Company 2017	Company 2015
Listed equities	39	-11 017 229	-	-	-
Acquired debt books		-	5 639 051	-	-
	30	**-11 017 229**	**5 639 051**	**-**	**-**

The carrying value of the acquired debt books at 31 December 2015 was adjusted to the fair value of the assets for the reporting period, representing the recoverable amount as at the reporting date. These acquired debt books were disposed of at the fair value, effective on 28 February 2016.

The group acquired shares in an entity listed on the Frankfurt Stock Exchange on 30 March 2017. The fair value adjustment represents the movement in the share price as per the acquisition agreement and the market value of the listed equities on the exchange on 31 March 2017.

23. Investment in associate

The group acquired a 25% interest in an investment property entity, Living 4 U (Pty) Ltd early in 2015, for a total purchase consideration of R4 283 500 of which R3 250 000 was settled through the issue of Class A preference shares. The property development of the associate was sold during the current financial period and the 25% interest held by the group was repurchased from the proceeds at R5.25 million. Details pertaining to the equity accounted results for the period are disclosed below:

	Group 2017	Group 2015	Company 2017	Company 2015
Cost of investment in associate	-	4 283 500	-	4 283 500
Equity accounted post acquisition profit	-	1 741 813	-	-
	-	**6 025 313**	**-**	**4 283 500**
Disposal of investment in associate	-	-6 025 313	-	-4 283 500
Investment in equity accounted investment	**-**	**-**	**-**	**-**
Acquisition date fair value of consideration paid				
Cash consideration paid	-	-1 033 500	-	-1 033 500
Other consideration*	-	-3 250 000	-	-3 250 000
	-	**-4 283 500**	**-**	**-4 283 500**

* The remaining purchase consideration was settled through the issue of listed Ecsponent Class A preference shares.

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23. Investment in associate (continued)

Details of the group's associate for the 2017 financial period were as follows:

Name of associate	Place of incorporation and operations	Proportion of ownership interest (%)		Proportion of voting power (%)	
		2017	2015	2017	2015
Living 4 U (Pty) Ltd	South Africa	0%	25%	0%	25%

Principle activity	Investment property

The above associate is accounted for using the equity method in these consolidated financial statements.

The financial period end date of Living 4 U (Pty) Ltd is October 31. This was the reporting date established when that company was incorporated, and a change of reporting date was not required due to the insignificance of the operational transactions. For the purposes of applying the equity method of accounting, the financial statements of Living 4 U (Pty) Ltd for the period ended October 31, 2015 have been used, and appropriate adjustments have been made for the effects of significant transactions between that date and the date of disposal of the investment.

The group had significant influence over Living 4 U (Pty) Ltd by virtue of its contractual right to appoint one out of four directors to the board of that company.

Summarised financial information in respect of the group's associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs (adjusted by the group for equity accounting purposes). Due to the sale of the asset of the associate, no significant assets or liabilities existed at period end.

Figures in Rand	Notes	Group		Company	
		2017	2015	2017	2015
Living 4 U (Pty) Ltd					
Revenue		-	54 000		
Profit for the year		-	6 967 254		
Other comprehensive income for the year		-	-		
Total comprehensive income for the year		-	6 967 254		
Dividends received from the associate during the year		-	-		

Reconciliation of the above summarised financial information to the carrying amount of the interest in Living 4 U (Pty) Ltd recognised in the consolidated financial statements:

Total comprehensive income for the year		-	6 967 254
Proportion of the group's ownership interest in associate		0%	25%
Equity accounted profit for the period		**-**	**1 741 813**

Notes to the Consolidated Financial Statements

For the period ended 31 March 2017

23. Investment in associate (continued)

During December 2015, the group disposed of the 25% interest in Living 4 U (Pty) Ltd for proceeds of R5.25 million (received in December 2015). This transaction has resulted in the recognition of a gain in profit or loss, calculated as follows.

Figures in Rand	Notes	Group		Company	
		2017	2015	2017	2015
			Re-presented		
Living 4 U (Pty) Ltd					
Proceeds on disposal		-	5 250 000	-	5 250 000
Less: Carrying amount of investment on the date of loss of significant influence		-	-6 025 313	-	-4 283 500
(Loss) / profit recognised	21	**-**	**-775 313**	**-**	**966 500**

The loss recognised comprises a realised loss of R775 313 (being the proceeds of R5.25 million less R6.025 million carrying amount of the interest disposed of). A deferred tax credit of R144 798 related to the capital loss realised in the prior period.

24. Finance costs

Other financial liabilities	2 920 325	2 157 062	-	-
Preference share dividends	127 306 479	24 733 005	92 063 964	18 909 943
Other miscellaneous	123 770	39 054	33 637	510 253
	130 350 574	**26 929 121**	**92 097 601**	**19 420 196**

Group finance costs amounting to R27 241 932 were transferred to discontinued operations for the 31 March 2017 financial period (2015: R1 729 851).

25. Auditor's remuneration

Fees	841 640	1 109 283	-	166 900
Adjustment from previous year	106 766	11 400	-	-
Expenses	485 000	-	-	-
	1 433 406	**1 120 683**	**-**	**166 900**

Audit expenses amounting to R71 183 are included in discontinued operations.

Notes to the Consolidated Financial Statements

For the period ended 31 March 2017

26. Taxation

Figures in Rand	Notes	Group		Company	
			Re-presented		
		2017	2015	2017	2015
Major components of tax (income)/expense					
Continuing operations					
Current					
Income tax – current period		33 379 879	3 594 912	19 986 143	148
Deferred					
Originating and reversing temporary differences		-10 702 105	3 643 421	2 590 638	2 182 523
Arising from previously unrecognised tax losses		416 449	548 155	-	-
		-10 285 656	**4 191 576**	**2 590 638**	**2 182 523**
		23 094 223	**7 786 489**	**22 576 781**	**2 182 671**
Discontinued operations					
Income tax – current period		2 119 975	715 616	2 119 975	-
Deferred tax on originating and reversing temporary differences		-6 307 081	-869 371	-	-
Discontinued operations - tax expense for the period		**-4 187 106**	**-153 756**	**2 119 975**	**-**
Total group tax expense for the period		**18 907 117**	**7 632 733**	**24 696 756**	**2 182 671**

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
Different tax rates applied in foreign subsidiaries		0,05	-1,14	-	-
Previously unrecognised deferred tax asset		-0,48	-2,35	-	-
Disallowable charges - preference share dividends		22,30	14,74	89,70	124,84
Disallowable charges - penalties and miscellaneous		0,54	0,78	-	-
Exempt income - dividends received		-	-	-5,68	-
Tax effect of equity accounted earnings		-	-1,77	-	-
Effect of unused tax losses and tax offsets not recognised as deferred tax asset		-4,00	-2,28	-	-77,45
Capital gains tax		-24,88	-5,47	-7,00	-8,32
		21,53	**30,51**	**105,02**	**67,07**

Notes to the Consolidated Financial Statements

For the period ended 31 March 2017

26. Taxation (continued)

Taxation credits amounting to R6 307 081 and taxation payable of R2 119 975 (resulting in a net taxation credit of R4 187 106) (2015: R153 756) were transferred to discontinued operations for the 31 March 2017 financial period.

The group's estimated tax loss available for set-off against future taxable income, is R33 095 027 (2015: R16 399 185). The deferred tax asset arising on the group's tax loss has been recognised in full as at 31 March 2017.

The group's estimated tax loss available for set-off against future taxable income comprises the following:

Figures in Rand	Group	
	2017	**2015**
Salveo Swiss Technology Limited	9 184 825	6 860 981
Cryo-Save South Africa (Pty) Ltd	10 186 001	5 216 705
Cryo-Save Namibia (Pty) Ltd	7 142	122 734
Ecsponent Biotech (Pty) Ltd	125 749	-
Vitasave (Pty) Ltd	9 849	-
Lazaron Biotechnologies (SA) (Pty) Ltd	65 106	-
Return on Innovation (Pty) Ltd	9 685 332	-
Ecsponent Limited (South Africa)	-	15 148
Ecsponent Credit Services (Pty) Ltd	-	123 424
Sanceda Collection Services (Pty) Ltd (Swaziland)	3 786 355	433 645
Sanceda Collection Services (Pty) Ltd	11 594	-
Ecsponent Financial Services (Pty) Ltd	-	652 410
Ecsponent Limited (Botswana)	-	443 740
Ecsponent Holdings (Pty) Ltd (Swaziland)	8 051	-
Ecsponent Holdings (Pty) Ltd (Botswana)[$]	-	2 892
Sanceda Collection Services (Pty) Ltd (Botswana)	25 023	836 027
Ecsponent Financial Services (Pty) Ltd (Zambia)[#]	-	1 691 481
	33 095 027	**16 399 185**

[$] These operations were disposed of during the current financial period.
[#] These operations were transferred to disposal groups held for sale and are subject to disposal in term of the sale agreements.

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27. Discontinued operations

The group has undertaken a process of rationalising the group's operations and investments including a series of financial transactions designed to streamline operations and re-align the group for increased strategic growth. The relevant recognition and disclosure requirements of IFRS 5 therefore resulted in the 're-presentation' of the financial results to disclose two categories, being Continued and Discontinued operations (disposal groups). The comparative period Statement of Profit / Loss has therefore been 're-presented' and does not represent a restatement of the results.

The results have also been presented to disclose the impact of the proposed transactions on the group's financial results, resulting in the disclosure of Loan receivables and Loan payables between the affected subsidiaries and the continuing group financial services entities, disclosed in the two different categories. The continued revenue from loan funding has been included in the continued financial services operations' results for the period, as determined by the terms signed funding and/or sale agreements.

With reference to the above-mentioned rationalisation, the board announced in the latter part of December 2016 that the group has agreed terms for the following:

1. The disposal of the company's 51% interest in, and loan accounts against, Clade Investment Management Proprietary Limited ("Clade") to Ecsponent Capital (RF) Limited ("Capital") for a total consideration of R16 500 000 ("the Clade Disposal"). The operations of both ECS Holdings and Clade require a more diversified business portfolio, requiring extended management infrastructure and further capitalisation. The board was of the opinion that a more focused operational structure and the deployment of funds into core assets would be more beneficial to the group's profitability. The decision to dispose of these non-core assets is therefore beneficial to the group;
2. The disposal of the company's 70% interest in, and loan accounts against Ecsponent Holdings (Pty) Ltd, incorporated in Botswana ("ECS Holdings"), to Ecsponent Projects (Pty) Ltd ("Projects"), for a consideration of P30 300 000 ("the ECS Holdings Disposal");
3. The disposal of a portion of the business of Ecsponent Development Fund (Pty) Ltd ("EDF"), as a going concern, to Ecsponent Investment Holdings (Pty) Ltd ("EIH"), for a consideration of R70 166 641 ("the EDF Disposal"). EDF's client base includes retail clients, local government/municipal business, as well as large corporate businesses. In order to penetrate this market effectively the board has decided to focus on the corporate sector. As a result, EDF will dispose of its primarily municipal and retail clients. As at 31 December 2016 the view was to completely exit these sectors, however it became evident that specific retail and municipality clients would still be serviced when the same acceptable risk profile could be achieved. The EDF business was therefore initially recognised as a discontinued operation, however due to the continued ad hoc business in this sector the assets and liabilities were treated as a disposal group held for sale;
4. The issue of 1 500 000 new shares by Ecsponent Financial Services Ltd ("EFS Zambia"), equating to 75% of the total issued share capital in EFS Zambia after the issue, to GetBucks Limited ("GetBucks MU"), for a subscription price equal to ZMW 7 500 000, payable in cash ("the EFS Zambia Subscription"), resulting in a dilution of Ecsponent's interest from 100% to 25%, resulting in the loss of control. This was part of the strategic decision to exit the retail credit provision throughout the group. The group however still retained a non-controlling interest in the entity through the partnering with the expertise and infrastructure of the MyBucks group which should contribute positively to the new private equity division of the group. Ecsponent will remain a funder to these operations through the provision of SME credit. Once again, this reduces the cost base of credit provision for Ecsponent and improves the securitisation of the credit facilities. The retail operations are viewed as non-core to Ecsponent's strategy. The relevant regulatory approvals were not yet effective on 31 March 2017 and therefore these assets and liabilities of the disposal group was classified as a discontinued operation, held for sale.; and
5. The disposal of the company's 50% interest in Sure Choice (Pty) Ltd ("Sure Choice") to GetBucks Limited ("GetBucks BW"), for a consideration of P10 000 000 ("the Sure Choice Disposal"). As a consequence of the decision to exit retail credit provision in the South African market, the board has entered into agreements with GetBucks in Botswana to dispose of Ecsponent's 50% share in Sure Choice, a provider of retail credit. The relevant regulatory approvals were not yet effective on 31 March 2017 and therefore these assets and liabilities of the disposal group were classified as a discontinued operation, held for sale.
6. The proceeds of the described sales above substantially exceeds the carrying amount of the related net assets and accordingly no impairment losses were recognised on the reclassification of these operations as held for sale.

