

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

ACTION REQUIRED:

1. If you are in doubt as to the action you should take in relation to this document, please consult your stockbroker, banker, legal practitioner or other professional adviser immediately.
 2. If you wish to apply for Shares in terms of the offer for subscription then you must complete the procedure for application and payment set out in Paragraph 18 of this Prospectus.
-



CA SALES HOLDINGS LIMITED

(Incorporated in the Republic of South Africa on 7 December 2011)

(Registration number 2011/143100/06)

ISIN code: ZAE400000036

(Registered as an external company in the Republic of Botswana on 18 September 2017)

(Botswana registration number EX2017/18292)

("the Company" or "CA Sales")

PROSPECTUS

Relating to:

- (i) a sale by the existing shareholders of the Company of Shares comprising up to 121 620 240 Sale Shares;
- (ii) a private placement and a public offer for subscription of 14 492 754 Shares to raise P50 million for the Company;

and

the subsequent listing of the total number of issued Shares in CA Sales, on the Botswana Stock Exchange ("BSE"), being 419 893 554 Shares.

Important Dates

Issue of Prospectus	11 October 2017
Opening of Public Offer at 09h00	12 October 2017
Closing of Public Offer at 15h30	1 November 2017
Listing of CA Sales on the BSE	9 November 2017

This Prospectus dated 11 October 2017, accompanied by the documents referred to under "Registration of Prospectus" on page 31 of this Prospectus, was registered by the Companies and Intellectual Property Authority in Botswana on 11 October 2017 in terms of sections 300(1) and 308(2) of the Companies Act (CAP:42:01). The Shares offered in terms of this Prospectus will rank *pari passu* with all other Shares issued by the Company prior to listing on the BSE. Subject to obtaining a spread of shareholders acceptable to the BSE, the BSE has granted conditional approval to the listing of 419 893 554 Shares in the Company.

This Prospectus is issued for the purpose of providing certain information about an investment in CA Sales, a public company incorporated in the Republic of South Africa, the issued Shares of which are to be listed on the Botswana Stock Exchange. If you are in any doubt as to the action you should take in relation to this document, please consult your stockbroker, banker, legal practitioner or other professional adviser immediately. If you wish to apply for Shares in terms of the Public Offer then you must complete the procedure for application and payment annexed to this Prospectus.

Corporate Advisor and Bookrunner



PSG CAPITAL

Auditors and Reporting Accountants



Legal Advisor



Sponsoring Broker



TABLE OF CONTENTS

The definitions commencing on page 6 of this Circular apply *mutatis mutandis* to this table of contents.

	<i>PAGE</i>
CORPORATE INFORMATION AND ADVISORS	3
FORWARD-LOOKING STATEMENTS	5
DEFINITIONS	6
SALIENT FEATURES AND IMPORTANT INFORMATION	8
1. INTRODUCTION AND HISTORY	10
2. OBJECTIVE OF THE COMPANY	11
3. THE BUSINESS	11
4. OPERATIONS	12
5. OPERATIONAL OVERVIEW	13
6. BORROWINGS AND LOANS	14
7. PROSPECTS AND FUTURE GROWTH	15
8. FINANCIAL INFORMATION	15
9. MAJOR SHAREHOLDERS	16
10. DIRECTORS	16
11. CORPORATE GOVERNANCE	23
12. MANAGEMENT	24
13. DIVIDEND POLICY	24
14. FORMATION, STRUCTURE AND SHARE CAPITAL HISTORY	24
15. ADEQUACY OF CAPITAL	24
16. PROMOTER'S FEES	25
17. SHARE CAPITAL	25
18. PARTICULARS OF THE PLACING, PUBLIC OFFER AND LISTING	28
19. MATERIAL OCCURRENCES AND CONTRACTS	30
20. GENERAL	30
21. REGISTRATION OF PROSPECTUS	31
22. BSE DISCLAIMER	31
23. DOCUMENTS AVAILABLE FOR INSPECTION	31
24. PARAGRAPHS OF THE TENTH SCHEDULE OF THE BOTSWANA COMPANIES ACT	32
ANNEXURE 1A: HISTORICAL FINANCIAL STATEMENTS FOR CA SALES	33
ANNEXURE 1B: HISTORICAL FINANCIAL STATEMENTS FOR CA SALES	89
ANNEXURE 2: INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORTS	93
ANNEXURE 3: NET ASSET STATEMENT	96
ANNEXURE 4: EXTRACTS OF THE MOI IN RESPECT OF THE DIRECTORS	97
ANNEXURE 5: PROSPECTUS AVAILABILITY	101
ANNEXURE 6: OTHER DIRECTORSHIPS HELD BY DIRECTORS OF CA SALES	102

	<i>PAGE</i>
ANNEXURE 7: DETAILS OF MAJOR COMPANIES WITHIN THE GROUP	106
ANNEXURE 8: MATERIAL LEASES	109
ANNEXURE 9: SUMMARISED HISTORICAL FINANCIAL PERFORMANCE	110
ANNEXURE 10: SALIENT TERMS OF THE CA SALES SIT	114
APPLICATION FORMS	Included

CORPORATE INFORMATION AND ADVISORS

Board of Directors:

Johan Holtzhausen – Non-executive chairman
Frans Britz – Chief Executive Officer
Trevor Rogers – Non-executive director
Nico de Waal – Non-executive director
Badal Patel – Non-executive director
Jean Craven – Alternative director
Blackie Marole – Independent non-executive director
Elias Masilela – Independent non-executive director
Regina Sikalesele-Vaka – Independent non-executive director

Transfer Secretaries and Transfer Office

Grant Thornton Business Services (Proprietary) Limited
Acumen Park, Plot 50370 Fairgrounds
Gaborone
Botswana
(PO Box 1157, Gaborone)

Registered Office

1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch
7600
South Africa

Holding Company

PSG Africa Holdings Proprietary Limited
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch
7600
South Africa

Corporate Advisor and Bookrunner

PSG Capital (Proprietary) Limited
(Registration number 2006/015817/07)
1st Floor
Ou Kollege Building
35 Kerk Street
Stellenbosch, 7599
South Africa
(PO Box 7403)
and at
2nd Floor, Building 3
11 Alice Lane
Sandown
Sandton, 2196
South Africa
(PO Box 987, Parklands, 2121)

Auditor and Reporting Accountants

PricewaterhouseCoopers
2 Eglin Road
Sunninghill, 2157, South Africa
(Private Bag X36, Sunninghill, 2157, South Africa)

Receiving Bank

RMB Botswana
Plot 54362, Firstplace, CBD
(PO Box 1552, Gaborone, Botswana)

External Company Registered Office

Portion 867, Opp Kgale Hill
Gaborone
Authorised agent: Mr Kaushik Rajanikant Shah

Company Secretary

Frans Reichert CA(SA)
2nd Floor, Building 3
11 Alice Lane
Sandown
Sandton, 2196
South Africa
(PO Box 987, Parklands, 2121)

Legal Advisors

Desai Law Group
3rd Floor, North Wing, Central Square
CBD, Gaborone, Botswana
(PO Box 640, Gaborone)

Sponsoring Brokers

African Alliance Capital Markets (Pty) Limited
Exchange House, Plot 64511
Fairgrounds Office Park
Gaborone
(PO Box 2770, Gaborone)

Date of incorporation: 7 December 2011

Country of incorporation: South Africa

Date of registration in Botswana: 18 September 2017

FORWARD-LOOKING STATEMENTS

This Prospectus contains statements about the Company that are or may be forward-looking statements. All statements, other than statements of historical fact, are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; economic outlook; cash costs; operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity, capital resources and expenditure. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, estimates of capital expenditures, acquisition strategy, or future capital expenditure levels, and other economic factors, such as, amongst other things, interest and exchange rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Company cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which the Company operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Prospectus.

All these forward-looking statements are based on estimates and assumptions, all of which estimates and assumptions, although the Company may believe them to be reasonable, are inherently uncertain and are inherently subject to significant business, economic and competitive uncertainties and contingencies. Such estimates, assumptions or statements may not eventuate. Many factors (including factors not yet known to the Company, or not currently considered material), could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those estimates, statements or assumptions. Such factors include, but are not limited to: general economic and business conditions in the Southern African Region and internationally; inflation, deflation and interest rates; fluctuations in exchange rates, stock markets and currencies; the ability to access sufficient funding to meet the Company's liquidity needs; natural and other disasters, adverse weather and similar contingencies outside of the control of the Company; inadequate or failed internal or external processes, people and systems; terrorist acts and other acts of war or hostility and responses to those acts; geopolitical, pandemic or other such events; changes in laws, regulations, taxation, accounting standards or practices; regulatory capital or liquidity requirements and similar contingencies outside of the control of the Company; the policies and actions of Governmental or regulatory authorities in the Southern African Region or elsewhere; the ability to attract and retain key employees; the extent of any future impairment charges or writedowns caused by depressed asset valuations, market disruptions and illiquid markets; market relating trends and developments; exposure to regulatory scrutiny, legal proceedings, regulatory investigations or complaints; changes in competition and pricing environments; the actions of competitors; and the success of the Company in managing the risks of the foregoing.

Investors should keep in mind that any forward-looking statement made in this Prospectus or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of the Company or other matters to which such forward-looking statements relate, not to develop as expected, may emerge from time to time, and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results or matters to differ materially from those contained in any forward-looking statement are not known. The Company has no duty, and does not intend, to update or revise the forward-looking statements contained in this Prospectus after the date of this Prospectus, except as may be required by law or regulation.

DEFINITIONS

In this Circular, unless the context indicates otherwise, reference to the singular shall include the plural and *vice versa*, words denoting one gender include the others, words and expressions denoting natural persons include juristic persons and associations of persons and the words and expressions in the first column have the meanings stated opposite them in the second column.

“Act” or “Companies Act”	the Companies Act 2003 (No 32 of 2004) of Botswana, as amended or replaced from time to time;
“BWP” or “P”	Botswana Pula, the legal tender in Botswana;
“Board of Directors”	the directors of the Company for the time being;
“Botswana”	the Republic of Botswana;
“BSE”	the Botswana Stock Exchange as established by the Botswana Stock Exchange Act Cap 56:08;
“BURS”	Botswana Unified Revenue Service;
“CA Sales SIT”	the CA Sales Holdings Share Incentive Trust, a trust created under the CA Sales SIT Deed, which is to be registered with the Master of the High Court in South Africa following the Listing;
“CA Sales SIT Deed”	the trust deed for the CA Sales SIT, a copy of which is available for inspection, as indicated in paragraph 23 of the Prospectus;
“CIPA”	Companies and Intellectual Property Authority of Botswana;
“CIPC”	Companies and Intellectual Property Commission of South Africa;
“Company” or “CA Sales”	CA Sales Holdings Limited, registration number 2011/143100/06, a public company with limited liability duly incorporated under the laws of South Africa;
“Existing Shareholders”	the shareholders of the Company prior to the Offer and Listing;
“Financial Year”	the financial year of the Company ending 31 December annually;
“FMCG”	fast-moving consumer goods;
“Group”	the company and its subsidiaries;
“IPO”	the initial public offer of part of the Subscription Shares made by the Company to the public as envisaged in this Prospectus;
“Listing”	the proposed listing of Shares on the BSE which is anticipated to occur on or before 9 November 2017;
“MOI”	the memorandum of incorporation of the Company;
“Offer”	the offer for sale to Placees and the Public by the Existing Shareholders for subscription of up to 121 620 240 Sale Shares and an offer to Placees to subscribe for 14 492 754 Subscription Shares;
“Offer Price”	BWP3.45 per Share;
“Ordinary Share” or “Share”	an ordinary share in the stated share capital of the Company;
“Placees”	selected institutional investors who have accepted the offer for Shares in the Placing;
“the Placing”	the sale of up to 121 620 240 million Sale Shares by the Existing Shareholders and the private placement of 14 492 754 Subscription Shares by the Company to Placees;

“Prime”	the South African publicly quoted rate of interest as certified by any duly authorised representative (whose appointment or authority or designation it shall not be necessary to prove) of ABSA Bank Limited of South Africa as being the prime lending rate at which ABSA Bank lends in South African Rands from time to time, on the basis of such interest being calculated daily on a 365 (three hundred and sixty-five) day year and compounded monthly in arrears, irrespective of whether or not the year in question is a leap year;
“Sale Proceeds”	the proceeds from the offer for sale made by the Existing Shareholders, being approximately BWP420 million;
“Sale Shares”	a minimum of 121 620 240 Shares owned by the Existing Shareholders to be sold to Placees and members of the Public who apply for same in terms of the Placing and IPO;
“Share Incentive Scheme”	the share incentive scheme, as approved by Existing Shareholders on or about 8 August 2017, which will, following registration of the CA Sales SIT Deed with the Master of the High Court in South Africa, be operated under the CA Sales SIT, in terms of the CA Sales SIT Deed;
“South African Companies Act”	the Companies Act, 2008 (Act 71 of 2008), as amended;
“Subscription Proceeds”	the proceeds amounting to P50 million from the offer for subscription made by CA Sales;
“Subscription Shares”	14 492 754 Shares to be issued by CA Sales to members of the public and Placees who apply for subscription pursuant to the IPO and Placing;
“the Reporting Accountants and Auditor”	PricewaterhouseCoopers, a firm of certified public accountants;
“Thebe” or “t”	the legal tender of Botswana, representing one hundredth of a BWP;
“X-News”	BSE Exchange News Services, a news dissemination service managed by the BSE and/or by news disseminated by the BSE on its website (www.bse.co.bw); and
“ZAR” or “Rands”	South African Rand, the legal tender in South Africa.

SALIENT FEATURES AND IMPORTANT INFORMATION

This summary represents salient information in relation to the Offer and Listing, the detailed terms and conditions of which are more fully set out in this Prospectus. This Prospectus should accordingly be read in its entirety for a full appreciation of the rationale for, and the implications of the Listing.

SALIENT FEATURES OF THE OFFER

Number of Shares in issue prior to the IPO	405 400 800
---	-------------

Number of Shares issued held as follows:

PSG Africa Holdings Proprietary Limited	52.80%: 214 057 200
Export Marketing Investments Proprietary Limited	36.59%: 148 328 600
Jagdish Natwarlal Shah	4.82%: 19 525 800
Bielkor Beleggings Proprietary Limited	2.12%: 8 587 600
Repassen 21 Proprietary Limited	1.84%: 7 450 800
Rose Bridge 15 Proprietary Limited	1.84%: 7 450 800

Number of Sales Shares to be sold by the Existing Shareholders in the Placing

121 620 240

Number of Subscription Shares to be issued by CA Sales in the IPO and Placing

14 492 754

Price per Share

BWP3.45

Post Placing, IPO and Listing

Number of Shares – issued

419 893 554

It is anticipated that after the Placing, IPO and Listing, the issued Shares in CA Sales will be held as to:

PSG Africa Holdings Proprietary Limited	51.0%: 214 057 200
Export Marketing Investments Proprietary Limited	10.1%: 42 200 690
Jagdish Natwarlal Shah	2.6%: 10 973 190
Bielkor Beleggings Proprietary Limited	2.0%: 8 587 600
Repassen 21 Proprietary Limited	1.0%: 4 097 940
Rose Bridge 15 Proprietary Limited	1.0%: 4 097 940
Institutional and public shareholders	32.3%: 136 112 994

100%

** All of the CA Sales Shares rank pari passu in every respect. Any variation of rights attaching to the Shares will require the approval of Shareholders in a general meeting in accordance with the MOI of CA Sales and the Listing Requirements of the BSE and the South African Companies Act.*

SALIENT DATES AND TIMES

2017

Approval of the Prospectus by the BSE	9 October
Registration of Prospectus by CIPA	11 October
Date of Distribution of Prospectus	11 October
IPO opens at 09h00	12 October
IPO closes 15h30	1 November
Announcement of results of IPO and final approval of BSE to list	6 November
Publication of results	7 November
Anticipated listing of Shares on BSE	9 November
Completion of registration of transfer of Sale Shares in the CSDB	9 November

These dates are subject to change; any substantive change will be notified in the Press.



CA SALES HOLDINGS LIMITED

(Incorporated in the Republic of South Africa on 7 December 2011)

(Registration number 2011/143100/06)

ISIN code: BW0000001833

(Registered as an external company in the Republic of Botswana on 18 September 2017)

(Botswana registration number EX2017/18292)

(“the Company” or “CA Sales”)

1. INTRODUCTION AND HISTORY

1.1 Introduction

CA Sales is the parent company of businesses that operate in Southern Africa. It operates within the FMCG industry and delivers services to blue chip manufacturers, both locally and internationally. Its service offering includes selling, merchandising, warehousing, distribution, debtors administration, marketing and promotions, point of sale warehousing and training. The group has offices and facilities in all the main centres throughout Botswana, Swaziland, Namibia, South Africa, Lesotho, Zimbabwe, Zambia and Mozambique.

The portfolio of principals represented, as mentioned above, covers all categories of consumer products namely food, homecare, personal care, consumer durables, snack and confectionary, paper products, beverages, pet care, alcoholic beverages, frozen food, ice cream, tobacco products and accessories.

The major principals represented includes Tiger Brands, Unilever SA, Nestlé, Kellogg’s, Nampak, Aspen, Rhodes Food Group, Colgate Palmolive, Pioneer Foods, Reckitt Benckiser, Pepsico, Diageo, Heineken, Kimberly Clark, Mondelez, South African Breweries, Distell, JTI, Amka and Philips.

Relationships with principals have existed for many years and are seen as strategic in the expansion imperative of growing CA Sales’ representation in sub-Saharan Africa.

1.2 History

CA Sales was incorporated in 2011 as a private holding company in South Africa. Its underlying investments include older well-established businesses across Southern Africa. These are covered in more detail below in this Prospectus and in Annexure 7.

During early 2012, CA Sales acquired CA Sales & Distribution in Botswana, a business that is 27 years old, as the first building block. A number of investments have subsequently been made in privately owned businesses throughout Southern Africa to increase the Company’s footprint.

The Group’s focus is to grow its current business model, in sub-Sahara Africa, over time.

1.3 The African Consumer and Retail Sector

Africa is home to some of the world’s fastest growing economies and emerging markets. Sub-Saharan Africa grew GDP per capita at an average real rate of 6.3% during 2001–2013.

With a population estimated at 1.1 billion people, and relatively high population growth rates, the African population is estimated to surpass the 2 billion mark in 15 years and is estimated to surpass China and India in the next 40–50 years. This growing population underpins a growing consumer market and in the future Africa will be host to one of the largest consumer markets in the world. A key trend to note is the increase in female buying power, as women start to earn their own money, further adding to the growing consumer market.

Urbanisation rates in Africa are also increasing, especially in sub-Saharan Africa. According to the UN, urbanisation has increased from 11.2% in 1950 to 36.4% in 2010 and is estimated to reach 45.9% and 56.7% by 2030 and 2050, respectively. This urbanisation trend bodes well for the retail and FMCG industry in Africa.

Most of the African retail sector is still relatively underdeveloped and retail is still organised around informal markets. As urbanisation increases and formalisation of the sector is further developed, the retail and FMCG industry is geared for future expansion.

Most African consumers still spend most of their available money on food and other necessities. Combined with a large consumer market, this bodes well for the retail and FMCG industry, especially as the markets become more formalised.

The \$1 000 annual income level is seen as a key indicator for analysing African consumer spending patterns. There is an increasing number of African consumers that are reaching the \$1 000 annual income level. Once this level is breached, it allows the consumer to consume more than the bare minimum. As annual income increases above the \$1 000 mark, the first levels of increases in consumption relates to the consumption of better quality foods, beer, soft drinks and mobile phones.

1.4 Purpose of the Listing and Offer

CA Sales' rationale for the Listing is:

- to raise capital for further organic growth and accretive merger and acquisition opportunities;
- to allow CA Sales access to capital markets in order to raise equity capital in future, when required;
- to provide shareholders with a liquid, tradable asset within a regulated environment, with a market-determined share price;
- to give the general public an opportunity to acquire an equity stake in CA Sales and thereby share in its potential success in the future;
- to enhance CA Sales' ability to implement acquisitions and other transactions, involving the issuing shares as consideration;
- to raise CA Sales' profile, as a leading FMCG service provider, in the markets where it is most active; and
- to incentivise employees and align their interests with those of shareholders through the allocation of options for listed shares.

2. OBJECTIVE OF THE COMPANY

The Company's objective is to partner with its clients to sell more of their products and to increase their market share where CA Sales has the ability to influence orders. This is achieved by:

- Building on shelf visibility of client products;
- Optimising clients' product flow;
- Ensuring that clients' products are well-positioned within stores; and
- Ensuring that sufficient stock is readily available and on hand.

The Company's excellent warehousing solutions and distribution network enables it to consistently deliver on the above mentioned objectives for its clients, giving them comfort that their products are safely stored, maintained and readily available for distribution through its unrivalled distribution network.

The Company's "route to market" expertise enables it to reliably and consistently get client's products to the right market at the right time, giving the customers unbroken access to client's brands.

3. THE BUSINESS

CA Sales businesses can best be grouped into the following categories:

- Distributorship model
- Full service retail execution business
- Marketing and promotional
- Training

3.1 **Distributorship model**

In the distributorship model a full service offering is provided, namely sales, merchandising, purchasing of stock, warehousing, distribution and debtors administration.

The core distributorship model includes full representation in the countries outside of South Africa that include sales and merchandising of products in all trade channels and the purchasing of stock from the Company's Principals resulting in full control of debtors/accounts receivable, warehousing and distribution.

Customers include all major retailers and wholesalers, with many of the customers being listed entities throughout the region.

3.2 **Full service retail execution business**

Services provided in a full service retail execution business includes sales, merchandising, field marketing, call centre and order support, retail and shopper research and shopper engagement programmes to multinational brand owners in the FMCG and hardware industry.

3.3 **Marketing and promotional activities**

Marketing and promotional activities include a wide range of services from in-store activation, mall activations, out-of-store activation, road show events, school educational and community engagement programmes, market research and pricing surveys, mystery shopping and event management to multinational or national brand owners in Southern Africa.

3.4 **Training**

The Company's training business model includes corporate training services that is custom made for each industry and is Botswana's premier provider of vocational training and BQA (Botswana Qualifications Authority) accredited courses. Services include BQA accreditation and support with Human Resources Development Fund claims.

4. **OPERATIONS**

4.1 **CA Sales and Distribution – Botswana**

CA Sales and Distribution commenced trading some 27 years ago, as CA Enterprises in Botswana. In 2004 Dafin Sales and in 2006 Kalahari Sales were acquired by CA Enterprises and the name was changed to CA Sales and Distribution.

CA Sales and Distribution provides full distributorship services in Botswana for ambient products. It is the largest distributorship business in Botswana.

4.2 **Logico – Swaziland, South Africa**

Logico was established in 2003 in Swaziland.

Logico provides full distributorship services in Swaziland for ambient, frozen and chilled products. It is the largest distributorship business in Swaziland. It also provides primary and secondary distribution and transport services.

4.3 **Pack 'n Stack – South Africa, Namibia**

Pack 'n Stack was established in 1976 as a regional agency business in the North West province of South Africa and is the second largest operator in the South African market.

Pack 'n Stack is a full service retail execution business with offices in all major cities in South Africa and also has a presence in Namibia.

Pack 'n Stack has entered into partnership and acquired various businesses over the years. In 2015 Pack 'n Stack started a partnership with Magnet Marketing (Pty) Limited to expand its service offering to the market. The partnership specialises in brand activation through the design and execution of shopper marketing programmes, using digital technology in the shopping environment.

In 2015 Pack 'n Stack acquired a stake in Edge Promotional Logistics to offer clients tailor-made solutions in the promotional arena. Services include logistics, procurement and field marketing.

In 2016 Pack 'n stack acquired Array Marketing and thereby expanded its service offering to the hardware channel, servicing major retail and independent hardware stores.

4.4 **SMC Brands – Namibia, Botswana, Swaziland and Lesotho**

SMC Brands was established in 1999.

SMC Brands provides full distributorship services focussing on alcoholic beverages. It is a niche player that provides mainly services to certain liquor principals.

4.5 **Wutow Trading – Namibia**

Wutow Trading was established in 1944 in Namibia.

Wutow Trading provides full distributorship services in Namibia for ambient products. It is the third largest distributorship business for ambient products in Namibia.

4.6 **Smithshine Enterprises – Botswana**

Smithshine Enterprises was established in 2004.

Smithshine Enterprises provides full distributorship services in Botswana for frozen and ambient products. In addition to services to major retailers and wholesalers, it also specialises in providing services to the bottom end of the market and forecourts.

4.7 **Bullred Distribution – Zimbabwe**

Bullred Distribution was established in 2000.

Bullred Distribution provides full distributorship services in Zimbabwe for ambient products.

4.8 **Expo Africa – Botswana, Namibia, Swaziland, Lesotho, Mozambique, South Africa, Zimbabwe and Zambia**

Expo Africa was established in 2004.

Expo Africa develop and optimally execute any marketing campaign or research program on a national or multinational basis. With a vast understanding of the consumer markets within each country it offers guidance and advice on the best way to implement any marketing campaign, as well as offering professional service ensuring smooth co-ordination and execution of the campaign.

4.9 **Kalahari Training Institute – Botswana**

Kalahari Training Institute was established in 2016.

The Kalahari Training Institute offers a wide range of “Best-of-Breed” BQA-Accredited Vocational Training courses. The programs are tailor-made to each company’s training needs.

5. **OPERATIONAL OVERVIEW**

5.1 **Asset Base**

The Group has established businesses in their respective countries of operation. The majority of fixed assets utilised in these countries relate to vehicles (delivery and motor vehicles), computer equipment and warehousing equipment. Fixed Assets are dependent on logistics requirements and the purchase price/value of delivery vehicles.

All land and buildings for the Group’s activities are leased at an individual business unit level. The major exposures on property leases are in Botswana followed by the other countries.

5.2 **Information Technology**

The need for good IT systems is imperative to reduce the paper flow of transaction adjustments to customers which improves collections and increases efficiencies. Computer equipment and systems are linked to orders, stock and debtors. Business-to-business solutions is one requirement to manage this, but it requires strong IT support.

5.3 Working Capital Requirements

In order to grow the number of principals and generate new business there is a strong need for the growth of working capital requirements. Major retailers tend to be slow payers, holding onto much needed working capital. At the same time growth requires the purchase of additional stocks for either existing brands or new products launched onto the market. Retailers too, tend to limit stock holding, pushing back stock holding pressure onto the agency business.

The underlying companies within CA Sales focus on the management of their working capital on a daily basis.

6. BORROWINGS AND LOANS

The Company has various loan and overdraft facilities. As at 31 December 2016, the Group did not have any material borrowings other than the use of short-term facilities and finance leases on movable assets.

The borrowing powers have not been exceeded in the preceding three years.

