NIVEUS

INVESTMENTS LIMITED

NIVEUS INVESTMENTS INTEGRATED ANNUAL REPORT **2019**

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"Niveus", "the Group" or "the Company": Niveus Investments Limited

ABOUT THIS REPORT

SCOPE OF INTEGRATED ANNUAL REPORT AND ASSURANCE

The integrated annual report of Niveus Investments Limited ("Niveus") covers financial and non-financial information for the period 1 April 2018 to 31 March 2019. The information provides a summary of the Group's financial, social and environmental performance in matters material to the Group and those of interest to the Group's key stakeholders and is reflective of the Group's commitment to create shareholder value. The board and management are committed to the principles of integrated reporting and embrace these as a means to improve reporting about Niveus continually in the short, medium and long term.

The integrated annual report is Niveus's primary report to stakeholders and includes information that the board and management deem to be useful and relevant to stakeholders. The report was prepared according to and guided by:

- the Company's memorandum of incorporation ("MOI");
- requirements of the Companies Act, 71 of 2008, as amended ("the Companies Act");
- International Financial Reporting Standards ("IFRS");
- the Listings Requirements of the JSE Limited ("JSE" and "JSE Listings Requirements"); and
- recommendations of the King IV Report on Corporate Governance™ for South Africa, 2016 ("King IV™").

Hosken Consolidated Investments Limited ("HCI"), a black empowerment investment company, owns 52,3% of Niveus and publishes its own integrated annual report, which is available at www.hci.co.za.

The financial information contained in this report relates to Niveus and its subsidiaries, associates and joint arrangements ("Group"). Generally, no financial and non-financial targets or forward- looking statements are contained in this report. If, however, any forward-looking statements are included in this report, these would not have been reviewed or reported on by the Group's independent auditor.

The integrated annual report contains the annual financial statements. A copy of the annual financial statements is also available at www.niveus.co.za ("Niveus website").

Printed copies of this report can be requested from the company secretary, HCI Managerial Services Proprietary Limited, through Enid Nieuwoudt, on tel. 021 807 3013.

MATERIALITY

While many issues affect the business on a daily basis, the most material are those that have the greatest potential to impact ongoing success. In the determination of the matters that are material for disclosure in the integrated annual report, consideration was given to those that may affect Niveus's strategy or business model. Identifying these issues involves the consideration of Niveus's external and regulatory environment, its key business risks as well as inputs from stakeholders.

The following was taken into account in the development of our understanding of the most material issues:

- Agreements and commitments entered into by Niveus;
- Relevant current and future regulations and legislation;
- Niveus's strategies, policies, systems, goals and values;
- Significant risks identified; and
- Expectations, views, concerns and interests expressed by stakeholders.

STATEMENT OF THE BOARD OF DIRECTORS ON THE INTEGRATED ANNUAL REPORT

This integrated annual report is the result of combined input from Niveus and its subsidiaries on their activities and achievements for the year. No independent third-party assurance was obtained on the non-financial data included in this integrated annual report.

A key component of assurance is the approval of data and information by Niveus's executive management, the audit and risk committee and, ultimately, the board.

The board acknowledges its responsibility to ensure the integrity of the integrated annual report, believes that it addresses all material issues, and that it fairly represents the integrated performance of Niveus.

The external auditor, BDO South Africa Incorporated, provides assurance on the annual financial statements, which are available on the Niveus website.

The audit and risk committee and the board reviewed and approved the integrated annual report. The annual financial statements were prepared in accordance with IFRS and the Companies Act.

In our opinion, the integrated annual report and annual financial statements fairly reflect the financial position of the Group at 31 March 2019 and its operations during this period.

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Lael Irene Bethlehem (51)
Chief executive officer
BA (Hons) MA

Lael has a master's degree in Industrial Sociology from the University of Witwatersrand and started her career as a researcher in the union movement in the early 1990's, working in the Industrial Strategy Project, Naledi and Nedlac. Serving as Chief Director of Forestry in the National Department of Water Affairs and Forestry from 1998-2002 before moving to the City of Johannesburg where she worked in various roles, which included a 5-year tenure as CEO of the Johannesburg Development Agency where she was deeply involved in inner city regeneration. From 2010 – 2013 she was Head of Real Estate Investments and Integrated Residential Development at Standard Bank South Africa. Lael joined Hosken Consolidated Investments ("HCI") in 2013, where she has been working mainly in the property development and renewable energy portfolios.

Lael serves as a Board member of the Industrial Development Corporation as well as Sedibelo Platinum. She has also served on the Boards of various other entities including the Centre for International Forestry Research. The International Institute for Environment and Development and City Power Johannesburg. She was appointed to the Niveus board on 15 February 2019.

Antonio Francisco Pereira ("Cisco") (36)
Financial director
CA(SA)

Cisco joined HCI as group financial manager in 2010 and has served on a number of executive committees of HCI's subsidiaries. He qualified as a chartered accountant at PKF (Cpt) Inc and worked at PSG Asset Management prior to joining HCI. He was appointed to the Niveus board on 1 July 2018.

NON-EXECUTIVE DIRECTORS

John Anthony Copelyn (68)
Chairman
BA (Hons), BProc

John joined HCI as chief executive officer in 1997. Prior to this he was a member of Parliament and general secretary of the Southern African Clothing and Textile Workers Union. He holds directorships in numerous companies within the Group. He is chairman of Deneb Investments, eMedia Holdings, Hospitality Property Fund, Tsogo Sun Gaming, Tsogo Sun Hotels and the HCI Foundation. He was appointed to the Niveus board in May 1998.

Yunis Shaik (61)
BProc

Prior to his appointment as executive director at HCI, Yunis was an attorney of the High Court and served as an acting judge in the Labour Court. He is a former deputy general secretary of the Southern African Clothing and Textile Workers Union and served as a senior commissioner to the CCMA in KwaZulu-Natal. He is a director of La Concorde, Deneb Investments, eMedia Holdings and Tsogo Sun Gaming. He is chairman of Hosken Passenger Logistics and Rail. He was appointed to the Niveus board in January 2012.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr Lynette Moretlo Molefi (50)
BSc, MBChB, Telemed Diploma, SMP

Moretlo is a businesswoman with interests in healthcare, specifically eHealth. She serves in the ministerial advisory committee on eHealth in South Africa and has served as a strategic advisor to the WHO eHealth sector. She holds a number of leadership positions and serves on the boards of Tsogo Sun Hotels, EOH Holdings and the South African Post Office. She was appointed to the Niveus board in January 2012 and as lead independent director on 20 March 2014.

Jabulani Geffrey Ngcobo ("Jabu") (68)

Jabu served as regional secretary for Africa of the International Textile Garment and Leather Workers Federation from 2006. Prior to this appointment he held the position of general secretary of the Southern African Clothing and Textile Workers Union for six years. He is a director of HCI and Tsogo Sun Gaming and Tsogo Sun Hotels. He was appointed to the Niveus board as a non-executive director in January 2012.

Rachel Doreen Watson (60)

Rachel currently holds a position as manager of a local community radio broadcaster. Prior to this appointment he was employed within the clothing industry for 33 years, serving as a trade union representative and national media officer. She is a director of Hosken Passenger Logistics and Rail, Hospitality Property Fund, HCI and eMedia Holdings. She was appointed to the Niveus board in May 2017.

ANALYSIS OF SHAREHOLDERS

Listed below are analyses of shareholdings extracted from the register of ordinary shareholders at 31 March 2019.

DISTRIBUTION OF SHAREHOLDERS

	Number of shareholders	% of shareholders	Number of shares	% of issued capital
1 – 1 000 shares	183	51,5	47 016	0,0
1 001 – 10 000 shares	83	23,4	323 668	0,3
10 001 – 50 000 shares	44	12,4	1 015 690	0,9
50 001 – 100 000 shares	13	3,7	984 328	0,8
100 001 – 500 000 shares	16	4,5	3 602 840	3,0
500 001 – 1 000 000 shares	5	1,4	3 821 088	3,2
Over 1 000 000 shares	11	3,1	109 368 104	91,8
	355	**100,0**	**119 162 734**	**100,0**

TYPE OF SHAREHOLDER

	Number of shareholders	% of shareholders	Number of shares	% of shares
Bank	4	1,1	333 562	0,3
Close corporation	12	3,4	2 075 156	1,7
Individual	273	76,9	21 714 404	18,2
Investment company	16	4,5	13 641 663	11,4
Pension fund	1	0,3	5 246	0,0
Private company	18	5,1	19 502 117	16,4
Public company	4	1,1	60 657 397	51,0
Trust	27	7,6	1 233 189	1,0
	355	**100,0**	**119 162 734**	**100,0**

SIGNIFICANT SHAREHOLDINGS

At 31 March 2019, as far as Niveus is aware, the following shareholders beneficially held, either directly or indirectly, 5% or more of the issued shares:

Shareholder	Number of shares	% of issued capital
HCI	62 294 907	52,3
Legae Peresec	15 036 268	12,6
Rivetprops 47 Proprietary Limited	7 790 199	6,5
Geomer Investments Proprietary Limited	7 746 746	6,5
Ronaldgate Proprietary Limited	7 173 840	6,0

SHAREHOLDER ANALYSIS

31 March 2019	Number of shareholders	Number of shares	% of issued capital
Public	**353**	**49 693 987**	**41,7**
Non-public	**2**	**69 468 747**	**58,3**
HCI	1	62 294 907	52,3
JA Copelyn# (indirect)	1	7 173 840	6,0
Total	**355**	**119 162 734**	**100.0**

Director

CHIEF EXECUTIVE OFFICER'S REPORT

During the prior financial year Niveus disposed of its limited payout and bingo operations. It also utilised the majority of cash and promissory notes held by the La Concorde Group ("La Concorde") to purchase an interest in Hosken Passenger Logistics and Rail Limited, which interest was distributed to shareholders during April 2018.

The Group received regulatory approval to dispose of its interest in the Grand Oasis Casino during June 2018, resulting in the conclusion of the disposal of the Group's limited payout, bingo and casino operations to Tsogo Sun Holdings.

Niveus' remaining investments consist significantly of its interests in La Concorde, online and retail sports betting operator, BETcoza, and golf ball tracking technology company, Alphawave Golf.

LA CONCORDE

Niveus owns a 58% interest in the La Concorde Group. La Concorde in turn owns investment properties, the Laborie farm, an art collection and cash. Subsequent to the reporting date, La Concorde has received an offer from HCI Properties to buy a number of the investment properties. The offer allows La Concorde a 60-day period to pursue alternative offers and remains subject to shareholder approval at the date of this report. Once these properties are sold, the remaining assets of La Concorde would consist largely of Laborie, the art collection and cash. We are exploring options for the development of new facilities at Laborie, which would enable us to add value to this magnificent property.

BETCOZA

The Company is in the process of selling its share in BETcoza, an online and retail sports betting business. The business has stabilised over the past year and has grown its turnover and customer base. However, gross gaming revenue remains volatile. The sale will enable Niveus to recover its investment and focus on other areas. We hope to implement the various transactions in the third quarter of 2019.

ALPHAWAVE

Niveus owns a stake in Alphawave Golf ("Alphawave"), a golfball tracking business. This is an exciting business in a new and growing market. The company draws on strong South African engineering and IT skills for the development of its systems. Alphawave is making good progress in commercialising its technology and is now active at sites in the UK and the USA. The Alphawave mobile application, which will allow users to track their shot accuracy and progress, is now available commercially and user adoption indications are positive at this early stage in the trial period. Subsequent to the reporting date, Niveus also received an offer from HCI to acquire the Company's interest in Alphawave. This sale remains subject to shareholder approval at the date of this report.

The Group's cash resources remain concentrated in Niveus AG, La Concorde and at head office. Niveus will continue to evaluate the application of these resources to enhance value for its stakeholders.

