

## ENABLING SMEs TO FLOURISH

Ensuring long-term success through considered partnerships, investment and mentorship



Clown fish and sea anemones have a symbiotic and mutualistic relationship, each providing a number of benefits to the other.

Clown fish are omnivorous. They feed off undigested food from their host anemones and on plankton, and their waste in turn feeds and fertilises the sea anemones. In some cases their bright colours are said to attract food sources to the anemone. It is precisely this type of classic co-dependency which has inspired and contributed to the “modern” concepts of sustainability and mutual co-existence.

**Business Partners Limited mimics this symbiotic and co-dependent relationship both with its shareholders and funders, with the SMEs they support and the communities they enhance by enabling wealth and job facilitation and through an increase to the tax base.**



# FINANCIAL STATEMENTS

## Contents

Statement of responsibility by the Board of Directors	4
Certificate by the Company Secretary	5
Audit and Risk Committee report	5
Independent Auditor's report to the shareholders of Business Partners Limited	6
Directors' report	7
Statement of financial position	10
Statement of comprehensive income	11
Statement of changes in equity	12
Cash flow statement	13
Notes to the financial statements	14
Notice convening the Annual General Meeting	58
Corporate information	60

# STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

The directors of Business Partners Limited are responsible for the preparation of the Group and separate annual financial statements. In discharging this responsibility, the directors rely on management to prepare the annual financial statements in accordance with International Financial Reporting Standards ('IFRS') and for keeping adequate accounting records in accordance with the Company's system of internal control. As such, the annual financial statements include amounts based on judgments and estimates made by management.

In preparing the annual financial statements, suitable accounting policies have been applied and reasonable estimates have been made by management. The directors approve significant changes to accounting policies. However, there were no changes to accounting policies during the financial year. The financial statements incorporate full and responsible disclosure in line with the Company's philosophy on corporate governance.

The directors are responsible for the Company's system of internal control. To enable the directors to meet these responsibilities, the directors set the standards for internal control to reduce the risk of error or loss in a cost-effective manner. The standards include the appropriate delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Company.

Based on the information and explanations given by management and the internal auditors, the directors are of the opinion that the internal controls are adequate and that the financial records may be relied on in preparing the annual financial statements in accordance with IFRS and maintaining accountability for the Company's assets and liabilities. Nothing has come to the attention of the directors to indicate any breakdown in the functioning of internal controls, resulting in a material loss to the Company, during the year and up to the date of this report.

Based on the effective internal controls implemented by management, the directors are satisfied that the annual financial statements fairly present the state of affairs of the Group and the Company, at the end of the financial year, and the net income and cash flows for the year. Mr BD Bierman, Chief Financial Officer, supervised the preparation of the annual financial statements for the year.

The directors have reviewed the Company's budget and flow of funds forecast and considered the Company's ability to continue as a going concern in the light of current and anticipated economic conditions. The directors have reviewed the assumptions underlying these budgets and forecasts based on currently available information. On the basis of this review, and in the light of the current financial position and profitable trading history, the directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future. The going concern basis therefore continues to apply and has been adopted in the preparation of the annual financial statements.

It is the responsibility of the Company's independent external auditors, PricewaterhouseCoopers Inc., to report on the fair presentation of the annual financial statements. Their unqualified report appears on page 6.

The separate annual financial statements of the Company, which appear on pages 10 to 57, have been approved by the Board of Directors on 27 May 2014 and are signed on behalf of the Board of Directors by two directors.



**T van Wyk**  
Chairman



**N Martin**  
Managing Director

# CERTIFICATE BY THE COMPANY SECRETARY

I certify, in terms of section 88(2) of the Companies Act 71 of 2008 ('the Act'), that for the year ended 31 March 2014, the Company has filed all the required returns and notices in terms of this Act, and that all such returns and notices appear, to the best of my knowledge and belief, true, correct and up to date.

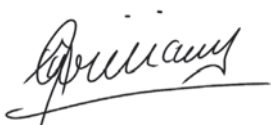


**CM Gerbrands**  
Company Secretary  
27 May 2014

## AUDIT AND RISK COMMITTEE REPORT

The members of the Audit and Risk Committee fulfilled all their duties during the financial year as prescribed by the Companies Act 71 of 2008 ('the Act') and the committee reports as follows in terms of section 94(7) of the Act:

- The committee has been constituted in accordance with the Act and applicable regulations. The committee members are all independent non-executive directors of the Company. The committee comprises members with adequate relevant qualifications and experience to equip the committee to perform its functions.
- Four committee meetings were held during the financial year.
- The committee has conducted its affairs in compliance with its Charter as approved by the Board of Directors and has discharged its responsibilities contained therein. The effectiveness of the committee and its individual members have been assessed.
- The committee has satisfied itself that the external auditors are independent of the Group as set out in section 94(8) of the Act.
- The appointment of the external auditors complies with the Act and with all other legislation relating to the appointment of external auditors.
- The external auditors' terms of engagement, audit plan and budgeted fees have been determined.
- The nature and extent of non-audit services have been defined and pre-approved.
- The committee has reviewed the accounting policies and the financial statements of the Group and is satisfied that they are appropriate and comply with International Financial Reporting Standards.
- The committee has overseen a process by which internal audit assessed the effectiveness of the system of internal control and risk management, including internal financial controls.
- The committee receives and deals with any concerns or complaints relating to accounting practices and internal audit of the Group, the content or auditing of the Group's financial statements, the internal financial controls of the Group or any related matter. No matters of significance have been raised in the past financial year.
- Details on the activities of the committee and how the committee carried out its functions are contained in the Corporate Governance section of the Integrated Report on page 42 to 43.



**NJ Williams**  
Chairman: Audit and Risk Committee  
27 May 2014

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BUSINESS PARTNERS LIMITED

We have audited the consolidated and separate financial statements of Business Partners Limited, set out on pages 10 to 57, which comprise the statements of financial position as at 31 March 2014; and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended; and the notes, comprising a summary of significant accounting policies and other explanatory information.

## **Directors' Responsibility for the Financial Statements**

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

## **Auditor's Responsibility**

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

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

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

## **Opinion**

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Business Partners Limited as at 31 March 2014, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

## **Other reports required by the Companies Act**

As part of our audit of the consolidated and separate financial statements for the year ended 31 March 2014, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports, we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly, do not express an opinion on these reports.



PricewaterhouseCoopers Inc.  
Director: Stefan Beyers  
Registered Auditor  
Sunninghill  
27 May 2014

# DIRECTORS' REPORT

for the year ended 31 March 2014

## 1. Nature of the business

The Company is principally engaged in investing capital, knowledge and skill in viable small and medium-sized businesses ('SMEs'). The Company is registered in South Africa.

## 2. Business activities

The volume of new business concluded exceeded our expectations. 386 investment projects amounting to R1 082,6 million were approved, an increase of 16,6 percent and 21,4 percent respectively compared to 331 investments amounting to R891,7 million which were approved in the previous financial period.

The majority (85,3 percent) of the investments were structured to align the return of the investment with the investee company's performance, thereby achieving a balance between risk and return. An equity stake was obtained in 131 projects (2013: 50 projects) at an average investment amount of R1,9 million (2013: R3,5 million).

The Company manages a portfolio of 163 industrial and commercial properties that are geographically dispersed. The portfolio provides business premises with a lettable area of more than 445 000m<sup>2</sup> (2013: 427 000m<sup>2</sup>), to more than 1 700 tenants.

The Group owns a number of investment properties which are carried at a fair value of R958,9 million (March 2013: R787,6 million) in the statement of financial position. In addition, owner occupied properties to the value of R82,2 million are reflected under 'Property, plant and equipment' (March 2013: R83,7 million).

## 3. Operational and financial review

The Group's net profit for the year amounted to R154,9 million, a R18,6 million or 13,6 percent increase on the R136,3 million profit of the prior year.

Total income increased from R428,5 million in the prior year to R470,1 million for the current year. Investment income and gains increased significantly by more than 39,7 percent year on year and amounts to R122,4 million in the current year (2013: R87,6 million).

The salary cost of permanently employed staff increased by 6,6 percent year on year. Total staff costs for the year were R18,8 million (13,1 percent) higher, primarily due to increases in post-retirement benefits and provisions.

The risk in the investment portfolio, as measured by the repayment performance of the investments, improved over the period. Non-performing loans decreased from 17,9 percent in the previous year to 16,3 percent of the portfolio at 31 March 2014. Net credit losses increased by 4,1 percent to R46,8 million (2013: R44,9 million).

Finance charges increased by 27,4 percent from the prior year. The Company's average borrowings increased from R450,9 million in 2013 to R604,0 million in 2014.

## 4. Events subsequent to the statement of financial position date

No events occurred between the statement of financial position date and the date of this report that would require disclosure in, or adjustment to, the annual financial statements as presented.

## 5. Share capital and reserves

The authorised share capital remained unchanged at 400,0 million ordinary shares. The issued share capital remains at 173,0 million shares.

## 6. Dividend

A cash dividend of 17 cents per share in respect of the 2014 financial year (2013: 15 cents) was declared on 27 May 2014, payable on or about 22 August 2014 to all shareholders registered in the share register at the close of business on 12 August 2014.



# DIRECTORS' REPORT

for the year ended 31 March 2014

The solvency and liquidity tests as required by section 4 of the Companies Act 71 of 2008 were applied, and the Company will satisfy the requirements of these tests immediately after completing the proposed distribution.

Dividend cover for the year equals 5,3 times (2013: 5,3 times). The dividend policy aims to ensure at least four times cover for the dividend, after evaluating the nature and quality of the profit for the year.

## 7. Earnings per share

Earnings per share amounted to 89,5 cents (2013: 78,8 cents) based on 173,0 million shares in issue. Diluted earnings per share increased to 89,5 cents from 76,8 cents per share in the prior year. Headline earnings per share decreased to 45,2 cents (2013: 51,4 cents). For more information on earnings per share, refer to notes 12 and 24 of the annual financial statements.

## 8. Directors' remuneration and interest

The directors' remuneration is set out in note 28 to the annual financial statements. No material contracts in which the directors have any interest were entered into in the current year.

## 9. Major shareholders

Shareholders holding beneficially, directly or indirectly, in excess of one percent of the issued share capital of the Company are detailed on page 24 of the Intergrated Report.

## 10. Directors

### 10.1 The directors of the Company on 31 March 2014 were:

#### Directors elected by shareholders in terms of Article 20.1.2 of the Memorandum of Incorporation:

Dr E Links	Mr F Meisenholl	Mr SST Ngcobo
Ms ZJ Matlala	Mr D Moshapalo	Ms SEN Sebotsa

#### Directors appointed by shareholders in terms of Article 20.1.3 of the Memorandum of Incorporation:

Mr T van Wyk (Chairman)	Dr ZZR Rustomjee	Mr NJ Williams
Mr F Knoetze	Mr VO Twala	

#### Directors appointed by the Board of Directors and confirmed by election of shareholders in terms of Article 20.2 of the Memorandum of Incorporation:

Mr N Martin (Managing Director)	Mr C Botes (Executive Director)	Mr G van Biljon (Executive Director)
---------------------------------	---------------------------------	--------------------------------------

### 10.2 During the year, the following changes occurred in the composition of the Board of Directors:

Director	Event	Terms	Date
Mr J W Dreyer	Retired	Article 20.1.3	31 December 2013
Mr DR Geeringh	Retired	Article 20.1.2	13 August 2013
Ms P Huysamer	Retired	Article 20.1.2	13 August 2013
Dr E Links	Retired	Article 20.1.2	13 August 2013
	Re-elected	Article 20.1.2	13 August 2013
Ms ZJ Matlala	Retired	Article 20.1.2	13 August 2013
	Re-elected	Article 20.1.2	13 August 2013
Mr F Meisenholl	Retired	Article 20.1.3	13 August 2013
	Elected	Article 20.1.2	13 August 2013
Ms SEN Sebotsa	Elected	Article 20.1.2	13 August 2013
Mr F Knoetze	Appointed	Article 20.1.3	01 January 2014



# DIRECTORS' REPORT

for the year ended 31 March 2014

## 11. Company Secretary

The Company Secretary is Ms CM Gerbrands, whose business and postal addresses are those of the registered office of the Company.

## 12. Annual Financial Statements

These annual financial statements have been audited by the external auditor, PricewaterhouseCoopers Inc., in compliance with the applicable requirements of the Companies Act 71 of 2008. The preparation of the annual financial statements was supervised by Mr BD Bierman, Chief Financial Officer.

## 13. Auditors

PricewaterhouseCoopers Inc. continued in office as auditors of the Group. The Audit and Risk Committee nominated PricewaterhouseCoopers Inc. for re-appointment at the forthcoming annual general meeting as auditors for the 2015 financial year. Mr S Beyers will be the designated auditor.

## 14. Acknowledgements

Sincere appreciation is extended to all our shareholders, members of the Board of Directors and its committees for their dedicated and positive participation throughout the year. To the entire staff of Business Partners Limited, we express our gratitude for their loyalty, commitment and hard work in pursuing the objectives of the Company.



**T van Wyk**  
Chairman  
27 May 2014



**N Martin**  
Managing Director

# STATEMENT OF FINANCIAL POSITION

as at 31 March 2014

		Group		Company	
		2014	2013	2014	2013
Notes		R000	R000	R000	R000
<b>Assets</b>					
<b>Non-current assets</b>					
		<b>3 199 128</b>	2 779 698	<b>3 015 621</b>	2 642 797
	3	<b>958 943</b>	787 609	<b>695 839</b>	662 485
	4	<b>1 947 356</b>	1 736 156	<b>1 952 502</b>	1 740 888
	5	<b>82 139</b>	76 938	<b>151</b>	380
	7			<b>238 059</b>	142 851
	6	<b>86 498</b>	88 402	<b>4 878</b>	5 600
	8	<b>124 192</b>	90 593	<b>124 192</b>	90 593
<b>Current assets</b>					
		<b>460 912</b>	467 095	<b>435 152</b>	434 400
	4	<b>326 790</b>	324 643	<b>326 967</b>	323 320
	9	<b>5 316</b>	8 829	<b>5 316</b>	8 829
	10	<b>26 037</b>	33 777	<b>27 758</b>	29 867
				<b>806</b>	
	11	<b>102 769</b>	99 846	<b>74 305</b>	72 384
<b>Total assets</b>		<b>3 660 040</b>	3 246 793	<b>3 450 773</b>	3 077 197
<b>Equity and liabilities</b>					
<b>Capital and reserves attributable to equity holders of the parent</b>					
		<b>2 706 018</b>	2 543 477	<b>2 531 596</b>	2 398 857
	12	<b>173 001</b>	173 001	<b>173 001</b>	173 001
	13	<b>72 300</b>	38 659	<b>67 346</b>	34 656
		<b>2 460 717</b>	2 331 817	<b>2 291 249</b>	2 191 200
<b>Non-controlling shareholders' interest</b>					
		<b>1 006</b>	1 053		
<b>Total equity</b>		<b>2 707 024</b>	2 544 530	<b>2 531 596</b>	2 398 857
<b>Non-current liabilities</b>					
		<b>826 965</b>	578 933	<b>817 024</b>	573 229
	14	<b>691 289</b>	454 124	<b>691 289</b>	454 124
	8	<b>77 143</b>	93 518	<b>77 143</b>	93 518
	15	<b>58 533</b>	31 291	<b>48 592</b>	25 587
<b>Current liabilities</b>					
		<b>126 051</b>	123 330	<b>102 153</b>	105 111
	14	<b>26 680</b>	36 004	<b>26 680</b>	36 004
	16	<b>50 748</b>	45 484	<b>29 283</b>	28 541
	17	<b>48 197</b>	39 719	<b>46 089</b>	37 907
		<b>325</b>	2 040		2 576
		<b>101</b>	83	<b>101</b>	83
<b>Total liabilities</b>		<b>953 016</b>	702 263	<b>919 177</b>	678 340
<b>Total equity and liabilities</b>		<b>3 660 040</b>	3 246 793	<b>3 450 773</b>	3 077 197

# STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2014

		Group		Company	
Notes		2014 R000	2013 R000	2014 R000	2013 R000
Net interest revenue	18	<b>231 233</b>	214 845	<b>232 815</b>	216 022
Interest income		<b>274 744</b>	248 992	<b>276 326</b>	250 169
Interest expense		<b>(43 511)</b>	(34 147)	<b>(43 511)</b>	(34 147)
Fee revenue		<b>10 785</b>	5 972	<b>10 774</b>	5 919
Investment income and gains	19	<b>122 380</b>	87 587	<b>87 447</b>	71 813
Net property revenue		<b>83 552</b>	83 657	<b>69 753</b>	75 445
Property revenue		<b>170 938</b>	152 208	<b>135 392</b>	126 228
Property expenses		<b>(87 386)</b>	(68 551)	<b>(65 639)</b>	(50 783)
Management and service fee income		<b>17 311</b>	18 429	<b>13 235</b>	13 189
Other income		<b>4 851</b>	18 044	<b>4 701</b>	56 264
<b>Total income</b>		<b>470 112</b>	428 534	<b>418 725</b>	438 652
Net credit losses	20	<b>(46 770)</b>	(44 908)	<b>(46 276)</b>	(43 994)
Staff costs	21	<b>(162 626)</b>	(143 781)	<b>(149 725)</b>	(133 692)
Other operating expenses		<b>(54 474)</b>	(54 839)	<b>(64 444)</b>	(65 310)
<b>Profit before taxation</b>		<b>206 242</b>	185 006	<b>158 280</b>	195 656
Income tax expense	23	<b>(51 405)</b>	(48 606)	<b>(32 281)</b>	(28 620)
<b>Profit for the year</b>		<b>154 837</b>	136 400	<b>125 999</b>	167 036
<b>Other comprehensive income after tax</b>					
Remeasurement of defined benefit pension fund		<b>17 658</b>	(994)	<b>17 658</b>	(994)
Remeasurement of post-employment medical benefits		<b>15 018</b>	(10 110)	<b>15 018</b>	(10 110)
Remeasurement of post-employment benefits		<b>32 676</b>	(11 104)	<b>32 676</b>	(11 104)
Fair value adjustment of available-for-sale instruments		<b>14</b>	10	<b>14</b>	10
Foreign currency translation reserve movement		<b>1 041</b>	796		
Share of associates' other comprehensive income		<b>(90)</b>	(595)		
<b>Other comprehensive income for the year</b>		<b>33 641</b>	(10 893)	<b>32 690</b>	(11 094)
<b>Total comprehensive income for the year</b>		<b>188 478</b>	125 507	<b>158 689</b>	155 942
<b>Profit attributable to:</b>					
Equity holders of Business Partners Limited		<b>154 850</b>	136 347	<b>125 999</b>	167 036
Non-controlling interests		<b>(13)</b>	53		
		<b>154 837</b>	136 400	<b>125 999</b>	167 036
<b>Total comprehensive income attributable to:</b>					
Equity holders of Business Partners Limited		<b>188 491</b>	125 454	<b>158 689</b>	155 942
Non-controlling interests		<b>(13)</b>	53		
		<b>188 478</b>	125 507	<b>158 689</b>	155 942



# CASH FLOW STATEMENT

for the year ended 31 March 2014

		Group		Company	
		2014	2013	2014	2013
Notes		R000	R000	R000	R000
<b>Cash flow from operating activities</b>					
	Cash received from clients	493 205	440 641	447 258	404 377
	Cash paid to suppliers and employees	(288 985)	(256 631)	(271 259)	(244 925)
	Cash generated from operating activities	204 220	184 010	175 999	159 452
27.1	Finance cost	(41 374)	(31 291)	(41 374)	(31 291)
	Taxation paid	(29 749)	(33 346)	(25 371)	(24 385)
27.2	Dividends paid	(25 932)	(22 478)	(25 932)	(23 236)
27.3					
	<b>Net cash flow from operating activities</b>	<b>107 165</b>	<b>96 895</b>	<b>83 322</b>	<b>80 540</b>
<b>Cash flow from investing activities</b>					
	Capital expenditure on				
	– investment properties	(110 896)	(88 362)	-	(78 886)
	– property and equipment	(2 225)	(3 257)	(1 799)	(2 752)
	Proceeds from sale of				
	– investment properties	4 600	12 300	4 600	12 300
	– property and equipment	1 838	124	88	124
	Loans and receivables advanced	(674 043)	(474 102)	(674 043)	(474 097)
	Loans and receivables repaid	394 824	391 585	399 854	388 184
	Interest received from other investments	5 337	4 790	4 435	4 039
	Loans from subsidiaries repaid			(90 861)	8 940
	Proceeds from sale of investments in associates	40 359	39 752	40 359	39 752
	Dividends received from investments in associates	10 262	8 626	10 262	8 626
	<b>Net cash flow from investing activities</b>	<b>(329 944)</b>	<b>(108 544)</b>	<b>(307 105)</b>	<b>(93 770)</b>
<b>Cash flow from financing activities</b>					
	Utilisation of long-term borrowings	251 721	290 000	251 721	290 000
	Repayment of long-term borrowings	(26 019)	(26 054)	(26 017)	(26 054)
	<b>Net cash flow from financing activities</b>	<b>225 702</b>	<b>263 946</b>	<b>225 704</b>	<b>263 946</b>
	Net movement in cash and cash equivalents	2 923	252 297	1 921	250 716
11	Cash and cash equivalents at beginning of year	99 846	(152 451)	72 384	(178 332)
11	<b>Cash and cash equivalents at end of year</b>	<b>102 769</b>	<b>99 846</b>	<b>74 305</b>	<b>72 384</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

## 1. Accounting policies

The principal accounting policies applied in the preparation of these consolidated annual financial statements are set out below and are consistent with those of the previous year, unless otherwise stated.

### 1.1 Basis of preparation

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), as issued by the International Accounting Standards Board ('IASB'), and the Companies Act 71 of 2008 in South Africa. The consolidated financial statements have been prepared under the historical cost basis except for the following material items in the statement of financial position:

- Post-employment benefit obligations that are measured in terms of the Projected Unit Credit method
- Investment properties that are accounted for by using the fair value model
- Jointly controlled entities that are accounted for by using the equity method

### 1.2 New and amended statements

#### 1.2.1 New and amended statements adopted

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, applicable to the financial year beginning on or after 1 January 2013:

*Amendments to IAS 1 – Presentation of Financial Statements: Presentation of items of OCI.* The IASB has issued an amendment to IAS 1, 'Presentation of financial statements'. The main change resulting from these amendments is a requirement for entities to group items presented in other comprehensive income ('OCI') on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

The amendment did not have a significant impact on the disclosures provided in the financial statements.

*Amendments to IAS 19 – Employee benefits.* The IASB has issued an amendment to IAS 19, 'Employee benefits', which makes significant changes to the recognition and measurement of defined benefit pension expenses and termination benefits, and to the disclosures for all employee benefits.

The amendment has resulted in additional disclosures provided in the financial statements. Refer Note 8.

*IAS 27 (revised 2011) – Separate financial statements.* This standard includes the provisions on separate financial statements that remain after the control provisions of IAS 27 have been included in the new IFRS 10.

The amendment did not have a significant impact on the disclosures provided in the financial statements.

*IAS 28 (revised 2011) – Associates and joint ventures.* This standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.

The amendment did not have a significant impact on the disclosures provided in the financial statements.

*Amendment to IFRS 7 Financial Instruments: Disclosures – Asset and Liability offsetting.* The IASB has published an amendment to IFRS 7, 'Financial instruments: Disclosures', reflecting the joint requirements with the Financial Accounting Standards Board ('FASB') to enhance current offsetting disclosures. These new disclosures are intended to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with United States Generally Accepted Accounting Principles ('US GAAP').

The amendment did not have a significant impact on the disclosures provided in the financial statements.

*IFRS 10 – Consolidated financial statements.* This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. It provides additional guidance to assist in determining control where this is difficult to assess.

The amendment did not have a significant impact on the financial statements.

*IFRS 11 – Joint agreements.* This standard provides for a more realistic reflection of joint arrangements by focussing on the rights and obligations of the arrangement, rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.

The new standard did not have an impact on the disclosures provided in the financial statements.

*IFRS 12 – Disclosures of interests in other entities.* This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

The amendment has resulted in additional disclosures provided in the financial statements. Refer Note 7.1.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

*IFRS 13 – Fair value measurement.* This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The amendment has resulted in additional disclosures provided in the financial statements. Refer Note 2.4.

*Amendment to the transition requirements in IFRS 10, 'Consolidated financial statements', IFRS 11, 'Joint agreements', and IFRS 12, 'Disclosure of interests in other entities.'* The amendment clarifies that the date of initial application is the first day of the annual period in which IFRS 10 is adopted – for example, 1 January 2013 for a calendar-year entity that adopts IFRS 10 in 2013. Entities adopting IFRS 10 should assess control at the date of initial application; the treatment of comparative figures depends on this assessment. The amendment also requires certain comparative disclosures under IFRS 12 upon transition. The amendment did not have a significant impact on the financial statements.

## **1.2.2 New and amended statements not yet adopted**

The following amended standards are not yet effective and have not been adopted by the Group:

*IFRS 9 – Financial Instruments.* This IFRS is part of the IASB's project to replace IAS 39. IFRS 9 addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. The IASB has updated IFRS 9 to include guidance on financial liabilities and derecognition of financial instruments. The accounting and presentation for financial liabilities and for derecognising financial instruments has been relocated from IAS 39, 'Financial instruments: Recognition and measurement', without change, except for financial liabilities that are designated at fair value through profit or loss. The IASB has published an amendment to IFRS 9 that delays the effective date to annual periods beginning on or after 1 January 2015. The original effective date was for annual periods beginning on or after 1 January 2013. This amendment is a result of the board extending its timeline for completing the remaining phases of its project to replace IAS 39 (for example, impairment and hedge accounting) beyond June 2011, as well as the delay in the assurance project. The amendment confirms the importance of allowing entities to apply the requirements of all the phases of the project to replace IAS 39 at the same time. The requirement to restate comparatives and the disclosures required on transition have also been modified. Effective date: 1 January 2015.

*Amendments to IAS 32 – Financial Instruments: Presentation.* The IASB has issued amendments to the application guidance in IAS 32, 'Financial instruments: Presentation', that clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. However, the clarified offsetting requirements for amounts presented in the statement of financial position continue to be different from US GAAP. Effective date: 1 January 2014.

*Amendment to IAS 39 on novation of derivatives.* The IASB has amended IAS 39 to provide relief from discontinuing hedge accounting when novation of a hedging instrument to a Central Counterparty ('CCP') meets specified criteria. Similar relief will be included in IFRS 9, 'Financial Instruments'. Effective date: 1 January 2014.

*Amendments to IAS 36, 'Impairment of assets'.* The amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal. Effective date: 1 January 2014.

*Amendments to IFRS 10, consolidated financial statements, IFRS 12 and IAS 27 for investment entities.* The amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made in IFRS 12 to introduce disclosures that an investment entity needs to make. Effective date: 1 January 2014.

*IFRS 14 – Regulatory deferral accounts.* The IASB has issued IFRS 14, 'Regulatory deferral accounts' ('IFRS 14'), an interim standard on the accounting for certain balances that arise from rate-regulated activities ('regulatory deferral accounts').

Rate regulation is a framework where the price that an entity charges to its customers for goods and services is subject to oversight and/or approval by an authorised body. Effective date: 1 January 2016.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

*Amendment to IAS 19 regarding defined benefit plan.* These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.  
Effective date: 1 July 2014.

The impact of the above standards on the results of the Group has not yet been assessed.

## **1.3 Consolidation**

### **1.3.1 Business combinations**

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a business is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as and when incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Subsequently, the carrying amount of non-controlling interest is the amount of the interest at initial recognition plus the non-controlling interest's share of the subsequent change in equity. Total comprehensive income is attributed to non-controlling interest even if this results in the non-controlling interest having a deficit balance.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

### **1.3.2 Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-company transactions, balances and unrealised gains on transactions with Group companies are eliminated. Unrealised losses are also eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost less accumulated impairment losses in the financial statements of the Company.

### **1.3.3 Transactions with non-controlling interests**

The Group accounts for transactions with non-controlling interests as transactions with equity holders of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

### **1.3.4 Investments in associates**

Associates are all entities over which the Group generally has significant influence but not control, generally accompanying a shareholding of between 20 percent and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss component of the statement of comprehensive income and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

on behalf of the associates. The latest audited financial statements are utilised to determine the share of the associated companies' earnings.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount as part of 'Income from associated companies' in the statement of comprehensive income.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

Dilution gains and losses arising in investments in associates are recognised in the statement of comprehensive income.

## **1.4 Foreign currencies**

### **1.4.1 Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in South African rand, which is the Company's functional currency and the Group's presentation currency, rounded to the nearest thousand, except when otherwise indicated.

### **1.4.2 Transactions and balances**

Foreign currency transactions are translated into the functional currency of the entity, using the exchange rates prevailing at the dates of the transactions or the date of valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'net interest income'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'investment income and gains'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amounts are recognised in other comprehensive income.

### **1.4.3 Group companies**

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency of the Group are translated into the presentation currency as follows:

- (a) 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;
- (b) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (c) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is partially or fully disposed of or sold, exchange differences that were recorded in equity are recognised in the statement of comprehensive income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

## **1.5 Financial assets**

### **1.5.1 Classification**

The Group classifies its financial assets primarily in the following categories: loans and receivables and available-for-sale instruments. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

#### ***Available-for-sale financial instruments***

Available-for-sale financial assets are non-derivatives that are designated in this category or not classified in any other categories. They are included in non-current assets unless the investment matures or management intends to dispose of them within 12 months of the end of the reporting period.

#### ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for loans and receivables with maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. The Group's loans and receivables comprise 'loans and receivables', 'accounts receivable' and 'cash and cash equivalents' on the face of the statement of financial position.

### **1.5.2 Recognition and measurement**

Regular purchases and sales of financial assets are recognised on the trade date, which is the date on which the Group commits to purchasing or selling the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred, and the Group has transferred substantially all risk and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value and loans and receivables are subsequently carried at amortised cost using the effective interest method.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income.

Dividends on available-for-sale equity instruments are recognised in the statement of comprehensive income within 'investment income and gains' when the Group's right to receive payments is established.

### **1.5.3 Impairment of financial assets**

#### ***Assets classified as available-for-sale***

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is evidence that the asset is impaired.

If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments are not reversed through profit or loss.

#### ***Assets carried at amortised cost***

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably measured.

#### ***Specific impairments***

The portfolio of investments is classified into different risk classes which are defined by the presence of various risk indicators. The presence of these risk indicators is accepted as objective evidence that an impairment event has occurred in the investment. The criteria for assessing the investment's performance in meeting its repayment obligations, and thereby identifying the risk indicators, are as follows:

- A. Investments with no arrears
- B. Amount in arrears for 30 days is less than the repayment required or value of instalment
- C. Amount in arrears for 60 days is less than the repayment required or value of instalment
- D. Amount in arrears for 30 days is greater than value of instalment
- E. Amount in arrears for 30 days with no planned instalments on account
- F. Dishonoured payments occurring in the preceding six months

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

- G. Informal sector loans
- H. Investments under legal control

In addition to the assessment of repayment performance, a qualitative assessment is performed to identify other indicators of impairment. The following events are considered to be indicative of impairment:

- the loss of big contracts
- labour unrest, litigation or unresolved issues
- legal actions being undertaken by other parties against the client
- entrance of a new competitor
- conflict between partners in the business
- shareholders' meetings that are cancelled and which have not been held for a long time
- the sensitivity of revenue to fluctuations in the market rates
- input costs materially affected by high commodity prices or high resource prices

In quantifying the impairment for investments in the different risk classes, estimates are applied to key variables as follows:

- the probability of a loss giving default occurring for the risk classification applicable to each investment, which ranges from zero percent to 75 percent
- the time period required from the date of assessment to the point in the future when cash flows are expected from a specific investment  
The period is estimated to be 18 months on average. The cash flows are discounted to the current date over the expected period at a discount rate equal to the rate of return expected from the specific investment.