6.1 Loans and loan capital

At the date of this Prospectus, no material loans, have been made to the Company and the Company has not issued any other form of loan capital. There are no loans other than the subscription by the Company for preference shares as set out below:

Issuer	Repassen 21 (Pty) Limited	Rose Bridge 15 (Pty) Limited
Date of loan	November 2013	November 2013
Loan amount	R8 million	R8 million
Rate of interest	Prime -1%	Prime -1%
Period of preference share	Five years	Five years
Security	Shares in the Company	Shares in the Company
Names and addresses of directors	Frans Britz 2nd Floor, Building 3 11 Alice Lane, Sandown Sandton, South Africa	Trevor Rogers 48 Guardian Crescent, Erinvale, Somerset West, 7130

The above borrowings arose to assist the directors in acquiring shares in the Company.

6.2 Borrowing powers of Directors

Set out below is an extract from the Company's MOI dealing with the borrowing powers of directors:

31.1 Subject to the provisions of clause 31.2 and the other provisions of this Memorandum of Incorporation, the Directors may from time to time –

31.1.1 borrow for the purposes of the Company such sums as they think fit; and

31.1.2 secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company.

31.2 The Directors shall procure (but as regards subsidiaries of the Company only insofar as by the exercise of voting and other rights or powers of control exercisable by the Company they can so procure) that the aggregate principal amount at any one time outstanding in respect of moneys so borrowed or raised by –

31.2.1 the Company; and

31.2.2 all the subsidiaries for the time being of the Company (excluding moneys borrowed or raised by any of such companies from any other of such companies but including the principal amount secured by any outstanding guarantees or suretyships given by the Company or any of its subsidiaries for the time being for the indebtedness of any other company or companies whatsoever and not already included in the aggregate amount of the moneys so borrowed or raised), shall not exceed the aggregate

amount at that time authorised to be borrowed or secured by the Company or the subsidiaries for the time being of the Company (as the case may be).

6.3 Capital, commitments, lease payments and contingent liabilities

At the date of this Prospectus, the Company has no material commitments for capital expenditure, save those disclosed in the Reporting Accountants' report in Annexure 2 of this Prospectus. At the date of this Prospectus the Company has no contingent liabilities save for those similarly disclosed. There is and has been no off balance sheet financing of the Company.

Details of material leases on premises are set out in Annexure 8 of this Prospectus.

6.4 Material changes

The Directors report that to the best of their knowledge and belief there have been no material changes in the financial or trading position of the Company since 31 December 2016, the date of the last audited financial results and as set out in the Independent Reporting Accountants' Report of the Company in Annexure 1 to this Prospectus, other than in the ordinary course of business or as set out in the Prospectus.

7. PROSPECTS AND FUTURE GROWTH

The Group's growth will come from a combination of organic growth of existing businesses as well as through acquisitions.

7.1 Organic Growth

The core business model is empirically linked to the strategic imperatives of the Principal. If the Principal drives innovation, new product development and brand support, top line growth will in all likelihood be secured for the future. Poorly executed brand plans or lacklustre brands do not drive growth and market share.

It remains vital to choose partners carefully, namely partners that are committed to their brands and therefore in turn will ultimately be growth-oriented.

CA Sales has a long and established track record of excellent relationships with its principals, which is evident in the Company's historic earnings growth.

7.2 Acquisitions

There are a number of acquisitions CA Sales is in the process of completing. These businesses have been in existence for some time with good management and are strategically well-positioned to expand the Group. The above mentioned acquisition opportunities are located in Zambia, Tanzania, Mozambique and Botswana.

There are also strategic opportunities to increase shareholding in key group companies. To this end, the Board has in principle approved further acquisitions subject to ratification before the listing of minorities at a subsidiary level. The indicative effect of the acquisitions is an increase of no more than 6% of the current shares in each before the Offer.

8. FINANCIAL INFORMATION

The table below sets out the historical consolidated summarised financial information of the Company for the five years ended 31 December 2012 to 31 December 2016.

Year Ended 31 December ZAR'000	2012	2013	2014	2015	2016
Profit/(loss) before tax	(55 376)	5 094	117 778	151 998	178 650
Profit/(loss) after tax	(53 992)	5 001	102 623	117 259	136 423
Dividends paid	Nil	Nil	Nil	10 000	Nil
Dividends per share (ZAR)	Nil	Nil	Nil	50	Nil
Dividend cover	n/a	n/a	n/a	11.73	n/a

- 8.1 The consolidated historical financial information of CA Sales for the financial years ended 31 December 2015 and 2016 is presented in Annexure 1A, and is the responsibility of the Directors. The unaudited, unreviewed summarised interim results of CA Sales for the six-month period ended 30 June 2017 is presented in Annexure 1B, and is the responsibility of the Directors.
- 8.2 The independent reporting accountants' report on historical consolidated financial information of CA Sales for the financial years ended 31 December 2015 and 2016 appears in Annexure 2.
- 8.3 The net asset statement showing the effect of the placing of the Subscription Shares is set out in Annexure 3.

9. MAJOR SHAREHOLDERS

Subject to the acquisition of the Sale Shares and Subscription Shares on offer by Placees and the Public, the shareholders named in the table below will have a direct or indirect beneficial interest of more than 5% of the issued Shares of the Company.

Shareholder	Percentage
PSG Africa Holdings Proprietary Limited	51.0%
Export Marketing Investments Proprietary Limited	10.1%
Kgori Capital*	8.6%
Investec Asset Management Botswana*	6.0%
Total	75.7%

* Minimum amount, dependent on the outcome of the public participation in the Offer

The Directors are not aware of any shareholders other than those listed above, who will have a beneficial interest of 5% or more of the issued Shares of the Company at the date of listing.

It is anticipated that the Placees and the minorities will constitute "the public" as defined in the BSE Listing Requirements. As a result, in excess of 20% of the issued Shares will be held by the public as defined in the Listings Requirements.

10. DIRECTORS

10.1 Directors

The full names, addresses, occupations and details of directorships of the Directors of CA Sales are set out below:

Name and Nationality	Age	Address	Date of Appointment	Current Occupation
Johan Holtzhausen	47	1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, South Africa	8 December 2011	Executive director of PSG Group Limited
Frans Britz	51	2nd Floor, Building 3, 11 Alice Lane, Sandown, Sandton, South Africa	8 December 2011	Chief Executive Officer of the Group
Nico de Waal	42	1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, South Africa	8 December 2011	Chief Executive Officer of PSG Alpha
Trevor Rogers	66	48 Guardian Crescent, Erinvale, Somerset West, 7130	6 June 2012	Non-executive director
Badal Patel	36	62B Wierda Road, Wierda Valley, 2000	6 November 2014	Non-executive director

Name and Nationality	Age	Address	Date of Appointment	Current Occupation
Jean Craven	46	62B Wierda Road, Wierda Valley, 2000	17 April 2012	Alternate director
Elias Masilela	53	3rd Floor, Hatfield Plaza, Hatfield, Pretoria	Date of Listing	Independent non-executive director
Blackie Marole	65	PO Box 1328, Gaborone, Botswana	Date of Listing	Independent non-executive director
Regina Sikalesele-Vaka	51	Plot 54374, Unit 4A, Grand Union, CBD, Gaborone	Date of Listing	Independent non-executive director

10.2 Curriculum Vitae of Directors

Johan Holtzhausen	South African
Qualifications:	B.luris (Cum Laude) LLB, HDip Tax
Function and Committees:	Non-executive Chairman
Background:	<p>Johan has extensive FMCG experience. He was a non-executive director of CIC Holdings Limited ("CIC") (listed in Namibia and later in South Africa). He is the CEO of PSG Capital and also a director of various companies including PSG Group Limited.</p> <p>Johan is an admitted attorney and a member of the Law Society with over 19 years of corporate finance experience. Before he joined PSG Capital, he was appointed by the Minister of Finance as a chairperson of the Special Income Tax Court for Gauteng. He has been involved with numerous listings, mergers and acquisitions, cross border transactions (including most SADC countries), and prominent BEE and private equity transactions in South Africa and abroad.</p> <p>Johan is also a member of the JSE Issuer Services Advisory Committee.</p>
Frans Britz	South African
Qualifications:	CA(SA)
Function and Committees:	Chief Executive Officer
Background:	Frans was previously the financial director of JSE listed companies DigiCore Holdings Limited, Rectron Holdings Limited and CIC Holdings Limited. He joined the group in 2011 as chief financial officer and has been involved in FMCG-related businesses for more than 16 years.
Nico de Waal	South African
Qualifications:	B.Eng (Mech) Cum Laude, MBA
Function and Committees:	Non-executive director
Background:	Nico started his career as an engineer with Baker Hughes Inc. (USA) in Scotland and the Middle East in the oil and gas exploration industry (1998–2000). He then specialised in strategy and operations work as a management consultant at McKinsey&Co. (2001–2007) and also at SAB Miller (2008–2010). Nico joined the PSG Group in 2011 and is currently the CEO of PSG Alpha.

Trevor Rogers	South African
Function and Committees:	Non-executive director
Background:	<p>Trevor has over 40 years experience in the FMCG industry. He held various positions at Tiger Brands for over 15 years and was Managing Director of Fattis and Monis.</p> <p>He then joined Bolux Milling, Botswana as CEO before joining CIC in 2000.</p> <p>CIC was listed on the Johannesburg Stock Exchange and Trevor was the CEO until the group was sold to Imperial Holdings Ltd in 2011.</p> <p>He was appointed CEO of CA Sales in 2012 until his retirement in March 2017.</p> <p>Trevor has extensive knowledge of the industry with a deep understanding of both the manufacturing side, managing brand leaders, as well as 17 years experience in the distribution agency business in African markets.</p>

Badal Patel	United Kingdom
Qualifications:	CA(UK)
Function and Committees:	Non-executive director
Background:	<p>Badal is a UK-based Chartered Accountant with over 15 years of extensive business experience ranging from banking, mergers and acquisitions, investment management, financial analysis, audit and assurance, business and compliance consulting. He currently performs financial and business consulting work for a leading African commodity supply chain group.</p> <p>Badal spent his early career at PwC where he gained broad exposure to a variety of leading global companies operating across the technology, consumer goods, logistics and manufacturing industries. Following this he then moved into Banking where he spent five years at RBS Plc in the structured credit derivatives business unit, leading, implementing and delivering a number of large project initiatives aimed at automation, efficiency savings and improved controls and procedures.</p> <p>Badal studied Mechanical Engineering & Business Finance at University College London & London School of Economics.</p>

Jean Craven	South Africa
Qualifications:	B.Com Accounting
Function and Committees:	Alternate director to B Patel
Background:	<p>Jean holds an accounting degree from the University of Stellenbosch in South Africa.</p> <p>Jean has more than 18 years of experience in building and managing commodity trading businesses at leading South African financial institutions.</p> <p>His commodities business was one of the first active participants in the South African Commodity Futures Exchange and Jean served on the South African Futures Exchange advisory panel for many years. Prior to founding Barak, Jean built and led a new team at Standard Bank that covered structured commodity finance, physical and derivative trading as well as agricultural and bio-fuel project finance.</p> <p>Previously, Jean worked for Rand Merchant Bank (part of the FirstRand Group) heading up a team that completed the first successful USD1 billion grain securitisation in the world. This same team also set up the third-largest crop insurance company in Africa to mitigate weather risk on farmer production loans for the FirstRand Retail Bank.</p>

Blackie Marole	Botswana
Qualifications:	MA (Economics)
Function and Committees:	Independent non-executive director
Background:	<p>Blackie holds a Master of Arts Degree in Economics from Williams College, Massachusetts, United States. He also holds Bachelor of Arts Degree in Economics from the University of Botswana, and an Economic Institute Diploma with the University of Colorado.</p> <p>An Economist by profession, Blackie spent 21 years of his career in the civil service where he reached the highest post in the Ministry of Energy, Water and Minerals Resources as its Permanent Secretary. He was also the CEO of Debswana.</p> <p>Mr Marole has provided oversight as Director and/or Chairman of the various prestigious national and international Boards, including <i>inter alia</i>:</p> <ul style="list-style-type: none"> • African Energy Resources; • Associated Fund Administrators (AFA); • Debswana Diamond Company; • Debswana Pension Fund Board of Trustees; • Botswana Power Corporation; • Water Utilities Corporation; • De Beers Centenary AG/De Beers Consolidated Mines; • BCL Limited; and • Barclays Bank of Botswana.

Elias Masilela	South African
Qualifications:	BA (Social Sciences), MSc (Economic Policy and Analysis)
Function and Committees:	Independent non-executive director
Background:	<p>Elias is executive chairman of DNA Economics and a part-time commissioner on the National Planning Commission. Elias also holds various other positions, including, <i>inter alia</i>:</p> <ul style="list-style-type: none"> • Director of the South African Savings Institute; and • Founder member of the Financial Sector Charter Council. <p>Elias has also held various other positions including <i>inter alia</i>:</p> <ul style="list-style-type: none"> • Former member of the Advisory Board of the Faculty of Economic and Management Sciences at the University of Pretoria; • Chief Executive Officer of the Public Investment Commission (PIC); • Director of the South African Reserve Bank; • Senior positions with Sanlam & the Central Bank of Swaziland; and • Deputy Director General of the South African National Treasury. <p>Elias holds a Bachelor of Arts degree in Social Sciences (Economics and Statistics) from the University of Swaziland and a Master of Sciences in Economic Policy and Analysis from the Addis Ababa University.</p> <p>He has lectured at a number of academic institutions and has written widely on the subject of economic policy.</p>

Regina Sikalesele-Vaka	Botswana
Qualifications:	B. Laws
Function and Committees:	Independent non-executive director
Background:	<p>Regina is a renowned leader who is currently the CEO of Bona Life, which she founded in 2014 and co-owns with the Botswana Public Officers Pension Fund.</p> <p>A lawyer by training, her three decade career spans from practicing as a private attorney to the corporate world where she attained leadership roles as:</p> <ul style="list-style-type: none"> • Chief Executive Officer at Motor Vehicle Accident Fund; • Chief Executive Officer of the largest life insurance company, Botswana Life; • Group Chief Executive Officer of Botswana Insurance Holding Limited; • Chairman of the Government-owned Mineral Development Company of Botswana; and • Chairman of the Botswana Stock Exchange. <p>Her corporate governance experience as a director of blue chip BSE-listed companies including:</p> <ul style="list-style-type: none"> • FNB Botswana; • FNB Foundation; • BIHL Foundation; • Sechaba Breweries Limited; • Sefalana; • ENGEN Botswana; • G4S; • MVA Fund; • University of Botswana Council; and • BOCCIM/Business Botswana.

10.3 Qualification, appointment and remuneration of Directors

10.3.1 The relevant provisions of the MOI concerning the qualification, appointment and remuneration of the Directors are set out in Annexure 4 to this Prospectus.

10.3.2 None of the directors receive directors' fees. Any amendments in directors remuneration shall, notwithstanding any terms in the MOI to the contrary, be submitted to holders of Shares, at an Annual General Meeting, for consideration and approval.

10.4 Interests of Directors in the Company

10.4.1 As at date hereof the Directors have the following beneficial interest in equity of the Company.

Director	Indirect Shareholding	Direct Shareholding
Johan Holtzhausen	NIL	NIL
Trevor Rogers	1.84% (4 097 940 shares)	NIL
Frans Britz	1.84% (4 097 940 shares)	NIL
Nico de Waal	NIL	NIL
Badal Patel	NIL	NIL
Jean Craven	NIL	NIL
Blackie Marole	NIL	NIL
Elias Masilela	NIL	NIL
Regina Sikalesele-Vaka	NIL	NIL

10.5 Directors' emoluments and incentives

10.5.1 The remuneration of Directors for the previous financial year ended 31 December 2016, is set out below:

R'000	Salary	Directors fees	Fees for other services	Travel and subsistence allowance	Bonuses	Total
Executive Directors						
Frans Britz	2 338 000				5 195 000	7 533 000
Non-executive Directors						
Johan Holtzhausen						
Trevor Rogers ¹	3 586 000				5 195 000	8 781 000
Nico de Waal						
Badal Patel						
Jean Craven						
Blackie Marole						
Elias Masilela						
Regina Sikalesele-Vaka						
TOTAL	5 924 000	–	–	–	10 390 000	16 314 000

Notes

1. Retired in March 2017.
2. The Directors have not received any sums by way of a medical aid or provident fund or pension scheme allowance.
3. The Directors have received no other material benefits.
4. CA Sales has no commission, gain or profit-sharing arrangements with any Directors.

- 10.5.2 The executive directors have permanent employment contracts, the terms of which are typical for a company of this nature.
- 10.5.3 CA Sales has not paid any other fees or incurred any fees that are payable to a third party in lieu of Directors' fees.
- 10.5.4 There will be variations in the estimated remuneration receivable by the Directors as a direct consequence of the Listing. This is not material.
- 10.5.5 The business of CA Sales, or any part thereof, is not managed, or proposed to be managed, by any third party under contract or arrangement.

10.6 Payments to Companies directly related to Directors

The Company has not, within three years preceding the date hereof, save for directors' fees as set out in paragraphs 10.3.2 and 17.1, (i) paid any amount in cash to or securities to any director or to any company or partnership syndicate or other association in which he is beneficially interested directly or indirectly, to induce him to become or qualify him as a director, not (ii) paid any sum in cash or securities to any director for services rendered by him or such company partnership syndicate or association in connection with the promotion or formation of the Company.

10.7 Consent of Directors

The Directors have consented to act as such and this consent has been submitted to the BSE and any other relevant authority to the extent required.

10.8 Directors' Opinion

It is the Directors' opinion that CA Sales is well-positioned in the current market. For the year ended to 31 December 2016 the Group performed in line with expectations and it is the Directors' opinion that the Company has good future prospects.

10.9 Directors' interests in transactions

The Directors have no direct or indirect beneficial interest in transactions which were unusual in their nature or conditions or material to the business of the Company during the current or previous financial year or during an earlier period and which remain outstanding or underperforming in any respect.

11. CORPORATE GOVERNANCE

The Company will comply with most of the principles of the King Report on Corporate Governance, insofar they are applicable and practicable for and to the Company. Recognising the need to conduct the business with integrity and in accordance with the South African Companies Act, the Company will maintain an Audit Committee comprising of no less than three independent non-executive directors of the Company, as well as a Social and Ethics Committee and a Remuneration Committee.

12. MANAGEMENT

The CA Sales local operations in Botswana are managed by the following key individuals:

Full Name	Title/ Occupation	Residential Address	Nationality	Three-year business experience
Claude Hassett	Managing Director	Plot 19 B, Impala Drive, Portion 9, Crocodile Pools Farm, Notwane, Gaborone	South African	Managing Director of CA Sales and Distributions since 2013
Kaushik Shah	Financial Director	Plot 39525, Block VI, Gaborone	Botswanan	Financial Director of CA Sales and Distributions since 1996
Vikas Mehta	Sales Director	Plot 54829, Unit BI, Block V, Gaborone	Botswanan	Sales Director of CA Sales and Distributions since 2016 before that Sales Director of Smithshine Enterprises
Frans Britz	Director	7 John Grovaz Street, Northcliff	South African	As per CA Sales Holdings management

13. DIVIDEND POLICY

The Company will target a full year dividend equal to 20% of the headline earnings for each year which will be declared at the board meeting following the conclusion and approval of the Annual Financial Statements, subject to a solvency and liquidity test.

The next dividend to be declared is estimated to be around R24 197 000, which is estimated to equate to R0.058 per share.

14. FORMATION, STRUCTURE AND SHARE CAPITAL HISTORY

The Company was incorporated as a private company according to the laws of South Africa on 7 December 2011 under registration number 2011/143100/07. On 8 August 2017 the Existing Shareholders resolved by Special Resolution that the Company be converted to a public company. CIPC approved the amended MOI as well as the conversion of the Company from a private company to a public company on 22 August 2017.

On 8 August 2017, the Existing Shareholders resolved to split the number of shares in issue on a ratio of 1 400 Shares for every Share held. In addition the Existing Shareholders also resolved to increase the authorised share capital of the Company from 1 000 000 Shares to 2 000 000 000 Shares.

Safe for the information set out above, the Company has not consolidated or sub-divided any shares in the preceding three years.

The Company proposes to list the total of 136 112 994 Shares on the main board of the BSE.

The table below sets out the effect of the Placing and the IPO.

	Shares
Number of Shares prior to the offer	405 400 800
Number of Shares post the offer and IPO	419 893 554
New Shares issued in Placing and IPO	14 492 754

15. ADEQUACY OF CAPITAL

The Directors are of the opinion that:

- the Company's stated capital will be adequate for the purposes of the business of the Company for the foreseeable future; and
- the income generated by the Company will be adequate cover for its current and foreseeable requirements.

16. PROMOTERS' FEES

No promoters' fee is to be paid on Listing. In addition no fees have been paid to promoters in the preceding two years.

17. SHARE CAPITAL

The stated share capital of the Company before and after issue the IPO:

Stated Capital before the Placing and the IPO

Authorised share capital

2 000 000 000 Ordinary Shares of no par value

Issued share capital

405 400 800 Ordinary Shares of no par value

Total

Stated Share Capital after the Placing and the IPO

Authorised share capital

2 000 000 000 Ordinary Shares of no par value

Issued share capital

419 893 554 Ordinary Shares of no par value

Total

All of the Ordinary Shares (including those to be issued in terms of this Prospectus) are of the same class and rank *pari passu* in every respect. Each ordinary share is entitled to one vote on a poll, at a meeting of shareholders. Each Ordinary share is entitled to an equal share in the distribution of profits.

The Company has not issued any preference shares or debentures.

17.1 Options or preferential rights in respect of Shares

The Company will be listed on the exchange operated by 4 Africa Exchange in South Africa before the listing on the BSE purely by introduction on the same set of information as set out in this Prospectus at a ZAR equivalent price of the Offer Price.

17.1.1 Save as set out below, following the Offer, there will be no contract or arrangement, either actual or proposed, whereby any option or preferential right of any kind has been given to any person to subscribe to Shares of the Company. Further, no deferred Shares have been awarded to Existing Shareholders of the Company or management.

CA Sales historically operated a single equity-settled share incentive scheme, being the share option scheme. In terms of the scheme, shares/share options are granted to executive directors.

In terms of the aforementioned scheme, shares/share options are allocated to participants on grant date at fair value. The settlement of the purchase consideration payable by the executive in terms of the shares granted occurs on delivery/vesting.

The total equity-settled share-based payment charge recognised in the statement of comprehensive income amounted to R3 928 207.

Type of arrangement	Executive share option scheme
Date granted	1 January 2015
Number granted	16 216 200
Contractual life	4 years
Vesting conditions	4 years' service

For the financial year ended 31 December 2016, the following CA Sales directors had been awarded shares in terms of this share incentive scheme:

Director	Opening balance of shares awarded at 1 January 2015	Vesting price per share	Number of shares awarded during the year	Number of shares exercised	Exercise price per share	Date shares granted	Closing balance of share options at 1 January 2016
Frans Britz	8 107 400	R1.86	-	-	R1.86	1 January 2015	8 107 400
Trevor Rogers	8 107 400	R1.86	-	-	R1.86	1 January 2015	8 107 400

Note:

Shares awarded under the Share Incentive Scheme vest over a five-year period from the grant date, namely:

- 25% thereof as at the second anniversary of the option grant date;
- 25% thereof as at the third anniversary of the option grant date;
- 25% thereof as at the fourth anniversary of the option grant date; and
- 25% thereof as at the fifth anniversary of the option grant date.

Any options not exercised at the end of the five-year period may be exercised by later than the end of the five-year period.

17.1.2 The Company has adopted the Share Incentive Scheme, which has, as its main object and purpose, the incentivisation and retention of employees of CA Sales. The terms of the Share Incentive Scheme are detailed in the CA Sales SIT Deed, which complies with the BSE Listings Requirements and which has been approved by the BSE. The Share Incentive Scheme was approved by Existing Shareholders on 8 August 2017 and will, following the Listing Date and the registration of the CA Sales SIT with the Master of the High Court in South Africa, be operated in terms of the CA Sales SIT Deed. The salient terms of the PFF SIT Deed appear in **Annexure 10**, while a copy of the document is available for inspection by Shareholders, as indicated in paragraph 23 below. The number of Shares that may be utilised for purposes of the Share Incentive Scheme will initially be limited to 20 000 000 Shares, being equal to 4.76% of the anticipated total issued share capital on the Listing, following the Share Issue.

To date, no rights have been awarded to Directors or other participants, and no Shares have been received by Directors or other participants, under the Share Incentive Scheme.

17.2 **Voting Rights**

In accordance with the MOI, at any general meeting, every holder of Shares present in person or by authorised representative or proxy shall have one vote on a show of hands and on a poll, every member present in person, by authorised representative or by proxy shall have one vote for every Share.

17.3 **Issues otherwise than for cash**

Save for as set out below, the Company and its subsidiaries did not issue any securities during the last three years.

On 1 January 2016, the Company concluded agreements with various Existing Shareholders to settle shareholder loans made to the Company in the aggregate amount of R337 713 023 by way of issuing an aggregate of 89 572 new Shares. The Shares were issued in proportion to the value of the shareholder loans.

17.4 **Offers to the public**

No offer has been made to the public for the sale of Shares during any period preceding the date of the issue of this Prospectus.

17.5 **Shares held by advisers and promoters**

None of the advisers set out in this Prospectus, nor any promoter (not being the Existing Shareholders), hold any Shares or have agreed to acquire any Shares, as at the date of this Prospectus.

17.6 **Variation of rights**

All of the Shares rank *pari passu* in every respect. Any variation of rights attaching to the Shares will require the approval of Shareholders in a general meeting in accordance with the MOI of CA Sales and the Listing Requirements of the BSE and the Act.

17.7 **Listing on Exchanges outside of Botswana**

The Company will be listed on the exchange operated by 4Africa Exchange in South Africa before listing on the BSE.

17.8 **Shares under the control of Directors**

The Existing Shareholders will propose to holders of the Shares, at the Annual General Meeting following the Listing to resolve that Shares equal in number to 15% of the number of Shares in issue at any time be placed under the control of the Directors for allotment and issue for cash or for acquisitions of complementary businesses. This authority is to stand until the Annual General Meeting, at which meeting authority will be sought to be renewed until the next Annual General Meeting.