Analysis of profit / (loss) for the year from discontinued operations

The combined results of the discontinued operations included in the profit for the year are set out below. The comparative profit and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued during the current year.

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For the period ended 31 March 2017

27. Discontinued operations (continued)

Figures in Rand	Notes	Group 2017	Group 2015	Company 2017	Company 2015
Revenue	19	64 633 858	24 740 090	-	-
Cost of sales		-28 763 642	-11 962 512	-	-
Gross profit		**35 870 216**	**12 777 578**	**-**	**-**
Other income	20	70 709	90 732	-	-
Operating expenses	21	-26 454 278	-8 830 228	-	-
Operating (loss) / profit		**9 486 648**	**4 038 082**	**-**	**-**
Investment revenue	19	-	243 947	-	-
Finance costs	24	-27 241 932	-1 729 851	-	-
(Loss) / Profit before taxation		**-17 755 284**	**2 552 178**	**-**	**-**
Taxation	26	6 307 080	153 756	-	-
(Loss) / Profit for the year from discontinuing operations		**-11 448 204**	**2 705 934**	**-**	**-**
Gain (loss) on disposal of discontinued operation	38	16 420 613	-	9 464 173	-
Tax thereon	26	-2 119 975	-	-2 119 975	-
Profit for the year from discontinuing operations		**2 852 434**	**2 705 934**	**7 344 198**	**-**

Impairment provisions amounting to R896 036 are included in the operating expenses of profit or loss for the current financial period (2015: R1 852 498). These provisions relate to the general provision of the employee benefits loan book based on actual collectivity of repayments.

Cash flows used in discontinued operation	Group 2017	Group 2015	Company 2017	Company 2015
Net cash used in operations	-31 934 745	2 373 138	-	-
Net cash used in investing activities	-34 086 936	-4 286 696	-	-
Net cash used in financing activities	76 501 586	11 218 391	-	-
	10 479 905	**9 304 833**	**-**	**-**

The Sure Choice and EFS Zambia operations have been classified and accounted for as disposal groups held for sale as at 31 March 2017. See note 28 for more detail.

The identified operations are included in the group's financial services operating segment. These divisions within the financial services reporting segment are separately identifiable based on the nature of the operations and are managed separately by the group, being asset management and retail lending.

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28. Assets and liabilities classified as held for sale

Figures in Rand	Notes	Group 2017	Group 2015	Company 2017	Company 2015
Assets held for sale		**124 313 331**	**-**	**3 575 557**	**-**
Sure Choice (Pty) Ltd		111 707 722	-	-	-
Ecsponent Financial Services Ltd (Zambia)		12 605 609	-	3 575 557	-
Liabilities associated with assets held for sale		**-130 689 526**	**-**	**-**	**-**
Sure Choice (Pty) Ltd		-115 569 707	-	-	-
Ecsponent Financial Services Ltd (Zambia)		-15 119 819	-	-	-

The group has undertaken a process of rationalising the operations and investments including a series of financial transactions designed to streamline operations and re-align the group for increased strategic growth. Details of these agreements are outlined in note 27. Refer below for the analysis of the underlying assets and liabilities classified as disposal groups held for sale during December 2016.

Combined aggregate of disposal groups held for sale	Notes	Classified as disposal group held for sale	Disposal of investment	Balance 31 March 2017
Assets of disposal groups				
Property, plant and equipment	3	3 029 908	-1 435 539	1 594 369
Intangible assets and goodwill	4	13 466 032	-9 255 232	4 210 800
Other financial assets		116 934 584	-20 054 609	96 879 975
Deferred tax asset		11 944 208	-6 732 844	5 211 365
Trade and other receivables		58 434 399	-48 183 917	10 250 482
Cash and cash equivalents	11	28 544 690	-22 378 350	6 166 340
		232 353 822	**-108 040 491**	**124 313 331**
Liabilities of disposal groups				
Other financial liabilities		-197 289 142	78 350 392	-118 938 750
Deferred income		-6 193 372	-	-6 193 372
Trade and other payables		-3 358 484	2 397 944	-960 540
Bank overdraft	11	-4 596 864	-	-4 596 864
		-211 437 862	**80 748 336**	**-130 689 526**

During December 2016 the group classified a number of its operations as disposal groups / discontinued operations. Subsequently (but prior to the period end), Clade, Ecsponent Holdings Botswana and the business of EDF was disposed of, resulting in only Sure Choice and EFS Zambia being classified as disposal groups held for sale at the end of the reporting period. Refer below for an analysis of the disposal groups classified as held for sale during the current financial period:

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28. Assets and liabilities classified as held for sale (continued)

Analysis of disposal groups classified as held for sale during the current financial period:

Clade Investment Management (Pty) Ltd and subsidiary	Notes	Classified as disposal group held for sale	Disposal of investment	Balance 31 March 2017
Assets of disposal groups				
Property, plant and equipment	38	5 738	-5 738	-
Intangible assets and goodwill	38	9 255 232	-9 255 232	-
Deferred tax asset	38	4 116 614	-4 116 614	-
Trade and other receivables	38	1 274 983	-1 274 983	-
Cash and cash equivalents	38	3 117 714	-3 117 714	-
		17 770 281	**-17 770 281**	**-**
Liabilities of disposal groups				
Other financial liabilities	38	-6 805 853	6 805 853	-
Trade and other payables	38	-127 037	127 037	-
		-6 932 890	**6 932 890**	**-**
Ecsponent Holdings (Pty) Ltd (Botswana) and its subsidiary				
Assets of disposal groups				
Property, plant and equipment	38	1 073 884	-1 073 884	-
Deferred tax asset	38	2 616 230	-2 616 230	-
Other financial assets	38	20 054 609	-20 054 609	-
Trade and other receivables	38	20 659 494	-20 659 494	-
Cash and cash equivalents	38	19 260 636	-19 260 636	-
		63 664 853	**-63 664 853**	**-**
Liabilities of disposal groups				
Other financial liabilities	38	-71 544 539	71 544 539	-
Trade and other payables	38	-2 074 375	2 074 375	-
		-73 618 914	**73 618 914**	**-**
The business of Ecsponent Development Fund (Pty) Ltd				
Assets of disposal groups				
Property, plant and equipment	38	355 916	-355 916	-
Trade and other receivables	38	31 396 740	-31 396 740	-
		31 752 656	**-31 752 656**	**-**
Liabilities of disposal groups				
Trade and other payables	38	-196 532	196 532	-
		-196 532	**196 532**	**-**

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28. Assets and liabilities classified as held for sale (continued)

Analysis of disposal groups classified as held for sale during the current financial period:

Sure Choice (Pty) Ltd	Notes	Classified as disposal group held for sale	Disposal of investment	Balance 31 March 2017
Assets of disposal groups				
Property, plant and equipment		936 114	-	936 114
Other financial assets		92 797 532	-	92 797 532
Deferred tax		1 971 656	-	1 971 656
Trade and other receivables		10 250 482	-	10 250 482
Cash and cash equivalents		5 751 938	-	5 751 938
		111 707 722	**-**	**111 707 722**
Liabilities of disposal groups				
Other financial liabilities		-103 818 931	-	-103 818 931
Deferred income		-6 193 372	-	-6 193 372
Trade and other payables		-960 540	-	-960 540
Bank overdraft		-4 596 864	-	-4 596 864
		-115 569 707	**-**	**-115 569 707**
Ecsponent Financial Services Limited Zambia				
Assets of disposal groups				
Property, plant and equipment		658 256	-	658 256
Intangible assets and goodwill		4 210 800	-	4 210 800
Other financial assets		4 082 442	-	4 082 442
Deferred tax		3 239 709	-	3 239 709
Cash and cash equivalents		414 402	-	414 402
		12 605 609	**-**	**12 605 609**
Liabilities of disposal groups				
Other financial liabilities		-15 119 819	-	-15 119 819
		-15 119 819	**-**	**-15 119 819**
Company				
Ecsponent Limited				
Assets of disposal groups				
Investment in subsidiary	5	3 575 557	-	3 575 557
		3 575 557	**-**	**3 575 557**

The above listed disposal groups all form part of the group's 'financial services' reporting segment.

Notes to the Consolidated **Financial Statements**

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29. Events after the reporting date

The directors are not aware of any material event, other than the disclosure related to matters listed below, which occurred after the reporting date and up to date of this report. The following events initiated during the period, were concluded subsequent to the year end:

The board has undertaken a process of rationalising the group's operations and investments and has announced a series of financial transactions designed to streamline operations and re-align the group for increased strategic growth. These transactions ensure uncompromising focus on its core business of SME and enterprise finance and private equity, with the group disposing of all other assets not aligned to these activities. The transactions are conditional upon obtaining the requisite shareholder approvals during the general meeting of shareholders, held on 30 March 2017,which included the following:

- the issue of 1 500 000 new shares by Ecsponent Financial Services Limited ("EFS Zambia"), equating to 75% of the total issued share capital in EFS Zambia after the issue, to GetBucks Limited ("GetBucks MU"), for a subscription price equal to ZMW 7 500 000, payable in cash ("the EFS Zambia Subscription"), resulting in a dilution of Ecsponent's interest from 100% to 25%; and
- the disposal of the company's 50% interest in Sure Choice Proprietary Limited ("Sure Choice") to GetBucks Limited ("GetBucks BW"), for a sale consideration of P10 000 000 ("the Sure Choice Disposal").

During the general meeting all proposed transactions were approved by the required number of shareholders, however the above two transactions were not concluded due to the following conditions:

- Regulatory approval by the Competitions Commission Authority of Botswana, approving the Sure Choice disposal.
    - In terms of the regulations the submission to the authority can only be submitted once final approval of the transaction has been obtained. The application was therefore filed with the authority and formal final approval was not yet granted at the date of issuing the consolidated financial statements. Communications with the regulatory authority have not indicated any concerns relating to obtaining approval and management believes it will receive final confirmation during July 2017.
- Regulatory approval by the Bank of Zambia, approving the EFS Zambia subscription and change in shareholder.
    - The application for the change in shareholders to EFS Zambia was submitted to the Bank of Zambia, however formal approval was not yet granted as at 31 March 2017. The supporting documentation was therefore filed with the authority and final approval was not yet granted at the date of issuing the consolidated financial statements. Communications with the regulatory authority have not indicated any concerns relating to obtaining approval and management believes it will receive final confirmation during July 2017.

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30. Cash generated from / (used in) operations

Figures in Rand	Notes	Group		Company	
		2017	2015	2017	2015
Profit before taxation		86 483 410	27 566 945	33 462 701	3 253 979
Adjusted for					
Dividends received	19	-	-	-6 850 000	-9 000 000
Interest received	19	-	-388 127	-128 440 732	-31 473 426
Finance costs		151 109 788	18 504 199	92 097 601	19 420 196
Adjusted for non-cash flow movements					
Profit from disposal of operations classified as disposal groups held for sale	38	-52 338 366	-	-	-
Depreciation and amortisations		3 991 388	1 548 051	-	3 164
Loss on sale of tangible assets		376 313	27 374	-	-
Other financial assets - Impairment loss		3 032 615	-	-	-
Fair value adjustments	22	11 017 229	-5 639 051	-	-
Accrued interest revenue		-14 842 251	-	-	-
Realisation of deferred cost		6 463 042	-	5 244 590	-
(Profit) on sale of other financial assets		-	-16 191 937	-	-
Loss / (Profit) on sale of equity accounted investment	23	-	775 313	-	-966 500
(Profit) / Loss on sale of investment in subsidiary	38	-30 808 328	3 132 442	-25 182 387	-
Impairment loss and (Reversal)	21	1 942 079	7 842 458	-10 884 064	-
Reversal of impairment provision - trade receivables		-5 000 796	-	-	-
Income from equity accounted investments	23	-	-1 741 813	-	-
Unrealised forex gain		22 353 474	-870 042	993 724	-
Employee costs - settled in shares	36	3 743 870	-	354 000	-
Changes in working capital:					
Inventories		596 836	806 980	-	-
Trade and other receivables		-14 092 815	-29 790 481	4 599 728	-1 549 098
Deferred revenue		- 3 059 101	4 601 483	-	-
Trade and other payables		6 294 644	10 156 593	754 128	371 903
		177 263 029	**20 340 388**	**-33 850 712**	**-19 939 782**

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31. Taxation paid

Figures in Rand	Notes	Group 2017	Group 2015	Company 2017	Company 2015
Balance at the beginning of the period		-3 142 208	-53 594	-149	-
Current tax for the year recognised in profit and loss		-35 499 815	-4 310 528	-22 105 969	-
Balance at the end of the period		11 678 329	3 142 208	7 609 891	-149
Disposal of investment in subsidiary	38	1 729 620	-	-	-
		-25 234 074	**-1 221 914**	**-14 496 226**	**-149**

32. Contingencies

The directors are not aware of any matter or circumstances of material significance that require disclosure as a contingent liability.

