ConvergeNet

2014 Intergrated Annual Report

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Letter from the Chairman

Introduction

The period has been one of huge change and progress for ConvergeNet. We have not only completed the strategic realignment and cost-saving initiatives announced during the previous year, but also implemented a major change in the nature of our business through the conversion from an operating entity to an investment holding company under a new corporate brand, Stellar Capital Partners. We are immensely excited to have established a platform for the growth of the investment entity, anchored by our established relationships with our advisers and key shareholders.

Results

At the reporting date, the Group's remaining two operating entities, Structured Connectivity Solutions and Andrews Kit have been classified as a disposal group held for sale. The results of these entities are separately disclosed as a discontinued operation. Similarly, the results do not yet reflect any of the acquisitions of minority equity investments in Digicore, Tellumat, Goliath Gold Mining or Mine Restoration Investments, nor the completed R150 million private placement, as those transactions became unconditional after the reporting date. Accordingly, the results reflect a starting point for the newly established investment entity.

The Board

We were privileged to welcome Janine de Bruyn, Christina Wiese and Clare Wiese onto the Board during the reporting period, who each contribute a wealth of skills to the achievement of our goals as an investment entity to create value for our stakeholders in an ethical and responsible manner.

Strategic outlook

We believe that we can add significant strategic guidance and execution capabilities to our initial investment portfolio whilst maintaining an ability to seek and execute vertical and horizontal investment opportunities. We constantly seek to understand our investee's individual operational and strategic challenges and opportunities and will continue to do so to create value for our stakeholders.

Appreciation

I extend my appreciation to our CEO and my colleagues on the Board, to our investment partners, shareholders and the directors of our investee companies for their support.

Dumisani Tabata
Rosebank

8 May 2015

Corporate Governance and Sustainability Report

Introduction
ConvergeNet is pleased to present its integrated sustainability and corporate governance report to stakeholders. The Group remains committed to the goals of sustainable development as it transitions from operating entity to investment holding company. ConvergeNet endorses the principles contained in the King Report on Corporate Governance in South Africa ("King III") and confirms its commitment to the principles of fairness, accountability, responsibility and transparency as advocated therein. The Board strives to ensure that the Group is being ethically managed according to prudently determined risk parameters and in compliance with generally accepted corporate practices and conduct.

Board of directors
The Board is based on a unitary structure and exercises full and effective control over the Group. It comprises eight members, being one independent non-executive chairman, 5 independent non-executive directors and two executive directors.

The Board is:

- guided by the letter and spirit of the values expressed in King III and the JSE Listings Requirements;
- responsible for actively reviewing and enhancing the Group's system of control and governance on a continuous basis to ensure that the Group is managed ethically and within prudently determined risk parameters;
- commited to the maintainenance of independence when deciding on matters relating to strategy, performance, resources and standards of conduct;
- committed to sustainable value creation for all identified stakeholders; and
- responsible for the integrity of the integrated reporting and for overseeing all sustainability issues.

The directors as at the writing of this report are:

Independent Non-executive directors	**Executive directors**
Dumisani Tabata (Chairman)	Peter van Zyl (Chief Executive Officer)
Charles Pettit	Charl de Villiers (Chief Financial Officer)
Lerato Mangope	
Janine de Bruyn	
Christina Wiese	
Clare Wiese	

The Board comprises a majority of non-executive directors who bring specific investment skills and experience to the Board. The composition of the Board is reviewed on a regular basis to ensure ongoing compliance with the requirements of the Companies Act, JSE Listings Requirements and King III.

In terms of the memorandum of incorporation one-third of the directors rotate at the annual general meeting. Lerato Mangope and Charles Pettit will rotate and, being eligible, offer themselves for re-election.

The Board is responsible for monitoring and reporting on the effectiveness of the Group's systems of internal control. It is assisted by the audit and risk committee in the discharge of this responsibility.

The non-executive directors derive no benefit other than their fees and emoluments as proposed by the Board through the remuneration and nomination committees and approved by shareholders at the Group's annual general meeting.

During the reporting period, Peter van Zyl was appointed as a non-executive director on 21 November 2013 and was thereafter appointed as the acting Chief Executive Officer in addition to his appointed role as the Chief Financial Officer, with effect from 1 January 2014. As part of the restructuring of the Group, Hanno van Dyk (executive director), Danie Bisschoff (Chief financial Officer and acting Chief Executive Director) and Nkomsentu Nika (independent non-executive director) resigned as directors of the Company effective 12 December 2013, 31 December 2013 and 3 July 2014 respectively. Janine de Bruyn was appointed as an independent non-executive director on 25 July 2014, followed by the appointment of Christina Wiese and Clare Wiese as independent non-executive directors on 8 September 2014.

The Chairman
The Chairman's role is to set the ethical tone for the Board and to ensure that the Board remains efficient, focussed and operates as a cohesive unit. Dumisani Tabata is the independent non-executive Chairman of the Company and his role is separate from that of the Chief Executive Officer.

Mr. Tabata provides overall leadership to the Board without limiting the principle of collective responsibility for Board decisions. He is also the chairman of the social & ethics committee, and the nomination committee. As Chairman of the Board, he is also responsible for the annual appraisal of the Chief Executive Officer's performance and oversees the Board's formal succession plan. Although the Board evaluates the performance and independence of the chairman annually, the role of the chairman is not re-elected annually, but rather as and when required.

The Chief Executive Officer
The Chief Executive Officer reports to the Board and is responsible for the day-to-day business of the Group and implementation of policies and strategies approved by the Board.Board authority conferred on management is delegated through the Chief Executive Officer, against approved authority levels.

Danie Bisschoff resigned as Financial Director and acting Chief Executive Officer of the Company effective 31 December 2013 and Peter van Zyl was appointed as the Chief Financial Officer and acting Chief Executive Officer with effect from 1 January 2014. Peter van Zyl and Charl de Villiers have subsequently been appointed as permanent Chief Executive Officer and Chief Financial Officer respectively with effect from 1 February 2015.

Non-executive directors
All members of the Board have a fiduciary responsibility to represent the best interest of the Group and all of its stakeholders. The Group's independent non-executive directors are experienced individuals of high calibre and credibility who make a significant contribution to the Board's deliberations and decisions. They have the necessary skill and experience to exercise judgment on matters concerning the Group's strategy.

Company secretary
Warwick van Breda was appointed Company secretary with effect from 1 December 2013 following the resignation of Juba Statutory Services Proprietary Limited on the same date. The Company secretary plays a vital role in the corporate governance of the Group and is responsible for ensuring Board compliance with procedures and regulations of a statutory nature. Mr. van Breda ensures compliance with the JSE listings requirements and is responsible for the submission of the annual compliance certificate to the JSE Limited.

The Company secretary ensures that, in accordance with the pertinent laws and regulatory framework, the proceedings and affairs of the Board and its members, the Company itself and, where appropriate the owners of securities in the Company, are properly administered. Mr. van Breda is the secretary of all of the Board committees.

The Board satisfied itself regarding Mr. van Breda's work experience, performance and technical skills in fulfilling his role as Company secretary. He is a also director of ConvergeNet Management Services (Proprietary) Limited, ConvergeNet SA (Proprietary) Limited, Northbound Communication Solutions (Proprietary) Limited, Navix Distribution (Proprietary) Limited and Simat Management Company SA (Proprietary) Limited, which are subsidiaries of the Group. The Board has assessed the role of Mr Van Breda and has concluded that he has maintained an arms-length relationship with the Board of directors during the period under review.

Board processes
The directors have access to the advice and services of the Company secretary. They are entitled, at the Company's expense, to seek independent professional advice about the affairs of the Company regarding the execution of their duties as directors.

A Board charter is in place and outlines the responsibilities of the Board as follows:

- act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the shareholders and other stakeholders of the Company along sound corporate governance principles;
- retain full and effective control of the Company;
- give strategic direction to the Company, both long and short term;
- monitor management in implementing plans and strategies as approved by the Board;
- create value through social, economic and environmental performance;
- appoint and evaluate the performance of the Chief Executive Officer;
- ensure that succession is planned;
- identify and regularly monitor key risk areas and key performance indicators of the business;
- ensure that the Company complies with relevant laws, regulations and codes of business practice;
- ensure that the Company communicates with shareholders and relevant stakeholders openly and promptly;
- identify and monitor relevant non-financial matters;
- establish a formal and transparent procedure for appointment to the Board, as well as a formal orientation programme for incoming directors;
- regularly review processes and procedures to ensure effectiveness of internal systems of control and accept responsibility for the total process of risk management;
- assess the performance of the Board, its committees and its individual members on a regular basis.
- ensure that the Company is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business of the Company but also the impact that business operations have on the environment and the society within which it operates
- ensure that the Company's performance includes that of an economic, social and environmental perspective;
- ensure that the Company's ethics are managed effectively;
- ensure that the Company has an effective and independent audit committee;
- be responsible for information technology (IT) governance;

- appreciate that stakeholder's perceptions affect the Company's reputation;
- ensure the integrity of the Company's integrated report;
- monitor the Company's compliance with the above;
- act in the best interests of the Company by ensuring that individual directors:
  - adhere to legal standards of conduct;
  - exercise the degree of care, skill and diligence that would be exercised by a reasonably individual;
  - act in good faith and in the manner that the director believes is in best interests of the Company;
  - take independent advice in connection with their duties following an agreed procedure;
  - disclose real or perceived conflicts to the Board and deal with them accordingly;
  - deal in securities only in accordance with the policy adopted by the Board; and
  - commence business rescue proceedings as soon as the Company is financially distressed.

The charter also addresses issues such as the composition and size of the Board, Board and committee assessments, Board procedures, matters reserved for Board decision and the frequency and proceedings of Board meetings.

Financial Year end
During the financial period under review, the Board resolved to amend the financial year end of the Company from 31 August to 30 November.

Interest in contracts
Directors' significant interests in contracts or arrangements entered into by the Company or its subsidiaries, are disclosed in directors' report on page 24 in respect of the fifteen months ended 30 November 2014.

Directors are required to inform the Board timeously of conflicts or potential conflicts of interest they may have in relation to particular items of business. Directors are obliged to excuse themselves from discussions or decisions on matters in which they have a conflict of interest. The procedures around conflict of interests are included in the Board charter and a declaration and conflict of interest policy has been adopted.

Directors' dealings in shares
Directors of the Company and its major subsidiaries may not deal in the Company's shares without first advising and obtaining clearance from the chairman and/or Chief Executive Officer. The Chief Executive Officer and Chief Financial Officer may not deal in the Company's shares without first advising and obtaining clearance from the Chairman. No director or executive may trade in ConvergeNet shares during closed periods as defined in the JSE Listings Requirements. The directors of the Company keep the Company secretary advised of all their dealings in securities and details of such dealings are placed on SENS in accordance with the JSE Listings Requirements.

Board Evaluation
No formal Board evaluation was done during the reporting period. A self-evaluation of the Board and sub-committees will be scheduled during the first six months of the next financial period and will be presented to the Board for further action.

Board meeting attendance
The following Board meetings were held during the reporting period:

Director	21 Nov 2013	6 Feb 2014	24 Jul 2014	8 Sept 2014
Lerato Mangope	x	√	√	√
Nkosemntu Nika$^{\Delta}$	√	x	n/a	n/a
Charles Pettit	√	√	√	√
Dumisani Tabata	√	√	√	x
Peter van Zyl$^{\partial}$	√	√	√	√
Janine de Bruyn$^{\infty}$	n/a	n/a	n/a	√
Christina Wiese^	n/a	n/a	n/a	n/a
Clare Wiese^	n/a	n/a	n/a	n/a

$^{\Delta}$ Resigned as independent non-executive director on 3 July 2014
$^{\partial}$ Appointed on 21 November 2013
$^{\infty}$ Appointed as independent non-executive director on 25 July 2014
^ Appointed as independent non-executive director on 8 September 2014

Board committees
While the Board remains accountable and responsible for the performance and affairs of the Company, it delegates to management and Board committees certain functions to assist it in properly discharging its duties. The chairman of each Board committee reports at each scheduled meeting of the Board and minutes of Board committee meetings are provided to the Board. Each Board committee functions in accordance with the provisions of the committee terms of reference as approved by the Board.

Both the directors and the members of the Board committees are supplied with full and timely information that enables them to properly discharge their responsibilities. All directors have unrestricted access to all Group information.

The chairman of each Board committee is required to attend annual general meetings to answer questions raised by shareholders.

The established Board committees are:

Audit and risk committee
The current members of the audit and risk committee are Janine de Bruyn (Chairperson), Christina Wiese and Clare Wiese. The committee therefore consists of three independent non-executive directors, in accordance with the JSE Listings Requirements.

A report from the Chairperson of the committee can be found on pages 15 to17 of the integrated report.

Remuneration committee
The remuneration committee comprises of four independent non-executive directors, Charles Pettit (Chairman), Dumisani Tabata, Janine de Bruyn and Christina Wiese.

The remuneration committee report can be found on page 18 of the integrated report.

Nomination committee
The committee comprises of three independent non-executive directors, Dumisani Tabata (Chairman), Charles Pettit and Clare Wiese. Nkomsemtu Nika stepped down as the nomination committee Chairman on 3 July 2014. Clare Wiese was appointed to the nomination committee on 8 September. The committee held a single meeting during the financial period under review.

The committee is primarily responsible for assisting the Board in carrying out the following duties:

- the regular review of the composition of the Board;
- the nomination of potential candidates for appointment to the Board as and when deemed necessary; and
- succession planning.

All appointments to the Board are formal and transparent and a matter for the Board as a whole, assisted by the nomination committee.

Social and ethics committee
During the previous reporting period, the Board established the social and ethics committee in line with the requirements of the Companies Act. The members of the committee comprise Janine de Bruyn (independent non-executive director), Lerato Mangope (independent non-executive director) and Dumisani Tabata (independent non-executive director), who serves as Chairman of the committee.

The social and ethics committee report can be found on page 19 of the integrated report.

Non-financial matters
ConvergeNet subscribes to the highest ethical standards and behaviour in the conduct of its business and related activities, and requires total honesty and integrity from its directors and employees. ConvergeNet expects its shareholders and partners to subscribe to the same high ethical standards.

Communications with stakeholders
The Group is committed to ongoing and effective communication with stakeholders. It subscribes to a policy of open and timeous communication.

Employment, development and employment equity
Following the disposal of the Group's remaining operating subsidiaries and conversion to an investment entity subsequent to the reporting period, the Group and its subsidiaries no longer employ any permanent employees, save for the Chief Executive Officer and Chief Financial Officer.

Sustainability reporting
The Group is committed to high moral, ethical and legal standards and expects all representatives of the Group to act in accordance with the highest standards of personal and professional integrity in all aspects of their activities and to comply with all applicable laws, regulations and the Group's policies.

The board believes that the Group has adhered to the ethical standards during the period under review.

Corporate Governance and Sustainability Report

Summary of the supplication of King III principles

The Company and its subsidiaries endorses the principles contained in King III and confirms its commitment to the principles of fairness, accountability, responsibility and transparency as advocated therein. The Board strives to ensure that the Group is being ethically managed according to prudently determined risk parameters and in compliance with generally accepted corporate practices and conduct.

The Group applies the principles in King lll to the extent justified by its size and the complexity of its operations. The King III application table below sets out the manner in which its principles have been applied and, where appropriate, the reasons for not doing so.

1 – Not applied / will not be applied

2 – In process / partially applied

3 – Full application

	Principle	Stage of Maturity	Comments
1.	**Ethical leadership and corporate citizenship**		
1.1	The Board should provide effective leadership based on an ethical foundation	3	The Board observes the highest standards of ethical conduct in discharging its responsibilities. The Board has established a social and ethics committee
1.2	The Board should ensure that the Company is, and is seen to be, a responsible corporate citizen	3	The Board acknowledges the importance of the Company being seen as a responsible citizen. The Board has established a social and ethics committee.
1.3	The Board should ensure that the Company's ethics are managed effectively	3	The Board, together with executive management, observes the highest standards of ethical conduct in discharging its responsibilities. The Board has established a social and ethics committee.
2.	**Board and Directors**		
2.1	The Board should act as the focal point for and custodian of corporate governance	3	The Board is committed to and endorses the application of the principles of transparency, integrity and accountability as recommended in King III.
2.2	The Board should appreciate that strategy, risk, performance and sustainability are inseparable	3	The Board has established committees, as recommended by King III, in ensuring that strategy, risk, performance and sustainability are integrated.
2.3	The Board should provide effective leadership based on an ethical foundation	3	The Board observes the highest standards of ethical conduct in discharging its responsibilities. The Board has established a social and ethics committee.
2.4	The Board should ensure that the Company is and is seen to be a responsible corporate citizen	3	The Board acknowledges the importance of the Company being seen as a responsible citizen. The Board has established a social and ethics committee.
2.5	The Board should ensure that the Company's ethics are managed effectively	3	The Board, together with executive management, observes the highest standards of ethical conduct in discharging its responsibilities. The Board has established a social and ethics committee
2.6	The Board should ensure that the Company has an effective and independent audit and risk committee	2	The committee consist of three independent non-executive directors. In terms of the JSE Listings Requirements the committee must comprised of at least three independent non-executive directors.
2.7	The Board should be responsible for the governance of risk	3	The audit and risk committee is specifically mandated by the Board to address this matter, and reports to the Board on this matter.
2.8	The Board should be responsible for information technology (IT) governance	2	The IT Governance and responsibility has been delegated to the audit and risk committee.The Company has not yet established an IT governance framework given the size and nature of the IT environment of the Group and no significant IT investments or expenses have been incurred to date.
2.9	The Board should ensure that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards	3	The audit and risk committee is mandated to ensure that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards, as assisted and advised by the Company secretary and external advisers to the extent required.

	Principle	Stage of Maturity	Comments
2.10	The Board should ensure that there is an effective risk-based internal audit	1	The executive directors conduct an annual review of the Company's internal controls, and report their findings to the audit and risk committee. This review covers financial, operational and compliance controls, as well as a review of the risk management policies and procedures of the Company. As a consequence of the restructuring conducted within the Group during the reporting period and subsequent conversion from operating entity to investment holding company with limited executive staff as well as the appointment of a dedicated investment manager to the Group, the Board has not considered it appropriate to establish an internal audit function. The Board monitors performance and internal controls employed by the dedicated investment manager on the basis of the management agreement entered into between the Company and the manager.
2.11	The Board should appreciate that stakeholders' perceptions affect the Company's reputation	3	The Board has procedures in place to ensure that all material matters are communicated to its stakeholders in an effective and responsible manner. Executive management is tasked to implement this policy in conjunction with Board-appointed advisers.
2.12	The Board should ensure the integrity of the Company's integrated report	3	ConvergeNet has formulated and implemented processes to ensure the integrity of the Company's integrated report, the contents whereof will be consistent with the size and nature of ConvergeNet's business.
2.13	The Board should report on the effectiveness of the Company's system of internal controls	3	The directors recognise that they are responsible for the Group's system of financial and internal controls. The executive directors are responsible for identifying, analysing, reporting and managing Group risk which forms part of their daily functions. The Terms of Reference of the Audit and risk committee includes the need to report to the Board annually on the effectiveness of the Company's internal financial controls.
2.14	The Board and its directors should act in the best interests of the Company	3	Directors are required to declare their interest at every Board meeting.
2.15	The Board should consider business rescue proceedings or other turnaround mechanisms as soon as the Company is financially distressed as defined in the Act.	3	In the event that business rescue proceedings are contemplated, same will be implemented within the framework of the Companies Act.
2.16	The Board should elect a chairman of the Board who is an independent non-executive director. The CEO of the Company should not also fulfill the role of chairman of the Board	3	The roles of the CEO and Chairman are fulfilled by separate individuals.
2.17	The Board should appoint the chief executive officer and establish a framework for the delegation of authority	3	With effect from 1 February 2015, the Company has appointed its Peter van Zyl (previously the Chief Financial Officer) as the permanent Chief Executive Officer. Daily operations of the Group are managed by the executive directors. The Company, following its conversion to an investment entity, has also appointed a dedicated investment manager which manages key operational and strategic functions in terms of an agreed authority matrix.
2.18	The Board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent.	3	The Board comprises a majority of non-executive directors, all of which are independent. In terms of King III the majority of non-executive directors should be independent. Prior to the restructuring of the Group and changes in the composition of major shareholders, the chairman was considered to be non-independent. The Company was granted dispensation from the JSE to appoint the third independent director on or before 31 December 2013. Subsequent to the restructuring of the Group and change in the composition of major shareholders, the chairman's status as being non-independent has been reconsidered and the Board is satisfied that he is now independent.

	Principle	Stage of Maturity	Comments
2.19	Directors should be appointed through a formal process	3	The appointment of directors is a matter considered by the Board as a whole, as assisted by the remuneration and nomination committees. A formal Appointments to the Board Policy has been adopted by the Board.
2.20	The induction of and ongoing training and development of directors should be conducted through formal processes	2	New directors will have unlimited access to the Company's resources in order to familiarise themselves with all matters related to the Company. They are also provided with induction packs. Formal training is provided on an ad hoc basis.
2.21	The Board should be assisted by a competent, suitably qualified and experienced Company secretary	3	The Board annually reviews the competence and suitability of the Company secretary and is satisfied as to his qualifications and experience.
2.22	The evaluation of the Board, its committees and the individual directors should be performed every year	1	Due to the number of Board changes during the period of Group restructuring, no formal evaluation of the Board has taken place. The Group will endeavour to institute annual evaluations during the forthcoming reporting period.
2.23	The Board should delegate certain functions to well-structured committees without abdicating its own responsibilities	3	The Board has established committees, which report to the Board.
2.24	A governance framework should be agreed between the Group and its subsidiary Boards	3	The audit and risk committee is specifically mandated by the Board to address this matter, and reports to the Board on this matter.
2.25	Companies should remunerate directors and executives fairly and responsibly	3	The remuneration committee is mandated to establish and assess the remuneration policy of the Group.
2.26	Companies should disclose the remuneration of each individual director and certain senior executives	3	The remuneration of the Company's directors is disclosed in its Annual Financial Statements, as required.
2.27	Shareholders should approve the Company's remuneration policy	3	The remuneration of the Company's directors is subject to approval by shareholders at the Company's annual general meeting.
3.	**Audit and risk committees**		
3.1	The Board should ensure that the Company has an effective and independent audit and risk committee (private Company exception)	3	The committee consists of three independent non-executive directors in accordance with the the JSE Listings Requirements and requirements of King III.
3.2	Audit and risk committee members should be suitably skilled and experienced independent, non-executive directors (subsidiary exception)	3	The members of the audit and risk committee, which is constituted by non-executive directors, all have sufficient financial backgrounds and extensive business management and investment experience.
3.3	The audit and risk committee should be chaired by an independent non-executive director	3	The audit and risk committee is chaired by an independent non-executive director.
3.4	The audit and risk committee should oversee the integrated reporting (integrated reporting, financial, sustainability and summarised information) The audit and risk committee should be responsible for evaluating the significant judgments and reporting decisions affecting the integrated report. The audit and risk committee's review of the financial reports should encompass the annual financial statements, interim reports, preliminary or provisional result announcements, summarised integrated information, any other intended release of price-sensitive financial information, trading statements, circulars and similar documents.	3	Processes in this regard are in place for the compilation of an integrated report, the contents whereof are appropriate for the size and nature of ConvergeNet's business, and forms part of the audit and risk committee's mandate.

	Principle	Stage of Maturity	Comments
3.5	The audit and risk committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities	3	The audit and risk committee is mandated to establish a combined assurance model and to apply same in providing a coordinated approach to all assurance activities.
3.6	The audit and risk committee should satisfy itself of the expertise, resources and experience of the Company's finance function	3	The audit and risk committee evaluates the performance of the finance function on an annual basis and makes appropriate recommendations to the Board in this regard.
3.7	The audit and risk committee should be responsible for overseeing of internal audit	1	The audit and risk committee conduct an annual review of the Company's internal controls, and report their findings to the executive Committee. This review covers financial, operational and compliance controls, as well as a review of the risk management policies and procedures of the Company. As a consequence of the restructuring conducted within the Group during the reporting period and subsequent conversion from operating entity to investment holding company with limited executive staff as well as the appointment of a dedicated investment manager to the Group, the Board has not considered it appropriate to establish an internal audit function. The Board monitors performance and internal controls employed by the dedicated investment manager on the basis of the management agreement entered into between the Company and the manager.
3.8	The audit and risk committee should be an integral component of the risk management process	3	The audit and risk committee is mandated by the Board to establish policies and procedures in respect of the risk management process.
3.9	The audit and risk committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process	3	The audit and risk committee considers the appointment of the external auditor on an annual basis and manages the relationship throughout the financial year.
3.10	The audit and risk committee should report to the Board and shareholders on how it has discharged its duties	3	The audit and risk committee's report to the Board and shareholders is included in the integrated report.
4.	**The governance of risk**		
4.1	The Board should be responsible for the governance of risk	3	The audit and risk committee is specifically mandated by the Board to address this matter, and reports to the Board on this matter.
4.2	The Board should determine the levels of risk tolerance	3	The audit and risk committee is specifically mandated by the Board to address this matter, and reports to the Board on this matter.
4.3	The risk committee or audit and risk committee should assist the Board in carrying out its risk responsibilities	3	The audit and risk committee is specifically mandated by the Board to address this matter, and reports to the Board on this matter.
4.4	The Board should delegate to management the responsibility to design, implement and monitor the risk management plan	3	The audit and risk committee is specifically mandated by the Board to address this matter, and reports to the Board on this matter.
4.5	The Board should ensure that risk assessments are performed on a continual basis	3	The audit and risk committee meets and reports to the Board on a quarterly basis to ensure its mandate is carried.
4.6	The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks	3	The audit and risk committee is mandated by the Board to establish and implement frameworks and methodologies to increase the probability of anticipating unpredictable risks.