Lael Irene Bethlehem
CHIEF EXECUTIVE OFFICER

24 July 2019
Cape Town

GROUP OVERVIEW

Hosken Consolidated Investments Limited

52,3%

NIVEUS INVESTMENTS LIMITED

BETcoza

50,1%

www.bet.co.za

La Concorde

58,2%

www.laconcordeholdings.co.za

Alphawave Golf

41,1%

www.inrangegolf.com

CORPORATE GOVERNANCE REPORT

COMPLIANCE WITH LAWS, CODES AND STANDARDS

Niveus complies with and respects the laws of the countries in which it operates. These include, but are not limited to, corporate and tax laws, common law as well as specific laws, including legislation of all the gambling boards. The Group operates in a highly regulated environment, and compliance officers ensure adherence to the various acts and codes. Each company has its own board of directors responsible for the management, including risk management and internal control, of that company and its business. No material non-compliance with laws, codes or standards has occurred.

DEALING IN THE COMPANY'S SECURITIES

Niveus complies with the continuing obligations of the JSE Listings Requirements. A Group-wide share trading policy is in place, which prohibits all directors and employees who have access to financial results and other price-sensitive information from dealing in Niveus's shares during certain prescribed restricted periods, as defined by the JSE or when the Company is operating under a cautionary announcement.

The company secretary regularly disseminates written notices to inform these employees of the insider trading legislation and to advise on closed periods. Details of share dealings by Niveus's directors or their subsidiaries are disclosed to the board and the JSE through the Stock Exchange News Service ("SENS"). Written requests by directors and their associates, officers and senior personnel to trade in shares and the requisite approval to trade in Niveus's shares, outside of closed periods, are kept on record at Niveus's office.

DISCLOSURES

Niveus ensures that accurate and timely disclosure of information which may have a material effect on the value of its securities or influence investment decisions is made to all shareholders to ensure shareholder parity. The Company publishes details of its corporate actions and performance via SENS and in Business Day. The Company maintains a website through which access to the Company's latest financial, operational and historical information, including its annual reports, is available to the broader community.

The composition of the board complies with the King IV™ principle which recommends that the board maintains a balance of power with its majority comprising non-executive directors, the greater part of which should be independent.

The board consists of seven members – five non-executive directors of which three are independent directors. The independence of the directors was evaluated by weighing all relevant factors, including duration of service on the board, which may compromise independence.

The roles of chairman and chief executive officer are separate, and the composition of the board ensures a balance of authority, which precludes any one director from exercising unfettered powers of decision-making. The directors are high-calibre individuals with diverse backgrounds and expertise. This facilitates independent judgement and broad deliberation in the decision-making process.

Chairman

The current chairman, John Copelyn, is not an independent director due to his directorship at Niveus's major shareholder, HCI. In this regard, Niveus has appointed Dr Moretlo Molefi as lead independent director to act as chairperson where the independence of the chairman may be compromised. Given the chairman's knowledge of the business and his commercial experience, the board deems this arrangement appropriate and essential for achieving Niveus's business objectives.

Chief Executive Officer

The role and function of the chief executive officer is formalised. All senior executive-level appointments are confirmed by the board of directors. The administration agreement entered into between Niveus and Johnnic Holdings Management Services Limited ("JHMS") during September 2012 provides for the placement of the chief executive officer by JHMS. The ability of JHMS to place a suitable candidate in the position of chief executive officer is considered as part of succession planning. JHMS is a wholly owned subsidiary of HCI and well placed to source suitable candidates from within the HCI group of companies.

Ms Lael Bethlehem's employment terms with her employer company includes a notice of termination period of one month. There exists no onerous terms on Niveus in the event that Ms Bethlehem leaves the employment of her employer company.

Non-executive Directors

Non-executive directors are selected for their broader knowledge and experience and are expected to contribute meaningfully to decision-making alongside the formulation of policy. Executive directors contribute insight into day-to-day operations.

COMPOSITION OF THE BOARD

The Niveus board is responsible for leading and controlling the strategic and governance direction of Niveus and its subsidiaries and is regulated by a formal charter that sets out the roles and responsibilities of the directors. The board charter codifies the board's composition, appointment, authorities, responsibilities and processes, and sets out the fiduciary duties of the directors of the Company.

The board delegates the power to manage the day-to-day operations of the Group to the chief executive officer, who may again delegate some of these powers. The board also delegates powers and responsibilities to the elected committees to execute its strategy and ensure that the objectives, as determined by the individual charters, are met. This ensures that there is a clear division of responsibilities at board level, which safeguards against an individual exercising an unfettered power of decision-making.

BOARD AND SUBCOMMITTEE INFORMATION

	Charter or mandate	Roles and responsibilities	Composition
Board	Yes	• strategic direction and performance • risk exposure, governance and tolerance levels • business sustainability • monitoring of relationship between management and stakeholders of the Group • ethical leadership and corporate citizenship • compliance and adherence to rules, codes, standards and best practice • dispute resolution • compliance with gender and race diversity policy	• two executive directors • two non-executive directors • three independent non-executive directors
Audit and risk	Yes	• internal financial controls and accounting systems • oversight of integrated reporting process • oversight of risk management, exposure and internal controls • monitoring of accounting and information systems • oversight of internal audit function and external auditor, and IT systems • evaluation of performance of the internal audit function • protection of assets and public reporting • compliance with relevant laws, rules, codes of conduct and standards • recommendation of external auditor to shareholders	• three independent non-executive directors
Remuneration	Yes (included in board charter)	• recommendations to the board on non-executive directors' fees • provision of channel of communication between board and management on remuneration matters • review of the Group's remuneration policies and practices, and proposals to change these, and to make recommendations in this regard to the board • determination and approval of any share option grants to senior employees of the Group made pursuant to the Company's executive share scheme • review and approval of any disclosures in the integrated annual report, or elsewhere, on remuneration policies or directors' remuneration	• two independent non-executive directors • one non-executive director
Social and ethics	Yes	• monitoring of Company compliance with relevant social, ethical and legal requirements and best practice codes • guidance on relevant matters to the board • report to shareholders on social and ethics matters • social and economic development • oversight of environment, health and public safety • oversight of consumer, labour and employment relationships	• two non-executive directors • one independent non-executive director

BOARD SUBCOMMITTEES

The board has established subcommittees to assist it in discharging its duties and responsibilities. In line with King IV™, all board committees comprise only members of the board but appropriate personnel are invited to the meetings as required.

All committees are empowered to obtain such external or other independent professional advice as they consider necessary to carry out their duties. These committees play an important role in enhancing good corporate governance and improving internal controls and, as a result, the Company's performance. Each subcommittee acts according to its charter or mandate, approved by the board and reviewed annually, which sets out its purpose, membership requirements, and duties and reporting procedures.

The chairmen of the subcommittees give feedback to the board at the following board meeting.

Notwithstanding the delegation of functions to the subcommittees, the board remains ultimately responsible for the proper fulfilment of such functions, except in the case of the audit and risk committee functions relating to the appointment, fees and terms of engagement of the external auditor.

NIVEUS'S ETHICS LINE

Niveus is committed to conducting healthy business practices with honesty and integrity. For this reason, Niveus has subscribed to a whistle-blowing service that will enable all stakeholders to report anonymously on suspected dishonest behaviour.

The Niveus whistle-blower's hotline is administered independently by the professional services firm, Whistle Blowers. Awareness is created by advertising on the websites of Niveus's subsidiaries and on staff notice forums. Reporting is entirely confidential.

LITIGATION

There are no material legal or arbitration proceedings (including proceedings which are pending or threatened, of which the directors of Niveus are aware) which may have or have had, during the 12-month period preceding the last practicable date, a material effect on the financial position of Niveus.

CONFLICTS OF INTEREST

The company secretary keeps a register of declarations of interest for all directors. Directors are not disqualified from contracting within the Group by virtue of their office. However, full disclosure of the nature of a director's interest is made at every board meeting. Should a matter arise in which a director has an interest, the director is disqualified from voting and may be required to recuse him/herself from any meeting where the matter is discussed.

Executive directors must distinguish between their role as director and that of manager. Should they be unable to reconcile the two roles, they are required to withdraw from the discussion and the voting.

ACCESS TO INFORMATION

No requests for information were lodged with the Company in terms of the Promotion of Access to Information Act, 2 of 2000.

GENDER DIVERSITY

The board of directors has adopted a policy on gender diversity at board level and agreed on voluntary targets. The board has surpassed its gender target of 25% women, all of which are women of colour.

RACE DIVERSITY

The board of directors has adopted a policy on race diversity at board level. The voluntary target was set at a majority of members being people of colour which were met.

COMPANY SECRETARY

HCI Managerial Services Proprietary Limited held the office of the company secretary for the twelve months ended 31 March 2019. The secretarial department is under the supervision of Cheryl Philip ("FCIS") who is empowered and authorised to provide corporate governance services to the board and management. The board has evaluated the performance and independence of the company secretary during the period under review and it is satisfied that the company secretary is competent and has the appropriate qualifications and experience required by the Group to administer the secretarial obligations of the Company. The secretary has an arm's-length relationship with the board of directors. The name, business and postal address of the company secretary are set out on the inside back cover.

MEETINGS OF THE BOARD

During the year, Niveus held three board meetings. The directors are briefed comprehensively, in advance, and are provided with all the necessary information to enable them to discharge their responsibilities. Individual directors' attendance at the board and committee meetings is set out in the table below:

	Board			Audit and risk			Social and ethics		Remune-ration
	14 May 2018	16 Nov 2018	11 Mar 2019	14 May 2018	16 Nov 2018	11 Mar 2019	14 May 2018	16 Nov 2018	14 May 2018
JA Copelyn	✓[C]	✓[C]	✓[C]	–	–	–	✓[C]	✓[C]	✓[C]
AF Pereira*	N/A	✓	✓	N/A	✓	✓	N/A	N/A	N/A
LI Bethlehem****	N/A	N/A	✓	N/A	N/A	✓	N/A	N/A	N/A
LM Molefi	via VC	via TC	✓	via TC	via TC	✓[C]	via TC	via TC	via VC
JG Ngcobo	via VC	✓	✓	via VC[C]	✓[C]	✓	via VC	✓	via VC
Y Shaik	✓	✓	✓	–	✓	–	✓	✓	✓
RD Watson	✓	✓	✓	✓	✓	✓	–	–	✓
CE Kristal**	✓	N/A	N/A	✓	N/A	N/A	✓	N/A	N/A
MM Loftie-Eaton***	✓	N/A	N/A	–	N/A	N/A	✓	N/A	N/A
A van der Veen***	✓	N/A	N/A	–	N/A	N/A	–	N/A	N/A

** Appointed 01/07/2018*
*** Resigned 30/06/2018*
**** Resigned 01/08/2018*
***** Appointed 15/02/2019*
[C] Chairman
TC Teleconference
VC Video Conference

REPORT OF THE AUDIT AND RISK COMMITTEE

Members: Dr LM Molefi (chairperson), RD Watson and JG Ngcobo

The audit and risk committee submits this report for the financial year ending 31 March 2019, as required by section 94 of the Companies Act.

The Niveus audit and risk committee is a formal committee of the board appointed by the shareholders and functions within its documented terms of reference. All members of the audit and risk committee are independent non-executive directors who act independently and are suitably skilled and experienced. Their curricula vitae ("CVs") appear on page 3. The committee members are permitted to consult with specialists or consultants subject to board approval.

The chief executive officer and the financial director attend the meetings as permanent invitees, along with the external auditor. Other directors and members of management attend as required.

Three audit and risk committee meetings were held during the year. Attendance is recorded on page 11.

FUNCTIONS OF THE AUDIT AND RISK COMMITTEE

In terms of the Companies Act, the audit and risk committee has adopted formal terms of reference, delegated to it by the board of directors, as its audit and risk committee charter.