33. Related parties

Relationship	
Subsidiaries	Refer to note 5
Shareholders with significant influence	Alexander Mason (Pty) Ltd
	Ecsponent Capital (RF) Limited
	TP Gregory
	DP van der Merwe
Subsidiaries of shareholder (Ecsponent Capital (RF) Ltd)	Ecsponent Investment Holdings (Pty) Ltd
	Ecsponent Projects (Pty) Ltd (incorporated in Botswana)
	Ecsponent Business Finance (Pty) Ltd
Members of key management	Refer to note 35

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33. Related parties (continued)

Figures in Rand	Notes	Group 2017	Group 2015	Company 2017	Company 2015
Related party balances					
Loan accounts - Owing (to) by related parties					
Ecsponent Capital (RF) Limited		278 334 488	134 916 945	-	-
The loan is secured over equity and assets of the company, bears interest at 28% per annum (2015: 24%) and is repayable over 60 months effective from 1 April 2017.					
Ecsponent Investment Holdings (Pty) Ltd		-	81 939 569	-	-
The loan is secured over the debtor book, bears interest at 3% per month on the capital amount deployed and is repayable on demand. The loan was settled through a loan consolidation with Ecsponent Capital (RF) Ltd, concluded during the current financial period.					
Experite AG (formerly Cryo-Save AG)	16	-5 582 852	-5 891 327	-	-
Esperite NV (formerly Cryo-Save NV)	16	-614 358	-606 401	-	-
Ecsponent Projects (Pty) Ltd (incorporated in Botswana)	16	-	-4 873 059	-	-
The loan is unsecured, bears interest at 24% per annum and capital and interest are repayable on demand. The loan was settled during the current financial period.					
Loan accounts - Owing (to) by inter group companies					
Ecsponent Treasury Services (Pty) Ltd	9	-	-	866 593 813	-
Ecsponent Management Services Ltd (formerly Vinguard Limited)	9	-	-	-	301 562 369
Ecsponent Financial (Pty) Ltd (formerly Restibyte (Pty) Ltd)	9	-	-	-100	-100
Ligagu Investments (Pty) Ltd trading as GetBucks Swaziland	9	-	-	-	-100
Ecsponent Holdings (Pty) Ltd (Swaziland)	9	-	-	-700	-700
Ecsponent Limited (Botswana)	9	-	-	12 731 730	13 662 000
Cryo-Save SA (Pty) Limited	9	-	-	5 040 111	5 040 111
Ecsponent Treasury Services (Pty) Ltd	9	-	-	13 436 939	-
Ecsponent Financial Services Limited (Zambia)		14 735 739	-	-	1 038 683
The group entered into a subscription agreement resulting in the loss of control over Ecsponent Financial Services Ltd - Zambia, which was not yet concluded at period end. The loan is unsecured, bears interest at 24% per annum and repayable on demand. Refer to notes 27, 28 and 33 for more detail in this regard.					

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33. Related parties (continued)

Figures in Rand	Group 2017	Group 2015	Company 2017	Company 2015
Sure Choice (Pty) Ltd *The group entered into an agreement to dispose of its subsidiary Sure Choice (Pty) Ltd, which was not yet concluded at period end. The loan is secured over the employee benefit advances loan book, bears interest at 28% per month and is repayable in 36 equal monthly instalments, commencing in the month following the effective date of the transaction. Refer to notes 27, 28 and 33 for more detail in this regard.*	68 917 510	-	-	-
Related party transactions				
Interest (received from) / paid to related parties				
Ecsponent Capital (RF) Limited	-76 075 134	-14 109 972	-	-3 900 981
Ecsponent Investment Holdings (Pty) Ltd	-22 707 709	-18 643 562	-	-
Ecsponent Business Finance (Pty) Ltd	-675 741	-	-	-
Ecsponent Projects (Pty) Ltd	-6 044 636	-	-	-
Experite AG (formerly Cryo-Save AG)	-	44 327	-	-
Interest (received from) / paid to inter group companies				
Cryo-Save SA (Pty) Limited	-	-	-	-20 762
Ecsponent Management Services (formerly Vinguard Limited)	-	-	-	-21 678 639
Ecsponent Financial Services (Pty) Ltd	-	-	-	510 245
Ecsponent Treasury Services (Pty) Ltd	-	-	-103 540 732	-
Ecsponent Limited (Botswana)	-	-	-	-1 303 285
Komo Finance (Pty) Ltd	-	-	-	-2 443 282
Sanceda Collection Services (Pty) Ltd	-	-	-	-1 756 053
Ecsponent Financial Services (Pty) Ltd (Zambia)	-	-	-	-368 482
Administration fees paid to / (received from) related parties				
Ecsponent Capital (RF) Limited	-6 439 526	-5 961 780	-	-
Ecsponent Investment Holdings (Pty) Ltd	-1 120 000	-3 240 000	-	-
Ecsponent Business Finance (Pty) Ltd	-	-1 500 000	-	-

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For the period ended 31 March 2017

33. Related parties (continued)

Figures in Rand	Group		Company	
	2017	2015	2017	2015
Administration fees paid to / (received from) inter group companies				
Ecsponent Financial Services (Pty) Ltd	-	-	47 706 570	20 343 659
Ecsponent Management Services (formerly Vinguard Limited)	-	-	-24 900 000	800 000
Cryo-Save SA (Pty) Limited	-	-	-	-18 000
Dividends received from related parties				
Ecsponent Management Services (formerly Vinguard Limited)	-	-	-6 850 000	-9 000 000
Commission paid to / (received from) related parties				
Ecsponent Investment Holdings (Pty) Ltd	-500 000	-	-	-
Recoveries paid to / (received from) related parties				
Ecsponent Capital (RF) Limited	563 931	-	-	-
Ecsponent Investment Holdings (Pty) Ltd	-37 262	-	-	-
Ecsponent Business Finance (Pty) Ltd	-40 020	-	-	-
Recoveries paid to / (received from) inter group companies				
Ecsponent Treasury Services (Pty) Ltd	-	-	18 557 566	-
Ecsponent Ltd Botswana	-	-	2 624 280	-
Reversal of loan impairment on related party loan				
Ecsponent Management Services Ltd (formerly Vinguard Limited)	-	-	-10 883 964	-

For details relating to related party business acquisitions and / or disposals, please refer to notes 37 and 38.

Notes to the Consolidated **Financial Statements**

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34. Directors' interests in the company

At 31 March 2017 the directors' beneficial interests in the company held directly and indirectly amounted to 4.7%, and 58,9% including the non-beneficial interest held. Total directors' interest were as follows:

Director	Total shares held	Holding	Direct	Indirect	Non-beneficial indirect
RJ Connellan	2 495 080	0,2%	2 495 080	-	-
KA Rayner	3 349 366	0,3%	3 349 366	-	-
BR Topham	2 492 222	0,2%	-	2 492 222	-
E Engelbrecht	176 601 616	16,4%	1 239 192	-	175 362 424
P Matute	-	0,0%	-	-	-
G Manyere	458 062 243	42,4%	-	458 062 243	-
W Oberholzer	-	0,0%	-	-	-
TP Gregory	38 634 423	3,6%	38 634 423	-	-
B Shanahan	4 622 096	0,4%	4 622 096	-	-

There were no other changes in directors' interest since this issue and up to the date of approval of the financial statements for the period ended 31 March 2017.

At 31 December 2015 the directors' beneficial interests in the company held directly and indirectly amounted to 4.8%, and 60% including the non-beneficial interest held. Total directors' interest were as follows:

Director	Total shares held	Holding	Direct	Indirect	Non-beneficial indirect
RJ Connellan	1 860 000	0,2%	1 860 000	-	-
KA Rayner	2 714 286	0,3%	2 714 286	-	-
BR Topham	1 857 142	0,2%	-	1 857 142	-
TP Gregory	22 625 000	2,5%	22 625 000	-	-
E Engelbrecht	512 216 334	56,8%	125 000	-	512 091 334

Notes to the Consolidated Financial Statements

For the period ended 31 March 2017

35. Directors' remuneration

Executive		
15 months ended 31 March 2017	**Emoluments**	**Total**
TP Gregory	6 252 954	6 252 954
B Shanahan	2 633 175	2 633 175
E Engebrecht	1 757 038	1 757 038
	10 643 167	**10 643 167**

Director emoluments amounting to R3 389 870 were settled through the issue of ordinary shares in the company during the 2017 financial period. Refer to note 36 for more detail.

12 months ended 31 December 2015	Emoluments	Total
TP Gregory	1 525 000	1 525 000
DP van der Merwe	1 476 426	1 476 426
E Engebrecht	175 000	175 000
B Shanahan	100 000	100 000
	3 276 426	**3 276 426**

Executive salaries are paid by the group's management services division housed in Ecsponent Management Services Ltd.

Non-executive		
15 months ended 31 March 2017	**Fees**	**Total**
RJ Connellan (chairman)	455 000	455 000
BR Topham	425 000	425 000
KA Rayner	425 000	425 000
E Engebrecht	90 000	90 000
P Matute	90 000	90 000
G Manyere	5 000	5 000
W Oberholzer	5 000	5 000
	1 495 000	**1 495 000**

Non-executive directors' emoluments amounting to R354 000 were settled through the issue of ordinary shares in the company during the 2017 financial period. Refer to note 36 for more detail.

12 months ended 31 December 2015	Fees	Total
RJ Connellan (chairman)	207 000	207 000
BR Topham	183 000	183 000
KA Rayner	183 000	183 000
	573 000	**573 000**

E Engelbrecht (previous CEO) resigned as director effective from 1 October 2016, retaining a position as non-executive director to the group board, from which date TP Gregory (former COO) was re-appointed as the group CEO. On the same date Mr P Matute was appointed as non-executive director on the board.

The following changes in the directorate took place effective on 20 March 2017:
- Mr G Manyere was appointed as a non-executive vice chairman to the Ecsponent board;
- Mr W Oberholzer was appointed as independent non-executive director to the Ecsponent board as well as a member of the Audit Committee.

The following changes in the directorate took place after the reporting period ending 31 March 2017, effective 31 May 2017:
- Mr E Engelbrecht resigned as a non-executive director on the board.

Notes to the Consolidated Financial Statements

For the period ended 31 March 2017

35. Directors' remuneration (continued)

Directors of subsidiaries and key management

15 months ended 31 March 2017	Group company	Basic salary	Incentives	Commis-sions	Other	Total
A Hay	Ecsponent Financial Services (Pty) Ltd	155 711	-	2 506 710	62 338	2 724 758
F Slabbert$	Ecsponent Financial Services (Pty) Ltd	105 000	-	789 799	40 556	935 355
P Malanga	Sanceda Swaziland (Pty) Ltd	220 000	-	-	61 230	281 230
E Soonius	Ecsponent Ltd Swaziland	427 331	-	723 500	105 356	1 256 187
T Khoury	Return on Innovation (Pty) Ltd	921 412	-	-	10 942	932 354
C van Niekerk	Ecsponent Procurement Services (Pty) Ltd	871 456	102 965	-	11 714	986 135
E Dalton	Ecsponent Procurement Services (Pty) Ltd	871 456	102 965	-	11 714	986 135
J Mosemane**	Ecsponent Asset Management Ltd	1 574 520	-	-	-	1 574 520
B Kruger**	Clade Investment Management (Pty) Ltd	900 000	-	-	10 138	910 138
A Heunis**	Sure Choice (Pty) Ltd	926 743	-	65 605	-	992 348
M Nkhoma**	Ecsponent Financial Services (Pty) Ltd Zambia	1 027 572	-	-	-	1 027 572
L Rehrl*	Cryo-Save South Africa (Pty) Ltd	812 075	135 593	-	103 589	1 051 257
J van Abo#	Sanceda Collection Services (Pty) Ltd	258 837	-	-	61 043	319 880
		9 072 113	**341 523**	**4 085 614**	**478 620**	**13 977 870**

* Mr L Rehrl resigned as executive director of Cryo-Save South Africa (Pty) Ltd with effect from 28 October 2016.
# Mr J van Abo resigned as executive director of Sanceda Collection Services (Pty) Ltd with effect from 30 June 2016.
$ Mr F Slabbert was appointed as executive director for Ecsponent Financial Services (Pty) Ltd with effect from 1 January 2017.
** The entities represented by these directors were either disposed of effective 31 March 2017 or are in the process of being disposed of. Refer to note 27 for more detail in this regard.