The extent of the loss is quantified by measuring 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 asset's carrying amount is reduced and the amount of the loss is recognised in the statement of comprehensive income within 'net credit losses'.

## **Collective impairments**

Impairment losses are recognised for groups of financial assets with similar industry and financial instrument profiles where losses have been incurred but for which the objective evidence of impairment has not yet been identified. The objective evidence is expected to emerge at some period in the future, estimated to be between six to 24 months. The impairment losses collectively assessed are accounted for in the statement of comprehensive income within 'net credit losses'.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income within 'net credit losses'.

## **1.5.4 Renegotiated loans**

Renegotiated loans are those loans whose terms of repayment have been changed, and are no longer considered to be past due as a result of the renegotiated terms.

Disclosure about financial assets to which the Group is a party is provided in note 2 to the annual financial statements.

## **1.6 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

## **1.7 Investment properties**

Investment properties are recognised as an asset when it is probable that the future economic benefits that are associated with the investment properties will flow to the enterprise in the form of long-term rental yields and capital appreciation, and the costs of the investment property can be reliably measured.

Investment properties are initially recorded at cost including transaction costs. Subsequent to initial measurement, investment properties are measured at fair value. Fair value is determined using the capitalised income method as performed by suitably qualified personnel. A gain or loss arising from a change in fair value is included in the statement of comprehensive income within 'investment income and gains'.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

## 1.8 Property and equipment

Property and equipment are stated at historical cost less depreciation, including buildings which comprise owner-occupied offices. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of a replaced part of an asset is derecognised. All other repairs and maintenance are charged to profit and loss during the financial period in which it is incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts to the residual values over the estimated useful lives of the assets, as follows:

– Buildings	25 to 30 years
– Machinery, equipment, furniture and fittings	5 years
– Computer hardware and computer software	3 years
– Vehicles	4 years

Land is not depreciated.

The residual value and the useful life of each asset are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income within 'other operating expenses'.

## 1.9 Employee benefits

### 1.9.1 Pension obligations

The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is any pension plan that is not a defined contribution plan, and defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The asset recognised in the statement of financial position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the Projected Unit Credit method. In terms of this method, the present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in full in the statement of comprehensive income in the year in which they arise.

For defined contribution plans, the Group pays contributions to privately administered pension insurance plans on a contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense within 'staff costs' when they are due.

### 1.9.2 Post-retirement medical aid obligations

The Group provides post-retirement medical aid benefits to employees and pensioners in service of the Group on or before 30 April 1999. The entitlement to post-retirement medical aid benefits is based on the employee remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment, using the Projected Unit Credit method. Valuations of these obligations are carried out by actuaries. Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

## **1.10 Inventories and assets held for resale**

Inventories consist mainly of repossessed assets and are stated at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

## **1.11 Accounts receivable**

Accounts receivable are amounts due from customers for services performed in the ordinary course of business and consist mainly of rent receivable. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

## **1.12 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, current accounts and deposits held at call with banks.

## **1.13 Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit and loss over the period of the borrowings using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is evidence that it is probable that some or all of the facility will not be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

## **1.14 Current and deferred income tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss component of the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax law enacted or substantively enacted at the reporting date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred income tax is recognised, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relates to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Taxes on dividends declared by the Group are recognised as part of the dividends paid within equity as dividend tax represents a tax on the shareholder and not the Group.

Indirect taxes, including non-recoverable VAT, are recognised in the statement of comprehensive income as part of 'Other operating expenses'.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

## 1.15 Accounts payable

Accounts payable consist mainly of funds held in trust on behalf of customers and obligations to pay for goods or services that have been acquired from suppliers in the ordinary course of business. The amounts are unsecured and are, where applicable, usually paid within 30 days of recognition. Accounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

## 1.16 Provisions and contingent liabilities

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Employee entitlements to annual leave and bonuses are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

Provisions for future operating losses are not recognised.

Contingent liabilities, which include certain guarantees other than financial guarantees, and letters of credit pledged as collateral security, are possible obligations that arise from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within the Group's control. Contingent liabilities are not recognised in the financial statements but are disclosed in the notes to the financial statements.

## 1.17 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss component of the statement of comprehensive income on a straight-line basis over the period of the lease.

## 1.18 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and supply of services in the ordinary course of the Group's activities. Revenue is shown net of discounts, returns and value added taxes and after eliminating sales and supply of services within the Group.

The Group recognises revenue when the amount of the revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below.

*Interest income* is recognised using the effective interest method on a time apportionment basis, taking account of the principal amount outstanding and the effective rate over the period to maturity to determine when such income will accrue to the Group.

*Royalty income*, fee income and management and service fee income are recognised on an accrual basis in accordance with the substance of the relevant agreements.

*Rental income* is recognised equally over the period of the lease, taking into consideration the clauses affecting the rental charge.

*Dividend income* is recognised when the right to receive payment is established.

*Management fee* income earned from the provision of management services is recognised in the accounting period in which the services are rendered, with reference to the stage of completion of the service.

## 1.19 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed on the next page.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

## **1.19.1 Impairment of loans and receivables**

Assets are subject to regular impairment reviews as required. Impairments are measured as the difference between the cost (or amortised cost) of a particular asset and the current fair value or recoverable amount. In determining the recoverable amount on portfolios of investments, the historical loss experience is adjusted to incorporate current economic conditions, as well as changes in the emergence period for evidence of impairment to be identified and reported.

## **1.19.2 Present value of defined benefit obligation**

The present value of the defined benefit obligation using the Projected Unit Credit method relies on a number of assumptions, including the discount rate and mortality rates. Any changes in the assumptions applied will impact the carrying amount of the pension obligation.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Additional information, as well as the sensitivity analysis, is disclosed in note 8.2.

## **1.19.3 Present value of post-retirement medical aid obligation**

The present value of the post-retirement medical aid obligation relies on a number of assumptions, including the discount rate and the Consumer Price Index to which the medical aid subsidy increase each year is linked. Any changes in the assumptions applied will impact on the carrying amount of the post-retirement obligation.

The Group determines the appropriate discount rate at the end of each year, which is based on the 13.3 year yield from the South African zero coupon government bond yield curve. This is the interest rate used to determine the present value of estimated future cash outflows required to settle the post-retirement medical aid obligations. In the prior year, the rate of the R186 government bond was used.

Additional information, as well as the sensitivity analysis, is disclosed in note 8.3.

## **1.19.4 Valuation of investment properties**

The valuation of the investment properties was performed internally by suitably qualified personnel and is based on the capitalised income method. The key assumptions used in the valuation of the investment properties are capitalisation rates, vacancy factors and expenses to be incurred on each property. The vacancy factors and property expenses are based on actual and historical trends. Capitalisation rates are determined by management with reference to current market information and management's assessment of the property concerned.

If the capitalisation rate was on average one percent higher for the portfolio, the Group's profit before tax would have been R152,5 million. Conversely, if the capitalisation rate was on average one percent lower for the portfolio, the Group's profit before tax would have been R270,4 million. Additional information is disclosed in note 3.

## **1.19.5 Income taxes**

The Group is subject to direct and indirect taxation in a number of jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities based on objective estimates of the quantum of taxes that may be due. Where the final tax determination is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax expense in the period in which such determination is made.

## **1.19.6 Deferred tax assets**

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Management's judgment regarding the probability and sufficiency of future taxable profits, future reversals of existing taxable differences and ongoing developments will determine the recognition of deferred tax. The most significant management assumption is the forecasts used to support the probability assessment that sufficient taxable profits will be generated by the entities in the Group in order to utilise the deferred tax assets.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

## 1.19.7 Provisions

The accounting policy for provisions is set out in accounting policy note 1.16. The principal assumptions taken into account in determining the value at which provisions are recorded in the Group's results include determining whether there is an obligation as well as assumptions about the probability of the outflow of resources occurring and the estimate of the amount and timing for the settlement of the obligation.

The probability of an event of a significant nature occurring will be assessed by management and where applicable, in consultation with the Group's legal counsel. In determining the amount and timing of the obligation once it has been assessed to exist, management exercises its judgment by taking into account all available information, including that arising after the balance sheet date up to the date of the approval of the financial statements.

## 1.19.8 Consolidation of entities

IFRS requires the Group to consolidate an entity where the Group has power; is exposed to variable returns from its involvement with the investee; and has the power to affect the returns through its power over the entity, including structured entities. Determining whether the Group controls another entity requires judgment by identifying an entity's relevant activities, being those activities that significantly affect the investee's returns, and whether the Group controls those relevant activities by considering the rights attached to both current and potential voting rights, de facto control and other contractual rights, including whether such rights are substantive.

## 1.20 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants, and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

## 1.21 Share capital and dividend distribution

Ordinary shares are classified as equity. Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

## 1.22 Change in accounting estimate

During the current reporting period, the Group revised its basis for estimating post-employment medical benefits. In the prior year, the obligation was calculated using a commutation function basis, assuming all cash flows took place at the beginning of the year, to a discounted cash flow basis assuming monthly cash flows. Under the cash flow basis, inter-annual mortality and withdrawal rates were also taken into account. If the obligation had been measured using the commutation function basis, the value of the obligation would have been R80,1 million. The effect of the change in estimate of R3,0 million is reflected in other comprehensive income within "Remeasurement of post-employment medical benefits". The change in accounting estimate has been accounted for and will be applied prospectively in accordance with IAS 8.

## 2. Financial risk management

The Group's activities expose it to a variety of financial risks. The core activities require the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. The Group's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to risk exposure limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by the Group's management. In addition, internal audit is responsible for the independent review of risk management policies and the control environment.

The primary financial risks to which the Group is exposed are credit risk, market risk, interest rate risk and liquidity risk.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

## **2.1 Credit risk**

The Group takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Group by failing to discharge an obligation. Credit risk is a material risk for the Group's business. Credit risk exposures arise principally from investing in small and medium businesses, the core business activity of the Group. Credit risk exposures also arise from property rental contracts entered into with lessees.

### **2.1.1 Credit risk measurement**

The credit risk for loans and receivables at the investment stage of any potential investment is analysed and assessed in a due diligence process where the entrepreneur is evaluated, the viability of the enterprise is considered and various other risk indicators are determined, verified and benchmarked.

### **2.1.2 Risk management process**

The Group manages, limits and controls concentrations of credit risk where they are identified.

#### ***Loans and receivables***

The concentration of risk in the investment portfolio is decreased through industry diversification. The more than 1 625 investment projects in the portfolio are representative of most sectors of the economy, with no specific industry or geographical area representing undue risk. No single investment represents more than 0,8 percent of the total investment portfolio, limiting the concentration of risk in single investments.

The ongoing monitoring of the risk profile of the portfolio is guided by investment policies, investment committees and credit control functions. Exception reporting at various levels within the organisation provides early identification of increases in the credit risk of the business investment portfolio. A formal risk assessment process is undertaken in terms of which investments are impaired in line with movements in the credit risk.

#### ***Collateral***

The Group employs various policies and practices to mitigate credit risk, principally by securing collateral for investments made. The Group implements guidelines on the acceptability and valuation of specific classes of collateral. The principal collateral types for loans and receivables are:

- Mortgage bonds over residential, commercial and industrial property
- Notarial bonds over property and equipment
- Personal sureties and the cession of policies and investments

#### ***Rental contracts***

The credit risk of rent debtors is controlled and monitored on an ongoing basis by property management committees, credit control functions as well as exception reporting at various levels in the management structure.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

Group		Company	
2014	2013	2014	2013
R000	R000	R000	R000

## 2.1.3 Maximum credit risk exposure

The table below represents the maximum credit risk exposure scenario for the Group without considering any collateral or other credit enhancements.

Related to loans and receivables:

Interest-bearing loans	<b>2 276 057</b>	2 081 777	<b>2 271 585</b>	2 075 918
Shareholders' loans	<b>110 670</b>	96 192	<b>110 670</b>	96 192
Royalty agreements	<b>42 394</b>	32 874	<b>41 833</b>	32 077
Staff loans	-	24	-	24
	<b>2 429 121</b>	2 210 867	<b>2 424 088</b>	2 204 211

Related to accounts receivable:

Rent debtors	<b>19 315</b>	16 036	<b>11 651</b>	9 971
Trade and other receivables	<b>6 695</b>	13 145		

Cash held in bank accounts

**102 769**      99 846

Related to off-balance sheet items:

Loan commitments and other credit-related liabilities	<b>319 664</b>	295 262	<b>319 664</b>	295 262
	<b>2 877 564</b>	2 635 156	<b>2 755 403</b>	2 509 444

The maximum credit risk exposure related to loans and receivables is analysed as follows:

### **Industry sector exposure**

Construction	<b>122 284</b>	108 530	<b>122 286</b>	108 532
Financial intermediation	<b>732 735</b>	634 118	<b>732 741</b>	634 128
Fishing	<b>28 058</b>	28 947	<b>28 058</b>	28 947
Horticulture, animal farming and forestry	<b>27 446</b>	27 748	<b>27 446</b>	27 749
Leisure	<b>65 744</b>	68 809	<b>62 932</b>	65 417
Manufacturing	<b>517 679</b>	442 610	<b>517 684</b>	442 618
Motor trade	<b>166 766</b>	177 191	<b>166 031</b>	175 828
Personal services	<b>174 953</b>	120 773	<b>174 838</b>	120 528
Quarrying	<b>32 476</b>	38 591	<b>32 476</b>	38 591
Retail	<b>188 121</b>	185 904	<b>187 066</b>	184 658
Transport and communication	<b>71 605</b>	78 134	<b>71 272</b>	77 698
Travel and tourism	<b>224 600</b>	213 302	<b>224 603</b>	213 306
Wholesale	<b>76 654</b>	86 210	<b>76 655</b>	86 211
	<b>2 429 121</b>	2 210 867	<b>2 424 088</b>	2 204 211

### **Geographical exposure**

Eastern Cape	<b>310 011</b>	296 226	<b>309 019</b>	294 656
Free State	<b>123 147</b>	101 842	<b>119 651</b>	99 140
Gauteng	<b>615 500</b>	538 783	<b>615 448</b>	537 936
KwaZulu-Natal	<b>512 660</b>	452 297	<b>515 180</b>	454 184
Limpopo	<b>68 983</b>	64 444	<b>69 391</b>	64 004
Mpumalanga	<b>72 725</b>	64 129	<b>70 753</b>	61 753
North West	<b>22 460</b>	26 192	<b>22 593</b>	26 381
Northern Cape	<b>67 074</b>	55 400	<b>67 023</b>	54 963
Western Cape	<b>636 561</b>	611 554	<b>635 030</b>	611 194
	<b>2 429 121</b>	2 210 867	<b>2 424 088</b>	2 204 211

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

	Group		Company	
	2014 R000	2013 R000	2014 R000	2013 R000
<b>Product type exposure</b>				
Loan Partner	384 354	413 080	386 629	416 058
Royalty Partner	860 139	796 667	845 819	779 816
Royalty Risk Partner	12 127	18 823	12 199	18 959
Risk Partner	24 138	19 364	24 281	19 504
Equity Partner	58 027	46 379	58 370	46 713
Property Risk Partner	711 777	645 990	715 990	650 647
Property Royalty	231 293	163 844	232 662	165 025
Property Equity Partner	147 266	106 720	148 138	107 489
	<b>2 429 121</b>	<b>2 210 867</b>	<b>2 424 088</b>	<b>2 204 211</b>

## 2.1.4 Credit quality of loans and receivables

The credit quality of loans and receivables are as follows:

Neither past due nor individually impaired	1 643 832	1 489 367	1 641 113	1 485 614
Past due, but not individually impaired	25 894	26 654	25 894	26 654
Individually impaired	759 395	694 846	757 081	691 943
Gross	<b>2 429 121</b>	<b>2 210 867</b>	<b>2 424 088</b>	<b>2 204 211</b>
Less: allowance for impairment	(162 330)	(158 548)	(160 774)	(156 883)
	<b>2 266 791</b>	<b>2 052 319</b>	<b>2 263 314</b>	<b>2 047 328</b>

The allowance for impairment of loans and receivables amounts to R162,3 million (2013: R158,5 million). R116,3 million (2013: R114,5 million) represents the individually impaired loans and the balance of R46,0 million (2013: R44,0 million) represents the portfolio impairment. For additional information regarding the allowance for impairment, refer note 4.3.