The audit and risk committee fulfils an independent oversight role regarding the Group's integrated annual report, financial statements and the reporting process, which includes the system of internal financial control. The audit and risk committee is ultimately accountable to both the board and shareholders. The committee's responsibilities include the statutory duties prescribed by the Companies Act, recommendations by King IV™ and additional responsibilities assigned by the board.

The committee is satisfied that, in respect of the financial period under review, it has performed all the functions required by law to be performed by an audit and risk committee, including those set out in section 94 of the Companies Act and in terms of the committee's terms of reference and those more fully set out in the corporate governance report. In connection with the above, the committee has:

- reviewed the interim, provisional and year-end financial statements, which culminated in a recommendation to the board for their adoption;
- reviewed legal matters that could have a significant impact on the Group's financial statements;
- reviewed the external audit report on the annual financial statements;
- assessed the effectiveness and quality of the external auditor;
- evaluated policies and procedures regarding internal controls as well as the adequacy of and adherence to controls;
- reviewed significant risks arising in the Group;
- reviewed and approved the internal audit plan;
- reviewed internal audit reports;
- reviewed the board-approved internal audit charter;
- evaluated compliance with the JSE Listings Requirements; and
- confirmed the independence of the external auditor as per section 92 of the Companies Act.

The audit and risk committee fulfils an oversight role regarding the Group's financial statements and the reporting process, which includes the system of internal financial control.

COMBINED ASSURANCE

The Combined Assurance Forum (incorporating internal audit, external audit and the financial director) provides assurance to the board that the risk management process is integrated into the daily business activities of the Company and that the appropriate levels of assurance are obtained.

EXTERNAL AUDITORS

The external auditors for the period under review were BDO South Africa Incorporated and Mr B Frey as the designated auditor.

The committee

- confirmed the independence of the external auditor as per section 92 of the Act;
- reviewed the performance of the external auditors and confirmed that the external auditors, the partner and the firm, have complied with the suitability requirements of the JSE as detailed in paragraph 22.15(h) of the JSE Listings Requirements;
- determined the fees to be paid to the external auditor and their terms of engagement;
- determined the nature and extent of any non-audit services that the external auditors may provide to the Company and its wholly owned subsidiaries;
- preapproved any proposed agreement with the external auditor for the provision of non-audit services to the Company and its wholly owned subsidiaries; and
- provided for regular confidential meetings between the committee members and the external and internal auditors.

RISK MANAGEMENT AND INTERNAL CONTROL

The board acknowledges that it is accountable for the process of risk management, and the system of internal control of the Group, and has delegated the governance of risk to the audit and risk committee. The committee's responsibilities in terms of risk are to ensure that:

- management designs, implements and monitors the risk management policies;
- risk assessments are performed on an ongoing basis;
- frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks;
- risk responses by management are considered and implemented;
- risk monitoring is continuous; and
- the board receives assurance regarding the effectiveness of Group risk management.

The committee is accountable to the board for implementing and monitoring the risk management processes and integrating this into day-to-day activities. However, the committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

Risk registers are presented to the committee, which identify the most significant risks based on likelihood and impact of occurrence, with mitigating controls documented per risk.

A disciplined and timeous reporting structure enables the committee to be fully apprised of Group activities, risks and opportunities. This is achieved by requiring that subsidiaries report their key risks and responses to the committee and update the board when significant changes have taken place.

The chairperson of the committee reports the most significant risks derived from the above process to the board of Niveus.

INTERNAL AUDIT

The committee has oversight of the Group's financial statements and reporting process, which includes the system of internal financial control. It is responsible for ensuring that the Group's internal audit function is independent and has the necessary resources, standing and authority in the organisation to discharge its duties. The committee oversees cooperation between internal and external auditors, and serves as a link between the board of directors and these functions. The function of Chief Audit Executive ("CAE") is outsourced to a subsidiary of HCI. The CAE functionally reports to the chair of the committee and administratively to the financial director.

CORPORATE GOVERNANCE

The Niveus board of directors is committed to the principles of good corporate governance. Ethical behaviour in Company undertakings is maintained by all directors, officers and staff in accordance with the Group's ethics policy. The policy requires of individual employees that they comply with all relevant legal requirements and regulations that apply to their area of work, and provides guidance on matters such as respecting intellectual property rights and avoiding conflicts of interest. Niveus acknowledges and understands that the structure of its investments requires a shared set of core values and ethical conduct to which each employee is held accountable.

As a corporate citizen, Niveus has a responsibility to conduct its affairs with diligence and responsibility, and to safeguard the interests of all stakeholders. The board is accountable for the strategy, direction and corporate behaviour of the Company. This includes oversight of policies and procedures that promote Company conduct in accordance with the Niveus code of ethics.

With effect from 1 July 2014, the Group adopted an Anti-Corruption and Economic Crime Prevention Policy. The purpose of this document is to set out the policy of the Group in its management of bribery, corruption and other forms of economic crime. The policy includes control strategies for prevention and remedial action in order to limit the Group's exposure.

The directors of Niveus are required to act in accordance with the Group's directors' code of conduct. The governing principles are broadly defined as standards of diligence and good faith.

The board endorses the King IV Code™ on Corporate Governance ("King IV Code™") set out in King IV™ along with the Company's commitment to good corporate governance formalised in its charter and policies.

King IV™, which is on an "apply and explain" basis, was released on 1 November 2016. King IV™ advocates an outcomes-based approach and defines corporate governance as the exercise of ethical and effective leadership towards the achievement of the following governance outcomes:

- Ethical culture;
- Good performance;
- Effective control; and
- Legitimacy.

The board is satisfied that Niveus, in all material aspects, complies with the major recommendations of the King IV Code™ to ensure that sound corporate governance and structures are applied within the Group.

IT GOVERNANCE

As an investment holding company with limited technology needs, Niveus has not deemed it necessary to focus on IT at a Group level. The Company has outsourced its IT operations to a credible service provider via a service level agreement.

COMPLIANCE

The social and ethics committee has oversight of the Group's compliance programme. It is the responsibility of this committee to review the matters that pertain specifically to audit committees, such as tax compliance.

WHISTLE-BLOWING

The committee has oversight of the Company's whistle-blowing programme. During the period under review it was satisfied that adequate and appropriate provision was made for whistle-blowing. No instances requiring action at a Group level were raised or identified during the period under review.

SUSTAINABILITY REPORTING

The committee considered the Company's sustainability information, as disclosed in this report, and has assessed its consistency with operational and other information known to committee members. The committee is satisfied that the sustainability information is reliable and consistent with the financial results.

FINANCIAL DIRECTOR AND FINANCE FUNCTION

During the period under review, the committee considered the expertise and experience of the financial director ("FD"), Mr Cisco Pereira, and was satisfied that, in terms of section 3.84(g)(i) of the JSE Listings Requirements, the FD had the appropriate skills, expertise and experience to meet the responsibilities of the position.

The committee has also, in terms of King IV™, assessed the expertise of the finance function and the committee is satisfied that the finance team have the required and adequate skills to perform their duties.

FINANCIAL STATEMENTS AND GOING CONCERN

The committee has reviewed the stand-alone and consolidated financial statements of the Company and is satisfied that they comply with International Financial Reporting Standards and the Companies Act, and that the accounting policies used are appropriate.

The review of the financial statements includes a review of the legal matters that could have a significant impact on the Group's financial statements and the key audit matters contained in the external audit report.

The committee has also reviewed the assessment by management of the going concern premise of the Company before recommending to the board that the Company will be a going concern in the foreseeable future.

PREPARATION OF THE ANNUAL FINANCIAL STATEMENTS

The committee, after taking into account the risk of fraud relating to financial reporting, has further considered, and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the Niveus finance function, the effectiveness of the internal financial controls, and the experience of the senior members of management responsible for the finance function.

The committee has reviewed the stand-alone and consolidated financial statements of the Company and is satisfied that they comply with International Financial Reporting Standards and the Companies Act, and that the accounting policies used are appropriate.

RECOMMENDATION OF THE INTEGRATED ANNUAL REPORT

The committee has evaluated the integrated annual report, which includes the annual financial statements, of the Group for the period ended 31 March 2019 and, based on the information provided, has recommended them for approval by the board.

Dr Moretlo Molefi
CHAIRPERSON: AUDIT AND RISK COMMITTEE

REPORT OF THE REMUNERATION COMMITTEE

Members: JG Ngcobo (chairman), Dr LM Molefi and JA Copelyn

The chairman and the majority of the members of the remuneration committee are independent non-executive directors. In line with the recommendations of King IV™, the chief executive officer attends the meetings of the committee at the request of the committee, but recuses him or herself from the meeting before any decisions are had.

REMUNERATION POLICY

The committee is primarily responsible for overseeing the remuneration and incentives of the executive management and non-executive directors of the Group. It takes cognisance of local best practice relating to remuneration in order to ensure that such total remuneration is fair and reasonable to both the employee and the Company.

The HCI remuneration committee utilises the services of independent remuneration consultants to assist in providing guidance on the remuneration for executive management, which includes Niveus's management. This feedback is considered by Niveus's remuneration committee when determining the appropriate remuneration levels.

The Group's remuneration philosophy strives to reward employees in a fair and responsible way that ensures a culture of high performance so as to deliver returns to shareholders through employees who are motivated, engaged and committed. The aim of this philosophy is to attract, retain and develop employees with scarce and critical skills who contribute to sustained business growth and are aligned with the strategic and operational requirements of the business.

In terms of the approved Niveus Employee Share Scheme, share options are allocated to participants at a 10% discount to the 20-business-day volume-weighted average middle-market price, as at date of grant. The number of share options granted is determined using a multiple of the participant's basic salary, divided by the discounted market price. The fair value of options granted is measured using the Black-Scholes Model.

Annual fees for directors' services to the Company have been proposed at R112 360 per non-executive director and at R48 315 per committee member, with effect from 1 April 2020, subject to shareholder approval at the annual general meeting. Where a non-executive director is a member of more than one subcommittee of the Company, the annual committee fee will be limited to R48 315. These fees are comparable with those of similarly sized companies. Non-executive directors do not receive short-term incentives and do not participate in the share incentive scheme.

Position	Actual Fee FY 2020 R'000	Proposed Fee FY 2021 R'000
Non-executive director	106	112
Member of audit and risk committee	46	48
Member of remuneration committee	46	48
Member of social and ethics committee	46	48

Niveus and Johnnic Holdings Management Services Proprietary Limited ("JHMS") entered into an administrative agreement to provide various services, including company secretarial support, the provision of cash management services as well as developing and advising Niveus in relation to appropriate capital management strategies, as well as interacting with key stakeholders. According to the agreement, the chief executive officer and the financial director perform investment management and advisory services for Niveus in their capacity as executive directors of Niveus. Given that the executive directors are remunerated by JHMS, the remuneration committee does not determine or approve the executive directors' remuneration.

IMPLEMENTATION REPORT

Key management compensation is disclosed in Note 26 of the annual financial statements on page 62. Refer to Note 27 for more information on grants awarded during the year and balances outstanding at reporting date in respect of the Company's share based remuneration schemes.

The committee is satisfied that the Company's remuneration policy has been implemented as described in this report and that the committee has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

The non-binding advisory vote in respect of the remuneration report and policy, as included in the integrated annual report for the 2018 financial year, was tabled at the annual general meeting of the Company and passed by the requisite majority. In the event that the non-binding advisory votes in respect of the Company's remuneration implementation report or its remuneration policy, as summarised in this report, are voted against by 25% or more of votes cast at the annual general meeting, the board will seek to engage directly with the disapproving shareholders in order to contemplate the reasons for dissent and implement corrective action, if it deems fit.