	Principle	Stage of Maturity	Comments
4.7	The Board should ensure that management considers and implements appropriate risk responses	2	The audit and risk committee is mandated to establish risk management policies and procedures, which is in turn implemented by executive management in responding to various risks. A formal risk management policy was not adopted by the Board during the period under review due to the significant restructuring of the Group. Following the conversion of the company from an operating entity to an investment holding company, the Board has endeavoured to formalise risk management policies and procedures appropriate to the nature of an investment company in the forthcoming financial period.
4.8	The Board should ensure continual risk monitoring by management	3	The audit and risk committee is mandated to establish risk management policies and procedures, which is in turn implemented by executive management in monitoring and responding to various risks. A formal risk management policy was not adopted by the Board during the period under review due to the significant restructuring of the Group. Following the conversion of the company from an operating entity to an investment holding company, the Board has endeavoured to formalise risk management policies and procedures appropriate to the nature of an investment company in the forthcoming financial period.
4.9	The Board should receive assurance regarding the effectiveness of the risk management process	3	The audit and risk committee is mandated to establish risk management policies and procedures, which is in turn communicated to and implemented by executive management. The audit and risk committee reports to the Board in this regard on this matter.
4.10	The Board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders	3	The audit and risk committee is mandated to establish policies and procedures to ensure risk areas are identified and monitored continuously and timeously. The Board in turns ensures complete, timely, relevant, accurate and accessible communication to stakeholders in this regard.
5.	**The governance of Information Technology**		
5.1	The Board should be responsible for information technology (IT) governance	3	As per the Board charter the executive Board is responsible that technology and systems used in the organization are adequate. The audit and risk committee assists the Board to consider IT as it relates to financial reporting, IT risk management and related controls.
5.2	IT should be aligned with the performance and sustainability objectives of the Company	3	As per the Board charter the executive Board is responsible that information technology and systems used in the organization are adequate to run the business properly for it to compete through the efficient use of its assets, processes and resources.
5.3	The Board should delegate to management the responsibility for the implementation of an IT governance framework	3	The audit and risk committee assists the Board to consider IT as it relates to financial reporting, IT risk management, related controls and IT Governance. It should specifically oversee IT risk and controls, business continuity and data recovery and IT security.
5.4	The Board should monitor and evaluate significant IT investments and expenditure	3	The audit and risk committee is mandated to establish policies and procedures to ensure significant IT investments and expenditure are monitored and evaluated on a continuous basis. There were no significant investments in IT during the period under review.
5.5	IT should form an integral part of the Company's risk management	3	The audit and risk committee assists the Board in reviewing its IT responsibilities and does form an integral part of the Company's risk management, albeit that the Group's IT function has significantly reduced in size and complexity following the conversion from an operating entity to an investment holding company. The audit and risk committee will continue to monitor the IT function in a manner appropriate to the size and nature of ConvergeNet's operations.
5.6	The Board should ensure that information assets are managed effectively	3	The audit and risk committee is mandated to establish policies and procedures to ensure significant IT investments and expenditure are monitored and evaluated on a continuous basis. There were no significant investments in IT during the period under review.

	Principle	Stage of Maturity	Comments
5.7	A risk committee and audit and risk committee should assist the Board in carrying out its IT responsibilities.	3	As stipulated in its terms of reference the audit and risk committee assists the Board in reviewing its IT responsibilities.
6.	**Compliance with laws, codes, rules and standards**		
6.1	The Board should ensure that the Company complies with applicable laws and considers adherence to nonbinding rules, codes and standards.	3	The Company secretary advises the Board on all laws, rules, codes and standards applicable to the Company. The directors are well-versed in this regard, and where required, appoint external advisers to assist on specific matters.
6.2	The Board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the Company and its business	3	The Company secretary advises the Board on all laws, rules, codes and standards applicable to the Company. The directors are well-versed in this regard, and where required, appoint external advisers to assist on specific matters.
6.3	Compliance risk should form an integral part of the Company's risk management process	3	The audit and risk committee is mandated to identify areas of compliance risk, in conjunction with the Company secretary, and to establish policies and procedures to mitigate same.
6.4	The Board should delegate to management the implementation of an effective compliance framework and processes	3	The audit and risk committee is mandated to establish an effective compliance framework and related processes, which are then implemented by executive management throughout the Group.
7.	**Internal Audit**		
7.1	The Board should ensure that there is an effective risk-based internal audit	1	The audit and risk committee conducts an annual review of the Company's internal controls, and report their findings to the executive Board. This review covers financial, operational and compliance controls, as well as a review of the risk management policies and procedures of the Company. As a consequence of the restructuring conducted within the Group during the reporting period and subsequent conversion from operating entity to investment holding company with limited executive staff as well as the appointment of a dedicated investment manager to the Group, the Board has not considered it appropriate to establish an internal audit function. The Board monitors performance and internal controls employed by the dedicated investment manager on the basis of the management agreement entered into between the Company and the manager.
7.2	Internal audit should follow a risk-based approach to its plan	1	As per the terms of reference of the audit and risk committee it should satisfy itself that the internal audit coverage plans and approach are informed by and addresses the strategy and risks of the Company. As a consequence of the restructuring conducted within the Group during the reporting period and subsequent conversion from operating entity to investment holding company with limited executive staff as well as the appointment of a dedicated investment manager to the Group, the Board has not considered it appropriate to establish an internal audit function. The Board monitors performance and internal controls employed by the dedicated investment manager on the basis of the management agreement entered into between the Company and the manager.
7.3	Internal audit should provide a written assessment of the effectiveness of the Company's system of internal control and risk management.	1	As a consequence of the restructuring conducted within the Group during the reporting period and subsequent conversion from operating entity to investment holding company with limited executive staff as well as the appointment of a dedicated investment manager to the Group, the Board has not considered it appropriate to establish an internal audit function. The Board monitors performance and internal controls employed by the dedicated investment manager on the basis of the management agreement entered into between the Company and the manager.

	Principle	Stage of Maturity	Comments
7.4	The audit and risk committee should be responsible for overseeing internal audit	3	As per the terms of reference of the audit and risk committee it is responsible for assessing the work performed by the internal audit function.
7.5	Internal audit should be strategically positioned to achieve its objectives	1	As a consequence of the restructuring conducted within the Group during the reporting period and subsequent conversion from operating entity to investment holding company with limited executive staff as well as the appointment of a dedicated investment manager to the Group, the Board has not considered it appropriate to establish an internal audit function. The Board monitors performance and internal controls employed by the dedicated investment manager on the basis of the management agreement entered into between the Company and the manager.
8.	**Governing stakeholder relationships**		
8.1	The Board should appreciate that stakeholders' perceptions affect a Company's reputation	3	The Board is ultimately responsible for determining the Company's interactions with its stakeholders and for overseeing the development of a formal stakeholder engagement plan. The Board has procedures in place to ensure that all material matters are communicated to its stakeholders in an effective and responsible manner. Executive management is tasked to implement this policy in conjunction with Board-appointed advisers.
8.2	The Board should delegate to management to proactively deal with stakeholder relationships	3	The Board is ultimately responsible for determining the Company's interactions with its stakeholders and for overseeing the development of a formal stakeholder engagement plan. The Board has procedures in place to ensure that all material matters are communicated to its stakeholders in an effective and responsible manner. Executive management is tasked to implement this policy in conjunction with Board-appointed advisers.
8.3	The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the Company	3	The Board has procedures in place to ensure that all material matters are communicated to its stakeholders in an effective and responsible manner. In doing so, the Company is able to achieve an appropriate balance between its various stakeholders and the Company's best interest.
8.4	Companies should ensure the equitable treatment of shareholders (only applicable to companies and state owned companies)	3	The Board has procedures in place to ensure that all material matters are communicated to its stakeholders in an effective and responsible manner. All shareholders, minorities included, are treated equitably.
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence	3	The Board is ultimately responsible for determining the Company's interactions with its stakeholders and for overseeing the development of a formal stakeholder engagement plan. The Board has procedures in place to ensure that all material matters are communicated to its stakeholders in an effective and responsible manner. Executive management is tasked to implement this policy in conjunction with Board-appointed advisers.
8.6	The Board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible	3	Disputes are resolved effectively and timeously.
9.	**Integrated Reporting and disclosure**		
9.1	The Board should ensure the integrity of the Company's integrated report.	3	The Company's annual report, which consists of an integrated report, is reviewed by the Board to ensure integrity thereof prior to its approval.
9.2	Sustainability reporting and disclosure should be integrated with the Company's financial reporting	1	ConvergeNet will not produce a separate sustainability report for the time being.
9.3	Sustainability reporting and disclosure should be independently assured	1	An assurance statement on ethics and sustainability reporting has not been obtained as yet. Consideration is currently being given as to how this recommended practice can best be implemented.

Sustainable development strategy
The Group is continuously reviewing and updating its sustainable development strategy.

The following principles have previously been applied in developing this strategy and will continue to inform the future strategy:

- To consider environmental impact;
- Forming strong, sustainable relationships with stakeholders;
- Improve relationship with the workforce and be fair;
- Upliftment of communities in which it operates; and
- Assist in developing Small and Medium Enterprises in the various regions.

Stakeholders
The Group subscribes to an open, timely communication policy. Material stakeholders, the current engagement methods and proposed improvements to the engagement methods have been identified below.

Stakeholder	Engagement Method	Proposed Improvement to Engagement Method
Shareholders	The ConvergeNet Annual General Meeting Media announcements on SENS and in the press Website updates Results presentations	As the Company transitions from operating entity to investment holding company, it will endeavour to supplement SENS announcements with appropriate media announcements, website updated and results presentations.
Employees	Training initiatives Incentive schemes	The Group employees a limited number of executive staff following its conversion from an operating entity to an investment holding company, however will continue to facilitate training as appropriate.
Customers	Regular liaison with customers and associated industry bodies	As an investment holding company, the Company will endeavour to liaise with key stakeholders of its investees. In the forthcoming reporting period.
Suppliers	Service level agreements Certifications	The Company has entered into a management agreement with a dedicated investment manager and will continue to monitor performance against the agreed terms.
Consumers	Website updates	As the Company transitions from operating entity to investment holding company, it will endeavour to supplement SENS announcements with appropriate media announcements, website updates and results presentations.
Communities and civil society	Website Media announcements	As the Company transitions from operating entity to investment holding company, it will endeavour to supplement SENS announcements with appropriate media announcements, website updates and results presentations

Transfer Office
Computershare Investor Services (Proprietary) Limited acts as transfer secretaries to the Company.

Audit and Risk Committee Report

The audit and risk committee operates under a formal mandate that has been approved by the Board and has conducted its affairs in compliance and discharged its responsibilities as stipulated in the committee terms of reference. The audit and risk committee, which is a statutory committee of the Group, was established to fulfill its duties in terms of section 94(7) of the Companies Act, 2008.

Due to the size of the Group, the Board made a decision to combine the audit and risk committees and attend to both audit and risk responsibilities.

Audit and risk committee members
The current members of the audit and risk committee are Janine de Bruyn (Chairperson), Christina Wiese and Clare Wiese. Nkomsemtu Nika stepped down as audit and risk committee Chairperson on 3 July 2014, from which date the role of interim Chairperson was fulfilled by Charles Pettit. On 25 July 2014 Janine de Bruyn was appointed to the board as an independent non-executive director and as Chairperson of the audit and risk committee. Following the appointment of Christina Wiese and Clare Wiese as independent non-executive directors and as members of the audit and risk committee on 8 September 2014, Dumisani Tabata and Lerato Mangope resigned as committee members. Subsequent to the end of the reporting period, Charles Pettit resigned from the committee on 16 January 2015. The committee therefore consists of three independent non-executive directors, as required by JSE Listings Requirements and in accordance with the recommendations made by the King III Report.

The Chief Executive Officer and Chief Financial Officer have a standing invitation to attend all audit and risk committee meetings.

During the period under review, the following meetings were held and the attendance of the meetings was as follows:

Member	21 Nov 2013	6 Feb 2014	24 Jul 2014	8 Sept 2014
Lerato Mangope	x	√	√	√
Nkosemntu Nika	√	x	n/a	n/a
Charles Pettit	√	√	√	√
Dumisani Tabata	√	√	√	x
Peter van Zyl *	√	√	√	√
Janine de Bruyn	n/a	n/a	n/a	√
Christina Wiese	n/a	n/a	n/a	n/a
Clare Wiese	n/a	n/a	n/a	n/a

* Invitee

Roles and responsibilities
The committee's roles and responsibilities include its statutory duties as defined in the Companies Act, 2008 and the responsibilities assigned to it by the Board. The committee reports to both the Board and shareholders.

Statutory duties
In the conduct of its duties, the committee has performed the following statutory duties:

- Nominated, for appointment as external auditor of the Company under section 90, Grant Thornton Cape Inc. as registered auditor who, in the opinion of the audit and risk committee, is independent of the Company;
- Determined the fees to be paid to the external auditor and the auditor's terms of engagement;
- Ensured that the appointment of the external auditor complies with the provisions of the Act and any other legislation relating to the appointment of external auditors;
- Determined, subject to the provisions of chapter 3 of the Act, the nature and extent of any non-audit services that the external auditor may provide to the Company or that the external auditor must not provide to the Company, or any related Company;
- Adopted a non-audit services policy to pre-approve any proposed agreement with the external auditor for the provision of non-audit services to the Company;

- Prepared this report,
  - describing how the committee carried out its functions;
  - stating whether the committee is satisfied that the external auditor was independent of the Company; and
  - commenting in any way that the committee considers appropriate on the financial statements, the accounting practices and the internal financial control of the Company.

External auditor

The committee has satisfied itself that the external auditor, Grant Thornton Cape Inc. was independent of the Company. The committee sought assurance that internal governance processes within Grant Thornton Cape Inc support and demonstrate their claim to independence and this was provided.

The committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees.

The committee has recommended the appointment of Grant Thornton Cape Inc. as the external auditor and Imtiaaz Hashim as designated auditor, for the 2015 financial year. It has further satisfied itself that the audit firm and designated auditor are accredited to appear on the JSE list of accredited auditors.

During the period under review, the committee met with the external auditor without management being present. The external auditors also have full and unrestricted access to both the committee and other board members.

Internal audit function

The executive directors are continuously reviewing the Company's internal controls, and will report any material break down to the audit and risk committee. This review covers financial, operational and compliance controls, as well as a review of the risk management policies and procedures of the Company.

As a consequence of the restructuring conducted within the Group during the reporting period and subsequent conversion from operating entity to investment holding company with limited executive staff as well as the appointment of a dedicated investment manager to the Group, the Board has not considered it appropriate to establish an internal audit function during the period under review and the engagement with KMPG Inc was terminated. The Board monitors performance and internal controls employed by the dedicated investment manager on the basis of the management agreement entered into between the Company and the manager.

Internal financial control

Nothing has come to the attention of the committee or arose out of the internal control self-assessment process that causes the committee to believe that the current system of internal control of management is not effective.

Financial statements

The committee has reviewed the financial statements of the Company and is satisfied that they comply with International Financial Reporting Standards ("**IFRS**") and that areas of judgement were discussed to confirm accounting estimates.

Going concern

The audit and risk committee has considered the Group and Company's going concern status at the end of the reporting period. The financial statements of four of the smaller inactive subsidiaries (Simat Management Company SA (Proprietary) Limited, ConvergeNet SA (Proprietary) Limited t/a ConvergeNet Projects, Navix Distribution (Proprietary) Limited and Northbound Communication Solutions (Proprietary) Limited), have been prepared on a break-up basis, however it was concluded that it will not affect the going concern status of the Group or Company given the immateriality of these operations.

The committee resolved and recommend acceptance of the conclusion of the going concern status of the Group to the Board.

Expertise of the financial director

After review the committee has satisfied itself of the competence and expertise of the Chief Financial Officer.

Duties assigned by the Board

The committee oversees the Company's integrated annual report and the reporting process, including the system of internal financial control. The committee is satisfied that it has complied with its legal, regulatory and other responsibilities.

Audit and Risk Committee Report

Risk Management
The Board has assigned oversight of the Company's risk management function to the committee and the risk register, consisting of strategic, operational and IT risks is tabled bi-annually for discussion. The risk register also acts as a basis on which independent assurance activities will be developed.

The major risks identified by the Group at the end of the reporting period are:

- Execution and regulatory risk to implement the conversion from an operating entity to an investment entity;
- Key executive incapacitation or unavailability;
- Change in strategies of listed and unlisted investees and outgoing subsidiaries;
- Ongoing liquidity management within investee companies; and
- Impact of macro-economic factors.

Information Technology Management
The Board delegated the oversight function in terms of information technology (IT) to the committee. These responsibilities include IT risk management, related controls, business continuity and data recovery. An IT policy was adopted by the committee during the previous reporting period.

Recommendation of the integrated report for approval by the Board
The committee recommended the integrated annual report for approval by the Board on 26 February 2015.

Janine de Bruyn
Chairperson
26 February 2015

Remuneration Committee Report

The remuneration committee operates under a formal mandate that has been approved by the Board and has conducted its affairs in compliance and discharged its responsibilities as stipulated in the committee terms of reference. The purpose of the remuneration committee is to provide an independent and objective body that will make recommendations on the remuneration policies and practices of the Executive Directors and Senior Management of the company and its subsidiaries in general.

Remuneration committee members
The remuneration committee comprises of four independent non-executive directors, Charles Pettit (Chairman), Dumisani Tabata, Janine de Bruyn and Christina Wiese. Nkomsemtu Nika stepped down as remuneration committee Chairman on 3 July 2014. Janine de Bruyn and Christina Wiese were appointed to the remuneration committee on 25 July 2014 and 8 September 2014 respectively.

During the period under review, the Group restructuring, which had commenced by the close of the prior reporting period, was further implemented through the classification as held for sale of the Group's remaining operating assets. As a result of this, the remuneration of all directors came under the direct scrutiny of the Board and was dealt with at the Board meetings. The committee held a single meeting during the financial period under review.

Following the conversion from an operating entity to an investment holding company, the Group has appointed a dedicated investment manager which oversees certain operational and strategic functions. As a result of Group restructuring and this management arrangement, the number of people employed within the Group has been materially reduced to comprising only the Board of the Company.

Roles and responsibilities
The committee is primarily responsible for assisting the Board in carrying out the following duties:

- the Group's remuneration structures and benefits in general; and
- the specific remuneration and terms of employment of executive directors.

Remuneration philosophy
The Remuneration philosophy is as follows and is reviewed annually.

Salary Structure
All employees are remunerated on a total cost-to-company (CTC) structure, where applicable.

Salary Benchmarking
To ensure autonomy, position benchmarks may be undertaken for remuneration packages, which allows for flexibility. In the event of a new appointment, a position specific benchmark report may be requested from a reputable survey company to ensure external equity.

Benefits
The CTC package may include the following benefits which must be structured over 12 months:

- Basic salary; and
- Any other benefits as determined from time to time.

Annual Salary Increases
Increases for employees are not guaranteed. Annual increases will be considered by adopting a co-operative approach between employees and management and/or the remuneration committee and are dependent on the economic circumstances of ConvergeNet. Salaries are normally reviewed annually. Should an employee be granted an increase, the following factors may be considered in determining the increase:

- Employee's position against the market;
- Performance; and
- Enhanced qualifications related to the job.

Interim increases may be granted in exceptional circumstances where there have been consequential changes in the employee's job or position, e.g. change in market conditions, or promotion.

Directors' remuneration
In line with section 66(8) and (9) of the Companies Act, 2008, remuneration of non-executive directors was approved by shareholders at the annual general meeting held on 12 May 2014. The proposed fees for the forthcoming financial year will be presented to shareholders at the 2014 annual general meeting.

Remuneration of the directors can be viewed on page 69 of the integrated report.

Charles Pettit
Chairman

8 May 2015

Social and Ethics Committee Report

The social and ethics committee operates under a formal mandate that has been approved by the Board and has conducted its affairs in compliance and discharged its responsibilities as stipulated in the committee terms of reference.

Social and ethics committee members
The members of the committee comprise Janine de Bruyn (independent non-executive director), Lerato Mangope (independent non-executive director) and Dumisani Tabata (independent non-executive director), who serves as Chairman of the committee.

Roles and responsibilities
The committee is responsible for the following responsibilities and duties:

- to monitor the Company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to social and economic development, including the Company's standing in terms of goals and purposes of the 10 principles set out in the United Nations Global Compact Principles;
- to promote good corporate citizenship;
- to care for the environment, health and public safety, including the impact of the Company's activities and of its products or services;
- to monitor labour and employment;
- review any statements on ethical standards or requirements for the Company and the procedures or review system implemented to promote and enforce compliance;
- review significant cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees or the Company;
- where requested, make recommendations on any material potential conflict of interest or questionable situations;
- ensure that the code of conduct and ethics-related policies are drafted and implemented;
- reporting on and disclosing the Company's ethics performance;
- to draw matters within its mandate to the attention of the Board as the occasion requires; and
- to report, through one of its members, to the shareholders at the Company's annual general meeting on the matters within its mandate.

Sustainability and corporate social awareness
The Group remains committed to sustainability and corporate social awareness. We are cognisant of the fact that the growth and success of the Company is dependent on the ability to continue to deliver value to our stakeholders during the transition from operating entity to investment holding company and into the future. Sustainability can only be achieved through paying greater attention to the world in which we operate.

The Group is fully committed to the maintenance of high moral, ethical and legal standards and expects all representatives of the Group to act in accordance with the highest standards of personal and professional integrity in all aspects of their activities and to comply with all applicable laws, regulations and the Group's policies.

The Group only employees executive directors at the end of the reporting period under review and continues to operate in transparent and co-operative manner with all stakeholder who are encouraged to raise any issues with these directors as has been the case prior to the conversion to an investment holding company.

Dumisani Tabata
Chairman

8 May 2015

Report of the Independent Auditors

To the shareholders of ConvergeNet Holdings Limited

Report on the Financial Statements
We have audited the financial statements of ConvergeNet Holdings Limited, which comprise the consolidated and separate statements of financial position as at 30 November 2014, and the consolidated and separate statements of comprehensive income, statement of changes in equity and statement of cash flows for the fifteen month period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 27 to 78.

Directors' Responsibility for the Financial Statements
The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of ConvergeNet Holdings Limited as of 30 November 2014, and its consolidated and separate financial performance and cash flows for the fifteen month period then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

Other Reports Required by the Companies Act
As part of our audit of the financial statements for the fifteen month period ended 30 November 2014, we have read the Directors' Report and the Audit Committee's Report for the purpose of identifying whether there are material inconsistencies between the report and the audited financial statements. The report is the responsibility of the preparer. Based on reading the report we have not identified material inconsistencies between the report and the audited financial statements. However, we have not audited the report and accordingly do not express an opinion on it.

Grant Thornton Cape Inc

Grant Thornton Cape Inc.
Registered Auditors
Chartered Accountants (SA)
Per: I Hashim
Registered Auditor
Chartered Accountant (SA)

Cape Town
27 February 2015

Statement of Directors' Responsibility

The directors are required in terms of the Companies Act 71 of 2008 (Companies Act) to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly present the state of affairs of the Group as at the end of the financial period and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards and the requirements of the Companies Act. The external auditors are engaged to express an independent opinion on the consolidated annual financial statements.

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

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

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

The directors have reviewed the Group's cash flow forecast for the year to 30 November 2015 and, in the light of this review and the current financial position, they are satisfied that the Group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Company and Group's consolidated annual financial statements. The consolidated annual financial statements have been examined by the Group's external auditors and their report is presented on page 20.

The consolidated annual financial statements set out on pages 27 to 78, which have been prepared on the going concern basis, were approved by the board on 27 February 2015 and were signed on its behalf by:

Peter van Zyl
Chief Executive Officer

Charl de Villiers
Chief Financial Officer

Cape Town
27 February 2015

Declaration by Company Secretary

In terms of section 88(1)(e) of the Companies Act, 2008 (No. 71 of 2008), as amended ("the Companies Act"), we certify that the Company has lodged with the Companies and Intellectual Property Commission and the Registrar all such returns as required by the Companies Act and that all such returns are true, correct and up to date.

All Directors have access to the advice and services of the Company Secretary who provides guidance to the Board as a whole and to individual directors with regard to corporate governance and how they should discharge their responsibilities in the best interests of the Group.

Warwick van Breda
Company Secretary

Cape Town
27 February 2015

Shareholders' Diary

Financial year-end	30 November
Publication of the audited condensed provisional Group results for the fifteen months ended 30 November 2014	27 February 2015
Integrated Annual Report posted to shareholders	8 May 2015
Annual General Meeting	5 June 2015
Publication of interim results	August 2015

Directors' Report

To the Shareholders of ConvergeNet Holdings Limited

The directors hereby present the annual financial statements of the Company and the Group for the fifteen months ended 30 November 2014. These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Nature of business

During the period under review, ConvergeNet Holdings Limited ("**ConvergeNet**" or "**Group**") was the holding company for the interests of the ConvergeNet Group which provided information, communication and telecommunication ("**ICT**") infrastructure products and solutions as well as ancillary support and managed services. Subsequent to the end of the reporting period, on 16 January 2015, ConvergeNet shareholders approved the sale of the Group's remaining operating ICT subsidiaries, the acquisition of various strategic investments and the conversion of ConvergeNet into an investment entity as well as the related sector transfer from the 'Computer Services' sub-sector of the JSE to the 'Investment Companies' sub-sector.

Financial results

At the end of the period under review, the Group's plans to sell its remaining two operating companies, Structured Connectivity Solutions (Proprietary) Limited ("**SCS**") and Chrystalpine Investments 9 (Proprietary) Limited Group ("**Chrystalpine**") (incorporating Andrews Kit (Proprietary) Limited ("Contract Kitting")) had been announced and as a result of this firm intention to dispose of those entities, the cash generating unit of SCS and Chrystalpine have been classified as a disposal group held for sale in terms of IFRS 5 "Non-current assets held for sale and discontinued operations" ("**IFRS 5**") at 30 November 2014.

In terms of the requirements of IFRS 5, the Group has presented the assets and liabilities of the disposal group separately on the face of the statement of financial position and have accounted for this disposal group by measuring the assets and liabilities of SCS and Chrystalpine at the lower of their carrying values and the fair value of those assets less cost to sell. In addition to the statement of financial position disclosures, the sum of the post-tax profit or loss of the discontinued operations, SCS and Chrystalpine for the fifteen months ended 30 November 2014 and year ended 31 August 2013 (restated) is presented as a single amount on the face of the statement of comprehensive income. The impact of the sale of SCS and Chrystalpine (incorporating Contract Kitting) will be disclosed in profit and loss from discontinued operations in the forthcoming financial year.

As a result of the application of IFRS 5, revenue from continuing operations decreased by 96.0% from R19.9 million to R0.8 million, whilst the gross profit margin increased from 8.2% to 38.5% compared to the corresponding restated period.

Operating expenditure from continuing operations has decreased from R40.3 million to R14.9 million. Included in operating expenditure are impairments of goodwill and other financial asset to the amount of R2.9 million (Restated 2013: R3.3 million) which resulted primarily due to the restructuring of the Group and sale of subsidiaries. The Group has made an operating loss from continuing operations of R3.8 million compared to an operating loss of R26.3 million for the corresponding restated period.

The Group profit from continuing operations for the fifteen months ended 30 November 2014 was R3.4 million (Restated 2013: R30.8 million) and attributable loss from continuing operations was R1.8 million (Restated 2013: R27.1 million) resulting in a basic loss per share of 1.82 cents (Restated 2013: 3.05 cents) and a headline loss of 1.79 cents per share (Restated 2013: 2.84 cents).

The net asset value per share increased by 748.6% to 191.52 cents per share (2013: 22.57 cents per share), mainly due to the share consolidation on a 10-for-1 basis which was completed on 23 December 2013.

Corporate activities during the year

Numerous corporate transactions were initiated and concluded during the year under review. This included the disposals of Sizwe Africa IT Group (Pty) Ltd and Telesto Communication Solutions (Pty) Ltd and classification of SCS and Chrystalpine as a disposal group held for sale. These corporate actions are further detailed in note 12 of the consolidated annual financial statements.