### Loans and receivables neither past due nor individually impaired

The credit quality of the portfolio of loans and receivables that were neither past due nor impaired can be assessed in terms of the internal risk rating system as disclosed in the accounting policies.

Interest-bearing loans	1 502 912	1 378 998	1 500 754	1 376 042
Shareholders' loans	98 526	77 471	98 526	77 471
Royalty agreements	42 394	32 874	41 833	32 077
Staff loans	-	24	-	24
	<b>1 643 832</b>	<b>1 489 367</b>	<b>1 641 113</b>	<b>1 485 614</b>

### Loans and receivables past due but not individually impaired

Loans and receivables with amounts past due for 30 days that are less than or equal to the required amount due, are not considered impaired, unless specific information indicators are identified. The gross amount of loans and receivables that were past due, but not impaired, are as follows:

Interest-bearing loans	25 724	26 449	25 724	26 449
Shareholders' loans	170	205	170	205
	<b>25 894</b>	<b>26 654</b>	<b>25 894</b>	<b>26 654</b>
Fair value of collateral – interest-bearing loans	23 784	22 211	23 784	22 211

Upon initial recognition of loans and receivables, the fair value of the collateral is determined by applying valuation methodologies applicable to the specific collateral types.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

Group		Company	
2014	2013	2014	2013
R000	R000	R000	R000

## **Loans and receivables individually impaired**

The individually impaired loans and receivables without considering the fair value of collateral is analysed as follows:

Interest-bearing loans	<b>747 421</b>	676 330	<b>745 107</b>	673 427
Shareholders' loans	<b>11 974</b>	18 516	<b>11 974</b>	18 516
	<b>759 395</b>	694 846	<b>757 081</b>	691 943
Fair value of collateral – interest-bearing loans	<b>488 338</b>	443 624	<b>488 101</b>	443 215

Upon initial recognition of loans and receivables, the fair value of the collateral is determined by applying valuation methodologies applicable to the specific collateral types.

During the year, interest in the amount of R65,0 million (2013: R58,5 million) earned on individually impaired loans was recognised in revenue.

## **Loans and receivables renegotiated**

Loans and receivables are classified as renegotiated when a new agreement is concluded. The revised terms are considered for approval after a rigorous risk assessment by a special credit committee.

Renegotiated loans and receivables at the end of the year are as follows:

Group		Company		
Continue to be impaired	No longer impaired	Continue to be impaired	No longer impaired	
R000	R000	R000	R000	
<b>At 31 March 2014</b>				
Interest-bearing loans	<b>5 504</b>	<b>3 173</b>	<b>5 504</b>	<b>3 173</b>
<b>At 31 March 2013</b>				
Interest-bearing loans	11 089	8 204	11 089	8 204

## **2.1.5 Credit quality of other financial assets**

Rent debtors are fully impaired where balances outstanding exceed 30 days. The provision for doubtful rent debtors amounts to R4,9 million (2013: R5,4 million).

All other financial assets are internally allocated a 'performing' risk grade, being neither past due nor impaired.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

## 2.2 Market risk

The Group accepts exposure to market risk, which is defined as the risk that the future cash flows from a financial instrument will fluctuate due to changes in the financial market rates. Market risks arise primarily from risks associated with interest rate changes.

### 2.2.1 Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the majority of the Group's interest-bearing investments are linked to the prime overdraft rate, changes in the prime rate will affect the revenue of the Group. The prime rate also affects the return on, and the cost of, treasury funds.

If the prime rate was one percent higher during the year, the Group's profit before tax would have been R222,8 million (2013: R201,5 million). Alternatively, if the prime rate was one percent lower, the Group's profit before tax would have been R189,7 million (2013: R168,4 million).

#### **Risk management process**

The sensitivity to interest rate changes is decreased by non-interest revenue instruments in the investment portfolio such as dividends and royalty fees. The exposure to interest rate changes for the Group is reduced by investment in property assets as well as the effect of prime-linked borrowings.

## 2.3 Liquidity risk

Liquidity risk is the risk that the Group is unable to meet the obligations of disbursing investments, settling financial liabilities and commitments, and paying day-to-day expenses when required.

#### **Risk management process**

Liquidity risk management requires maintaining sufficient cash resources through an adequate amount of committed credit facilities.

Monitoring and reporting take the form of cash flow measurements and projections for all key periods. Such cash flow projections take into consideration the Group's debt obligations and covenant compliance as well as regulatory and legal requirements. The major cash outflows consist of investment advances, capital expenditure projects, salaries and wages payments, dividend payments and income tax payments.

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. These financial liabilities have not been discounted:

	<b>Less than 1 year R000</b>	<b>Between 1 and 2 years R000</b>	<b>Between 2 and 5 years R000</b>	<b>Over 5 years R000</b>	<b>Total R000</b>
<b>At 31 March 2014</b>					
Borrowings (refer note 14.1)	<b>26 680</b>	<b>26 622</b>	<b>94 274</b>	<b>570 392</b>	<b>717 968</b>
Accounts payable	<b>50 748</b>				<b>50 748</b>
Current tax liability	<b>325</b>				<b>325</b>
<b>At 31 March 2013</b>					
Borrowings (refer note 14.1)	30 803	139 067	16 724	299 780	486 374
Accounts payable	45 484				45 484
Current tax liability	2 040				2 040



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

## 2.4 Fair values of financial assets and financial liabilities

The Group uses the following fair value measurement hierarchy to measure the financial assets and liabilities that are carried at fair value on the statement of financial position:

- Level 1: Quoted prices in active market for identical assets or liabilities
- Level 2: Inputs other than quoted prices included with level 1 that are observable
- Level 3: Inputs for the asset or liability that are not based on observable market data

### 2.4.1 Financial assets and liabilities not held at fair value

The table below summarises the carrying amounts and approximate fair values of those financial assets and liabilities not held at fair value:

	Carrying Value R000	Fair Value R000	Level 1 R000	Level 2 R000	Level 3 R000	Total balance R000
<b>At 31 March 2014</b>						
<b>Financial assets</b>						
Loans and receivables	2 274 146	2 274 146	-	-	2 274 146	2 274 146
Accounts receivable	26 037	26 037	-	26 037	-	26 037
Cash and cash equivalents	102 769	102 769	102 769	-	-	102 769
	<b>2 402 952</b>	<b>2 402 952</b>	<b>102 769</b>	<b>26 037</b>	<b>2 274 146</b>	<b>2 402 952</b>
<b>Financial liabilities</b>						
Borrowings	717 969	717 969	-	717 969	-	717 969
Accounts payable	50 748	50 748	-	50 748	-	50 748
	<b>768 717</b>	<b>768 717</b>	<b>-</b>	<b>768 717</b>	<b>-</b>	<b>768 717</b>
<b>At 31 March 2013</b>						
<b>Financial assets</b>						
Loans and receivables	2 060 799	2 060 799	-	-	2 060 799	2 060 799
Accounts receivable	33 777	33 777	-	33 777	-	33 777
Cash and cash equivalents	99 846	99 846	99 846	-	-	99 846
	<b>2 194 422</b>	<b>2 194 422</b>	<b>99 846</b>	<b>33 777</b>	<b>2 060 799</b>	<b>2 194 422</b>
<b>Financial liabilities</b>						
Borrowings	490 128	490 128	-	490 128	-	490 128
Accounts payable	45 484	45 484	-	45 484	-	45 484
	<b>535 612</b>	<b>535 612</b>	<b>-</b>	<b>535 612</b>	<b>-</b>	<b>535 612</b>

### Valuation methodology – non-fair value items

The 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. The carrying values of certain financial assets and financial liabilities have been determined using measurement bases other than fair value. IFRS 13 Fair Value ("IFRS 13") imposes specific fair value disclosure requirements on these items that fall within the scope of the standard. The valuation methodology described below has been applied in order to determine the disclosed fair values for such financial assets and financial liabilities that are not carried at fair value.

### Financial assets and liabilities

The carrying value of financial assets and liabilities held at amortised cost is determined in accordance with the accounting policy. In all cases, the disclosed fair value approximates the carrying value because the instruments are either short term in nature or have interest rates that reflect market interest rates.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

## Measurement of financial assets and liabilities at Level 2

The table below sets out information about the valuation techniques used at the end of the reporting period in measuring financial assets and liabilities not held at fair value, categorised as Level 2. A description of the nature of the techniques used to calculate valuations based on observable inputs is set out in the table below:

Category of asset/liability	Valuation techniques applied	Significant observable inputs
Accounts receivable	Discounted cash flow model	Discount rate
Borrowings	Discounted cash flow model	Discount rate
Accounts payable	Discounted cash flow model	Discount rate

## Measurement of financial assets and liabilities at Level 3

The table below sets out information about significant unobservable inputs used at the end of the reporting period in measuring financial assets and liabilities not held at fair value, categorised as Level 3.

Category of asset/liability	Valuation techniques applied	Significant unobservable inputs
Loans and receivables	Discounted cash flow model	Discount rate, historical loss experience, emergence period

## 2.4.2 Assets and liabilities held at fair value

The table below presents the Group's assets that are measured at fair value:

	Level 1 R000	Level 2 R000	Level 3 R000	Total balance R000
<b>At 31 March 2014</b>				
Available-for-sale financial assets	353	-	-	353
Investment properties	-	-	958 943	958 943
	<b>353</b>	<b>-</b>	<b>958 943</b>	<b>959 296</b>
<b>At 31 March 2013</b>				
Available-for-sale financial assets	333	-	-	333
Investment properties	-	-	787 609	787 609
	<b>333</b>	<b>-</b>	<b>787 609</b>	<b>787 942</b>

## Measurement of assets at Level 3

The fair value of Level 3 assets is determined using valuation techniques which incorporate assumptions based on unobservable inputs and are subject to management judgment. Although the Group believes that its estimates of fair values are appropriate, changing one or more of these assumptions to reasonably possible alternative values could impact the fair value of the assets.

The sensitivity analysis applied to the unobservable inputs in the fair value model of the investment properties is set out in note 1.19.4.

A reconciliation of the opening balances to closing balances for all movements on investment properties is set out in note 3.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

## 2.5 Financial instruments by category

### At 31 March 2014

*Assets per statement of financial position*

	Available- for-sale R000	Amortised cost R000	Total R000
Available-for-sale financial assets	353		353
Loans and receivables		2 266 791	2 266 791
Accounts receivable		26 037	26 037
Cash and cash equivalents		102 769	102 769
	<b>353</b>	<b>2 395 597</b>	<b>2 395 950</b>

*Liabilities per statement of financial position*

Borrowings		717 969	717 969
Accounts payable		50 748	50 748
		<b>768 717</b>	<b>768 717</b>

### At 31 March 2013

*Assets per statement of financial position*

Available-for-sale financial assets	333		333
Loans and receivables		2 052 319	2 052 319
Accounts receivable		33 777	33 777
Cash and cash equivalents		99 846	99 846
	<b>333</b>	<b>2 185 942</b>	<b>2 186 275</b>

*Liabilities per statement of financial position*

Borrowings		490 128	490 128
Accounts payable		45 484	45 484
		<b>535 612</b>	<b>535 612</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

Group		Company	
2014 R000	2013 R000	2014 R000	2013 R000

## 2.6 Capital management

The Group's objectives in managing its capital are:

- To protect the going concern status in order to continue providing returns for shareholders and benefits for other stakeholders; and
- To maintain an optimal capital structure to reduce the cost of capital with which to support the development and growth of the business.

The table below summarises the composition of capital:

Share capital	<b>173 001</b>	173 001	<b>173 001</b>	173 001
Fair value and other reserves	<b>72 300</b>	38 659	<b>67 346</b>	34 656
Retained earnings	<b>2 460 717</b>	2 331 817	<b>2 291 249</b>	2 191 200
Total capital	<b>2 706 018</b>	2 543 477	<b>2 531 596</b>	2 398 857

## 3. Investment properties

Fair value – beginning of year	<b>787 608</b>	679 940	<b>662 485</b>	573 254
Acquisitions	<b>110 896</b>	88 362	-	78 886
Improvements	<b>8 115</b>	-	<b>2 887</b>	-
Disposals	<b>(3 340)</b>	(9 800)	<b>(3 340)</b>	(9 800)
Depreciation on leasehold property	<b>(84)</b>	(936)	<b>(84)</b>	(936)
Fair value adjustment	<b>55 748</b>	30 043	<b>33 891</b>	21 081
Fair value – end of year	<b>958 943</b>	787 609	<b>695 839</b>	662 485

The valuation of property investments is performed internally by suitably qualified personnel and uses a capitalised income valuation method. The key assumptions used in the valuation of the investment properties are as follows:

- Capitalisation rates varied between 9,5 and 14,0 percent (2013: 10,0 and 14,0 percent)
- Vacancy factors varied between zero and 5,0 percent (2013: zero and 10,0 percent)
- Property expenses varied between 9,8 and 36,8 percent of total rent and recoveries (2013: 10,0 and 36,9 percent)

The Group has not classified nor accounted for properties subject to an operating lease as investment property. No contractual obligations for the construction or development of investment properties exists.

The following items regarding the investment properties are included in the profit and loss component of the statement of comprehensive income:

– Rental income	<b>139 183</b>	125 589	<b>103 258</b>	95 913
– Repairs and maintenance expenses	<b>19 185</b>	15 929	<b>15 654</b>	12 096
– Other operating expenses	<b>64 614</b>	51 415	<b>46 675</b>	37 953

A register of the property portfolio is available for inspection at the registered office.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

Group		Company	
2014	2013	2014	2013
R000	R000	R000	R000
Investment in <i>En Commandite</i> partnerships (refer note 4.1)	8 147	15 802	16 547
Available-for-sale financial assets (refer note 4.2)	333	353	333
Gross loans and receivables (refer note 4.3)	2 210 867	2 424 088	2 204 211
Less: Allowance for impairment (refer note 4.3)	(158 548)	(160 774)	(156 883)
Carrying value of loans and receivables	2 060 799	2 279 469	2 064 208
Long-term portion	1 736 156	1 952 502	1 740 888
Short-term portion	324 643	326 967	323 320
	2 060 799	2 279 469	2 064 208

## 4. Loans and receivables

### 4.1 Investment in *En Commandite* partnerships

The Company entered into an *En Commandite* partnership in March 2003 with the Umsobomvu Youth Fund to establish a R125 million investment fund aimed at expanding the ownership of franchises amongst the previously disadvantaged youth. The Company contributed 20 percent of the capital for the fund, and the Umsobomvu Youth Fund the balance of 80 percent. Currently the partnership is in the winding up phase, primarily concerned with the collection of the outstanding loans and receivables.

The Company entered into an *En Commandite* partnership in February 2006 with Small Enterprise Finance Agency Limited (previously known as Khula Enterprise Finance Limited) to establish a R150 million investment fund aimed at promoting start-up ventures amongst previously disadvantaged individuals. The Company contributed 20 percent of the capital for the fund, and Khula the balance of 80 percent. Currently the partnership is in the winding up phase, primarily concerned with the collection of the outstanding loans and receivables.

The investments are stated at cost and profits are equity accounted in accordance with specifications of the partnership agreements.

### 4.2 Available-for-sale financial assets

Fair value – beginning of year	333	320	333	320
Disposals	(12)	-	(12)	-
Fair value surplus transferred to equity	32	13	32	13
Fair value – end of year	353	333	353	333

The above available-for-sale investments, comprising listed shares, are measured at fair value. Fair value is determined by reference to quoted prices on the relevant securities exchange.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

Group		Company	
2014	2013	2014	2013
R000	R000	R000	R000

## 4.3 Loans and receivables

### *Interest-bearing loans*

These loans are secured and are priced at market rates representative of the risk of the investment and the quality and extent of the collateral pledged. The loans are initially recorded at fair value and thereafter measured at amortised cost, at level yields to maturity that vary between 9,0 percent and 16,0 percent per annum. The amortised cost of the interest-bearing loans approximates fair value, as the loans are priced at variable, market-related rates.