Jabu Ngcobo
CHAIRMAN: REMUNERATION COMMITTEE

REPORT OF THE SOCIAL AND ETHICS COMMITTEE

Members: Dr LM Molefi (chairperson), JA Copelyn and Y Shaik

INTRODUCTION

The social and ethics committee has the pleasure of submitting this report, as required by sections 72(4) to 72(10) and regulation 43 of the Companies Act.

FUNCTIONS OF THE SOCIAL AND ETHICS COMMITTEE

The committee has been mandated to advise, oversee and monitor Niveus's activities with regard to social and economic development, ethics, transformation, sustainability, corporate citizenship, environmental, health and public safety, stakeholder relationships, labour and employment matters. In executing its mandate, the committee strives to comply with recommended practices, as outlined in King IV™. The committee considers reports and information generated by the Group's companies and reports back to the Niveus board.

The social and ethics committee has discharged the monitoring functions in terms of regulation 43.5 of the Companies Act.

Please refer to the corporate social responsibility report on page 17.

Dr Moretlo Molefi
CHAIRPERSON: SOCIAL AND ETHICS COMMITTEE

CORPORATE SOCIAL RESPONSIBILITY

The social and ethics committee is responsible for maintaining the overall direction and control of social responsibility to ensure that Niveus remains a responsible corporate citizen. Its role and responsibilities are set out in the corporate governance report on page 8. Niveus subscribes to the King IV™ principles, which set out the ethical commitments and performance that lay the foundation for a socially responsible business.

The sustainability strategy recognises the importance and impact of socio-economic dynamics on the Company's ability to continue creating value for stakeholders. Niveus defines its stakeholders as individuals, groups, organisations, members and systems that can materially affect its operations or investments. Niveus's subsidiaries continuously engage with the following stakeholders through its value-creation activities:

Stakeholder	Value-creation activities
Customers/consumers	Delivery of high-quality products and services in entertainment and related industries
Suppliers	Long-term planning, contracting and subsequent payment for delivered goods and services
Government and regulators	Compliance with laws and regulations and timeous interaction regarding and payment of taxes and levies
Regulatory bodies (gambling and betting boards)	Long-term engagement in terms of licensing
Employees/unions	Employment, wages and other employee benefits
Shareholders/investors	Dividends and share price appreciation

APPROACH TO SUSTAINABILITY REPORTING

The implementation of sustainable business practices is a continuous process for every organisation. To maintain and improve sustainability initiatives, Niveus, through the social and ethics committee, encourages its subsidiaries to embed a sustainability strategy into the core strategy of their businesses. Sustainability initiatives support the creation of value by leveraging opportunities and managing risks from a financial, social and environmental perspective.

ECONOMIC SUSTAINABILITY

Economic sustainability is critical in attracting and retaining customers, employees and investors. Sustainability initiatives increase the value of the Company by leveraging opportunities and managing risk.

ENVIRONMENTAL SUSTAINABILITY

Niveus recognises its responsibility for the impact it has on its surrounding communities and the environment in general.

Niveus is committed to integrating sustainability principles into its core business strategy, thereby ensuring balance between economic, social and environmental needs.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

Niveus is a subsidiary of Hosken Consolidated Investments ("HCI") and is included in the HCI Group B-BBEE scorecard. HCI achieved a Level 2 B-BBEE status for the 2019 financial year, as follows:

Level 2 Contributor				
Scorecard information	**Actual score**	**Target score**	**Analysis**	**Results**
Ownership	25,00	25,00	Black ownership percentage	76,10%
Management control	13,78	19,00	Black women ownership percentage	43,52%
Skills development	18,06	20,00		
Enterprise and supplier development	36,18	40,00	Exclusion principle applied	Yes
Socio-economic development	5,00	5,00	Empowering supplier	Yes
Total score	98,02	109,00	Vat number	4220262267
BEE procurement recognition level	125,00%		Financial year end	31 March 2019
Discounting principle applicable	No		Issue date	19 July 2019
			Expiry date	18 July 2020

DIRECTORS' REPORT

NATURE OF THE BUSINESS AND OPERATIONS

Niveus is an investment holding company incorporated in South Africa and listed on the JSE on 10 September 2012. The Group's interests consist mainly of investments in property and cash.

BUSINESS COMBINATIONS AND DISPOSAL OF SUBSIDIARIES

Refer to Note 30 of the annual financial statements for information on the disposal of subsidiaries during the period under review.

STATED CAPITAL

The authorised share capital at 31 March 2019 was 500 000 000 ordinary shares of no par value.

At 31 March 2019, the total shares issued was 119 162 734.

Refer to Note 12 of the annual financial statements for more information on the Group's stated capital.

DISPOSAL GROUP ASSETS AND LIABILITIES HELD FOR SALE

Refer to Note 31 of the annual financial statements for information on the disposal group assets and liabilities held for sale as at the reporting date.

MAJORITY SHAREHOLDER

HCI is the holding company of Niveus with an effective interest of 52,3%.

DIRECTORATE AND COMPANY SECRETARY

The directors of the Company appear on page 3 and the company secretary's details are set out on the inside back cover.

AF Pereira – appointed 1 July 2018

CE Kristal – resigned 30 June 2018

A van der Veen and MM Loftie-Eaton – resigned 1 August 2018

LI Bethlehem – appointed 15 February 2019

Y Shaik served as executive director between 1 August 2018 and 15 February 2019

As noted in the remuneration report, the executive directors are employed and remunerated by JHMS.

GOING CONCERN

The board considers the going concern status of the Niveus Group on an annual basis with reference to the following:

- net available funds and the liquidity thereof;
- the following year's forecast of profitability and cash flows; and
- the Niveus Group's current financial position.

The directors report that they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

NO MATERIAL CHANGE

There has been no material change in the financial or trading position of the Niveus Group since the publication of its provisional results for the year ended 31 March 2019.

SUBSEQUENT EVENTS

Refer to Note 33 of the annual financial statements for more information. The directors are not aware of any further matter or circumstance arising since the end of the financial year not otherwise dealt with in the annual financial statements that would affect the operations or results of the Company or the Group significantly.

PREPARER

These annual financial statements were prepared under the supervision of AF Pereira CA(SA).

AUDITORS

Subject to shareholder approval BDO South Africa Incorporated will continue in office in accordance with section 90 of the South African Companies Act for the 2020 financial year. The directors have recommended that Mr B Frey be re-appointed as the designated auditor.

AUDITOR'S REPORT

The annual financial statements have been audited by BDO South Africa Incorporated and their unqualified audit report on the annual financial statements are available for inspection at the registered office of the Company.

SPECIAL RESOLUTIONS

The following special resolutions were passed by the Company's shareholders at the annual general meeting of shareholders held on 22 October 2018:

- Granting general authority to the directors of the Company to issue for cash authorised but unissued shares in the capital of the Company, including options, as and when they in their discretion deem fit, subject to the Companies Act, the memorandum of incorporation ("MOI") of the Company and the JSE Listings Requirements;
- Approval of the fees payable to non-executive directors for their services as directors or as members of the board subcommittees in respect of the financial period 1 April 2019 to 31 March 2020;
- Granting the Company and the subsidiaries of the Company a general authority contemplated in terms of the JSE Listings Requirements 5.72, for the acquisition by the Company, or a subsidiary of the Company, of ordinary issued shares issued by the Company; and
- Granting the directors of the Company the authority in terms of section 45 of the Companies Act, to cause the Company to provide financial assistance by way of loan, guarantee, the provision of security or otherwise, to any company, corporate entity or person which is related or inter-related to the Company.

SPECIAL RESOLUTIONS OF SUBSIDIARIES

The statutory information relating to special resolutions passed by subsidiaries is available from the registered office of the Company.

SHAREHOLDING OF DIRECTORS

The shareholding of directors of the Company and their participation in the share incentive scheme of the Company as at 31 March 2019 are set out in notes 25 and 27 of the annual financial statements.

DIRECTORS' EMOLUMENTS

Directors' emoluments incurred by the Company and its subsidiaries for the year ended 31 March 2019 are set out in Note 26 of the annual financial statements.

SUBSIDIARIES

Details of the Company's subsidiaries are set out in Note 29 to the annual financial statements.

BORROWING POWERS

There are no limits placed on borrowing in terms of the memorandum of incorporation. Certain companies in the Group have entered into various loan agreements with providers of loan finance. These loan agreements include various covenants and undertakings by companies in the Group which may restrict the Group's borrowing powers. Details of these covenants and undertakings are available from the registered office of the Company.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The directors of Niveus Investments Limited are responsible for the preparation, integrity and fair presentation of the annual financial statements of the Company and the Group, and for other information contained in this report.

The annual financial statements for the year ended 31 March 2019, also available on the Niveus website, were prepared in accordance with IFRS and the requirements of the Companies Act on the going concern basis and incorporate full and responsible disclosure. The annual financial statements are based upon appropriate accounting policies and are supported by reasonable and prudent judgements and estimates. The annual financial statements were prepared under the supervision of AF Pereira CA(SA).

The directors are satisfied that the information contained in the annual financial statements fairly represents the results of operations for the year and the financial position of the Group at the reporting date. The accuracy of the other information included in this report was considered by the directors and they are satisfied that it accords with the annual financial statements.

The directors are also responsible for the Group's system of internal financial controls. The system was developed to provide reasonable, although not absolute, assurance regarding the reliability of the annual financial statements, the safeguarding of assets, and the prevention and detection of misrepresentation and losses.

The directors are of the opinion that the Group will continue as a going concern in the foreseeable future.

The annual financial statements were audited by the independent auditing firm, BDO South Africa Incorporated, BDO was given unrestricted access to all financial records and related data.

The annual financial statements for the year ended 31 March 2019 were approved by the board of directors on 24 July 2019 and are signed on its behalf by:

Lael Irene Bethlehem
CHIEF EXECUTIVE OFFICER

24 July 2019
Cape Town

DECLARATION BY COMPANY SECRETARY

We hereby confirm that, for the period ended 31 March 2019, Niveus Investments Limited has filed all required returns and notices in terms of the Companies Act and that all such returns and notices are, to the best of our knowledge and belief, true, correct and up to date.

HCI Managerial Services Proprietary Limited

HCI Managerial Services Proprietary Limited
COMPANY SECRETARY

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF NIVEUS INVESTMENTS LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OPINION

We have audited the consolidated and separate financial statements of Niveus Investments Limited (the Group and Company) set out on pages 26 to 79, which comprise the consolidated and separate statements of financial position as at 31 March 2019, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Niveus Investments Limited as at 31 March 2019, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and Company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the "IRBA Codes") and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment property at Group level (Critical judgements, Note 2) Significant judgement is required by management in determining the fair value of investment property. We identified the valuation of investment property as a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the judgement associated with determining the fair value. The fair values of investment properties were determined by an independent external valuator using a discounted cash flow method of valuation and comparable sales methods. The data used in the discounted cash flow models incorporated significant unobservable inputs, including expected market rental growth, expected expense growth, vacancy periods, occupancy rates, rent-free periods, discount rates and exit capitalisation rates. A significant component of the Group holds investment property of R 153 million (2018: R 263 million).	The following procedures, among others, were performed with respect to valuations of investment property: • We issued group instructions to the auditor of the component. We held planning, execution and completion meetings and calls during the audit with management and the component auditor to determine the approach and scope of work performed. • We assessed the competence, knowledge and experience of the component audit team and performed a review of the significant audit areas to assess the adequacy of the work performed. • The component auditor reviewed the work and engagement terms of the independent external valuator in order to determine the competence, capabilities and objectivity of the independent valuator and that the valuation methodology is appropriate in terms of International Financial Reporting Standards and industry norms. • The component auditors' valuation expert assessed the inputs used by the independent valuator to market data and entity-specific historical information to determine the appropriateness of these judgements and the accuracy of the calculations. • We assessed the disclosures and adjustments arising out of valuation of investment properties to determine that they were in accordance with the requirements of the Standards.