On or about 8 September 2014, the Group announced a significant restructuring, incorporating:

- The transfer of the ConvergeNet's listing from the "Computer Services" sub-sector of the JSE to the "Investment Companies" sub-sector;
- The acquisition by ConvergeNet of 30% of Tellumat Proprietary Limited;
- The acquisition by ConvergeNet of 19.26% of Digicore Holdings Limited for an aggregate amount of R 119 231 925 settled by way of the issue of new shares in ConvergeNet at R2.00 per share;
- The acquisition by ConvergeNet of an additional 30.32% of Mine Restoration Investments Limited for an aggregate amount of R 25 272 664 settled by way of the issue of new shares in ConvergeNet at R2.00 per share;
- The acquisition by ConvergeNet of an additional 21.77% of Goliath Gold Mining Limited for an aggregate amount of R 64 169 742 settled by way of the issue of new shares in ConvergeNet at R2.00 per share;
- The specific issue of 75 million ConvergeNet shares for cash at a subscription price of R2.00 per share, amounting to an aggregate total consideration of R150 million;
- The specific issue of 1 385 000 ConvergeNet shares at a subscription price of R2.00 per share in lieu of the private placement underwriting fees;
- The specific issue of 1 140 000 ConvergeNet shares at a subscription price of R2.00 per share in lieu of private placement commitment fees; and
- The change of name of ConvergeNet to "Stellar Capital Partners Limited".

Directors' Report

Issue and repurchase of shares and share capital

On 4 November 2013, 38 529 866 shares were issued at 9 cents per share to settle corporate advisory fees in the amount of R 3 420 000 under the Group's general approval to issue shares for cash.

On 6 December 2013, the Group successfully completed the repurchase of 34 447 shares which comprise 227 shares and 34 220 shares which were repurchased by way of the odd-lot offer and specific offer, respectively. A share consolidation, on a 10-for-1 basis, was completed on 23 December 2013 ("**Share Consolidation**"). As a result of the share consolidation, the authorised share capital of the company was reduced to 200 000 000 ordinary shares of no par value. With effect from 20 January 2015, the authorised share capital of the company was increased from 200 000 000 ordinary shares of no par value to 1 000 000 000 ordinary shares of no par value.

Interest in subsidiaries

Particulars of the principal subsidiaries of the Group are provided in note 5 to the Group's annual financial statements.

Director changes

Mr. DF Bisschoff, the Group Financial Director during the prior year, was appointed as interim Chief Executive Officer until 31 December 2013. Mr. PJ van Zyl was appointed on 21 November 2013 as an independent non-executive director and Chief Financial Officer with effect from 1 January 2014. From 1 January 2014, Mr. van Zyl also fulfilled the role of interim Chief Executive Officer.

Mr. NG Nika resigned as independent non-executive director on 3 July 2014. Mrs. Janine de Bruyn was appointed as independent non-executive director on 25 July 2014. On 8 September 2014, the Group appointed Mmes. Christina Wiese and Clare Wiese as independent non-executive directors.

On 1 February 2015, the Group appointed Mr. PJ van Zyl and Mr. CB de Villiers as full-time Chief Executive Officer and Chief Financial Officer respectively.

Directors' interests and share dealings

The directors' interests in ConvergeNet shares as at 30 November 2014 were as follows:

	Beneficial			
Director	**Direct**	**Indirect**	**Total Shares**	**Total %**
DD Tabata	-	1 082 658	1 082 658	1.12%
P van Zyl	-	-	-	-
L Mangope	-	-	-	-
J de Bruyn	-	-	-	-
CE Pettit	-	-	-	-
CC Wiese	-	-	-	-
CH Wiese	-	-	-	-
Total	**-**	**1 082 658**	**1 082 658**	**1.12%**

The directors' interests in ConvergeNet shares (excluding shares held in treasury), as at 31 August 2013 (prior to the Share Consolidation) were as follows:

	Beneficial			
Director	**Direct**	**Indirect**	**Total Shares**	**Total %**
DD Tabata	-	10 826 575	10 826 575	1.12%
DF Bisschoff∂	4 850 000	-	4 850 000	0.50%
L Mangope	-	-	-	-
H van Dyk*	108 900	50 000	158 900	0.02%
CE Pettit	-	-	-	-
NG Nika^	-	-	-	-
Total	**4 958 900**	**10 876 575**	**15 835 475**	**1.63%**

* A van Dyk, an associate of H van Dyk, owns 50% of the ConvergeNet shares which are indirectly held by TitanTrade, totalling 50 000 ConvergeNet shares. H van Dyk resigned as director with effect from 12 December 2013.

∂ Resigned 31 December 2013.

^ Resigned 3 July 2014

The has been no change in directors' interests or any share dealings by directors subsequent to 30 November 2014, save for 596 250 ConvergeNet shares issued to Thunder Capital (Proprietary) Limited, an associate of Mr. PJ van Zyl in lieu of underwriting fees.

There have been no other material directors' beneficial interests, whether directly or indirectly, of directors of ConvergeNet in the last 12 months in transactions that were effected by ConvergeNet.

There were no directors' dealings in securities for the period from 1 September 2013 to 30 November 2014.

Shareholder spread
The number of public and non-public shareholders at 30 November 2014 were analysed as follows:

Category of shareholder	No. of Shareholders	No. of Shares Held	Shares held %
Directors of ConvergeNet	0	0	0.00%
Directors of subsidiaries	1	125,000	0.12%
Associate to directors of ConvergeNet	1	1,082,658	1.12%
Associate(s) to directors of subsidiaries	0	0	0.00%
Treasury shares	3	432,221	0.43%
Total non-public shareholders	8	62,977,282	63.46%
Total public shareholders	1,137	37,969,220	36.54%
Total		**100,946,502**	**100%**

Major shareholders of the Company at 30 November 2014 were:

Major shareholders holding more than 5%	No. of Shares Held	% Interest in the Issued Share Capital
Citygate Securities Limited	29,406,711	29.13%
TIH Capital Partners Limited	20,862,204	20.67%
Green Tree Investments 306 Proprietary Limited	13,233,804	13.11%

Directors' emoluments
The emoluments of executive and non-executive directors are determined by the Group's remuneration committee.

Further information relating to the earnings of directors is provided in note 29 to the Group annual financial statements.

Forfeitable share plan
The Company has a Forfeitable Share Plan ("FSP") which was also approved by shareholders at the general meeting held on 18 January 2008. The FSP is governed by, and is the responsibility of, the remuneration committee. The FSP is limited by an aggregated number of shares to be allocated at any one time as approved by shareholders. This FSP is on-going and continues to be implemented throughout the Group.

During the year, no shares (2013: nil) were granted and no shares (2013: nil) were forfeited in terms of the rules of the FSP. The last shares vested on 31 August 2014. Further information is provided in note 13 to the Group annual financial statements.

Company secretary
The previous company secretary, Juba Statutory Services (Proprietary) Limited was replaced by Lavender Sky (Proprietary) Limited, represented by Warwick van Breda on 1 December 2013.

Auditors
Grant Thornton Cape Inc. was appointed as auditors to ConvergeNet and its subsidiaries with effect from 8 July 2014, prior to which date the role was fulfilled by PricewaterhouseCoopers Inc. The appointment of Grant Thornton Cape Inc. was as a result of the reduced complexity in reporting structures and in an effort to further reduce costs.

The audit and risk committee is satisfied with the independence of the new auditors of the Group and will continue to assess their independence during the next financial year.

Share capital
The authorised and issued share capital of the Company as at 30 November 2014 is set out in note 13 of the annual financial statements. As at 30 November 2014, there were 100 946 502 issued ordinary shares and 99 053 498 unissued ordinary shares.

Dividend
The declaration of cash dividends will continue to be considered by the board in conjunction with an evaluation of current and future funding requirements and will be adjusted to levels considered appropriate at the time of declaration. The directors have decided not to declare a dividend for the year under review (2013:nil).

Litigation
The directors are not aware of any litigation matters that warrant disclosure in this report or the annual financial statements of the Group.

Special resolutions
Other than the general authority to repurchase shares, which resolution was passed at the previous annual general meeting, no special resolutions for the Company were approved during the period under review.

Directors' Report

Corporate governance
The directors subscribe to the values of corporate governance as embodied in the King Report on Corporate Governance in South Africa ("King III"). Details of the Group's compliance with the Code of Corporate Practices and Conduct as contained in the King III Report are contained in the sustainability and corporate governance report.

Subsequent events after the balance sheet date
On 16 January 2015, shareholders approved the:

- Transfer of the Company's listing from the "Computer Services" sub-sector of the JSE to the "Investment Companies" sub-sector;
- Disposal by ConvergeNet of 100% of ConvergeNet's interest in Chrystalpine Investments 9 Proprietary Limited (incorporating Andrews Kit Proprietary Limited) and Structured Connectivity Solutions Proprietary Limited to Tellumat Proprietary Limited for R 95 119 000 and R 5 000 000 respectively. The transactions became unconditional on 5 February 2015;
- Acquisition by ConvergeNet of 30% of Tellumat Proprietary Limited as a result of the settlement of the Chrystalpine Investments 9 Proprietary Limited and Structured Connectivity Solutions Proprietary Limited sale consideration which became effective on 5 February 2015;
- Acquisition by ConvergeNet of 19.26% of Digicore Holdings Limited for an aggregate amount of R 119 231 925 which became unconditional on 16 January 2015 and was completed on 6 February 2015;
- Acquisition by ConvergeNet of an additional 30.32% of Mine Restoration Investments Limited for an aggregate amount of R 25 272 664 which became unconditional on 16 January 2015 and was completed on 3 February 2015;
- Acquisition by ConvergeNet of an additional 21.77% of Goliath Gold Mining Limited for an aggregate amount of R 64 169 742 which became unconditional on 16 January 2015 and was completed on 13 February 2013;
- Specific issue of 75 million ConvergeNet shares for cash at a subscription price of R2.00 per share, amounting to an aggregate total consideration of R150 million which became unconditional on 16 January 2015 and was completed on 23 January 2015;
- Specific issue of 1 385 000 ConvergeNet shares at a subscription price of R2.00 per share in lieu of the private placement underwriting fees which became unconditional on 16 January 2015 and was completed on 23 January 2015;
- Specific issue of 1 140 000 ConvergeNet shares at a subscription price of R2.00 per share in lieu of private placement commitment fees which became unconditional on 16 January 2015 and was completed on 23 January 2015; and
- The change of name of ConvergeNet to "Stellar Capital Partners Limited" and resulting amendment to the Memorandum of Incorporation.

The directors of the company are not aware of any other material facts or circumstances not already disclosed above that require disclosure in this report.

Future prospects
The Group is positive about entering into a new phase as investment holding company and the implementation of its stated investment strategy.

Approval of the annual financial statements and going concern statement
The annual financial statements set out in this report have been prepared in accordance with statements of International Financial Reporting Standards ("**IFRS**"), the Listings Requirements of the JSE Limited and in the manner required by the South African Companies Act, 71 of 2008, and are based on appropriate accounting policies, consistently applied, which are supported by reasonable and prudent judgment and estimates.

The annual financial statements were compiled under the supervision of Mr. CB de Villiers CA(SA), the current Chief Financial Officer. The directors of the Company are responsible for the preparation of the annual financial statements and related financial information that fairly present the state of affairs and the results of the Company and the Group. To enable the board to meet these responsibilities, systems of internal control and accounting and information systems have been implemented aimed at providing reasonable assurance that risk of error, fraud or loss is reduced.

Particulars relating to the role and function of the audit and risk committee are set out in the corporate governance report on page 6. The directors are responsible for the implementation and oversight of the internal audit function of the Group. During the year under review, no review of Group controls were performed, however, based on the information given by management, the directors are of the opinion that the internal accounting controls are adequate, and that the financial records may be relied upon for the preparation of the financial statements and maintaining accountability for assets and liabilities. It is the opinion of the directors that the annual financial statements fairly present the financial position of the Company and of the Group as at 30 November 2014.

To the best of its knowledge and belief, based on the above and after making inquiries, the board of directors confirms that it has every reason to believe that the Company and the Group have adequate resources in place to continue in operational existence for the foreseeable future. For this reason, the board adopted the going concern basis in preparing the annual financial statements.

The annual financial statements of the fifteen months ended 30 November 2014 which appear on pages 27 to 78 were approved by the board on 27 February 2015 and are signed on its behalf.

DD Tabata
Independent non-executive chairman
27 February 2015

Statement of Financial Position

		Group		Company	
Figures in Rand thousand	**Notes**	**30 November 2014**	**31 August 2013**	**30 November 2014**	**31 August 2013**
Assets					
Non-Current Assets					
Goodwill	2	-	34 822	-	-
Property, plant and equipment	3	-	4 342	-	8
Intangible assets	4	-	2 910	-	-
Investments in subsidiaries	5	-	-	-	134 941
Deferred tax	6	3 216	9 777	-	-
		3 216	**51 851**	**-**	**134 949**
Current Assets					
Inventories	7	-	58 688	-	-
Loans to related parties	8	-	-	4 397	11 758
Other financial assets	9	76 000	2 331	72 733	2 200
Current tax receivable		-	883	-	-
Trade and other receivables	10	571	62 644	98	101
Cash and cash equivalents	11	3 334	14 689	2 338	839
		79 905	**139 235**	**79 566**	**14 898**
Non-current assets held for sale	12	129 668	262 058	100 119	122 831
Total Assets		**212 789**	**453 144**	**179 685**	**272 678**
Equity and Liabilities					
Equity					
Equity attributable to owners of the parent	13	193 329	219 113	177 133	242 582
Non-controlling interest		(14 221)	(8 605)	-	-
		179 108	**210 508**	**177 133**	**242 582**
Liabilities					
Non-Current Liabilities					
Operating lease liability	14	-	1 251	-	-
Deferred tax	6	-	106	-	-
		-	**1 357**	**-**	**-**
Current Liabilities					
Finance lease obligation	15	-	126	-	-
Interest bearing loans and other financial liabilities	16	-	29 241	-	27 206
Current tax payable		421	490	421	490
Trade and other payables	17	3 711	56 062	2 131	2 400
Provisions	18	-	1 046	-	-
Bank overdraft	11	-	15 066	-	-
		4 132	**102 031**	**2 552**	**30 096**
Liabilities of disposal groups held for sale	12	29 549	139 248	-	-
Total Liabilities		**33 681**	**242 636**	**2 552**	**30 096**
Total Equity and Liabilities		**212 789**	**453 144**	**179 685**	**272 678**

Statement of Comprehensive Income

		Group		Company	
Figures in Rand thousand	Notes	15 months ended 30 November 2014	Restated year ended 31 August 2013	15 months ended 30 November 2014	Year ended 31 August 2013
Continuing operations					
Revenue	19	797	19 896	248	996
Cost of sales		(490)	(18 264)	-	-
Gross profit		**307**	**1 632**	**248**	**996**
Other income		10 853	12 407	50	641
Impairment of goodwill and other financial assets	20	(2 950)	(3 333)	(47 661)	(234 006)
Fair value adjustments		414	6 672	-	5 646
Other operating expenses		(12 378)	(43 647)	(26 766)	(24 587)
Operating loss	21	**(3 754)**	**(26 269)**	**(74 129)**	**(251 310)**
Investment income	22	7 913	147	7 694	7 392
Finance costs	23	(2 360)	(528)	(2 356)	(614)
Profit (loss) before taxation		**1 799**	**(26 650)**	**(68 791)**	**(244 532)**
Taxation	24	1 617	(4 116)	-	2 674
Profit/(loss) for the period / year from continuing operations		**3 416**	**(30 766)**	**(68 791)**	**(241 858)**
Discontinued operations					
Net loss for the period from discontinued operations	12	(92 469)	(195 501)	-	-
Loss for the period / year		**(89 053)**	**(226 267)**	**(68 791)**	**(241 858)**
Other comprehensive income:					
Exchange gain on translation of foreign operations		-	388	-	-
Gains on revaluation of land and buildings		-	99	-	-
Other comprehensive income for the period / year net of tax		**-**	**487**	**-**	**-**
Total comprehensive loss for the period / year		**(89 053)**	**(225 780)**	**(68 791)**	**(241 858)**
Loss for the period / year attributable to:					
Equity holders of the parent		(94 293)	(209 204)	(68 791)	(241 858)
Non-controlling interests		5 240	(17 063)	-	-
		(89 053)	**(226 267)**	**(68 791)**	**(241 858)**
Profit/(loss) for the period / year from continuing operations attributable to:					
Equity holders of the parent		(1 824)	(27 117)	(68 791)	(241 858)
Non-controlling interests		5 240	(3 649)	-	-
		3 416	**(30 766)**	**(68 791)**	**(241 858)**
Loss for the period / year from discontinued operations attributable to:					
Equity holders of the parent		(92 469)	(182 087)	-	-
Non-controlling interests		-	(13 414)	-	-
		(92 469)	**(195 501)**	**-**	**-**
Total comprehensive loss for the period / year attributable to:					
Equity holders of the parent		(94 293)	(208 949)	(68 791)	(241 858)
Non-controlling interests		5 240	(16 831)	-	-
		(89 053)	**(225 780)**	**(68 791)**	**(241 858)**
Earnings per share					
Basic and diluted loss per share (cents)					
From continuing operations		(1.82)	(3.05)		
From discontinued operations		(92.30)	(20.47)		
Basic loss for the period		(94.12)	(23.52)		

Statement of Changes in Equity - Group

Figures in Rand thousand	Share capital	Share capital and share premium	Treasury shares	Share based payments	Foreign currency translation reserve	Revaluation reserve	Retained earnings	Transactions with non-controlling shareholders	Total attributable to equity holders of the parent	Non-controlling interest	Total equity
Group											
Balance at 01 September 2012	**-**	**436 951**	**(14 490)**	**1 300**	**(200)**	**137**	**60 483**	**(60 036)**	**424 145**	**59 043**	**483 188**
Loss for the year	-	-	-	-	-	-	(209 204)	-	(209 204)	(17 063)	(226 267)
Exchange gain on translation of foreign operation	-	-	-	-	200	-	-	-	200	188	388
Revaluation of land and buildings	-	-	-	-	-	55	-	-	55	44	99
Conversion of par value shares to no par value shares	436 951	(436 951)	-	-	-	-	-	-	-	-	-
Shares issued in terms of transactions with non-controlling shareholders	15 888	-	-	-	-	-	-	-	15 888	-	15 888
Equity settled share based payments	-	-	-	476	-	-	-	-	476	-	476
Shares vested in terms of forfeitable share plan	-	-	876	(876)	-	-	-	-	-	-	-
Own shares acquired by subsidiaries, held as treasury shares	-	-	(21 211)	-	-	-	-	-	(21 211)	-	(21 211)
Own shares acquired by subsidiaries, held as treasury shares re-issued	-	-	29 521	-	-	-	(6 382)	-	23 139	-	23 139
Transactions with non-controlling shareholders	-	-	-	-	-	-	-	(14 375)	(14 375)	(50 817)	(65 192)
Balance at 31 August 2013	**452 839**	**-**	**(5 304)**	**900**	**-**	**192**	**(155 103)**	**(74 411)**	**219 113**	**(8 605)**	**210 508**
Loss for the period	-	-	-	(900)	-	(192)	(93 201)	-	(94 293)	5 240	(89 053)
Equity settled share based payments	3 420	-	-	-	-	-	-	-	3 420	-	3 420
Shares vested in terms of forfeitable share plan	-	-	1 350	-	-	-	-	-	1 350	-	1 350
Own shares acquired by subsidiaries, held as treasury shares	-	-	(78)	-	-	-	-	-	(78)	-	(78)
Transactions with non-controlling shareholders	-	-	-	-	-	-	-	63 817	63 817	(10 856)	52 961
Balance at 30 November 2014	**456 259**	**-**	**(4 032)**	**-**	**-**	**-**	**(248 304)**	**(10 594)**	**193 329**	**(14 221)**	**179 108**
Notes	13	13	13	34		34		35			

Non-controlling interest in the amount of R 10 856 000 were derecognised on the sale of Sizwe Africa IT Group Proprietary Limited.

Statement of Changes in Equity - Company

Figures in Rand thousand	Share capital	Share capital and share premium	Treasury shares	Share based payments	Foreign currency translation reserve	Revaluation reserve	Retained earnings	Transactions with non-controlling shareholders	Total attributable to equity holders of the parent	Non-controlling interest	Total equity
Company											
Balance at 01 September 2012	**-**	**436 951**	**-**	**-**	**-**	**-**	**31 601**	**-**	**468 552**	**-**	**468 552**
Loss for the year	-	-	-	-	-	-	(241 858)	-	(241 858)	-	(241 858)
Conversion of par value shares to no par value shares	436 951	(436 951)	-	-	-	-	-	-	-	-	-
Issue of treasury shares in terms of forfeitable share plan	15 888	-	-	-	-	-	-	-	15 888	-	15 888
Balance at 31 August 2013	452 839	-	-	-	-	-	(210 257)	-	242 582	-	242 582
Changes in equity											
Loss for the year	-	-	-	-	-	-	(68 791)	-	(68 791)	-	(68 791)
Equity settled share based payments	3 420	-	-	-	-	-	-	-	3 420	-	3 420
Own shares acquired by subsidiaries, held as treasury shares	(78)	-	-	-	-	-	-	-	(78)	-	(78)
Balance at 30 November 2014	**456 181**	**-**	**-**	**-**	**-**	**-**	**(279 048)**	**-**	**177 133**	**-**	**177 133**
Note	13	13									

Statement of Cash Flows

Figures in Rand thousand	Notes	Group: 15 months ended 30 November 2014	Group: Restated year ended 31 August 2013	Company: 15 months ended 30 November 2014	Company: Year ended 31 August 2013
Operating activities					
Cash utilised in operations	26	(10 436)	(4 561)	(5 697)	(3 655)
Investment income	21	7 913	147	7 578	78
Dividends received		-	-	-	7 000
Finance costs		(2 360)	54	(2 356)	(32)
Tax paid		-	-	(69)	-
From discontinued operations		7 141	(36 198)	-	-
Net cash generated from /(utilised in) operating activities		**2 258**	**(40 558)**	**(544)**	**3 391**
Investing activities					
Additions to property and equipment	3	-	(33)	-	(10)
Proceeds on disposal of property and equipment	3	-	64	-	-
Additions to other financial assets		(25 661)	-	-	-
Proceeds on disposal of other financial assets		-	236	33 033	-
Proceeds on disposal of investments		-	18 789	-	18 789
Proceeds on disposal of subsidiaries		54 001	-	-	-
Other loans advanced		-	-	-	(15 057)
Repayment of amounts owing from group companies		-	-	(3 706)	-
Transaction with non-controlling shareholders		-	-	-	(21 976)
From discontinued operations		(1 382)	(20 035)	-	-
Net cash generated from /(utilised in) investing activities		**26 958**	**(979)**	**29 327**	**(18 254)**
Financing activities					
Proceeds on share issue		-	7 015	-	-
Proceeds from loans		-	12 572	-	12 572
Repurchase of shares		(78)	-	(78)	-
Transactions with non-controlling shareholders		-	(21 920)	-	-
Repayment of other financial liabilities		(27 207)	-	(27 206)	-
Movements in amounts owing from group companies		-	-	-	-
Finance leases		-	(2)	-	-
From discontinued operations		524	(8 898)	-	-
Net cash (utilised in)/generated from financing activities		**(26 761)**	**(11 233)**	**(27 284)**	**12 572**
Net increase/(decrease) in cash and cash equivalents		**2 455**	**(52 770)**	**1 499**	**(2 291)**
Cash at the beginning of the period		(377)	66 496	839	3 130
Cash balances transferred to disposal group held for sale		1 256	(14 103)	-	-
Total cash and cash equivalents at end of the period	11	**3 334**	**(377)**	**2 338**	**839**

Accounting Policies

1. **Presentation of Consolidated Annual Financial Statements**
The principal accounting policies of the Group and the Company are set out below. The consolidated financial statements of the Company comprise the Company and its subsidiaries and the Company's interest in associates.

1.1 Statement of compliance

Basis of compliance

The separate and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and comply with the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Listings Requirements and the requirements of the South African Companies Act, No 71 of 2008.

The consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that have been measured at fair value and incorporate the principal accounting policies set out below. Amounts are presented in South African Rands.

The accounting policies are consistent with those applied in the previous period, except for the changes set out below, new and revised standards and interpretations.

Going concern

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within their current funding levels.

After making enquiries, the directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. The Group and Company therefore continue to adopt the going concern basis in preparing the annual financial statements.

Adoption of new and revised standards and interpretations

During the current financial period the Group has adopted all the new, revised or amended accounting standards and interpretations as issued by the IASB, that are relevant to its operations, which were effective for the Group from 1 September 2013.

The adoption of the new and revised accounting standards and interpretations which had no material impact on the results of the Group, are as follows:

Amendments to IAS 27, 'Separate Financial Statements'

IAS 27 (Revised) 'Separate Financial Statements' was published in May 2011 along with IFRS 10 'Consolidated Financial Statements' , IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 (Revised) 'Investments in Associates and Joint Ventures'. Together these Standards form a comprehensive package dealing with group issues and off-balance sheet activity.

The changes made to IAS 27 (Revised) 'Separate Financial Statements' are consequential changes arising from the publication of the new IFRSs. The main change is that IAS 27 (Revised) will now solely address separate financial statements, the requirements for which are substantially unchanged from the previous version of the Standard.

IFRS 10, 'Consolidated Financial Statements' and IFRS 12 'Disclosure of Interests in Other Entities'

Prior to the publication of IFRS 10, consolidation has been addressed by IAS 27 'Consolidated and Separate Financial Statements' and SIC-12 'Consolidation – Special Purpose Entities'. There is some tension between these pronouncements, with IAS 27 focusing mainly on control through powers such as voting rights, and SIC-12 focusing more on exposure to risks and rewards of the investee. IFRS 10 aims to address these concerns with a new, principle-based, definition of control that will be applied to all types of investee to determine which are consolidated.

IFRS 12 establishes disclosure objectives according to which an entity discloses significant judgements and assumptions (and changes) made by the reporting entity in determining whether it controls another entity, the interest that the non- controlling interests have in the group's activities, the effect of restrictions on the reporting entity's ability to access and use assets or settle liabilities of consolidated entities, the nature of, and changes in, the risks associated with the reporting entity's interests in consolidated structured entities, joint arrangements, associates and unconsolidated structured entities.

IFRS 13, 'Fair Value Measurement'

IFRS 13 'Fair Value Measurement' (IFRS 13) was published in May 2011. Prior to its publication, the guidance on fair value was distributed across many IFRSs, with some containing quite limited guidance while others contained extensive guidance that was not always consistent. IFRS 13 has been developed to remedy these problems.

The new Standard explains how to measure fair value by providing a new definition and introducing a single set of requirements for (almost) all fair value measurements, clarifies how to measure fair value when a market becomes less active and improves transparency through additional disclosures.

1.1 Statement of compliance (continued)

Annual Improvements to IFRSs 2009-2011 Cycle

- **IAS 1 'Presentation of Financial Statements':** clarification of the requirements for comparative information
- **IAS 32 'Financial Instruments: Presentation':** clarification of the tax effect of distribution to holders of equity instruments
- **IAS 34 'Interim Financial Reporting':** clarification of interim financial reporting and segment information for total assets and liabilities

Accounting standards, interpretations and amendments issued not yet effective and not early adopted

As at the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective. The Group has elected not to early adopt standards isssued not yet effective.