The Existing Shareholders approved a resolution on 8 August 2017 that the directors of the Company be and are hereby authorised, by way of a general authority, to allot and issue any of the

Company's unissued shares for cash as they in their discretion may deem fit, without restriction, subject to the provisions of the Company's MOI, the Companies Act and the Listings Requirements of the BSE, provided that:

- the shares issued must be of a class in use;
- the shares must be issued to public shareholders;
- the general issues of shares for cash in the aggregate in any one financial year may not exceed 10% of the Company's issued share capital (number of securities) of that class, provided that such issues shall not in aggregate in any 36-month period (each of which commences on the first day of the financial year of the Company) exceed 15% of the Company's issued share capital of that class (in this calculation, the securities of a particular class will be aggregated with the securities which are compulsorily convertible into securities of that class; and, in the case of the issue of compulsorily convertible securities, aggregated with the securities of that class into which they are compulsorily convertible). The number of securities of a class which may be issued shall be based on the number of securities of that class in issue at the date of such application less any securities of the class issued during the current financial year or current and preceding two financial years (as applicable) provided that any securities of that class to be issued pursuant to a rights issue (announced and irrevocable and underwritten) or acquisition (concluded up to the date of application) may be included as though they were securities in issue at the date of application;
- the maximum discount at which securities may be issued is 10% of the weighted average traded price of those securities over the 30 days prior to the date that the price of the issue is determined or agreed by the Board. The relevant committee of the BSE should be consulted for a ruling if the Company's securities have not traded in such 30-day period;

17.9 Dividends and Interest not claimed

Dividends will be declared in Rands.

Any distribution of dividends Shares not claimed within three years of due date for payment shall be deemed abandoned and may become the property of the Company which shall be entitled to use the same for its benefit.

17.10 Controlling shareholder

PSG Africa Holdings Proprietary Limited has been the controlling shareholder of the Company since incorporation and will remain as such post the Listing.

18. PARTICULARS OF THE PLACING, PUBLIC OFFER AND LISTING

18.1 Time and date of the opening and closing of the IPO

The IPO will open at 09h00 on 12 October and will close at 15h30 on 1 November 2017.

18.2 Particulars of the Placement

The Existing Shareholders have sold, subject to the result of the IPO 121 620 240 Sale Shares to the Placees at a price of BWP3.45 per Share, on the basis that the sale between the Existing Shareholders and the Placees is conditional upon the listing of all the Shares of the Company upon the BSE and the transfer registered within four days of the Listing.

The Company will offer up to 27 222 599 Shares to the public in the IPO, as the balance has been fully subscribed for by the institutions already.

The Placees have accepted that the final allocation of Subscription Shares offered by the Company to each Placee, will be reduced *pro rata* by the number of Subscription Shares applied for by members of the public, pursuant to the IPO.

18.3 Particulars of the IPO

The Company will issue 14 492 754 Subscription Shares to members of the public who subscribe for same pursuant to the IPO at the Offer Price per Share, on the basis that such issue is conditional upon the granting by the BSE of a listing of all the Company's Shares on the BSE, with allotments registered on or within 2 days of the Listing.

The Subscription Shares to be taken up by the Placees will be reduced by the Subscription Shares taken up by the public pursuant to the IPO, amongst Placees, on a *pro rata* basis.

18.4 **Application and completion of application forms in terms of the Public Offer**

Applications will only be accepted on the following conditions:

- Only one application in terms of the Offer may be made by any applicant.
- Applications may only be made on the relevant application form that accompanies this Prospectus. Copies of the application form will not be accepted.
- Applications are irrevocable and may not be withdrawn once received by the Transfer Secretaries.
- Applications must be for a minimum of 200 Shares and in multiples of 100 Shares thereafter.
- The Directors reserve the right to alter, relax or waive any of the terms and conditions with respect to the making of the applications as they, in their sole discretion may deem fit.

18.5 **Submission of applications and payment**

Application forms may be delivered by hand, marked "CA Sales" to the Receiving Bank or Transfer Secretaries at Acumen Park, Plot 50370, Fairgrounds, Gaborone or posted, at the risk of applicant, marked "CA Sales" to reach the Transfer Secretaries, PO Box 1157, Gaborone, Botswana, by 15h30 on the closing date 1 November 2017. Application forms should be accompanied by payment of the total price of the Shares applied for, by way of electronic funds transfer to (Account name: CA Sales Holdings Limited, Account number: 62719037203 at First National Bank Botswana, Branch name and number: RMB Botswana, 287867, SWIFT Code: FIRNBWGX) with the instructions "Charges to Payer", and with reference to the payer's unique reference number (without which the funds will not be credited to the Issuers receiving account and the application will be rejected) and the payer's name and number of Shares for which tender is made, or a cheque or bankers' draft, crossed "not negotiable" and drawn in favour of "CA Sales Offer". Such cheques and/or bankers' drafts will be deposited immediately for payment and will be held by the Receiving Bank. If any cheques or payments are not honoured, the application will be rejected.

18.6 **Statement as to listing on the BSE**

Subject to obtaining a spread of Shareholders acceptable to the BSE, the Committee of the BSE has granted a listing for 419 893 554 issued Shares of the Company, from 9 November 2017.

18.7 **Minimum subscription**

Collectively, the Existing Shareholders and the Company require to place a minimum of 84 978 711 Shares pursuant to the Placing and the Offer, in order to ensure that the Company will meet the minimum Listings Requirements of the BSE.

By virtue of the irrevocable commitment of Placees to subscribe for all of the Subscription Shares the Company is assured of realising BWP50 million in order to fund the costs of the Listing as well as to fund future expansion.

18.8 **Allocation**

The Existing Shareholders and Directors in accepting an offer and making allotment of Shares to members of the public who apply pursuant to the IPO, may give preference to individual citizens.

18.9 **Oversubscription**

In the event of oversubscription of the IPO, the Existing Shareholders and Board of Directors, seeking, as a primary objective, the achievement of a broad and balanced shareholder base, will allocate to each applicant the number of Shares applied for up to 136 112 994 Shares in aggregate, and thereafter may allocate Shares to each applicant *pro rata* the number of Shares applied for. Payment of refunds will be made electronically if details are provided, or alternatively by cheque, posted at the risk of the applicant on or before 9 November 2017.

18.10 **Underwriting**

By virtue of the fact that the Placees have committed irrevocably to subscribe for all the Sale Shares and Subscription Shares offered by the Existing Shareholders and the Company, and accepted

that the amount of Shares for which they subscribe will be reduced by the number of Shares applied by members of the public pursuant to the IPO, there is no need for an underwriting, as the Company and the Existing Shareholders are assured that all the Sale Shares and Subscription Shares on offer will be taken up.

18.11 Dematerialised form of Shares

Placees and members of the public applying for Shares in terms of the Offer will receive their Shares in dematerialised form. It will be necessary for any person seeking to subscribe for or purchase Shares to have opened CSDB Accounts with the CSDB and cause such CSDB Securities Account to be credited with the Shares they have purchased or they have been allocated in terms of the Offer.

18.12 Proceeds of the Offer

The proceeds of the offer will not necessarily be applied to any acquisitions of subsidiaries or business undertaking concluded in the previous five years.

19. MATERIAL OCCURRENCES AND CONTRACTS

There are no material occurrences and contracts that have been entered into by the Company during the two years preceding the date of issue of this Prospectus, other than in the ordinary course of business.

20. GENERAL

20.1 Directors' responsibility statement

The Directors, whose names are given in paragraph 10.1 of this Prospectus, collectively and individually accept full responsibility for the accuracy of the information given, and certify that to the best of their knowledge and belief there are no other facts the omission of which would make any statement false or misleading, that they have made all reasonable enquiries to ascertain such facts and that the Prospectus contains all information required by law. The Directors confirm that the Prospectus includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) as investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of CA Sales and of the rights attaching to the securities to which the Prospectus relates.

20.2 Working capital statement

The Board of CA Sales is of the opinion that the working capital resources of CA Sales is sufficient for CA Sales' current working capital requirements and will be adequate for a minimum period of 18 months from the date of issue of this Prospectus.

20.3 Litigation

As at the date hereof the Company is not subject to any litigation, arbitration or legal proceedings other than debt collection in the normal course of business.

20.4 Preliminary expenses

The expenses borne by the Company for the offer and listing of the Company are estimated at approximately BWP3.5 million (excluding VAT) and comprise payments relating to the services as set out:

	BWP
Legal	149 500
Sponsoring broker	122 447
Reporting accountants	232 560
Bookrunner and Corporate Advisor	2 690 537
BSE	100 000
Marketing and printing of Prospectus	65 000
Transfer Secretaries	57 000
Receiving Bank	0
Contingency	82 956
Total	3 500 000

21. REGISTRATION OF PROSPECTUS

A copy of this Prospectus is to be registered by the Companies and Intellectual Property Authority at Gaborone on **11 October** 2017 in terms of section 308 of the Act, together with:

- The written consents of the Reporting Accountants and to the publication of their report/s and references thereto in the form and context in which they are included in this Prospectus which consents have not been withdrawn; and
- The written consents of the legal advisor, corporate advisors and sole bookrunner, sponsoring broker, Transfer Secretaries and Receiving Bank named in this Prospectus to act in those capacities which consents have not been withdrawn.

An application has been made and conditional approval given for the listing of 136 112 994 Shares on the BSE.

22. BSE DISCLAIMER

The BSE's approval of the listing of Shares of the Company should not be taken as an indication of the merits of the Company. The BSE has not verified the accuracy and truth of the contents of the documentation submitted to it and the BSE accepts no liability of whatever nature for any loss, liability, damage or expense resulting directly or indirectly from investment in the Company.

23. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company and at the office of the legal advisor, at any time during business hours on weekdays, excluding Botswana public holidays, from the date of opening of the Offer on 12 October 2017, to the close of the Offer on 1 November 2017.

- MOI of the Company;
- The signed reports of PricewaterhouseCoopers, Certified Public Accountants, the texts of which are included in Annexure 2 to this Prospectus;
- The written consents of the Reporting Accountants to the publication of their reports and references thereto in the form and context in which they are included in this Prospectus which consents have not been withdrawn;
- Directors' service agreements;
- A copy of the Share Incentive Rules;
- The written consents of the legal advisor, corporate advisor and sole bookrunner, sponsoring broker, Transfer Secretaries and Receiving Bank named in this Prospectus to act in those capacities which consents have not been withdrawn;
- The audited financial statements of the Company as at 31 December 2012, 2013, 2014, 2015 and 2016; and
- Unaudited, unreviewed interim results of the Company for the six-month period as at 30 June 2017.

24. PARAGRAPHS OF THE TENTH SCHEDULE OF THE BOTSWANA COMPANIES ACT NO. 32 OF 2004 WHICH ARE NOT APPLICABLE

Section 24 of Part I, sections 26, 27 and 28 of Part II and the whole of Part III are not applicable.

Dated at Johannesburg this 11th day of October 2017

J Holtzhausen
(Chairman)

F Britz
(Director)

HISTORICAL FINANCIAL STATEMENTS FOR CA SALES

Set out below are extracts from the audited financial statements of CA Sales for the financial years ended 31 December 2015 and 31 December 2016. These extracts are the responsibility of the directors. The financial statements from which the information below was extracted were prepared in accordance with the Companies Act and International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board and which were audited by PWC, who issued an unqualified audit opinion thereon. The audited financial statements for the periods ended 31 December 2015 and 31 December 2016 are available for inspection at the Company's registered offices. The reporting accountant's report on this historical financial information is presented in Annexure 2.

[SUBMITTED AS A SEPARATE DOCUMENT]

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
for the year ended 31 December 2016

		Group	
	Notes	2016 R'000	2015 R'000
ASSETS			
Non-current assets		682 331	710 829
Property, plant and equipment	2	97 129	84 645
Intangible assets	3	533 939	534 571
Investment in subsidiaries	4	–	–
Investments accounted for using the equity method	5	29 261	69 260
Deferred income tax assets	14	6 002	6 353
Loans and advances	6	16 000	16 000
Current assets		1 089 679	1 007 355
Inventories	7	277 777	290 276
Trade and other receivables	8	627 840	595 999
Income tax receivables		1 184	1 174
Cash and cash equivalents	9	182 878	119 906
Total assets		1 772 010	1 718 184
EQUITY AND LIABILITIES			
Stated capital	10	708 944	371 231
Shareholders' equity contributions	11	–	337 713
Other reserves	12	14 042	21 901
Retained earnings		236 122	121 322
		959 108	852 167
Non-controlling interest	4	66 712	54 522
Total equity		1 025 820	906 689
Non-current liabilities		29 145	51 002
Borrowings	13	24 484	42 527
Deferred income tax liabilities	14	4 661	8 475
Current liabilities		717 045	760 493
Trade and other payables	15	593 372	567 266
Income tax payable		6 832	8 325
Borrowings	13	116 841	184 902
Total liabilities		746 190	811 495
Total equity and liabilities		1 772 010	1 718 184

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2016

		Group	
	Notes	2016 R'000	2015 R'000
Revenue		4 030 606	3 585 284
Cost of sales		(3 401 698)	(3 017 236)
Gross profit		628 908	568 048
Other operating expenses		(445 768)	(417 822)
Other operating income	16	12 105	6 577
Operating profit	16	195 245	156 803
Share of (loss)/profit of investments accounted for using the equity method	5	(5 274)	12 187
Profit before financing		189 971	168 990
Finance income	18	4 889	3 105
Finance costs	18	(16 210)	(20 097)
Profit before income tax		178 650	151 998
Income tax	19	(42 227)	(34 739)
Profit for the year from continuing operations		136 423	117 259
Other comprehensive income:			
<i>Items that may be classified to profit or loss</i>			
Currency translation differences		(12 302)	17 151
Share of other comprehensive income of associated companies		295	(338)
Total comprehensive income for the year		124 416	134 072
Profit attributable to:			
– Owners of the parent		109 882	87 257
– Non-controlling interests		26 541	30 002
		136 423	117 259
Total comprehensive income attributable to:			
– Owners of the parent		98 093	104 070
– Non-controlling interests		26 323	30 002
Total comprehensive income for the year		124 416	134 072
Earnings per share (Rand)		379.46	436.29

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2016**

GROUP	Notes	Stated capital R'000	Shareholders' equity contributions R'000	Other reserves R'000	Retained income R'000	Total attributable to the owners R'000	Non- controlling interest R'000	Total equity R'000
Balance at 1 January 2015		371 231	337 713	5 088	44 065	758 097	37 932	796 029
Profit for the year		-	-	-	87 257	87 257	30 002	117 259
Other comprehensive income for the year:								
Currency translation differences		-	-	17 151	-	17 151	-	17 151
Share of other comprehensive income of associated companies	5	-	-	(338)	-	(338)	-	(338)
Transactions with owners: Dividends declared		-	-	-	(10 000)	(10 000)	(13 412)	(23 412)
Balance as at 31 December 2015		371 231	337 713	21 901	121 322	852 167	54 522	906 689
Balance at 1 January 2016		371 231	337 713	21 901	121 322	852 167	54 522	906 689
Profit for the year		-	-	-	109 882	109 882	26 541	136 423
Other comprehensive income for the year:								
Currency translation differences	12	-	-	(12 082)	-	(12 082)	(218)	(12 300)
Share of other comprehensive income of associated companies	5	-	-	295	-	295	-	295
Transactions with owners: Subscription shares		337 713	(337 713)	-	-	-	-	-
Share-based payment costs	12	-	-	3 928	-	3 928	-	3 928
Acquisition of subsidiary		-	-	-	-	-	5 410	5 410
Transaction with non-controlling interest		-	-	4 918	-	4 918	(11 268)	(6 350)
Dividends declared		-	-	-	-	-	(8 275)	(8 275)
Balance as at 31 December 2016		708 944	-	14 042	236 122	959 108	66 712	1 025 820

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2016

		Group	
	Notes	2016 R'000	2015 R'000
Cash flow from operating activities			
Cash receipts from customers		3 982 396	3 523 361
Cash paid to suppliers and employees		(3 724 109)	(3 402 233)
Cash generated from operating activities	21	258 287	121 128
Interest paid		(16 210)	(20 097)
Income taxes paid	22	(48 875)	(48 389)
Net cash generated from operating activities		193 202	52 642
Cash flow from investing activities			
Acquisition of subsidiaries	23	(13 998)	–
Additions to property, plant and equipment	2	(43 814)	(24 903)
Acquisition of intangible assets	3	(1 362)	–
Proceeds from disposal of plant and equipment		6 684	5 212
Acquisition of associated companies	5	(300)	(28)
Loans repaid/granted to associate companies	6	6 000	(6 016)
Proceeds from disposal of associated company	6	10 000	–
Dividends received		1 294	1 158
Interest received		4 905	3 105
Net cash outflow from investing activities		(30 591)	(21 472)
Cash flows from financing activities			
Dividend paid		(9 598)	–
Dividends paid to non-controlling interests		(8 275)	(13 944)
Repayments of borrowing		(115 404)	(18 402)
Proceeds from borrowings		14 687	10 702
Net cash outflow from financing activities		(118 590)	(21 644)
Net increase in cash and cash equivalents		44 021	9 526
Effects of exchange rate changes on cash and cash equivalents		(1 776)	3 805
Cash and cash equivalents at beginning of the year		90 150	76 819
Cash and cash equivalents at end of the year	9	132 395	90 150

ACCOUNTING POLICIES
for the year ended 31 December 2016

GENERAL INFORMATION

CA Sales Holdings Proprietary Limited (“the company”) is incorporated in South Africa “domiciled in South Africa and its subsidiaries (together “the group”) are incorporated in South Africa “domiciled in South Africa, incorporated in Botswana “domiciled in Botswana”, incorporated in Namibia “domiciled in Namibia” and incorporated in Swaziland “domiciled in Swaziland”. The companies operates as agents involved in the sale of consumer products. The address of the company’s registered office is 1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, 7600, South Africa.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

BASIS OF PREPARATION

The consolidated financial statements of CA Sales Holdings Proprietary Limited have been prepared in accordance with International Financial Reporting Standards, IFRIC interpretations and the Companies Act of South Africa. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in the note on “Critical accounting estimates and judgements”.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

(a) ***New and amended standards adopted by the group***

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2016 that would be expected to have a material impact on the group.

International Financial Reporting Standards and amendments effective for the first time for 31 December 2016 year-end.

Topic	Key requirements	Effective date
Amendments to IFRS 10, “Consolidated financial statements” and IAS 28, “Investments in associates and joint ventures” on applying the consolidation exemption	The amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.	1 January 2016
Amendment to IFRS 11, “Joint arrangements” on acquisition of an interest in a joint operation	This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.	1 January 2016
Amendments to IAS 1, “Presentation of financial statements” disclosure initiative	In December 2014 the IASB issued amendments to clarify guidance in IAS 1 on materiality and aggregation, the presentation of sub-totals, the structure of financial statements and the disclosure of accounting policies.	1 January 2016

Topic	Key requirements	Effective date
Amendment to IAS 16, "Property, plant and equipment" and IAS 38, 'Intangible assets', on depreciation and amortisation	In this amendment the IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.	1 January 2016
Amendments to IAS 27, "Separate financial statements" on equity accounting	In this amendment the IASB has restored the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.	1 January 2016

Annual improvements 2014, issued September 2014

In September 2014, the IASB issued annual improvements to IFRSs 2012 – 2014 Cycle, which contains five amendments to four standards, excluding consequential amendments. The amendments are effective for the first time for 31 December 2016 year-end:

Topic	Key requirements	Effective date
IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations	This is an amendment to the changes in methods of disposal – Assets (or disposal groups) are generally disposed of either through sale or through distribution to owners. The amendment to IFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.	1 January 2016
IFRS 7 – Financial Instruments: Disclosures	Applicability of the offsetting disclosures to condensed interim financial statements. The amendment removes the phrase "and interim periods within those annual periods" from paragraph 44R, clarifying that these IFRS 7 disclosures are not required in the condensed interim financial report. However, the Board noted that IAS 34 requires an entity to disclose "an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period". Therefore, if the IFRS 7 disclosures provide a significant update to the information reported in the most recent annual report, the Board would expect the disclosures to be included in the entity's condensed interim financial report.	1 January 2016

Topic	Key requirements	Effective date
IFRS 7 – Financial Instruments: Disclosures	Servicing contracts – The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in paragraphs IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required.	1 January 2016
IAS 19 – Employee Benefits	Discount rate: regional market issue – The amendment to IAS 19 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.	1 January 2016
IAS 34 – Interim Financial Reporting	Disclosure of information “elsewhere in the interim financial report”. The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The Board specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.	1 January 2016

International Financial Reporting Standards, interpretations and amendments issued but not effective for 31 December 2016 year-end

Topic	Key requirements	Effective date
Amendment to IAS 12 – Income taxes	<p>The amendments were issued to clarify the requirements for recognising deferred tax assets on unrealised losses. The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets.</p> <p>The amendments clarify the existing guidance under IAS 12. They do not change the underlying principles for the recognition of deferred tax assets.</p>	1 January 2017

Topic	Key requirements	Effective date
Amendment to IAS 7 – Cash flow statements	<p>In January 2016, the International Accounting Standards Board (IASB) issued an amendment to IAS 7 introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.</p> <p>The amendment responds to requests from investors for information that helps them better understand changes in an entity's debt. The amendment will affect every entity preparing IFRS financial statements. However, the information required should be readily available. Preparers should consider how best to present the additional information to explain the changes in liabilities arising from financing activities.</p>	1 January 2017
Amendments to IFRS 2 – Share-based payments	<p>This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.</p>	1 January 2018
Amendment to IFRS 15 – Revenue from contracts with customers	<p>The IASB has amended IFRS 15 to clarify the guidance, but there were no major changes to the standard itself. The amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and principal versus agent assessment (gross versus net revenue presentation). New and amended illustrative examples have been added for each of these areas or guidance. The IASB has also included additional practical expedients related to transition to new revenue standard.</p>	1 January 2018
IFRS 15 – Revenue from contracts with customers	<p>The FASB and IASB issued their long awaited converged standard on revenue recognition on 29 May 2014. It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of good or service transfers to a customer.</p>	1 January 2018

Topic	Key requirements	Effective date
IFRS 9 – Financial Instruments (2009 and 2010) <ul style="list-style-type: none"> • Financial liabilities • Derecognition of financial instruments • Financial assets • General hedge accounting 	<p>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.</p> <p>The IASB has updated IFRS 9, "Financial instruments" 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.</p> <p>The IASB has amended IFRS 9 to align hedge accounting more closely with an entity's risk management. The revised standard also establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39.</p> <p>Early adoption of the above requirements has specific transitional rules that need to be followed. Entities can elect to apply IFRS 9 for any of the following:</p> <ul style="list-style-type: none"> • The own credit risk requirements for financial liabilities. • Classification and measurement (C&M) requirements for financial assets. • C&M requirements for financial assets and financial liabilities. • The full current version of IFRS 9 (that is, C&M requirements for financial assets and financial liabilities and hedge accounting). <p>The transitional provisions described above are likely to change once the IASB completes all phases of IFRS 9.</p>	1 January 2018

Topic	Key requirements	Effective date
IFRS 16 – Leases	<p>This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular.</p> <p>Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a “right-of-use asset” for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees.</p> <p>For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard.</p> <p>At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.</p> <p>IFRS 16 supersedes IAS 17, “Leases”, IFRIC 4, “Determining whether an Arrangement contains a Lease”, SIC 15, “Operating Leases – Incentives” and SIC 27, “Evaluating the Substance of Transactions Involving the Legal Form of a Lease”.</p>	1 January 2019

Topic	Key requirements	Effective date
IFRIC 22, Foreign currency transactions and advance consideration	This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payment/receipts are made. The guidance aims to reduce diversity in practice.	1 January 2018
Annual improvements 2014 – 2016	<p>These amendments impact three standards:</p> <ul style="list-style-type: none"> • IFRS 1, “First-time adoption of IFRS”, regarding the deletion of short-term exemptions for first-time adopters regarding IFRS 7, IAS 19, and IFRS 10. • IFRS 12, “Disclosure of interests in other entities” regarding clarification of the scope of the standard. The amendment clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information (para B17 of IFRS 12). Previously, it was unclear whether all other IFRS 12 requirements were applicable for these interests. These amendments should be applied retrospectively. • IAS 28, “Investments in associates and joint ventures” regarding measuring an associate or joint venture at fair value. IAS 28 allows venture capital organisations, mutual funds, unit trusts and similar entities to elect measuring their investments in associates or joint ventures at fair value through profit or loss (FVTPL). The Board clarified that this election should be made separately for each associate or joint venture at initial recognition. 	<p>1 January 2018</p> <p>1 January 2017</p> <p>1 January 2018</p>
Amendments to IFRS 10, “Consolidated financial statements” and IAS 28, “Investments in associates and joint ventures” on sale or contribution of assets	<p>The postponement applies to changes introduced by the IASB in 2014 through narrow-scope amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”. Those changes affect how an entity should determine any gain or loss it recognises when assets are sold or contributed between the entity and an associate or joint venture in which it invests. The changes do not affect other aspects of how entities account for their investments in associates and joint ventures. The reason for making the decision to postpone the effective date is that the IASB is planning a broader review that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.</p>	Postponed (initially 1 January 2016)

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

CONSOLIDATION

Group financial statements

The group annual financial statements comprise those of the company, its subsidiaries and associated companies.

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.

The acquisition method of accounting is used to account for business combinations by the group. The consideration transferred for the acquisition of a subsidiary 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 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.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Investments in subsidiaries in the company's stand-alone financial statements are accounted for at cost less impairment. These investments include any intergroup loans receivable, which represent by nature a further investment in the subsidiary. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

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 identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured 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 income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. In addition, unrealised losses are considered to be an indicator of impairment. Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with the policies adopted by the group.

Transactions and non-controlling interests

The group treats transactions with non-controlling interests that do not result in loss in control as transactions with equity owners of the group. For purchases from non-controlling interests is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Associated companies

Associated companies are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associated companies are accounted for by the equity method of accounting and are initially recognised at cost. The group's investment in associated companies includes goodwill identified on acquisition, net of any accumulated impairment loss.

Where equity securities are transferred to investment in associated companies upon gaining significant influence ("step acquisition"), the investment is transferred at its fair value. Goodwill is calculated at each stage of step acquisitions.

Certain associated companies have year-ends that differ from that of the group. The results of associated companies are accounted for according to the equity method, based on their most recent published audited financial statements or latest management information. Equity accounting involves recognising the group's share of its associated companies' post-acquisition profits or losses in the income statement, and its share of post-acquisition movements in other comprehensive income and movements in other reserves, in the statement of 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 associated company equals or exceeds its interest in the associated company including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associated company.

Unrealised gains on transactions between the group and its associated companies are eliminated to the extent of the group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Cross-holdings between the group and its associates are eliminated in accordance with normal consolidation procedure. Associates' accounting policies have been changed, where necessary, to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising in investment in associated companies are recognised in the income statement.

After applying the equity method, investments in associated companies are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If the ownership interest in an associated company is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Loans to associated companies are disclosed as part of the carrying amount of the investment.

The company accounts for investment in associated companies at cost less provision for impairment.

FOREIGN CURRENCY TRANSLATION

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 and the group's presentation currency. All financial information presented in South African rand has been rounded to the nearest thousand.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. 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 the statement of comprehensive income, except when deferred in equity 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 “finance income or expense”. All other foreign exchange gains and losses are presented in the statement of comprehensive income within “Other operating income or expenses – net”.