12 month ended 31 December 2015	Group company	Basic salary	Incentives	Commis-sions	Other	Total
A Hay	Ecsponent Financial Services (Pty) Ltd	12 000	-	1 618 704	33 605	1 664 309
L Rehrl	Cryo Save South Africa (Pty) Ltd	940 000	120 000	-	22 273	1 082 273
B Cronje	Komo Finance (Pty) Ltd	180 307	135 231		3 696	319 234
J van Abo	Sanceda Collection Services (Pty) Ltd	600 000	20 706	-	6 763	627 469
		1 732 307	**275 937**	**1 618 704**	**66 337**	**3 693 285**

Employee benefits
All employee benefits including the directors' remuneration are of a short-term nature.

No post-employment benefits, other long-term benefits or termination benefits payments are paid or accrue to any employee or director of the group.

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For the period ended 31 March 2017

36. Equity settled share-based payments (SBP)

Employee benefits equity settled share-based payments

The company's Remuneration Committee and shareholders approved a decision to partially settle directors' fees for the non-executive directors and directors' salaries for executive directors for the 2016 calendar year through the issue of ordinary shares to the directors in lieu of a cash settlement of the fees / remuneration. The number of shares to be issued to directors was calculated with reference to the 30 day VWAP per share as at the vesting dates of the shares.

Shareholders also approved the decision to settle the 2016 executive director incentives through the issue of ordinary shares to the directors in lieu of a cash settlement. The number of shares to be issued to directors was calculated with reference to the 30 day VWAP per share as at the vesting dates of the shares.

Details of the ordinary shares issued for the financial period ending 31 March 2017 are set out below:

Director	Vesting date	Number of shares issued	Price of issue (cents)	Fees/ remuneration settled
Executive directors				
TP Gregory	31-May	7 100 515	18.58	1 319 299
	30-Jun	155 884	17.87	27 860
	31-Jul	149 661	18.62	27 860
	31-Aug	159 066	17.51	27 860
	30-Sep	179 259	15.54	27 860
	31-Oct	181 257	15.37	27 860
	30-Nov	205 779	13.54	27 860
	31-Dec	205 397	13.56	27 860
	31-Dec	7 672 602	13.56	1 040 701
E Engelbrecht	31-May	841 481	18.58	156 350
	30-Jun	66 024	17.87	11 800
	31-Jul	63 389	18.62	11 800
	31-Aug	67 373	17.51	11 800
	30-Sep	75 925	15.54	11 800
B Shanahan	31-Jul	31 694	18.62	5 900
	31-Aug	33 686	17.51	5 900
	30-Sep	37 962	15.54	5 900
	31-Oct	38 386	15.37	5 900
	30-Nov	43 579	13.54	5 900
	31-Dec	86 996	13.56	11 800
	31-Dec	4 349 794	13.56	590 000
Non-executive directors				
RJ Connellan	31-May	635 080	18.58	118 000
KA Rayner	31-May	635 080	18.58	118 000
BR Topham	31-May	635 080	18.58	118 000

	Note	
Total operating expense settled through SBP	30	**3 743 870**
Executive directors	35	**3 389 870**
Non-executive directors	35	**354 000**

The May 2016 director share issues include both the accrued salaries for the period January - May 2016 as well as an incentive approved by shareholders during May 2016.

The December 2016 directors' share issues include both the accrued salaries for December 2016 (approved in May 2016), as well as executive directors' incentives as approved by shareholders on 30 March 2017.

No share-based payments transactions occurred during the 2015 financial period.

Shareholders approved the establishment of an employee share incentive scheme during a general meeting held on 4 December 2014. No share allocation had been made and neither was any shares issued to the share incentive scheme by the reporting date.

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For the period ended 31 March 2017

37. Business combinations and common control acquisitions

Figures in Rand	Notes	Group 2017	Group 2015
Aggregated business combinations for the period			
Property, plant and equipment	3	1 027 790	1 600 081
Intangible assets and goodwill	4	11 826 222	-
Deferred tax asset	7	5 281 656	-
Inventory		-	526 785
Trade and other receivables		47 800 334	1 540 818
Cash and cash equivalents	11	11 735 695	600 148
Other financial liabilities		-17 511 894	-2 417 794
Trade and other payables		-3 679 793	-741 788
Total identifiable net assets		56 480 010	1 108 250
Non-controlling interest	14	18 154 954	-
Common control reserve	13	56 824 377	-
Goodwill	4	-	3 991 750
		131 459 341	**5 100 000**
Net cash flow on acquisition			
Purchase consideration$		-1 500 000	-
Net cash balance assumed		11 733 335	600 148
		10 233 335	**600 148**

$ The purchase considerations are payable on deferred payment terms and no balance was payable at the effective date. All cash flow movements are therefore recognised through the other financial asset and/or liabilities movements. As part of the purchase considerations, 19 095 617 ordinary shares of the company were issued at the 30 day VWAP, equal to R4 million. (Refer below for more detail).

Business acquisitions during the 2017 financial period

Clade Investment Management (Pty) Ltd ("Clade") and its subsidiary

Ecsponent acquired 51% of the ordinary share capital of Clade, which wholly owns the shares of Exchange Trade Fund Ltd, effective 30 June 2016. It has category 2 and 2A investment licenses with the Financial Services Board, allowing the entity to offer a comprehensive range of hybrid investment solutions for investors.

Fair value of the assets acquired and liabilities assumed		
Property, plant and equipment	8 606	-
Intangible assets and goodwill	9 255 232	-
Deferred tax asset	3 400 896	-
Trade and other receivables	1 621 142	-
Cash and cash equivalents	11 453 166	-
Other financial liabilities	-11 452 166	-
Trade and other payables	-1 608 171	-
Bank overdraft	-2 360	-
Total identifiable net assets	12 676 345	-
Non-controlling interest	-1 676 345	-
Purchase consideration	**11 000 000**	**-**

Notes to the Consolidated Financial Statements

For the period ended 31 March 2017

37. Business combinations and common control acquisitions (continued)

Non-controlling interest

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

The intangible assets were recognised in terms of the group's accounting policies, which represented the premium paid for the Category 2 and 2A, asset management license and therefore a new channel for capital raising. Included in the Trade and other receivables at the effective date was gross contractual trade receivables of R1 608 581 with no provision for doubtful debt.

The recoverability of the trade and other receivables were also assessed to be accurate and no concentration risk was evident relating to these trade receivables.

Figures in Rand	Notes	Group	
		2017	2015
Acquisition date fair value of consideration paid			
Purchase consideration paid*		-	-
Net cash balance assumed		11 450 806	-
		11 450 806	**-**

* As part of the purchase consideration, 19 095 617 ordinary shares of the company were issued at the 30 day VWAP (volume weighted average price) at the date of the Letter of Intent, equal to R4 million. The purchase consideration was payable on deferred payment terms and no balance was payable at the effective date. All cash flow movements are therefore recognised through the other financial asset and/or liabilities movements.

The group subsequently entered a sale agreement to dispose of its interest in Clade. Please refer to note 27 for more detail in this regard.

Revenue and profit and loss of Clade

Revenue of R16 391 for the 9 months ended 31 March 2017 and a loss of R1 840 388 of Clade Investment Management (Pty) Ltd have been included in the group's results since the date of acquisition.

The company reported revenue and losses for the 6 months prior to acquisition amounting to R40 684 and R441 331 respectively, which was not included in the consolidated results.

Related party acquisitions during the 2017 financial period

Return on Innovation (Pty) Ltd (ROi)

ROi provides strategic management inputs across all media platforms from the rumblings on social media, through the wide variety of print media to radio and TV – all managed through one intelligence platform. The business provides a strategic high ground for its corporate clients. For Ecsponent, this acquisition is in line with its growth strategy in that ROi is an opportunity that is high tech, offers high margins, high barriers to entry and can effectively be applied in both a South African as well as in an international context. The group concluded an agreement to acquire 51% of the company from Capital, effective 1 March 2016.

Carrying value of the assets acquired and liabilities assumed			
Property, plant and equipment		650 313	-
Intangible assets and goodwill		2 570 990	-
Deferred tax asset		1 434 674	-
Trade and other receivables		1 570 226	-
Cash and cash equivalents		282 529	-
Other financial liabilities		-6 059 728	-
Trade and other payables		-1 714 290	-
Total identifiable net assets		-1 265 287	-
Non-controlling interest		619 991	-
Common control reserve	13	2 145 296	-
Purchase consideration		**1 500 000**	**-**

Notes to the Consolidated Financial Statements

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37. Business combinations and common control acquisitions (continued)

Non-controlling interest

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

The goodwill was recognised directly in the Common control reserve in terms of the group's accounting policies, and is anticipated to be recovered through the future operating profits of the business. Included in the Trade and other receivables at the effective date was gross contractual trade receivables of R1 325 373 with a provision for doubtful debt of R2 280.

Figures in Rand	Notes	Group	
		2017	**2015**
Consideration paid at acquisition			
Purchase consideration paid		-1 500 000	-
Net cash balance assumed		282 529	-
		-1 217 471	**-**

Revenue and profit and loss of ROi

Revenue of R10 692 824 for the 13 months ended 31 March 2017 and a loss of R3 271 556 of Return on Innovation (Pty) Ltd has been included in the group's results since the date of acquisition.

The company reported revenue and losses for the 2 months prior to acquisition amounting to R1 616 127 and R455 679 respectively, were not included in the consolidated results.

Acquisition of the business of Ecsponent Investment Holdings (Pty) Ltd, by Ecsponent Development Fund (Pty) Ltd

EDF, a 74% owned subsidiary of the company at the date of acquisition, agreed to acquire the business conducted by Ecsponent Investment Holdings (Pty) Ltd as a going concern. The business provides high yielding financing opportunities which offer an attractive proposition for the company. The group concluded an agreement to acquire the business of the company, effective 30 June 2016.

Fair value of the assets acquired and liabilities assumed			
Property, plant and equipment		368 871	-
Deferred tax asset		446 087	-
Trade and other receivables		44 608 966	-
Trade and other payables		-357 332	-
Total identifiable net assets		45 066 592	-
Non-controlling interest		19 211 309	-
Common control reserve	13	54 679 081	-
Purchase consideration		**118 956 982**	**-**

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37. Business combinations and common control acquisitions (continued)

Non-controlling interest

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

The goodwill was recognised directly in the Common control reserve in terms of the group's accounting policies, which is anticipated to be recovered through the future operating profits of the business. Included in the Trade and other receivables at the effective date was gross contractual trade receivables of R46 675 943 with a provision for doubtful debt of R2 066 977.

Figures in Rand	Notes	Group	
		2017	**2015**
Consideration paid at acquisition			
Purchase consideration paid*		-	-
Net cash balance assumed		-	-
		-	**-**

* The purchase considerations are payable on deferred payment terms and no balance was payable at the effective date. All cash flow movements are therefore recognised through the other financial asset and/or liabilities movements.

The group acquired the remaining 26% non-controlling interest in EDF effective on 30 September 2016 for R1. Profit after tax amounting to R156 538 was attributable to non-controlling interest's profits up to the effective date. Refer below to note 14 for more detail in this regard.

On 31 March 2017, the company sold this portion of the business. Please refer to note 27 for more detail in this regard.

Revenue and profit and loss of EDF

Revenue of R33 744 265 for the 9 months ended 31 March 2017 and a profit of R4 989 324 of Ecsponent Development Fund (Pty) Ltd have been included in the group's results since the date of acquisition.

Business acquisition 2015 (IFRS 3 applied)

Ecsponent Ltd acquired a 100% interest in Quilibet Trading (Pty) Ltd, a supplier of engineering goods and services, effective on 1 March 2015. The transaction was a strategic purchase to unlock opportunities for secured funding to select financial service companies and credit to small, medium and micro enterprises and providing specific goods and services required by relevant vendors.

Fair value of the assets acquired and liabilities assumed		
Property, plant and equipment	-	1 600 081
Inventory	-	526 785
Trade and other receivables	-	1 540 818
Cash and cash equivalents	-	600 148
Other financial liabilities	-	-2 417 794
Trade and other payables	-	-741 788
Total identifiable net assets	-	1 108 250
Non-controlling interest	-	-
Goodwill	-	3 991 750
Purchase consideration	**-**	**5 100 000**

Notes to the Consolidated Financial Statements

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37. Business combinations and common control acquisitions (continued)

Non-controlling interest

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

Goodwill arose on the acquisition of Quilibet because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and growth in the enterprise development funding sector. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

The fair value of the net assets assumed were assessed at acquisition date and were equal to the carrying amounts disclosed. The recoverability of the trade and other receivables were also assessed to be accurate and no concentration risk was evident relating to these trade receivables.