- Amendments to IAS 32 'Offsetting Financial Assets and Financial Liabilities' – 1 January 2014
- Amendments to IFRS 10, IFRS 12 and IAS 27 'Investment Entities' – 1 January 2014
- Amendments to IAS 36 'Recoverable Amount Disclosures for Non-Financial Assets' – 1 January 2014
- Annual Improvement to IFRS's, 2012-2014 Cycle – 1 January 2016
- IFRS 15 'Revenue from Contracts with Customers' - 1 January 2017
- IFRS 9 'Financial Instruments' – 1 January 2018

The impact of these standards are currently being assessed, however based on the evaluation, management does not expect these standards, amendments and interpretations to have a significant impact on the Group's results and disclosures, save for the Investment Entity provisions introduced by IFRS 10 in terms of which the Group will measure its investments that are controlling interests in other entities at fair value through profit and loss instead of consolidating such entities. Service subsidiaries of the Group, i.e. subsidiaries that are not 'investments', will continue to be consolidated.

1.2 Critical accounting estimates and judgement

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

The estimates and the underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key areas of estimation included in the Group's annual financial statements, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

- Estimates made in determining the recoverable amount of acquired intangible assets included in the statement of financial position. The Group continually assesses the carrying value of its intangible assets recognised as part of historical acquisitions. This requires an estimation of the value in use, based on estimated future cash flows and discount rates of the asset or cash-generating units to which these assets belong (refer note 1.5);
- Estimates in determining the recoverable amount of goodwill included in the statement of financial position. The Group continually assesses the carrying value of its goodwill recognised as part of historical acquisitions, in accordance with the accounting policy stated in note 1.3. This requires an estimation of the value in use, based on estimated future cash flows and discount rates of the asset or cash-generating units to which the goodwill is allocated to (refer note 2);
- Estimates in determining the probability of future taxable income thereby justifying the recognition of deferred tax assets included in the statement of financial position. Judgement is required in determining the provision of income taxes;
- Estimates in determining the recoverable amount of investments in subsidiaries included in the statement of financial position of the Company. The investments in subsidiaries are evaluated annually for impairment by comparing the carrying value of the investment to the recoverable amount which is the higher of value in use or fair value less costs to sell. The value in use is based on estimated future cash flows and estimated discount rates (refer note 5);
- Estimates regarding the fair value of derivatives and other financial instruments. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. Details of the assumptions made are provided in note 31; and
- The Group assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

1.3 Business combinations and basis of consolidation

Subsidiaries

The consolidated financial statements incorporate the financial results of the Company and all entities which are controlled by the Company. The Group has control of an investee when it has power over the investee; it is exposed to or has rights to variable returns from involvement with the investee; and it has the ability to use its power over the investee to affect the amount of the investor's returns. The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

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

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

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

Changes in ownership interests in subsidiaries without change in control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Company ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, 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 Company 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.

Business combinations

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

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the fair value of assets, liabilities or equity which are given as contingent consideration does not affect the consideration transferred, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business Combinations are recognised at fair value at acquisition date, except for non-current assets (or disposal group) that are classified as held-for-sale in accordance with IFRS 5 Non-current assets held-for-sale and discontinued operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date and are measured at fair value.

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interest arising from a business combination is measured either at the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets or at fair value.

The treatment of non-controlling interest is not an accounting policy choice but is selected for each individual business combination. In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is re-measured to fair value at acquisition date. Any gain or loss on the re-measurement is recognised in profit or loss. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS.

Goodwill arises on the acquisition of subsidiaries and associates and is determined as the difference between the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non- controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. Negative goodwill is recognised immediately in profit or loss.

1.3 Business combinations and basis of consolidation (continued)

Business combinations (continued)

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash- generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination. Each significant cash-generating unit or groups of cash-generating units to which goodwill is allocated represents the lowest level within the group at which the goodwill is monitored for internal management purposes.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired the impairment loss is recognised immediately in profit or loss and cannot subsequently be reversed.

Bargain purchase is determined when the fair value of the identifiable assets and liabilities of the acquiree exceeds the consideration paid, plus the fair value of any shareholding held prior the obtaining control, plus non-controlling interest. The resulting gain is recognised in profit or loss on the acquisition date.

1.4 Property, plant and equipment

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

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

Property, plant and equipment are initially measured at cost. Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it when relevant to major refurbishment of a component resulting in derecognition of existing component and recognition of refurbishment costs.

If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any accumulated impairment losses except for land and buildings which are carried at revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is charged to profit or loss for each component of an asset on a straight-line basis over its expected useful lives to estimated residual values. Land is not depreciated. The current estimated useful lives for the current and comparative periods are as follows:

Item	Average useful life
Buildings	50 years
Furniture and fixtures	5 to 10 years
Motor vehicles	5 years
Office equipment	3 to 10 years
IT equipment	3 years
Leasehold improvements	2 to 5 years
Plant and equipment	6 to 9 years

The residual value, the estimated useful life and depreciation method of each asset are reviewed at the end of each reporting period.

Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

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

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

Land and buildings are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value at the end of the reporting period. The fair value is determined from market based evidence by appraisal and is undertaken by professional qualified valuers. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

If the carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income and accumulated in equity as a revaluation surplus. However, the increase is recognised in profit or loss to the extent that it reverses a previous impairment recognised in profit or loss.

1.4 Property, plant and equipment (continued)

If the carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss except to the extent that it reverses any gains previously recognised in other comprehensive income. The decrease recognised in other comprehensive income reduces the amount accumulated in equity as a revaluation surplus.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

1.5 Intangible assets

Intangible assets include those assets acquired and identified as part of a business combination including marketing related items such as patents, trademarks and trade names; technology related items like computer software and customer related items amongst other items.

An intangible asset is recognised when:

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

Intangible assets are initially measured at cost except for those acquired in business combinations which are measure at fair value at acquisition date.

Expenditure on research or on the research phase of an internal project is recognised as an expense when it is incurred.

An intangible asset arising from development or from the development phase of an internal project shall be recognised if, and only if, an entity can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets. For all other intangible assets amortisation is provided on a straight line basis over their useful life to estimated residual values. The current estimated useful lives for the current and comparative periods are as follows:

Item	Useful life
Patents and trade names	10 years
Computer software	5 to 7 years
Customer related	3 to 5 years

The amortisation period and the amortisation method for intangible assets are reviewed at the end of each reporting period. Reassessing the useful life of an intangible asset as finite rather than indefinite is an indicator that the asset may be impaired. As a result, the entity tests the asset for impairment by comparing its recoverable amount, determined in accordance with IAS 36, with its carrying amount, and recognising any excess of the carrying amount over the recoverable amount as an impairment loss.

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

The gain or loss arising from the derecognition of an intangible asset is recognised in profit or loss and is determined as the difference between the net proceeds, if any, and the carrying amount of the asset.

1.6 Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are carried at cost less accumulated impairment, except when the investment is classified as discontinued operations which is recognised at the lower of the carrying amount and fair value less costs to sell. Impairment is measured as the difference between the investment's carrying amount and the present value of discounted estimated future cash flows.

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

1.7 Investments in associates

An associate is an entity, including an unincorporated entity, over which the Company has significant influence and over which it has neither control nor joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An investment in associate is accounted for using the equity method in the consolidated financial statements and measured at cost in the Company separate financial statements, except when the investment is classified as discontinued operations which are recognised at the lower of the carrying amount and fair value less costs to sell. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for the Company's share of post-acquisition profits or losses and other comprehensive income and impairments.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in profit or loss.

Losses in an associate in excess of the Company's interest in that associate are recognised only to the extent that the Company has incurred a legal or constructive obligation to make payments on behalf of the associate. Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, any excess of the investor's share of the net fair value of the associate's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the investor's share of the associate's profit or loss in the period in which the investment is acquired.

Profits or losses on transactions between the Company and an associate are eliminated to the extent of the Company's interest therein.

1.8 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Financial liabilities measured at amortised cost; and
- Financial liabilities at fair value through profit or loss.

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition.

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Classification is re- assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Fair value estimation

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company 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, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Financial assets

Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held-for-trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held-for-trading unless they are designated as hedges.

1.8 Financial instruments (continued)

Financial assets at fair value through profit or loss (continued)

A financial asset other than a financial asset held-for-trading may be designated as at fair value through profit and loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise or the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis or it forms part of a contract containing one or more embedded derivatives, and IAS 39 – Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at such.

Assets in this category are classified as current assets if they are either held-for-trading or are expected to be realised within 12 months of the statement of financial position date.

Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income. These assets are subsequently measured at fair value. All related realised and unrealised gains and losses arising from changes in fair value are recognised in the statement of comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. This category does not include those loans and receivables that the group intends to sell in the short term or that it has designated as at fair value through profit or loss or available-for-sale. These assets are included in current assets, except for maturities greater than 12 months after the statement of financial position date, which are classified as non-current assets.

Financial assets classified as loans and receivables are initially recognised at fair value plus transaction costs. Subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest rate method, less any provision for impairment.

Loans and receivables comprise loans receivable and trade and other receivables (excluding prepayments and VAT), cash and cash equivalents, loans to subsidiaries, associates and other related parties.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables and other receivables are measured at initial recognition at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate computed at initial recognition. The carrying amount of trade receivables is reduced through the use of a provision for impairment and the amount of the loss is recognised in profit or loss. When a trade receivable is uncollectable it is written off against a provision account for trade receivables.

Financial liabilities

Bank overdraft and borrowings

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

Trade and other payables

Trade and other payables are initially measured at fair value plus transaction costs and are subsequently measured at amortised cost using the effective interest method. Payables are classified as current liabilities if payment is due within a year or less. If not, they are presented as non-current liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprises of derivatives and is initially recognised at fair value on the date a derivative contract is entered into and is subsequently re-measured at its fair value through profit or loss.

Transaction costs directly attributable to the acquisition of financial liabilities at fair value through profit and loss are recognised in profit and loss when they are incurred.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. The Group derecognises financial liabilities when and only when the Group's obligations are discharged, cancelled or they expire.

1.8 Financial instruments (continued)

Impairment of financial assets

At each reporting date the Company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired. Impairment losses are recognised in profit or loss. The amount of the provision is the difference between the carrying amount and the recoverable amount of the assets being the present value of expected cash flows discounted at the original effective interest rate. The amount of the provision is recognised as a charge to profit or loss.

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

1.9 Non-current assets or disposal group held for sale

A non-current asset or disposal group (a business grouping of assets and their related liabilities) is designated as held-for- sale and stated at lower of carrying value and fair value less cost to sell, when its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The classification as held-for-sale of a non-current asset or disposal group occurs when it is available for immediate sale in its present condition and the sale is highly probable. A sale is considered highly probable if management is committed to a plan to sell the non-current asset or disposal group, an active divestiture programme has been initiated, the non-current assets or disposal group is marketed at a price reasonable to its fair value and the disposal is expected to be completed within one year from classification.

Upon classification of a non-current asset or disposal group as held-for-sale, it is reviewed for impairment. The impairment charged to the income statement is the excess of the carrying value of the non-current asset or disposal group over its expected net selling price (fair value less costs to sell). At each subsequent reporting date, the carrying values are remeasured for possible impairment. A reversal of impairment is recognised for any subsequent increase in net selling price but not in excess of the cumulative impairment loss already recognised.

The Group ceases the depreciation and amortisation of non-current assets from the date on which they are classified as held-for-sale.

When a disposal group is classified as held-for-sale it is also necessary to assess whether or not the criteria for discontinued operations are met.

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale, and:

- represents either a separate major line of business or a geographical area of operations; and
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale and the disposal involves loss of control.

If the criteria are met, the results of the disposal group are classified as discontinued operations in the statement of comprehensive income and the comparative amounts restated for all periods presented. No restatement of statement of financial position comparative amounts are done.

1.10 Tax

Current taxation

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 and its subsidiaries 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.

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

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

Current tax assets and current tax liabilities are offset when the Group has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred taxation

Deferred taxation is provided using the balance sheet method based on temporary differences. Temporary differences are differences between carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the at the statement of financial position date in the countries where the Company and its subsidiaries operate and generate taxable income.

1.10 Tax (continued)

Current taxation (continued)

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill in a business combination or, an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit/(tax loss).

A deferred tax asset is recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit/(tax loss). A deferred tax liability is recognised for all taxable temporary differences arising from investments in subsidiaries, branches and associates, and interest in joint ventures, to the extent that the ability to control the timing of the reversal of the temporary difference exists and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences arising from investments in subsidiaries, branches and associates, and interest in joint ventures, to the extent that the temporary difference will be reversed in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

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

Deferred tax assets and deferred tax liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of the reporting period. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probably that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

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

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

Deferred tax assets and deferred tax liabilities are offset when the Group has a legally enforceable right to offset the current tax assets and current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied the same taxation authority on either the same taxable entity or different taxable entities which intend to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Withholding tax paid or payable to taxation authorities on dividends paid to shareholders is charged to equity as part of the dividends.

1.11 Leases

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

Items acquired in terms of finance leases are initially recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased items or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease. Any initial direct costs of the lessee are added to the amount recognised as an asset.

Subsequently the minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. Depreciation relating to assets subject to finance leases is consistent with that of depreciable assets which are owned. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases which have a fixed or determinable escalation are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability/asset which is not discounted. Any contingent payments are expensed in the period in which they are incurred.

1.12 Inventories

The Group measures inventories at the lower of cost and net realisable value on the first-in-first-out basis, except for inventories relating to ICT Support Services included in the IT Infrastructure Technology Solutions Segment, which are measured on the weighted average basis.

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

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

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

1.13 Impairment of non-financial assets

The Group assesses at each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset which is the higher of it fair value less costs to sell and its value in use.

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

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss and is recognised immediately in profit or loss. An impairment loss is recognised for cash generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

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

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

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

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

1.14 Share capital and equity

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

If the Group reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Consideration paid or received, including any directly attributable incremental costs (net of income taxes) shall be recognised directly in equity. Repurchased shares held by subsidiaries are classified as treasury shares and presented as a deduction from total equity on consolidation.

1.15 Provisions and contingencies

Provisions are recognised when:

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

The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period. Where the effect of time value of money is material, the provision shall be measured as the present value of the expenditure expected to be required to settle the obligation.

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

1.15 Provisions and contingencies (continued)

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

Restructurings

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Contingent assets and contingent liabilities are not recognised.

1.16 Revenue

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

The Group's revenues includes the sale, installation and maintenance of the following products and solutions that include Cabling, Networking, Telecommunication, VoIP, Servers and Storage, Infrastructure Management, Data Centres, Card Solutions, Operations Management Solutions and Power and Energy Optimisation Solutions.

Sale of goods

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

Rendering of services

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

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

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

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Revenue relating to goods that are sold subject to the installation and inspection is recognised when the buyer accepts delivery and the installation and inspection are complete. Installation fees are recognised as revenue by reference to the stage of completion unless they are incidental to the product's sale in which case they are recognised when the goods are sold.

Dividend and interest received

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

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

1.17 Employee benefits

Short-term employee benefits

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

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.17 Employee benefits

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.18 Share based payments

Group share-based payment transactions - Equity settled

The Group has an equity-settled share-based incentive scheme that is granted to certain employees of the subsidiaries in terms of its Forfeitable Share Plan ("FSP"). The last shares vested on 31 August 2014.

The fair value of shares granted to employees are measured at grant date and are recognised as an employee expense with a corresponding increase in equity over the period during which the employees are required to provide services to the Group in order to become unconditionally entitled to the equity instruments.

Fair value is measured as being the Volume Weighted Average Price of a share as quoted on the JSE for the five business days immediately preceding the date on which a grant is made.

1.19 Borrowing costs

Borrowing costs not attributable to qualifying assets are recognised as an expense in the period in which they are incurred using the effective interest rate method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

1.20 Translation of foreign currencies

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 Rands (ZAR), which is the Group's presentation currency.

Transactions and balances

A foreign currency transaction is recorded, on initial recognition in South African Rands (ZAR) (the functional currency) by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At the end of the reporting period monetary items are translated using the closing rate.

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

Group companies

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

- assets and liabilities are translated at the closing rate at the reporting date;
- income and expenses recognised in profit or loss are translated at average monthly exchange which approximates actual; and
- all resulting exchange differences are recognised in other comprehensive income and presented as a separate component in equity called foreign currency translation reserve. When the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interest.

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

1.21 Operating segments

An operating segment is a component of the Group:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available.

Pending completion of the corporate actions noted in note 12 and 38 of the annual financial statement, the Group is currently organised into one segment on which the Group reports its primary segment information to the Group executive committee (chief operating decision maker) to make key operating decisions, allocate resources and assess performance.

1.21 Operating segments (continued)

The Group shall report separately information about an operating segment that meets any of the following quantitative thresholds:

- its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10 per cent or more of the combined revenue, internal and external, of all operating segments;
- the absolute amount of its reported profit or loss is 10 per cent or more of the greater, in absolute amount, of

  (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined reported loss of all operating segments that reported a loss; and
- its assets are 10 per cent or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if management believes that information about the segment would be useful to users of the financial statements.

Operating results are reported and reviewed regularly by the Group executive committee and include items directly attributable to a segment as well as those that can be attributed on a reasonable basis, whether from external transactions or from transactions with other Group segments.

Unallocated items mainly comprise corporate expenses which do not directly relate to the operating activities of the segments or which cannot be re-allocated on a reasonable basis. Segment results are determined before any adjustment for non-controlling interests.

1.22 Earnings per share and headline earnings per share

The Group presents basic and diluted earnings per share information for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year, adjusted for its own shares held.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held and for the effects of all dilutive potential ordinary shares.

Headline earnings per share is based on the same calculation as earnings per share above except that attributable profit specifically excludes separately identifiable re-measurements as set out in Circular 2/2013 “Headline Earnings” issued by the South African Institute of Chartered Accountants. A re-measurement is an amount recognised in profit or loss relating to any change (whether realised or unrealised) in the carrying amount of an asset or liability that arose after the initial recognition of such asset or liability. Separately identifiable re-measurements are those where the applicable International Financial Reporting Standard explicitly requires separate disclosure of the operating/trading and/or the platform re- measurement in the separate or individual financial statements of the entity/company/subsidiary/associate/joint venture/joint operation or in the consolidated financial statements.

Fully diluted headline earnings per share is presented when the inclusion of potential ordinary shares has a dilutive effect on headline earnings per share.

	Group		Company	
Figures in Rand thousand	**2014**	**2013**	**2014**	**2013**
2. Goodwill				
Cost	103 773	103 773	-	-
Accumulated impairment	(74 386)	(68 951)	-	-
Transferred to disposal groups classified as held for sale	(29 387)	-	-	-
Carrying value at 30 November 2014/31 August 2013	**-**	**34 822**	**-**	**-**

Reconciliation of goodwill - Group at 30 November 2014

Figures in Rand thousand	**Carrying value**	**Additions**	**Transferred to disposal group classified as held for sale**	**Impairment**	**Carrying value**
Andrews Kit Proprietary Limited	34 822	-	(29 387)	(5 435)	-
	34 822	**-**	**(29 387)**	**(5 435)**	**-**

Reconciliation of goodwill - Group at 31 August 2013

Andrews Kit Proprietary Limited	90 156	-	-	(55 334)	34 822
Sizwe Africa IT Group Proprietary Limited	59 856	(3 817)	(289)	(55 750)	-
Telesto Communication Solutions Proprietary Limited	16 522	-	-	(16 522)	-
X-DSL Networking Solutions Proprietary Limited	4 665	(4 665)	-	-	-
	171 199	**(8 482)**	**(289)**	**(127 606)**	**34 822**

Andrews Kit Proprietary Limited

At 30 November 2014, Chrystalpine Investments 9 Proprietary Limited group, incorporating Andrews Kit Proprietary Limited, and Structured Connectivity Solutions Proprietary Limited, has been classified as a disposal group held for sale ("Disposal Group"). The Disposal Group has been measured at the lower of its carrying amount and fair value less cost to sell and as a result, an impairment loss of R 5 435 000 has been recognised in respect of goodwill attributable to Andrews Kit Proprietary Limited. During the previous year, management reassessed the weighted average cost of capital calculation in respect of Andrews Kit Proprietary Limited and concluded that increased margin pressures experienced by the entity and shorter operational cash flow visibility (caused by the ad hoc nature of revenue generating operations which are mostly contract based) required an upward adjustment to the selected discount rate and downward adjustments to projected future gross profit margins. As a result of this, an impairment charge of R 55 334 000 was recognised in profit and loss in respect of Andrews Kit Proprietary Limited.

Goodwill impairment assessment assumptions

Goodwill is monitored by management at each significant operating entity or group of operating entities.

During the current period, the recoverable amount of goodwill, allocated to the Disposal Group, was measured at the lower of its carrying amount and fair value less cost to sell in terms of IFRS 5 'Non-current assets held for sale and discountinued operations' (IFRS 5). In terms of IFRS 5, the impairment losses under IFRS 5 have first been allocated to the carrying value of any goodwill allocated to the disposal group.

During the previous year, the recoverable amounts of goodwill allocated to continuing operations was determined by using value-in-use calculations. These calculations used post-tax cash flow projections based on financial budgets approved by management covering a five- year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated below. The growth rate did not exceed the long term average growth rate for the Information and Communication Technology industry in which the entities or group of entities operate. The weighted average growth rates used were consistent with the forecasts included in industry reports. The discount rates used were post-tax and reflected the specific risks relating to the relevant operating entities.

2. Goodwill (continued)

The key assumptions used for value-in-use calculations in 2013 for continuing operations were as follows:

	Structured Connectivity Solutions Proprietary Limited	Chrystalpine Investments 9 Proprietary Limited
Growth rate range (year 1 to year 5 budgets)	6.00% to 17.00%	6.00% to 17.00%
Discount rate	18.00%	18.00%
Terminal growth rate	5.00%	5.00%

3. Property, plant and equipment

		2014			2013	
Group	**Cost / Valuation**	**Accumulated depreciation**	**Carrying value**	**Cost / Valuation**	**Accumulated depreciation**	**Carrying value**
Land	-	-	-	-	-	-
Buildings	-	-	-	496	(201)	295
Plant and equipment	-	-	-	4 560	(2 871)	1 689
Furniture and fixtures	-	-	-	3 074	(1 712)	1 362
Motor vehicles	-	-	-	1 391	(1 052)	339
Office equipment	-	-	-	272	(233)	39
IT equipment	-	-	-	1 786	(1 168)	618
Total	**-**	**-**	**-**	**11 579**	**(7 237)**	**4 342**
Company						
Furniture and fixtures	-	-	-	174	(174)	-
Office equipment	-	-	-	132	(132)	-
IT equipment	-	-	-	10	(2)	8
Total	**-**	**-**	**-**	**316**	**(308)**	**8**

For depreciation rates, refer to accounting policy 1.4

Reconciliation of property, plant and equipment - Group at 30 November 2014

	Opening balance	Additions	Disposals	Transferred to disposal group classified as held for sale	Revaluations	Foreign currency translation reserve	Derecognition of property, plant and equipment on disposal of subsidiaries	Depreciation	Net impairment (charges)/ reversals	Closing balance
Land	-	-	-	-	-	-	-	-	-	-
Buildings	295	-	-	(36)	-	-	-	(259)	-	-
Plant and equipment	1 689	720	(22)	(1 349)	-	-	-	(1 038)	-	-
Furniture and fixtures	1 362	854	(262)	(1 277)	-	-	-	(677)	-	-
Motor vehicles	339	271	-	(557)	-	-	-	(53)	-	-
Office equipment	39	316	-	(318)	-	-	-	(37)	-	-
IT equipment	618	609	(62)	(728)	-	-	-	(437)	-	-
	4 342	**2 770**	**(346)**	**(4 265)**	**-**	**-**	**-**	**(2 501)**	**-**	**-**

Reconciliation of property, plant and equipment - Group 31 August 2013

	Opening balance	Additions	Disposals	Transferred to disposal group classified as held for sale	Revaluations	Foreign currency translation reserve	Derecognition of property, plant and equipment on disposal of subsidiaries	Depreciation	Net impairment (charges)/ reversals	Closing balance
Land	4 407	-	-	(3 304)	243	-	(1 543)	-	197	-
Buildings	6 637	48	-	(2 471)	40	-	(3 805)	(122)	(31)	296
Plant and equipment	2 069	409	(29)	66	-	-	(599)	(228)	-	1 688
Furniture and fixtures	3 680	590	(8)	(1 407)	-	196	(884)	(805)	-	1 362
Motor vehicles	9 248	1 547	(157)	(6 247)	-	1 641	(3 827)	(1 866)	-	339
Office equipment	199	19	(4)	(89)	-	153	(167)	(72)	-	39
IT equipment	23 041	10 417	(1 252)	(14 061)	-	212	(6 905)	(10 834)	-	618
	49 281	**13 030**	**(1 450)**	**(27 513)**	**283**	**2 202**	**(17 730)**	**(13 927)**	**166**	**4 342**

3. **Property, plant and equipment (continued)**
Reconciliation of property, plant and equipment - Company at 30 November 2014

Figures in Rand thousand	Opening balance	Additions	Depreciation	Impairment	Closing balance
IT equipment	8	-	(8)	-	-
Reconciliation of property, plant and equipment - Company at 31 August 2013					
Furniture and fixtures	22	-	(22)	-	-
IT equipment	-	10	(2)	-	8
	22	**10**	**(24)**	**-**	**8**

Pledged as security

Property, plant and equipment transferred to a disposal group classified as held for sale relates to the restructuring of ConvergeNet. See note 12 for further details regarding the disposal group held for sale.

	Group		Company	
Figures in Rand thousand	**2014**	**2013**	**2014**	**2013**
Net carrying amount of vehicles and machinery includes the following amounts where the Group is a lessee under a finance lease:				
Motor vehicles	-	221	-	-
IT equipment	-	-	-	-
Net carrying amount	**-**	**221**	**-**	**-**

4. **Intangible assets**

	2014			
Group	**Cost**	**Accumulated amortisation and impairment**	**Transfer to disposal group classified as held for sale**	**Carrying value**
Patents and trade names	4 019	(3 047)	(972)	-
Computer software	-	-	-	-
Customer related	25 222	(25 222)	-	-
Total	**29 241**	**(28 269)**	**(972)**	**-**

	2013		
Group	**Cost**	**Accumulated amortisation and impairment**	**Carrying value**
Patents and trade names	4 019	(2 639)	1 380
Computer software	-	-	-
Customer related	25 222	(23 692)	1 530
Total	**29 241**	**(26 331)**	**2 910**

The acquisition of Andrews Kit Proprietary Limited and Structured Connectivity Solutions Proprietary Limited resulted in the recognition of patents in the amount of R 176 742 and R 3 762 000 respectively. The ConvergeNet Holdings Limited trade name, acquired at cost of R 80 258, was impaired during the current period following the decision to rebrand the Group as Stellar Capital Partners Limited.

Customer related intangible assets were recognised on the acquisition of Andrews Kit Proprietary Limited in the amount of R 22 954 000 and Structured Connectivity Solutions Proprietary Limited in the amount of R 2 268 000.

The Group has not recognised any internally generated intangible assets during the current or prior reporting periods.