Key audit matter	How our audit addressed the key audit matter
Application of IFRS 9 Financial Instruments at Company level (Critical judgements, Note 6) The International Accounting Standards Board ("IASB") issued IFRS 9 Financial Instruments which replaced IAS 39 Financial Instruments. The Company has adopted IFRS 9 and the requirements have been applied retrospectively without restating comparatives with effect from 1 April 2018. The key changes arising from adoption of IFRS 9 are that the Company's credit losses are now based on an expected credit loss ("ECL") rather than an incurred loss model. The application of IFRS 9 is considered to be a key audit matter as it is a new standard that includes a significant degree of uncertainty in relation to the expected credit loss assessment and significant judgements. These judgements include among others the stage in the impairment model in which the financial instrument is, defining default and estimating expected credit losses. With respect to expected credit loss assessment, our focus on was on the balances where the most significant impact was anticipated in group loans of R 578 million (2018: R 630 million). An expected credit loss allowance was raised in the current year amounting to R 371 million (2018: R 78 million).	The following procedures, among others, were performed with respect to the expected credit loss assessment: • We reviewed the Company's classification and measurement of financial assets and financial liabilities policy and compared it with the requirements of IFRS 9 to assess for compliance with the standard; • We reviewed the Company's business model for managing the financial assets to determine that the financial instruments are correctly classified; • We assessed the accuracy and appropriateness of the potential impacts on opening balances and determined that these were not significant; • We assessed the Company's expected credit loss allowance policy and compared it with the requirements of IFRS 9 to determine compliance with the Standard; • We assessed the terms of loans to group companies to determine that the appropriate impairment method was applied; • We assessed the reasonability of management's definition of default; • We assessed the forward looking assumptions applied by management in their expected credit loss assessment through discussions with them; and • We assessed the appropriateness and adequacy of the disclosures in accordance with IFRS 9.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NIVEUS INVESTMENTS LIMITED *(CONTINUED)*

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Niveus Investments Limited Integrated Annual Report 2019", which includes the Chief Executive Officer's Report, the Corporate Governance Report, the Report of the Audit and Risk Committee, the Report of the Remuneration Committee, the Report of the Social and Ethics Committee, the Directors' Report, and the Declaration by Company Secretary as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in *Government Gazette* Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Niveus Investments Limited for one year.

BDO South Africa Inc

BDO South Africa Incorporated
REGISTERED AUDITORS

B Frey
DIRECTOR
Registered Auditor

29 July 2019

Wanderers Office Park
52 Corlett Drive
Illovo 2196

ANNUAL FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Notes	Group 2019 R'000	Group 2018 R'000	Company 2019 R'000	Company 2018 R'000
Assets					
Non-current assets		269 428	484 664	222 024	617 960
Property, plant and equipment	1	43 336	114 159	–	–
Investment properties	2	153 900	262 758	–	–
Goodwill	3	–	11 714	–	–
Intangible assets	4	185	12 830	–	–
Investments in associates	5	41 471	35 322	–	24 201
Investments in subsidiaries	6	–	–	222 024	553 202
Deferred taxation	7	6 522	1 040	–	–
Other financial assets	8	24 014	38 779	–	38 779
Loans receivable	9	–	8 062	–	1 778
Current assets		264 960	287 676	39 083	12 107
Inventories	10	119	332	–	–
Trade and other receivables	11	19 836	27 806	5 129	10 722
Taxation		1 829	4	–	–
Cash and cash equivalents	24.5	243 176	259 534	33 954	1 385
Disposal group assets held for sale	31	36 777	855 273	–	–
Total assets		571 165	1 627 613	261 107	630 067
Equity and liabilities					
Capital and reserves		473 474	1 400 212	212 857	517 872
Stated capital	12	925 399	925 399	925 399	925 399
Other reserves	13	33 138	(63 729)	–	3 552
Accumulated (losses)/profits		(577 979)	62 686	(712 542)	(411 079)
Equity attributable to equity holders of the parent		380 558	924 356	212 857	517 872
Non-controlling interest	6.2	92 916	475 856	–	–
Non-current liabilities		17 529	44 088	–	–
Deferred taxation	7	17 529	44 088	–	–
Current liabilities		65 419	183 313	48 250	112 195
Trade and other payables	14	64 960	61 198	47 458	17 232
Other financial liabilities	15	–	94 963	–	94 963
Loans from subsidiaries	6	–	–	792	–
Taxation		459	27 152	–	–
Disposal group liabilities held for sale	31	14 743	–	–	–
Total equity and liabilities		571 165	1 627 613	261 107	630 067

STATEMENTS OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2019

		Group		Company	
	Notes	**2019 R'000**	2018 Restated R'000	**2019 R'000**	2018 R'000
Revenue	17	**–**	17 328	**3 846**	206 986
Property rental income		**18 398**	–	**–**	–
Other operating expenses		**(41 439)**	(49 220)	**(22 464)**	(110 544)
Depreciation and amortisation		**(1 377)**	(24 580)	**–**	–
Share of losses of associates		**(4 680)**	(2 084)	**–**	–
Investment income	18	**23 562**	81 205	**494 782**	161
Fair value adjustment of investment property		**(111 640)**	48 119	**–**	–
Fair value adjustments of financial instruments	8	**(30 567)**	5 539	**(5 674)**	5 539
Impairment of assets		**(94)**	(142)	**–**	–
Impairment of investment in associates	5	**–**	(934)	**–**	–
Impairment of loans to subsidiaries	6	**–**	–	**(283 223)**	(2 103)
Loss on disposal of subsidiary	24.4	**–**	–	**–**	(204 494)
Finance costs	20	**–**	(1 233)	**(1 990)**	(1 225)
(Loss)/profit before taxation	21	**(147 837)**	73 998	**185 277**	(105 680)
Taxation	22	**34 954**	(47 783)	**(4 486)**	–
(Loss)/profit for the year from continuing operations		**(112 883)**	26 215	**180 791**	(105 680)
Net result from discontinued operations	31	**21 152**	181 943	**–**	–
(Loss)/profit for the year		**(91 731)**	208 158	**180 791**	(105 680)
Attributable to:					
Equity holders of the parent		**(55 452)**	184 260		
Non-controlling interest		**(36 279)**	23 898		
		(91 731)	208 158		
Earnings per share (cents)	23	**(46,5)**	154,6		
– Continuing operations		**(67,6)**	92,2		
– Discontinued operations		**21,1**	62,4		
Diluted earnings per share (cents)	23	**(46,5)**	153,7		
– Continuing operations		**(67,6)**	91,7		
– Discontinued operations		**21,1**	62,0		

STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

		Group		Company	
	Notes	**2019 R'000**	2018 R'000	**2019 R'000**	2018 R'000
(Loss)/profit for the year		**(91 731)**	208 158	**180 791**	(105 680)
Other comprehensive income net of tax:					
Items that will be reclassified subsequently to profit or loss					
Foreign currency translation differences	13	**21 828**	(20 305)	**–**	–
Items that will not be reclassified subsequently to profit or loss					
Change in use – revaluation of property – gross		**–**	52 184	**–**	–
Change in use – revaluation of property – tax		**–**	(11 689)	**–**	–
Total comprehensive (loss)/income for the year		**(69 903)**	228 348	**180 791**	(105 680)
Attributable to:					
Equity holders of the parent		**(33 624)**	187 298		
Non-controlling interest		**(36 279)**	41 050		
		(69 903)	228 348		

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Stated capital R'000	Other reserves R'000	Accumulated profits/(losses) R'000	Non-controlling interest R'000	Total R'000
Group						
Balance as at 31 March 2017		925 399	(65 988)	454 852	567 490	1 881 753
Current operations						
Total comprehensive income for the year		–	3 040	184 260	41 050	228 350
Business combinations		–	–	–	17 392	17 392
Equity-settled share-based payments		–	(781)	–	–	(781)
Effects of changes in holding		–	–	–	(16 608)	(16 608)
Capital reductions and dividends		–	–	(576 426)	(133 468)	(709 894)
Balance as at 31 March 2018		**925 399**	**(63 729)**	**62 686**	**475 856**	**1 400 212**
Current operations						
Total comprehensive loss for the year		–	21 828	(55 452)	(36 279)	(69 903)
Equity-settled share-based payments		–	(3 906)	(14 234)	–	(18 140)
Effects of changes in holding		–	–	(3 844)	(4 379)	(8 223)
Disposal of subsidiaries		–	–	–	9 035	9 035
Dividends		–	–	(488 190)	(351 317)	(839 507)
Transfer of reserves		–	78 945	(78 945)	–	–
Balance as at 31 March 2019		925 399	33 138	(577 979)	92 916	473 474
		Note 12	Note 13			

	Notes	Stated capital R'000	Other reserves R'000	Accumulated profits/(losses) R'000	Total R'000
Company					
Balance as at 31 March 2017		925 399	4 333	4 176 312	5 106 044
Current operations					
Total comprehensive loss for the year		–	–	(105 680)	(105 680)
Equity-settled share-based payments		–	(781)	–	(781)
Capital reductions and dividends		–	–	(4 481 711)	(4 481 711)
Balance as at 31 March 2018		**925 399**	**3 552**	**(411 079)**	**517 872**
Current operations					
Total comprehensive income for the year		–	–	180 791	180 791
Equity-settled share-based payments		–	2 384	–	2 384
Transfer of reserves		–	(5 936)	5 936	–
Dividends		–	–	(488 190)	(488 190)
Balance as at 31 March 2019		925 399	–	(712 542)	212 857
		Note 12	Note 13		

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Group 2019 R'000	Group 2018 R'000	Company 2019 R'000	Company 2018 R'000
Cash flows from operating activities		**7 257**	554 873	**19 132**	52 801
Cash (utilised in)/generated by operations	24.1	**(15 364)**	204 055	**(17 981)**	95 661
Investment income		**24 049**	89 615	**7 377**	161
Changes in working capital	24.2	**20 766**	364 208	**34 222**	(17 184)
Cash generated by operating activities		**29 451**	657 878	**23 618**	78 638
Finance costs		**(18)**	(21 058)	**–**	(1 225)
Taxation paid	24.3	**(22 176)**	(81 947)	**(4 486)**	(24 612)
Cash flows from investing activities		**(20 959)**	(573 115)	**15 840**	35 476
Business combinations	24.4	**–**	(1 437)	**–**	–
Investment in:					
– Subsidiary companies		**–**	–	**–**	59 125
– Associated companies		**(11 052)**	(45 962)	**–**	(22 171)
– Financial assets		**(39 124)**	(217 348)	**(3 647)**	–
Dividends received		**426**	–	**–**	–
Disposal of subsidiaries	24.4	**565**	(204 882)	**–**	–
Loans receivable: advances		**–**	(1 936)	**(17 266)**	(1 478)
Proceeds on disposal of investments		**36 753**	–	**36 753**	–
Intangible assets					
– Additions		**(1 856)**	(8 073)	**–**	–
Investment properties					
– Additions		**(2 296)**	(3 990)	**–**	–
Property, plant and equipment					
– Additions		**(5 609)**	(92 187)	**–**	–
– Disposals		**1 234**	2 700	**–**	–
Cash flows from financing activities		**(7 414)**	(430 958)	**(2 403)**	(87 211)
Dividends paid to shareholders		**–**	(302 679)	**–**	(169 211)
Other financial liabilities		**–**	122 361	**–**	–
Loans from subsidiary companies		**–**	–	**–**	82 000
Transactions with non-controlling shareholders*		**(7 414)**	–	**(2 403)**	–
Long-term funding repaid		**–**	(250 640)	**–**	–
Cash and cash equivalents					
Movement for the year		**(21 116)**	(449 200)	**32 569**	1 066
At beginning of the year		**259 534**	708 734	**1 385**	319
Foreign exchange difference on translation of foreign subsidiaries		**14 299**	–	**–**	–
At end of the year	24.5	**252 717**	259 534	**33 954**	1 385

* *Includes R2,4 million for the purchase of 15% of the issued shares of Niveus Invest 9 Proprietary Limited and R5 million in respect of the repurchase by La Concorde of its ordinary shares.*

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES

The annual financial statements are presented in accordance with, and comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and effective at the time of preparing these financial statements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee of the South African Institute of Chartered Accountants ("SAICA"), Financial Pronouncements as issued by the Financial Reporting Standards Council ("FRSC"), the JSE Listings Requirements and the South African Companies Act, 71 of 2008, as amended.