Gross interest-bearing loans	<b>2 276 057</b>	2 081 777	<b>2 271 585</b>	2 075 918
Less: allowance for impairment	<b>(151 632)</b>	(146 469)	<b>(150 076)</b>	(144 804)
	<b>2 124 425</b>	1 935 308	<b>2 121 509</b>	1 931 114

### *Shareholders' loans*

These loans are unsecured, and are priced at interest rates between zero percent and 9,0 percent per annum. The loans are initially recorded at fair value and thereafter measured at amortised cost, at level yields to maturity equal to the prime rate at the date of approval of the loan. Fair value at initial recognition is determined with reference to the prime rate. Should the repayment terms of the loan be indeterminable, the loan is recognised at cost. The amortised cost of the shareholders' loans approximates fair value.

Gross shareholders' loans	<b>110 670</b>	96 192	<b>110 670</b>	96 192
Less: allowance for impairment	<b>(10 698)</b>	(12 079)	<b>(10 698)</b>	(12 079)
	<b>99 972</b>	84 113	<b>99 972</b>	84 113

### *Royalty agreements*

The cash flows expected from royalty agreements are determined by adjusting the contracted royalty payments with a risk factor. The expected future royalty payments are initially measured at fair value and then measured at amortised cost by applying a discount rate equal to the expected return from the investment linked to the royalty agreement. The rates vary between one percent and 14,5 percent. The amortised cost of royalty agreements approximates fair value.

Royalty agreements	<b>42 394</b>	32 874	<b>41 833</b>	32 077
--------------------	---------------	--------	---------------	--------

### *Staff loans*

These loans, consisting of a mortgage loan over residential property as well as other short-term loans, bear interest at rates linked to the prime overdraft rate. The loans are initially recorded at fair value and thereafter measured at amortised cost using the rates at which the agreements were concluded. The amortised cost of the loans to staff approximates fair value.

Gross staff loans	-	24	-	24
Less: allowance for impairment	-	-	-	-
	-	24	-	24
Gross loans and receivables	<b>2 429 121</b>	2 210 867	<b>2 424 088</b>	2 204 211
Less: Allowance for impairment	<b>(162 330)</b>	(158 548)	<b>(160 774)</b>	(156 883)
<b>Total for loans and receivables</b>	<b>2 266 791</b>	2 052 319	<b>2 263 314</b>	2 047 328

The Group accepted mortgage bonds, notarial bonds and other types of security, at a value of R1 832,4 million (2013: R1 707,3 million) as collateral for interest-bearing loans. The Group has the authority to cede or repledge this collateral. At the reporting date, although the Group has not sold or repledged any of the collateral held, the Group has ceded contingent rights to its loans and receivables as collateral for a loan facility in the amount of R400 million (refer note 14.1).

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

## Reconciliation of allowance for impairment on loans and receivables

### Group

#### At 1 April 2012

	Interest-bearing loans R000	Share- holders' loans R000	Total R000
	159 458	8 347	167 805
Impairment allowance raised on new investments	25 750	833	26 583
Impairment reversed on investments written off or repaid	(51 428)	(632)	(52 060)
Increase in impairment allowance on existing investments	35 330	4 632	39 962
Decrease in impairment allowance on existing investments	(22 641)	(1 101)	(23 742)

#### At 31 March 2013

	146 469	12 079	158 548
--	---------	--------	---------

#### At 1 April 2013

	<b>146 469</b>	<b>12 079</b>	<b>158 548</b>
Impairment allowance raised on new investments	<b>37 989</b>	<b>660</b>	<b>38 649</b>
Impairment reversed on investments written off or repaid	<b>(40 555)</b>	<b>(986)</b>	<b>(41 541)</b>
Increase in impairment allowance on existing investments	<b>34 285</b>	<b>1 982</b>	<b>36 267</b>
Decrease in impairment allowance on existing investments	<b>(26 556)</b>	<b>(3 037)</b>	<b>(29 593)</b>

#### At 31 March 2014

	<b>151 632</b>	<b>10 698</b>	<b>162 330</b>
--	----------------	---------------	----------------

### Company

#### At 1 April 2012

	157 514	8 347	165 861
Impairment allowance raised on new investments	25 750	833	26 583
Impairment reversed on investments written off or repaid	(51 054)	(632)	(51 686)
Increase in impairment allowance on existing investments	35 053	4 632	39 685
Decrease in impairment allowance on existing investments	(22 459)	(1 101)	(23 560)

#### At 31 March 2013

	144 804	12 079	156 883
--	---------	--------	---------

#### At 1 April 2013

	<b>144 804</b>	<b>12 079</b>	<b>156 883</b>
Impairment allowance raised on new investments	<b>37 916</b>	<b>660</b>	<b>38 576</b>
Impairment reversed on investments written off or repaid	<b>(40 431)</b>	<b>(986)</b>	<b>(41 417)</b>
Increase in impairment allowance on existing investments	<b>34 130</b>	<b>1 982</b>	<b>36 112</b>
Decrease in impairment allowance on existing investments	<b>(26 343)</b>	<b>(3 037)</b>	<b>(29 380)</b>

#### At 31 March 2014

	<b>150 076</b>	<b>10 698</b>	<b>160 774</b>
--	----------------	---------------	----------------

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

Group		Company	
2014	2013	2014	2013
R000	R000	R000	R000

## 5. Investments in associates

Audited financial statements are used to account for the share of associated companies' earnings. For those associates for which audited financial statements are not available, an estimation is made of the associated company's earnings. For the current year the estimated earnings amounted to R0,5 million before tax (2013: profit of R0,9 million). A register containing details of all listed, unlisted and other investments is available at the registered office.

Unlisted shares at cost	<b>1 953</b>	2 181	<b>151</b>	380
Share of retained earnings	<b>80 186</b>	74 757		
Total for unlisted associates	<b>82 139</b>	76 938	<b>151</b>	380
Fair value of investment in associates	<b>200 590</b>	159 916	<b>198 789</b>	158 665

The valuation methods applied to determine the directors' valuation are consistent with the valuation guidelines recommended by the South African Venture Capital and Private Equity Association (SAVCA).

The movement in investments in associates is as follows:

Balance – beginning of year	<b>76 938</b>	77 143	<b>380</b>	1 874
Share of results before tax	<b>27 909</b>	29 203		
Share of tax	<b>(8 842)</b>	(7 201)		
Other movements (net of acquisitions and disposals)	<b>(13 866)</b>	(22 207)	<b>(229)</b>	(1 494)
Balance – end of year	<b>82 139</b>	76 938	<b>151</b>	380

The Company has investments in 370 associates (2013: 356), a list of which is available at the registered office for inspection. The detail of the Company's investment in associates, principally their assets, liabilities, revenues, profits or losses and the percentage held, is not disclosed as these investments are not individually material to the results of the Group.

All balances included in investments in associates are from continued operations and do not have discontinued operations.

## 6. Property and equipment

### 6.1 Equipment

Cost – beginning of year	<b>27 366</b>	25 288	<b>26 856</b>	24 830
Acquisitions	<b>2 225</b>	2 818	<b>1 799</b>	2 752
Disposals	<b>(698)</b>	(739)	<b>(579)</b>	(726)
Cost – end of year	<b>28 893</b>	27 367	<b>28 076</b>	26 856
Accumulated depreciation – beginning of year	<b>(22 631)</b>	(20 518)	<b>(22 365)</b>	(20 342)
Depreciation charged	<b>(2 576)</b>	(2 670)	<b>(2 478)</b>	(2 571)
Depreciation on disposals	<b>647</b>	557	<b>543</b>	548
Accumulated depreciation – end of year	<b>(24 560)</b>	(22 631)	<b>(24 300)</b>	(22 365)
Closing net carrying value	<b>4 333</b>	4 736	<b>3 776</b>	4 491

### 6.2 Land and buildings

Cost – beginning of year	<b>90 315</b>	89 876	<b>1 147</b>	1 147
Additions	-	439	-	-
Improvements	<b>(674)</b>	-	-	-
Cost – end of year	<b>89 641</b>	90 315	<b>1 147</b>	1 147
Accumulated depreciation – beginning of year	<b>(6 649)</b>	(5 816)	<b>(38)</b>	(31)
Depreciation charged	<b>(846)</b>	(833)	<b>(7)</b>	(7)
Depreciation on disposals	<b>19</b>	-	-	-
Accumulated depreciation – end of year	<b>(7 476)</b>	(6 649)	<b>(45)</b>	(38)
Closing net carrying value	<b>82 165</b>	83 666	<b>1 102</b>	1 109
Total net carrying value for property and equipment	<b>86 498</b>	88 402	<b>4 878</b>	5 600



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

<b>Company</b>	
<b>2014</b>	2013
<b>R000</b>	R000
Unlisted shares at cost	11
Interest-free loans	115 060
Interest-bearing loans	34 140
Provisions	(6 360)
<b>238 059</b>	<b>142 851</b>

## 7. Investments in subsidiaries

Unlisted shares at cost	13	11
Interest-free loans	214 727	115 060
Interest-bearing loans	29 681	34 140
Provisions	(6 362)	(6 360)
	<b>238 059</b>	<b>142 851</b>

Interest-bearing loans comprise a loan made available to Business Partners Properties 002 (Pty) Ltd to purchase a property. The loan has a tenure of 10 years and interest is charged at prime minus one percent.

The Company's interest in the aggregate net profits and losses of subsidiaries are:

Profits	41 457	33 565
Losses	(4 679)	(2 534)

The details of the subsidiaries are disclosed in note 29.

### 7.1 Unconsolidated structured entities

The Group is involved with an unconsolidated structured entity through a 6,67% (2013: 0%) interest held by Business Partners Limited ('BPL') in Business Partners International Southern Africa Fund LLC ('SAF').

The SAF is incorporated in Mauritius and is a USD30,0 million fund with the objective of investing capital, knowledge and skills in viable SMEs in Malawi, Namibia and Zambia. The SAF is financed by issuing shares to investors.

The SAF is managed by Business Partners International (Pty) Ltd ('BPI'), a subsidiary of BPL. BPI earns an asset-based fee and a performance-based incentive fee.

The change in fair value of BPL's interest in SAF will be included in the statement of comprehensive income in 'Investment income and gains'. At 31 March 2014, there was no amount included in 'Investment income and gains' as the carrying amount approximates the fair value.

The Group's maximum exposure to losses from its interests in the SAF is equal to the total fair value of its investments in the SAF.

The Group has committed to invest USD2,0 million during the investment period of the SAF. Total investment by the Group in the SAF during the year ended 31 March 2014 was USD173 326 (R1,9 million).

## 8. Post-employment benefits

### 8.1 Defined Contribution Pension Fund

The Group pays fixed contributions into a separate trustee-administered fund in terms of the defined contribution plan. The Group has no legal or constructive obligation to pay additional contributions to the fund apart from those contributions that are contractual between the employer and employee. Should the fund not hold sufficient assets to pay employee benefits, no liability to make any additional contribution can or will accrue to the Group. The amounts included in the statement of comprehensive income under staff costs for the Defined Contribution Fund are R9,7 million (2013: R9,3 million).

### 8.2 Defined Benefit Pension Fund

The Group operates a defined benefit pension fund for the benefit of pensioners providing a guaranteed level of pension payable. The fund is closed to new members and has no active members. The benefits provided are based on years of service and remuneration level at retirement. Benefit payments are made from trustee-administered funds. The fund assets held in trusts are regulated as described below. Responsibility for the governance of the plan is vested in the Board of Trustees.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

All active members became members of the Business Partners Limited Retirement Fund with effect from 1 March 2012. During the course of the prior year, after obtaining the Section 14 approval from the Registrar of Pension Funds, the final transfer values of the active members were determined and transferred to the Defined Contribution Fund.

The past service obligation as at 31 March 2014, in respect of pensioners, has been calculated in accordance with the Projected Unit Credit method by actuaries. No current service costs were incurred since the fund has no active members. The interest cost represents the increase during the year in the obligation which arises because the benefits are one year closer to settlement and is determined by multiplying the discount rate by the average liability over the period.

The fund is governed by the Pension Funds Act of 1956 (as amended) which requires that a statutory valuation be carried out at least every three years. The last statutory valuation of the fund was conducted on 1 April 2013 and confirmed that the fund was in a sound financial position. The funding level, in terms of the market value of the plan assets and this valuation basis and assumptions, was 219,9 percent (2013: 179,8 percent).

The Pension Funds Second Amendment Act of 2001 ("the PF Act") regulates a surplus apportionment and avoids the inappropriate distribution of surpluses. In terms of the rules of the Fund, the surpluses in the Fund are for the benefit of the employer and are recognised as an asset on the statement of financial position. These surplus apportionment rules were submitted to and acknowledged by the FSB and recorded by the Registrar of Pension Funds. The increase in the value of the surplus of R33,6 million (2013: increase of R7,9 million) is accounted for in the statement of comprehensive income.

The PF Act also requires that a fund establish contingency reserves to ensure the financial soundness of the fund. The contingency reserves consist of a Data Reserve and a Solvency Reserve amounting to R1,2 million (2013: R4,2 million) and R11,4 million (2013: R12,7 million) respectively.

<b>Group</b>	
<b>2014</b>	2013
<b>R000</b>	R000

## 8.2.1 Amount recognised in the statement of financial position

Market value of assets	<b>227 803</b>	204 077
Present value of defined benefit obligation	<b>(91 040)</b>	(96 643)
	<b>136 763</b>	107 434
Less: Contingency reserves	<b>(12 571)</b>	(16 841)
Defined benefit pension fund surplus	<b>124 192</b>	90 593

## 8.2.2 Defined benefit plan reconciliations

### *Reconciliation of the net surplus:*

Defined benefit pension fund surplus – beginning of the year	<b>90 593</b>	82 731
Movement in obligation	<b>(1 563)</b>	(29 573)
Growth in plan assets	<b>31 594</b>	41 170
Movement in contingency reserves	<b>4 270</b>	(2 549)
Expenses and tax paid	<b>(702)</b>	(1 186)
Defined benefit pension fund surplus – end of year	<b>124 192</b>	90 593

### *Reconciliation of the movement in the defined benefit obligation:*

Defined benefit obligation – beginning of the year	<b>96 643</b>	386 349
Interest cost	<b>7 499</b>	21 193
Benefits paid	<b>(7 166)</b>	(319 279)
	<b>96 976</b>	88 263
Remeasurements	<b>(5 936)</b>	8 380
Defined benefit obligation – end of year	<b>91 040</b>	96 643

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

	<b>Group</b>	
	<b>2014</b>	2013
	<b>R000</b>	R000
<i>Reconciliation of the movement in the plan assets:</i>		
Market value of assets – beginning of the year	<b>204 077</b>	483 372
Return due to transferred members	-	15 091
Benefits transferred to retirement fund	-	(312 268)
	<b>204 077</b>	186 195
Interest income	<b>17 275</b>	16 531
Remeasurement	<b>14 319</b>	9 548
Benefits paid	<b>(7 166)</b>	(7 011)
Expenses and tax paid	<b>(702)</b>	(1 186)
Market value of assets – end of year	<b>227 803</b>	204 077

## 8.2.3 Nature of pension fund assets

The pension fund assets are administered by asset managers in accordance with prudential guidelines, and consist of the following:

Equity assets	<b>113 888</b>	99 931
Capital market assets	<b>70 733</b>	52 160
Money market assets	<b>43 182</b>	51 986
Market value of assets – end of year	<b>227 803</b>	204 077

The value of assets disclosed above are based on quoted prices in active markets.