4. Intangible assets (continued)
Reconciliation of intangible assets - Group at 30 November 2014

	Opening balance	Additions	Transferred to disposal group classified as held for sale	Disposals of subsidiaries	Amortisation	Impairment	Closing balance
Patents and trade names	1 380	-	(972)	-	(376)	(32)	-
Computer software	-	-	-	-	-	-	-
Customer related	1 530	-	-	-	(1 530)	-	-
	2 910	**-**	**(972)**	**-**	**(1 906)**	**(32)**	**-**
Reconciliation of intangible assets - Group at 31 August 2013							
Patents and trade names	1 805	-	-	-	(425)	-	1 380
Computer software	5 174	3 124	-	(4 862)	(3 436)	-	-
Customer related	6 121	-	-	-	(4 591)	-	1 530
	13 100	**3 124**	**-**	**(4 862)**	**(8 452)**	**-**	**2 910**

5. Investments in subsidiaries

Name of company	Issued share Capital (R)	Held by	% Voting power held at 30 November 2014	% Voting power held at 31 August 2013	Carrying amount at 30 November 2014	Carrying amount 31 August 2013
Sizwe Africa IT Group Proprietary Limited	11 200	ConvergeNet Holdings Limited	- %	100.00 %	-	-
Structured Connectivity Solutions Proprietary Limited	100	ConvergeNet Holdings Limited	100.00 %	100.00 %	-	19 978
Telesto Communications Proprietary Limited	1000	ConvergeNet Holdings Limited	- %	100.00 %	-	-
ConvergeNet SA Proprietary Limited	100	ConvergeNet Holdings Limited	100.00 %	100.00 %	-	-
X-DSL Networking Solutions Proprietary Limited	200	ConvergeNet Holdings Limited	- %	- %	-	-
ConvergeNet Management Services Proprietary Limited	100	ConvergeNet Holdings Limited	100.00 %	100.00 %	-	-
Chrystalpine Investments 9 Proprietary Limited	100	ConvergeNet Holdings Limited	100.00 %	100.00 %	-	103 063
Northbound Communication Solutions Proprietary Limited	100	ConvergeNet Holdings Limited	100.00 %	100.00 %	-	-
Simat Management Company SA Proprietary Limited	120	ConvergeNet Holdings Limited	51.00 %	51.00 %	-	-
Andrews Kit Proprietary Limited	100	Chrystalpine Investments 9 Proprietary Limited	100.00 %	100.00 %	-	11 900
Navix Distribution Proprietary Limited	100	ConvergeNet SA Proprietary Limited	100.00 %	100.00 %	-	-
Sizwe Business Networking Proprietary Limited	12 569 902	Sizwe Africa IT Group Proprietary Limited	- %	100.00 %	-	-
ConvergeNet Networks Proprietary Limited	100	Sizwe Africa IT Group Proprietary Limited	- %	100.00 %	-	-
Koba IT Solutions Proprietary Limited	100	Sizwe Business Networking Proprietary Limited	- %	40.00 %	-	-
Koba IT Solutions Proprietary Limited	100	Sizwe Africa IT Group Proprietary Limited	- %	60.00 %	-	-

5. Investments in subsidiaries (continued)

Name of company	Issued share Capital (R)	Held by	% Voting power held at 30 November 2014	% Voting power held at 31 August 2013	Carrying amount at 30 November 2014	Carrying amount 31 August 2013
Tekanyo IT Services Proprietary Limited *	100	Sizwe Business Networking Proprietary Limited	- %	50.00 %	-	-
Setsibi IT Support Services Proprietary Limited	100	Sizwe Business Networking Proprietary Limited	- %	60.00 %	-	-
Mantella Trading 634 Proprietary Limited *	100	Sizwe Business Networking Proprietary Limited	- %	40.00 %	-	-
Inzuzu IT Consulting Proprietary Limited *	100	Sizwe Business Networking Proprietary Limited	- %	40.00 %	-	-
PG Computer Services Proprietary Limited*	100	Sizwe Business Networking Proprietary Limited	- %	50.00 %	-	-
Leboa IT Solutions Proprietary Limited	120	Sizwe Business Networking Proprietary Limited	- %	55.00 %	-	-
Travel Mall Proprietary Limited	100	Sizwe Business Networking Proprietary Limited	- %	45.00 %	-	-
Isiqina Computer Services Proprietary Limited *	100	Sizwe Business Networking Proprietary Limited	- %	50.00 %	-	-
Intelligent Facilities Management Proprietary Limited	100	Sizwe Business Networking Proprietary Limited	- %	100.00 %	-	-
					-	**134 941**

* Although the Group did not own more than half of the equity shares of the respective companies and consequently did not control more than half of the voting power of those shares, it had the power to appoint and remove the majority of the board of directors and control of these entities. Consequently, these companies were controlled by the Group and were consolidated in these annual financial statements during the previous year.

Refer to note 12 disclosure of disposals during the period.

	Group		Company	
Figures in Rand thousand	**2014**	**2013**	**2014**	**2013**
Reconciliation of investments in subsidiaries				
Carrying value at 1 September	-	-	134 941	365 363
Acquisition of non-controlling interests (Refer to note 35)	-	-	-	67 374
Impairments (Refer to note 20)	-	-	(34 822)	(169 295)
Disposals (Refer to note 12)	-	-	-	(5 668)
Transferred to disposal group classified as held for sale (Refer to note 12)	-	-	(100 119)	(122 831)
Carrying value at 30 November 2014/31 August 2013	**-**	**-**	**-**	**134 943**

The recoverable amounts of investments in Chrystalpine Investments 9 Proprietary Limited group and Structured Connectivity Solutions Proprietary Limited have been measured at the lower of their carrying value and fair value less cost to sell which resulted in an impairment charge to the investment cost of these investments, recognised in profit and loss in the amount of R 34 822 000 during the current period.

During the previous year, the recoverable amount of subsidiaries was determined based on value-in-use calculations. These calculations used post-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. The growth rate does not exceed the long term average growth rate for the Information and Communication Technology industry in which the entities or group of entities operate.

5. Investments in subsidiaries (continued)

The key assumptions used for value-in-use calculations in 2013 were as follows:

	Structured Connectivity Solutions Proprietary Limited	Chrystalpine Investments 9 Proprietary Limited
Growth rate	5.00%	5.00%
Discount rate	18.00%	18.00%

These assumptions have been used for the analysis of continued operations during the previous year as the recoverable amount in the current period was measured at the lower of the carrying amount and fair value less cost to sell of the Disposal Group comprising Chrystalpine Investments 9 Proprietary Limited group and Structured Connectivity Solutions Proprietary Limited. The weighted average growth rates used during the previous year were consistent with the forecasts included in industry reports. The discount rates used were post-tax and reflected the specific risks relating to the relevant operating entities. The impairment charges recognised in profit and loss during the current period (based on measurement of lower of carrying value and fair value less cost to sell) and previous year (based on value-in-use) were as follows:

	Group		Company	
Figures in Rand thousand	**2014**	**2013**	**2014**	**2013**
Sizwe Africa IT Group Proprietary Limited	-	-	-	66 345
Structured Connectivity Solutions Proprietary Limited*	-	-	-	2 152
Telesto Communications Proprietary Limited	-	-	-	33 832
ConvergeNet Management Services Proprietary Limited	-	-	-	3 200
Chrystalpine Investments 9 Proprietary Limited group*	-	-	34 822	63 766
	-	**-**	**34 822**	**169 295**

* Investments in subsidiaries transferred to disposal group held for sale.

Refer also note 20.

6. Deferred tax

Deferred tax asset				
Estimated tax losses	3 116	9 706	-	-
Fair value adjustments	100	-	-	-
Leases	-	731	-	-
Allowances and provisions	-	523	-	-
Capital and other allowances	-	-	-	-
Other	-	(1)	-	-
Capital gains tax on sale of investment	-	(482)	-	-
Intangible assets	-	(806)	-	-
	3 216	**9 671**	**-**	**-**
The above balance comprise:				
Deferred tax assets	3 216	9 777	-	-
Deferred tax liabilities	-	(106)	-	-
	3 216	**9 671**	**-**	**-**

Where deferred tax assets have been recognised in respect of entities which have incurred losses in the current period or prior years, a formal process of assessment of the future profitability of the entity has been performed based on detailed budgets and cash flow forecasts. As a result management believes the current unrecognised tax losses will be utilised within one to five years.

In the current period, deferred taxation assets have been recognised in respect of ConvergeNet Management Services Proprietary Limited in the amount of R 3 216 196. It is expected that the entity will generate sufficient interest revenue, received in respect of a private placement undertaken during January 2015, from which to utilise the deferred tax asset in the short term.

Deferred tax assets to the value of R 14 997 164 (2013: R 7 340 000) have not been recognised as there is probable assurance that the legal entities to which these unrecognised deferred tax assets relate, will not have sufficient future taxable income to allow utilisation of the tax benefit. This balance represents in full the estimated tax losses available for set off against future taxable income.

6. **Deferred tax (continued)**

	Group		Company	
Figures in Rand thousand	**2014**	**2013**	**2014**	**2013**
Deferred taxation movement				
Balance at beginning of the year	9 671	21 017	-	(3 163)
Reversing/(Originating) temporary differences as charged to the statement of comprehensive income				
- Continuing Operations	1 617	(3 184)	-	3 163
- Discontinued Operations	(5 071)	(806)	-	-
Transfer of deferred taxation assets to disposal group classified as held for sale	(3 000)	(5 157)	-	-
Derecognition of deferred tax assets on disposal of subsidiaries	-	(2 199)	-	-
Balance at the end of the year	**3 216**	**9 671**	**-**	**-**

7. **Inventories**

Trading stock	-	58 078	-	-
Contracts in progress	-	5 435	-	-
	-	63 513	-	-
Provision for slow moving stock	-	(4 825)	-	-
	-	**58 688**	**-**	**-**
Inventories recognised as an expense	-	197 240	-	-
Write down/(Reversal of write down) of inventories to net realisable value recognised as an expense	-	(474)	-	-

8. **Loans to/(from) subsidiaries and other related parties**

Figures in Rand thousand	**Group 2014**	**Group 2013**	**Company 2014**	**Company 2013**
Subsidiaries				
Navix Distribution Proprietary Limited	-	-	64	499
ConvergeNet SA Proprietary Limited	-	-	-	684
ConvergeNet Management Services Proprietary Limited	-	-	3 135	-
Structured Connectivity Solutions Proprietary Limited	-	-	500	10 088
Chrystalpine Investments 9 Proprietary Limited	-	-	487	487
Andrews Kit Proprietary Limited	-	-	187	-
Simat Management Company SA Proprietary Limited	-	-	24	-
	-	**-**	**4 397**	**11 758**

These loans are unsecured, bear interest at rates as determined from time to time and are repayable as and when funds are available, at the discretion of the holding company.

8. Loans to/(from) subsidiaries and other related parties (continued)
Impairment of loans to/(from) subsidiaries and other related parties

Company	Matla Group Holdings Proprietary Limited	ConvergeNet Management Services Proprietary Limited	Northbound Communication Solutions Proprietary Limited	Simat Management Company SA Proprietary Limited	Navix Distribution Proprietary Limited	ConvergeNet SA Proprietary Limited	Structured Connectivity Solutions Proprietary Limited	Chrystalpine Investments 9 Solutions Proprietary Limited	X-DSL Networking Solutions Proprietary Limited	NetXcom ICT Solutions Proprietary Limited	Converge-Com Proprietary Limited
Carrying value at 31 August 2012	1 600	22 530	5 399	569	15 149	1 786	8 738	264	3 539	4 279	2
Loans (repaid)/advanced	-	(6 196)	(363)	28 096	(3 306)	(1 102)	1 350	223	(1 339)	680	-
Impairment	(1 600)	(16 334)	(5 036)	(28 665)	(11 344)	-	-		-		-
Disposal of subsidiaries (refer to note 34)	-	-	-	-	-	-	-	-	(2 200)	(4 959)	(2)
Carrying value at 31 August 2013	-	-	-	-	499	684	10 088	487	-	-	-
Loans advanced/(repaid)	-	3 135	-	24	(435)	(684)	1 479	187	-	-	-
Impairment	-	-	-		-	-	(11 067)	-		-	-
Carrying value at 30 November 2014	**-**	**3 135**	**-**	**24**	**64**	**-**	**500**	**674**	**-**	**-**	**-**

8. Loans to/(from) subsidiaries and other related parties

Figures in Rand thousand	Group 2014	Group 2013	Company 2014	Company 2013
Non-current assets	-	-	-	-
Current assets	-	4 397	-	11 758
Current liabilities	-	-	-	-
	-	**4 397**	**-**	**11 758**

ConvergeNet Management Services Proprietary Limited ("CMS")
Due to adverse trading conditions following the Group restructuring, management have decided to impair the loan receivable from CMS at year-end. The impairment charge was recognised in profit and loss in the statement of comprehensive income.

Northbound Communication Solutions Proprietary Limited ("Northbound")
The entity ceased trading during the year. The loan was fully impaired at year-end as the loan is not considered recoverable. The impairment charge was recognised in profit and loss in the statement of comprehensive income.

Simat Management Company SA Proprietary Limited ("Simat SA")
The entity ceased trading after year-end. The loan was fully impaired at year-end as the loan is not considered recoverable. The impairment charge was recognised in profit and loss in the statement of comprehensive income.

Navix Distribution Proprietary Limited ("Navix")
The entity ceased trading during the 2013 financial year. The loan was fully impaired at year-end as the loan is not considered recoverable. The impairment charge was recognised in profit and loss in the statement of comprehensive income.

Structured Connectivity Solutions Proprietary Limited ("SCS")
The loan to SCS has been impaired to the lower of its carrying amount and fair value less cost to sell upon the classification of Chrystalpine Investments 9 Proprietary Limited (incorporating Andrews Kit Proprietary Limited) and Structured Connectivity Solutions Proprietary Limited as a disposal group held for sale at 30 November 2014.

The directors consider the carrying value of the loans to approximate their fair value.

9. Other financial assets

Figures in Rand thousand	Group 2014	Group 2013	Company 2014	Company 2013
Financial assets at fair value through profit or loss				
Foreign exchange contracts - Standard Bank of South Africa Limited	-	131	-	-
Listed shares Listed shares comprising 200 000 shares in Goliath Gold Mining Limited at R1.58 per share and 34 806 030 shares in Mine Restoration Investments Limited at R0.09 per share	3 267	-	-	-
Total financial assets at fair value through profit and loss	**3 267**	**131**	**-**	**-**
Other financial assets at amortised cost				
Interest bearing				
X-DSL Networking Solutions Proprietary Limited This loan bore interest at the prime rate and was repaid in full on 8 December 2014. The loan was secured by 100% of the issued ordinary shares and 100% of the shareholder claims of X-DSL Networking Solutions Proprietary Limited.	100	2 200	100	2 200
Loan Participation 1 - AfrAsia Special Opportunities Fund Proprietary Limited The Group has participated in a loan advanced by AfrAsia Special Opportunities Fund Proprietary Limited to a private unrelated entity which accrues interest at prime plus 8.5% per annum (serviced quarterly). This loan participation is repayable on or before 30 September 2015 and is secured by corporate guarantees, cession of book debts, insurance policies and bank accounts, a general notarial bond over movable assets and a subordination of all shareholder and inter-company claims.	10 231	-	10 231	-

9. Other financial assets (continued)

Figures in Rand thousand	Group 2014	Group 2013	Company 2014	Company 2013
Zaloserve Proprietary Limited The loan accrues interest at Prime Rate minus 2%, payable monthly in arrears, and is repayable in semi-annual instalments over 4 years, ending 31 December 2017. The loan was fully settled on 31 December 2014. It was secured by a cession and pledge of 100% of the issued shares and a general notarial bond registered over the movable property of Sizwe Africa IT Group Proprietary Limited.	50 000	-	50 000	-
Loan Participation 2 - AfrAsia Special Opportunities Fund Proprietary Limited The Group has participated in a loan advanced by AfrAsia Special Opportunities Fund Proprietary Limited to a private unrelated entity which accrues interest at 2% per month (serviced monthly). This loan participation is repayable on or before 31 August 2015 and is secured by unlisted shares at a minimum cover ratio of three times the face value of the outstanding amount of debt.	12 000	-	12 000	-
Non-interest bearing **Sizwe Africa IT Group Proprietary Limited** This relates to expenses settled on behalf of Sizwe Africa IT Group Proprietary Limited. The loan is payable on demand and does not bear any interest.	1 867	-	1 867	-
Total other financial assets at amortised cost	74 198	2 200	74 198	2 200
Impairment of loans and receivables (refer to note 20)	(1 465)	-	(1 465)	-
Total other financial assets at amortised cost (net of impairments)	**72 733**	**2 200**	**72 733**	**2 200**
Total other financial assets	**76 000**	**2 331**	**72 733**	**2 200**
Non-current assets	-	-	-	-
Current assets	76 000	2 331	72 733	2 200
	76 000	**2 331**	**72 733**	**2 200**

Long-outstanding amounts due from Sizwe Africa IT Group Proprietary Limited were impaired during the current reporting period which resulted in a charge to the statement of comprehensive income in the amount of R 1 465 000. The carrying amounts of the remaining other financial assets approximate their fair values as the balances are neither past due nor impaired and have a low risk of default.

10. Trade and other receivables

Figures in Rand thousand	Group 2014	Group 2013	Company 2014	Company 2013
Trade receivables*	3 377	63 285	98	-
Less allowance for impairment of trade receivables	(2 816)	(2 120)	-	-
Trade receivables - net*	561	61 165	98	-
Other receivable*	-	473	-	-
Deposits*	-	254	-	-
Prepayments**	10	608	-	-
Value added tax**	-	144	-	101
	571	**62 644**	**98**	**101**

* Financial instruments classified as loans and receivables

** Non-financial instruments

Long-outstanding trade receivables in the amount of R 846 000 (2013:nil) were impaired during the current reporting period. Further VAT receivables in the amount of R 607 000 in respect of the Group and R 307 000 in respect of the Company were also impaired as non- recoverable. The carrying amount of the remaining trade and other receivables approximates its fair value due to the short period to maturity.

No trade and other receivables were pledged as security at the end of the current period. During the previous year, trade and other receivables of R 66 190 205 were pledged as security in respect of overdraft facilities of the Group with a maximum exposure to the group in the amount of R 15 060 906.

10. Trade and other receivables (continued)

	Group		Company	
Figures in Rand thousand	**2014**	**2013**	**2014**	**2013**
Trade receivables past due not impaired				
The following represents an analysis of the aging of trade receivables that are past due but not impaired:				
1 month past due	-	2 329	-	-
2 months past due	-	377	-	-
3 months or more past due	561	2 045	-	-
	561	**4 751**	**-**	**-**
Trade and other receivables in the amount of R 561 000 (2013: R 521 450) owing to ConvergeNet SA Proprietary Limited were not impaired as management of the Group were satisfied as to the recoverability of these amounts.				
The movement in the allowance for impairment of trade receivables are as follow:				
At 1 September	2 120	1 573	-	-
Provision for receivables impairment	2 473	1 076	-	-
Receivables written off during the year	(637)	(529)	-	-
Transferred to disposal group held for sale	(1 140)	-	-	-
	2 816	**2 120**	**-**	**-**

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

11. Cash and cash equivalents

Cash and cash equivalents consist of:				
Cash on hand	-	15	-	-
Bank balances	3 334	14 674	2 338	839
Cash and cash equivalents (excluding bank overdrafts)	**3 334**	**14 689**	**2 338**	**839**
Cash and cash equivalents include the following for the purposes of the statement of cash flow:				
Cash and cash equivalents	3 334	14 689	2 338	839
Bank overdraft (refer to note 15)	-	(15 066)	-	-
Cash and cash equivalents	**3 334**	**(377)**	**2 338**	**839**
Current assets	3 334	14 689	2 338	839
Current liabilities	-	(15 066)	-	-
	3 334	**(377)**	**2 338**	**839**

Cash balances are held with First National Bank Limited which carries a Standard and Poor's rating of BBB.

12. Assets and liabilities of disposal groups classified as held for sale and discontinued operations

Following a decision taken by the Board to restructure the ConvergeNet Group of companies and convert the Group into an investment holding company, the assets and associated liabilities of Chrystalpine Investments 9 Proprietary Limited (incorporating Andrews Kit Proprietary Limited) and Structured Connectivity Solutions Proprietary Limited have been presented as held for sale and discontinued operations in the Group statement of financial position as at 30 November 2014 and statement of comprehensive income for the period then ended. Included within these amounts are the following items:

12.1 Disposal group classified as held for sale in the current period

12.1.1 Chrystalpine Investments 9 Proprietary Limited group and Structured Connectivity Solutions Proprietary Limited

On 5 September 2014, the Group concluded the terms of the sale of 100% of the Group's interest in Chrystalpine Investments 9 Proprietary Limited (the 100% holding company of Andrews Kit Proprietary Limited) and Structured Connectivity Solutions Proprietary Limited for R 95 119 000 and R 5 000 000 respectively, to Tellumat Proprietary Limited. The criteria for classification of these entities as a disposal group held for sale was met on 31 August 2014 as management was committed to a plan to sell these entities which were available for immediate sale. An active programme to locate a buyer had been initiated under the Group's restructuring mandate and negotiations in respect thereof were in an advanced stage resulting in management concluding that the sale was highly probable within 12 months of classification as held for sale. The purchase consideration will be settled by Tellumat Proprietary Limited by way of the issue of ordinary shares in Tellumat Proprietary Limited such that the Group will hold 30% of the total issued ordinary shares of Tellumat Proprietary Limited following the share issue.

On 16 January 2015, shareholders approved the transaction. The sale of Chrystalpine Investments 9 Proprietary Limited Group and Structured Connectivity Solutions Proprietary Limited became unconditional on 5 February 2015 and 16 January 2015 respectively.

12.2 Disposal groups classified as held for sale in the prior year and sold in the current period

12.2.1 Sizwe Africa IT Group Proprietary Limited

On 29 August 2013, the Group concluded a sale of shares agreement with Zaloserve Proprietary Limited ("Zaloserve"), in which Zaloserve acquired 100% of ConvergeNet's interest in Sizwe Africa IT Group Proprietary Limited ("Sizwe") and its subsidiaries. The criteria for IFRS 5: 'Non-current assets held for sale and discontinued operations' ("IFRS 5") were met at 31 August 2013 and as a result the assets and liabilities of Sizwe were classified as held for sale. The disposal group met the criteria to be classified as a discontinued operation. An impairment charge of R 50 846 000 was recorded against goodwill in the prior year and a further R 112 000 against other assets to bring the disposal group in line with its fair value less cost to sell.

The total purchase consideration was R120 million and was vendor financed at a rate of prime less 2% per annum. The sale became unconditional on 11 December 2013. On 31 December 2014, Zaloserve paid an amount of R 50 000 000 (in addition to the amount of R 50 000 000 received prior to the end of the reporting period) in full and final settlement of the remaining R 70 000 000 purchase consideration outstanding and thereby utilised the R 20 000 000 early settlement discount allowed under the terms of the sale and purchase agreement.

Mr H van Dyk, an executive director of the Board during the prior year, had a personal financial interest in the conclusion and implementation of the Sizwe disposal by virtue of being the sole director and shareholder of Zaloserve.

12.2.2 Telesto Communications Proprietary Limited

On 16 August 2013, the Group concluded a sale of shares agreement with ConvergeCom Proprietary Limited ("ConvergeCom"), in which ConvergeCom acquired 100% of the Group's interest in Telesto Communications Proprietary Limited ("Telesto"). The criteria for IFRS 5 were met at 31 August 2013 and as a result the assets and liabilities of Telesto were classified as held for sale. The disposal group met the criteria to be classified as a discontinued operation. An impairment charge of R 16 522 000 was recorded against goodwill in the prior year and a further R 672 000 against other assets to bring the disposal group in line with its fair value less cost to sell.

The sale of the Group's interest in 100% of Telesto Communications Proprietary Limited became unconditional on 29 October 2013. On the same date, payment of R6 000 000 was effected in terms of the sale and purchase agreement. On 31 May 2014, an amount of R 1 250 000 was made in full and final settlement of the remaining R 1 300 000 outstanding under the agreement. An early settlement discount of R 50 000 was recognised in profit and loss.

Mr D Bisschoff, an executive director of the Board during the prior year, had a personal financial interest in the conclusion and implementation of the Telesto disposal by virtue of being the sole director and shareholder of ConvergeCom.

12. Assets and liabilities of disposal groups classified as held for sale and discontinued operations (continued)

	Group		Company	
Figures in Rand thousand	**2014**	**2013**	**2014**	**2013**
Assets of disposal group classified as held for sale				
Property, plant and equipment	4 265	27 114	-	-
Goodwill and intangible assets	30 360	523	-	-
Other financial assets	1 274	28 447	-	-
Inventories	47 987	32 451	-	-
Trade and other receivables	43 831	164 211	-	-
Other assets	1 951	9 312	-	-
Investment in subsidiaries	-	-	100 119	122 831
	129 668	**262 058**	**100 119**	**122 831**
Liabilities of disposal group classified held for sale				
Interest bearing loans and other financial liabilities	470	7 653	-	-
Finance lease obligation	276	16 477	-	-
Trade and other payables	28 803	109 126	-	-
Other liabilities	-	5 992	-	-
	29 549	**139 248**	**-**	**-**

There were no accumulated foreign exchange gains or losses recognised directly in equity relating to the assets held for sale at 30 November 2014 and 31 August 2013.

Loss for the period from discontinued operations - 2014

	Sizwe Africa IT Group Proprietary Limited	**Telesto Communications Solutions Proprietary Limited**	**Disposal Group Held for sale**	**Total**
Revenue	-	-	312 451	312 451
Other income, investment revenue and share of profits of associates	-	-	2 634	2 634
Expenses	-	-	(327 935)	(327 935)
Profit before taxation of discontinued operations	-	-	(12 850)	(12 850)
Taxation	-	-	(5 082)	(5 082)
Loss after tax of discontinued operations	-	-	(17 932)	(17 932)
Post-tax (loss)/gain recognised on the sale of disposal groups	(52 627)	(18 839)	2 364	(69 102)
Post-tax loss recognised on the re-measurement of assets of disposal group*	-	-	(5 435)	(5 435)
Loss from discontinued operations	**(52 627)**	**(18 839)**	**(21 003)**	**(92 469)**

*No deferred taxation asset has been recognised in respect of the re-measurement of the disposal group to fair value less cost to sell as it is not expected that the Group will record future taxable capital gains against which the deferred tax asset can be utilised.