Group companies

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

- Income and expenses 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 dates of the transactions).
- Assets and liabilities are translated at the closing rate at the date of the statement of financial position.
- All resulting exchange differences are recognised in the statement of comprehensive income and as a separate component of equity.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. 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. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated on the straight-line method at rates considered appropriate to reduce book values to estimated residual values over the useful lives of the assets, as follows:

Office equipment	3 – 10 years
Computer equipment	3 – 5 years
Vehicles, plant and machinery	4 – 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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.

Any gain or loss on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

INTANGIBLE ASSETS

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary/associated company at the date of acquisition. Goodwill is reported in the statement of financial position as an intangible asset. Goodwill on acquisition of associated companies is included in investments in associated companies. Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The group's cash-generating units are not larger than operating segments.

An excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities arises where the net assets of a subsidiary or associate at the date of acquisition, fairly valued, exceed the cost of the acquisition. This excess arising on acquisitions is taken directly to income.

Customer lists

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over their estimated useful lives ranging between two and five years or using an attrition rate ranging between three and five years, which reflect the expected life of the book of business acquired. The carrying amount is reviewed for impairment when an impairment indicator is identified.

Computer software and other internally generated intangible assets

Costs associated with maintaining computer software programmes and other internally generated intangible assets are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique items controlled by the group, are recognised as intangible assets when all of the following criteria are met:

- it is technically feasible to complete the item so that it will be available for use;
- management intends to complete the item and use or sell it;
- there is an ability to use or sell the item;
- it can be demonstrated how the item will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the item are available; and
- the expenditure attributable to the item during its development can be reliably measured.

Directly attributable costs that are capitalised as part of such items include development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. These intangible assets are amortised using the straight-line method over their estimated useful lives, which range between two and 10 years.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

FINANCIAL ASSETS

Classification

The group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

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 maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the balance sheet (notes 8 and 9).

Available-for-sale financial assets

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

RECOGNITION AND MEASUREMENT

Purchases and sales of financial assets are recognised on trade date – the date on which the group commits to purchase or sell the asset. Financial assets not carried at fair value through profit or loss, are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are included in the statement of comprehensive income in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of comprehensive income as gains and losses from investment activities.

Interest on available-for-sale securities calculated using the effective-interest method is recognised in the statement of comprehensive income as part of investment income. Dividends on available-for-sale equity instruments are recognised in the statement of comprehensive income as part of investment income when the group’s right to receive payment is established.

The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the group establishes fair value by using valuation techniques. These include the use of recent arm’s length transactions, reference to other instruments that are substantially the same, and discounted cash flow analysis refined to reflect the issuer’s specific circumstances.

Loans and receivables are carried at amortised cost using the effective interest method. Specific provisions are made against identified doubtful receivables.

Loans advanced to associated companies and subsidiaries, which are interest-free with no repayment terms, are carried at amortised cost using the effective interest method.

The group does not apply hedge accounting.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

IMPAIRMENT OF FINANCIAL ASSETS

(a) 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 a 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 event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

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 (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

(b) Assets classified as available for sale

For debt securities, if any such evidence exists, 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. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated statement of comprehensive income.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists, 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 the consolidated statement of comprehensive income on equity instruments are not reversed through the consolidated statement of comprehensive income.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are recognised initially at fair value on the date on which a derivative contract is entered into. Subsequent to initial recognition, derivative financial instruments are measured at fair value through profit and loss. Fair values of over-the-counter derivatives are obtained using valuation techniques, including discounted cash flow models and option pricing models.

The best evidence of fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only observable market data.

INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is substantially determined on the first-in-first out basis and includes expenditure in acquiring and transporting the inventory to its present location net of discount and rebates received.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

TRADE RECEIVABLES

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference

between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, other deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the statement of financial position.

STATED CAPITAL

Stated capital consists solely of ordinary share capital. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

FINANCIAL LIABILITIES

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity. Financial liabilities include borrowings, derivative financial liabilities, accrual for other liabilities and charges, and trade and other payables.

Recognition and measurement

Financial liabilities are initially recognised at fair value less transaction costs that are directly attributable to the raising of the funds, for all financial liabilities carried at amortised cost. All financial liabilities measured at fair value through profit or loss are initially recognised at fair value. The best evidence of the fair value at initial recognition is the transaction price (i.e. the fair value of the consideration received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets.

BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest 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 there is no evidence that it is probable that some or all of the facility will 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.

TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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

PROVISIONS AND CONTINGENT LIABILITIES

Provisions

Provisions are recognised when:

- the group has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

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. The increase in the provision due to passage of time is recognised as an interest expense.

Contingent liabilities and assets

A contingent liability is either a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. These contingent liabilities are not recognised in the statement of financial position but disclosed in the notes to the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. These contingent assets are not recognised in the statement of financial position but are disclosed in the notes to the financial statements if the inflow of financial benefits is probable.

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 are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

The group leases certain property, plant and equipment. Leases of property, plant and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

CURRENT AND DEFERRED INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in 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 laws enacted or substantively enacted at the statement of financial position date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting

nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position 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 relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Dividend withholding tax is not levied on the company but on the beneficial owner of the share and accordingly does not require recognition in profit or loss. Dividends tax withheld by the company on dividends paid to its shareholders (who do not qualify for an exemption from dividends tax) and payable at the reporting date to the South African Revenue Service (where applicable) is included in trade and other payables in the statement of financial position.

EMPLOYEE BENEFITS

Annual leave

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated annual leave as a result of services rendered by employees up to the reporting date.

Profit-sharing and bonus plans

The group recognises a liability and an expense for bonus plans and profit-sharing, where contractually obliged, or where there is a past practice that has created a constructive obligation.

Botswana severance benefits

For employees who are citizens of Botswana, the group has implemented the requirements of the Botswana Labour Act relating to severance benefit scheme. For employees who are non-citizens of Botswana, the group pays gratuity in accordance with the respective contracts of employment.

Share-based compensation

CA Sales Holdings Proprietary Limited operates a single equity-settled share-based payment scheme.

For the share incentive schemes, the fair value of the executive services received in exchange for the grant of the scheme shares/share options, less the amount paid by the executive, is recognised as an expense. The total amount to be expensed over the vesting period, which is four years, is determined by reference to the fair value of the scheme shares/share options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of scheme shares/share options that are expected to become exercisable. At each reporting date, the entity revises its estimates of the number of scheme shares/share options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

If the group cancels or settles a grant of equity instruments during the vesting period, the group accounts for the cancellation or settlement of the grant and recognises immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

The share-based payment costs are recognised in the income statement and a share-based payment reserve is recognised as part of equity and represents the fair value at grant date of the shares/share options that will be delivered on vesting.

REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The group recognises revenue when the amount of 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. The group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of goods

The sale of goods is recognised when a group entity has delivered products to the customer, the customer has accepted the products and all risks and rewards associated with them, there is no further group management involvement in the products and collectability of the related receivables is reasonably assured.

Sale of goods – retail

Sale of goods are recognised when the group sells a product to the customer. Retail sales are usually in cash or by credit card.

Sale of services

Sale of services is recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of actual service provided as a proportion of the total services to be provided.

DIVIDEND INCOME

Dividends are recognised as income, when the group's right to receive payment has been established.

INTEREST INCOME

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

DIVIDEND DISTRIBUTION

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.

EXCEPTIONAL ITEMS

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

EARNINGS PER SHARE

Basic earnings per share is expressed in cents and is based on the net profit attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year, excluding ordinary shares purchased by the company (treasury shares).

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares (incentive shares).

Headline earnings is earnings as determined by IAS 33, excluding "separately identifiable remeasurements" (as defined in SAICA Circular 2/2013), net of related tax (both current and deferred) and related non-controlling interest, other than remeasurements specifically included in headline earnings "included remeasurements" (as defined in SAICA Circular 2/2013).

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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 that affect the reported amounts of assets and liabilities within the next financial year.

Estimated impairment of goodwill

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy on goodwill. The recoverable amounts of cash-generating units have been determined based on value-in-use and fair value less cost to sell calculations. These calculations require the use of estimates (see note 3 for further detail and disclosure of estimates used).

Impairment of investment in associated companies

An impairment of investment in associated companies is considered when the fair value is below its carrying value. In determination of whether the decline is significant or prolonged, the following factors may be considered: the financial health of the investee, sector performance and changes in operational and financing cash flow.

An impairment loss is recognised for the amount by which the investment in the associated company's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The value in use is calculated with reference to the assumptions set out below.

An asset's fair value less costs to sell is determined with reference to its market price, and its value in use is determined with reference to assessing the fair value of underlying investments or valuation techniques. Valuation techniques used include applying a market-related price/earnings ratio, ranging between four and eight, to operational earnings or performing discounted cash flow models to the expected cash flows. The assumptions used in performing discounted cash flow models include a weighted average cost of capital (discount rate), growth rate, terminal growth rate and risk free rate to determine the value of the asset. If the assumptions used are considered to be significant further disclosure is made in the notes of intangible assets.

The directors are satisfied that the group's investment in associated companies is fairly stated. Refer to note 5 for further detail.

Acquisition of associated companies

Details regarding significant new investments in associated companies are disclosed in note 5. In accounting for these transactions management had to apply judgement in allocating the purchase price to the identifiable assets and liabilities of the associated companies acquired.

Recognition of intangible assets

With a business combination all identifiable assets are recognised at their respective fair values in the consolidated financial statements. The fair values of intangible assets acquired through business combinations are determined by using a discounted cash flow valuation method. The discount rate is based on the long-term risk-free rate with risk premiums added for market and other company and asset specific risks.

Customer lists acquired through business combinations or acquisitions are valued on acquisition using discounted cash flow methodology based on assumptions and estimates regarding future revenue growth, weighted cost of capital, marketing costs and other economic factors affecting the value in use of these intangible assets. These assumptions reflect management's best estimates but are subject to inherent uncertainties, which may not be controlled by management.

The cost of customer lists is amortised over the estimated useful lives. The remaining useful lives of intangible assets are reassessed annually. If the estimate of the remaining useful lives change, the remaining carrying values are amortised prospectively over the revised remaining useful life.

The main assumptions used in the valuation of key customer lists are the useful lives of these assets and the future profitability and cancellation rate of the underlying revenue streams. The useful life of a key customer list is estimated based on the cancellation experience of the existing business and the useful life

of customer lists of other players in the market. For the key customer lists, a useful life between two and five years is recognised and an average cancellation rate of between 10% and 12% is assumed.

Future profit margins, used in determining customer contracts and relationships values, were consistent with the margins applied in determining the fair value of the related investment. Refer to the intangible asset accounting policy and note 3 for further detail.

Recognition of property, plant and equipment

The cost of property, plant and equipment is depreciated over the estimated useful lives to the estimated residual values. The remaining useful lives and residual values of property, plant and equipment are reassessed annually. If the estimates of the remaining useful lives or residual values change, the remaining carrying values are depreciated prospectively, taking into account the revised estimates. Refer to the property, plant and equipment accounting policy and note 2 for further detail.

Recoverability of trade receivables

Management assesses impairment of trade receivables on an ongoing basis. An impairment allowance in respect of doubtful debts is raised against trade receivables when the collectability is considered to be doubtful. Management believes that the impairment adjustment is conservative and there are no significant trade receivables that are doubtful and have not been impaired or adequately provided for. In determining whether a particular receivable could be doubtful, the age, customer's current financial status and disputes with the customer are taken into consideration.

Income taxes

The group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2016

1. FINANCIAL RISK MANAGEMENT

1.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk and fair value interest rate risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Risk management is carried out by each major entity within the group under policies approved by the respective boards of directors. Each major entity's board of directors provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

Financial instruments are grouped into the following classes in order to facilitate effective financial risk management and disclosure in terms of IFRS 7: Financial Instruments: Disclosures.

	Group	
	2016	2015
	R'000	R'000
Classes of financial assets		
Trade receivables	614 081	565 871
Sundry debtors	7 774	15 309
Total receivables	621 855	581 180
Loans and advances	16 000	16 000
Loans and other receivables	3 788	15 535
Loans to associated companies	19 788	31 535
Cash and cash equivalents	182 878	119 906
Total financial assets – IFRS 7	824 521	732 621
Classes of financial liabilities		
Bank overdrafts	50 483	29 756
Loans	90 842	197 673
Total borrowings	141 325	227 429
Accounts payable and accruals	540 058	483 656
Total trade and other payables	540 058	483 656
Total financial liabilities – IFRS 7	681 383	711 085

	Group	
	Loans and receivables R'000	Total R'000
Financial instruments by category		
Assets as per statement of financial position		
2016		
Loans and advances	16 000	16 000
Loans to associated companies	3 788	3 788
Receivables	621 855	621 855
Cash and cash equivalents	182 878	182 878
	824 521	824 521
2015		
Loans and advances	16 000	16 000
Loans to associated companies	15 535	15 535
Receivables	581 180	581 180
Cash and cash equivalents	119 906	119 906
	732 621	732 621
	Group	
	Liabilities measured at amortised cost R'000	Total R'000
Liabilities as per statement of financial position		
2016		
Borrowings	141 325	141 325
Trade and other payables	540 058	540 058
	681 383	681 383
2015		
Borrowings	227 429	227 429
Trade and other payables	483 656	483 656
	711 085	711 085

**Carrying value approximates fair value due to the short-term nature of these financial instruments.*

(a) **Market risk**

The group reviews its foreign currency exposure, including commitments on an ongoing basis.

(i) **Foreign exchange risk**

The group operates in Southern Africa and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Botswana pula and the South African rand. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

Management monitors this exposure and cover is used where appropriate.

The group's financial assets and liabilities denominated in foreign currency are analysed in the following table:

	Group	
	Pula R'000	Total R'000
2016		
Financial assets		
Receivables	467 898	467 898
Cash and cash equivalents	72 775	72 775
Financial liabilities		
Trade and other payables	(505 182)	(505 182)
Borrowings	(114 280)	(114 280)
	(78 789)	(78 789)
2015		
Financial assets		
Receivables	417 919	417 919
Cash and cash equivalents	71 798	71 798
Financial liabilities		
Trade and other payables	(362 900)	(362 900)
Borrowings	(209 330)	(209 330)
	(82 513)	(82 513)

The table below shows the sensitivity of post-tax profits of the group to a 20% move in the rand exchange rates (representing the rand strengthening or weakening against the Botswana pula foreign currency).

	Group	
	20% appreciation R'000	20% depreciation R'000
Impact on post-tax profit		
2016	(992)	992
2015	(337)	337

The table below shows the sensitivity of post-tax other comprehensive income of the group to a 20% move in the rand exchange rates (representing the rand strengthening or weakening against the Botswana Pula foreign currency).

	Group	
	20% appreciation R'000	20% depreciation R'000
Impact on post-tax other comprehensive income		
2016	(15 758)	15 758
2015	(12 872)	12 872

The sensitivity analysis relates to the Botswana operations that operates in Pula.

(ii) **Cash flow and fair value interest rate risk**

The group's interest rate risk arises from interest-bearing investments and receivables, long-term and short-term borrowings.

The group exposure to floating rates, fixed rates and non-interest bearing financial instruments is as follow:

	Group	
	2016	2015
	R'000	R'000
Borrowings		
Floating rate	(28 286)	(174 784)
Fixed rate and non-interest-bearing	(113 039)	(52 645)
	(141 325)	(227 429)
Cash and cash equivalents		
Floating rate	125 694	94 422
Fixed rate and non-interest-bearing	57 184	25 484
	182 878	119 906
Loans to and preference share investments in associated companies		
Fixed rate and non-interest-bearing	3 788	15 535
Loans and advances		
Floating rate	16 000	16 000
Trade and other receivables		
Fixed rate and non-interest-bearing	621 855	581 180
Total		
Floating rate	113 408	(64 362)
Fixed rate	569 788	569 554
	683 196	505 192

The group manages its cash flow interest rate risk by monitoring interest rates on a regular basis. Consideration is given to hedging options which will be utilised if viable.

Based on simulations performed, the impact on post-tax profit of a 1% shift in interest rates is analysed in the following table and includes the effect of the interest rate hedge:

	Group	
	1% increase	1% decrease
	R'000	R'000
Impact on post-tax profit		
2016	817	(817)
2015	(463)	463

(b) **Credit risk**

Credit risk is managed on group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated financial institutions with a high credit quality are accepted. If wholesale customers are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board.

The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

The table below shows the group's maximum exposure to credit risk by class of asset.

	Group	
	Balance R'000	Maximum exposure* R'000
2016		
Receivables	621 855	621 855
Loans and advances	16 000	16 000
Loans to associated companies	3 788	3 788
Cash and cash equivalents	182 878	182 878
	824 521	824 521

	Group	
	Balance R'000	Maximum exposure* R'000
2015		
Receivables	581 180	581 180
Loans and advances	16 000	16 000
Loans to associated companies	15 535	15 535
Cash and cash equivalents	119 906	119 906
	732 621	732 621

**Not taking into account any collateral held or other credit enhancements.*

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

	Group	
	2016 R'000	2015 R'000
Receivables		
Group 1	1 064	127
Group 2	595 145	551 044
Group 3	25 646	30 009
Loans and advances		
Group 4	16 000	16 000
Loans to associated companies		
Group 4	3 788	15 535
Cash and cash equivalents		
Baa2 – rated	122 872	–
F1 – rated	41 505	–
Bot – rated	18 501	–
A1 – rated	–	119 906
	824 521	732 621

Receivables

- Group 1 – New customers/related parties (less than six months).
- Group 2 – Existing customers/related parties (more than six months) with no defaults in the past.
- Group 3 – Existing customers/related parties (more than six months) with some defaults in the past. All defaults were fully recovered.
- Group 4 – Related party transactions.

The above balances are shown after a provision for impairment of R2 260 000 (2015: R1 970 000).

No credit limits were set for loans to related parties.

Cash and cash equivalents

- Baa2 – Moody's: Medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. The modifier 2 indicates a mid-range ranking.
- F1 – Fitch's rating: Upper-medium grade and subject to low credit risk
- Bot – There are no credit ratings available in Botswana. The bank is a listed company and has reported sound financial results and continued compliance with minimum capital adequacy requirements.

The table below gives an age analysis of receivables that are past due but not impaired.

	Group	
	2016	2015
	R'000	R'000
30 days	25 212	15 762
91 – 120 days	15 446	7 883
More than 120 days	12 074	6 251
Total	52 732	29 896

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, each entity aims to maintain flexibility in funding by keeping committed credit lines available.

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Group			
	Carrying value	Less than	Between 1	Over
	R'000	1 year	and 5 years	5 years
	R'000	R'000	R'000	R'000
2016				
Borrowings	141 325	117 317	28 470	417
Trade and other payables	540 058	540 058	–	–
	681 383	657 375	28 470	417
2015				
Borrowings	227 429	187 743	43 906	–
Trade and other payables	483 656	483 656	–	–
	711 085	671 399	43 906	–

1.2 Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group's capital comprises total equity as shown in the consolidated statement of financial position plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents as shown in the consolidated statement of financial position. When funding is required, management will consider the various forms of paper available for issue taking into account current market conditions, anticipated trends in market indicators and the financial position of the group at the time. Management will accordingly consider issuing ordinary shares by the group's holding company, perpetual preference shares, short, long or medium-term borrowings with variable or fixed rates.

The group monitors capital on the basis of the gearing ratio. This ratio is calculated as debt divided by the total capital.

	Group	
	2016	2015
	R'000	R'000
The gearing ratios were as follows:		
Total borrowings	141 325	227 429
Less: Cash and cash equivalents	(182 878)	(119 906)
Net debt	(41 553)	107 523
Total equity	1 025 820	906 689
Total capital	984 267	1 014 212
Gearing ratio	(4%)	11%

1.3 Fair value estimation of financial instruments

Financial instruments consist of trade receivables, bank and cash balances and other payables resulting from normal business operations. The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

	Level 2	Level 2
	2016	2015
Recurring fair value measurements at 31 December		
Financial asset		
Loans and advances	16 000	16 000
Financial liabilities		
Borrowings	141 325	227 429

2. PROPERTY, PLANT AND EQUIPMENT

Group	Vehicles, plant and machinery	Office equipment	Computer equipment	Total
2016	R'000	R'000	R'000	R'000
At the end of the year				
Cost or valuation	221 983	25 903	30 669	278 555
Accumulated depreciation	(147 171)	(13 286)	(20 969)	(181 426)
Net book amount	74 812	12 617	9 700	97 129
Reconciliation of net book value				
Opening net book amount	63 244	11 340	10 061	84 645
Exchange differences	(3 953)	1 609	(1 420)	(3 764)
Additions	36 195	2 163	5 456	43 814
Disposals	(4 241)	(25)	–	(4 266)
Subsidiaries acquired	3 888	54	46	3 988
Depreciation	(20 321)	(2 524)	(4 443)	(27 288)

Group 2016	Vehicles, plant and machinery R'000	Office equipment R'000	Computer equipment R'000	Total R'000
Closing net book amount	74 812	12 617	9 700	97 129
Leased assets included above comprise				
Cost-capitalised finance lease	80 869	2 402	4 103	87 374
Accumulated depreciation	(33 116)	(445)	(2 139)	(35 700)
Net book amount	47 753	1 957	1 964	51 674
Group 2015				
At the end of the year				
Cost or valuation	199 738	23 865	26 637	250 240
Accumulated depreciation	(136 494)	(12 525)	(16 576)	(165 595)
Net book amount	63 244	11 340	10 061	84 645
Reconciliation of net book value				
Opening net book amount	63 212	9 389	10 463	83 064
Exchange differences	3 554	894	863	5 311
Additions	19 744	2 424	2 735	24 903
Disposals	(2 238)	–	(664)	(2 902)
Depreciation	(21 028)	(1 367)	(3 336)	(25 731)
Closing net book amount	63 244	11 340	10 061	84 645
Leased assets included above comprise				
Cost-capitalised finance lease	91 387	–	1 006	92 393
Accumulated depreciation	(55 178)	–	(132)	(55 310)
Net book amount	36 209	–	874	37 083

The group leases various vehicles and machinery under non-cancellable finance lease agreements. The lease terms are between three and five years, and ownership of the assets lies within the group.

A register with full detail of property, plant and equipment is available at each company's registered office.

Refer to note 13 for detail of property, plant and equipment encumbered as security for borrowings from financial institutions.

No major change in the nature of property, plant and equipment or change in the policy regarding the use thereof took place during the financial year.

Change in estimates

During the current financial year, the group reassessed the useful lives and residual values of items of property, plant and equipment in line with the accounting policy and IAS 16 – Property, Plant and Equipment.

The useful lives are estimated by management based on historic analysis, benchmarking and other available information. The residual values are based on the assessment of useful lives and other available information.

Based on the latest available and reliable information the change in the estimated useful lives and residual values of certain items of property, plant and equipment was not material and did not have a material change on the depreciation expense in the current period.

3. INTANGIBLE ASSETS

Group 2016	Goodwill R'000	Customer lists R'000	Computer software R'000	Total R'000
At the end of the year				
Cost or valuation	522 292	104 166	1 362	627 820
Accumulated amortisation	–	(93 843)	(38)	(93 881)
Net book amount	522 292	10 323	1 324	533 939
Reconciliation of net book value				
Opening net book amount	511 196	23 375	–	534 571
Business combinations (note 23)	11 269	3 960	–	15 229
Additions	–	–	1 362	1 362
Amortisation	–	(16 921)	(38)	(16 959)
Exchange differences	(173)	(91)	–	(264)
Closing net book amount	522 292	10 323	1 324	533 939

Group 2015	Goodwill R'000	Customer lists R'000	Total R'000
At the end of the year			
Cost or valuation	511 196	100 329	611 525
Accumulated amortisation	–	(76 954)	(76 954)
Net book amount	511 196	23 375	534 571
Reconciliation of net book value			
Opening net book amount	511 196	49 272	560 468
Amortisation	–	(24 838)	(24 838)
Impairment	–	(1 059)	(1 059)
Closing net book amount	511 196	23 375	534 571

Impairment test for goodwill and intangible assets

Goodwill arising from a business combination is allocated, at acquisition, to the group's cash-generating units (CGUs) that are expected to benefit from the business combination.

The CGUs to which a significant amount of goodwill have been allocated are indicated separately below.

- CA Sales and Distribution Proprietary Limited and Subsidiaries (CA Sales).
- Pack n Stack Investment Holdings Proprietary Limited and Subsidiaries (PnS).
- SMC Brands SA Proprietary Limited and Subsidiaries (SMC).
- Logico Unlimited Proprietary Limited and Subsidiaries (Logico).
- Smithshine Enterprises Proprietary Limited (Smithshine).
- Array Marketing Proprietary Limited (Array).

	Group	
	2016	2015
	R'000	R'000
Entities to which goodwill relates		
CA Sales	262 096	262 096
Logico	42 858	42 858
SMC	94 181	94 181
PnS	112 061	112 061
Smithshine	3 456	–
Array	7 640	–
	522 292	511 196

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management, covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

	Logico	SMC	PnS	CA Sales
2016				
Key assumptions used to test recoverability/impairment through value-in-use calculations:				
Terminal growth rate	5.0%	5.0%	5.0%	5.0%
Discount rate (WACC)	17.0%	23.2%	23.2%	14.5%
Revenue growth rate	7.0%	4.0%	7.0%	7.0%
2015				
Key assumptions used to test recoverability/impairment through value-in-use calculations:				
Terminal growth rate	5.0%	5.0%	5.0%	5.0%
Discount rate (WACC)	16.8%	23.4%	23.4%	13.6%
Revenue growth rate	8.0%	4.0%	7.0%	7.0%

Goodwill sensitivity analysis

The results of the group's impairment tests are dependent upon estimates and judgements made by management, particularly in relation to the key assumptions described above. Sensitivity analysis to potential changes in key assumptions has therefore been reviewed.

The table below shows the discount rate and long-term growth rate assumptions used in the calculation of value-in-use and the amount by which each assumption must change in isolation in order for the estimated recoverable amount to equal the carrying value.