## 8.2.4 Movements in defined benefit plan accounted for in the statement of comprehensive income

Interest cost	<b>(7 499)</b>	(21 193)
Expenses and tax paid	<b>(702)</b>	(1 186)
Expected return on plan assets	<b>17 275</b>	16 531
Return due to transferred members	-	15 091
Total included in staff costs (refer note 21)	<b>9 074</b>	9 243
Remeasurements and movement in contingency reserves	<b>24 525</b>	(1 381)
Total recognised in other comprehensive income before tax	<b>24 525</b>	(1 381)
Total recognised in the statement of comprehensive income	<b>33 599</b>	7 862

## 8.2.5 The principal actuarial assumptions

Discount rate	<b>8,3%</b>	9,2%
Expected rate of return on plan assets	<b>8,3%</b>	9,2%
Inflation rate	<b>7,0%</b>	6,9%
Target pension increase	<b>6,2%</b>	6,1%
Average life expectancy	<b>12,9 yrs</b>	12,8 yrs

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

Group	
2014	2013
R000	R000

## 8.2.6 Sensitivity analysis

Should the discount rate change by one percent, the impact would be as follows:

	Increase of 1% R000	Decrease of 1% R000
Change in liability – (decrease) / increase	(7 479)	8 744

Should the mortality assumption change by one year, the impact would be as follows:

	Increase of 1 year R000	Decrease of 1 year R000
Change in liability – (decrease) / increase	(3 183)	3 199

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

## 8.3 Post-employment medical benefits

The Group operates a post-retirement medical aid benefit scheme for employees and pensioners who were in the service of the Group on or before 30 April 1999. The entitlement to these benefits is dependent upon the employee remaining in service until retirement age. The post-retirement medical aid subsidy increases annually by 89 percent of the Consumer Price Index ('CPI'). Accordingly, the main actuarial assumption used in determining the liability relates to the future movements in the CPI. The CPI assumption for the current year is 6,0 percent (2013: 5,9 percent). An investment return of 8,8 percent per annum was applied and is based on the 13,3 year yield from the South African zero coupon government bond yield curve as at 31 March 2014 (2013: 7,4 percent; R186). This plan is unfunded.

### 8.3.1 Amount recognised in the statement of financial position

Liability – beginning of year	93 518	75 631
Benefits paid	(3 440)	(3 289)
Recognised in comprehensive income for the year	(12 935)	21 176
Liability – end of year	77 143	93 518

### 8.3.2 Movements in post-employment medical benefits accounted for in the statement of comprehensive income

Interest cost	6 892	6 327
Current service cost	1 031	809
Total included in staff costs (refer note 21)	7 923	7 136
Remeasurements	(20 858)	14 040
Change in model – (gain) / loss	(2 974)	-
Change in economic assumptions – (gain) / loss	(14 085)	11 887
Experience adjustments – (gain) / loss	(943)	(1 236)
Change in demographic profile – (gain) / loss	(2 856)	3 389
Total recognised in the statement of comprehensive income	(12 935)	21 176

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

Group	
<b>2014</b>	2013
<b>R000</b>	R000

## 8.3.3 Sensitivity analysis

Should the subsidy inflation rate change by one percent, the impact would be as follows:

	<b>Increase of 1% R000</b>	<b>Decrease of 1% R000</b>
Change in interest cost – increase / (decrease)	1 011	(840)
Change in current service cost – increase / (decrease)	215	(171)
Change in liability – increase / (decrease)	9 334	(7 869)

Should the mortality assumption change by one year, the impact would be as follows:

	<b>Increase of 1 year R000</b>	<b>Decrease of 1 year R000</b>
Change in interest cost – (decrease) / increase	(199)	202
Change in current service cost – (decrease) / increase	(17)	18
Change in liability – (decrease) / increase	(2 314)	2 314

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

## 8.4 Exposure to actuarial risk

The post-employment obligations expose the Group to the risk that the benefits promised cost more than the accumulated assets set aside to meet such benefits, which will ultimately require additional funding from the Group. This risk can be categorised as follows:

### **Investment risk**

The actuarial valuations make assumptions about the returns that may be available on invested assets. If the return on plan assets is below this rate, it may lead to a strain on the fund, which over time, may lead to a plan deficit.

### **Inflation risk**

Benefits in these plans are linked to inflation. Increased inflation represents the risk of increasing the cost of meeting the benefit obligation.

### **Longevity risk**

If members live longer than expected, the fund's obligation will increase as the benefits are paid for a longer period.

### **Regulatory risk**

The fund's benefit obligations are governed by the rules of the respective plans which operate within the regulatory framework of the country. Should the regulatory framework change, the Group is exposed to a risk of an increase in the obligations.

## 8.5 Cash flow impact

No contributions will be made to the defined benefit pension fund in the coming financial year. Contributions to the post-employment medical plan and the defined contribution fund are expected to approximate R3,5 million and R10,3 million respectively. The weighted average duration of the defined benefit obligation is 9,5 years and the medical aid benefit is 13,3 years. The expected maturity analysis of undiscounted pension and post-employment medical benefits at 31 March 2014 are as follows:

	<b>Less than 1 year R000</b>	<b>Between 1 and 2 years R000</b>	<b>Between 2 and 5 years R000</b>	<b>Over 5 years R000</b>	<b>Total R000</b>
Defined benefit pension fund	7 401	7 138	20 211	81 262	116 012
Post-employment medical benefits	4 165	4 601	16 492	352 724	377 982
	<b>11 566</b>	<b>11 739</b>	<b>36 703</b>	<b>433 986</b>	<b>493 994</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

<b>Group</b>		<b>Company</b>		
<b>2014</b>	2013	<b>2014</b>	2013	
<b>R000</b>	R000	<b>R000</b>	R000	
<b>9. Assets held for resale</b>				
Repossessed properties (at lower of cost or net realisable value)	<b>5 308</b>	8 819	<b>5 308</b>	8 819
Other (at cost)	<b>8</b>	10	<b>8</b>	10
	<b>5 316</b>	8 829	<b>5 316</b>	8 829

Repossessed assets, which comprise mainly properties acquired at auction, were used to reduce the outstanding indebtedness of clients and are sold as soon as practical.

## 10. Accounts receivable

Rent debtors	<b>19 315</b>	16 036	<b>11 651</b>	9 971
Trade receivables	<b>987</b>	12 140	<b>27</b>	4 596
Insurance pre-paid and claims receivable	<b>1 275</b>	2 949	<b>1 062</b>	2 750
Sundry deposits	<b>1 807</b>	1 749	<b>1 435</b>	1 251
Tenant deposits held in trust by subsidiary			<b>11 700</b>	10 500
Other	<b>2 653</b>	903	<b>1 883</b>	799
	<b>26 037</b>	33 777	<b>27 758</b>	29 867

## 11. Cash and cash equivalents

Bank current and call accounts	<b>82 987</b>	81 015	<b>63 538</b>	62 965
Funds held in trust on behalf of third parties	<b>19 782</b>	18 831	<b>10 767</b>	9 419
	<b>102 769</b>	99 846	<b>74 305</b>	72 384

## 12. Share capital

### 12.1 Authorised

400 000 000 ordinary shares of R1 each	<b>400 000</b>	400 000	<b>400 000</b>	400 000
--	----------------	---------	----------------	---------

### 12.2 Issued

173 000 594 (2013: 173 000 594) ordinary shares of R1 each	<b>173 001</b>	173 001	<b>173 001</b>	173 001
--	----------------	---------	----------------	---------

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

	Net actuarial loss on post- retirement benefits	Fair value adjustment to financial instruments	Foreign currency translation reserve	Share of other compre- hensive income of associates	Total
	R000	R000	R000	R000	R000
<b>13. Fair value and other reserves</b>					
<b>Group</b>					
<b>At 1 April 2012</b>	45 676	74	2 251	1 551	49 552
Remeasurement of post-employment benefits:					
Defined benefit pension fund - gross	(1 381)				(1 381)
- tax	387				387
Post-employment medical benefits - gross	(14 040)				(14 040)
- tax	3 931				3 931
Revaluation - gross		13			13
- tax		(4)			(4)
Currency translation differences			796		796
Share of associates other comprehensive income				(595)	(595)
<b>At 31 March 2013</b>	<b>34 573</b>	<b>83</b>	<b>3 047</b>	<b>956</b>	<b>38 659</b>
<b>At 1 April 2013</b>	<b>34 573</b>	<b>83</b>	<b>3 047</b>	<b>956</b>	<b>38 659</b>
Remeasurement of post-employment benefits:					
Defined benefit pension fund - gross	<b>24 525</b>				<b>24 525</b>
- tax	<b>(6 867)</b>				<b>(6 867)</b>
Post-employment medical benefits - gross	<b>20 858</b>				<b>20 858</b>
- tax	<b>(5 840)</b>				<b>(5 840)</b>
Revaluation - gross		<b>20</b>			<b>20</b>
- tax		<b>(6)</b>			<b>(6)</b>
Currency translation differences			<b>1 041</b>		<b>1 041</b>
Share of associates other comprehensive income				<b>(90)</b>	<b>(90)</b>
<b>At 31 March 2014</b>	<b>67 249</b>	<b>97</b>	<b>4 088</b>	<b>866</b>	<b>72 300</b>
<b>Company</b>					
<b>At 1 April 2012</b>	45 676	74	-	-	45 750
Remeasurement of post-employment benefits:					
Defined benefit pension fund - gross	(1 381)				(1 381)
- tax	387				387
Post-employment medical benefits - gross	(14 040)				(14 040)
- tax	3 931				3 931
Revaluation - gross		13			13
- tax		(4)			(4)
<b>At 31 March 2013</b>	<b>34 573</b>	<b>83</b>	<b>-</b>	<b>-</b>	<b>34 656</b>
<b>At 1 April 2013</b>	<b>34 573</b>	<b>83</b>	<b>-</b>	<b>-</b>	<b>34 656</b>
Remeasurement of post-employment benefits:					
Defined benefit pension fund - gross	<b>24 525</b>				<b>24 525</b>
- tax	<b>(6 867)</b>				<b>(6 867)</b>
Post-employment medical benefits - gross	<b>20 858</b>				<b>20 858</b>
- tax	<b>(5 840)</b>				<b>(5 840)</b>
Revaluation - gross		<b>20</b>			<b>20</b>
- tax		<b>(6)</b>			<b>(6)</b>
<b>At 31 March 2014</b>	<b>67 249</b>	<b>97</b>	<b>-</b>	<b>-</b>	<b>67 346</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

<b>Group</b>		<b>Company</b>	
<b>2014</b>	2013	<b>2014</b>	2013
<b>R000</b>	R000	<b>R000</b>	R000
Interest-free long-term loans	173	173	173
Interest-free Jobs Fund grant	1 960	-	-
Interest-bearing long-term borrowings	689 156	453 951	453 951
	<b>691 289</b>	<b>691 289</b>	454 124
<b>Current</b>			
Short-term portion of long-term borrowings	26 680	36 004	36 004
	<b>717 969</b>	<b>717 969</b>	490 128

The nature and terms of interest-bearing long-term loans are as follows:

- loans secured by bonds over properties and incurring interest at rates between prime minus 0,5 percent and prime minus one percent. The loans' repayment terms are five and 10 years respectively. Refer note 2.3
- a loan secured by a cession of the loans and receivables and incurring interest at prime minus 1,5 percent. The loan's repayment term is 10 years. Refer note 2.3

The nature and terms of interest-free Jobs Fund grant is as follows:

- the Group obtained a grant from the Jobs Fund, amounting to R48,7 million, with the objective to facilitate the establishment of new franchise sites. The grant will be drawn down over a three-year period and will become repayable in five years. No interest is payable on this grant.

## 14.2 Borrowing powers

The maximum permitted borrowings in terms of the Company's memorandum of incorporation (calculated by multiplying the Company's total capital and reserves by a factor of 1,4).

	<b>3 544 234</b>	3 358 400
Total borrowings	<b>717 969</b>	490 128



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

Group		Company	
2014	2013	2014	2013
R000	R000	R000	R000

## 15. Deferred tax liability

Deferred tax is calculated on all temporary differences under the liability method using a principal tax rate of 28 percent (2013: 28 percent).

The movement on the deferred tax account is as follows:

Balance – beginning of year	<b>(31 291)</b>	(23 762)	<b>(25 587)</b>	(21 529)
Charge to profit and loss component of the statement of comprehensive income				
– Provisions	<b>2 189</b>	1 035	<b>2 062</b>	883
– Investment properties	<b>(10 711)</b>	(5 386)	<b>(5 966)</b>	(3 050)
– Fair value adjustments: financial instruments	<b>(4 473)</b>	(3 570)	<b>(3 847)</b>	(3 617)
– Defined benefit pension fund surplus	<b>(2 541)</b>	(2 588)	<b>(2 541)</b>	(2 588)
– Assessed losses	<b>1 007</b>	(1 334)	-	-
Charged directly to other comprehensive income	<b>(12 713)</b>	4 314	<b>(12 713)</b>	4 314
Balance – end of year	<b>(58 533)</b>	(31 291)	<b>(48 592)</b>	(25 587)

Net deferred tax liabilities consist of temporary differences relating to:

– Provisions	<b>52 063</b>	55 715	<b>49 128</b>	52 907
– Investment properties	<b>(64 996)</b>	(54 285)	<b>(48 469)</b>	(42 503)
– Fair value adjustments: financial instruments	<b>(16 450)</b>	(11 972)	<b>(14 477)</b>	(10 625)
– Defined benefit pension fund surplus	<b>(34 774)</b>	(25 366)	<b>(34 774)</b>	(25 366)
– Assessed losses	<b>5 624</b>	4 617	-	-
Net deferred tax liability	<b>(58 533)</b>	(31 291)	<b>(48 592)</b>	(25 587)

An ageing of the net deferred tax liability is as follows:

Deferred tax asset

– Deferred tax assets to be recovered after more than 12 months	<b>80 555</b>	83 464	<b>72 749</b>	76 612
– Deferred tax assets to be recovered within 12 months	<b>9 564</b>	7 366	<b>8 812</b>	6 793
	<b>90 119</b>	90 830	<b>81 561</b>	83 405

Deferred tax liability

– Deferred tax liabilities to be recovered after more than 12 months	<b>(116 764)</b>	(92 623)	<b>(98 265)</b>	(79 494)
– Deferred tax liabilities to be recovered within 12 months	<b>(31 888)</b>	(29 498)	<b>(31 888)</b>	(29 498)
	<b>(148 652)</b>	(122 121)	<b>(130 153)</b>	(108 992)
Net deferred tax liability	<b>(58 533)</b>	(31 291)	<b>(48 592)</b>	(25 587)

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

Group		Company	
2014 R000	2013 R000	2014 R000	2013 R000

## 16. Accounts payable

Tenant deposits held	<b>12 687</b>	10 757	<b>10 767</b>	9 419
Funds held in trust	<b>7 095</b>	8 074	-	-
Trade vendors	<b>11 176</b>	8 899	<b>10 090</b>	6 431
Statutory vendors	<b>6 149</b>	6 607	<b>4 818</b>	4 987
Prepaid and deferred income	<b>8 279</b>	6 258	<b>2 958</b>	4 526
Other	<b>5 362</b>	4 889	<b>650</b>	3 178
	<b>50 748</b>	45 484	<b>29 283</b>	28 541

Leave pay R000	Bonus R000	Total R000
-------------------	---------------	---------------

## 17. Provisions

### Group

<b>At 1 April 2012</b>	15 781	20 864	36 645
Provided for the year	1 485	23 619	25 104
Utilised during the year	(1 290)	(20 740)	(22 030)
<b>At 31 March 2013</b>	15 976	23 743	39 719
<b>At 1 April 2013</b>	<b>15 976</b>	<b>23 743</b>	<b>39 719</b>
Provided for the year	<b>2 183</b>	<b>32 350</b>	<b>34 533</b>
Utilised during the year	<b>(1 052)</b>	<b>(25 003)</b>	<b>(26 055)</b>
<b>At 31 March 2014</b>	<b>17 107</b>	<b>31 090</b>	<b>48 197</b>

### Company

<b>At 1 April 2012</b>	15 299	20 074	35 373
Provided for the year	1 230	22 525	23 755
Utilised during the year	(1 275)	(19 946)	(21 221)
<b>At 31 March 2013</b>	15 254	22 653	37 907
<b>At 1 April 2013</b>	<b>15 254</b>	<b>22 653</b>	<b>37 907</b>
Provided for the year	<b>1 830</b>	<b>31 121</b>	<b>32 951</b>
Utilised during the year	<b>(909)</b>	<b>(23 860)</b>	<b>(24 769)</b>
<b>At 31 March 2014</b>	<b>16 175</b>	<b>29 914</b>	<b>46 089</b>

The provision for leave pay is determined in terms of the contractual obligations incorporated in the conditions of employment.