12. Assets and liabilities of disposal groups classified as held for sale and discontinued operations (continued)

Profit/(loss) for the year from discontinued operations - 2013

Figures in Rand thousand	Sizwe Africa IT Group Proprietary Limited	Telesto Communi-cations Solutions Proprietary Limited	Disposal Group Held for sale	X-DSL Networking Solutions Proprietary Limited	Simat Group	Total
Revenue	613 178	16 352	263 110	15 452	14 565	922 657
Other income, investment revenue and share of profits of associates	11 858	(593)	461	556	2 316	14 598
Expenses	(673 827)	(16 857)	(263 229)	(21 086)	(52 171)	(1 027 170)
(Loss)/profit before taxation of discontinued operations	(48 791)	(1 098)	342	5 078	35 290	(89 915)
Taxation	2 849	(165)	(1 865)	(9)	(3 348)	(2 538)
(Loss)/profit after taxation of discontinued operations	**(45 942)**	**(1 263)**	**(1 523)**	**(5 087)**	**(38 638)**	**(92 453)**
Post-tax (loss)/gain recognised on the sale of disposal group	-	-	-	(4 131)	24 563	20 432
Post-tax loss recognised on the re-measurement of assets of disposal group*	(50 959)	(17 187)	(55 334)	-	-	(123 480)
(Loss)/profit from discontinued operations	**(96 901)**	**(18 450)**	**(56 857)**	**(9 218)**	**(14 075)**	**(195 501)**

*No deferred taxation asset was recognised in respect of the re-measurement of the disposal group to fair value less cost to sell as it was not expected that the Group would record future taxable capital gains against which the deferred tax asset could be utilised.

13. Shareholders' equity

	Group		Company	
Figures in Rand thousand	**2014**	**2013**	**2014**	**2013**
Authorised share capital 200 000 000 ordinary shares at no par value	-	-	-	-

On 4 November 2013, 38 529 866 shares were issued at 9 cents per share to settle corporate advisory fees in the amount of R 3 420 000 under the Group's general approval to issue shares for cash. On 6 December 2013, the Group successfully completed the repurchase of 34 447 shares which comprise 227 shares and 34 220 shares which were repurchased by way of the odd-lot offer and specific offer, respectively. A share consolidation, on a 10-for-1 basis, was completed on 23 December 2013. As a result of the share consolidation, the authorised share capital of the company was reduced to 200 000 000 ordinary shares of no par value. With effect from 20 January 2015, the authorised share capital of the company was increased from 200 000 000 ordinary shares of no par value to 1 000 000 000 ordinary shares of no par value.

	Group 2014	Group 2013	Company 2014	Company 2013
Number of shares				
Issued share capital				
In issue at beginning of the period/year	970 935 125	921 285 941	970 935 125	921 285 941
Share-based payment	38 529 866	-	38 529 866	-
Share issued in terms of transactions with non-controlling shareholders	-	49 649 184	-	49 649 184
Share consolidation (10-for-1)	(908 518 489)	-	(908 518 489)	-
In issue at end of the period/year	100 946 502	970 935 125	100 946 502	970 935 125
Less: Shares of the Company acquired by subsidiaries	(432 221)	(10 157 756)	-	-
Net shares	**100 514 281**	**960 777 369**	**100 946 502**	**970 935 125**

Unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

13. Shareholders' equity (continued)

	Group		Company	
Figures in Rand thousand	**2014**	**2013**	**2014**	**2013**
Issued share capital				
Balance at beginning of the period/year	452 839	921	452 839	921
Shares issued in terms of transactions with non-controlling shareholders	-	15 888	-	15 888
Repurchase of shares	-	-	(78)	-
Shares issued in terms of forfeitable share plan	-	-	-	-
Conversion of par value shares to no par value shares	-	436 030	-	436 030
Share-based payment	3 420	-	3 420	-
	456 259	**452 839**	**456 181**	**452 839**
Share premium				
Balance at beginning of the period/year	-	436 030	-	436 030
Shares issued in terms of forfeitable share plan	-	-	-	-
Conversion of par value to no par value shares	-	(436 030)	-	(436 030)
	-	**-**	**-**	**-**
Treasury shares				
Balance at beginning of the period	(5 304)	(14 490)	-	-
Shares acquired by subsidiary and held as treasury shares	-	(21 211)	-	-
Shares acquired by subsidiary and held as treasury shares re-issued	-	29 521	-	-
Shares forfeited during the year	-	-	-	-
Shares issued in terms of the forfeitable share plan vested during the year	1 350	876	-	-
Odd-allotment and specific repurchase	(78)	-	-	-
Shares issued in terms of the forfeitable share plan not yet vested	-	-	-	-
	(4 032)	**(5 304)**	**-**	**-**

Forfeitable Share Plan

The Company previously implemented a Forfeitable Share Plan for certain key individuals in the group on 1 March 2008. The last tranche of shares vested on 1 September 2014. In terms of this scheme forfeitable shares were issued to participants on the terms that they may forfeit the forfeitable shares if they cease to be an employee of an Employer company before the release date which was three years after the award date.

The forfeitable reward was subject to the restriction that the forfeitable shares to which such forfeitable reward relate may not be disposed of or otherwise encumbered at any time before the release date and are held in escrow by an escrow agent. The fair value of these shares on the respective grant dates were R 0.34 and R 0.23 per share, being the volume weighted average price at which the Company's share traded the 5 days prior to the award date.

This scheme constituted an equity-settled payment scheme and the cost was amortised over the vesting period with a corresponding increase in equity.

For the period ended 30 November 2014 an amount of R 275 916 (2013: R 620 000) was recognised as an expense in the consolidated statement of comprehensive income.

	Number	**Price (cents)**	**Value R'000**
Outstanding at beginning of period	5 870 000	23	1 350
Vested 1 October 2013	(4 420 000)	23	(1 016)
Share consolidation (10-for-1)	(1 305 000)	-	-
Vested 1 September 2014	(145 000)	230	(334)
Outstanding at end of period	**-**		**-**

At the reporting date no shares (2013: nil) were forfeited in terms of the rules of the Forfeitable Share Plan.

14. Operating Leases

	Group		Company	
Figures in Rand thousand	**2014**	**2013**	**2014**	**2013**
Operating lease liabilities - continuing operations				
Included in trade and other payables	-	16	-	-
Long term portion	-	1 251	-	-
	-	**1 267**	**-**	**-**
Operating lease commitments - continuing operations				
Minimum lease payments due				
- within one year	-	8 238	-	-
- in second to fifth year inclusive	-	322	-	-
	-	**8 560**	**-**	**-**

Operating lease payments represent rentals payable by the Group in the previous year for certain of its office properties. Leases were negotiated for an average term of three to five years and rentals are fixed for an average of one year. No contingent rent was payable. All leases were cancelled on 1 September 2013.

15. Finance lease obligation

Minimum lease payments due				
- within one year	-	131	-	-
- in second to fifth year inclusive	-	-	-	-
	-	131	-	-
less: future finance charges	-	(5)	-	-
	-	**126**	**-**	**-**
Present value of minimum lease payments due				
- within one year	-	126	-	-
- in second to fifth year inclusive	-	-	-	-
	-	**126**	**-**	**-**
Non-current liabilities	-		-	-
- Current liabilities	-	126	-	-
	-	**126**	**-**	**-**

Interest rates were linked to prime at the contract date. All leases had fixed repayments and no arrangements had been entered into for contingent payments.

The Group's obligations under finance leases were secured by the lessor's charge over the motor vehicles leased. (Refer note 3)

16. Interest bearing loans and other financial liabilities

Interest bearing loans at amortised cost				
BellTower Financial Services Proprietary Limited	-	20 748	-	20 748
The loan bore interest at prime rate plus 2%. The loan was secured by a pledge of 100% of the issued ordinary shares of Andrews Kit Proprietary Limited t/a Contract Kitting, 100% of the issued ordinary shares of Structured Connectivity Solutions Proprietary Limited and all of the proceeds received by the Group from the disposal of Sizwe Africa IT Group Proprietary Limited (refer note 12). The loan was repayable on 7 February 2014. On 21 November 2013, the loan was refinanced by AfrAsia Special Opportunities Fund at an interest rate of prime plus 10%, repayable on or before 21 May 2014. The refinanced loan was settled in full on 20 March 2014.				

16. Interest bearing loans and other financial liabilities (continued)

	Group		Company	
Figures in Rand thousand	**2014**	**2013**	**2014**	**2013**
Short term loans				
Short term loan with SIMAT Group Public Limited Company, a previous subsidiary of the group	-	2 035	-	2 035
This loan was unsecured, bore interest at rates as determined from time to time and had no fixed terms of repayment. This was a foreign currency loan denominated in USD. This amount was written back in the current period upon the successful completion of the disposal of companies no longer forming part of the Group (refer note 12) as the amount is no longer due and payable. The amount of the write-back is included in other income in the statement of comprehensive income.				
Other liabilities				
Andrews Kit Proprietary Limited - Deferred consideration	-	6 458	-	6 458
Second tranche payable of the consideration, amounting to R7 million, for the acquisition of 26% in Andrews Kit Proprietary Limited, recognised at amortised cost and fully settled on 1 September 2014.				
Total interest bearing loans and other financial liabilities, excluding bank overdrafts	**-**	**29 241**	**-**	**27 206**
Bank overdraft	-	15 066	-	-
The bank overdraft facility of R 20 000 000 accrued interest at prime rate up to R 9 500 000 with the rate being increased to prime rate plus 0.8% thereafter. 100% of the trade receivables balance of Andrews Kit Proprietary Limited was pledged as security in respect of the outstanding amount of the bank overdraft facility. No amount was outstanding on the facility at 30 November 2014.				
Total interest bearing loans and other financial liabilities, including bank overdrafts	**-**	**44 307**	**-**	**27 206**
Non-current liabilities				
Interest bearing loans and other financial liabilities	-	-	-	-
Current liabilities				
Interest bearing loans and other financial liabilities	-	29 241	-	27 206
Bank Overdraft	-	15 066	-	-
	-	**44 307**	**-**	**27 206**

The Group, excluding the discontinued operations Chrystalpine Investments 9 Proprietary Limited group and Structured Connectivity Solutions Proprietary Limited, has no short-term facilities (2013: R 20 000 000). The prior year facility was held with Standard Bank of South Africa Limited. The prior year bank overdraft in the amount of R 20 000 000 accrued interest at prime rate up to R 9 500 000 with the rate being increased to prime rate plus 0.8% thereafter. 100% of the trade receivables of Andrews Kit Proprietary Limited in the amount of R 66 190 205 were pledged as security in respect of the outstanding amount of the bank overdraft facility at 31 August 2013.

17. Trade and other payables

	Group		Company	
Figures in Rand thousand	**2014**	**2013**	**2014**	**2013**
Trade payables*	3 297	42 495	2 011	215
Dividends payable to non-controlling shareholders*	-	10	-	10
Value added tax**	-	1 510	-	-
Other accrued expenses*	414	5 090	120	2 175
Payroll related accruals**	-	6 941	-	-
Operating lease payables*	-	16	-	-
	3 711	**56 062**	**2 131**	**2 400**

* Financial instruments classified as financial liabilities at amortised cost

** Non-financial instruments

The carrying amount of trade and other payables approximates fair value because of the short period to maturity.

18. Provisions

Provision for onerous lease obligation	-	1 046	-	-
Provision for fees	-	-	-	-
	-	**1 046**	**-**	**-**
Movement in provisions				
Balance at beginning of the period/year	1 046	976	-	-
Provisions (utilised)/raised during the period/year	(1 046)	1 046	-	-
Derecognition of Nectere Proprietary Limited*	-	(976)	-	-
Balance at end of the period/year	**-**	**1 046**	**-**	**-**

* Release of provisions in Nectere Proprietary Limited resulting from the liquidation and deconsolidation of the business during the prior year.

19. Revenue

Continuing operations				
Sale of goods	754	12 617	248	-
Rendering of services	-	7 279	-	996
Other revenue	43	-	-	-
	797	**19 896**	**248**	**996**

20. Impairment of goodwill and loans and receivables

Continuing operations				
Other financial assets (refer note 9)	1 465	3 333	1 465	64 711
Trade receivables	846	-	-	-
Value added tax receivable	607	-	307	-
Goodwill and intangible assets (refer note 4)	32	-	-	-
Group loans	-	-	11 067	-
Investments in subsidiaries (refer note 5)	-	-	34 822	169 295
	2 950	**3 333**	**47 661**	**234 006**

21. Operating loss

Continuing operations

Operating loss for the year is stated after accounting for the following:

Auditor's remuneration				
Fees	1 335	1 344	1 282	811
Consulting	-	-	-	-
Tax and secretarial services	-	-	-	-
	1 335	**1 344**	**1 282**	**811**

21. Operating loss (continued)

	Group		Company	
Figures in Rand thousand	**2014**	**2013**	**2014**	**2013**
Operating lease charges				
Premises	441	1 809	-	-
Equipment	-	138	-	-
All operating leases are recognised on a straight line basis	**441**	**1 947**	**-**	**-**
Other				
Amortisation of intangible assets	-	5 012	-	-
Consulting and professional fees	4 888	4 122	4 679	5 640
Depreciation on property, plant and equipment	696	426	9	24
Employee costs	2 371	23 972	979	745
Loss on exchange differences	-	304	-	-
Loss on sale of financial asset	-	4 959	-	7 385
(Profit)/loss on sale of subsidiary	-	(2 409)	18 069	5 724
Loss on disposal of property, plant and equipment	-	(19)	-	-
Research and development	-	19	-	-
Share based payments - equity settled	-	132	-	-
Other expenses	2 647	3 839	1 748	4 258
	10 602	40 356	25 484	23 776
Total operating expenses	**12 378**	**43 647**	**26 766**	**24 587**

22. Investment revenue

Finance income				
Continuing operations				
Loans and other receivables	7 615	-	7 615	314
Cash and cash equivalents	298	147	79	78
	7 913	**147**	**7 694**	**392**
Dividend income				
Continuing operations				
Dividend received from subsidiaries	-	-	-	7 000
	7 913	**147**	**7 694**	**7 392**

23. Finance costs

Continuing operations				
Interest expense on financial liabilities measured at amortised cost	2 356	528	2 356	614
Late payment of tax	4	-	-	-
	2 360	**528**	**2 356**	**614**

24. Taxation

Major components of the tax expense				
Current tax from continuing operations				
Current	-	1 744	-	490
Prior year	-	104	-	-
	-	**1 848**	**-**	**490**
Deferred tax from continuing operations				
Current period	(1 617)	2 781	-	(3 164)
Prior year	-	(513)	-	-
	(1 617)	**2 268**	**-**	**(3 164)**
	(1 617)	**4 116**	**-**	**(2 674)**

24. Taxation (continued)

Figures in Rand thousand	Group 2014	Group 2013	Company 2014	Company 2013
Reconciliation between applicable tax rate and average effective tax rate				
Continuing operations				
Profit/(loss) before tax	1 799	(26 650)	(68 791)	(244 532)
Tax at 28%	504	(7 462)	(19 261)	(68 469)
Tax effect of adjustments on taxable income				
Impairment of goodwill and other assets	496	933	13 345	65 522
Loss on sale of subsidiaries	-	-	5 059	-
Capital gains tax	(80)	1 771	-	1 771
Expenses not deductible for tax purposes	625	8 149	167	792
Income not subject to tax	-	(297)	-	(2 288)
Derecognition of deferred tax on FSP	-	289	-	-
Prior year underprovision	-	(497)	-	(2)
Derecognition of deferred tax asset/(liability)	(1 629)	7 341	-	-
Fair value adjustments	69	-	-	-
Previously unrecognised assessed loss	(2 949)	-	-	-
Unrecognised assessed loss carried forward	723	-	690	-
Impact of discontinued operations*	624	(6 111)	-	-
Tax charge	**(1 617)**	**4 116**	**-**	**(2 674)**

* The elimination journals in respect of transactions between continuing and discontinued operations have been accounted for in each case based on whether the transactions are expected to continue in the future or not. Where transactions are expected to continue in the future, the eliminations have been accounted for in continuing operations and where the transactions are not expected to continue in the future, the elimination journals have been accounted for in discontinued operations. However, the taxation effects of elimination journals were accounted for in the legal entities to which they relate. The resultant differences have been reconciled above as the impact of discontinued operations on the taxation charge of continuing operations.

Deferred tax assets to the value of R 14 997 164 (2013: R 7 340 000) have not been recognised as there is probable assurance that the legal entities to which these unrecognised deferred tax assets relate, will not have sufficient future taxable income to allow utilisation of the tax benefit. This balance represents in full the estimated tax losses available for set off against future taxable income.

25. Earnings per share
Reconciliation between loss and headline loss

	Profit before tax and non-controlling interest	Tax	Non-controlling interest	Headline Earnings
30 November 2014				
Continuing operations				
Basic loss for the year attributable to equity holders of parent	(1 824)	-	-	(1 824)
Impairment of intangible assets	32	-	-	32
	(1 792)	**-**	**-**	**(1 792)**
30 November 2014				
Discontinued operations				
Basic loss for the year attributable to equity holders of parent	(92 469)	-	-	(92 469)
Profit on disposal of property, plant and equipment	1 058	-	-	1 058
Loss on disposal of subsidiary	71 466	-	-	71 466
Loss recognised on the remeasurement of asset disposal groups to its fair value less costs to sell	-	-	-	-
Impairment of goodwill	5 435	-	-	5 435
Tax effects of adjustments	-	-	-	-
	(14 510)	**-**	**-**	**(14 510)**

25. **Earnings per share (continued)**

	Profit before tax and non-controlling interest	Tax	Non-controlling interest	Headline Earnings
31 August 2013				
Continuing operations				
Basic loss for the year attributable to equity holders of parent	(27 117)	-	-	(27 117)
Loss on disposal of property, plant and equipment	117	-	-	117
Loss on disposal of subsidiary	2 550	(826)	-	1 724
	(24 450)	**(826)**	**-**	**(25 276)**
31 August 2013				
Discontinued operations				
Basic loss for the year attributable to equity holders of parent	(182 087)	-	-	(182 087)
Loss on disposal of property, plant and equipment	600	-	-	600
Loss on disposal of associate	3 255	-	-	3 255
Profit on disposal of subsidiary	(15 020)	-	-	(15 020)
Loss recognised on the remeasurement of asset disposal groups to its fair value less costs to sell	786	-	-	786
Impairment of goodwill	127 494	-	-	127 494
Tax effects of adjustments	-	(1 348)	-	(1 348)
Portion of adjustments attributable to non-controlling interests	-	-	12 037	12 037
	(64 972)	**(1 348)**	**12 037**	**(54 283)**

Reconciliation of weighted average number of shares

	Group - 2014 Number	Group - 2013 Number
Issued shares at the beginning of the year	970 935 125	921 285 941
Issue of shares in May 2013	-	16 549 728
Issue shares in November 2014	33 392 576	-
Effect of FSP shares not recognised	(2 039 333)	-
Effect of FSP shares recognised	3 830 667	2 935 000
Effect of own shares held	(4 313 021)	(43 674 207)
Effect of FSP shares issued not yet vested	-	(7 370 000)
Effect of share consolidation (refer to note 13)	(901 625 412)	-
Weighted average number of shares	100 180 601	889 726 462
Dilutive effect of FSP shares	-	5 870 000
Diluted weighted number of shares	**100 180 601**	**895 596 462**

	Group 2014	Group 2013
Earnings per share		
Basic and diluted loss per share (cents)		
From continuing operations	(1.82)	(3.05)
From discontinued operations	(92.30)	(20.47)
Basic loss for the year	(94.12)	(23.52)
Headline and diluted headline loss per share (cents)		
From continuing operations	(1.79)	(2.84)
From discontinued operations	(14.48)	(6.10)
Headline loss for the year	(16.27)	(8.94)

26. Cash used in operations

	Group		Company	
Figures in Rand thousand	**2014**	**2013**	**2014**	**2013**
Profit (loss) before taxation	1 799	(83 197)	(68 791)	(244 532)
Adjustments for:				
Depreciation	696	421	9	24
Amortisation on intangible assets	-	5 016	-	-
Profit on disposal of property, plant and equipment	-	(25)	-	-
(Profit) loss on sale of financial asset	(10 576)	4 959	-	7 385
(Profit)/Loss on disposal of subsidiaries	-	(2 409)	18 069	5 724
Loss on foreign exchange	-	653	-	-
Investment income	(7 913)	(147)	(7 694)	(7 392)
Finance costs	2 360	528	2 356	614
Fair value adjustments	446	(6 671)	-	(5 646)
Impairment of goodwill, intangible assets and other financial assets	357	59 222	-	64 711
Movements in operating lease assets and accruals	-	(554)	-	-
Financial assets written-off	-	3 350	-	3 350
Non cash item - loan raising fee	-	600	-	600
Share based payment - equity settled	3 503	84	3 420	-
Other non cash flow item	467	-	(152)	-
Impairment of investments in subsidiaries	-	-	37 087	169 295
Impairment of group loans	-	-	10 268	-
Changes in working capital:				
Decrease/(Increase) in inventories	(31)	4 014	-	-
Decrease/(Increase) in trade and other receivables	1 687	24 991	3	418
(Decrease)/Increase in trade and other payables	(2 185)	(16 442)	(272)	1 794
Movement in provisions	(1 046)	1 046	-	-
Movement in deferred income	-	-	-	-
	(10 436)	**(4 561)**	**(5 697)**	**(3 655)**

27. Dividends paid

Continuing operations				
Balance at beginning of the year	(10)	(361)	(10)	(10)
Dividends	-	351	-	-
Balance at end of the year	10	10	10	10
	-	-	-	-

28. Related parties

Relationships	
Subsidiaries	Refer to note 5
Associates	Fleek Consulting Proprietary Limited (Transferred to disposal groups held for sale in the prior year)
Shareholders with significant influence at the reporting date	Citygate Securities Limited Green Tree Investments 306 Proprietary Limited TIH Capital Partners Limited
Companies with similar directors	AfrAsia Special Opportunity Fund Proprietary Limited Yellow Star Group Holdings Proprietary Limited Proximity Properties 226 Proprietary Limited MOJ Petroleum Close Corporation AfrAsia Corporate Finance Proprietary Limited Lavender Sky Investments Proprietary Limited Win-A-Way Investments 15 Proprietary Limited Happy Apple Proprietary Limited Zero Plus Proprietary Limited Moonstone Investments 85 Proprietary Limited Eric Andrews Properties Close Corporation
Minority shareholders	Matla Group Proprietary Limited
Directors and members of key management of subsidiaries	D.E. Fourie M. Van Dyk H. Van Dyk

Key management has been defined as the executive and non-executive directors of the company's continuing operations. The definition includes close members of family and any other entity over which key management exercises control.

28. **Related parties (continued)**

Figures in Rand thousand	Group 2014	Group 2013	Company 2014	Company 2013
Related party transactions				
The following transactions were made between subsidiaries of the Group and key management personnel (as defined above) and/or organisations in which key management personnel have significant influence:				
(Sales to)/Purchase from related parties				
Yellow Star Group Holdings Proprietary Limited	-	(64)	-	(64)
Telesto Communications Proprietary Limited	-	-	-	(996)
ConvergeNet Management Services Proprietary Limited	-	-	-	(719)
Sizwe Africa IT Group Proprietary Limited	-	-	-	(302)
CSI Thabile Networking Solutions Proprietary Limited	-	(90)	-	-
CSI Thabile Networking Solutions Proprietary Limited	-	532	-	-
Proximity Properties 226 Proprietary Limited	-	(38)	-	-
Proximity Properties 226 Proprietary Limited	-	386	-	-
MOJ Petroleum CC	-	3 348	-	-
AfrAsia Special Opportunities Fund Proprietary Limited	-	9 966	-	-
AfrAsia Corporate Finance Proprietary Limited	1 787	5 412	1 787	5 412
Lavender Sky Investments Proprietary Limited	95	-	95	-
Win-A-Way Investments 15 Proprietary Limited	-	3 335	-	-
X-DSL Networking Solutions Proprietary Limited	-	-	-	74
Happy Apple Proprietary Limited	-	(41)	-	-
Zero Plus Proprietary Limited	-	(12)	-	-
Included in Net (loss)/profit for the year from discontinued operations				
Guarantee payment by Sizwe Africa IT Group Proprietary Limited to AfrAsia Special Opportunities Fund Proprietary Limited due to default of subcontractor Idada Trading 322 Proprietary Limited	-	10 304	-	-
Other income				
CSI Thabile Networking Solutions Proprietary Limited	-	(1 269)	-	-
Interest paid to/(received from) related parties				
X-DSL Networking Solutions Proprietary Limited	-	-	-	(314)
AfrAsia Corporate Finance Proprietary Limited	-	668	-	-
Fleek Consulting Proprietary Limited	-	(53)	-	-
D.E. Fourie	-	20	-	-
M. Van Dyk	-	13	-	-
Lease rental payments				
Moonstone Investments 85 Proprietary Limited	-	2 404	-	-
Win-A-Way Investments 15 Proprietary Limited	-	3 093	-	-
Eric Andrews Properties CC	-	974	-	-
Non-controlling interest transactions				
Sizwe Africa IT Group Proprietary Limited	-	-	-	(47 304)
Andrews Kit Proprietary Limited t/a Contract Kitting	-	-	-	(20 665)
Northbound Communication Solutions Proprietary Limited	-	-	-	1
Dividends received from/(paid to) related parties				
Andrews Kit Proprietary Limited t/a Contract Kitting	-	-	-	7 000
Impairment of loans to related parties				
Structured Connectivity Solutions Proprietary Limited	-	-	11 067	-
Matla Group Proprietary Limited	-	-	-	1 600

28. Related parties (continued)

Figures in Rand thousand	Group 2014	Group 2013	Company 2014	Company 2013
Loan accounts - Owing (to) by related parties				
ConvergeNet Management Services Proprietary Limited	-	-	3 135	-
Navix Distribution Proprietary Limited	-	-	64	11 844
ConvergeNet SA Proprietary Limited	-	-	-	684
Structured Connectivity Solutions Proprietary Limited	-	-	500	10 088
X-DSL Networking Solutions Proprietary Limited	-	-	-	2 200
Chrystalpine Investments 9 Proprietary Limited	-	-	487	487
Andrews Kit Proprietary Limited	-	-	186	(5)
Fleek Consulting Proprietary Limited	-	385	-	-
Simat Management Company SA Proprietary Limited	-	-	24	-
AfrAsia Corporate Finance Proprietary Limited	-	(2 579)	-	-
D.E. Fourie	-	(1 455)	-	-
M. Van Dyk	-	(1 505)	-	-
Amounts included in Trade receivables (Trade Payables) regarding related parties				
CSI Thabile Networking Solutions Proprietary Limited	-	102	-	-
CSI Thabile Networking Solutions Proprietary Limited	-	(55)	-	-
AfrAsia Corporate Finance Proprietary Limited	-	2 697	-	-
Win-A-Way Investments 15 Proprietary Limited	-	(298)	-	-
H. Van Dyk	-	(21)	-	-
Proximity Properties 226 Proprietary Limited	-	8	-	-
Proximity Properties 226 Proprietary Limited	-	(37)	-	-
Transactions with key management personnel				
Share-based payment	276	-	-	-

Details pertaining to executive and non-executive directors' remuneration are set out in note 29 and their direct and indirect shareholding in the company is set out in the directors' report.