Sensitivity analysis of assumptions used in the goodwill impairment tests of cash-generating units with low safety margins:

Change required for the carrying value to equal the recoverable amount:

	2016	2015
CA Sales		
Discount rate	14.5%	13.6%
Basis points movement – increase	0.6%	1.2%
Long-term growth rate	5.0%	5.0%
Basis points movement – decrease	(0.8%)	(1.8%)

4. INVESTMENTS IN SUBSIDIARIES

				Company	
				2016	2015
				R'000	R'000
Carrying value of ordinary share investments					
Unlisted				684 701	684 071
Company	Country of incorporation	Effective % holding	Stated capital R'000	Shares at cost R'000	Shares at cost R'000
CA Sales & Distribution Proprietary Limited	Botswana	100	798.7	336 423	336 423
Logico Unlimited Proprietary Limited	Swaziland	55	0.1	60 934	60 934
Pack n Stack Investment Holdings Proprietary Limited	South Africa	67.1	2.0	128 697	128 697
SMC Brands SA Proprietary Limited	South Africa	100	100.0	158 017	158 017
Diverse Distribution Proprietary Limited	Namibia	100	0.1	–	–
Private Label Sales and Merchandising Services Proprietary Limited	South Africa	100	0.1	–	–
Private Label Sales and Merchandising Services Cape Town Proprietary Limited	South Africa	100	0.1	–	–
CAS Marketing Proprietary Limited	South Africa	100	1.0	–	–
CA Sales Zimbabwe Proprietary Limited	South Africa	100	1.0	–	–
Pamstad Proprietary Limited	Botswana	100	0.0	–	–
				684 071	684 071

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

	Pack n Stack		Logico Unlimited	
	2016	2015	2016	2015
	R'000	R'000	R'000	R'000
Summarised statement of financial position				
Current assets	103 712	91 488	119 574	109 329
Current liabilities	(47 897)	(48 850)	(62 158)	(76 824)
Current net assets	55 815	42 638	57 416	32 505
Non-current assets	29 583	18 348	38 172	34 714
Non-current liabilities	(1 503)	(1 158)	(14 557)	(16 735)
Non-current net assets	28 080	17 190	23 615	17 979
Net assets	83 895	59 828	81 031	50 484
Accumulated NCI	28 006	32 377	36 464	22 145

	Pack n Stack		Logico Unlimited	
	2016	2015	2016	2015
	R'000	R'000	R'000	R'000
Summarised statement of comprehensive income				
Revenue	519 867	484 491	502 327	429 649
Profit for the period	41 262	46 527	32 796	25 718
Total comprehensive income	41 262	46 527	32 796	25 718
Profit allocated to NCI	13 747	19 739	14 758	10 263
Dividends paid to NCI	5 724	13 412	2 250	–
Summarised cash flows				
Cash flows from operating activities	36 369	37 995	27 174	15 331
Cash flows from investing activities	(14 895)	(6 603)	(12 076)	(10 581)
Cash flows from financing activities	(17 500)	(25 754)	(4 911)	(317)
Net increase/decrease in cash and cash equivalents	3 974	5 638	(10 187)	4 433

Transactions with non-controlling interests

On 1 November 2016, the group acquired an additional 35% of the issued shares of Smithshine Enterprises Proprietary Limited for R8 042 000. Immediately prior to the purchase, the carrying amount of the existing 40% non-controlling interest in Smithshine Enterprises Proprietary Limited was R5 115 000. The group recognised a decrease in non-controlling interests of R4 291 000 and a decrease in equity attributable to owners of the parent of R3 751 000. The effect on the equity attributable to the owners of CA Sales Holdings Proprietary Limited during the year is summarised as follows:

	2016	2015
	R'000	R'000
Carrying amount of non-controlling interests acquired	4 291	–
Consideration paid to non-controlling interests	(8 042)	–
Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity	(3 751)	–

There were no transactions with non-controlling interests in 2015.

5. **INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**

	Group	
	2016	2015
	R'000	R'000
Carrying value of ordinary share investments		
Unlisted	25 473	53 725
Loans		
Unlisted		
Bull Red Distribution Proprietary Limited	–	5 731
A. Wutow Trading Company Proprietary Limited		
Unsecured interest-free loan and is repayable on demand.		
2016: Rnil (2015: R6 million) unsecured loan, interest payable at 10% per annum, capitalised monthly in arrears and repayable on 7 March 2016.	3 788	9 804
	29 261	69 260
Loans		
Current portion	3 788	15 535
Non-current portion	–	–
	3 788	15 535
Reconciliation		
Carrying value at beginning of period	53 725	45 463
Share of profit after tax	(5 274)	12 187
Other comprehensive income	295	(338)
Impairment	(800)	–
Movement in investment value		
Acquisitions	300	1 903
Disposal	(13 756)	–
Transfer to subsidiaries/disposal	(8 106)	–
Dividends received	(1 294)	(626)
Other	383	(4 864)
Carrying value at end of period	25 473	53 725
Directors' valuation of unlisted investments	25 473	53 725

A. Wutow Trading Company Proprietary Limited, Whitakers Agencies Proprietary Limited (South Africa), Whitakers Agencies Proprietary Limited (Lesotho) and Matla Proprietary Limited (Lesotho) have a February year-end and the latest management accounts of the companies was applied to equity account the investments for the 12 months from 1 January 2016 to 31 December 2016.

The group's share of the results of its principal associates, and its aggregated assets and liabilities, are as follows:

Group	% interest held	Country of incorporation	Assets R'000	Liabilities R'000	Revenue R'000	Profit R'000
2016						
A. Wutow Trading Company Proprietary Limited	50	Namibia	118 907	89 409	548 185	(14 956)
Bullred Farming Proprietary Limited	49	Zimbabwe	33 469	25 702	107 784	549
Other	30 – 45	South Africa and Lesotho	–	–	207 880	4 452
			152 376	115 111	863 849	(9 955)
2015						
A. Wutow Trading Company Proprietary Limited ^(a)	50	Namibia	117 797	67 963	401 867	4 542
Smithshine Enterprises Proprietary Limited	48	Botswana	21 778	10 301	54 207	4 188
Sherewa Investments Proprietary Limited and subsidiaries	35	Mozambique	217 058	267 284	550 959	16 908
Bullred Farming Proprietary Limited	42	Zimbabwe	53 432	45 559	140 109	4 733
			410 065	391 107	1 147 142	30 371

(a) Effective control was retained by the other shareholders.

2016

Disposals

On 30 June 2016 the group disposed its investment of 35% in Sherewa Investments Proprietary Limited for R10 million. The business did not form part of the core business of the group. A loss of R3.8 million was made on the disposal.

Transfers to Subsidiaries

The group obtained control over the following equity accounted associate during the year and was transferred to subsidiaries: Smithshine Enterprises Proprietary Limited. See note 23 for more detail.

2015

Additions

At the end of the year an interest of 45% was acquired in Whitakers Agencies Proprietary Limited (South Africa), Whitakers Agencies Proprietary Limited (Lesotho) and Matia Proprietary Limited (Lesotho) which operates as an agent of manufacturers in Lesotho, for R1.9 million. Control and power to make executive decisions resides with the other shareholders as per the shareholders' agreements.

	Group	
	2016	2015
	R'000	R'000
6. LOANS AND ADVANCES		
Preference shares		
Unlisted	16 000	16 000

The preference shares are redeemable within five years from November 2013 and carry dividend rates that are linked to prime less one compounded monthly. The preference shares are with companies controlled by directors. Details of investments are available at the registered office of the company for inspection by members.

7. INVENTORIES		
Finished goods held for re-sale	277 777	290 276
Amount of inventory expensed during the year	3 043 643	2 687 066

Inventories are ceded against bank overdraft facilities as disclosed in note 13.

	Group	
	2016	2015
	R'000	R'000
8. TRADE AND OTHER RECEIVABLES		
Trade receivables	616 341	567 841
Less: Provision for impairment of trade receivables	(2 260)	(1 970)
Trade receivables	614 081	565 871
VAT receivable	4 475	13 414
Deposits	3 467	4 202
Prepayments	1 510	1 405
Other receivables	4 307	11 107
	627 840	595 999
Current portion	627 840	595 999
Non-current portion	–	–
	627 840	595 999

Trade receivables of R614 081 000 (2015: R565 871 000) were fully performing.

The carrying amounts of the group's trade and other receivables are denominated in the following currencies:

	Group	
	2016	2015
	R'000	R'000
Rand (ZAR), Namibian dollar (NAD) and Emalangeni (SZL)	159 942	178 080
Botswana Pula (BWP)	467 898	417 919
	627 840	595 999

The Namibian dollar (NAD) and Emalangeni (SZL) is currently at a ratio of one to one to the Rand.

Trade receivables of R52 732 000 (2015: R29 896 000) were past due but not impaired. These relate to customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Group	
	2016	2015
	R'000	R'000
30 days	25 212	15 762
91 to 120 days	15 446	7 883
120 days plus	12 074	6 251
	52 732	29 896

Trade receivables of R2 260 000 (2015: R1 970 000) were impaired.

The individually impaired receivables mainly relate to unresolved claims and disputes with customers for services rendered. It was assessed that a portion of the receivables is expected to be recovered.

The ageing of these receivables is as follows:

	Group	
	2016	2015
	R'000	R'000
Over six months	2 260	1 970
Movements on the group provision for impairment of trade receivables are as follows:		
At 1 January	1 970	806
Provision for receivables impairment	315	1 128
Other	(25)	36
At 31 December	2 260	1 970

The creation and release of provision for impaired receivables have been included in "other operating expenses" in the statement of comprehensive income (note 16). Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The group does not hold any collateral as security.

9. CASH AND CASH EQUIVALENTS

	Group	
	2016	2015
	R'000	R'000
Cash at bank and in hand	147 040	87 946
Short-term bank deposits	35 838	31 960
	182 878	119 906
Cash and cash equivalents include the following for the purposes of the statement of cash flows:		
Cash and cash equivalents	182 878	119 906
Bank overdrafts	(50 483)	(29 756)
	132 395	90 150

10. STATED CAPITAL

			Group	
			2016	2015
			Number	Number
Authorised shares				
Ordinary shares with no par value			1 000 000	1 000 000
<hr/>				
	Number of shares 2016	Number of shares 2015	2016 R'000	2015 R'000
Issued shares				
Balance at beginning of the year	200 000	200 000	371 231	371 231
Subscription shares	89 572	–	337 713	–
Balance at end of the year	289 572	200 000	708 944	371 231

The company and the current shareholders of the company have agreed to capitalise all existing outstanding shareholder loans in the company. The said capitalisation was implemented through a subscription of further shares in the company by those shareholders who have outstanding shareholder loans in the company.

Share incentive scheme

CA Sales Holdings Proprietary Limited operated a single equity-settled share incentive scheme, being the share option scheme. In terms of the scheme, shares/share options are granted to executive directors.

In terms of the aforementioned scheme, shares/share options are allocated to participants on grant date at fair value. The settlement of the purchase consideration payable by the executive in terms of the shares granted occurs on delivery/vesting.

The total equity-settled share-based payment charge recognised in the statement of comprehensive income amounted to R3 928 207. This charge, net of the related tax effect, was debited to the statement of comprehensive income and credited to other reserves (refer note 12).

Type of arrangement	Executive share option scheme
Date granted	1 January 2015
Number granted	11 583
Contractual life	4 years
Vesting conditions	25% per year

The estimated fair value of each share option granted is R3 384.00. This was calculated by applying a binomial option pricing model. The model inputs were: the share price at grant date of R2 604.00, exercise price of R2 604.00, expected volatility of 29.46%, expected dividend yield of 2.03%, contractual life of four years, and risk-free interest rate of 6.59%. To allow for the effects of early exercise, it was assumed that the executives would exercise the options after vesting date when the share price was the same as the exercise price. Volatility was calculated using similar businesses listed on the JSE's share average volatility, as the company's shares are not traded in public; the company expects the volatility of its share price to be the same as similar companies that are listed.

The estimated fair value of each share granted in the executive share plan is R2 604.00, which is equal to the share price at the date of grant.

	Number of shares	
	2016	2015
	R'000	R'000
Granted	11 582	–
Balance at end of the year	11 582	–
Exercisable at end of year	2 896	–

The options outstanding at year-end had an exercise price of R2 604.00 and an average remaining contractual life of three years.

11. SHAREHOLDERS EQUITY CONTRIBUTIONS

	Group	
	2016	2015
	R'000	R'000
Shareholders' equity contributions	–	337 713

The contributions relate to the shareholders' consideration contributed when purchasing a new investment in accordance with the shareholders' agreement. The shareholders' equity contributions were capitalised through a subscription of further shares in the company by those shareholders who have outstanding shareholder equity contributions in the company during January 2016.

12. OTHER RESERVES

Group	Foreign currency translation R'000	Share-based payment R'000	Other R'000	Total R'000
2016				
Opening carrying value	21 522	–	379	21 901
Currency translation adjustments	(12 125)	–	43	(12 082)
Share of other comprehensive income of associated companies	717	–	(422)	295
Share-based payment costs	–	3 928	–	3 928
Closing carrying value	10 114	3 928	–	14 042
2015				
Opening carrying value	5 088	–	–	5 088
Currency translation adjustments	17 151	–	–	17 151
Share of other comprehensive income of associated companies	(717)	–	379	(338)
Closing carrying value	21 522	–	379	21 901

13. BORROWINGS

	Group	
	2016	2015
	R'000	R'000
Non-current		
Secured loans	1 765	25 236
Finance lease liabilities	22 719	17 291
Total non-current borrowings	24 484	42 527
Current		
Bank overdrafts	50 483	29 756
Secured loans	51 785	141 560
Finance lease liabilities	14 573	13 586
Total current borrowings	116 841	184 902
Total borrowings	141 325	227 429

The group has the following loan and overdraft facilities:

CA Sales and Distribution Proprietary Limited

- Long-term loan facility of P60 million obtained from BIFM Capital Investment Fund Proprietary Limited.
- Overdraft facility of P60 million (2015: P60 million) obtained from Standard Chartered Bank Botswana Limited.
- Invoice financing of P32 million and R100 million (2015: P140 million) obtained from Standard Chartered Bank Botswana Limited.

Logico Unlimited Proprietary Limited

- The company has an overdraft facility with Nedbank Swaziland Limited of E500 000 at a rate of 9.25%. The facility is subject to annual review in October.
- The company has an overdraft facility with First National Bank of Swaziland Limited of E13 million. The facility is subject to annual review on 30 December.

Pack n Stack Proprietary Limited

- The company has an overdraft facility of R6 million (2015: R6 million), a fleet cars facility of R3 million (2015: R3 million) and a vehicle and asset finance credit line facility of R3 million (2015: R3 million) with Absa Limited.

SMC Brands Proprietary Limited

- The company has an overdraft facility with Stanbic Botswana Limited of P1.5 million.
- The company has an overdraft facility with Standard Bank of Namibia Limited of NAD2 million.

The above loan and overdraft facilities are secured as follows:

CA Sales and Distribution Proprietary Limited

- Deed of hypothecation no HA9 dated 12 January 2010 for BWP40 million over moveable assets and book debts.
- Unlimited corporate guarantee by Dafin Sales & Distribution Proprietary Limited.
- Assignment of receivables for BWP141 767 000.

Logico Unlimited Proprietary Limited

- Unlimited suretyship by Biotrace Trading Proprietary Limited dated 11 January 2012.
- Subordination Agreement by Biotrace Trading Proprietary Limited not to let loan reduce to less than E2 747 809 without the bank's consent dated 11 February 2012.
- Cross suretyship between Logico Unlimited and Biotrace Trading 338 Proprietary Limited.
- Multimark Insurance Schedule over life of A van Rensburg, A Geldard and L Taman effective 30 May 2013.

Pack n Stack Proprietary Limited

- Trade receivables were pledged as security for overdraft facilities.

SMC Brands Proprietary Limited

- Inventories and book debts serve as security for overdraft facilities.

Lease liabilities are effectively secured as the right to the leased assets revert to the lessor in the event of default.

The effective interest rates per annum at the balance sheet date were as follows:

	Group	
	2016	2015
– Finance lease liabilities	6.5% – 10.5%	7.0% – 10.5%
– BIFM loan	12.0%	12.0%
– Secured loans	8.7%	8.7%
– Overdrafts	5.5% – 10.5%	5.5% – 10.5%

BIFM loan has been fully settled during the current year.

The present value of finance lease liabilities may be analysed as follows:

	Group	
	2016	2015
	R'000	R'000
Gross finance lease liabilities – minimum lease payments		
Not later than one year	15 049	14 743
Later than one year not later than five years	27 097	20 354
Later than five years	417	–
	42 563	35 097
<i>Less: Future finance charges on finance leases</i>	(5 271)	(4 339)
Present value of finance lease liabilities	37 292	30 758

The present value of finance lease liabilities is as follows:

	Group	
	2016	2015
	R'000	R'000
Not later than one year	14 574	12 005
Later than one year not later than five years	22 326	18 753
Later than five years	392	–
	37 292	30 758

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default. Details of assets secured are disclosed in note 2.

14. DEFERRED INCOME TAX

	Group	
	2016	2015
	R'000	R'000
Deferred tax assets		
Deferred tax assets to be recovered after more than 12 months	111	438
Deferred tax assets to be recovered within 12 months	5 891	5 915
	6 002	6 353
Deferred tax liabilities		
Deferred tax liability to be recovered after more than 12 months	1 708	3 829
Deferred tax liability to be recovered within 12 months	2 953	4 646
	4 661	8 475
Deferred tax liabilities (net)	(1 341)	2 122

Deferred income taxes are calculated on all temporary differences under the liability method using the principal tax rate of the country of incorporation as applied.

The gross movement on the deferred income tax liabilities is as follows:

Group 2016	Provisions R'000	Unrealised profits R'000	Intangible assets and other differences R'000	Total R'000
At 1 January	5 196	(3)	(7 315)	(2 122)
Subsidiaries acquired	(267)	–	(954)	(1 221)
Income statement charge	(565)	(61)	5 156	4 530
Other movements	–	–	154	154
At 31 December	4 364	(64)	(2 959)	1 341

Group 2015	Provisions R'000	Tax losses R'000	Unrealised profits R'000	Intangible assets and other differences R'000	Total R'000
At 1 January	4 974	590	(3)	(16 045)	(10 484)
Income statement charge	222	(615)	–	8 965	8 572
Other movements	–	25	–	(235)	(210)
At 31 December	5 196	–	(3)	(7 315)	(2 122)

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The group did not recognise deferred income tax assets of R3 112 000 (2015: R2 163 000) in respect of losses amounting to R11 114 000 (2015: R7 724 000) that can be carried forward against future taxable income.

15. TRADE AND OTHER PAYABLES

	Group	
	2016 R'000	2015 R'000
Trade payables	517 606	466 727
Provisions for other liabilities and charges (note below)	38 790	58 316
Accrued expenses	36 976	42 223
	593 372	567 266
Current portion	593 372	567 266
Non-current portion	–	–
	593 372	567 266

Provisions for other liabilities and charges

	Closure costs R'000	Bonuses R'000	Leave pay R'000	Other R'000	Total R'000
Group Opening balance	11 479	27 147	12 658	7 032	58 316
Charged to statement of comprehensive income	(11 438)	12 570	3 010	4 710	8 852
Utilised during the year	(41)	(22 924)	(2 623)	(2 282)	(27 870)
Other	–	–	(15)	(493)	(508)
Closing balance	–	16 793	13 030	8 967	38 790

Closure costs

During the 2013 year-end period the board of directors agreed to close the operations of Diverse Distributions and provisions were made for the closure costs. Expenses were less than expected and accruals were written back.

Bonus provisions

The group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Leave pay provision

The leave obligations cover the group's liability for annual leave. The current portion of this liability includes all of the provided annual leave.

Other

For employees who are citizens of Botswana, the group has implemented the requirements of the Botswana Labour Act relating to the severance benefit scheme. For employees who are non-citizens of Botswana, the group pays gratuity in accordance with the respective contracts of employment. The group recognises a provision where contractually obliged. It also includes other non-material provisions for stock write down (R588 000) and labour disputes in court (R592 000).

16. OPERATING PROFIT

The following items have been credited/charged in arriving at the operating profit:

(i) Other operating income

	Group	
	2016	2015
	R'000	R'000
Fair value adjustment on step-up from associated company to subsidiary	619	–
Profit on sale of property, plant and equipment	2 418	2 310
Foreign exchange gains	216	336
Rental income	5 597	1 479
Sundry income	3 255	1 920
Dividends received	–	532
	12 105	6 577

(ii) Expense by nature

	Group	
	2016	2015
	R'000	R'000
Cost of sales	3 401 698	3 017 236
Auditors' remuneration – audit fees	3 244	3 197
Auditors' remuneration – other services	410	277
Depreciation – note 2	27 288	25 731
Amortisation of intangible assets – note 3	16 959	24 838
Employee benefit expenses – note 17	163 058	158 381
Directors' remuneration – note 25	20 242	13 535
Foreign exchange losses	7 051	2 428
Operating lease payments	63 371	56 073
Impairment of intangible assets – note 3	–	1 059
Impairment of loans to associated company – note 5	5 200	–

	Group	
	2016	2015
	R'000	R'000
Loss on sale of interest in associated company – note 5	3 756	–
Professional fees	4 115	3 629
Vehicle expenses – fuel and maintenance	75 855	73 897
Pallet hire	9 944	10 673
Insurance	9 613	8 596
Travel and entertainment	11 829	11 195
Telephone and communication	8 289	8 837
Repairs and maintenance	5 641	7 282
Other expenses	9 903	8 194
	445 768	417 822

17. EMPLOYEE BENEFIT EXPENSES

Wages and salaries, including restructuring costs and other termination benefits:

	Group	
	2016	2015
	R'000	R'000
Salaries, wages and allowances	163 058	158 381

18. FINANCE INCOME AND COSTS

	Group	
	2016	2015
	R'000	R'000
Finance income		
Bank deposits	4 773	3 089
Related party – note 24	116	16
	4 889	3 105
Finance costs		
Bank overdrafts and CFD facilities	7 854	9 407
Secured loans	4 587	8 191
Finance leases	3 769	2 499
	16 210	20 097
Net finance costs	11 321	16 992

19. INCOME TAX EXPENSE

	Group	
	2016	2015
	R'000	R'000
Current taxation		
Current year	46 119	42 744
Prior period	–	(105)
Withholding tax	638	672
Total current taxation	46 757	43 311

	Group	
	2016	2015
	R'000	R'000
Deferred tax		
Current year	(4 530)	(8 572)
Total deferred taxation	(4 530)	(8 572)
Income tax expense	42 227	34 739
Reconciliation of rate of taxation:		
South African normal taxation rate 28%	50 022	42 559
Adjusted for:		
Assessed tax losses	(7 030)	–
Expenses deductible for tax purposes only	90	–
Foreign tax differential in rates	(1 560)	409
Income from associated companies	3 782	(3 368)
Non-deductible charges	4 227	10 566
Non-taxable income	(10 176)	(14 844)
Prior year adjustments	–	89
Dividend withholding taxation	3 510	–
Withholding taxation	(638)	(672)
	42 227	34 739

20. EARNINGS PER SHARE

	Group	
	2016	2015
	R'000	R'000
Basic earnings per share represents the income in cents attributable to each equity share, based on the group's profit or loss attributable to equity holders of the parent from ordinary activities divided by the weighted average number of shares in issue during the year.	379.46	436.29
Headline earnings per share represent the income in cents attributable to each equity share, based on the group's profit or loss attributable to equity holders of the parent from ordinary activities, adjusted as required by SAICA Circular 2/2013, divided by the weighted average number of shares in issue during the year	367.57	432.80
Diluted earnings per share		
Dilute earnings per share (cents)	375.71	436.29
Diluted headline earnings per share (cents)	363.93	432.80
Basic earnings		
Profit from continuing operations attributable to owners of the parent	109 882	87 257
Profit from discontinued operations attributable to owners of the parent	–	–
	109 882	87 257
Weighted average number of ordinary shares in issue	289 572	200 000

	Group	
	2016	2015
	R'000	R'000
Headline earnings		
Total earnings attributable to ordinary shareholders	109 882	87 257
Adjustments (net of non-controlling interest):		
Impairment of intangible assets (including goodwill)	–	680
Net loss on sale of associated companies	3 757	–
Closure cost on discontinued operations overprovided	(11 438)	–
Impairment of investment in associates	6 000	–
Profit on sale of property, plant and equipment	(1 870)	(1 697)
Fair value adjustment on step-up from associated company to subsidiary	(619)	–
Tax effect on above	727	320
Headline earnings	106 439	86 560
Diluted		
Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.		
Diluted earnings	109 882	87 257
Diluted headline earnings	106 439	86 560
Shares in issue for full year	289 572	200 000
Exercisable share options	2 896	–
Diluted weighted average number of ordinary shares	292 468	200 000

21. CASH GENERATED FROM OPERATIONS

	Group	
	2016	2015
	R'000	R'000
Profit before income tax including discontinued operations	178 650	151 998
<i>Adjustments for:</i>		
Depreciation	27 288	25 731
Amortisation	16 959	24 838
Intangible assets impairment charge	–	1 059
Profit on disposal of property, plant and equipment	(2 418)	(2 310)
Loss/(profit) on disposal of associated company	3 756	–
Dividends received	–	(532)
Finance income	(4 889)	(3 105)
Finance costs	16 210	20 097
Fair value adjustment on step-up from associated company to subsidiary	(619)	–
Impairment of equity accounted investments	6 000	–
Share of profit from associated companies and joint ventures	5 570	(12 187)
Other	5 633	–
	252 140	205 589

	Group	
	2016	2015
	R'000	R'000
Changes in working capital		
Inventories	16 590	(104 804)
Trade and other receivables	(36 886)	(39 779)
Trade and other payables	26 443	60 122
	6 147	(84 461)
Cash generated from operating activities	258 287	121 128
In the statement of cash flows, proceeds from sale of property, plant and equipment comprise:		
Net book amount	4 266	2 902
Profit on disposal of property, plant and equipment	2 418	2 310
Proceeds from disposal of property, plant and equipment	6 684	5 212

22. TAXATION PAID

	Group	
	2016	2015
	R'000	R'000
Charge to profit and loss	(42 227)	(34 739)
Movement in deferred taxation	(4 530)	(8 362)
Movement in net taxation	(2 118)	(5 288)
	(48 875)	(48 389)

23. BUSINESS COMBINATIONS

Acquisition of subsidiaries

2016

Array Marketing Proprietary Limited

On 1 May 2016, Pack n Stack Investment Holdings Proprietary Limited, a subsidiary of CA Sales Holdings Proprietary Limited, acquired 80% of the share capital of Array Marketing Proprietary Limited for R9 million during the year and obtained control of Array Marketing Proprietary Limited, a sales and merchandising agency business in South Africa. As a result of the acquisition, the group is expected to get a presence in the market. Goodwill of R7.6 million has arisen from the acquisition.

The following table summarises the consideration paid for Array Marketing Proprietary Limited, the fair value of assets acquired and liabilities assumed and the non-controlling interest at the acquisition date.

Consideration at 1 May 2016

	2016
	R'000
Cash	9 874
Total consideration	9 874

	2016 R'000
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	542
Property, plant and equipment	407
Intangible assets	1 374
Trade and other receivables	1 747
Trade and other payables	(779)
Borrowings	(46)
Current income tax liabilities	(66)
Deferred tax liabilities	(385)
Total identifiable net assets	2 794
Non-controlling interest	(560)
Goodwill	7 640
Total	9 874
Acquisition of subsidiary – cash flow on acquisition	
Purchase consideration – cash portion	9 874
Cash and cash equivalents acquired	(542)
Net cash outflow on acquisition	9 332

The fair value of the non-controlling interest in Array Marketing Proprietary Limited, an unlisted company, was estimated by using the cost method.