Figures in Rand	Notes	Group	
		2017	**2015**
Acquisition date fair value of consideration paid			
Purchase consideration paid*		-	-
Net cash balance assumed		-	600 148
		-	**600 148**

* The purchase consideration was settled through the issue of listed Ecsponent Class A preference shares.

Revenue and profit and loss of Quilibet Trading (Pty) Ltd

Revenue of R13 759 211 for the 10 months ended 31 December 2015 and a profit of R976 271 of Quilibet Trading (Pty) Ltd have been included in the group's results since the date of acquisition.

The company reported revenue and profits for the 2 months prior to acquisition amounting to R1 923 653 and R262 043 respectively, which were not included in the consolidated results.

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38. Disposal of investment in subsidiary

Figures in Rand	Notes	Group 2017	Group 2015
Aggregated business disposals for the period			
Property, plant and equipment		1 634 761	125 277
Intangible assets		9 530 553	-
Deferred tax asset		7 492 063	2 281 570
Other financial assets		49 684 057	3 131 654
Trade and other receivables		54 083 071	384 180
Cash and cash equivalents		24 994 040	-
Loans from group companies		-19 897 090	-
Other financial liabilities		-78 350 392	-6 784 596
Deferred income		-1 757 975	-
Trade and other payables		-10 386 082	-1 552 705
Tax payable		-1 729 620	-
Bank overdraft		-	-2 039 606
Total identifiable net assets / (liabilities)		35 297 386	-4 454 224
Non-controlling interest	14	2 042 895	2 182 571
Foreign currency translation reserve		-128 311	-
Loans from group companies settled through loan implementation		34 612 969	-
Other financial asset disposed of with investment		-	6 224 344
Net assets / (liabilities) derecognised		71 824 939	3 952 689
Profit / (loss) on disposal	30	83 146 695	-3 502 689
Consideration receivable		**154 971 634**	**450 000**
Gain on disposal of discontinued operations	27	16 420 613	-
Gain / (loss) on disposal included in continuing operations profit and loss	21	66 726 082	-3 502 689
Gain / (loss) on disposal of investment in subsidiary		14 387 715	-3 502 689
Gain / (loss) on disposal of disposal group held for sale	40	52 338 366	-
Total profit / (loss) on disposals		**83 146 695**	**-3 502 689**

The gains on disposals have been included in ‘Other income’ of profit or loss during the period, for both the continuing and discontinued operations.

Net cash flow on disposal		
Purchase consideration[$]	-	450 000
Net cash (balance) / overdraft disposed off	-24 994 040	2 039 606
	-24 994 040	**2 489 606**

$ The purchase considerations are payable on deferred payment terms and no balance was payable at the effective date. All cash flow movements are therefore recognised through the other financial asset and/or liabilities movements.

Business disposals during the 2017 financial period

Disposal of 51% of Ligagu Investments (Pty) Ltd Swaziland (“Ligagu Investments”)

Ecsponent entered into an agreement to dispose of its 51% shareholding in Ligagu Investments, its subsidiary in Swaziland providing retail credit loans to individuals. The investment was effectively sold on 30 June 2016 for a total consideration of R16 million, payable in twelve equal instalments from 31 July 2016. Interest at 11.5% per annum accrued on the deferred consideration.

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38. Disposal of investment in subsidiary (continued)

Figures in Rand	Notes	Group 2017	Group 2015
Fair value of the assets and liabilities disposed of is as follows:			
Property, plant and equipment		199 222	-
Intangible assets		275 321	-
Deferred tax asset		759 219	-
Other financial assets		29 629 448	
Trade and other receivables		751 854	-
Cash and cash equivalents		2 615 690	-
Loans from group company		-19 897 090	
Deferred income		-1 757 975	-
Trade and other payables		-7 988 139	-
Current tax payable		-1 729 620	-
Total identifiable net assets		2 857 930	-
Non-controlling interest		-1 245 645	-
Net assets derecognised		1 612 285	-
Profit on disposal	14	14 387 715	-
Consideration receivable		**16 000 000**	**-**

Figures in Rand	Notes	Group 2017	Group 2015
Net cash flow on disposal			
Purchase consideration*		-	-
Net cash (balance)/overdraft disposed off		-2 615 690	-
		-2 615 690	**-**

* The disposal proceeds are receivable on deferred payment terms and no balance was received at the effective date. All cash flow movements are therefore recognised through the other financial asset movements.

Disposal of 51% of Clade Investment Management (Pty) Ltd ("Clade")

Ecsponent entered into an agreement to dispose of its 51% shareholding and loan accounts in Clade Investment Management (Pty) Ltd and its subsidiary ("Clade"), as part of a process of rationalising the group's operations and investments designed to streamline operations and re-align the group for increased strategic growth. The investment was sold to Ecsponent Capital (RF) on 31 March 2017 for a total consideration of R16.5 million, payable through a loan implementation agreement describing the terms of consolidating various loan accounts. The first part of the purchase consideration receivable was applied to the settlement of the existing inter group funding facility and the balance towards payment for the equity interest. Interest accrues at 28% per annum on the loan account.

Figures in Rand	Notes	Group 2017	Group 2015
Fair value of the assets and liabilities disposed of is as follows:			
Property, plant and equipment		5 738	-
Intangible assets		9 255 232	-
Deferred tax asset		4 116 614	-
Trade and other receivables		1 274 983	-
Cash and cash equivalents		3 117 714	-
Other financial liabilities		-6 805 853	
Trade and other payables		-127 037	-
Total identifiable net assets		10 837 391	-
Non-controlling interest		-774 555	-
Loans from group companies settled through loan implementation		3 144 180	-
Net assets derecognised		13 207 016	-
Profit on disposal		3 292 984	-
Consideration receivable		**16 500 000**	**-**

Notes to the Consolidated **Financial Statements**

For the period ended 31 March 2017

38. Disposal of investment in subsidiary (continued)

Figures in Rand	Notes	Group 2017	Group 2015
Net cash flow on disposal			
Purchase consideration*		-	-
Net cash (balance)/overdraft disposed off		-3 117 714	-
		-3 117 714	**-**

* The various parties to the disposal, and/or their group companies, have agreed to undertake a process to consolidate various loan accounts due to and from the various parties and/or their group companies, resulting in one single loan account ("the Loan Account") between Ecsponent Treasury Services (Pty) Ltd ("ECS Treasury") and Ecsponent Capital (RF) Limited ("the Loan Consolidation"). The balance remaining on the Loan Account will attract interest at a rate of 28% per annum, nominal annual compound monthly ("nacm"), and be repayable by Capital over 60 months. All cash flow movements are therefore recognised through the other financial asset movements.

Disposal of 70% of Ecsponent Holdings (Pty) Ltd (Botswana) and its subsidiary ("ECS Holdings")

Ecsponent entered into an agreement to dispose of its 70% interest in, and loan accounts against Ecsponent Holdings (Pty) Ltd, incorporated in Botswana ("ECS Holdings"), to Ecsponent Projects (Pty) Ltd ("Projects"), as part of a process of rationalising the group's operations and investments designed to streamline operations and re-align the group for increased strategic growth. Ecsponent Holdings also has a 70% interest in Ecsponent Asset Management Ltd (Botswana). The investment was effectively sold on 31 March 2017 for a total consideration of P30.3 million, payable through a loan implementation agreement describing the terms of consolidating various loan accounts. Interest accrues at 28% per annum on the loan account.

		2017	2015
Fair value of the assets and liabilities disposed of is as follows:			
Property, plant and equipment		1 073 884	-
Deferred tax asset		2 616 230	-
Other financial assets		20 054 609	
Trade and other receivables		20 659 494	-
Cash and cash equivalents		19 260 636	-
Other financial liabilities		-71 544 539	-
Trade and other payables		-2 074 375	-
Total identifiable net assets		-9 954 061	-
Non-controlling interest		4 063 096	-
Foreign currency translation reserve		-128 311	
Loans from group companies settled through loan implementation		31 468 789	-
Net assets derecognised		25 449 513	-
Profit on disposal		13 127 629	-
Consideration receivable		**38 577 142**	**-**

The purchase price and loan settlement were converted on the transaction date at a spot rate of P1,273173 per R1.

		2017	2015
Net cash flow on disposal			
Purchase consideration*		-	-
Net cash (balance) / overdraft disposed off		-19 260 636	-
		-19 260 636	**-**

* The disposal proceeds are subject to the loan consolidation (as described above). All cash flow movements are therefore recognised through the Other Financial Asset movements.

Notes to the Consolidated Financial Statements

For the period ended 31 March 2017

38. Disposal of investment in subsidiary (continued)

Disposal of a portion of the business of Ecsponent Development Fund (Pty) Ltd ("EDF")

Ecsponent entered into an agreement to dispose of a portion of the business of Ecsponent Development Fund (Pty) Ltd ("EDF"), as a going concern, to Ecsponent Investment Holdings (Pty) Ltd ("EIH"), for a consideration of R 83 894 491 ("the EDF Disposal"). EDF's client base includes retail clients, local government/municipal business as well as large corporate businesses. In order to penetrate this market effectively the board has decided to focus on the corporate sector. As a result, EDF will dispose of its primarily municipal and retail clients.

Figures in Rand	Notes	Group	
		2017	**2015**
Fair value of the assets and liabilities disposed of is as follows:			
Property, plant and equipment		355 916	-
Trade and other receivables		31 396 740	-
Trade and other payables		-196 532	-
Net assets derecognised		31 556 124	-
Profit on disposal		52 338 367	-
Consideration receivable		**83 894 491**	**-**
Net cash flow on disposal			
Purchase consideration*		-	-
Net cash (balance)/overdraft disposed off		-	-
		-	**-**

* The disposal proceeds are subject to the loan consolidation (as described above). All cash flow movements are therefore recognised through the other financial asset movements.

Disposal of acquired debt collection books

Ecsponent decided, as part of its new focus on financial services, to dispose of its acquired debt books to Ecsponent Business Finance (Pty) Ltd ("EBF"), effective on 28 February 2016. The disposal consideration of R9 million was paid in cash to Ecsponent Credit Services (Pty) Ltd in 12 equal instalments. All cash flow movements are therefore recognised through the other financial asset movements. The acquired debt books had a carrying value of R8.9 million on the effective date.

Disposal of investments during the 2015 financial period

The group disposed of its investment in Komo Finance (Pty) Ltd, effective on 31 July 2015, as part of the strategic descision of existing the South African payroll lending market.

Fair value of the assets and liabilities disposed of is as follows:	
Property, plant and equipment	125 277
Other financial assets	3 131 654
Deferred taxation	2 281 570
Trade and other receivables	384 180
Other financial liabilities	-6 784 596
Trade and other payables	-1 552 705
Bank overdraft	-2 039 606
Net liabilities derecognised	-4 454 224
Non-controlling interest	2 182 571
Net liabilities derecognised	**-2 271 653**
Consideration received	
Cash	450 000
	450 000

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For the period ended 31 March 2017

38. Disposal of investment in subsidiary (continued)

	Group
	2015
Loss on disposal of investment	
Consideration received	450 000
Net liabilities derecognised	2 271 654
Other financial asset disposed of with investment	-6 224 343
Loss on disposal of investment in subsidiary	**-3 502 689**

The loss on disposal of the subsidiary is recorded as part of operating expenses in the statement of profit or loss and other comprehensive income.