The annual financial statements were prepared under the historical cost convention, as modified by the revaluation to fair value of investment properties and certain financial instruments as described in the accounting policies below. The accounting policies are consistent with those applied in the previous year, except for the effect of the new standards and interpretations, effective for the financial year ended 31 March 2019, as presented in paragraph 3.

The preparation of the annual financial statements in accordance with IFRS requires that certain critical accounting estimates and assumptions be used. It also requires management to exercise their judgement in the process of applying the accounting policies of the Group. The areas involving a higher level of judgement or complexity, or areas where assumptions and estimates have a material effect on the annual financial statements are presented in paragraph 2.

The accounting policies that the Group applied in the presentation of the annual financial statements are set out below:

1.1 SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with internal reporting to the chief operating decision-maker for purposes of allocating Company resources and assessing their performance. The chief operating decision-maker has been identified as the executive committee. Operating segments are individual components of an entity that engage in business activities from which they may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), and whose operating results are regularly reviewed by the entity's chief operating decision-maker and for which discreet financial information is available. Operating segments that display similar economic characteristics are aggregated for reporting purposes.

1.2 CONSOLIDATION AND EQUITY ACCOUNTING

The annual financial statements include the financial information of the subsidiaries, associated entities and joint arrangements.

(i) SUBSIDIARIES

Subsidiaries are all entities controlled by the Group. Subsidiaries are fully consolidated from the date on which control is transferred to the Group until the date of control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of profit or loss.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in the carrying amount recognised in profit or loss.

Investments in subsidiaries are accounted for at cost less accumulated impairment in the separate financial statements of the Company. These interests include any intergroup loans receivable, which represent by nature a further investment in the subsidiary.

Intragroup balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(ii) ASSOCIATES

Investments in associates are accounted for using the equity method of accounting. The Group's investment in associates includes goodwill identified on acquisition.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Associates' accounting policies have been changed, where necessary, to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the statement of profit or loss.

The Group recognises its share of associates' results in profit or loss, after accounting for interest, tax and non-controlling interests.

Investments in associates are accounted for at cost less accumulated impairment in the separate financial statements of the Company. Investments in associates acquired for resale are measured as a non-current asset held for sale from acquisition date.

(iii) COMMON CONTROL TRANSACTIONS

Acquisitions of subsidiaries which do not result in a change of control of the subsidiaries are accounted for as common control transactions. The excess of the cost of the acquisition over the Group's interest in the carrying value of the identifiable assets and liabilities of the acquired entity is carried as a non-distributable reserve in the consolidated results.

1.3 FOREIGN EXCHANGE

(i) 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 annual financial statements are presented in South African rand, which is the Group's functional and presentation currency.

(ii) TRANSACTIONS AND BALANCES

The financial statements for each Group company were prepared on the basis that transactions in foreign currencies are recorded in their functional currency at the rate of exchange ruling at the date of the transaction. Monetary items denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date, with the resultant translation differences being recognised in profit or loss.

(iii) FOREIGN SUBSIDIARIES – TRANSLATION

Once-off items in the statement of profit or loss and statement of cash flows of foreign subsidiaries expressed in currencies other than South African rand are translated to South African rand at the rates of exchange prevailing on the day of the transaction. All other items are translated at weighted average rates of exchange for the relevant reporting period. Assets and liabilities of these undertakings are translated at closing rates of exchange at each reporting date. All translation exchange differences arising on the retranslation of opening net assets, together with differences between income statements translated at average and closing rates, are recognised as a separate component of equity. For these purposes net assets include loans between Group companies that form part of the net investment, for which settlement is neither planned nor likely to occur in the foreseeable future and are denominated in the functional currency of either the parent or the foreign entity. When a foreign operation is disposed of, any related exchange differences in equity are recycled through profit or loss as part of the gain or loss on disposal.

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 rate of exchange at reporting date.

1.4 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost net of accumulated depreciation and any impairment losses. Repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

Assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to paragraph 1.10).

(i) DEPRECIATION

No depreciation is provided on freehold land or assets in the course of construction. In respect of all other property, plant and equipment, depreciation is provided on a straight-line basis at rates calculated to write off the cost or valuation, less the estimated residual value of each asset over its expected useful life as follows:

Art	10 years
Buildings	40 years
Computer and office equipment	3 years
Furniture and fittings	5 – 10 years
Gaming equipment and signage	3 – 10 years
Gaming machines	7 years
Motor vehicles	4 – 15 years
Plant and machinery	6 – 50 years
Site leasehold improvements	6 years

(ii) PROFIT OR LOSS ON DISPOSAL

The profit or loss on the disposal of an asset is the difference between the disposal proceeds and the carrying amount of the asset. The profit or loss on disposal is recognised in profit or loss in the period in which it arises.

1.5 INVESTMENT PROPERTIES

Investment properties are held for capital appreciation and are not occupied by the Group. Investment properties are recognised at fair value representing estimated market value. Changes in fair value are recognised in profit or loss in the period in which they arise.

Investment properties are valued every third year or at shorter intervals if management deems it appropriate.

1.6 INTANGIBLE ASSETS

Intangible assets are stated at cost less accumulated amortisation and impairment losses. Cost is usually determined as the amount paid by the Group.

Amortisation is recognised together with depreciation in profit or loss.

Intangible assets with indefinite lives are not amortised but are subject to annual reviews for impairment.

Intangible assets with finite lives are amortised on a straight-line basis over their estimated useful economic lives, and only tested for impairment where there is a triggering event. The directors' assessment of the useful life of intangible assets is based on the nature of the asset acquired, the durability of the products to which the asset attaches and the expected future impact of competition on the business.

(i) ***COMPUTER SOFTWARE***

Where computer software is not an integral part of a related item of property, plant and equipment, the software is capitalised as an intangible asset.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring them to use. Direct costs associated with the production of identifiable and unique internally generated software products controlled by the Group that will probably generate future economic benefits are capitalised. Direct costs include software development employment costs (including those of contractors used) and an appropriate portion of overheads. Capitalised computer software, licence and development costs are amortised over their useful economic lives (5 to 8 years) that are reassessed on an annual basis.

Internally generated costs associated with maintaining computer software programs are expensed as incurred.

(ii) ***BID COSTS AND CASINO AND GAMING LICENCES***

Costs incurred during the bidding process for a gaming licence are capitalised by the Group on the successful award of a gaming licence. Licences with a finite life are amortised over the exclusivity period applicable to each licence, which ranges from 10 to 12,5 years from the date of commencement of those operations.

Licences with an indefinite life are not amortised and tested for impairment annually.

The costs associated with unsuccessful gaming licence applications are written off as and when related bids are determined to be unsuccessful.

(iii) ***TRADEMARKS***

Trademarks are recognised initially at cost. Trademarks have definite useful lives (5 to 20 years) and are carried at cost less accumulated amortisation.

1.7 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(i) ***Financial assets***

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost; and
- fair value through profit or loss ("FVTPL").

The classification is determined by both the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of financial assets other than financial assets at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset.

(a) ***Financial assets at amortised cost***

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model with the objective to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these assets are measured at amortised cost using the effective-interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and other receivables and loans receivable fall into this category of financial instruments.

(b) ***Financial assets at fair value through profit or loss ("FVTPL")***

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorised at FVTPL. Further, irrespective of the business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Dividend income from financial assets at FVTPL is recognised in profit or loss as part of investment income when the Group's right to receive payments is established.

(c) Financial assets classified as loans and receivables under IAS 39 (comparative periods)
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets (trade and other receivables), except for maturities of greater than 12 months after the statement of financial position date, which are classified as non-current assets.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised in profit or loss.

When a trade receivable is uncollectable, it is written off against the provision account for trade receivables. Subsequent recoveries of amounts previously written off are recognised in profit or loss as bad debts recovered.

(ii) Impairment of financial assets
IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the expected credit loss ("ECL") model. This replaces IAS 39's "incurred loss model". The Group's debt instruments carried at amortised cost fall within the scope of these new requirements.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (Stage 1); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (Stage 2).

Stage 3 would cover financial assets that have objective evidence of impairment at the reporting date.

"12-month expected credit losses" are recognised for the first category while "lifetime expected credit losses" are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

In the current year an allowance for expected credit losses is established using the simplified approach in IFRS 9 – thereby recognising lifetime expected credit losses. The lifetime expected credit losses are determined by taking into account historical loss rates, adjusted for future expected changes to the economic indicators relevant to the entity.

Definition of default
- A loan is considered to be in default when there is evidence that the borrower is in significant financial difficulty such that it will have insufficient funds to repay the loan on demand. This is assessed based on a number of factors, including various liquidity and solvency ratios.

Significant increase in credit risk ("SICR") assessment
- This assessment Is performed qualitatively by reference to the borrower's cash flow and liquid asset position. The risk that the borrower will default on a demand loan depends on whether the subsidiary has sufficient cash or other liquid assets to repay the loan immediately (meaning that the risk of default is very low, possibly close to 0%) or it will not (meaning that the risk of default is very high, possibly close to 100%).

Credit impaired indicators
- A loan is considered to be credit impaired if it meets the definition of a defaulted loan.

Impairment losses are presented in other operating expenses and income due to these losses not being material.

In the prior year, the impairment of trade receivables was based on the incurred loss model in terms of IAS 39. Individually significant receivables were considered for impairment when they were past due or when other objective evidence was received that a specific counterparty will default. Receivables that were not considered to be individually impaired were reviewed for impairment in groups, which are determined by reference to the industry and region of the counterparty and other shared credit risk characteristics. The impairment loss estimate was then based on recent historical counterparty default rates for each identified group.

(iii) Financial liabilities

As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the Group's financial liabilities were not impacted by the adoption of IFRS 9.

The Group's financial liabilities include loans and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL. Subsequently, financial liabilities are measured at amortised cost using the effective-interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

(iv) CASH AND CASH EQUIVALENTS

Cash and cash equivalents are initially measured at fair value and subsequently measured at amortised cost and include cash in hand and bank deposits.

(v) FAIR VALUE

Financial instruments that are measured at fair value in the statement of financial position, are disclosed by level of the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial instruments traded in an organised financial market is measured at the applicable quoted prices. The fair value of the financial instruments that are not traded in an organised financial market is determined using a variety of methods and assumptions that are based on market conditions and risk existing at reporting date, including independent appraisals and discounted cash flow methods. Fair values represent an approximation of possible value, which may differ from the value that will finally be realised.

1.8 INVENTORIES

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the invoice cost on a first in, first out ("FIFO") basis. Net realisable value is the estimated selling price in the ordinary course of the business, less selling expenses.

1.9 STATED CAPITAL

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

1.10 IMPAIRMENT OF ASSETS

An asset is impaired if its carrying amount is greater than its estimated recoverable amount, which is the higher of its fair value less cost to sell or its value in use.