The revenue included in the consolidated statement of comprehensive income since 1 May 2016 contributed by Array Marketing Proprietary Limited was R7 783 000. Array Marketing Proprietary Limited also contributed profit of R1 590 000 over the same period.

Had Array Marketing Proprietary Limited been consolidated from 1 January 2016, the consolidated statement of comprehensive income would show *pro forma* revenue of R4 032 573 000 and profit of R136 499 000.

Smithshine Enterprises Proprietary Limited

On 1 July 2014, Pamstad Proprietary Limited acquired 48% of the share capital of Smithshine Enterprises Proprietary Limited for R4.6 million. During the year the group acquired a further 12% of the share capital and obtained control of Smithshine Enterprises Proprietary Limited, a fast moving consumer goods agency business specialising in frozen goods in Botswana. As a result of the acquisition, the group is expected to get a presence in the market. Goodwill of R3.6 million has arisen from the acquisition.

The following table summarises the consideration paid for Smithshine Enterprises Proprietary Limited, the fair value of assets acquired and liabilities assumed at the acquisition date.

Consideration at 1 July 2016

	2016 R'000
Cash	2 181
Fair value of equity interest in Smithshine Enterprises Proprietary Limited, held before the business combination	8 724
Total consideration	10 905

	2016 R'000
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	5 557
Property, plant and equipment	3 581
Intangible assets	2 586
Deferred income tax asset	4 091
Inventories	7 782
Trade and other receivables	(1 618)
Trade and other payables	(8 466)
Current income tax liabilities	(550)
Deferred tax liabilities	(836)
Total identifiable net assets	12 127
Non-controlling interests	(4 851)
Goodwill	3 629
Total	10 905
Acquisition of subsidiary – cash flow on acquisition	
Purchase consideration – cash portion	2 181
Cash and cash equivalents acquired	(5 557)
Net cash inflow on acquisition	(3 376)

The group recognised a loss of R0.6 million as a result of measuring at fair value its 48% equity interest in Smithshine Enterprises Proprietary Limited held before the business combination. The loss is included in other expenses in the group's statement of comprehensive income for the year ended 31 December 2016.

The revenue included in the consolidated statement of comprehensive income since 1 July 2016 contributed by Smithshine Enterprises Proprietary Limited was R41 560 000. Smithshine Enterprises Proprietary Limited also contributed profit of R2 238 000 over the same period.

Had Smithshine Enterprises Proprietary Limited been consolidated from 1 January 2016, the consolidated statement of comprehensive income would show *pro forma* revenue of R4 058 704 000 and profit of R138 381 000.

On 1 November 2016, the group acquired a further 35% of the share capital from the previous shareholder for a consideration of R8 million.

24. RELATED-PARTY TRANSACTIONS

Parent

PSG Group Limited is the ultimate holding company of CA Sales Holdings group.

Subsidiaries

CA Sales and Distribution Proprietary Limited
 Kalahari Training Proprietary Limited
 Warehousing Services Botswana Proprietary Limited
 Dafin Sales and Distribution Proprietary Limited
 Diverse Distribution and Marketing Services Proprietary Limited
 Private Label Sales and Merchandisings Services Proprietary Limited
 CAS Marketing Proprietary Limited
 Pamstad Proprietary Limited
 Logico Unlimited Proprietary Limited
 Pack n Stack Investment Holdings Proprietary Limited
 SMC Brands SA Proprietary Limited
 Smithshine Enterprises Proprietary Limited

Associated companies and joint ventures

A. Wutow Trading Company Proprietary Limited
 Bull Red Distribution Proprietary Limited

Subsidiaries of PSG Group

PSG Capital Proprietary Limited
 PSG Corporate Services Proprietary Limited

Key management personnel

Key management personnel include the members of the board, members of the group's executive committee, divisional general managers as well as the immediate subordinates of such managers. Non-executive directors are included in the definition of key management personnel as well as any close family members of such persons and any entity over which key management exercise control, joint control or significant influence. Close members of family are those family members who may be expected to influence, or be influenced, by that person in their dealings with CA Sales Holdings Group. They include the person's domestic partner and children, the children of the person's domestic partner, and dependants of the person or the person's domestic partner.

Transactions and balances

During the financial year the company and its subsidiaries conducted the following transactions with joint ventures, associates, parties exercising significant influence and key management personnel.

		Group	
		2016	2015
		R'000	R'000
Sale of goods and services			
Interest received	A. Wutow Trading Company Proprietary Limited	116	16
Purchase of goods and services			
Rent	PSG Capital Proprietary Limited	411	362
Amounts due from related parties			
Loan to associate – equity accounted	Bull Red Distribution Proprietary Limited	–	5 731
	A. Wutow Trading Company Proprietary Limited	3 788	9 804

		Group	
		2016	2015
		R'000	R'000
Investments and loans			
Preference shares in Repassen 21 Proprietary Limited	Management member – FW Britz	8 000	8 000
Preference shares in Rose Bridge 15 Proprietary Limited	Management member – T P Rogers	8 000	8 000
Key management compensation			
Salaries and other short-term employee benefits – note 25		20 242	13 535

25. DIRECTORS' REMUNERATION

Group	Share-based payment costs R'000	Salary R'000	Bonus R'000	Total R'000
2016				
Executive directors				
T Rogers	1 964	3 586	5 195	10 745
F Britz	1 964	2 338	5 195	9 497
	3 928	5 924	10 390	20 242
2015				
Executive directors				
T Rogers	–	3 335	4 008	7 343
F Britz	–	2 184	4 008	6 192
	–	5 519	8 016	13 535

26. CONTINGENT LIABILITIES

There were no contingencies and commitments which require adjustments to or disclosure in these financial statements.

27. EVENTS AFTER THE REPORTING DATE

The group is in negotiations with third parties to acquire shares in businesses in Africa. There were no other events that occurred after the reporting date which require adjustments to or disclosure in these financial statements.

Acquisition: Expo Africa Proprietary Limited

On 1 April 2017 CA Sales Holdings acquired 90% of the issued shares in Expo Africa Proprietary Limited, a marketing company in Southern Africa, for consideration of R20 000 000. The acquisition is expected to increase the group's services to principals.

The financial effects of this transaction have not been recognised at 31 December 2016. The operating results and assets and liabilities of the acquired company will be consolidated from 1 April 2017.

Purchase consideration	20 000
------------------------	--------

The provisionally determined values of the assets and liabilities of Expo Africa as at the date of acquisition are as follows:

Net identifiable assets acquired	1 486
Intangible assets	18 663
Non-controlling interest	149

Information not disclosed as not yet available

At the time the financial statements were authorised for issue, the group had not yet completed the accounting for the acquisition of Expo Africa. In particular, the fair values of the assets and liabilities disclosed above have only been determined provisionally as the independent valuations have not been finalised. It is also not yet possible to provide detailed information about each class of acquired receivables and any contingent liabilities of the acquired entity.

A. Wutow Trading Company Proprietary Limited

On 1 July 2017 CA Sales Holdings acquired additional 50% of the issued shares in A. Wutow Trading Company Proprietary Limited, a fast moving consumer goods agency business in Namibia, for a consideration of R7 400 000. The acquisition is expected to increase the group's marketshare in the geographical area. At the time the financial statements were authorised for issue, the group had not yet completed the accounting for the acquisition of A. Wutow Trading Company Proprietary Limited.

28. OPERATING LEASE COMMITMENTS

The future aggregate minimum lease payments under non-cancellable operating lease commitments are as follows:

	Group	
	2016	2015
	R'000	R'000
Operating leases – premises		
Not later than one year	42 668	43 136
Later than one year and not later than five years	88 436	105 158
Later than five years	–	1 089
	131 104	149 383
Operating leases – office and computer equipment		
Not later than one year	804	523
Later than one year and not later than five years	368	396
	1 172	919
Operating leases – vehicles and plant		
Not later than one year	4 577	13 871
Later than one year and not later than five years	306	4 624
	4 883	18 495

29. GOING CONCERN

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

30. SEGMENT INFORMATION

The group's strategic committee examines the group's performance from a geographic perspective.

The committee primarily uses a measure of adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) to assess the performance of the operating segments. However, the committee also receives information about the segments' revenue, liabilities and assets on a monthly basis.

2016	Botswana	South Africa	Namibia	Swaziland	Lesotho, Zimbabwe and Mozambique	Total
Revenue	2 750 408	544 912	202 430	532 856	–	4 030 606
EBITDA	107 548	66 023	9 187	56 327	(486)	234 218
Assets	1 064 421	369 041	152 426	186 115	6	1 772 011
Liabilities	576 618	69 642	32 041	67 889	–	746 191

2015	Botswana	South Africa	Namibia	Swaziland	Lesotho, Zimbabwe and Mozambique	Total
Revenue	2 400 059	513 591	216 449	455 184	–	3 585 284
EBITDA	73 692	66 796	29 661	40 971	7 906	219 026
Assets	1 076 175	281 665	156 702	180 114	23 529	1 718 185
Liabilities	577 390	91 991	49 673	92 443	–	811 497

HISTORICAL FINANCIAL STATEMENTS FOR CA SALES

Set out below are extracts from the unaudited, unreviewed financial results of CA Sales for the interim period ended 30 June 2017. These extracts are the responsibility of the directors.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) 6 months ended 30 June 2017 R'000	(Unaudited) 6 months ended 30 June 2016 R'000	(Audited) 12 months ended 31 December 2016 R'000
Revenue	1 902 519	1 828 595	4 030 606
Cost of sales	(1 593 188)	(1 544 681)	(3 401 698)
Gross profit	309 331	283 914	628 908
Other operating expenses	(247 603)	(224 122)	(445 768)
Other operating income	3 243	3 215	12 105
Operating profit	64 971	63 007	195 245
Share of loss of investments accounted for using the equity method	(802)	(5 837)	(5 274)
Operating profit before interest and taxation	64 169	57 170	189 971
Finance income	3 410	1 748	4 889
Finance costs	(5 396)	(8 070)	(16 210)
Profit before taxation	62 184	50 848	178 650
Taxation	(19 882)	(17 965)	(42 227)
Profit after taxation	42 301	32 883	136 423
Other comprehensive income:			
Currency translation differences	(685)	1 355	(12 302)
Share of other comprehensive income of associated companies	–	–	295
Total comprehensive income	41 616	34 238	124 416
Profit attributable to:			
Owners of the parent	32 199	17 926	109 882
Non-controlling interest	10 102	14 957	26 541
	42 301	32 883	136 423
Total comprehensive income attributable to:			
– Owners of the parent	31 514	19 281	98 093
– Non-controlling interests	10 102	14 957	26 323
	41 616	34 238	124 416
Attributable headline earnings	31 730	20 493	106 439

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) 30 June 2017 R'000	(Unaudited) 30 June 2016 R'000	(Audited) 31 December 2016 R'000
Assets			
Non-current assets	692 187	708 956	682 331
Property, plant and equipment	94 667	105 799	97 129
Intangible assets	546 929	534 042	533 939
Investments accounted for using the equity method	28 149	46 808	29 261
Deferred income tax assets	6 443	6 307	6 002
Loans and advances	16 000	16 000	16 000
Current assets	1 057 376	895 119	1 089 679
Inventories	307 895	250 425	277 777
Trade and other receivables	591 963	484 955	627 840
Income tax receivables	10 607	6 973	1 184
Cash and cash equivalents	146 911	152 766	182 878
Total assets	1 749 563	1 604 075	1 772 010
Equity and liabilities			
Equity	1 045 175	936 909	1 025 820
Stated capital	708 945	708 944	708 944
Other reserves	15 457	18 876	14 042
Retained earnings	260 854	139 249	236 122
Non-controlling interest	59 920	69 840	66 712
Non current liabilities	47 155	96 100	29 145
Borrowings	44 014	90 293	24 484
Deferred income tax liabilities	3 140	5 807	4 661
Current liabilities	657 233	571 066	717 045
Trade and other payables	482 185	440 549	593 372
Income tax payable	6 673	4 826	6 832
Borrowings	168 375	125 691	116 841
Total equity and liabilities	1 749 563	1 604 075	1 772 010

CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) 6 months ended 30 June 2017 R'000	(Unaudited) 6 months ended 30 June 2016 R'000	(Audited) 12 months ended 31 December 2016 R'000
Net cash flow generated from operating activities	(57 453)	75 840	193 202
Net cash flow used in investment activities	(45 877)	(21 890)	(30 591)
Net cash flow used in financing activities	71 697	(55 140)	(118 590)
Net movement in cash and cash equivalents	(31 633)	(1 190)	44 021
Effects of exchange rate changes on cash and cash equivalents	–	–	(1 776)
Cash and cash equivalents at the beginning of the period	132 395	90 150	90 150
Cash and cash equivalents at the end of the period	100 762	88 960	132 395
Bank overdrafts	(46 149)	(63 806)	(50 483)
Cash and cash equivalents reported per the Statement of financial position	146 911	152 766	182 878

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital R'000	Shareholders' equity R'000	Other reserves R'000	Retained earnings R'000	Total attributable to the owners R'000	Non- controlling interest R'000	Total R'000
Balance as at 31 December 2015 (Audited)	371 231	337 713	21 901	121 322	852 167	54 522	906 689
Total comprehensive income for the period (6 months)	-	-	(3 025)	17 927	14 902	15 318	30 220
Profit	-	-	-	17 927	17 927	14 957	32 884
Other comprehensive income	-	-	(3 025)	-	(3 025)	361	(2 664)
Transactions with owners:							
Subscription shares	337 713	(337 713)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-
Balance as at 30 June 2016 (Unaudited)	708 944	-	18 876	139 249	867 069	69 840	936 909
Total comprehensive income for the period (6 months)	-	-	(4 834)	96 873	92 039	5 147	97 186
Profit	-	-	-	96 873	96 873	11 584	108 457
Other comprehensive income	-	-	(4 834)	-	(4 834)	(6 437)	(11 271)
Transactions with owners:							
Dividends paid	-	-	-	-	-	(8 275)	(8 275)
Balance as at 31 December 2016 (Audited)	708 944	-	14 042	236 122	959 108	66 712	1 025 820
Total comprehensive income for the period (6 months)	-	-	(685)	32 199	31 514	10 102	41 616
Profit	-	-	-	32 199	32 199	10 102	42 301
Other comprehensive income	-	-	(685)	-	(685)	-	(685)
Transactions with owners:							
Share-based payment cost	-	-	2 100	-	2 100	-	2 100
Transactions with non-controlling interest	-	-	-	(7 468)	(7 468)	(13 192)	(20 660)
Dividends paid	-	-	-	-	-	(3 701)	(3 701)
Balance as at 30 June 2017 (Unaudited)	708 944	-	15 457	260 853	985 254	59 921	1 045 175

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORTS

Independent reporting accountant's audit report on the consolidated financial statements

To the shareholders of CA Sales Holdings Proprietary Limited

Our opinion

CA Sales Holdings Proprietary Limited is issuing a prospectus to its shareholders ("the Prospectus") regarding the proposed issuing of ordinary shares and the subsequent listing of these shares on the Botswana Stock Exchange (the "Proposed Transaction").

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of CA Sales Holdings Proprietary Limited ("the Company") and its subsidiaries (together "the Group") as at 31 December 2015 and at 31 December 2016, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

What we have audited

At your request and solely for the purpose of the Prospectus to be dated on 11 October 2017, CA Sales Holdings Proprietary Limited's consolidated financial statements as set out on pages 33 to 88 of the Prospectus comprise:

- the consolidated statements of financial position as at 31 December 2015 and 31 December 2016;
- the consolidated statements of comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Reporting Accountant's responsibilities for the audit of the consolidated financial statements section of our report.

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

Independence

We are independent of the Group in accordance with the Botswana Institute of Chartered Accountants code of ethics ("BICA Code") and the ethical requirements that are relevant to performing audits of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the requirements and the BICA Code. The BICA Code is consistent with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (Parts A and B).

Purpose of this report

This report has been prepared for the purpose of the Prospectus and for no other purpose.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Reporting Accountant's responsibilities for the audit of the consolidated financial statements

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

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

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

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

PricewaterhouseCoopers

Gaborone

Individual practicing member: Sheyan Edirisinghe

11 October 2017

Membership Number: 20030048

The Directors
CA Sales Holdings (Pty) Ltd
2nd Floor, Bowman's
Sandhurst
11 Alice Lane
Sandton
2196

Report by the auditor in terms of Botswana Stock Exchange Rules

Dear Sirs

PricewaterhouseCoopers ("PwC, Botswana" or "We") is the appointed auditor of CA Sales Holdings Proprietary Limited ("CA Sales" or the "Company") for the purpose of reporting on the historical information of the Company as required by the Botswana Stock Exchange. PricewaterhouseCoopers Inc. ("PwC SA") were the appointed auditors of the Company for the years ended 31 December 2014, 31 December 2013 and 31 December 2012. The Botswana Stock Exchange regulations require a report by the auditor of the Company, whose shares are to be acquired from the proceeds of the issue of shares through a public offer, to be included in the Prospectus of CA Sales, and for such report to address the source of the historical information included in the Prospectus.

Consequently, we have been requested to provide this report on the following historical financial information of CA Sales to be included in the Prospectus of CA Sales to be issued on or about 9 November 2017 (the "Prospectus"):

- CA Sales' statements of financial position as at 31 December 2014, at 31 December 2013 and as at 31 December 2012, as set out in Annexure 9 of the Prospectus.
- CA Sales' statements of comprehensive income in respect of the years ended 31 December 2014, 31 December 2013 and 31 December 2012, as set out in Annexure 9 of the Prospectus.
- CA Sales' statements of changes in equity in respect of the years ended 31 December 2014, 31 December 2013 and 31 December 2012, as set out in Annexure 9 of the Prospectus.
- CA Sales' statements of cash flows in respect of the years ended 31 December 2014, 31 December 2013 and 31 December 2012, as set out in Annexure 9 of the Prospectus.

The above is collectively referred to as the "CA Sales Historical Financial Information".

The CA Sales Historical Information has been extracted from the audited financial statements of CA Sales Holdings Proprietary Limited for the years ended 31 December 2014, 31 December 2013 and 31 December 2012, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and the requirements of the South African Companies Act. PwC, SA expressed unqualified audit opinions on those financial statements in the reports dated 24 July 2015, 8 July 2014 and 13 May 2013, respectively, based on the audits which were conducted in accordance with the International Standards on Auditing.

The CA Sales Historical Information does not reflect the effects of events that may have occurred subsequent to the date of the audit report on CA Sales Holdings Proprietary Limited financial statements for the year ended 31 December 2016. We have also not performed audit procedures in respect of events which occurred between 7 June 2016, the date of our audit report on the financial statements for the year ended 31 December 2016 and the date of issue of the Prospectus. Furthermore, the CA Sales Historical Information set out in Annexure 9 of the Prospectus is not a full set of financial statements in accordance with IFRS and the requirements of the Act. Reading the CA Sales Historical Information is therefore no substitute for reading the audited financial statements of CA Sales Holdings for the years ended 31 December 2014, 31 December 2013 and 31 December 2012.

Restriction on use and distribution

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties.

PricewaterhouseCoopers

Gaborone

Individual practicing member: Sheyan Edirisinghe

11 October 2017

Membership Number: 20030048

NET ASSET STATEMENT

The net asset statement at 31 December 2016 is set out below. The net asset statement has been prepared for illustrative purposes only to provide information on how the placement of Subscription Shares might have impacted on the financial position of CA Sales. The net asset statement has been prepared in accordance with the Listing Requirements.

for the year ended 31 December 2016

	2016 R'000 Actual	2016 R'000 Adjustment	2016 R'000 Pro forma
Assets			
Non-current assets	682 331	–	682 331
Property, plant and equipment	97 129	–	97 129
Intangible assets	533 939	–	533 939
Investments accounted for using the equity method	29 261	–	29 261
Deferred income tax assets	6 002	–	6 002
Loans and advances	16 000	–	16 000
Current assets	1 089 679	63 500	1 153 179
Inventories	277 777	–	277 777
Trade and other receivables	627 840	–	627 840
Income tax receivables	1 184	–	1 184
Cash and cash equivalents	182 878	63 500 ¹	246 378
Total assets	1 772 010	63 500	1 835 510
Equity and liabilities			
Stated capital	708 944	63 500	772 444
Other reserves	14 042	–	14 042
Retained earnings	236 122	–	236 122
	959 108	63 500	1 022 608
Non-controlling interest	66 712	–	66 712
Total equity	1 025 820	63 500	1 089 320
Non-current liabilities	29 145	–	29 145
Borrowings	24 484	–	24 484
Deferred income tax liabilities	4 661	–	4 661
Current liabilities	717 045	–	717 045
Trade and other payables	593 372	–	593 372
Income tax payable	6 832	–	6 832
Borrowings	116 841	–	116 841
Total liabilities	746 190	–	746 190
Total equity and liabilities	1 772 010	63 500	1 835 510
NAV per share	R2.58³		2.59

Assumptions:

1. BWP50 000 000 cash received through the issue of the Subscription Shares at an exchange rate of BWP1 = R1.27
2. Additional issued shares 14 492 754
3. Based on 405 400 800 shares in issue

EXTRACTS OF THE MOI IN RESPECT OF THE DIRECTORS

References to clause numbers in this annexure correspond to the clause numbers in the MOI

26.1 Number of Directors

- 26.1.1 In addition to the minimum number of Directors, if any, that the Company must have to satisfy any requirement in terms of the Act to appoint an audit committee and a social and ethics committee, the Board must comprise at least 4 (four) Directors and the Shareholders shall be entitled, by ordinary resolution, to determine such maximum number of Directors as they from time to time shall consider appropriate.
- 26.1.2 All Directors shall be elected by an ordinary resolution of the Shareholders at a general or annual general meeting of the Company and no appointment of a Director in accordance with a resolution passed in terms of section 60 shall be competent.
- 26.1.3 Every person holding office as a Director, prescribed officer, company secretary or auditor of the Company immediately before the effective date of the Act will, as contemplated in item 7(1) of Schedule 5 to the Act, continue to hold that office.

26.2 Election of Directors

- 26.2.1 In any election of Directors –
- 26.2.1.1 the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board have been filled; and
- 26.2.1.2 in each vote to fill a vacancy –
- 26.2.1.2.1 each vote entitled to be exercised may be exercised once; and
- 26.2.1.2.2 the vacancy is filled only if a majority of the votes exercised support the candidate.
- 26.2.2 The Company shall only have elected Directors and there shall be no appointed or *ex officio* Directors as contemplated in section 66(4).

26.3 Eligibility, Resignation and Rotation of Directors

- 26.3.1 Apart from satisfying the qualification and eligibility requirements set out in section 69, a person need not satisfy any eligibility requirements or qualifications to become or remain a Director or a prescribed officer of the Company.
- 26.3.2 No Director shall be appointed for life or for an indefinite period and the Directors shall rotate in accordance with the following provisions of this clause 26.3.2 –
- 26.3.2.1 at each annual general meeting referred to in clause 20.2.1, 1/3 (one-third) of the non-executive Directors for the time being, or if their number is not 3 (three) or a multiple of 3 (three), the number nearest to 1/3 (one-third), but not less than 1/3 (one-third), shall retire from office, provided that if a Director is appointed as an executive Director or as an employee of the Company in any other capacity, he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation and he or she shall not, in such case, be taken into account in determining the rotation or retirement of Directors;
- 26.3.2.2 the Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot;
- 26.3.2.3 a retiring Director shall be eligible for re-election;

- 26.3.2.4 the Company, at the general meeting at which a Director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto, provided that the Company shall not be entitled to fill the vacancy by means of a resolution passed in accordance with clause 25;
- 26.3.2.5 if at any meeting at which an election of Directors ought to take place the offices of the retiring Directors are not filled, unless it is expressly resolved not to fill such vacancies, the meeting shall stand adjourned and the further provisions of this Memorandum of Incorporation, including clauses 20.4.2 to 20.4.5 (inclusive) will apply *mutatis mutandis* to such adjournment, and if at such adjourned meeting the vacancies are not filled, the retiring Directors, or such of them as have not had their offices filled, shall be deemed to have been re-elected at such adjourned meeting.
- 26.3.3 The Board shall, through its nomination committee if such committee has been constituted in terms of clause 32, provide the Shareholders with a recommendation in the notice of the meeting at which the re-election of a retiring Director is proposed, as to which retiring Directors are eligible for re-election, taking into account that Director's past performance and contribution. Sufficient time shall be allowed between the date of such notice and the date of the general meeting or annual general meeting at which the re-election of the Director is to be proposed to allow nominations to reach the Company's office from any part of South Africa or Botswana or any other jurisdiction in which Shareholders of the Company as located.

26.4 Powers of the Directors

26.4.1 The Board has the power to –

26.4.1.1 fill any vacancy on the Board on a temporary basis, as set out in section 68(3), provided that such appointment must be confirmed by the Shareholders, in accordance with clause 26.1.2, at the next annual general meeting of the Company, as required in terms of section 70(3)(b)(i); and

26.4.1.2 exercise all of the powers and perform any of the functions of the Company, as set out in section 66(1),

and the powers of the Board in this regard are only limited and restricted as contemplated in this clause 26.4.

26.4.2 The Directors may at any time and from time to time by power of attorney appoint any person or persons to be the attorney or attorneys and agent(s) of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors in terms of this Memorandum of Incorporation) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such appointment may, if the Directors think fit, be made in favour of any company, the shareholders, directors, nominees or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys and agents as the Directors think fit. Any such attorneys or agents as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them. Any reference to a power of attorney herein shall include any other form of delegation including the right to sub-delegate.

26.4.3 Save as otherwise expressly provided herein, all cheques, promissory notes, bills of exchange and other negotiable or transferable instruments, and all documents to be executed by the Company, shall be signed, drawn, accepted, endorsed or executed, as the case may be, in such manner as the Directors shall from time to time determine.

- 26.4.4 All acts performed by the Directors or by a committee of Directors or by any person acting as a Director or a member of a committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that any of them were disqualified from or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.
- 26.4.5 If the number of Directors falls below the minimum number fixed in accordance with this Memorandum of Incorporation, the remaining Directors must as soon as possible, fill the vacancy/ies in accordance with clause 26.4.1.1 or convene a general meeting for the purpose of filling the vacancies.
- 26.4.6 The Directors in office may act notwithstanding any vacancy in their body, where their number is below the minimum number fixed in accordance with this Memorandum of Incorporation, they may, for as long as their number is reduced below such minimum, act only for the purpose of filling vacancies in their body in terms of section 68(3) or of summoning general meetings of the Company, but not for any other purpose.