Net cash flow arising on disposal	
Consideration received	450 000
Cash and cash equivalents disposed of	2 039 606
	2 489 606

39. Financial instruments - fair values and risk management

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Accounting classification and fair values

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

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For the period ended 31 March 2017

39. Financial instruments - fair values and risk management (continued)

Group – 31 March 2017

		Carrying amounts					Fair value	
Figures in Rand	Notes	Designated at fair value	Loans and receivables	Financial liabilities at amortised cost	Non-financial instruments	Total	Level 1	Total
Financial assets measured at fair value								
Other financial assets	6	**232 979 597**	**-**	**-**	**-**	**232 979 597**	**232 979 597**	**232 979 597**
Financial assets that are not measured at fair value								
Other financial assets	6	-	748 651 130	-	-	748 651 130	-	-
Trade and other receivables	10	-	27 879 875	-	12 926 172	40 806 047	-	-
Cash and cash equivalents	11	-	25 379 829	-	-	25 379 829	-	-
		-	**801 910 834**	**-**	**12 926 172**	**814 837 006**	**-**	**-**
Financial liabilities that are not measured at fair value								
Cash and cash equivalents	11	-	-	-468 900	-	-468 900	-	-
Preference shares	15	-	-	-927 972 844	-	-927 972 844	-	-
Other financial liabilities	16	-	-	-11 347 364	-	-11 347 364	-	-
Trade and other payables	18	-	-	-16 012 185	-4 766 268	-20 778 453	-	-
		-	**-**	**-955 801 293**	**-4 766 268**	**-960 567 561**	**-**	**-**

39. Financial instruments - fair values and risk management (continued)

Group – 31 December 2015

		Carrying amounts					Fair value	
Figures in Rand	Notes	Designated at fair value	Loans and receivables	Financial liabilities at amortised cost	Non-financial instruments	Total	Level 3	Total
Financial assets measured at fair value								
Other financial assets	6	**8 873 568**	**-**	**-**	**-**	**8 873 568**	**8 873 568**	**8 873 568**
Financial assets that are not measured at fair value								
Other financial assets	6	-	367 642 157	-	-	367 642 157	-	-
Trade and other receivables	10	-	30 318 563	-	13 187 537	43 506 100	-	-
Cash and cash equivalents	11	-	15 114 825	-	-	15 114 825	-	-
		-	**413 075 544**	**-**	**13 187 537**	**426 263 081**	**-**	**-**
Financial liabilities that are not measured at fair value								
Cash and cash equivalents	11	-	-	-5 373 970	-	-5 373 970	-	-
Preference shares	15	-	-	-313 836 967	-	-313 836 967	-	-
Other financial liabilities	16	-	-	-28 261 980	-	-28 261 980	-	-
Trade and other payables	18	-	-	-16 234 735	-6 156 378	-22 391 113	-	-
		-	**-**	**-363 707 650**	**-6 156 378**	**-369 864 029**	**-**	**-**

Fair value of other financial assets and liabilities

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

The fair value of all other financial assets and liabilities are considered to equal their carrying values. Directors consider the carrying value of financial instruments of a short term nature, that mature in 12 months or less, to approximate the fair value of such assets or liability classes. The carrying value of longer term assets are considered to approximate their fair value as these instruments bear interest at interest rates appropriate to the risk profile of the asset or liability class.

Notes to the Consolidated **Financial Statements**

For the period ended 31 March 2017

39. Financial instruments - fair values and risk management (continued)

Company – 31 March 2017

		Carrying amounts				Fair value	
Figures in Rand	Notes	Designated at fair value	Loans and receivables	Financial liabilities at amortised cost	Total	Level 3	Total
Financial assets that are not measured at fair value							
Loans to group companies	9	-	897 802 593	-	897 802 593	-	-
Trade and other receivables	10	-	-	-	-	-	-
Cash and cash equivalents	11	-	4 781 946	-	4 781 946	-	-
		-	**902 584 538**	**-**	**902 584 538**	**-**	**-**
Financial liabilities that are not measured at fair value							
Preference shares	15	-	-	-799 952 465	-799 952 465	-	-
Loans from group companies	9	-	-	-800	-800	-	-
Trade and other payables	18	-	-	-1 700 483	-1 700 483	-	-
		-	**-**	**-801 653 748**	**-801 653 748**	**-**	**-**

Notes to the Consolidated **Financial Statements**

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39. Financial instruments - fair values and risk management (continued)

Company – 31 December 2015

		Carrying amounts				Fair value	
Figures in Rand	Notes	Designated at fair value	Loans and receivables	Financial liabilities at amortised cost	Total	Level 3	Total
Financial assets that are not measured at fair value							
Loans to group companies	9	-	310 419 199	-	310 419 199	-	-
Trade and other receivables	10	-	-	-	-	-	-
Cash and cash equivalents	11	-	3 803	-	3 803	-	-
		-	**310 423 002**	**-**	**310 423 002**	**-**	**-**
Financial liabilities that are not measured at fair value							
Preference shares	15	-	-	-255 124 271	-255 124 271	-	-
Loans from group companies	9	-	-	-900	-900	-	-
Trade and other payables	18	-	-	-928 262	-928 262	-	-
		-	**-**	**-256 053 433**	**-256 053 433**	**-**	**-**

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For the period ended 31 March 2017

39. Financial instruments - fair values and risk management (continued)

Measurements of fair value – reconciliation of Level 1 fair values

Below is a reconciliation of the movement in Level 1 fair values during the period.

Figures in Rand	Notes	Group 2017 Listed equities	Group 2015 Listed equities
Other financial assets designated as at fair value through profit and loss			
Carrying amount of loans and receivables designated as at FVTPL	6	232 979 597	-
Cumulative changes in fair value attributable to changes in market value		-11 017 229	-
Changes in fair value attributable to changes in market recognised during the period	22	-11 017 229	-

The fair value of the listed equities was derived from the quoted bid price in the active market. At the end of the reporting period, the full amount is subject to credit risk.

Other financial assets designated as at fair value through profit and loss			
Opening balance at the start of the period		-	-
Purchases		262 570 000	-
Foreign currency loss recognised in profit and loss		-18 573 174	-
Fair value loss recognised in profit and loss	22	-11 017 229	-
Balance at the end of the period		**232 979 597**	**-**

The following table sets out the amount of total gains or losses for the period included in profit and loss that is attributable to those assets and liabilities held at the reporting date.

Losses recognised in profit and loss		**-29 590 403**	**-**

Measurements of fair value – reconciliation of Level 3 fair values

Below is a reconciliation of the movement in level 3 fair values during the period.

		2017 Acquired debt	2015 Acquired debt
Other financial assets designated as at fair value through profit and loss			
Carrying amount of loans and receivables designated as at FVTPL		-	8 873 568
Cumulative changes in fair value attributable to changes in marker value		8 873 568	7 949 258
Changes in fair value attributable to changes in market recognised during the period		-	5 639 051

At the end of the reporting period, there are no significant concentrations of credit risk.

Reconciliation of other financial assets designated at fair value			
Opening balance at the start of the period		8 873 568	3 240 630
Purchases and revaluations		-	5 853 683
Transfer of realised gains recognised in profit and loss		-	-220 745
Disposal of acquired debt books	38	-8 873 568	-
Balance at the end of the period		**-**	**8 873 568**

The following table sets out the amount of total gains or losses for the period included in profit and loss that is attributable to those assets and liabilities held at the reporting date.

Gains recognised in profit and loss		**126 432**	**5 639 051**

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39. Financial instruments - fair values and risk management (continued)

Capital risk management

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

The capital structure of the group consists of debt, which includes the borrowings disclosed in notes 15 and 16. Cash and cash equivalents disclosed in note 11 and equity as disclosed in the statement of financial position.

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

There are no externally imposed capital requirements.

The group does not have a significant concentrations of credit risk in respect of cash balances as all major banks are used for the group's treasury services.

Financial risk management

The group has documented financial risk management policies. These policies set out the group's overall business strategies and its risk management philosophy. The group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the group. The board of directors provides written principles for overall financial risk management and written policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk, equity price risk), credit risk, liquidity risk, cash flow interest rate risk and investing excess cash. Such written policies are reviewed annually by the board of directors and periodic reviews are undertaken to ensure that the group's policy guidelines are complied with. Risk management is carried out by the treasury department under the policies approved by the board of directors.

The group does not use derivative financial instruments to manage its exposure to interest rate and foreign currency risk.

There has been no change to the group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet is current and future obligations, both expected and unexpected, without materially affecting its daily operations or overall financial position.

The group manages liquidity risk through an on-going review of future commitments and credit facilities. 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 statement of financial position date 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 amounts as the impact of discounting is not significant.

Group: At 31 March 2017	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Trade and other payables	16 346 917	-	-	-
Preference shares	107 487 602	103 706 294	1 920 048 330	-
Other financial liabilities	10 464 401	129 493	517 971	852 495
Bank overdraft	468 900	-	-	-
Group: At 31 December 2015				
Trade and other payables	22 391 113	-	-	-
Preference shares	33 951 980	32 188 569	512 762 031	-
Other financial liabilities	15 495 239	4 421 092	11 918 160	707 596
Bank overdraft	5 373 970	-	-	-

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For the period ended 31 March 2017

39. Financial instruments - fair values and risk management (continued)

Company: At 31 March 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	1 700 483	-	-	-
Preference shares	95 355 851	89 807 046	1 103 455 062	-
Company: At 31 December 2015				
Trade and other payables	946 355	-	-	-
Preference shares	28 217 694	26 454 283	411 034 009	-

The carrying value of the financial liabilities is considered to be in line with the fair value at the statement of financial position date.

Interest rate risk

Interest rate risk consists of fair value interest rate risk (the risk that the fair values of a financial instrument fluctuate because of changes in the market interest rate) and cash flow interest rate risk (the risk that the cash flows fluctuate because of changes in the market interest rate). The group is exposed to both cash flow and fair value interest rate risk. The group manages its fair value interest rate risk through pricing in the anticipated future interest rate movements.

The group's significant interest-bearing assets comprise unsecured micro loans, the acquired debt books and the SME funding. The SME funding, accounted for at amortised cost, is granted at fixed interest rates and as a result the interest rate risk is mitigated. The micro funding rate is determined with reference to interest rate calculation defined by the National Credit Act 34 of 2005, while the interest earned on the loan book is governed by the Prescribed Rate of Interest Act 55 of 1975, in terms of which interest rates are fixed from time to time.

At 31 March 2017 the group's major borrowings remained at fixed rates except for the new sources of funding comprising the issue of Class C preference shares, certain loans and the bank overdrafts secured during the period. These borrowings issued at variable rates exposed the group to cash flow interest rate risk in the South African and Botswana markets.

Management's expectation for the 2018 financial period is that interest rates will decrease by 100 basis points (2015 outlook represented a 150 basis point increases). A decrease of 100 basis points in interest rates at the reporting date, with reference to the period end exposures, would have increased/(decreased) equity and profit or loss by the annualised amounts shown below. The analysis assumes that all other variables remain constant.

	2017			
Interest rate risk analysis	Cash flow interest rate risk	Fair value interest rate risk	No interest rate risk	Total
Other financial assets	-	748 651 130	232 979 597	981 630 727
Cash and cash equivalents	25 379 829	-	-	25 379 829
Preference shares	-582 006 219	-345 966 625	-	-927 972 844
Other financial liabilities	-1 403 725	-9 943 639	-	-11 347 364
Bank overdraft	-468 900	-	-	-468 900
	-558 499 015	**392 740 866**	**232 979 597**	**67 221 448**

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39. Financial instruments - fair values and risk management (continued)

	2015			
Interest rate risk analysis	Cash flow interest rate risk	Fair value interest rate risk	No interest rate risk	Total
Other financial assets	-	367 642 157	-	367 642 157
Cash and cash equivalents	15 114 825	-	-	15 114 825
Preference shares	-156 403 051	-157 433 915	-	-313 836 967
Other financial liabilities	-10 754 676	-17 507 303	-	-28 261 980
Bank overdraft	-5 373 970	-	-	-5 373 970
	-157 416 873	**192 700 938**	**-**	**35 284 065**

Figures in Rand	Notes	Group	
		2017	2015
Sensitivity analysis			
Other financial assets		-3 927 409	2 890 514
Preference shares		5 820 062	-1 241 835
Other financial liabilities		9 216	-122 543
Cash and cash equivalents (including bank overdraft)		-249 109	146 113
		1 652 760	**1 672 249**

Credit risk

Credit risk is the risk that the group's clients or counterparties will not be able or willing to pay interest, repay capital or otherwise fulfil their contractual obligations under loan agreements or other credit facilities. It also arises on bank balances.

The credit risk management policy is determined and approved on a group basis for each operating segment.

The group limits its exposure to credit risk relating to cash deposits and cash equivalents by depositing cash only with major banks with high quality credit standing.

The group's Financial Services operations focus on the provision of financial services to the unbanked and marginalised sectors of society, which by its nature involves assuming higher levels of credit risk. Consequently credit risk features as a dominant financial risk.

Appropriate credit risk premiums are priced into the unsecured financial products to ensure that acceptable returns are generated taking into account expected probability of defaults and estimated recoveries.

SME loans

Management has developed SME loan policies incorporating credit risk scoring and other guidelines to ensure sound loan decisions. The policy further contains guidelines ensuring that sufficient and sound security is obtained.

Notes to the Consolidated Financial Statements

For the period ended 31 March 2017

39. Financial instruments - fair values and risk management (continued)

Trade receivables and enterprise development funding

The group's private equity operations are exposed to credit risk in terms of its trade receivable balance.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an on-going 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.

Enterprise development credit loans were extended to individuals, start-up entities and existing businesses mainly operating in the SMME sector. The assessment for issuing of credit lines was based on group developed scoring methodologies. The methodologies incorporate risk profiling of customers.

Security held depended on the nature of each individual deal and may vary between cash, fixed assets and movable assets.