29. Directors' emoluments

	Fees for services (short-term benefits)	Basic salary (short-term benefits)	Allowance and fringe benefits (short-term benefits)	Pension and other contri-butions (Post-employment benefits)	Bounses (short-term benefits)	Total 2014	Total 2013
Executive directors							
Paid by subsidiaries							
S Swana	-	-	-	-	-	-	2 163
DF Bisschoff	-	-	-	-	-	-	2 222
T Modise	-	-	-	-	-	-	1 828
H van Dyk	-	-	-	-	-	-	2 167
	-	-	-	-	-	-	8 380
Non-Executive directors							
Paid by Company							
PJ van Zyl~	180	-	-	-	-	180	-
DD Tabata	265	-	-	-	-	265	250
L Mangope	195	-	-	-	-	195	154
CE Pettit	190	-	-	-	-	190	185
J de Bruyn^	40	-	-	-	-	40	-
CC Wiese&	30	-	-	-	-	30	-
CH Wiese&	30	-	-	-	-	30	-
NG Nika*	100	-	-	-	-	100	150
	1 030	-	-	-	-	1 030	739
	1 030	-	-	-	-	1 030	9 119
Share based payment expense directors relating to						-	83

~ Peter van Zyl appointed 21 November 2013
^ Janine de Bruyn appointed 25 July 2014
& Christina Wiese and Clare Wiese appointed 8 September 2014
* Nkosemnthu Nika resigned 3 July 2014

30. Segment information

The Group's segment reporting follows the organisational structure and the basis of the nature of goods supplied and services provided by the Group's operating divisions in conformity with the Group's monthly reporting. It is used for assessing the financial performance of the business segments and for allocating resources to these segments.

Operating segments are reported internally to the chief operating decision-maker in a manner consistent with the annual financial statements. In addition, the chief operating decision-maker uses of Core profit/(loss) from continuing operations as a non-IFRS measure in evaluating the group's performance on a segmental level.

Transactions between reportable segments are conducted on the same terms as other transactions of a similar nature. There are no differences between the measurement of the reportable segments' assets, liabilities and profits and that of the group's assets, liabilities and profit before income tax and discontinued operations.

Danie Bisschoff, the previous chief financial officer and interim chief executive officer, was the chief operating decision maker ("CODM") until 31 December 2013. The role of the CODM has been fulfilled by Peter van Zyl, chief financial officer, from 1 January 2014.

As the Group have no continuing operations at 30 November 2014, pending completion of the sale of Chrystalpine Investments 9 Proprietary Limited group and Structured Connectivity Solutions Proprietary Limited, no segmental reporting has been presented for the current reporting period as the key operating decision maker, Peter van Zyl, manages the continuing operations of the Group as a single segment. The Group does not manage the discontinuing operations, Structured Connectivity Solutions Proprietary Limited and the Chrystalpine Investments 9 Proprietary Limited group (incorporating Andrews Kit Proprietary Limited), as segments during the interim period between the date of the sale agreements having been entered into and the effective date of the sale transactions.

The segment results for the year ended 31 August 2013 are as follows:

	IT Infrastructure Technology solutions	Telecom Infrastructure Technology solutions	Africa Site Maintenance Solutions	Corporate	Consoli-dation and other	Total
Year ended 31 August 2013						
From continuing operations						
Total revenue	11 431	12 048	1 068	20 293	-	44 840
Inter-segment sales	(3 134)	-	-	(20 293)	(1 518)	(24 945)
Reported revenue	8 297	12 048	1 068	-	(1 518)	19 895
Segmental result						
Core operating loss for the year	(10 928)	9 620	(6 863)	(30 465)	15 700	(22 936)
Impairment of goodwill and loans and receivables						(3 333)
Investment income						147
Share of profits of associates						-
Finance costs						(528)
Taxation						(4 116)
Net loss for the year after taxation						**(30 766)**

Revenue from continuing operations relates to counterparties domiciled in South Africa.

During the prior year, three customers accounted for more than 10% of the Group's reported revenue from continuing operations. These counterparties contributed revenues of R 67 763 926, R 56 559 174 and R 38 290 153 respectively.

31. Financial instruments

Overview

The Group's Board of Directors ("Board") provides financial risk management services to the business, coordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group. The Group's operating activities exposed it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk an interest rate risk). The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse affects on the Group's financial performance. This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated annual financial statements.

31. Financial instruments (continued)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash and cash equivalents and loans and receivables from continuing operations and the sale of discontinued operations.

The Group has a general credit policy of only dealing with counterparties which are subjected to appropriate creditworthiness assessments. Given the downsizing of the Group and focus on limited industries with limited number of bluechip clients, the credit quality of customers is considered to be homogenous.

The carrying amount of financial assets recorded in the statement of financial position, which is net of impairment losses, represents the maximum exposure to credit risk. At year-end management do not consider there to be any material exposure that has not been covered by impairment. The carrying values of continued operations, net of impairment allowances are as follows:

` Figures in Rand thousand	Group 2014	Group 2013	Company 2014	Company 2013
Loans to subsidiaries, associates and other related parties	-	-	4 397	11 758
Other financial assets	76 000	2 331	72 733	2 200
Trade and other receivables	561	61 563	98	-
Cash and cash equivalents	3 334	14 689	2 338	839
As at 30 November 2014/31 August 2013	**79 895**	**78 583**	**79 566**	**14 797**

In addition to the above, during the previous year the Company issued a guarantee to AfrAsia Bank Limited in respect of the term loan granted to a previous subsidiary of the Group, Simat Group, in the amount of US$ 2.2 million. The loan was repaid during the previous year and the guarantee terminated.

Other financial assets (Refer note 9)

The Group assesses the credit worthiness of any party that a loan or advance is granted to and where considered appropriate an impairment allowance is made against the loan receivable. This assessment involves an initial and ongoing analysis of the operations of the borrower and its cash generating capabilities during the term of the loan and beyond. No collateral security is obtained for loans to group companies. Loans to non-group companies are advanced on a secured basis with a minimum security cover ratio of twice the amount of the outstanding debt.

Trade receivables (Refer note 10)

Trade receivables consist primarily of invoiced amounts from historic trading activities which are immaterial to the Group as a whole. Operational management regularly review the debtors age analysis and follows up on long outstanding debtors. Where necessary, a provision for impairment is made. No trade and other receivables were pledged as security (2013: R 66 190 205) for overdraft facilities of the continuing operations of the Group. At 31 August 2013, the maximum exposure to the Group was the bank overdraft amount of R 15 060 906.

Cash and cash equivalents (Refer note 11)

The Company only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty. Cash balances are held with First National Bank of South Africa Limited which carries a Standard and Poor's rating of BBB.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Group ensures it has sufficient cash on demand or access to facilities to meet expected operational expenses, by maintaining adequate reserves, banking facilities and reserve borrowing facilities. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Cash flow forecasting is performed within the Group to ensure sufficient cash to meet operational needs while maintaining sufficient headroom to ensure that borrowing limits (where applicable) are not breached.

The Group, excluding the discontinued operations, had no short-term facilities (2013: R 20 000 000). The facilities in the prior year could be utilised as a loan facility with Standard Bank of South Africa Limited.

31. Financial instruments (continued)

Contractual maturities of financial liabilities, including interest payments

		Undiscounted contractual cash flows			
	Carrying amount R'000	**Total R'000**	**Within 12 months R'000**	**Within 2 to 4 years R'000**	**More than 4 years R'000**
Group					
Variable interest rate borrowings 2014					
Short term loans	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
Finance leases	-	-	-	-	-
Bank overdraft	-	-	-	-	-
Trade payables	3 711	3 711	3 711	-	-
	3 711	**3 711**	**3 711**	**-**	**-**
Variable interest rate borrowings 2013					
Short term loans	2 035	2 035	2 035	-	-
BellTower Financial Services Proprietary Limited	20 748	20 748	20 748	-	-
Other financial liabilities	6 458	6 458	6 458	-	-
Finance leases	126	131	131	-	-
Bank overdraft	15 066	15 066	15 066	-	-
Trade payables	47 611	47 611	47 611	-	-
	92 044	**92 049**	**92 049**	**-**	**-**
Company					
Variable interest rate borrowings 2014					
BellTower Financial Services Proprietary Limited	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
Trade payables	2 131	2 131	2 131	-	-
	2 131	**2 131**	**2 131**	**-**	**-**
Variable interest rate borrowings 2013					
BellTower Financial Services Proprietary Limited	20 748	20 748	20 748	-	-
Other financial liabilities	6 458	6 458	6 458	-	-
Trade payables	215	215	215	-	-
	27 421	**27 421**	**27 421**	**-**	**-**

The expected maturity of financial liabilities is not expected to differ from the contractual maturities as disclosed above.

Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Cash flow and fair value interest rate risk

The Group's cash flow interest rate risk arises from loans receivable, cash and cash equivalents and borrowings carrying interest at variable rates. The Group is not exposed to material fair value interest rate risk as the Group does not have any significant fixed interest-bearing instruments carried at fair value.

The Group's exposure to interest rate risk is reflected under the respective borrowings and cash and cash equivalents notes (notes 11 and 16). As part of the process of managing the Group's exposure to interest rate risk, interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates.

The sensitivity analysis has been determined based on the exposure to interest rates for both derivative and non-derivative financial instruments at the statement of financial position date. The analysis is prepared assuming the amount of the instrument outstanding at the statement of financial position date was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel. If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group and Company's profit before tax for the period ended 30 November 2014 would decrease/increase by Rnil (2013: R 292 000). The Group does not have any interest bearing borrowings at 30 November 2014.

31. Financial instruments (continued)

Foreign currency risk

The Group's continuing operations do not enter into transactions denominated in foreign currencies, hence it has no exposure to exchange rate fluctuations. During the prior year a 10% strengthening or weakening in the Rand against all other currencies would have decreased or increased profits by R 367 000.

Fair value of financial instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the annual financial statements approximate their fair values.

The following table provides analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on degree to which the fair value is observable:

~ Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;

~ Level 2 fair value adjustments are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and

~ Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Figures in Rand thousand	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Group 2014				
Financial assets at fair value through profit or loss				
Listed shares (refer to note 9)	3 267	-	-	3 267
FEC's - Standard Bank of South Africa Limited	-	-	-	-
	3 267	**-**	**-**	**3 267**

There were no transfers between levels during the period.

Reconciliation of fair value measurements:

	Financial Assets	Financial Liabilities
Opening balance	131	-
Additions	14 777	-
Disposals	(11 924)	-
Fair value adjustments on listed shares	414	-
Transferred to disposal group held for sale	(131)	-
	3 267	**-**

Group 2013

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Financial assets at fair value through profit or loss				
FEC's - Standard Bank of South Africa Limited	-	131	-	131
	-	**131**	**-**	**131**
Financial liabilities at fair value through profit and loss				
Derivative liability - Call Option	-	-	-	-
	-	**-**	**-**	**-**

There were no transfers between levels during the period.

31. Financial instruments (continued)
Reconciliation of fair value measurements:

Figures in Rand thousand	Financial Assets	Financial Liabilities
Opening balance	43 866	(9 145)
Fair value adjustment - Investment in Future Cell Proprietary Limited	1 771	-
Fair value adjustment - Put Option	(5 270)	-
Fair value adjustment - Call Option	-	9 145
Disposal of investment in Future Cell Proprietary Limited	(40 000)	-
Movement in FEC's	(236)	-
	131	**-**

Capital risk management

The Group manages its capital to ensure it will be able to continue as a going concern and maximise the return to shareholders through the optimisation of debt and equity. 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 monitors capital on the basis of the gearing ratio and targets a ratio less than 30%. This ratio is calculated as the net debt divided by total capital. Net debt is calculated as the total long-term and short term interest-bearing liabilities (excluding derivatives as described in note 33) less cash and cash equivalents. Total capital is calculated as equity as shown in the consolidated statement of financial position. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Gearing ratio
The gearing ratio at the end of the reporting period was as follows:

	2014	2013
Debt*	-	44 433
Cash and cash equivalents	3 334	14 869
Net debt	3 334	29 744
Equity^	179 108	210 508
Net debt to equity ratio	1.86%	14.13%

* Debt is defined as total long-term and short term interest bearing liabilities (excluding derivatives as described in note 33).

^ Total Equity is defined as equity as shown in the consolidated statement of financial position.

32. Financial assets by category

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

	Financial assets at fair value through profit and loss - held for trading	Financial assets at fair value through profit and loss - designated as such	Other financial assets at amortised cost	Total
Group - 2014				
Trade and other receivables (Refer to note 10)	-	-	561	561
Financial assets (Refer to note 9)	-	3 267	72 733	76 000
Cash and cash equivalents (Refer to note 11)	-	-	3 334	3 334
	-	**3 267**	**76 628**	**79 895**
Group - 2013				
FEC - Standard Bank of South Africa Limited (Refer to note 9)	131	-	-	131
Trade and other receivables (Refer to note 10)	-	-	61 892	61 892
XDSL Networking Solutions Proprietary Limited (Refer to note 9)	-	-	2 200	2 200
Cash and cash equivalents (Refer to note 11)	-	-	14 689	14 689
	131	**-**	**78 781**	**78 912**

32. Financial assets by category (continued)

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

Figures in Rand thousand	Financial assets at fair value through profit and loss - held for trading	Financial assets at fair value through profit and loss - designated as such	Other financial assets at amortised cost	Total
Company - 2014				
Trade and other receivables (Refer to note 10)	-	-	98	98
Financial assets (Refer to note 9)	-	-	72 733	72 733
Loans to related parties (Refer to note 8)	-	-	4 397	4 397
Cash and cash equivalents (Refer to note 11)	-	-	2 338	2 338
	-	**-**	**79 566**	**79 566**
Company - 2013				
XDSL Networking Solutions Proprietary Limited (Refer to note 9)	-	-	2 200	2 200
Loans to related parties (Refer to note 8)	-	-	11 758	11 758
Cash and cash equivalents (Refer to note 11)	-	-	839	839
	-	**-**	**14 797**	**14 797**

* Designated as such upon initial recognition

33. Financial liabilities by category

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

	Financial liabilities at fair value through profit and loss - designated as such	Financial liabilities at amortised cost	Total
Group - 2014			
Trade and other payables (Refer to note 17)	-	3 711	3 711
Group - 2013			
BellTower Financial Services Proprietary Limited (Refer to note 16)	-	20 748	20 748
Other financial liabilities (Refer to note 16)	-	6 458	6 458
Trade and other payables (Refer to note 17)	-	47 611	47 611
Finance Leases (Refer to note 15)	-	126	126
Short term loans (Refer to note 16)	-	2 035	2 035
Bank overdraft (Refer to note 11)	-	15 066	15 066
	-	**92 044**	**92 044**
Company - 2014			
Other financial liabilities (Refer to note 16)	-	-	-
Trade and other payables (Refer to note 17)	-	2 130	2 130
Company - 2013			
BellTower Financial Services Proprietary Limited (Refer to note 16)	-	20 748	20 748
Other financial liabilities (Refer to note 16)	-	6 458	6 458
Trade and other payables (Refer to note 17)	-	2 400	2 400
	-	**29 606**	**29 606**

34. Disposal of subsidiaries

	Sizwe Africa IT Group Proprietary Limited	Telesto Communications Proprietary Limited	Total
30 November 2014			
Date disposed	11 December 2013	29 October 2013	
% disposed	100%	100%	
The carrying /fair value of net assets/(liabilities) disposed of:			
Property, plant and equipment	27 085	29	27 114
Goodwill and intangible assets	288	235	523
Other financial assets	26 612	1 835	28 447
Inventories	31 995	456	32 451
Trade and other receivables	163 992	5 824	169 816
Other assets	7 397	1 915	9 312
Interest bearing loans and other financial liabilities	(7 653)	-	(7 653)
Finance lease obligation	(16 477)	-	(16 477)
Trade and other payables	(120 257)	(1 293)	(121 550)
Other liabilities	(5 993)	-	(5 993)
Carrying /fair value of subsidiary disposed of	106 990	9 001	115 991
Additional transaction costs	(2 284)	(166)	(2 450)
Derecognition of reserves	(900)	(192)	(1 092)
Derecognition of amounts owed by Group companies	(799)	-	(799)
Non-controlling interest	46 537	17 280	63 817
Carrying/fair value of assets disposed of	149 544	25 923	175 467
Profit/(Loss) on disposal of subsidiary	(52 627)	(18 839)	(71 466)
Total proceeds on disposal of subsidiary	**96 917**	**7 084**	**104 001**
Total cash proceeds (net of transaction costs)	46 917	7 084	54 001
Recognition of other financial assets	50 000	-	50 000
Total proceeds on disposal of subsidiary	**96 917**	**7 084**	**104 001**

31 August 2013	X-DSL Networking Solutions Proprietary Limited	Simat Group	EQ Tickets Proprietary Limited	NetXcom ICT Solutions Proprietary Limited	Interface Network Technology Proprietary Limited	Nectere Networks Proprietary Limited	Total
Date disposed	31 August 2013	31 August 2013	31 August 2013	31 December 2012	1 September 2012	1 September 2012	
% disposed	66%	51%	100%	70%	51%	51%	
The carrying /fair value of net assets/(liabilities) disposed of:							
Cash and cash equivalents	603	137	53	120	540	-	1 453
Property plant and equipment	4 861	4 244	5 542	-	3 040	42	17 730
Intangible assets	-	-	4 848	-	-	-	4 848
Inventories	50	177	178	328	5 128	-	5 861
Trade and other receivables	2 974	4 130	874	199	9 103	11 166	28 446
Deferred tax	1 057	-	17	1 240	(115)	-	2 199
Borrowings	(2 960)	-	(5 791)	-	-	-	(8 751)
Group Loans	(2 200)	(26 037)	-	(4 959)	-	(6 183)	(39 379)
Other Financial Liabilities	(1 665)	(453)	(55)	-	(1 948)	-	(4 121)
Trade and other payables	(4 842)	(11 930)	(5 549)	(370)	(9 026)	(5 256)	(36 973)

34. Disposal of subsidiaries (continued)

31 August 2013	X-DSL Networking Solutions Proprietary Limited	Simat Group	EQ Tickets Proprietary Limited	NetXcom ICT Solutions Proprietary Limited	Interface Network Technology Proprietary Limited	Nectere Networks Proprietary Limited	Total
Carrying /fair value of subsidiary disposed of	(2 122)	(29 732)	117	(3 442)	6 722	(231)	(28 688)
Loss on sale of financial asset	2 426	-	-	-	-	-	2 426
Foreign currency translation reserve recycled	-	5 170	-	-	-	-	5 170
Other	(269)	-	-	-	-	-	(269)
Non-controlling interest	722	-	3 417	1 033	(3 294)	116	1 994
Goodwill	4 665	-	2 239	-	1 578	-	8 482
Carrying /fair value of assets disposed of	5 422	(24 562)	5 773	(2 409)	5 006	(115)	(10 885)
Profit/(Loss) on disposal of subsidiary	(3 062)	24 563	(2 165)	2 409	(2 006)	115	19 854
Total proceeds on disposal of subsidiary	**2 360**	**1**	**3 608**	**-**	**3 000**	**-**	**8 969**

35. Transactions with non-controlling interests

30 November 2014	Telesto Communication Solution Proprietary Limited	Sizwe Africa IT Group Proprietary Limited
Transaction date	29 October 2013	11 December 2013
% interest disposed of*	100%	100%
R'000		
Carrying amount of non-controlling interests disposed of	**17 280**	**46 537**

*Refer Note 12.

31 August 2013	X-DSL Networking Solutions Proprietary Limited	Sizwe Africa IT Group Proprietary Limited	Chrystalpine Investments 9 Proprietary Limited	Northbound Communication Solutions Proprietary Limited
Transaction date	1 September 2012	31 March 2013	1 March 2013	1 September 2012
% non-controlling interest acquired	15%	25%	26%	30%
R'000				
Carrying amount of non-controlling interests acquired or disposed	(580)	32 320	21 141	1 043
Consideration and additional costs capitalised on acquisition of non-controlling interest	-	(47 685)	(19 689)	-
Excess of consideration paid recognised in parent's equity	**(580)**	**15 365**	**(1 452)**	**1 043**

36. Comparative figures

Unless otherwise indicated, comparative figures refer to the year ended 31 August 2013. In accordance with the requirements of IFRS 5 'Non-current assets held for sale and discontinued operations', the statement of comprehensive income and statement of cash flows have been re-presented for the disclosures that relate to the operations of Structured Connectivity Solutions Proprietary Limited and Chrystalpine Investments 9 Proprietary Limited (incorporating Andrews Kit Proprietary Limited which have been discontinued by the end of the reporting period (refer note 12).

37. Fair Value Information

Fair value hierarchy

Financial instruments measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 fair value adjustments are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

Level 1

Recurring fair value measurements

R'000	Group 2014	Group 2013	Company 2014	Company 2013
Financial assets at fair value through profit or loss				
Listed shares (refer to note 9)	3 267	-	-	-
Foreign exchange contracts (refer to note 9)	-	131	-	-
As at 30 November 2014 / 31 August 2013	**3 267**	**131**	**-**	**-**

Gains and losses recognised in profit or loss for financial assets are included in fair value adjustments in the statement of comprehensive income.

Financial instruments measured at cost for which a fair value is disclosed

Financial assets that are not measured at fair value, namely loans to related parties, financial assets at amortised cost, trade and other receivables and cash and cash equivalents, are categorised as other financial assets at amortised cost. It has been concluded that the carrying amounts of these assets approximate their fair values. Refer to notes 9, 10 and 11.

Financial liabilities that are not measured at fair value, namely financial liabilities at amortised cost and trade and other payables, are categorised as other financial liabilities at amortised cost. It has been concluded that the carrying amounts of these liabilities approximate their fair values. Refer to notes 16 and 17.

38. Events after the reporting period

38.1 Corporate Actions:

On 16 January 2015, shareholders approved the:

- Transfer of the Company's listing from the "Computer Services" sub-sector of the JSE to the "Investment Companies" sub-sector;
- Disposal by ConvergeNet of 100% of ConvergeNet's interest in Chrystalpine Investments 9 Proprietary Limited (incorporating Andrews Kit Proprietary Limited) and Structured Connectivity Solutions Proprietary Limited to Tellumat Proprietary Limited for R 95 119 000 and R 5 000 000 respectively. The transactions became unconditional on 5 February 2015;
- Acquisition by ConvergeNet of 30% of Tellumat Proprietary Limited as a result of the settlement of the Chrystalpine Investments 9 Proprietary Limited and Structured Connectivity Solutions Proprietary Limited sale consideration which became effective on 5 February 2015;
- Acquisition by ConvergeNet of 19.26% of Digicore Holdings Limited for an aggregate amount of R 119 231 925 which became unconditional on 16 January 2015 and was completed on 6 February 2015;
- Acquisition by ConvergeNet of an additional 30.32% of Mine Restoration Investments Limited for an aggregate amount of R 25 272 664 which became unconditional on 16 January 2015 and was completed on 3 February 2015;
- Acquisition by ConvergeNet of an additional 21.77% of Goliath Gold Mining Limited for an aggregate amount of R 64 169 742 which became unconditional on 16 January 2015 and was completed on 13 February 2013;
- Specific issue of 75 million ConvergeNet shares for cash at a subscription price of R2.00 per share, amounting to an aggregate total consideration of R150 million which became unconditional on 16 January 2015 and was completed on 23 January 2015;
- Specific issue of 1 385 000 ConvergeNet shares at a subscription price of R2.00 per share in lieu of the private placement underwriting fees which became unconditional on 16 January 2015 and was completed on 23 January 2015;
- Specific issue of 1 140 000 ConvergeNet shares at a subscription price of R2.00 per share in lieu of private placement commitment fees which became unconditional on 16 January 2015 and was completed on 23 January 2015; and
- The change of name of ConvergeNet to "Stellar Capital Partners Limited" and resulting amendment to the Memorandum of Incorporation.

38.2 Changes to the Board

- Mr Peter van Zyl and Mr Charl de Villiers were appointed as Chief Executive Officer and Chief Financial Officer respectively with effect from 1 February 2015.

Stellar Capital Partners Limited
(Previously ConvergeNet Holdings Limited)
(Incorporated in the Republic of South Africa)
(Registration number 1998/015580/06)
("**Stellar Capital**" or the "**Company**")
ISIN Code: ZAE000198586 Share code: SCP

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given in terms of section 62(1) of the Companies Act No. 71 of 2008, as amended (the "**Companies Act**") of the annual general meeting of shareholders of Stellar Capital Partners Limited ("**SCP**" or the "**Company**") to be held at the registered office of the Company at Level P3, Oxford Corner, cnr Jellicoe and Oxford Road, Rosebank, Johannesburg on Friday, 5 June 2015 at 10:00 (the "**AGM**").

Purpose
The purpose of the AGM is to transact the business set out in the agenda below.

The board of directors of the Company (the "**Board**") has determined, in accordance with section 59 of the Companies Act, that the record date for the purpose of determining which shareholders of the Company are entitled to receive a notice of the AGM is **Thursday, 30 April 2015** and the record date for purpose of determining which shareholders are entitled to attend, participate in and vote at the AGM is **Friday, 29 May 2015**. Accordingly, the last day to trade in the Company's shares in order to be recorded on the share register of the Company in order to be able to attend, participate and vote at the AGM is **Friday, 22 May 2015**.

Agenda

1. Presentation of the audited annual financial statements of the Company, including the reports of the directors, the audit and risk committee and the independent auditors in terms of section 30(3) of the Companies Act, together with the report of the social and ethics committee in terms of Regulation 43 of the Companies Regulations 2011 for the year ended 30 November 2014. The annual report, of which this notice forms part (the "**Annual Report**"), contains the condensed group financial statements and the aforementioned reports. The annual financial statements, including the unmodified audit opinion, is available on SCP's website at www.stellarcapitalpartners.co.za, or may be requested and obtained in person, at no charge, at the registered office of SCP during office hours.

2. To consider and, if deemed fit, approve, with or without modification, the following ordinary resolutions:

Note
Ordinary Resolution Numbers 1 to 6 and 8 require the approval of a minimum of 50% plus 1 vote of the votes exercised on the resolutions by the shareholders present or represented by proxy at the AGM in order for the resolutions to be adopted. Ordinary Resolution Number 7 requires the approval of a minimum of 75% plus 1 vote of the votes exercised on the resolutions by the shareholders present or represented by proxy at the AGM in order for the resolution to be adopted. Ordinary Resolution Number 5 is proposed for a non-binding advisory vote only and any failure to pass this resolution will not have any effect on the Company's existing arrangements, but the outcome of the vote will be taken into consideration when considering the Company's remuneration policy.

2.1 ORDINARY RESOLUTION NUMBER 1: Ratification of directors' appointments (comprising separate Ordinary Resolution Numbers 1.1 to 1.4)

2.1.1 Ordinary Resolution Number 1.1
"Resolved that the appointment of Ms J de Bruyn, being eligible and available for election, be and is hereby ratified with effect from 25 July 2014."

A brief *curriculum vitae* of Ms J de Bruyn appears on page 86 of the Annual Report.

2.1.2 Ordinary Resolution Number 1.2
"Resolved that the appointment of Ms CC Wiese, being eligible and available for election, be and is hereby ratified with effect from 8 September 2014."

A brief curriculum vitae of Ms CC Wiese appears on page 86 of the Annual Report.

2.1.3 Ordinary Resolution Number 1.3
"Resolved that the appointment of Ms CH Wiese, being eligible and available for election, be and is hereby ratified with effect from 8 September 2014."

A brief *curriculum vitae* of Ms CH Wiese appears on page 86 of the Annual Report.

2.1.4 Ordinary Resolution Number 1.4
"Resolved that the appointment of Mr CB de Villiers, being eligible and available for election, be and is hereby ratified with effect from 1 February 2015."