The provision for bonuses is payable within three months after finalisation of the audited financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

Group		Company	
2014	2013	2014	2013
R000	R000	R000	R000

## 18. Net interest revenue

Interest income	<b>274 744</b>	248 992	<b>276 326</b>	250 169
Interest on loans and receivables	<b>205 560</b>	192 390	<b>206 293</b>	192 539
Royalty fees	<b>63 847</b>	51 812	<b>63 177</b>	50 806
Interest on surplus funds	<b>5 337</b>	4 790	<b>4 435</b>	4 039
Interest on loans to subsidiaries			<b>2 421</b>	2 785
Interest expense	<b>(43 511)</b>	(34 147)	<b>(43 511)</b>	(34 147)
	<b>231 233</b>	214 845	<b>232 815</b>	216 022

## 19. Investment income and gains

Investment income	<b>38 878</b>	28 235	<b>53 554</b>	50 732
Surplus on realisation of unlisted investments	<b>35 770</b>	25 729	<b>40 106</b>	37 918
Surplus on realisation of investment properties	<b>2 725</b>	2 500	<b>1 260</b>	2 500
Dividends received	<b>383</b>	6	<b>12 188</b>	10 314
Investment gains	<b>83 502</b>	59 352	<b>33 893</b>	21 081
Income from associated companies	<b>27 909</b>	29 203		
Fair value movement investment properties	<b>55 748</b>	30 043	<b>33 891</b>	21 081
Net foreign exchange rate differences	<b>(155)</b>	106	<b>2</b>	-
	<b>122 380</b>	87 587	<b>87 447</b>	71 813

## 20. Net credit losses

Loans and receivables written off	<b>54 858</b>	68 214	<b>53 967</b>	66 946
Legal and other expenses incurred on recovery	<b>3 742</b>	3 692	<b>3 671</b>	3 599
Impairments created / (released)	<b>3 784</b>	(9 259)	<b>3 892</b>	(8 980)
Portfolio impairments created	<b>2 054</b>	7 871	<b>2 132</b>	8 095
Specific impairments created / (released)	<b>1 730</b>	(17 130)	<b>1 760</b>	(17 075)
Recovery of loans and receivables written off	<b>(15 614)</b>	(17 739)	<b>(15 254)</b>	(17 571)
	<b>46 770</b>	44 908	<b>46 276</b>	43 994

## 21. Staff costs

Remuneration at cost to company	<b>125 734</b>	117 993	<b>114 720</b>	109 397
Post retirement medical aid costs (refer note 8.3)	<b>7 923</b>	7 136	<b>7 923</b>	7 136
Bonuses and provisions	<b>34 416</b>	25 068	<b>32 927</b>	23 755
	<b>168 073</b>	150 197	<b>155 570</b>	140 288
Defined benefit pension fund gain (refer note 8.2)	<b>(9 074)</b>	(9 243)	<b>(9 074)</b>	(9 243)
Indirect staff costs	<b>3 627</b>	2 827	<b>3 229</b>	2 647
	<b>162 626</b>	143 781	<b>149 725</b>	133 692

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

Group		Company	
2014	2013	2014	2013
R000	R000	R000	R000

## 22. Profit from operations

The following items have been included in arriving at profit from operations:

Depreciation on property and equipment	<b>3 506</b>	4 439	<b>2 569</b>	3 514
Directors' emoluments				
– as directors	<b>1 976</b>	2 023	<b>1 976</b>	2 023
– as management	<b>12 445</b>	10 260	<b>12 445</b>	10 260
Auditor's remuneration				
– audit	<b>3 885</b>	3 133	<b>3 038</b>	2 544
– other services	<b>118</b>	581	<b>118</b>	581
Dividends received from subsidiaries			<b>(1 926)</b>	(1 687)
(Surplus) / loss on realisation of property and equipment	<b>(46)</b>	54	<b>(54)</b>	54

## 23. Tax expense

### 23.1 Tax charge through profit and loss component of comprehensive income

Income tax	- current year	<b>20 472</b>	19 579	<b>14 660</b>	14 551
	- prior year	<b>(169)</b>	(790)	<b>(285)</b>	(1 072)
Deferred tax		<b>14 529</b>	11 843	<b>10 292</b>	8 372
		<b>34 832</b>	30 632	<b>24 667</b>	21 851
Dividends withholding tax		<b>1</b>	4 011	<b>1</b>	7
Tax of associated companies		<b>8 842</b>	7 201		
Capital gains tax		<b>7 730</b>	6 762	<b>7 613</b>	6 762
		<b>51 405</b>	48 606	<b>32 281</b>	28 620

### 23.2 Reconciliation of rate of taxation

South African normal tax rate	<b>28,00%</b>	28,00%	<b>28,00%</b>	28,00%
Adjusted for:	<b>-3,08%</b>	-1,73%	<b>-7,61%</b>	-13,37%
Income not subject to tax	<b>-0,05%</b>	-1,37%	<b>-2,16%</b>	-2,77%
Income subject to capital gains tax	<b>-4,17%</b>	-3,10%	<b>-4,73%</b>	-10,05%
Dividends withholding tax	<b>0,00%</b>	2,17%	<b>0,00%</b>	0,00%
Prior year adjustments	<b>-0,08%</b>	-0,13%	<b>-0,18%</b>	-0,28%
Other	<b>1,23%</b>	0,70%	<b>-0,54%</b>	-0,28%
Effective tax rate on profit before taxation	<b>24,92%</b>	26,27%	<b>20,39%</b>	14,63%

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

2014			2013		
Before tax	Deferred tax	After tax	Before tax	Deferred tax	After tax
R000	R000	R000	R000	R000	R000

## 23.3 Tax charge through other comprehensive income

The tax effect of items accounted for in other comprehensive income is as follows:

### Group

Actuarial remeasurement on defined benefit pension fund	<b>24 525</b>	<b>(6 867)</b>	<b>17 658</b>	(1 381)	387	(994)
Actuarial remeasurement on post-retirement medical aid obligation	<b>20 858</b>	<b>(5 840)</b>	<b>15 018</b>	(14 041)	3 931	(10 110)
Fair value adjustments of available-for-sale instruments	<b>20</b>	<b>(6)</b>	<b>14</b>	13	(4)	9
Share of other comprehensive income of associates	<b>(90)</b>	-	<b>(90)</b>	(595)	-	(595)
Foreign currency translation movements	<b>1 041</b>	-	<b>1 041</b>	796	-	796
<b>Other comprehensive income</b>	<b>46 354</b>	<b>(12 713)</b>	<b>33 641</b>	(15 208)	4 314	(10 894)

### Company

Actuarial remeasurement on defined benefit pension fund	<b>20 525</b>	<b>(6 867)</b>	<b>17 658</b>	(1 381)	387	(994)
Actuarial remeasurement on post-retirement medical aid obligation	<b>20 858</b>	<b>(5 840)</b>	<b>15 018</b>	(14 041)	3 931	(10 110)
Fair value adjustments of available-for-sale instruments	<b>20</b>	<b>(6)</b>	<b>14</b>	13	(4)	9
<b>Other comprehensive income</b>	<b>45 403</b>	<b>(12 713)</b>	<b>32 690</b>	(15 409)	4 314	(11 095)

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

Group	
2014 R000	2013 R000

## 24. Earnings per share

Basic earnings per share is calculated by dividing the net profit by the number of ordinary shares in issue during the year.

### 24.1 Basic earnings per share

Net profit	<b>154 850</b>	136 347
Weighted number of ordinary shares ('000)	<b>173 001</b>	173 001
Basic earnings per share (cents)	<b>89,5</b>	78,8

### 24.2 Diluted earnings per share

In the computation of the number of shares used in the calculation of diluted earnings per share, the weighted average number of ordinary shares in issue is increased by the number of shares held by the share trust.

The net profit is adjusted by interest that would have been earned on the proceeds received from the sale of the shares held by the share trust for the time that those shares were held by the share trust.

Net profit	<b>154 850</b>	136 347
Interest received (net of tax effect)	-	896
Net profit used to determine diluted earnings per share	<b>154 850</b>	137 243
Weighted number of ordinary shares ('000)	<b>173 001</b>	173 001
Adjustment for potentially dilutive shares	-	5 591
Number of ordinary shares used to determine diluted earnings per share	<b>173 001</b>	178 592
Diluted earnings per share (cents)	<b>89,5</b>	76,8

### 24.3 Headline earnings per share

Net profit	<b>154 850</b>	136 347
Adjustments net of tax		
– Capital (profit) / loss on sale of equipment	<b>(37)</b>	44
– Profit on sale of property investments	<b>(2 216)</b>	(2 034)
– Profit on sale of associates	<b>(29 099)</b>	(20 931)
– Fair value adjustment of investment properties	<b>(45 352)</b>	(24 441)
Headline earnings	<b>78 146</b>	88 985
Headline earnings per share (cents)	<b>45,2</b>	51,4

### 24.4 Diluted headline earnings per share

Headline earnings	<b>78 146</b>	88 985
Interest received (net of tax effect)	-	896
Diluted headline earnings	<b>78 146</b>	89 881
Diluted headline earnings per share (cents)	<b>45,2</b>	50,3

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

Group		Company	
2014	2013	2014	2013
R000	R000	R000	R000

## 25. Dividend per share

Dividend in respect of 2013 of 15 cents per share paid on 23 August 2013 to shareholders registered on 13 August 2013

**25 950**

**25 950**

Dividend in respect of 2012 of 13 cents per share paid on 24 August 2012 to shareholders registered on 14 August 2012

22 490

23 248

**25 950**

22 490

**25 950**

23 248

A dividend in respect of 2014 of 17 cents per share was declared on 27 May 2014, due to shareholders registered on 12 August 2014, payable on or about 22 August 2014.

The dividend is subject to a dividend withholding tax at 15 percent. Tax payable is 2,55 cents per share, which results in a net dividend of 14,45 cents per share payable to shareholders who are not exempt from dividends withholding tax, or subject to a reduced rate.

## 26. Commitments and lease agreements

Loans and receivables approved but not advanced

**319 664**

295 262

**319 664**

295 262

Capital committed to *En Commandite* partnerships (refer note 4)

**15**

15

**15**

15

Capital committed in respect of purchase of building

**19 759**

45 843

**19 759**

45 843

Lease agreements expiring within

– 1 year

**4 835**

1 610

**13 199**

9 355

– between 1 and 5 years

**13 721**

1 528

**43 048**

28 683

– after 5 years

**89**

-

**14 368**

24 815

**358 083**

344 258

**410 053**

403 973

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

Group		Company	
2014	2013	2014	2013
R000	R000	R000	R000

## 27. Cash flow information

### 27.1 Cash generated from operating activities

Profit before taxation	<b>206 242</b>	185 006	<b>158 280</b>	195 656
Adjustments for non-cash items	<b>(56 716)</b>	(25 090)	<b>(25 303)</b>	(58 100)
Income from associated companies	<b>(27 909)</b>	(29 203)		
Dividends received	<b>(383)</b>	(6)	<b>(12 188)</b>	(10 314)
Surplus on sale of assets	<b>(38 540)</b>	(28 176)	<b>(41 420)</b>	(40 364)
Fair value adjustment of investment properties	<b>(55 748)</b>	(30 043)	<b>(33 891)</b>	(21 081)
Fair value adjustment of financial instruments	<b>(11 112)</b>	(9 764)	<b>(11 347)</b>	(10 147)
Depreciation	<b>3 506</b>	4 439	<b>2 569</b>	3 514
Credit losses – loans and receivables	<b>66 541</b>	67 877	<b>65 687</b>	66 795
Credit losses – rent debtors	<b>2 001</b>	1 312	<b>1 696</b>	1 143
Movement on post-retirement benefits	<b>(1 151)</b>	(2 107)	<b>(1 151)</b>	(2 107)
Foreign currency movements	<b>1 041</b>	796	-	-
Capital returned from investments	-	-	-	(44 784)
Provisions	<b>5 038</b>	(215)	<b>4 742</b>	(755)
Changes in working capital	<b>16 519</b>	(5 263)	<b>6 366</b>	(5 428)
(Decrease) / increase in inventory and assets held for resale	<b>3 513</b>	(3 208)	<b>3 513</b>	(3 208)
Decrease / (increase) in accounts receivable	<b>7 741</b>	(8 210)	<b>2 110</b>	(5 230)
Increase in accounts payable	<b>5 265</b>	6 155	<b>743</b>	3 010
Net finance cost	<b>38 175</b>	29 357	<b>36 656</b>	27 324
Cash generated from operating activities	<b>204 220</b>	184 010	<b>175 999</b>	159 452

### 27.2 Taxation paid

Taxation liability – beginning of year	<b>(2 040)</b>	(5 824)	<b>(2 576)</b>	(6 713)
Tax provision for the year	<b>(51 405)</b>	(48 606)	<b>(32 281)</b>	(28 620)
Deferred tax	<b>14 529</b>	11 843	<b>10 292</b>	8 372
Paid by associated companies	<b>8 842</b>	7 201		
Taxation liability / (asset) – end of year	<b>325</b>	2 040	<b>(806)</b>	2 576
Taxation paid during the year	<b>(29 749)</b>	(33 346)	<b>(25 371)</b>	(24 385)

### 27.3 Dividends paid

Dividends payable – beginning of year	<b>(83)</b>	(71)	<b>(83)</b>	(71)
Dividends declared	<b>(25 950)</b>	(23 248)	<b>(25 950)</b>	(23 248)
Dividends payable to the share trust	-	758		
Dividends payable – end of year	<b>101</b>	83	<b>101</b>	83
Dividends paid during the year	<b>(25 932)</b>	(22 478)	<b>(25 932)</b>	(23 236)



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

Group		Company	
2014	2013	2014	2013
R000	R000	R000	R000

## 28. Related parties

### 28.1 Loans to / from related parties

Loan from the Business Partners Employee Share Trust

Balance – beginning of year	-	10 854
Amount repaid during the year	-	(10 854)
Balance – end of year	-	-

Loans to subsidiaries

Balance – beginning of year	<b>142 840</b>	149 914
Amount advanced / (repaid) during the year	<b>95 206</b>	(7 074)
Balance – end of year	<b>238 046</b>	142 840

Dividends received from subsidiaries

**1 926**      1 687

### 28.2 Loans to associates

Balance – beginning of year	<b>836 356</b>	800 603	<b>836 356</b>	800 603
Loans advanced during the year	<b>245 459</b>	158 375	<b>245 459</b>	158 375
Loan repayments received	<b>(107 927)</b>	(106 926)	<b>(107 927)</b>	(106 926)
Loans written off	<b>(20 980)</b>	(15 696)	<b>(20 980)</b>	(15 696)
Balance – end of year	<b>952 908</b>	836 356	<b>952 908</b>	836 356

Loans to associates consist of the following:

– Interest-bearing loans	<b>842 252</b>	740 177	<b>842 252</b>	740 177
– Shareholders loans	<b>110 656</b>	96 179	<b>110 656</b>	96 179
Total loans to associates	<b>952 908</b>	836 356	<b>952 908</b>	836 356

The allowance for impairment as disclosed in note 4.3 as it relates to loans to associates is as follows:

Impairment provision – beginning of year	<b>66 000</b>	61 360	<b>66 000</b>	61 360
Impairment allowance raised on new investments	<b>9 754</b>	5 932	<b>9 754</b>	5 932
Impairment reversed on investments written off / repaid	<b>(14 873)</b>	(13 420)	<b>(14 873)</b>	(13 420)
Increase in impairment allowance on existing investments	<b>19 786</b>	20 633	<b>19 786</b>	20 633
Decrease in impairment allowance on existing investments	<b>(12 002)</b>	(8 505)	<b>(12 002)</b>	(8 505)
Impairment provision – end of year	<b>68 665</b>	66 000	<b>68 665</b>	66 000

The loans provided to associates are part of the investment activities of the parent as set out in note 4.3 Interest-bearing loans and Shareholders' loans. The interest-bearing loans have an average payment period of seven years. The majority of shareholders' loans have no scheduled repayment date. Loans to associates are not required to be settled in the associate's shares. The Company does not provide guarantees in respect of its associates' debt.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