The group has implemented the procedures below for avoiding excessive concentration of credit risk included in the trade and other receivables:

- Maintaining a wider vendor customer base;
- Continually looking for opportunities to expand the vendor base and product offering base;
- Subjecting all customers to a credit verification procedure before agreements are entered into;
- Reviewing the vendor funding debtor book regularly with the intention of minimising the group's exposure to bad debts;
- Ensuring vendor funding agreements entered into are on a short turnaround basis.

The group does not provide for impairment losses on trade and other receivables based on a general basis. Debts that are past due are impaired based on evidence of the factors cited.

The carrying values of the other financial assets comprise the group's maximum exposure to credit risk. Financial assets exposed to credit risk at the period end date were as follows:

Figures in Rand	Notes	Group	
		2017	**2015**
Financial instrument			
Other financial assets	6	981 630 727	367 642 157
Trade and other receivables	10	27 879 875	30 318 563
Cash and cash equivalents	11	25 379 829	15 114 825

Market risk

Listed equities

Management carefully considered the market and credit risk relating to the acquisition of the listed equities in the financial services sector, as part of its renewed private equity segment and strategy. No inherent or specific market conditions were identified by management that would result in a significant change in the expected share price of listed equities. Similar listed entities showed significant growth historically which aligned with the group's expected returns.

Management also expects the market price / fair value of the listed equities to increase by 20% for the 2018 financial period. An increase of 20% in the market price as at the reporting date, with reference to the period end exposures, would have increased equity and profit or loss by the annualised amounts shown below. The analysis assumes that all other variables remain constant.

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39. Financial instruments - fair values and risk management (continued)

Financial assets exposed to market risk at the period end date were as follows:

Figures in Rand	Notes	Group	
		2017	**2015**
Financial instrument			
Other financial assets	6	232 979 597	-
Market risk sensitivity analysis			
Other financial assets		46 596 007	-

Foreign exchange risk

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

The group is exposed to, and actively manages, currency risk through its operations in Botswana, Zambia, biotechnology sales throughout Africa and foreign borrowings.

Management reviews its foreign currency exposure, including commitments on an on-going basis. The group considers the need to hedge against foreign currency fluctuations on a regular basis where the controls and / or structures implemented to mitigate the foreign currency risk is deemed insufficient. The group did not hedge its foreign exchange fluctuations during the 2017 and 2015 financial period.

The group strategy is to establish sources of funding within the various regions in which it operates to fund the in-country operations thereby mitigating the currency risk.

The group's biotechnology operations has been active in various African regions since 2012 and to manage the foreign currency risk arising from these cross-border transactions all sales transactions remained Rand denominated. The group maintains Euro denominated working capital facilities within its biotechnology operations.

The group acquired listed equities denominated in Euro within its private equity segment, significantly increasing its foreign denominated exposure, also being in line with the group's strategy of diversifying its asset base.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

	2017				
Foreign exchange risk analysis	**Euro**	**Zambian Kwacha**	**Botswana Pula**	**SA Rand**	**Total**
Other financial assets	232 979 597	14 735 739	76 975 548	656 939 843	981 630 727
Trade and other receivables	-	-	1 233 317	39 572 730	40 806 047
Cash and cash equivalents	-	13 509	40 115	25 326 206	25 379 829
Preference shares	-	-	-18 405 900	-909 566 943	-927 972 844
Other financial liabilities	-6 077 210	-	-4 240 787	-1 029 367	-11 347 364
Trade and other payables	-	-	-246 549	-20 531 904	-20 778 453
Bank overdraft	-	-	-	-468 900	-468 900
	226 902 387	**14 749 247**	**55 355 743**	**-209 758 335**	**87 249 042**

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39. Financial instruments - fair values and risk management (continued)

Foreign exchange risk analysis	2015 Euro	Zambian Kwacha	Botswana Pula	SA Rand	Total
Other financial assets	-	6 964 832	67 473 316	302 077 577	376 515 725
Trade and other receivables	-	-	13 790 577	29 715 523	43 506 100
Cash and cash equivalents	-	239 271	300 841	14 574 713	15 114 825
Preference shares	-	-	-22 627 580	-291 209 387	-313 836 967
Other financial liabilities	-6 377 729	-	-14 742 504	-7 141 747	-28 261 980
Trade and other payables	-	-321 223	-1 694 770	-20 375 121	-22 391 113
Bank overdraft	-	-	-5 373 970	-	-5 373 970
	-6 377 729	**6 882 881**	**37 125 911**	**27 641 558**	**65 272 621**

Management's expectation for the 2018 financial period is that short term fluctuations in exchange rates will be experienced and that the expectation for exchange rates over the 12 months to March 2018 is that the Rand will continue its slow strengthening. A 10% strengthening of the Rand against the currencies below at the period end date, with reference to the period end exposures, would have increased equity by the amounts shown below (10% weakening forecasted during 2015). The analysis assumes that all other variables remain constant.

	2017 Rand	2015 Rand
Foreign exchange sensitivity analysis		
Euro	22 690 239	-391 707
Pula	5 535 574	-3 712 591
Zambian Kwacha	1 474 925	-688 288

Exchange rates used for conversion of foreign items at the reporting date were:

Euro	14,3173	17,019
Pula	1,27317	1,3662
Zambian Kwacha	1,31214	1,4139

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40. Earnings and fully diluted earnings per share

Figures in Rand	Notes	Group 2017	Group 2015
Earnings			
Total profit for the period (excluding other comprehensive income)		67 576 291	19 934 212
Loss attributable to non-controlling interest		10 436 329	3 424 745
Basic earnings		**78 012 620**	**23 358 957**

The following share issues took place during the 2017 financial period:

	Issue date	Number of shares issued
Issue of shares for the Clade Investment Management acquisition	30-Jun-16	19 095 617
Directors' share issue - May 2016	10-Jun-16	9 847 769
Directors' share issue - June 2016	05-Jul-16	221 908
Directors' share issue - July 2016	08-Aug-16	244 744
Odd lot offer - repurchase and cancellation - 19 August 2016	25-Aug-16	-51 476
Specific repurchase and cancellation - 19 August 2016	25-Aug-16	-491 282
Directors' share issue - August 2016	06-Sep-16	260 125
Directors' share issue - September 2016	04-Oct-16	293 146
Directors' share issue - October 2016	07-Nov-16	219 644
Directors' share issue - November 2016	05-Dec-16	249 359
Directors' share issue - December 2016	06-Jan-17	292 393
Rights offer 2017	22-Feb-17	135 758 403
Directors' share issue - March 2017	31-Mar-17	12 022 396
		177 962 746

	2017	2015
Number of shares in issue at start of period	901 588 049	901 588 049
Weighted average number of shares issued during the period	29 319 279	-
Total weighted number of shares in issue at end of period	930 907 328	901 588 049

There were no shares issued during the 31 December 2015 financial period.

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40. Earnings and fully diluted earnings per share (continued)

Earnings and diluted earnings per share

Profit and diluted profit per share have been calculated using the following:

Figures in Rand	Notes	Group 2017	Group 2015
Net profit for the period attributable to ordinary shareholders		78 012 620	23 358 957
from continuing operations		75 160 187	20 653 023
from discontinuing operations		2 852 433	2 705 934
Weighted average number of shares in issue for the period		930 907 328	901 588 049
Basic profit and fully diluted profit per share (cents)		8,380	2,591
from continuing operations		8,074	2,291
from discontinuing operations		0,306	0,300

Headline earnings and diluted headline earnings per share

Headline earnings and diluted headline earnings per share have been calculated as follows:

Figures in Rand	Notes	Group 2017	Group 2015
Headline earnings			
Basic earnings		78 012 620	23 358 957
Impairment of intangible assets		-	493 942
Loss on disposal of associate		-	630 516
Gain on disposal of subsidiary	38	-11 494 649	-2 040 223
Gain on disposal of subsidiary - discontinued operations	28	-14 300 638	-
Loss on disposal of property, plant and equipment		253 518	10 016
Gain on disposal of disposal group held for sale	38	-52 338 366	-
Total headline earnings		**132 485**	**22 453 208**
Headline earnings attributable to ordinary shareholders		132 485	22 453 208
from continuing operations		11 292 304	19 735 818
from discontinued operations		-11 159 819	2 717 390
Weighted average number of shares in issue for the period		930 907 328	901 588 049
Headline and fully diluted headline earnings per share (cents)		0,014	2,490
from continuing operations		1,213	2,189
from discontinued operations		-1,199	0,301

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40. Earnings and fully diluted earnings per share (continued)

Period ending 31 March 2017 Reconciliation of headline earnings	Notes	Gross	Nett adjustment
Basic earnings		86 483 408	78 012 620
Gain on disposal of subsidiary	38	-14 387 715	-11 494 649
Gain on disposal of subsidiary - discontinued operations	38	-16 420 613	-14 300 638
Loss on disposal of property, plant and equipment	30	376 313	253 518
Gain on disposal of disposal group held for sale	38	-52 338 366	-52 338 366
Total headline earnings		**3 713 027**	**132 485**

Period ending 31 December 2015 Reconciliation of headline earnings	Notes	Gross	Nett adjustment
Basic earnings		27 566 945	23 358 957
Impairment of intangible assets	4	856 512	493 942
Loss on disposal of associate	24	775 313	630 516
Gain on disposal of subsidiary	38	-2 493 455	-2 040 223
Loss on disposal of property, plant and equipment		27 374	10 016
Total headline earnings		**26 732 689**	**22 453 208**

41. Segment report

The group has the following strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reportable segment.

Operational segment

Financial services: The segment provides finance to select niche markets, including the following sub divisions or products: employee benefits / retail lending, SME / business-to-business funding and enterprise development funding. It also houses the group's investment products offered to the retail markets, which are again split between retail capital raising and asset management.

Private equity: Private equity segment houses investment opportunities which contain high margins and high barriers to entry. The three main investments within the segment are:

- Listed equities: The acquisition of listed equities provides Ecsponent with a non-controlling equity interest in a dynamic and fast-growing financial technology business that is at the cutting edge of its industry, has high profit margins, proprietary credit scoring, rigorous risk and credit management, a diversified and risk balanced loan portfolio and an experienced management team.
- Biotechnology provides private umbilical cord stem cell storage services, for both cord blood and cord tissue storage to the public.
- Other: Investment opportunities which included the investment property minority share in Living 4 U (disposed of during 2015),the engineering business investment of Quilibet Trading acquired during the 2015 financial period, and the media monitoring business investment of Return on Innovation (Pty) Ltd acquired during the 2017 financial period.

Collections: Collections agency with expertise in tracing defaulters, repayment and contract agreements, debit order and related collection management and legal pursuance.

Corporate: Corporate represents the group management services and group holding structures.

The group's executive committee regularly reviews the financial information of the operational segments to assess performance and resource allocation.

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41. Segment report (continued)

31-Mar-17	Reportable segments						
	Financial Services	Private Equity	Collections	Corporate	Eliminations	Discontinued operations	Total
External revenues	217 905 448	74 621 181	3 138 792	70 972 399	-	-44 843 182	321 794 638
Inter-segment revenue	106 600 952	2 027 427	4 782 130	52 489 450	-165 899 959	-	-
Segment revenue	324 506 400	76 648 608	7 920 922	123 461 849	-165 899 959	-44 843 182	321 794 638
Segment operating profit / (loss)	169 148 643	-18 106 464	2 866 379	63 112 025	19 170 419	-7 005 118	229 185 884
Finance costs	-230 072 859	-8 256 885	-5 943 476	-83 995 207	169 954 054	27 963 799	-130 350 574
Depreciation and amortisation	-1 236 844	-2 201 687	-490 935	-341 505	217 640	891 973	-3 161 358
Fair value adjustments	-	-11 017 229	-	-	-	-	-11 017 229
Non-cash transactions - foreign currency gain (loss)	-21 662 285	337 035	-	-1 232 565	-	204 342	-22 353 473
Taxation	12 242 906	3 848 476	837 296	-23 339 276	-12 496 519	-4 187 106	-23 094 223
Segment profit / (loss) after tax	**56 816 789**	**-21 306 664**	**-2 062 888**	**-4 972 373**	**39 101 427**	**-2 852 433**	**64 723 858**
Segment assets	2 193 709 798	293 007 424	2 380 098	46 236 533	-1 320 516 757	-124 313 331	1 090 503 765
Segment liabilities	-2 077 065 280	-319 332 791	-17 987 764	-40 678 686	1 335 804 266	130 689 526	-988 570 729
Capital expenditure	3 066 137	921 590	369 489	1 155 945	-	-3 833 944	1 679 217
Revenues from major clients							
Major client 1	110 515 963	-	-	-	-	-	110 515 963
Major client 2	44 355 281	-	-	-	-	-	44 355 281