26.5 Directors' Interests

- 26.5.1 A Director may hold any other office or place of profit under the Company (except that of auditor) or any subsidiary of the Company in conjunction with the office of Director, for such period and on such terms as to remuneration (in addition to the remuneration to which he may be entitled as a Director) and otherwise as a disinterested quorum of the Directors may determine.
- 26.5.2 A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, provided that the appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors.
- 26.5.3 Each Director and each alternate Director, prescribed officer and member of any committee of the Board (whether or not such latter persons are also members of the Board) shall, subject to the exemptions contained in section 75(2) and the qualifications contained in section 75(3), comply with all of the provisions of section 75 in the event that they (or any person who is a related person to them) have a personal financial interest in any matter to be considered by the Board.
- 26.5.4 Save where the Directors have obtained the prior approval of a Recognised Exchange to so propose such a resolution, the proposal of any resolution to Shareholders in terms of sections 20(2) and 20(6) to permit or ratify an act of the Directors that is inconsistent with any limitation or restriction imposed by this Memorandum of Incorporation, or the authority of the Directors to perform such an act on behalf of the Company, is prohibited.

26.6 Alternate Directors

- 26.6.1 A Director may –
- 26.6.1.1 appoint another Director to act as alternate Director in his place and during his absence; and
 - 26.6.1.2 remove such alternate Director.
- 26.6.2 A person so appointed or elected shall, except as regards authority to appoint an alternate Director and remuneration, be subject in all respects to the terms and conditions existing in respect of the other Directors of the Company.
- 26.6.3 Each alternate Director, whilst so acting, shall be entitled to –
- 26.6.3.1 receive notices of all meetings of the Directors or of any committee of the Directors of which the person for whom he acts as alternate is a member;
 - 26.6.3.2 attend and vote at any such meeting at which the person for whom he acts as alternate is not personally present;

- 26.6.3.3 generally exercise and discharge all the functions, powers and duties of the person for whom he acts as alternate in such person's absence as if he were a Director.
- 26.6.4 An alternate Director shall *ipso facto* cease to be an alternate Director if the person for whom he acts as alternate ceases for any reason to be a Director, provided that if any Director retires by rotation or otherwise, but is re-elected at the same meeting, any alternate of him who was appointed or elected as such immediately before his retirement shall remain in office as though he had not retired.
- 26.6.5 Any appointment or removal of an alternate Director shall be effected by written notice delivered at the principal place of business of the Company and signed by the appointer, if applicable.
- 26.6.6 The remuneration of an alternate Director shall be payable only out of the remuneration payable to the Director for whom he acts as alternate and he shall have no claim against the Company for any remuneration.
- 26.6.7 An alternate Director shall not be required to hold any qualifying Shares.

PROSPECTUS AVAILABILITY

Copies of the Prospectus are available during normal business hours from 12 October 2017 to 1 November 2017 at the following locations:

Name	Address
The office of the Legal Advisor	3rd Floor, North Wing, Central Square, Central Business District (CBD), Gaborone
The office of the Transfer Secretary	Acuman Park, Plot 50370 Fairgrounds, Gaborone
The office of the Sponsoring Brokers	Plot 64511 Fairgrounds Office Park, Gaborone
The following branches of the Clearing Bank:	
Airport Junction	Shop 01A, Airport Junction Mall, Gaborone
BroadHurst Industrial	Plot 5681, Orchid Centre, Gaborone
Industrail	Plot 1278, Lithuli Road, Gaborone
Kgaleview	Shop no N3, Game City, Gaborone
Main Branch	Plot 2843, Ground Floor, Khama Crescent, Gaborone
First Place	Plot 54362, First Place, CBD, Gaborone
Mall	Ground Floor, Capitol Building, Plot 1108, Main Mall, Gaborone
Riverwalk	Plot 25117, Tlokweng Road, Gaborone
Francistown	Plot 32753/4, Blue Jacket Street
Palapye	Plot 1077, Main Road
Maun	Plot 152, Ngami Centre

OTHER DIRECTORSHIPS HELD BY DIRECTORS OF CA SALES

The companies and partnerships to which the Directors have been a director or partner at any time in the previous five years are set out in the table below:

Director	Directorships/Memberships	Registration Number
Executive		
Frans Britz	Bullred Farming (Pvt) Limited	261/2000
	C.A. Merchandising (Proprietary) Limited	CO.94/266
	CA Sales Holdings Limited	2011/143100/06
	CA Sales Investments (Proprietary) Limited	2012/175262/07
	CAS Marketing (Proprietary) Limited	2012/175266/07
	C.A Sales & Distribution (Proprietary) Limited	CO.1987/811
	Dafin Sales & Distribution (Proprietary) Limited	CO.1992/986
	Diverse Distribution and Marketing Services (Proprietary) Limited	2012/0165
	Kalahari Training (Proprietary) Limited	CO.85/123
	Kalahari Training Institute (Proprietary) Limited	2016/8862
	Warehousing Services Botswana (Proprietary) Limited	CO.90/842
	Logico Unlimited (Proprietary) Limited	955 of 2003
	Pamstad (Proprietary) Limited	CO2014/1701
	Pack 'n Stack Investment Holdings (Proprietary) Limited	2001/008373/07
	SMC Brands SA (Proprietary) Limited	1998/025138/07
	A. Wutow Trading Co (Proprietary) Limited	79/015
	Smithshine Enterprises (Proprietary) Limited	2004/2001
	Whitakers Agencies (Proprietary) Limited	1964/004781/07
	Moneyline 1239 CC	1998/008765/23
	Autumn Star Trading 19 (Proprietary) Limited	2003/028662/07
Respassen 21 (Proprietary) Limited	2012/086260/07	
Non-executive		
Johan Holtzhausen	PSG Financial Services Limited	1919/000478/06
	35 Kerk Street Investments Limited	2006/011238/06
	Daleiwan Investment (Proprietary) Limited	2012/058956/07
	PSG Africa Holdings (Proprietary) Limited	2011/139981/07
	CA Sales Holdings Limited	2011/143100/06
	Waterval Vineyards (Proprietary) Limited	2006/029394/07

Director	Directorships/Memberships	Registration Number
	Oude Hemel-en-Aarde Vineyards Company (Proprietary) Limited	2001/028225/07
	K2014072274 (Proprietary) Limited	2014/072274/07
	Augmenti (Proprietary) Limited	
	PSG Capital (Proprietary) Limited	2006/015817/07
	PSG Group Limited	1970/008484/06
	Mount Babylon Vineyards (Proprietary) Limited	2001/028185/07
Trevor Rogers	Bullred Farming (Pvt) Limited	261/2000
	CA Merchandising (Proprietary) Limited*	CO.94/266
	CA Sales Holdings Limited	2011/143100/06
	CA Sales Investments (Proprietary) Limited*	2012/175262/07
	CAS Marketing (Proprietary) Limited	2012/175266/07
	CA Sales & Distribution (Proprietary) Limited*	CO.1987/811
	Dafin Sales & Distribution (Proprietary) Limited	CO.1992/986
	Diverse Distribution and Marketing Services (Proprietary) Limited*	2012/0165
	Kalahari Training (Proprietary) Limited*	CO.85/123
	Kalahari Training Institute (Proprietary) Limited*	2016/8862
	Warehousing Services Botswana (Proprietary) Limited*	CO.90/842
	Logico Unlimited (Proprietary) Limited	955 of 2003
	Pamstad (Proprietary) Limited*	CO2014/1701
	Pack 'n Stack Investment Holdings (Proprietary) Limited	2001/008373/07
	SMC Brands SA (Proprietary) Limited	1998/025138/07
	A. Wutow Trading Co (Proprietary) Limited	79/015
	Smithshine Enterprises (Proprietary) Limited*	2004/2001
	Whitakers Agencies (Proprietary) Limited*	1964/004781/07
	Rose Bridge 15 Proprietary Limited	2012/130851/07
Nico de Waal	NRGP Holdings (Proprietary) Limited	2010/005871/07
	Impaq Education (Proprietary) Limited	2011/011959/07
	The Stellenbosch Nanofiber Company (Proprietary) Limited	2009/023385/07
	PSG Private Equity (Proprietary) Limited	2009/022552/07
	Friedshelf 1365 (Proprietary) Limited (RF)	2012/123901/07
	PSG Africa Holdings (Proprietary) Limited	2011/139981/07
	Alaris Holdings Limited	1997/011142/06
	ITSI Holdings (Proprietary) Limited	2006/002404/07
	Spirit Capital (Proprietary) Limited	1998/019892/07
	CA Sales Holdings Limited	2011/143100/06

Director	Directorships/Memberships	Registration Number
	PSG Private Equity Consortium (RF) (Proprietary) Limited	2012/065787/07
	Education Insights Innovations (Proprietary) Limited	2012/216533/07
	Malinois Investments (Proprietary) Limited	2013/083854/07
	Futurelearn (Proprietary) Limited	2016/217646/07
	Nixonzara Investments (Proprietary) Limited	2016/222034/07
	Paladin Capital Limited	2007/032836/06
	Stadio Holdings Limited	2016/371398/06
	IQuad Group Limited*	2004/025177/06
	Geologics (Proprietary) Limited*	2005/031445/07
	Top Fix Holdings Limited*	2006/011359/06
	Erbacon Investment Holdings *	2007/014490/06
	M&S Holdings Limited*	2006/011359/06
	Friedshelf 1347 (Proprietary) Limited*	2012/065787/07
	Protea Gietery (Proprietary) Limited*	2007/021761/07
	CSG Holdings Limited	2006/011359/06
	Entrepo Holdings (Proprietary) Limited*	2011/0703
Badal Patel	Export Marketing Investments SA (Proprietary) Limited	2011/148581/07
	Farmisco (Proprietary) Limited	2009/009254/07
	Yovi Consulting Limited	8653675
	Power Juice Nutrition Limited	10398644
Jean Craven	Bosveld Phosphates (Proprietary) Limited	2004/020580/07
	ETG Commodities Limited	116215
	Riparian Commodities (Proprietary) Limited	2008/004358/07
	ETG Agro Products (Proprietary) Limited*	2010/008754/07
	Export trading Group Pte Limited*	201008433D
	Kynoch a Division of Farmisco (Proprietary) Limited*	2009/009254/07
	HBS Group (Proprietary) Limited*	2010/019668/07
	SADC Bulk Management and Logistics (Proprietary) Limited*	2010/021024/07
	United Exports – Blueberry*	
	Kapunga Rice Project Limited*	57661
	Manyame Milling Co (Proprietary) Limited/Edurate Investments*	
	Parrogate Zimbabwe (Private) Limited*	
Blackie Marole	Botswana Development Corporation	
	Associated Fund Administrators	
	BNE Botswana	
	Ce Vet Drilling	
	Tsodilo Resources	
	Manamata Investments	
	Public Enterprises Evaluation and Privatisation*	
	African Energy Resources*	

Director	Directorships/Memberships	Registration Number
Elias Masilela	South African Reserve Bank*	
	DNA Economics (Proprietary) Limited	2001/023453/07
	Economic Research Southern Africa	2010/002225/08
	Government Employee Pension Fund*	48100204028
	Ingagaru Property Investments	2007/00803/23
	Institute of Retirement Funds*	005/970/NPO
	Number 43 Trelawney Park; kwaMagogo Trust*	2007/010715/08
	Sanlam Umbrella Funds*	Pension Fund – 12/8/368/28 Provident Fund – 12/8/36813
	South African Bank Note Company*	1958/001659/07
	South African Savings Institute*	2001/008506/08
	NPC	–
	Thanduxolo Transport Services*	2009/007286/07
	Airports Company South Africa*	1993/004149/06
	Lexshell 44 General Trading (Proprietary) Limited	2006/024423/07
	V&A Waterfront Holdings (Proprietary) Limited	1998/001875/07
	V&A Waterfront Properties (Proprietary) Limited*	1998/004284/07
	V&A Waterfront Marina (Proprietary) Limited	1999/005596/07
	Victoria and Alfred Waterfront (Proprietary) Limited	1988/006340/07
	Ingagaru Holdings (Proprietary) Limited	2012/089067/07
	Ingagaru Vision (RF) (Proprietary) Limited*	2011/142983/07
	BuMa Consulting (Investment company)	2014/139369/07
	Multichoice SA	2006/015293/07
	Alternative Prosperity advisory and products	2009/004818/07
	Fairtree Capital*	2004/0033269/07
	Alternative prosperity BEE Investments	2015/040122/07
	Alternative prosperity strategic investments	2015/011460/07
	Apros special vehicle	2014/021653/07
	EP Investments	2015/377091/07
	Kalafong Hospital*	–
	ABSA Asset Management	1997/017903/07
	Future Planet Capital	306743
	Avior Capital Markets	2015/086358/06
	Strate (Proprietary) Limited	1998/022242/07
ABSA Financial Services Limited	1986/004794/06	
Regina Sikalesele-Vaka	Botswana Stock Exchange*	
	Mineral Development Company*	CO2012/12081
	FNB Botswana Foundation	

* previous directorships

DETAILS OF MAJOR COMPANIES WITHIN THE GROUP

	Pack 'n Stack Investments Holdings (Pty) Ltd	Logico Unlimited (Pty) Ltd	CA Sales and Distribution (Pty) Ltd	S M C Brands SA (Pty) Ltd	CA Sales Holdings (Pty) Ltd
Commencement of operations	4 November 2001	1 September 2003	10 August 1987	20 January 1999	7 December 2011
Years of operation	16	14	30	18	5
Name changes and dates it happened:	N/A	N/A			
– Old company name before change:					Extron Trading (Pty) Ltd
– New company name after change:			CA Sales (Pty) Ltd	Quickstep 61 (Pty) Ltd	Ltd
– Date of name change:			CA Sales & Distribution (Pty) Ltd	SMC Brands S.A. (Pty) Ltd	CA Sales Holdings (Pty) Ltd
Place of incorporation:	South Africa	Swaziland	26 February 1993	18 February 1999	8 February 2012
Registration number:	2001/008373/07	No 955 of 2003	Gaborone, Botswana	South Africa	South Africa
Stated Capital:			CO.1987/811	1998/025138/07	2011/143100/06
– Value	ZAR1	E 1	No Par value	ZAR1	No Par value
– Amount	ZAR2 000	E 90	BWP750 000.00	ZAR100 000.00	ZAR708 943 866
Number of issued share capital (Number):	2 000	90	750 000	100 000	289 572
Number of authorised share capital (Number):	4 000			100 000	1 000 000
Details of shareholders:	CA Sales Holdings: 67.1%	CA Sales Holdings: 61.11%	CA Sales Holdings: 100%	CA Sales Holdings: 100%	PSG Africa (Pty) Ltd SA 52.80% Export Marketing Investments (Pty) Ltd SA 36.59% Jagdish Shah_ Bot_4.8% Repassen 21 P L SA1.84% Rose Bridge 15 P L_SA1.84% Beilkor (Pty) Ltd SA 2.12%
	Other shareholders: Trusts	AJ Geldard: 25.56%			
	– Dunechaus Trust: 17.85%	LD Taman: 13.33%			
	Other shareholders: Individuals				
	– D.S. Lewis: 3.05%				
	– G. Brauns: 12.00%				

	Pack 'n Stack Investments Holdings (Pty) Ltd	Logico Unlimited (Pty) Ltd	CA Sales and Distribution (Pty) Ltd	S M C Brands SA (Pty) Ltd	CA Sales Holdings (Pty) Ltd
Date of acquisitions and percentages					
– First	1 June 2013	1 July 2013	1 March 2012	1 January 2014	
Date	40%	35%	100%	49%	
Percentage					
– Second	1 June 2014	1 October 2014		1 September 2014	
Date	27.1%	20.0%		51%	
Percentage					
Sharebuy back		1 April 2017			
Date		6.1%			
Percentage					
Total Holding	67.1%	61.11%	100.00%	100.00%	Equity
Source of Funding of purchase	Equity	Equity	Equity	Equity	Equity
Cost					
– First	ZAR57 724 067	ZAR21 154 350	ZAR336 422 418	ZAR62 517 093	
– Second	ZAR51 977 630	ZAR22 158 048		ZAR81 240 131	
Total	ZAR109 701 697	ZAR43 312 398	ZAR336 422 418	ZAR143 757 224	
Goodwill	ZAR112 060 599	ZAR42 857 865	ZAR262 096 000	ZAR94 181 000	
How accounted for	Consolidated	Consolidated	Consolidated	Consolidated	
Any loans incurred to finance	N/A	N/A	N/A	N/A	
The nature of title acquired	Equity	Equity	Equity	Equity	Equity
	MG Haywood	AJ Geldard		Taeber & Corssen	
	(7.15% + 21.1%)	(17.85% + 10.2%)	JN Shah (50%)	(Pty) Ltd	
Details of the sellers	The Mervyn Haywood Family Trust (32.85%)	LD Taman		(24.5% + 25.5%)	
		(9.45% + 5.4%)	I Thomson (50%)		
	E Asmus (3%)	AC van Rensburg		RJ Smit (5% + 5.2%)	
	A Thomas (3%)	(7.7% + 4.4% + 10%)		Annerine Smit Trust	
				(14.7% + 15.3%)	
				H Smit (4.8% + 5%)	

	Pack 'n Stack Investments Holdings (Pty) Ltd	Logico Unlimited (Pty) Ltd	CA Sales and Distribution (Pty) Ltd	S M C Brands SA (Pty) Ltd	CA Sales Holdings (Pty) Ltd
Business Address	21 Hibiscus Street Lynnwood Ridge 0081	Plot 764, King Mswati III Avenue Matsapha Industrial Site Swaziland	Plot 50371 Fairgrounds Office Park Gaborone Botswana	The Vineyard Office AF-OS Corner of Adam Tas and Devon Valley Road Stellenbosch, South Africa	
Vendor warrantees	Normal warrantees	Normal warrantees	Normal warrantees	Normal warrantees	Normal warrantees
Vendor restraints	yes	yes	yes	yes	yes

MATERIAL LEASES

Region	Location	Lessor (Name and Address)	Lessee (Name and Physical Address)	Size in Square metres	Usage of Premises	Period of Lease	Commence- ment of Lease	Expiry Date	Initial Monthly Expense	Escalation	Renewable terms
South Africa	Pretoria	Renlick Investments (Pty) Ltd, 1st Floor, Lynnridge House, 285 Patula Street, Lynnwood Ridge, 0040	Pack 'n Stack (Pty) Ltd, Rock Ridge Building, 21 Hibiscus Street, Lynnwood Ridge, 0040	1808	Offices	5 Years	1-Dec-15	30-Nov-20	R259 403.41	8.0%	Further five years from expiration of Lease period
Swaziland	Matsapha	TUNTEX TEXTILE CO. (Pty) Ltd TUNTEX GARMENT CO. (Pty) Ltd	Logico Unlimited (Pty) Ltd, Plot no. 513 + 764, First Avenue, Matsapha, Industrial Estate	T1: 8 300 and T2: 7 750	Warehouse and Offices	5 Years	1-Jun-14	30-May-19	SZL190 000.00		Further five years from expiration of Lease period
Botswana	Gaborone	Winchester Properties (Proprietary) Limited	CA Sales and Distribution (Proprietary) Limited	2 850	Warehouse and Offices	8 Years	1-Oct-11	30-Sep-18	BWP1 435 009.00	8.0%	Lessee shall have the option for the period of eight years following the expiry of the initial period to renew the lease, for further periods of 24 months at a time.
Botswana	Francistown	Winchester Properties (Proprietary) Limited	CA Sales and Distribution (Proprietary) Limited	15 530	Warehouse and Offices	8 Years	1-Oct-11	30-Sep-18	BWP435 509.00	8.0%	Lessee shall have the option for the period of eight years following the expiry of the initial period to renew the lease, for further periods of 24 months at a time.
Botswana	Gaborone	Letole La Rona Limited	CA Sales and Distribution (Proprietary) Limited	3500	Warehouse	5 Years	1-Aug-16	31-Jul-21	BWP103 440.00	8.0%	Renewable for further five years after the end of the contract five years
Namibia	Windhoek	Namibia Foundary Properties (Pty) Ltd Reg No 2012/00034 PO Box 6837 Windhoek	A. Wutrow Trading Co (Pty) Ltd Reg No 79/015 PO Box 168 Windhoek	4500	Warehouse and distribution	60 Months	1-Mar-16	28-Feb-21	R380 000.00	5.0%	

SUMMARISED HISTORICAL FINANCIAL PERFORMANCE

Set out below are extracts from the audited financial results of CA Sales for the financial years ended 31 December 2012, 2013 and 2014. These extracts are the responsibility of the directors.

	2014 R'000	2013 R'000	2012 R'000
Assets			
Non-current assets	716 362	447 760	385 409
Property, plant and equipment	83 064	56 056	72 810
Intangible assets	560 468	270 550	286 095
Investment in subsidiaries	–	–	
Investments accounted for using the equity method	50 174	105 154	26 504
Deferred income tax assets	6 656	–	–
Loans and advances	16 000	16 000	–
Current assets	799 063	560 019	507 722
Inventories	161 733	152 365	145 609
Trade and other receivables	509 674	312 899	307 043
Income tax receivables	2 043	2 441	1 486
Cash and cash equivalents	125 613	92 314	53 584
Total assets	1 515 425	1 007 779	893 131
Equity and liabilities			
Stated capital	371 231	371 231	351 231
Shareholders equity contributions	337 713	74 274	–
Other reserves	5 088	4 537	1 340
Retained earnings	44 065	(48 991)	(53 992)
	758 097	401 051	298 579
Non-controlling interest	37 932	–	–
Total equity	796 029	401 051	298 579
Non-current liabilities	89 651	85 360	106 345
Borrowings	72 511	77 800	95 850
Deferred income tax liabilities	17 140	7 560	10 495
Current liabilities	629 745	521 368	488 207
Trade and other payables	455 527	314 295	263 460
Income tax payable	13 033	628	505
Borrowings	161 185	206 445	224 242
Total liabilities	719 396	606 728	594 552
Total equity and liabilities	1 515 425	1 007 779	893 131

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2014 R'000	2013 R'000	2012 R'000
Continuing operations			
Revenue	2 491 915	1 903 376	1 514 389
Cost of sales	2 136 001	1 695 855	1 328 466
Gross profit	355 914	207 521	185 923
Other operating expenses	(280 014)	(201 188)	(202 364)
Other operating income	43 916	9 421	6 601
Operating profit/(loss)	119 816	15 754	(9 840)
Share of profit of investments accounted for using the equity method	16 345	12 470	2 479
Profit/(loss) before financing	136 161	28 224	(7 361)
Finance income	866	79	52
Finance costs	(19 249)	(26 334)	(22 017)
Profit/(loss) before income tax	117 778	1 969	(29 326)
Income tax	(15 155)	(93)	1 384
Net profit/(loss) for the year from continuing operations	102 623	1 876	(27 942)
Discontinued operations			
Net profit/(loss) for the year from discontinued operations	–	3 125	(26 050)
Net profit/(loss) for the year	102 623	5 001	(53 992)
Other comprehensive income:			
Currency translation differences	551	3 197	1 340
Share of other comprehensive income/(loss) of associated companies			
Total comprehensive income/(loss) for the year	103 174	8 198	(52 652)
Profit/(loss) attributable to:			
– Owners of the parent			
Continuing operations	93 056	1 876	(27 942)
Discontinued operations		3 125	(26 050)
– Non-controlling interests			
Continuing operations	9 567	–	–
Discontinued operations		–	–
	102 623	5 001	(53 992)
Total comprehensive income/(loss) attributable to:			
– Owners of the parent			
Continuing operations	93 607	5 073	(26 602)
Discontinued operations	–	3 125	(26 050)
– Non-controlling interests			
Continuing operations	9 567	–	–
Discontinued operations	–	–	–
Total comprehensive income/(loss) for the year	103 174	8 198	(52 652)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital R'000	Total attrib- utable to the owners R'000	Non- controlling interest R'000	Total equity R'000
Net loss for the period	–	(53 992)	–	(53 992)
Other comprehensive income for the year				
Currency translation differences	–	1 340	–	1 340
Proceeds from shares issued	351 231	351 231	–	351 231
Balance as at 31 December 2012	351 231	298 579	–	298 579
Balance at 1 January 2013	351 231	298 579	–	298 579
Profit for the year	–	5 001	–	5 001
Other comprehensive income for the year				
Currency translation differences	–	3 197	–	3 197
Proceeds from shares issued	20 000	20 000	–	20 000
Contributions	–	74 274	–	74 274
Balance as at 31 December 2013	371 231	401 051	–	401 051
Balance at 1 January 2014	371 231	401 051	–	401 051
Profit for the year	–	93 056	9 567	102 623
Other comprehensive income for the year				
Currency translation differences	–	551	–	551
Transactions with owners				
Transactions with non-controlling interest	–	–	37 233	37 233
Dividends paid	–	–	(8 868)	(8 868)
Contributions	–	263 439	–	263 439
Balance as at 31 December 2014	371 231	758 097	37 932	796 029

	2014	2013	2012
	R'000	R'000	R'000
Cash flows from operating activities			
Cash receipts from customers	2 280 818	1 890 373	1 392 143
Cash paid to suppliers and employees	(2 176 126)	(1 809 225)	(1 413 390)
Cash generated from/(utilised by) operating activities	104 692	81 148	(21 247)
Interest paid	(19 315)	(26 545)	(24 310)
Income taxes paid	(19 596)	(4 273)	(6 058)
Net cash generated from/(utilised by) operating activities	65 781	50 330	(51 615)
Cash flow from investing activities			
Acquisition of subsidiaries	(124 783)	–	(445 081)
Loss from sale of subsidiaries	–	–	(213)
Additions to property, plant and equipment	(8 764)	(4 594)	(5 829)
Additions to intangible assets	–	–	–
Proceeds from disposal of property, plant and equipment	2 233	11 114	17 223
Acquisition of associated companies	(97 173)	(73 763)	(14 808)
Loans repaid/(granted) to associated companies	(2 687)	1 037	(2 870)
Proceeds from disposal of associated company	–	9 700	–
Loans and advances	–	(16 000)	–
Dividends received	16 160	2 400	–
Interest received	866	79	52
Net cash (outflow)/inflow from investing activities	(214 148)	(70 027)	(451 526)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	–	20 000	351 231
Proceeds from shareholders equity contribution	263 439	74 274	–
Dividends paid	–	–	–
Dividends paid to non-controlling interests	(4 968)	–	–
Repayments of borrowings	(113)	(11 471)	(10 558)
Proceeds from borrowings	66 190	–	–
Net cash (outflow)/inflow from financing activities	324 548	82 803	340 673
Net increase/(decrease) in cash and cash equivalents	176 181	63 106	(162 468)
Effects of exchange rate changes on cash and cash equivalents	–	–	–
Cash and cash equivalents at beginning of the year	(99 362)	(162 468)	–
Cash and cash equivalents at end of the year	76 819	(99 362)	(162 468)

SALIENT TERMS OF THE CA SALES SIT

This Annexure 10 contains extracts of various provisions from the CA Sales SIT Deed. In each case, the numbering and wording below matches that of the applicable provisions in the CA Sales SIT Deed. For a full appreciation of the provisions of the CA Sales SIT Deed, Shareholders are referred to the full text of the CA Sales SIT Deed, which is available for inspection, as provided for in paragraph 23 of the Prospectus. References to clause numbers in this annexure correspond to the clause numbers in the CA Sales SIT Deed.