<b>Company</b>	
<b>2014</b>	2013
<b>R000</b>	R000

## 28.3 Directors' remuneration

Payments made to directors and prescribed officers for services rendered during the year are as follows:

### *Non-executive directors*

JW Dreyer	<b>219</b>	234
G Gomwe	-	36
DR Geeringh	<b>116</b>	273
P Huysamer (Dr)	<b>51</b>	115
F Knoetze	<b>19</b>	-
E Links (Dr)	<b>131</b>	150
ZJ Matlala	<b>108</b>	94
F Meisenholl	<b>210</b>	153
D Moshapalo	<b>141</b>	166
SST Ngcobo	<b>116</b>	112
ZZR Rustomjee (Dr)	<b>123</b>	136
SEN Sebotsa	<b>59</b>	-
VO Twala	<b>146</b>	136
NJ Williams	<b>192</b>	85
T van Wyk	<b>344</b>	333
<b>Total</b>	<b>1 976</b>	2 023

### *Executive directors*

N Martin	<b>4 995</b>	4 136
– Salary	<b>3 140</b>	2 934
– Bonuses and performance-related payments	<b>1 855</b>	1 202
C Botes	<b>3 164</b>	2 756
– Salary	<b>2 049</b>	1 915
– Bonuses and performance-related payments	<b>1 115</b>	841
G van Biljon	<b>4 286</b>	3 368
– Salary	<b>2 441</b>	2 281
– Bonuses and performance-related payments	<b>1 845</b>	1 087
<b>Total</b>	<b>12 445</b>	10 260

### *Prescribed officers*

BD Bierman	<b>3 080</b>	2 630
– Salary	<b>2 003</b>	1 845
– Bonuses and performance-related payments	<b>1 077</b>	785
	<b>17 501</b>	14 913

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

Share percentage held		Shares at cost		Loans	
2014	2013	2014	2013	2014	2013
%	%	R	R	R000	R000

## 29. Principal subsidiaries

Business Partners International (Pty) Ltd	<b>80</b>	80	<b>80</b>	80	<b>12 001</b>	15 129
Business Partners Mentors (Pty) Ltd <sup>1</sup>	<b>100</b>	100	<b>100</b>	100	-	-
Business Partners Property Brokers (Pty) Ltd	<b>100</b>	100	<b>100</b>	100	<b>(1 020)</b>	153
Business Partners Venture Managers (Pty) Ltd <sup>1</sup>	<b>100</b>	100	<b>100</b>	100	-	-
Business Partners Ventures 1 (Pty) Ltd	<b>100</b>	100	<b>100</b>	100	<b>(3)</b>	2 632
Cussonia Trust (Pty) Ltd	<b>100</b>	100	<b>3</b>	3	<b>5 632</b>	7 787
Finance for the Third Millennium (Pty) Ltd <sup>1</sup>	<b>100</b>	100	<b>100</b>	100	<b>693</b>	693
JRC Properties (Pty) Ltd	<b>100</b>	100	<b>100</b>	100	<b>(2 957)</b>	(1 926)
Lindros Investments (Pty) Ltd	<b>100</b>	100	<b>4 000</b>	4 000	<b>81</b>	81
Business Partners Properties 002 (Pty) Ltd	<b>100</b>	100	<b>1 000</b>	1 000	<b>199 734</b>	97 437
Unitrade 106 (Pty) Ltd	<b>100</b>	100	<b>100</b>	100	<b>9 135</b>	11 278
Satinsky 189 (Pty) Ltd <sup>2</sup>	<b>100</b>	100	<b>120</b>	120	<b>6 104</b>	6 471
Rainbow Place Properties 179 (Pty) Ltd <sup>2</sup>	<b>60</b>	-	<b>600</b>	-	<b>5 671</b>	-
Rapitrade 594 (Pty) Ltd <sup>2</sup>	<b>60</b>	60	<b>72</b>	72	<b>5 079</b>	5 151
SF Coetzee Eiendomme (Pty) Ltd <sup>2</sup>	<b>60</b>	60	<b>72</b>	72	<b>3 441</b>	3 441
Yeoman Properties 1016 (Pty) Ltd <sup>2</sup>	<b>80</b>	80	<b>80</b>	80	<b>817</b>	873

Franchise Partners (Pty) Ltd – indirectly held <sup>3</sup>

Business Partners International Madagascar Société Anonyme – indirectly held <sup>4</sup>

Business Partners International Kenya Limited – indirectly held <sup>5</sup>

Business Partners International Rwanda Limited – indirectly held <sup>4</sup>

Business Partners International Malawi Adviser Limited – indirectly held <sup>5</sup>

Business Partners International Namibia (Pty) Ltd – indirectly held <sup>4</sup>

Business Partners International Zambia Limited – indirectly held <sup>5</sup>

<b>6 727</b>	6 127	<b>244 408</b>	149 200
--------------	-------	----------------	---------

All holdings are in the ordinary share capital of the entity concerned.

The loan from Business Partners Limited to Business Partners International (Pty) Ltd has been subordinated.

1 Dormant subsidiaries.

2 The financial year of these subsidiaries ends in February. Consolidation of the results are based on the latest audited financial statements received.

3 Franchise Partners (Pty) Ltd is a wholly-owned subsidiary of Business Partners Ventures 1 (Pty) Ltd.

4 These subsidiaries are wholly-owned subsidiaries of Business Partners International (Pty) Ltd.

5 These subsidiaries are owned by Business Partners Limited (1 percent shareholding) and Business Partners International (Pty) Ltd (99 percent shareholding).

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

*continued*

<b>2014</b>	2013
<b>R000</b>	R000

## 30. Interest in joint ventures

The Company had a 50 percent interest in a joint venture with ZASM which ended in 2008. All the assets of the joint venture were realised during the year and the proceeds were distributed.

The Company's share of the assets and liabilities and revenue and results of the joint venture are included in the statement of financial position and statement of comprehensive income as follows:

Revenue	-	-
Loss before taxation	-	(130)
Taxation	-	-
Net profit	-	(130)

# NOTICE CONVENING THE ANNUAL GENERAL MEETING

## Business Partners Limited

Registration number: 1981/000918/06  
(the Company)

Notice is hereby given that the 33rd annual general meeting of shareholders of the Company will be held in the Auditorium of **The Court House, 2 Saxon Road, Sandhurst, Sandton on Tuesday, 12 August 2014 at 15h00** or any adjournment or postponement thereof, to (i) consider and, if deemed fit, pass, with or without modification, the resolutions set out below and (ii) deal with such other business as may be dealt with at the meeting.

The record date, as set by the board, on which shareholders of the Company must be registered in the Company's securities register in order to be entitled to receive notice of the annual general meeting, was Monday, 30 June 2014.

### Ordinary resolutions

Each of the ordinary resolutions number 1 to 4 requires the support of more than 50% of the votes exercised on the resolution in order to be approved.

Additional information in respect of ordinary resolutions 1 to 4 is contained in a loose-leaf inserted in this Annual Financial Report.

#### 1. Ordinary resolution number 1: Acceptance of annual financial statements

To accept the audited annual financial statements of the Company and the Group, including the Independent Auditor's report, Directors' report and Audit and Risk Committee report, for the year ended 31 March 2014.

#### 2. Ordinary resolution number 2: Re-appointment of external auditors

To re-appoint PricewaterhouseCoopers Inc. as the independent external auditor of the Company until the conclusion of the next annual general meeting.

#### 3. Ordinary resolution number 3: Re-election of directors

To re-elect directors, retiring by rotation, in terms of article 20.1.2 of the Company's memorandum of incorporation:

(a) Mr D Moshapalo (b) Mr SST Ngcobo

#### 4. Ordinary resolution number 4: Election of Audit and Risk Committee members

To elect non-executive directors as members and alternate members of the Audit and Risk Committee, in terms of section 94(2) of the Companies Act, 2008 (the Companies Act) until the conclusion of the next annual general meeting:

(a) Ms ZJ Matlala (b) Mr F Meisenholl (c) Mr VO Twala  
(d) Mr NJ Williams (e) Dr ZZR Rustomjee (alternate to Mr VO Twala)

### Special resolutions

Each of the special resolutions number 1 and 2 requires the approval of at least 75% of the votes exercised on the resolution in order to be approved.

Additional information in respect of special resolutions 1 and 2 is contained in a loose-leaf inserted in this Annual Financial Report.

#### 5. Special resolution number 1: Non-executive directors' remuneration for 2015/16

To pass the following special resolution: that the payment of the following fees be approved as the basis for calculating the remuneration of non-executive directors for their services as directors of the Company for the financial year ending 31 March 2016:

	Current 2014/15	Proposed 2015/16
	Annual board fee proportionately payable quarterly in arrears	
Board of directors chairperson	R164 000	R180 000
Board of directors member	R82 000	R90 000

# NOTICE CONVENING THE ANNUAL GENERAL MEETING

*continued*

	Current 2014/15	Proposed 2015/16
		Attendance fee per meeting
Audit and Risk Committee chairperson	R16 400	R18 000
Audit and Risk Committee deputy chairperson, member and standing invitee	R 8 200	R9 000
Personnel Committee chairperson	R10 800	R18 000
Personnel Committee member	R8 200	R9 000
Nominations Committee chairperson and member	R8 200	R9 000
Social and Ethics Committee chairperson and member	R8 200	R9 000
National Investment Committee chairperson and member	R8 200	R9 000
Fund-raising Committee chairperson and member	R8 200	R9 000
Transactions Committee chairperson and member		
(If the meeting is attended on the same day as another committee meeting, no attendance fee is payable for the Transactions Committee meeting)	R8 200	R9 000
Other / ad hoc committees chairperson and member	R8 200	R9 000

## 6. Special resolution number 2: Financial assistance to related and inter-related companies

To pass the following special resolution: that to the extent required by section 45 of the Companies Act and subject to compliance with the requirements of the Companies Act and the Company's memorandum of incorporation, the board of directors may from time to time authorise the Company to provide direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any one or more related or inter-related companies or corporations, or to any one or more members of any related or inter-related corporations, or to any one or more persons related to any such company, corporation or member, for amounts and on the terms and conditions as the board of directors (or any one or more persons or board committees authorised by the board of directors from time to time) deems fit, with effect from 1 April 2015 and ending on 31 March 2016.

### Social and Ethics Committee

The chairperson of the Social and Ethics Committee will give verbal feedback on the activities of this committee for the past financial year.

### Attendance and voting by shareholders or proxies

The record date, as set by the board, on which shareholders of the Company must be registered in the Company's securities register in order to be entitled to attend and vote at the annual general meeting, is Thursday, 31 July 2014.

A shareholder of the Company may appoint a proxy to attend, participate in and vote at the meeting in the place of the shareholder. A proxy need not be a shareholder of the Company.

Voting on the ordinary and special resolutions will in the first instance be decided by a show of hands, unless a poll is demanded pursuant to section 63(7) of the Companies Act or if so required by the chairperson. If voting is by show of hands, every shareholder or proxy present will have one vote, irrespective of the number of shares held in the Company by the shareholder. On a poll, every shareholder or proxy present shall have one vote for every share held in the Company by the shareholder.

### Proof of identification

Section 63(1) of the Companies Act requires that all persons, including shareholders and proxies, provide reasonably satisfactory identification before attending or participating in the meeting. Forms of identification include valid identity documents, driver's licences and passports.

# NOTICE CONVENING THE ANNUAL GENERAL MEETING

*continued*

## **Form of proxy**

This notice of the annual general meeting includes the form of proxy with additional notes and instructions which are inserted as a loose-leaf in this Annual Financial Report.

The original form of proxy or other authority appointing the proxy must be lodged with the Company at 37 West Street, Houghton Estate, 2198 or posted to the Company at PO Box 7780, Johannesburg, 2000 so as to be received by no later than 15h00 on Friday, 8 August 2014.

By order of the Board



**Ms Marjan Gerbrands**

Company Secretary  
27 May 2014

The 2014 Business Partners Limited Integrated Report and Annual Financial Report, including the audited annual financial statements for the year ended 31 March 2014, notice of the annual general meeting, additional information in respect of the ordinary and special resolutions and the form of proxy can be accessed on the Company's website at [www.businesspartners.co.za](http://www.businesspartners.co.za) from 21 July 2014.

## CORPORATE INFORMATION

### **COMPANY REGISTRATION NUMBER**

1981/000918/06

### **WEBSITE**

[www.businesspartners.co.za](http://www.businesspartners.co.za)

### **COMPANY SECRETARY**

Ms CM Gerbrands

### **AUDITORS**

PricewaterhouseCoopers Inc.

### **REGISTERED OFFICE**

37 West Street  
Houghton Estate  
Johannesburg  
2198

### **BANKERS**

Standard Bank of South Africa Limited

PO Box 7780  
Johannesburg  
2000

### **TRANSFER SECRETARIES**

Computershare Investor Services (Pty) Limited  
70 Marshall Street  
Johannesburg  
2001

### **TELEPHONE**

+27 11 713 6600

PO Box 61051  
Marshalltown  
2107

### **FAX**

+27 11 713 6650

### **SHARE TRADING**

Business Partners Limited shares can be traded by contacting the Company Secretary.

### **E-MAIL**

[enquiries@businesspartners.co.za](mailto:enquiries@businesspartners.co.za)

## **SOUTH AFRICA (+27)**

### **Bellville**

Tel: 021 919 3242  
Fax: 021 919 3333

### **Bethlehem**

Tel: 058 303 7842  
Fax: 058 303 6801

### **Bloemfontein**

Tel: 051 430 9846  
Fax: 051 430 9847

### **Cape Town**

Tel: 021 464 3600  
Fax: 021 461 8720

### **Durban (Westville)**

Tel: 031 240 7700  
Fax: 031 266 7286

### **East London**

Tel: 043 721 1525/6/7  
Fax: 043 721 1528

### **East London (Arcadia)\*\***

Tel: 043 743 5485  
Fax: 043 743 0596

### **East Rand (Boksburg)**

Tel: 011 395 4150  
Fax: 011 395 2565

### **George**

Tel: 044 873 6112  
Fax: 044 873 3397

### **Johannesburg**

Tel: 011 713 6600  
Fax: 011 713 6650

### **Kuruman**

Tel: 076 879 9402  
Fax: 086 655 0617

### **Nelspruit**

Tel: 013 752 3185  
Fax: 013 752 4669

### **Pietermaritzburg**

Tel: 033 342 1410  
Fax: 086 764 3137

### **Polokwane**

Tel: 015 297 1571  
Fax: 015 297 1461

### **Port Elizabeth**

Tel: 041 367 1082  
Fax: 041 367 3962

### **Pretoria**

Tel: 012 347 3208  
Fax: 012 347 2198

### **Richards Bay**

Tel: 035 789 7301  
Fax: 035 789 6727

### **Stellenbosch**

Tel: 021 809 2160  
Fax: 021 887 2001

### **Upington**

Tel: 054 331 1172  
Fax: 054 332 2334

## **INTERNATIONAL OFFICES**

### **KENYA (+254)**

#### **Nairobi**

Tel: 20 280 5000  
Fax: 20 273 0589

### **MALAWI (+265)**

#### **Blantyre**

Tel: 00265 992 113 723

### **NAMIBIA (+264)**

#### **Windhoek**

Tel: 00264 61 273 668  
Fax: 00264 61 273 669

### **RWANDA (+250)**

#### **Kigali**

Tel: 00250 252 585 065

### **ZAMBIA (+260)**

#### **Lusaka**

Tel: 00260 976 768 853

\*\* Property Management Services only

## **BUSINESS PARTNERS LIMITED**

### **CORPORATE OFFICE**

37 West Street  
Houghton Estate  
Johannesburg  
Tel: +27 11 713 6600  
Fax: +27 11 713 6650  
E-mail: [enquiries@businesspartners.co.za](mailto:enquiries@businesspartners.co.za)  
[www.businesspartners.co.za](http://www.businesspartners.co.za)

Company registration number: 1981/000918/06



Investing in Entrepreneurs