(i) GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE LIVES

These assets are assessed annually for possible impairments. For purposes of impairment testing, goodwill is allocated to cash-generating units, being the lowest component of the business measured in the management accounts that is expected to generate cash flows that are largely independent of another business component. Impairment losses relating to goodwill are not reversed. Any impairment is recognised in the statement of profit or loss.

(ii) OTHER ASSETS

The Group assesses at each reporting date whether there is objective evidence that other assets may be impaired.

(a) Subsidiaries and associated companies

The carrying amounts of subsidiaries and associated companies are reviewed, if there is objective evidence of impairment, and written down where necessary.

(b) Investment properties, property, plant and equipment and intangible assets with finite useful lives

Where these assets are identified as being impaired, that is when the recoverable amount has declined below its carrying amount, the carrying amount is reduced to reflect the decline in value. Such written-off amounts are accounted for in the statement of profit or loss.

1.11 NON-CURRENT ASSETS HELD FOR SALE

Items classified as non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Such assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continued use. This condition is regarded as met only when a sale is highly probable, the asset or disposal group is available for immediate sale in its present condition and management is committed to the sale that is expected to qualify for recognition as a completed sale within one year from date of classification.

1.12 REVENUE RECOGNITION

To determine whether to recognise revenue, the Group follows a five-step process:

- identifying the contract with a customer;
- identifying the performance obligations;
- determining the transaction price;
- allocating the transaction price to the performance obligations; and
- recognising revenue when/as the performance obligations are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The transaction price for a contract excludes any amounts collected on behalf of third parties.

The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. The Group does not have significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers as the revenue is based on stand-alone selling prices and predetermined settlement dates.

If the Group satisfies a performance obligation before it receives the consideration, the Group recognises a trade receivable in its statement of financial position as only the passage of time is required before payment of these amounts will be due.

Revenue is measured at the fair value of the consideration received or receivable.

(i) MANAGEMENT FEE INCOME

Management fee income is recognised on an accrual basis in accordance with the relevant agreements as and when services are provided.

1.13 REVENUE RECOGNITION UNDER IAS 18 (COMPARATIVE PERIODS)

Revenue is measured at the fair value of the consideration received or receivable.

(i) RENTAL INCOME

Rentals received are recognised on a straight-line basis over the term of the lease. Contingent (variable) rentals are included in revenue when the amounts can be reliably measured.

(ii) INTEREST INCOME

Interest income is recognised using the effective-interest method. When a receivable is impaired the Group reduces the carrying amount to its recoverable amount by discounting the estimated future cash flows at the original effective interest rate and continuing to unwind the discount as interest income.

(iii) DIVIDEND INCOME

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

1.14 PROPERTY RENTAL INCOME

Property rentals received are recognised on a straight-line basis over the term of the lease. Contingent (variable) rentals are included in revenue when the amounts can be reliably measured.

1.15 INVESTMENT INCOME

(i) INTEREST INCOME

Interest income is recognised using the effective-interest method. When a receivable is impaired the Group reduces the carrying amount to its recoverable amount by discounting the estimated future cash flows at the original effective interest rate and continuing to unwind the discount as interest income.

(ii) DIVIDEND INCOME

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

1.16 LEASES

(i) THE GROUP IS THE LESSEE

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding.

The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the lease.

(ii) THE GROUP IS THE LESSOR

Assets leased to third parties under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment.

1.17 TAX

(i) INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. The Group's liability for current taxation is calculated using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is provided in full, using the statement of financial position liability method, in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the annual financial statements, except where the temporary difference arises from goodwill or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither accounting nor taxable profit.

Deferred tax liabilities are recognised where the carrying value of an asset is greater than its tax base, or where the carrying value of a liability is less than its tax base. Deferred tax is recognised in full on temporary differences arising from investment in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it is probable that future taxable profit will be available against which the temporary differences (including carried forward tax losses) can be utilised. Deferred tax is measured at the tax rates expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the reporting date. Deferred tax is measured on a non-discounted basis.

(ii) DIVIDENDS WITHHOLDING TAX

Dividends paid by the Company to shareholders that are not exempt are subject to dividends withholding tax at a rate of 20% (2018: 20%).

1.18 DIVIDEND DISTRIBUTIONS

Dividend distributions to equity holders of the parent are recognised as a liability in the annual financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when approved by the board. Dividends declared after the reporting date are not recognised, as there is no present obligation at the reporting date. Distributions of assets to the Company's shareholders are accounted for at fair value.

1.19 EMPLOYEE BENEFITS

(i) TERMINATION BENEFITS

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

(ii) BONUS PLANS

The Group recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation. An accrual is maintained for the appropriate proportion of the expected bonuses, which would become payable at the year end.

(iii) SHARE-BASED PAYMENTS

The Group operates equity-settled share-based remuneration plans for its employees. All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to retained earnings. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

1.20 EARNINGS PER SHARE

Earnings per share is calculated on the weighted average number of shares in issue, in respect of the year and is based on profit attributable to ordinary shareholders. Headline earnings per share is calculated in terms of the requirements set out in Circular 02/2015 issued by SAICA.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the annual financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. This forms the basis of making the judgements on carrying values of assets and liabilities that are not otherwise readily apparent. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

2.1 TAXATION

The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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

2.2 ASSET LIVES AND RESIDUAL VALUES

Changes in business landscape or technical innovations may impact the useful lives and estimated residual values of these assets. Similar assets are grouped together, but residual values and useful lives may vary significantly between individual assets in a category. Management reviews the residual values, useful lives and related depreciation charges of assets annually at each reporting date.

2.3 IMPAIRMENT OF TRADE AND OTHER RECEIVABLES AND LOANS WITH SUBSIDIARY COMPANIES

The Group assesses its trade and other receivables and loans with subsidiary companies for impairment at each reporting date. In determining whether an impairment should be recognised in profit or loss, the Group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from each receivable.

2.4 INVESTMENT PROPERTIES

Investment properties owned by the Group represents a significant proportion of the group's asset base. The judgements made in determining the classification and fair values of investment properties affect the group's financial position and performance.

In determining the classification of the properties as investment properties, the Group considered inter alia the extent of its use of the properties for its own operations and exposure to the risks of activities and the variability of the cash flows of the underlying operations of lessees.

Based on the above, the Group concluded that these properties meet the definition of investment property.

Use is made of independent professionally qualified valuers. Valuations are currently performed as per Note 2. For more details regarding the estimates and judgements involved in the valuation of these investment properties, refer Note 2.

3. NEW STANDARDS ADOPTED AS AT 1 APRIL 2018

Standard	Details
IFRS 9: Financial Instruments	IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an expected credit loss model for the impairment of financial assets. The classification of financial assets is now determined as a result of the entity's business model for managing financial assets as well as the contractual cash flow characteristics of the financial asset. The impairment model changed from an incurred loss model to an expected credit loss model. When adopting IFRS 9, the Group has applied transitional relief and opted not to restate prior periods. No restatements of opening retained earnings were required upon the adoption of IFRS 9. On the date of initial application, 1 April 2018, the financial instruments were reclassified as follows:

		Measurement category		Carrying amount (R'000)		
Group		**Original IAS 39 category**	**New IFRS 9 category**	**Closing balance 2018 (IAS 39)**	**Adoption of IFRS 9**	**Opening balance 2019 (IFRS 9)**
Non-current assets	Non-current receivables	Loans and receivables	Amortised cost	8 062	–	8 062
Current assets	Trade and other receivables	Loans and receivables	Amortised cost	25 238	–	25 238
	Cash and cash equivalents	Loans and receivables	Amortised cost	259 534	–	259 534
Company						
Non-current assets	Loans receivables	Loans and receivables	Amortised cost	1 778	–	1 778
	Loans to subsidiaries	Loans and receivables	Amortised cost	551 789	–	551 789
Current assets	Trade and other receivables	Loans and receivables	Amortised cost	10 722	–	10 722
	Cash and cash equivalents	Loans and receivables	Amortised cost	1 385	–	1 385

The composition of the statement of financial position was not impacted by these reclassifications.

There have been no changes to the classification or measurement of financial liabilities as a result of the adoption of IFRS 9.

IFRS 15: Revenue from Contracts with Customers	IFRS 15 is a new standard that requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is no longer recognised when the risk and rewards of ownership of the good or service is transferred to the customer but rather when the entity satisfies a performance obligation and transfers control of the good or service to the customer. On 1 April 2018, the Company adopted the amended guidance in IFRS 15: Revenue from Contracts with Customers, and all related amendments ("IFRS 15") and applied it to all contracts using the modified retrospective transition method. There were no adjustments to the consolidated statement of financial position or the consolidated statement of comprehensive income for the year ended 31 March 2019 for the adoption of IFRS 15; however, the Company has now presented the disclosures required by this new standard. Refer to Note 17 and Note 1.14 of the accounting policies.

4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED EARLY BY THE GROUP

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 April 2019 or later periods which the Group has not early adopted:

Standard	Details	Annual periods beginning on or after
IFRS 16: Leases	This new standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation on the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying IAS 7: Statement of Cash Flows. IFRS 16 contains expanded disclosure requirements for lessees. Lessees will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. IFRS 16 supersedes the following Standards and Interpretations: • IAS 17: Leases; • IFRIC 4: Determining whether an Arrangement Contains a Lease; • SIC-15: Operating Leases – Incentives; and • SIC-27: Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The Standard will affect the way the Group accounts for its operating leases, being mainly property, plant and equipment. The Group has identified the Sandton Convention Centre and some hotel properties, where the Group is the lessee, as the most significantly impacted. The Group is planning to adopt IFRS 16 using the Standard's modified retrospective approach. Under this approach the cumulative effect of initially applying IFRS 16 is recognised as an adjustment to equity at the date of initial application. Comparative information is not restated. The Group has also decided to make use of the practical expedient per IFRS 16 to not perform a full review of existing leases and apply IFRS 16 only to new or modified contracts after the initial date of application (1 April 2019). The Group will further apply the recognition exemptions for short-term leases (a lease that, at the commencement date, has a lease term of 12 months or less) and leases of low-value items (mainly small items of office equipment and furniture). At 31 March 2019, the Group's outstanding commitments under non-cancellable operating lease agreements are insignificant. IFRS 16 has not made any significant changes to the accounting for lessors, and therefore the Group does not expect any changes for leases where they are acting as a lessor. Additional disclosures relating to these leases may, however, be required with effect from 1 April 2019.	The Group will apply IFRS 16 from annual periods beginning 1 April 2019
IFRIC 23: Uncertainty over Income Tax Treatments	The interpretation specifies how an entity should reflect the effects of uncertainties in accounting for income taxes. The Group is still in the process of assessing the impact of IFRIC 23 but initial indications are that it will not materially affect the Group.	The Group will apply IFRIC 23 from annual periods beginning 1 April 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

	Group 2019 R'000	Group 2018 R'000
1. PROPERTY, PLANT AND EQUIPMENT		
Cost		
Computer and office equipment	**1 520**	10 179
Plant and machinery	**2 928**	345
Land and buildings	**–**	56 124
Furniture and fittings	**4 499**	11 602
Art	**40 563**	40 562
Gaming machines	**–**	6 480
Motor vehicles	**777**	2 147
Gaming equipment and signage	**–**	203
Site leasehold improvements	**–**	5 913
	50 287	133 555
Accumulated depreciation and impairments		
Computer and office equipment	**(1 157)**	(6 758)
Plant and machinery	**(2 905)**	(218)
Furniture and fittings	**(2 174)**	(4 947)
Art	**(128)**	(110)
Gaming machines	**–**	(4 616)
Motor vehicles	**(587)**	(943)
Gaming equipment and signage	**–**	(14)
Site leasehold improvements	**–**	(1 790)
	(6 951)	(19 396)
Carrying value		
Computer and office equipment	**363**	3 421
Plant and machinery	**23**	127
Land and buildings	**–**	56 124
Furniture and fittings	**2 325**	6 655
Art	**40 435**	40 452
Gaming machines	**–**	1 864
Motor vehicles	**190**	1 204
Gaming equipment and signage	**–**	189
Site leasehold improvements	**–**	4 123
	43 336	114 159
Movements in property, plant and equipment		
Balance at beginning of the year		
Computer and office equipment	**3 421**	8 746
Plant and machinery	**127**	10 340
Land and buildings	**56 124**	189 582
Furniture and fittings	**6 655**	18 978
Art	**40 452**	40 491
Gaming machines	**1 864**	291 148
Motor vehicles	**1 204**	17 068
Motor vehicles under finance lease	**–**	151
Gaming equipment and signage	**189**	15 809
Site leasehold improvements	**4 123**	66 889
	114 159	659 202