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41. Segment report (continued)

31-Dec-15	Reportable segments (Re-presented)						
	Financial Services	Private Equity	Collections	Corporate	Eliminations	Discontinued operations	Total
External revenues	64 508 688	39 514 863	15 670 076	40 018 648	-	-15 006 830	144 705 445
Inter-segment revenue	68 324 492	108 000	538 591	17 708 024	-76 945 847	-9 733 260	-
Segment revenue	132 833 180	39 622 863	16 208 667	57 726 672	-76 945 847	-24 740 090	144 705 445
Segment operating profit / (loss)	65 193 465	-5 643 875	-258 278	30 617 613	-41 452 005	-4 038 076	44 418 844
Finance costs	-61 610 630	-549 817	-3 844 001	-26 896 582	64 242 067	1 729 845	-26 929 121
Depreciation and amortisation	-449 876	-675 160	-254 001	-129 575	-39 439	178 363	-1 369 688
Fair value adjustments	261 744	-	5 377 307	-	-	-	5 639 051
Taxation	-8 114 903	1 962 320	-422 395	-2 182 089	1 124 334	-153 756	-7 786 489
Segment profit / (loss) after tax	**9 581 398**	**-4 169 376**	**873 807**	**14 505 103**	**-856 720**	**-2 705 934**	**17 228 278**
Segment assets	710 671 844	36 087 757	8 801 735	355 852 996	-645 235 596	-	466 178 736
Segment liabilities	-607 866 008	-40 284 095	-22 373 822	-350 129 039	628 011 468	-	-392 641 496
Capital expenditure	1 071 683	554 285	549 033	443 576	-	-	2 618 577
Revenues from major clients							
Major client 1	41 206 069	-	-	-	-	-	41 206 069
Major client 2	16 776 675	-	-	-	-	-	16 776 675

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41. Segment report (continued)

The transactions between the relevant reporting segments were at arms length and recognised in accordance with the group's accounting policies. No differences exist in the accounting recognition of transactions between reporting segments.

The comparative period results have been re-presented due to the classification requirement of operations being classified as discontinued operations / disposal groups. For more detail refer to note 27.

Geographic information

The Financial Services and Collections segments were active in South Africa, Botswana, Swaziland and Zambia. The Biotechnology operations generate sales from other African regions, these sales are however immaterial and are reported to the Executive Committee as revenue from the South African operations.

31-Mar-17	Geographic segments							
	South Africa	Botswana	Swaziland	Namibia	Zambia	Eliminations	Discontinued operations	Total Reported
External revenues	271 332 398	74 744 910	18 043 678	626 242	1 890 592	-	-44 843 182	321 794 638
Inter-segment revenue	135 407 532	554 845	29 937 582	-	-	-165 899 959	-	-
Segment revenue	406 739 930	75 299 755	47 981 260	626 242	1 890 592	-165 899 959	-44 843 182	321 794 638
Segment operating profit / (loss)	168 382 385	28 277 305	24 417 932	18 090	-4 075 129	19 170 419	-7 005 118	229 185 884
Finance costs	-253 652 800	-46 648 199	-24 311 260	-	-3 656 168	169 954 054	27 963 799	-130 350 574
Depreciation and amortisation	-2 914 669	-427 514	-259 065	-	-669 725	217 640	891 973	-3 161 358
Fair value adjustments	-	-11 017 229	-	-	-	-	-	-11 017 229
Non-cash transactions - foreign currency gain (loss)	-22 557 815	-	-	-	-	-	204 342	-22 353 473
Taxation	-11 129 495	2 150 242	-125 864	-5 971	2 700 490	-12 496 519	-4 187 106	-23 094 223
Segment profit / (loss) after tax	**40 913 046**	**-7 656 616**	**221 508**	**12 122**	**-5 015 196**	**39 101 427**	**-2 852 433**	**64 723 858**
Segment assets	1 944 539 245	425 343 468	152 730 584	187 679	12 532 877	-1 320 516 757	-124 313 331	1 090 503 765
Segment liabilities	-1 858 273 117	-427 578 238	-153 799 537	-293 810	-15 119 819	1 335 804 266	130 689 526	-988 570 729
Capital expenditure	1 279 183	1 798 206	399 200	-	2 036 572	-	-3 833 944	1 679 217
Revenues from major clients								
Major client 1	105 771 302	4 744 662	-	-	-	-	-	110 515 964
Major client 2	35 256 277	-	9 099 004	-	-	-	-	44 355 281

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41. Segment report (continued)

31-Dec-15	Geographic segments (Re-presented)							
	South Africa	Botswana	Swaziland	Namibia	Zambia	Eliminations	Discontinued operations	Total Reported
External revenues	117 505 481	32 298 398	8 202 499	562 517	1 143 380	-	-15 006 830	144 705 445
Inter-segment revenue	72 786 251	8 657 703	5 235 152	-	-	-76 945 847	-9 733 260	-
Segment revenue	190 291 732	40 956 101	13 437 652	562 517	1 143 380	-76 945 847	-24 740 090	144 705 445
Segment operating profit / (loss)	63 493 547	20 969 036	6 361 535	-156 581	-758 612	-41 452 005	-4 038 076	44 418 844
Finance costs	-63 162 144	-20 559 973	-8 047 751	-3 672	-1 127 491	64 242 067	1 729 845	-26 929 119
Depreciation and amortisation	-1 187 998	-253 831	-64 729	-	-2 054	-39 439	178 363	-1 369 688
Fair value adjustments	5 639 051	-	-	-	-	-	-	5 639 051
Taxation	-8 519 911	-632 476	-316 722	52 960	659 081	1 124 334	-153 756	-7 786 489
Segment profit / (loss) after tax	**19 117 951**	**2 190 087**	**814 422**	**-107 525**	**-1 224 007**	**-856 720**	**-2 705 934**	**17 228 278**
Segment assets	834 783 706	183 858 665	81 321 269	187 399	11 263 293	-645 235 596	-	466 178 736
Segment liabilities	739 748 964	188 821 950	80 069 597	305 654	11 706 799	-628 011 468	-	392 641 496
Capital expenditure	1 552 885	783 105	270 264	-	12 323	-	-	2 618 577
Revenues from major clients								
Major client 1	41 206 069	-	-	-	-	-	-	41 206 069
Major client 2	16 731 038	-	45 637	-	-	-	-	16 776 675

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42. Commitments

Figures in Rand	Group		Company	
	2017	2015	2017	2015
Operating lease commitments				
Minimum lease payments due:				
Within one year	1 437 132	5 481 675	-	-
In second to fifth year	4 286 595	13 523 703	-	-
In sixth to tenth year	194 761	2 442 179	-	-
	5 918 488	**21 447 557**	**-**	**-**

Operating lease payments represent rentals payable by the group for office properties. Lease agreements include escalation clauses and options to renew contracts.

Lease details	Ecsponent Management Services	Cryo-Save SA	Return on Innovation
Building	Celtis House	Acacia House	22 Reedbuck Crescent
Start date	01/04/2016	01/10/2012	01/12/2014
End date	30/09/2017	31/05/2022	30/11/2017
Lease duration	18 months	116 months	36 months
Escalation	8.5% per annum	Inflation rate at date of renewal	9% per annum

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43. Ordinary shareholders' analysis

Listed below is an analysis of holdings extracted from the register of ordinary shareholders at 31 March 2017:

	No of holders	% of Total shareholders	No of shares	% of Total issued share capital
Analysis of shareholdings				
1 - 1 000	256	8,9%	166 569	0,0%
1 001 - 10 000	1 717	59,8%	7 190 473	0,7%
10 001 - 100 000	674	23,5%	19 636 102	1,8%
100 001 - 1 000 000	179	6,2%	51 381 369	4,8%
1 000 001 and over	47	1,6%	1 001 176 282	92,7%
Total	**2 874**	**100%**	**1 079 550 795**	**100%**
Major shareholders				
(3% and more of the shares in issue)				
Mason Alexander Pty Ltd			458 062 243	42,4%
Ecsponent Capital (Rf) Ltd			146 739 382	13,6%
Vanguard Holding (Pty) Ltd			53 378 557	4,9%
Mile Investments 267 (Pty) Ltd			41 000 000	3,8%
Mr Terence Patrick Gregory			38 634 423	3,6%
Total			**737 814 605**	**68.3%**
Shareholder spread				
Non-Public	12	0,4%	710 920 767	65,9%
10% of issued capital or more[1]	2	0,1%	633 424 667	58,7%
Directors[1&2]	7	0,2%	53 546 679	5,0%
Employees[3]	3	0,1%	23 949 421	2,2%
Public	2 861	99,2%	368 630 028	34,1%
Total	**2 885**	**100%**	**1 079 550 795**	**100%**

[1] The "10% of issued capital or more" is held by associates of directors of the company and has not been included in the directors line below. If included the directors line would comprise:
Directors
[2] Includes all the directors of the company and any of its subsidiaries.
[3] Includes company secretary and employees who are subject to trading restrictions in closed periods

	No of holders	% of Total shareholders	No of shares	% of Total issued share capital
Distribution of shareholders				
Close Corporations	39	1,4%	31 018 449	2,9%
Individuals	2 614	91,0%	250 358 634	23,2%
Nominees and Trusts	141	4,9%	48 318 890	4,5%
Other Corporate Bodies	26	0,9%	297 138	0,0%
Private Companies	51	1,8%	602 809 302	55,8%
Public Companies	2	0,1%	146 748 382	13,6%
Total	**2 873**	**100%**	**1 079 550 795**	**100%**

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44. Preference shareholders' analysis

Below an analysis of the group's three classes of preference shares listed on the JSE securities exchange:

Class A Preference Shareholders	No of holders	% of Total shareholders	No of shares	% of Total issued share capital
Analysis of shareholdings				
1 - 1 000	46	28,9%	24 360	5,8%
1 001 - 10 000	107	67,3%	284 891	68,6%
10 001 - 100 000	6	3,8%	106 344	25,6%
Total	**159**	**100%**	**415 595**	**100%**
Major shareholders				
(3% and more of the shares in issue)				
JA Coetzee			32 500	7,7%
JM Dreyer			21 250	5,0%
HM Swanepoel			13 281	3,2%
L du Plessis			12 750	3,0%
JP van der Merwe			10 625	2,5%
Total			**90 406**	**21,4%**
Shareholder spread				
Non-public	1	0,6%	32 500	7,7%
10% Of issued capital or more	1	0,6%	32 500	7,7%
Public	158	99,4%	383 095	92,3%
Total	**159**	**100%**	**415 595**	**100%**
Distribution of shareholders				
Close corporations	1	0,6%	6 375	1,5%
Individuals	157	98,8%	405 102	97,5%
Nominees and trusts	1	0,6%	4 118	1,0%
Total	**159**	**100%**	**415 595**	**100%**

Class B Preference Shareholders				
Analysis of shareholdings				
1 - 1 000	351	54,0%	175 340	10,5%
1 001 - 10 000	273	42,0%	925 851	55,9%
10 001 - 100 000	26	4,0%	556 510	33,6%
Total	**650**	**100%**	**1 657 701**	**100%**

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44. Preference shareholders' analysis (continued)

Class B Preference Shareholders	No of holders	% of Total shareholders	No of shares	% of Total issued share capital
Major shareholders				
(3% And more of the shares in issue)				
JA de Kock			80 000	4,8%
Total			**80 000**	**4,8%**
Shareholder spread				
Non-public	-	0,0%	-	0,0%
10% Of issued capital or more	-	0,0%	-	0,0%
Public	650	100,0%	1 657 701	100,0%
Total	**650**	**100%**	**1 657 701**	**100%**
Distribution of shareholders				
Individuals	642	98,8%	1 600 244	96,5%
Other corporate bodies	8	1,2%	57 457	3,5%
Total	**650**	**100%**	**1 657 701**	**100%**

Class C Preference Shareholders				
Analysis of shareholdings				
1 - 1 000	84	10,6%	78 243	1,3%
1 001 - 10 000	575	72,4%	2 711 728	45,0%
10 001 - 100 000	135	17,0%	3 234 468	53,7%
Total	**794**	**100%**	**6 024 439**	**100%**
Shareholder spread				
Non-public	-	0,0%	-	0,0%
10% Of issued capital or more	-	0,0%	-	0,0%
Public	794	100,0%	6 024 439	100,0%
Total	**794**	**100%**	**6 024 439**	**100%**
Distribution of shareholders				
Close corporations	4	0,5%	28 690	0,5%
Individuals	773	97,3%	5 743 847	95,3%
Nominees and trusts	14	1,8%	211 902	3,5%
Private companies	3	0,4%	40 000	0,7%
Total	**794**	**100%**	**6 024 439**	**100%**