A brief *curriculum vitae* of Mr CB de Villiers appears on page 86 of the Annual Report.

The reason for Ordinary Resolution Numbers 1.1 to 1.4 is to ratify the appointments of the aforementioned directors which were made by the Board during the 2014 financial year on the aforementioned respective dates.

2.2 ORDINARY RESOLUTION NUMBER 2: Retirement and re-election of directors (comprising separate Ordinary Resolution Numbers 2.1 and 2.2)

2.2.1 Ordinary Resolution Number 2.1
"Resolved that Ms L Mangope, who retires by rotation in terms of the Memorandum of Incorporation of the Company and, being eligible, offers herself for re-election, be and is hereby re-elected as director."

A brief curriculum vitae of Ms L Mangope appears on page 86 of the Annual Report.

2.2.2 Ordinary Resolution Number 2.2
"Resolved that Mr CE Pettit who retires by rotation in terms of the Memorandum of Incorporation of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as director."

A brief curriculum vitae of Mr CE Pettit appears on page 86 of the Annual Report.

The reason for Ordinary Resolution Numbers 2.1 and 2.2 is that the Memorandum of Incorporation of the Company and, to the extent applicable, the Companies Act, require that a component of the non-executive directors rotate at every annual general meeting of the Company and, being eligible, may offer themselves for re-election as directors.

2.3 ORDINARY RESOLUTION NUMBER 3: Appointment of the members of the audit and risk committee of the Company (comprising separate Ordinary Resolution Numbers 3.1 to 3.3)

2.3.1 Ordinary Resolution Number 3.1
"Resolved that Ms J de Bruyn, being eligible, be and is hereby appointed as a member of the audit and risk committee of the Company, as recommended by the Board, until the next annual general meeting of the Company."

A brief curriculum vitae of Ms J de Bruyn appears on page 86 of the Annual Report.

2.3.2 Ordinary Resolution Number 3.2
"Resolved that Ms CC Wiese, being eligible, be and is hereby appointed as a member of the audit and risk committee of the Company, as recommended by the Board, until the next annual general meeting of the Company."

A brief curriculum *vitae* of Ms CC Wiese appears on page 86 of the Annual Report.

2.3.3 Ordinary Resolution Number 3.3
"Resolved that Ms CH Wiese, being eligible, be and is hereby appointed as a member of the audit and risk committee of the Company, as recommended by the Board, until the next annual general meeting of the Company."

A brief curriculum *vitae* of Ms CH Wiese appears on page 86 of the Annual Report.

The reason for Ordinary Resolution Numbers 3.1 to 3.3 is that section 94(2) of the Companies Act requires the appointment of at least three non-executive directors at each annual general meeting of the Company to its audit committee, to hold office until the conclusion of the next annual general meeting of the Company and to perform the duties and responsibilities stipulated in section 94(7) of the Companies Act.

2.4 ORDINARY RESOLUTION NUMBER 4: Appointment of the members of the social and ethics committee of the Company (comprising separate Ordinary Resolution Numbers 4.1 to 4.3)

2.4.1 Ordinary Resolution Number 4.1
"Resolved that Mr D Tabata, being eligible, be and is hereby appointed as a member of the social and ethics committee of the Company, as recommended by the Board, until the next annual general meeting of the Company."

A brief *curriculum vitae* of Mr D Tabata appears on page 86 of the Annual Report.

2.4.2 Ordinary Resolution Number 4.2
"Resolved that Ms J de Bruyn, being eligible, be and is hereby appointed as a member of the social and ethics committee of the Company, as recommended by the Board, until the next annual general meeting of the Company."

A brief curriculu*m vitae* of Ms J de Bruyn appears on page 86 of the Annual Report.

2.4.3 Ordinary Resolution Number 4.3

"Resolved that Ms L Mangope, being eligible, be and is hereby appointed as a member of the social and ethics committee of the Company, as recommended by the Board, until the next annual general meeting of the Company."

A brief *curriculum vitae* of Ms L Mangope appears on page 86 of the Annual Report.

The reason for Ordinary Resolution Numbers 4.1 to 4.3 is that section 72(4) of the Companies Act and Regulation 43(2) of the Companies Regulations 2011 require the appointment of members of a social and ethics committee, to hold office until the next annual general meeting of the Company and to perform the duties and responsibilities stipulated in Regulation 43(5) of the Companies Regulations and to perform such other duties and responsibilities as may from time to time be delegated by the Board.

2.5 ORDINARY RESOLUTION NUMBER 5: Approval of remuneration policy and its implementation

"Resolved that the Company's remuneration policy and its implementation as set out on page 18 of the Annual Report be and is hereby approved by way of a non-binding advisory vote, as recommended in the King Code of Governance Principles for South Africa 2009 ("**King III**").

The reason for Ordinary Resolution Number 5 is that, in accordance with Principle 2.27 of King III, shareholder approval is sought for the Company's remuneration policy by way of a non-binding advisory vote. The non-binding vote enables shareholders to express their views on the Company's remuneration policy and on its implementation.

2.6 ORDINARY RESOLUTION NUMBER 6: Appointment of independent external auditors

"Resolved that Grant Thornton Cape Inc, with the designated auditor being Imtiaaz Hashim, be and are hereby appointed as the independent external auditors of the Company, to hold office until the conclusion of the next annual general meeting of the Company in terms of section 90(1) of the Companies Act, as recommended by the audit and risk committee of the Company."

The reason for Ordinary Resolution Number 6 is that the Company, being a public listed company, must have its financial results audited and such auditor must be appointed or re-appointed each year at the annual general meeting of the Company as required by the Companies Act.

2.7 ORDINARY RESOLUTION NUMBER 7: General authority to issue ordinary shares for cash

"Resolved 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 Listings Requirements of the JSE Limited (the "**JSE**"), and subject to the *proviso* that the aggregate number of ordinary shares able to be allotted and issued in terms of this resolution, shall be limited to 10% of the issued share capital as at the date of this notice of AGM, provided that:

- the approval shall be valid until the date of the next annual general meeting of the Company, provided it shall not extend beyond fifteen months from the date of this resolution;
- the general issues of shares for cash in any one financial year may not exceed in the aggregate 10% of the Company's issued share capital (number of securities) of that class as at the date of this notice of AGM, it being recorded that ordinary shares issued pursuant to a rights offer to shareholders shall not diminish the number of ordinary shares that comprise the 5% of the ordinary shares that can be issued in terms of this resolution;
- in determining the price at which an issue of shares will be made in terms of this authority the maximum discount permitted will be 10% of the weighted average traded price of such shares, as determined over the 30 trading days prior to the date that the price of the issue is agreed between the issuer and the party subscribing for the securities. The JSE will be consulted for a ruling if the securities have not traded in such 30 business day period;
- any such issue will only be made to public shareholders as defined in the Listings Requirements of the JSE and not to related parties; and
- any such issue will only be securities of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue."

For listed entities wishing to issue shares for cash (other than issues by way of rights offers and/or in consideration for acquisitions and/or to share incentive schemes, which schemes must be approved by the JSE and by the shareholders of the Company), it is necessary for the Board to obtain the prior authority of the shareholders in accordance with the Listings Requirements of the JSE and the Memorandum of Incorporation of the Company. The reason for Ordinary Resolution Number 7 is accordingly to obtain a general authority from shareholders to issue shares for cash in compliance with the Listings Requirements of the JSE and the Memorandum of Incorporation of the Company.

2.8 ORDINARY RESOLUTION NUMBER 8: Authority to act

"Resolved that any one director of the Company and/or the Company Secretary of the Company be and is hereby authorised to do all such things and sign all such documents as deemed necessary for or incidental to the implementation of the ordinary and special resolutions as set out in this notice convening the AGM at which these resolutions will be considered and which are passed by the shareholders in accordance with and subject to the terms thereof."

The reason for Ordinary Resolution Number 8 is to ensure that the resolutions voted favourably upon are duly implemented through the delegation of powers provided for in terms of the Company's Memorandum of Incorporation.

3. To consider and, if deemed fit, pass, with or without modification, the following special resolutions:

Note

Special Resolution Numbers 1 to 5 require the approval of a minimum of 75% plus 1 vote of the votes exercised on the resolutions by the shareholders present or represented by proxy at the AGM in order for the resolutions to be adopted.

3.1 SPECIAL RESOLUTION NUMBER 1: Remuneration of non-executive directors

"Resolved in terms of section 66(9) of the Companies Act, that the Company be and is hereby authorised to remunerate its non-executive directors for their services as directors on the basis set out below and on any other basis as may be recommended by the remuneration committee and approved by the Board, provided that this authority will be valid for the upcoming financial year, commencing 1 December 2014, until the next annual general meeting of the Company:

	Proposed	
	Chairman	**Member**
Board of directors: Annual fee	R240,000	R180,000
Audit & Risk Committee: Annual fee	R75,000	R60,000
Remuneration Committee: Annual fee	R15,000	R10,000
Nomination Committee: Annual fee	R15,000	R10,000
Social & Ethics Committee: Annual fee	R30,000	R20,000

The reason for Special Resolution Number 1 is for the Company to obtain the approval of shareholders by way of special resolution for the payment of remuneration to its non-executive directors in accordance with the requirements of the Companies Act.

The effect of Special Resolution Number 1 is that the Company will be able to pay its non-executive directors for the services they render to the Company as directors without requiring further shareholder approval until the next annual general meeting of the Company.

3.2 SPECIAL RESOLUTION NUMBER 2: Inter-company financial assistance

"Resolved in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, that the Board be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the Board may deem fit to any company or corporation that is related or inter-related ("related" or "inter-related" will herein have the meaning attributed to it in section 2 of the Companies Act) to the Company, on the terms and conditions and for amounts that the Board may determine, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the Company."

The reason for and effect of Special Resolution Number 2 is to grant the directors of the Company the authority until the next annual general meeting to provide direct or indirect financial assistance to any company or corporation which is related or inter-related to the Company.

3.3 SPECIAL RESOLUTION NUMBER 3: Financial assistance for acquisition of shares in a related or inter-related company

"Resolved that in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, that the Board be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act) that the Board may deem fit to any company or corporation that is related or inter-related to the company ("related" or "inter-related" will herein have the meaning attributed to it in section 2 of the Companies Act) and/or to any financier who provides funding by subscribing for preference shares or other securities in any company or corporation that is related or inter-related to the Company, on the terms and conditions and for amounts that the Board may determine for the purpose of, or in connection with the subscription of any option, or any shares or other securities, issued or to be issued by a related or inter-related company or corporation, or for the purchase of any shares or securities of a related or inter-related company or corporation, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the Company."

The reason for and effect of Special Resolution Number 3 is to grant the directors the authority until the next annual general meeting to provide financial assistance to any company or corporation which is related or inter-related to the Company for the purpose of or in connection with the subscription or purchase of options, shares or other securities in any such related or inter-related company or corporation.

The Company has no immediate plans to use this authority and is merely obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

3.4 SPECIAL RESOLUTION NUMBER 4: General authority to repurchase shares by the Company and its subsidiaries

"Resolved that the Company and the subsidiaries of the Company be and are hereby authorised, as a general approval, to repurchase any of the shares issued by the Company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the Memorandum of Incorporation of the Company and the Listings Requirements of the JSE, including, *inter alia*, that:

- the general repurchase of the shares may only be implemented on the open market of the JSE and done without any prior understanding or arrangement between the Company and the counterparty;
- this general authority shall only be valid until the next annual general meeting of the Company, provided that it shall not extend beyond fifteen months from the date of this resolution;
- an announcement must be published as soon as the Company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue prior to the acquisition, pursuant to which the aforesaid 3% threshold is reached, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
- the general authority to repurchase is limited to a maximum of 15% in the aggregate in any one financial year of the Company's issued share capital at the time the authority is granted;
- a resolution has been passed by the Board approving the repurchase, that the Company has satisfied the solvency and liquidity test as defined in the Companies Act and that, since the solvency and liquidity test was applied, there have been no material changes to the financial position of the Company and its subsidiaries;
- the general repurchase is authorised by the Company's Memorandum of Incorporation;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for five business days immediately preceding the date that the transaction is effected. The JSE will be consulted for a ruling if the Company's securities have not traded in such five business day period;
- the Company may at any point in time only appoint one agent to effect any repurchase(s) on the Company's behalf; and
- the Company may not effect a repurchase during any prohibited period as defined in terms of the Listings Requirements of the JSE unless there is a repurchase programme in place as contemplated in terms of paragraph 5.72(h) of the Listings Requirements of the JSE.

The reason for and effect of Special Resolution Number 4 is to grant the directors a general authority in terms of its Memorandum of Incorporation and the Listings Requirements of the JSE for the acquisition by the Company or by a subsidiary of the Company of shares issued by the Company on the basis reflected in this resolution.

In terms of the Listings Requirements of the JSE, any general repurchase by the Company must, *inter alia*, be limited to a maximum of 20% of the Company's issued share capital in any one financial year of that class at the time the authority is granted. Furthermore, in terms of section 48(2)(b)(i) of the Companies Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of a Company. For the avoidance of doubt, a *pro rata* repurchase by the Company from all its shareholders will not require shareholder approval, save to the extent as may be required by the Companies Act.

3.5 SPECIAL RESOLUTION NUMBER 5: Amendment to Memorandum of Incorporation

"Resolved that the Memorandum of Incorporation of the Company be and is hereby amended as follows: by the deletion in its entirety of clause 4, which provides as follows:

"4 MAIN BUSINESS
The main business of the Company is to carry on the business of providing and operating overall ICT Technology and Infrastructure including holding investments focusing on the direct or indirect investment in this sector and matters ancillary thereto."

and the replacement of such clause with the following:

"4 MAIN BUSINESS
The main business of the Company is to carry on the business of an investment holding company."

The reason for and effect of Special Resolution Number 5 is to amend the Company's Memorandum of Incorporation to provide for the amendment of the description of the Company's main business following its sector transfer from the 'Computer Services' sub-sector of the JSE to the 'Investment Companies' sub-sector, as referred to in the Directors' Report contained in the Annual Report.

4. Other business

To transact such other business as may be transacted at an annual general meeting or raised by shareholders with or without advance notice to the Company.

INFORMATION REQUIRED IN TERMS OF THE JSE LISTINGS REQUIREMENTS

For the purposes of considering Special Resolution Number 4 and in compliance with the JSE Listings Requirements, the following information is provided:

1. **Directors' statement after considering the effect of a repurchase pursuant to a general authority**

   The directors of the Company or its subsidiaries will only utilise the general authority to purchase shares of the Company as set out in Special Resolution Number 4 to the extent that the directors, after considering the maximum shares to be purchased, are of the opinion that the position of the Company and its subsidiaries ("**SCP**") would not be compromised as to the following:

   - SCP's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of this AGM and for a period of 12 months after the repurchase;
   - the consolidated assets of SCP will at the time of the AGM and at the time of making such determination be in excess of the consolidated liabilities of SCP. The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of SCP;
   - the ordinary capital and reserves of SCP after the repurchase will remain adequate for the purpose of the business of SCP for a period of 12 months after the AGM and after the date of the share purchase; and
   - the working capital available to SCP after the repurchase will be sufficient for SCP's requirements for a period of 12 months after the date of the notice of the AGM;

   and the directors have passed a resolution authorising the repurchase, resolving that the Company or the subsidiary, as the case may be, has satisfied the solvency and liquidity test as defined in the Companies Act and resolving that, since the solvency and liquidity test had been applied, there have been no material changes to the financial position of SCP.

2. **Litigation statement**

   The Company is not involved in any legal or arbitration proceedings, nor are any proceedings pending or threatened of which the Company is aware that may have or have had in the previous 15 months, a material effect on the Company's financial position.

3. **Directors' responsibility statement**

   The directors, whose names appear on page 3 of the Annual Report, 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 facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts that have been made and that the notice contains all information required by the Listings Requirements of the JSE.

4. **General information**

   The following further disclosures required in terms of the JSE Listings Requirements are set out below:

   4.1 *Directors*

   Refer to pages 3 and 86 of the Annual Report.

   4.2 *Major shareholders of the Company*

   Refer to page 25 of the Annual Report.

   4.3 *Material changes*

   Other than the facts and developments reported on in the Annual Financial Statements 2015, which are available on the Company's website at www.stellarcapitalpartners.co.za, there have been no material changes in the financial or trading position of the Company and its subsidiaries since the signature date of the Annual Financial Statements 2015, being 27 February 2015.

   4.4 *Directors' interests in the Company's shares*

   Refer to page 24 of the Annual Report.

   4.5 *Share capital of the Company*

   Refer to pages 59 and 60 of the Annual Report.

Notice of Annual General Meeting

ELECTRONIC PARTICIPATION
Shareholders are advised that no facilities for electronic participation in the AGM will be made available.

VOTING

1. The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the Company (the "**Share Register**") for purposes of being entitled to receive this notice is **Thursday, 30 April 2015**.

2. The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at this AGM is **Friday, 29 May 2015,** with the last day to trade being **Friday, 22 May 2015**.

3. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the AGM and must accordingly bring a copy of their identity document, passport or driver's license to the AGM. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.

4. Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a member of the Company. A form of proxy, in which are set out the relevant instructions for its completion, is enclosed for the use of a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the AGM. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the AGM.

5. The instrument appointing a proxy and the authority (if any) under which it is signed must reach the transfer secretaries of the Company at the address given below by not later than 10:00 on **Wednesday, 3 June 2015.**

6. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the AGM in person will need to request their Central Securities Depository Participant ("**CSDP**") or broker to provide them with the necessary authority in terms of the custody agreement entered into between such shareholders and the CSDP or broker.

7. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the AGM and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.

8. Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held.

By order of the Board

Warwick van Breda
Company secretary

8 May 2015
Rosebank, Johannesburg

Directors' abridged Curricula Vitae

Peter van Zyl

Peter has wide-ranging operational experience in financial management and Financial Director roles and has entrepreneurial experience, with a particular focus on the Information and Communication Technology industry. From 2004 to 2009 he was Commercial Director of Sekunjalo Investments Limited, where he managed a wide range of transactions, including the Sekunjalo Health Care rights issue, the acquisition of a BEE stake in British Telecom and Marine Growers from Transnet, as well as the restructuring of Sekunjalo Financial Services.

Charl de Villiers

Charl is a qualified Chartered Accountant (SA). He holds B.Acc LLB (cum laude) and B.Acc (Hons) degrees from the University of Stellenbosch. He completed his SAICA training with Deloitte in its financial services division and was later retained as an audit manager in the same division where he serviced a portfolio of asset managers and one of South Africa's most prominent reinsurers. In May 2013, Charl joined AfrAsia Corporate Finance where he advised ConvergeNet Holdings Limited on the sale of Sizwe Africa IT Group and other operating subsidiaries as well as the subsequent conversion of the Company to an investment entity.

Dumisani Tabata

Dumisani is an admitted attorney and director and founding partner of SMITH TABATA Inc. in King William's Town. As attorney he has been involved in several Constitutional and Administrative Law related matters. In 1996 Mr Tabata was an Acting Judge of the High Court and served in the position for 3 terms, in April 1999 he was appointed by the Premier of the Eastern Cape, as one of the Joint Liquidators of the Transkei Agricultural CorporaBon ("TRACOR"). After the advent of democracy, Mr Tabata regularly acted as attorney for Government Departments, local authorities and parastatals. Dumisani was a member of the National Association of Democratic Lawyers (Border) and served on the National Executive thereof in 1998, member of the King William's Town Transitional Local Council (First Interim Phase) and member of the Council's Land Sale Committee 1994-1995, served as Deputy Chairman of ABSA BANK regional board, Eastern Cape, served as non-executive director and chairman of Transactional Capital (Pty) Ltd as well as non-executive director of Amalgamated Appliances (Pty) Ltd. Currently he serves on the board of Vuwa Investments (Pty) Ltd as executive director, director of SMITH TABATA INC., Attorneys, Notaries and Conveyancers and Smith Tabata Buchanan Boyes ("STBB").

Charles Pettit

Charles graduated from the University of Cape Town with a First Class Honours degree in Finance and subsequently qualified as a CFA charter holder while working in London for Close Brothers Corporate Finance. At Close Brothers Charles worked on a wide range of M&A and Restructuring transactions and following his return to South Africa in 2008 established AfrAsia Corporate Finance to focus on the provision of independent advisory services to clients in the SADC region. AfrAsia Corporate Finance now provides a range of advisory, structuring and lending solutions to corporate and financial institutions clients across SADC from its offices in Johannesburg, Cape Town and Mauritius.

Charles advised on the balance sheet restructuring of SA French from 2010 and led the 2011 rights issue for that company as well as its delisting and sale to Torre in 2012. He was appointed as CEO of Torre on 1 October 2012.

Janine de Bruyn

Janine obtained a BCompt degree through UNISA while completing her articles at PriceWaterhouseCoopers, and a BCom (Hons) in Financial Analysis and Portfolio Management from UCT. Janine gained 6 years of investment expertise at Sanlam Investment Management and Futuregrowth Asset Management. Thereafter Janine established her own consulting firm and has spent in excess of 10 years consulting to various black economic empowerment groups, private companies, financial services businesses and renewable energy providers. Janine has gained invaluable experience in corporate governance, corporate-, empowerment- and development finance and has held a number of directorships on infrastructure, empowerment and investee companies, as well as private equity advisory board roles. Janine has a keen interest in rural development; she mentors students and young entrants in industry as part of her commitment to good corporate citizenship.

Clare Wiese

Clare holds an LLB from the University of Cape Town and a BA degree in Journalism from the University of Westminster. After having worked as a magazine journalist at House & Leisure (Associated Magazines), she completed her postgraduate law degree after which she worked at Bowman Gilfillan as a litigation attorney for three years, before founding Sloane & Madison, a company which specialises in the manufacturing of Fine Jewellery.

Lerato Mangope

Lerato holds a Bachelor of Arts in Economics degree from Vista University and is in the final stages of completing her MBA. In addition, she has a PDM from the University of Natal, together with a Diploma in Investments Liability Management from the University of Johannesburg (formerly RAU). She is presently the head of the Asset and Liability Management and Corporate Funding ("ALMU") division of the Industrial Development Corporation of South Africa Limited ("IDC"). In her present position, she deals with the planning and implementation of the borrowing plan for the IDC on an annual basis, manages the cost of debt, as well as managing the tender procurement process relating to the funding of the IDC and covenants. Previously, Lerato was a Senior Risk Manager with the IDC for eighteen months where she proactively promoted risk awareness whilst monitoring and overseeing the management of key risks facing the IDC on the basis of Enterprise-Wide Risk Management. She also worked as a Risk Manager for Transnet for seven years where she dealt with the analysis of the Transnet portfolio, the management and reporting of liquidity reports to the Strategic Committee, as well as reviewing the Transnet financial instrument policies. Lerato joined the ConvergeNet Board in August 2010 as a non-executive Director.

Christina Wiese

Christina graduated from the University of Stellenbosch with a BA degree in Value and Policy Studies, after which she did volunteer work at the Red Cross War Memorial Children's Hospital in Cape Town. She also attended a global leadership program at the Iacocca Institute at Lehigh University in the USA. She subsequently completed her Master's degree in Management from the London School of Economics during which time she also completed an internship program at Credit Suisse in London. She has worked in the micro-finance industry and currently consults for an online retailer in South Africa

Stellar Capital Partners Limited
(Incorporated in the Republic of South Africa)
(Registration number 1998/015580/06)
("**Stellar Capital**" or the "**Company**")
ISIN Code: ZAE000198586 Share code: SCP

FORM OF PROXY

- FOR USE BY CERTIFICATED AND OWN-NAME DEMATERIALISED SHAREHOLDERS ONLY

For use at the annual general meeting of shareholders of the Company to be held at the registered office of the Company at Level P3, Oxford Corner, c/o Jellicoe and Oxford Road, Rosebank, Johannesburg on Friday, 5 June 2015, at 10:00 (the "**AGM**").

I/We (full name in print)
of (address)
being the registered holder of ordinary shares hereby appoint:
1. or failing him/her,
2. or failing him/her,
3. the chairman of the AGM,

as my proxy to vote for me/us at the AGM for purposes of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name(s) in accordance with the following instructions (see Notes):

	Number of shares		
	In favour of	**Against**	**Abstain**
1. ORDINARY RESOLUTION 1			
Ratification of directors' appointments			
1.1 Ms J de Bruyn			
1.2 Ms CC Wiese			
1.3 Ms CH Wiese			
1.4 Mr CB de Villiers			
2. ORDINARY RESOLUTION 2			
Retirement and re-election of directors			
2.1 Ms L Mangope			
2.2 Mr CE Pettit			
3. ORDINARY RESOLUTION 3			
Appointment of the members of the audit and risk committee			
3.1 Ms J de Bruyn			
3.2 Ms CC Wiese			
3.3 Ms CH Wiese			
4. ORDINARY RESOLUTION 4			
Appointment of the members of the social and ethics committee			
4.1 Mr D Tabata			
4.2 Ms J de Bruyn			
4.3 Ms L Mangope			
5. ORDINARY RESOLUTION 5			
Approval of remuneration policy and its implementation			
6. ORDINARY RESOLUTION 6			
Appointment of independent external auditors			
7. ORDINARY RESOLUTION 7			
General authority to issue ordinary shares for cash			
8. ORDINARY RESOLUTION 8			
Authority to act			
9. SPECIAL RESOLUTION 1			
Remuneration of non-executive directors			
10. SPECIAL RESOLUTION 2			
Inter-company financial assistance			
11. SPECIAL RESOLUTION 3			
Financial assistance for acquisition of shares in a related or inter-related company			
12. SPECIAL RESOLUTION 4			
General authority to repurchase shares			
13. SPECIAL RESOLUTION 5			
Amendment of Memorandum of Incorporation			

Please indicate your voting instruction by way of inserting the number of shares or by a cross in the space provided.
Signed at ________________________on this _______ day of ______________________ 2015.
Signature(s) ____
Assisted by *(where applicable) (state capacity and full name)* ______________________________

Each SCP shareholder is entitled to appoint one or more proxy(ies) (who need not be a shareholder(s) of the company) to attend, speak and vote in his/her stead at the AGM.

Notes to the form of proxy

Notes

1. An SCP shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting "the chairman of the AGM". The person whose name appears first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
2. An SCP shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the chairman of the AGM, if he/she is the authorised proxy, to vote in favour of the resolutions at the AGM, or any other proxy to vote or to abstain from voting at the AGM as he/she deems fit, in respect of all the shares concerned. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or his/her proxy.
3. When there are joint registered holders of any shares, any one of such persons may vote at the AGM in respect of such shares as if he/she was solely entitled thereto, but, if more than one of such joint holders be present or represented at any AGM, that one of the said persons whose name stands first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member, in whose name any shares stand, shall be deemed joint holders thereof.
4. Forms of proxy must be completed and returned to be received by the transfer secretaries of the Company, Computershare Investor Services Proprietary Limited (PO Box 61051, Marshalltown, 2107), by not later than 10:00 on Wednesday, 3 June 2015.
5. Any alteration or correction made to this form of proxy must be initialed by the signatory(ies).
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer secretaries or waived by the chairman of the AGM.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

ConvergeNet