2. CONSTITUTION AND OBJECT OF TRUST

- 2.4 The main object and purpose of the Company adopting the Share Scheme is the incentivisation and retention of Employees and to this extent the Share Scheme as contemplated in this Trust Deed will not to be used for trading purposes. The Trust is adopted to facilitate and govern the implementation of the Share Scheme. Employees, as beneficiaries of the Share Scheme, shall be provided with an incentive to advance the interests and growth of the Group Companies by awarding to them in terms of the Share Scheme the opportunity to acquire and obtain the benefit of Shares in the Company.

4. TRUSTEES

- 4.1 Johan Holtzhausen and Nico de Waal are hereby appointed as the First Trustees of the Trust and they accept such appointment by their signatures to this Deed, including, without limitation, their obligation to administer the Trust property from time to time and to further the object of the Trust in accordance with the provisions of this Deed.
- 4.2 The number of Trustees shall at all times not be less than 2 (two) nor more than 5 (five).
- 4.3 A Trustee may not be or become a Beneficiary under this Trust whilst acting as a Trustee.
- 4.4 Executive Directors of the Company may not be appointed as Trustees of the Trust. Non-executive Directors, subject to any restriction contained in the Act, may be appointed as Trustees, provided they do not benefit from the Scheme.

6. TERMINATION OF OFFICE AS A TRUSTEE

Each Trustee shall remain in office until such Trustee ceases to hold office as contemplated in this clause 6. A Trustee shall cease to hold office as such upon –

- 6.1 such Trustee's estate being sequestered; or
- 6.2 such Trustee having become incapacitated in law to hold the office of trustee, in the circumstances as contemplated in section 20(2) of the Trust Property Control Act; or
- 6.3 such Trustee having been removed from office at any time if the Board is of the opinion that such Trustee is not fulfilling his role as contemplated herein; or
- 6.4 the Board giving one calendar month's notice in writing to such Trustee that such Trustee has been removed from office; or
- 6.5 such Trustee having resigned at any time on giving one calendar month's notice in writing to the Company, provided that the Board may, at the request of a Trustee, waive the full period of notice; or
- 6.6 such Trustee becoming disqualified, in terms of the Act or any other law or regulation, from holding an appointment as a director of a company (or similar position); or

- 6.7 such Trustee having been removed from a position of trust or as a trustee from another trust with similar provisions as described in this clause 6; or
- 6.8 such Trustee becoming a Participant under the Scheme.

7. SUCCESSION AND APPOINTMENT OF TRUSTEES

- 7.1 Upon any Trustee succeeding to office as Trustee, he shall, in his representative capacity, automatically become vested with the assets and liabilities of the Trust and in every way, with immediate effect, take the place of and assume the powers and duties of the Trustee whom he has succeeded.
- 7.2 On any Trustee ceasing to hold office for any reason whatsoever, the Board may, subject to clause 4, appoint a successor, but who may not be –
 - 7.2.1 a Beneficiary;
 - 7.2.2 an executive Director of the Company; or
 - 7.2.3 disqualified from holding such office by virtue of the provisions of clause 6, as a Trustee to fill the vacancy.
- 7.3 The Board shall be entitled from time to time to appoint additional trustees, subject to the maximum number of Trustees and other restrictions provided for in clauses 4 and 7.2 above.

8. POWERS OF TRUSTEES

- 8.1 The Trustees shall, in addition to such other powers as may be conferred upon them by law or in terms of this Deed (whether express or implied), and subject to any other provisions of this Deed and any applicable peremptory statutory or regulatory provisions have the following powers –
 - 8.1.1 to implement the main object and purpose of the Trust as contemplated in clause 2.4;
 - 8.1.2 to implement the principles of the Share Scheme;
 - 8.1.3 to acquire Shares for purpose of the Share Scheme, either by original subscription, purchase through the market or otherwise, exchange or any other means, and upon such terms as they in their discretion may deem fit, provided that –
 - 8.1.3.1 any Shares purchased through the market will not be taken into account when calculating the number of Shares utilised by the Share Scheme;
 - 8.1.3.2 the provisions of the BSE Listings Requirements apply *mutatis mutandis* to any dealings by the Trustees, to the extent required; and
 - 8.1.4 Shares may not be purchased during a prohibited period (as defined in the BSE Listings Requirements), unless the Scheme has in place a purchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the BSE in writing prior to the commencement of the prohibited period. The Company must instruct an independent third party, which makes its investment decisions in relation to the Shares independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the purchase programme submitted to the BSE;
 - 8.1.5 to acquire any other marketable securities, whether in the Company or otherwise, either by original subscription, purchase (including the purchase of securities through the stock market or otherwise in order to satisfy any obligations in terms of the Scheme), exchange or any other means, and upon such terms as they in their discretion may deem fit provided that the acquisition thereof falls within, or is ancillary to, the scope of the main object and purpose of the Trust as contemplated in clause 2.4;
 - 8.1.6 to sell, exchange, donate, alienate, pledge, encumber or in any other manner deal with, dispose of or transfer Shares or the marketable securities as contemplated in 8.1.5 upon such terms as they in their discretion may deem fit;

- 8.1.7 to participate in any Rights Offer or Capitalisation Issue (including any dividend capitalisation issue) of the Group Companies or in respect of any other company (to the extent applicable);
 - 8.1.8 to buy back Shares or other marketable securities from Participants and to sell such Shares or marketable securities to the Company if the Company lawfully wishes to acquire its own Shares or other Group Company shares or to acquire such marketable securities;
 - 8.1.9 to acquire assets for such purposes and upon such terms as they in their discretion may deem fit, provided that the acquisition of such assets falls within, or is ancillary to, the scope of the main object and purpose of the Trust as contemplated in clause 2.4;
 - 8.1.10 to take and act upon any expert or professional advice that may be required for any purposes of the Scheme;
 - 8.1.11 subject to any applicable statute, to open and operate accounts of all descriptions with registered financial institutions as may be required for the efficient administration of the Scheme;
 - 8.1.12 to draw, accept, make or endorse cheques, bills of exchange or promissory notes for and on behalf of the Trust in administering the Scheme;
 - 8.1.13 to exercise all rights conferred by shares and any other assets beneficially held by the Trust including voting rights, rights of conversion and redemption, rights to take up further allotments of shares (including by way of rights or Capitalisation Issues) and the like as they in their discretion may deem fit. As indicated in clause 37.4, Shares held by the Trust will not have their votes at general or annual general meetings taken into account for the purposes of resolutions proposed in terms of the Listings Requirements;
 - 8.1.14 to invest the surplus moneys of the Trust in such investments as they in their discretion may determine and to realise any such investment and to reinvest the proceeds thereof;
 - 8.1.15 subject to the provisions of the Act, and with the prior written approval of the Board, to borrow or raise moneys from Group Companies or any other third party for the purposes of the Share Scheme (including for the purposes of subscribing for or purchasing Shares or other marketable securities), on such terms as they in their discretion may deem fit;
 - 8.1.16 to delegate to any person the performance of any acts which they are entitled to perform or exercise under this Deed;
 - 8.1.17 subject to the provisions of the Act, and with the prior written approval of the Board, to make loans to any persons (including Participants), whether interest-bearing or otherwise or whether secured or unsecured, for any purpose considered by the Trustees to be within, or is ancillary to, the scope of the main object and purpose of the Trust as contemplated in clause 2.4;
 - 8.1.18 instead of acting personally, to employ, and to pay, any attorney or any other person to transact business or do any act of whatsoever nature to be done pursuant to this Deed provided that any reasonable payment made in terms hereof shall be refunded to the Trustees by the Trust and/or the Company; and
 - 8.1.19 to exercise such further rights, powers and authorities as may from time to time be conferred upon them under the Share Scheme or by resolution of the Board or, if applicable, by Shareholders in general meeting.
- 8.2 The Trustees shall have –
- 8.2.1 full capacity to contract on behalf of the Trust, subject always to such limitations, if any, as may be imposed by this Deed, provided that, subject to any applicable statute, they will under no circumstances be personally liable in respect of any such contract; and
 - 8.2.2 *locus standi in judicio* and be capable of bringing, defending, opposing, withdrawing, settling and/or otherwise acting in connection with any proceedings whatsoever in or before any court, or in any arbitration, or before any other forum, provided that all costs reasonably incurred by them in that regard shall be for the account of the Trust;

- 8.2.3 without in any way derogating from the powers and authorities hereinbefore vested in the Trustees, such ancillary and/or additional powers as shall be necessary or requisite (including the power to sign all necessary or requisite documentation) to enable them from time to time to deal with all matters appertaining to the Trust and the Share Scheme hereunder in such manner as they shall in their discretion deem advisable in the interests of the Trust and/or any Beneficiary hereunder;
- 8.2.4 the power to pay any surplus funds held by the Trust from time to time (after discharging liabilities and having made provision for contingent liabilities) to the Company;
- 8.2.5 the power, in their sole discretion, to resolve to distribute any income and/or capital assets of the Trust to the Company in which event such income and/or capital assets shall vest in the Company in the financial year in which such resolution was passed.

10. **VOTING OF TRUSTEES**

Decisions of Trustees shall be passed by majority of votes of the Trustees present at the meeting, provided that in the event that there are, at any time, only 2 (two) Trustees in office, a decision of the Trustees shall be the unanimous decision of both of them.

14. **REMUNERATION OF TRUSTEES**

- 14.1 The Trustees may receive for their services as trustees such remuneration as may from time to time be approved by the Board.
- 14.2 The Trustees shall be entitled to be reimbursed for all expenses incurred by them in connection with the execution of their duties as trustees, including, if for any reason they are at any time required to furnish security, the costs from time to time of furnishing such security.

16. **ACQUISITION BY TRUST AND FINANCIAL ASSISTANCE TO THE TRUST**

- 16.1 The Board may from time to time offer Shares to the Trust or grant options to such Shares to the Trust in respect of Shares which do not exceed the scheme allocation determined in terms of clause 19 below. The Shares referred to in this clause 16.1, or any options in respect thereof are intended to enable the Trustees (in addition to any other Shares acquired by the Trust in terms of this Deed) to fulfil any obligations to Participants from time to time in terms of this Deed. The provisions of clause 26 shall apply *mutatis mutandis* to any applicable provisions of this clause 16.1.
- 16.2 Subject to the provisions of this Deed, the purchase or subscription price of Shares acquired by the Trust pursuant to the Share Scheme, the costs incurred in the acquisition of such Shares, any duties payable upon the transfer of Shares, any disbursements and expenditure incurred by the Trustees in their capacity as such, any amount due to the Trustees in terms of clause 14, any amount in respect of which a Trustee has been lawfully indemnified in terms of clause 15 and any money required to effect any loans under the Share Scheme or repayment of any previous borrowings by the Trustees shall be met out of –
 - 16.2.1 loans to be made to the Trust by any of the Group Companies in accordance with the provisions of sections 44 and 45 of the Act;
 - 16.2.2 contributions, awards or funds other than in the form of a loan, to be provided to the Trust by any of the Group Companies;
 - 16.2.3 loans by third parties (plus any interest thereon) to the Trust to be procured by the Board upon such terms as the Board is able to arrange having due regard to the provisions of sections 44 and 45 of the Act; and
 - 16.2.4 the Trust's own resources, if any,as the Board may from time to time direct. The Company undertakes to ensure that the Trust shall at all times be in a position to fund the acquisition by it (whether by purchase or subscription) of Shares under the Share Scheme.

- 16.3 Any loss incurred by the Trust pursuant to the implementation of the Share Scheme shall be borne by the Company or the applicable Group Company/s unless the Board determines to the contrary.
- 16.4 The Trust shall not be entitled to any capital gain or profit on any transactions undertaken by it (including in relation to any Shares) and no such capital gain or profit shall accrue to it, unless the Board determines in writing to the contrary. The Trust (unless the Board determines in writing to the contrary) shall cede and transfer to the Company or the applicable Group Company/s from time to time upon request, as a *quid pro quo* for clauses 16.3 and 36.4, its right to any capital gain or profit, which may arise from any such transaction undertaken by it.

18. AWARDING OF OPTIONS

- 18.1 The Board, subject to clause 19.4, may from time to time instruct and authorise the Trustees in writing to award Options to such Employees selected by it to participate in this Scheme ("**the Resolution**"). The Resolution shall specify the name of the Employee, the number of Options, the Option Date, the Strike Price and any other relevant terms and conditions as may be determined by the Board. Each such Option shall be offered for purchase at the Strike Price. The Trustees shall as soon as practicable award the Options to the persons named in the Resolution, which award shall be in writing and specify the number of Options, the Option Date, the Strike Price, the obligation of the Participant to adhere strictly to the terms of this Deed (which shall be made available at all times to any Participant) and any other relevant terms and conditions as may be determined by the Trustees.
- 18.2 All Options shall be subject to the provisions of the Trust Deed.
- 18.3 The Board shall determine Employees selected to participate in this Scheme and the number of Options awarded to such Employees based on the main object and purpose of the Trust (as contemplated in clause 2.4) and having regard to incentivising Employees based on recommendations by management and directors of the Company and/or any other Group Companies, to the extent applicable. The frequency of the awarding of Options (including any new or additional Options from time to time) shall be determined by the Board from time to time.
- 18.4 The Board shall be under no obligation to award any Options to Employees or to award the same or similar amount of Options to Employees.

19. PARTICIPATION ALLOCATION AND AMOUNT

- 19.1 The persons eligible for participation in the Share Scheme shall be such Employees determined in accordance with the provisions of this Trust Deed.
- 19.2 The *modus operandi* in terms whereof the Trust procures or acquires Options or Shares for the purposes hereof shall be in terms of clause 16.1 above or as otherwise determined between the Board and the Trustees.
- 19.3 The maximum aggregate number of Shares that may be utilised for the purposes of this Share Scheme, shall not exceed 20 000 000 (twenty million) Shares representing approximately 5% of the issued shares capital of the Company.
- 19.4 The maximum number of Shares that may be acquired by any one Beneficiary in terms of the Share Scheme, shall not exceed 5 000 000 (five million) Shares, being 25% of the maximum aggregate number of Shares utilised by the Share Scheme.
- 19.5 The limits contained in clauses 19.3 or 19.4 are subject to any adjustment in terms of clause 26 below.
- 19.6 Save as expressly indicated otherwise in this Trust Deed, Scheme Shares shall in all respects rank *pari passu* with ordinary issued Shares of the Company, including as to voting, dividend, transfer and other rights and as to rights arising on a liquidation of the Company.
- 19.7 The Company shall make timeous application for any listing on the BSE of the Scheme Shares (to the extent applicable).

20. OPTIONS

20.1 An Option –

- 20.1.1 shall be awarded on the basis that if the Option is exercised the purchase price payable by the Beneficiary concerned will be the Strike Price;
- 20.1.2 shall, save to any extent permitted in terms of this Trust Deed, be personal to and only capable of being accepted by the Beneficiary to whom it is granted;
- 20.1.3 shall be exercised within the relevant period specified in terms of this Deed;
- 20.1.4 shall be exercised in writing and duly signed by the Beneficiary concerned or, if after his death it is capable of being exercised by the executors of his estate, by such executors. Such exercise shall include a physical address (and, if available, a telefax number or e-mail address), which address (and telefax number or e-mail address) shall constitute the *domicilium citandi et executandi* of such Beneficiary for all purposes in terms of the Scheme. Any notice addressed to the said *domicilium* of such Beneficiary shall, if sent by prepaid registered post, be deemed to have been received on the 5th (fifth) day after posting (unless the contrary is proved) and shall, if delivered by hand to a responsible person during ordinary business hours, be deemed to have been received on the day of delivery (unless the contrary is proved) and shall, if sent by telefax or e-mail, be deemed to have been received on the date of despatch (unless the contrary is proved). Notwithstanding anything to the contrary contained in this clause 20.1.4 any notice actually received by a Beneficiary shall be an adequate notice for the purposes hereof notwithstanding the fact that it was not sent to or delivered to the said *domicilium* of the Beneficiary;
- 20.1.5 shall, as to the number thereof awarded from time to time to any Beneficiary, be determined by the Board, in its discretion;
- 20.1.6 may be awarded from time to time during the existence of the Scheme (subject always to clause 19);
- 20.1.7 may only be exercised in respect of 100 (one hundred) Shares or multiples thereof at a time, or in full (if permitted in terms of this Deed);
- 20.1.8 shall, pursuant to the exercise of an Option, be settled upon a Beneficiary only by way of the delivery of Shares and a Beneficiary shall not be entitled to receive cash in lieu of Shares (it being recorded that, for the purposes of International Financial Reporting Standard 2, the foregoing shall be an equity-settled share-based payment transaction);
- 20.1.9 shall be awarded on the basis that the number of Scheme Shares to be delivered to a Beneficiary, and the discharge of the Strike Price in respect of such Shares, shall be on a delivery versus payment method in accordance with the provisions of this Trust Deed; and
- 20.1.10 shall be governed by the provisions of this Trust Deed, to which the Beneficiary shall strictly adhere.

20.2 Save to any extent contemplated to the contrary in this Trust Deed, the risk in the Scheme Shares shall pass to the Beneficiary on the exercise of the Option.

20.3 Ownership or any other vested rights in and to the Scheme Shares shall only pass to the Beneficiary on delivery in terms of clause 23 and against payment of the Strike Price and fulfilment of any other obligations of the Beneficiary in terms of this Deed.

20.4 Delivery and registration of Scheme Shares to a Beneficiary shall only take place subject to compliance with the provisions of clause 20.3 and any other applicable provisions of this Deed.

20.5 An Option shall immediately lapse –

- 20.5.1 to the extent that it is not exercised within the Exercise Period of such Option; or

- 20.5.2 prior to the exercise of the Option, if the Beneficiary to whom such Option has been granted, is dismissed from employment by a Group Company on grounds of misconduct, poor performance, dishonesty or fraudulent conduct; or
 - 20.5.3 prior to the exercise of the Option, if the Beneficiary to whom such Option has been granted, ceases to be employed by any Group Company for any reason whatsoever, save to any extent expressly contemplated in terms of clause 25 below; or
 - 20.5.4 to the extent contemplated in terms of this Trust Deed; or
 - 20.5.5 upon the Beneficiary making application for the voluntary surrender of his estate or his estate becoming subject to any provisional or final order for its sequestration or upon any attachment of any interest of a Beneficiary under the Scheme unless the Board in its discretion passes a resolution to the contrary within 60 (sixty) days of such voluntary surrender, sequestration or attachment.
- 20.6 Neither an Option, nor any rights awarded thereunder may be transferred, ceded, pledged or alienated in any way whatsoever, save as may be expressly permitted in terms of this Trust Deed.

21. OPTION EXERCISE

- 21.1 Options forming part of any Employee Allocation shall only be capable of being exercised in terms hereof (during the Exercise Period) on the basis of –
- 21.1.1 25% (twenty-five percent) thereof vesting as at the 2nd (second) anniversary of the Option Date (“**First Vesting Date**”);
 - 21.1.2 25% (twenty-five percent) thereof vesting as at the 3rd (third) anniversary of the Option Date (“**Second Vesting Date**”);
 - 21.1.3 25% (twenty-five percent) thereof vesting as at the 4th (fourth) anniversary of the Option Date (“**Third Vesting Date**”); and
 - 21.1.4 25% (twenty-five percent) thereof vesting as at the 5th (fifth) anniversary of the Option Date (“**Fourth Vesting Date**”).
- 21.2 An Option must be exercised during the applicable Exercise Period of such Option (“**Option Exercise Date**”) and such exercise, and the Scheme Shares acquired pursuant to such exercise, shall be governed by the applicable provisions of this Trust Deed. For the avoidance of any doubt, and having regard to the provisions of clauses 20.5.1 and 21.1, the Exercise Period for Options falling due at the First Vesting Date, the Second Vesting Date, the Third Vesting Date and the Fourth Vesting Date (as the case may be) shall be within 30 (thirty) days of each of such First Vesting Date, Second Vesting Date, Third Vesting Date and Fourth Vesting Date (as the case may be).
- 21.3 The Board, in its discretion, may instruct the Trustees to reach more favourable alternative arrangements with Participants or the relevant executor or legal representative in regard to the date or time limits of the lapsing of an Option or the exercising of an Option or the date of payment of the Strike Price (including in respect of any dates or time limits contemplated in clauses 20, 21, 24 or 26 hereof) or the manner for effecting payment thereof.
- 21.4 Failure by a Beneficiary to exercise an Option timeously in accordance with the provisions of this clause 21 shall result in the lapsing of such Option.
- 21.5 Failure by a Beneficiary to comply faithfully and timeously with all his obligations in terms of the Trust Deed shall result in the immediate lapsing of his Options unless the Board instructs the Trustees to the contrary.

24. FINANCIAL ASSISTANCE TO BENEFICIARIES

24.1 Subject to the provisions of the Act and in amplification of clauses 8.1.15 and 8.1.17, in respect of any Beneficiary (or the relevant executor or legal representative of a Beneficiary's deceased estate) ("**Borrower**") who has exercised all or part of his Options in such manner as is contemplated in terms of this Trust Deed, the Trustees ("**Lender**") shall, in their absolute and unfettered discretion, with the prior written approval of the Board, be entitled to provide financial assistance to the Borrower for the purpose of assisting the Borrower in fulfilling the monetary obligations arising due to the exercise of all or part of his Options in terms of this Trust Deed, which obligations shall include, *inter alia*, the payment of the Strike Price in respect of such Options so exercised and any Beneficiary Taxation ("**the loan**"), subject to the following terms and conditions –

24.1.1 the Borrower shall be required to provide the Lender with a deposit equal to at least 10% of the loan value in cash on the applicable Option Exercise Date;

24.1.2 the Borrower shall be required, in a separate agreement, to pledge *in securitatum debiti* such number of Shares (whether or not they are the Scheme Shares) to be delivered to the Borrower as contemplated in this clause 24) as is equal to (or more than) 130% (one hundred and thirty percent) of the loan value, unless the Trustees on reasonable grounds decide otherwise, with the value of such security to be calculated in *mutatius mutandis* the same manner as the Strike Price ("**the security**");

24.1.3 to the extent that the value of the security as calculated by the Lender continues to fall below aforementioned percentage in clause 24.1.2 above for a period of at least 5 (five) business days, the Lender shall be entitled to forthwith perfect all or part of the security so as to reduce any outstanding balance in respect the loan and in so doing restore the requisite percentage cover, to the extent additional security is not provided by the Borrower;

24.1.4 any outstanding balance in respect of the total amount borrowed by the Borrower from time to time shall attract interest at the South African Revenue Services fringe benefit rate, which shall accrue and be compounded annually in arrears and be payable annually by the Borrower;

24.1.5 the capital amount outstanding in respect of the loan, together with all interest accrued thereon, must be paid in full within 3 (three) years of such capital amount having been advanced to the Borrower by the Lender;

24.1.6 subject to the provisions of clause 25 and notwithstanding the provisions of clause 24, if the Borrower ceases to be an Employee at any time while any amount (whether capital or interest) in respect of the loan is outstanding, the full amount of the loan plus all interest that accrues thereon shall become due and payable within 7 (seven) days of written notice thereof by the Lender to the Borrower and interest at the prime rate of interest plus 3% (three percent) shall be payable on any outstanding amount unless the Lender resolves otherwise. The Lender shall furthermore be entitled forthwith to perfect all or part of the security so as to effect repayment of the full loan amount, including interest that may be outstanding.

24.2 Notwithstanding the foregoing, the Board may instruct the Trustees to reach more favourable alternative arrangements with a Borrower, depending on the personal circumstances of such Borrower. Accordingly, the terms and conditions of any financial assistance as granted by the Lender, remain in the Lender's sole discretion (subject to such aforementioned instructions as may be received from the Board).

33. AMENDMENTS TO THE TRUST DEED

33.1 Subject to –

33.1.1 the approval by Shareholders and/or the BSE, if and to the extent that such approval/s are required in terms of any law and the BSE Listings Requirements (including schedule 14 of the BSE Listings Requirements); and

33.1.2 compliance with any applicable law and the BSE Listing Requirements (including the provisions contained in paragraph 14.1 of Schedule 14 of the BSE Listing Requirements), this Deed may be amended from time to time by written agreement between the Board and the Trustees. For the avoidance of doubt, to the extent that any such amendment relates specifically to matters listed in paragraph 14.1 of Schedule 14 of the BSE Listings Requirements, such amendment shall require the approval of an ordinary resolution to this effect by majority of the votes cast in respect of such resolution by all Shareholders present in person or by proxy at the general meeting to approve such resolution and duly authorised to vote in terms of the BSE Listings Requirements.

33.2 Subject to clause 33.1, if the implementation of any provision of this Deed is rendered impossible or impracticable by reason of any change in law at any time after the signing of this Deed, the Board shall have the power, with the approval of the Trustees, to amend this Deed in such manner as will result in it being capable of practical implementation in terms of the law then in force so as to result in the Trust, the Group and the Participants enjoying such rights as confer, in the opinion of the Auditors (acting as experts and not as arbitrators and whose determination shall be final and binding) for the time being of the Company, substantially the same degree of benefit on them as would have been enjoyed by them but for such amendments and change in law.

36. TERMINATION OF THE TRUST

36.1 The Trustees shall be entitled in their discretion to terminate the Trust –

36.1.1 should all Options awarded by it to Employees have been exercised and the Trust has received payment in full of any amounts owed to it by the Participants; or

36.1.2 the Board resolves that the Trust shall be terminated; or

36.1.3 should the Company, the Trustees and the Participants (if any) who have vested rights in terms of this Deed, agree in writing to terminate the Trust.

36.2 Upon termination of the Trust, the Trustees shall be entitled in their discretion to release the assets of the Trust and wind-up the affairs of the Trust and pay over to the Company any surplus funds (after having discharged all liabilities) remaining in the Trust. The provision of this clause 36.2 shall apply *mutatis mutandis* to any Shares held by the Trust upon the termination thereof.

36.3 Upon termination of the Trust, the Trustees shall be entitled in their discretion to transfer any income or capital (on terms and conditions to be determined by the Board and the Trustees) of the Trust to the Company.

36.4 Should the amount paid by the Trustees to the Company in terms of this clause 36 fall short of any indebtedness of the Trust to the Company and/or its Subsidiaries, the Trustees shall be relieved of all liability for such shortfall, which loss shall be constituted as a loss to be borne by the Company and/or its Subsidiaries.

36.5 The Trustees shall consult with the Board prior to implementing any aspects of this clause 36 and shall as far as reasonably possible take into consideration any determination of the Board.