	Group	
	2019 R'000	2018 R'000
1. PROPERTY, PLANT AND EQUIPMENT *(continued)*		
Additions		
Computer and office equipment	**1 420**	2 876
Plant and machinery	**–**	144
Land and buildings	**–**	21
Furniture and fittings	**239**	3 969
Gaming machines	**–**	64 215
Motor vehicles	**450**	2 198
Motor vehicles under finance lease	**–**	739
Gaming equipment and signage	**–**	2 594
Site leasehold improvements	**3 549**	15 435
	5 658	92 191
Additions through business combinations		
Computer and office equipment	**–**	77
Furniture and fittings	**–**	84
Site leasehold improvements	**–**	4 020
	–	4 181
Revaluation		
Land and buildings	**–**	52 184
	–	52 184
Disposal of businesses (refer to Note 30)		
Computer and office equipment	**(425)**	(4 062)
Plant and machinery	**–**	(2 761)
Land and buildings	**(56 105)**	(2 031)
Furniture and fittings	**(2 244)**	(12 033)
Gaming machines	**–**	(301 361)
Motor vehicles	**(206)**	(14 615)
Motor vehicles under finance lease	**–**	82
Gaming equipment and signage	**(25)**	(14 713)
Site leasehold improvements	**–**	(62 867)
	(59 005)	(414 361)
Disposals		
Computer and office equipment	**(698)**	(138)
Furniture and fittings	**(166)**	(34)
Gaming machines	**(2 287)**	(2 076)
Motor vehicles	**(392)**	(409)
Motor vehicles under finance lease	**–**	(19)
Gaming equipment and signage	**–**	(6)
Site leasehold improvements	**(102)**	(21)
	(3 645)	(2 703)

	Group 2019 R'000	2018 R'000
1. PROPERTY, PLANT AND EQUIPMENT *(continued)*		
Depreciation		
Computer and office equipment	(1 147)	(4 384)
Plant and machinery	(7)	(1 075)
Furniture and fittings	(809)	(4 372)
Art	(17)	(26)
Gaming machines	(404)	(49 875)
Motor vehicles	(182)	(3 280)
Motor vehicles under finance lease	–	(953)
Gaming equipment and signage	(2)	(3 495)
Site leasehold improvements	(1 858)	(15 916)
	(4 426)	(83 376)
Transfers		
Computer and office equipment*	(1 896)	342
Plant and machinery*	(97)	–
Plant and machinery transfer to investment property	–	(6 521)
Land and buildings transfer to investment property	–	(615)
Land and buildings*	(19)	(183 016)
Furniture and fittings*	(844)	63
Furniture and fittings transfer to investment property	(486)	–
Art*	–	(13)
Gaming machines*	827	–
Motor vehicles*	(684)	242
Gaming equipment and signage*	(151)	–
Site leasehold improvements*	(5 129)	–
	(8 479)	(189 518)
Impairments		
Computer and office equipment	(313)	(37)
Furniture and fittings	(20)	–
Gaming machines	–	(187)
Gaming equipment and signage	(11)	–
Site leasehold improvements	(583)	(3 417)
	(927)	(3 641)
Balances at end of the year		
Computer and office equipment	363	3 421
Plant and machinery	23	127
Land and buildings	–	56 124
Furniture and fittings	2 325	6 655
Art	40 435	40 452
Gaming machines	–	1 864
Motor vehicles	190	1 204
Gaming equipment and signage	–	189
Site leasehold improvements	–	4 123
	43 336	114 159

The Group recognised impairments of property, plant and equipment with a net book value of R0,9 million (2018: R3,6 million) due to scrapping of assets not being in use anymore.

* *To disposal group assets held for sale.*

		Group 2019 R'000	Group 2018 R'000
2.	**INVESTMENT PROPERTIES**		
	Investment properties consist of:		
	Erf 31403, Main Street House, Paarl, Western Cape	**4 000**	5 000
	Erf 11919, De Hoop Farm, Paarl, Western Cape	**13 200**	25 000
	Erf 31366, Picardie Farm, Paarl, Western Cape	**9 000**	35 000
	Erf 8677, Paarl, Western Cape	**13 000**	24 000
	Erf 8676, Paarl, Western Cape	**50 000**	73 400
	Erf 13004, Paarl, Western Cape	**62 500**	97 500
	Various erven	**2 200**	2 858
		153 900	262 758

Investment properties are stated at fair value.

The Group engages external, independent and qualified valuators to determine the fair value of the Group's investment property as required by the board. The directors perform valuations annually. Independent external valuations were performed in the current and prior years.

Investment property is in level 3 of the fair value hierarchy.

The investment properties were fairly valued by suitably qualified independent valuators with recent experience in similar properties in similar areas.

The valuators analysed the values of the properties by considering all incomparable characteristics and their potential influence on the sales prices.

The fair value of the investments properties owned by the Group, totalling R153,9 million at 31 March 2019, was arrived at on the basis of external valuations performed by Quadrant Properties Proprietary Limited and The Valuator Group Proprietary Limited, independent firms of valuers not related to the Group.

The fair value of vacant land totalling R35 million was determined by applying the direct comparable sales.

The fair value of the Laborie Estate totalling (which includes buildings and a free-standing house) R66,5 million was determined by applying the direct comparable sales, income based, profits based and depreciated cost valuation techniques combined. Buildings with a fair value of R52,4 million were valued using the free cash flow method.

Significant unobservable inputs were as follows:

Rental growth rate	7%
Cost growth rate	7,5%
Capitalisation rate	10% – 10,75%
Occupation rate	98%

	Group 2019 R'000	Group 2018 R'000
Reconciliation of carrying value		
At beginning of the year	**262 758**	28 638
Disposal of businesses (refer to Note 30)	**–**	(6 100)
Additions	**2 296**	3 990
Transfers from property, plant and equipment	**486**	189 537
Fair value adjustment	**(111 640)**	46 693
At end of the year	**153 900**	262 758
Rental income from investment properties	**18 398**	16 480
Direct operating expenses relating to rental income from investment properties	**(20 562)**	(22 480)

		Group	
		2019 R'000	2018 R'000
3.	**GOODWILL**		
	Arising on acquisition of shares in subsidiaries	**–**	11 714
	Reconciliation of carrying value		
	At beginning of the year	**11 714**	59 944
	– Cost	**24 205**	72 435
	– Accumulated impairment	**(12 491)**	(12 491)
	Addition through business combination	**–**	2 203
	Transfer to disposal group assets held for sale	**(8 214)**	–
	Disposal of subsidiary (refer to Note 31)	**(3 500)**	(50 433)
	At end of the year	**–**	11 714
	– Cost	**–**	24 205
	– Accumulated impairment	**–**	(12 491)

The prior year goodwill related mainly to sports betting (R8,2 million) cash-generating units.

The recoverable amounts of the cash-generating units were determined by value-in-use calculations, using cash flow projections covering a five-year period.

A growth rate of 4,5% was applied and cash flows were discounted at 16% in the prior year, respectively, due to the cash-generating units being in the gambling industry with similar risk and growth profiles. The discount rate included a risk premium adjustment to the risk-free rate to reflect the higher expected returns of the gambling industry.

The following assumptions were applied when reviewing goodwill impairment:

- Future expected profits were estimated using historical information and approved budgets extending over five years.
- Sales growths and gross margins were based on historical performance and known future prospects.
- Costs were assumed to grow in line with expansion and expected inflation.
- Cash flows were extended into perpetuity as management has no reason to believe that the Group will not continue past the budget period.

	Computer software R'000	Trademarks R'000	Bid costs R'000	Casino licence R'000	Total R'000
4. INTANGIBLE ASSETS					
Group 2019					
Carrying value at beginning of the year	5 307	107	1 571	5 845	12 830
Additions	1 856	–	–	–	1 856
Disposal of businesses (refer to Note 30)	–	–	–	(5 845)	(5 845)
Amortisation	(859)	(20)	–	–	(879)
Transfer to disposal groups	(6 198)	(8)	(1 571)	–	(7 777)
Carrying value at end of the year	106	79	–	–	185
Cost	572	107	–	–	679
Accumulated amortisation and impairments	(466)	(28)	–	–	(494)
	106	79	–	–	185
Group 2018					
Carrying value at beginning of the year	6 072	5	6 558	5 845	18 480
Additions	4 677	110	3 286	–	8 073
Disposal of businesses (refer to Note 30)	(4 060)	–	(7 508)	–	(11 568)
Amortisation	(1 382)	(8)	(403)	–	(1 793)
Impairment	–	–	(362)	–	(362)
Carrying value at end of the year	5 307	107	1 571	5 845	12 830
Cost	15 722	115	1 624	5 845	23 306
Accumulated amortisation and impairments	(10 415)	(8)	(53)	–	(10 476)
	5 307	107	1 571	5 845	12 830

The amortisation expense was included in the line item depreciation and amortisation in the statements of profit or loss.

The following useful lives were used in the calculation of amortisation:

Bid costs	10 to 12,5 years
Casino licence	Indefinite
Computer software	5 to 8 years
Trademarks	5 to 20 years

The recoverable amount of the casino licence in the prior year was determined by a value-in-use calculation, using cash flow projections covering a five-year period. A growth rate of 4,5% was applied and cash flows were discounted at 16% in the prior year. The discount rate includes a risk premium adjustment to the risk-free rate to reflect the higher expected returns of the gambling industry. Future expected profits were estimated using historical information and approved budgets extending over five years. Cash flows were extended into perpetuity as management has no reason to believe that the casino will not continue past the budget period.

No intangible assets were pledged as security.

	Group				Company	
	Group's interest		Carrying value		Carrying value	
	2019	2018	2019 R'000	2018 R'000	2019 R'000	2018 R'000
5. INVESTMENTS IN ASSOCIATES						
The following are the Group's principal associates, all incorporated in South Africa:						
Associates						
Alphawave Golf Proprietary Limited	41%	42%	22 389	18 191	–	24 201
Paarl Valley Bottling Company Proprietary Limited	31%	31%	19 082	17 131	–	–
VBet Western Cape Proprietary Limited	40%	40%	–	–	–	–
			41 471	35 322	–	24 201
Equity interest						
– Unlisted shares at cost less impairment			42 013	30 961	–	24 201
– Interest in post-acquisition reserves			(542)	4 361	–	–
			41 471	35 322	–	24 201
Reconciliation of investments in associates						
At the beginning of the year			35 322	73 708	24 201	2 029
Disposal of interest			–	–	–	(2 029)
Share of net losses of associates			(4 477)	(7 170)	–	–
Dividends received from associates			(426)	(264)	–	–
Acquisition of additional interest			11 052	–	–	24 201
Transfer to intermediary holding company			–	–	(24 201)	–
Impairments			–	(934)	–	–
Net loans advanced			–	46 225	–	–
Disposal of businesses (refer to Note 30)			–	(76 243)	–	–
			41 471	35 322	–	24 201

The summarised financial information in respect of the Group's principal associates is set out below:

	Paarl Valley Bottling Company Proprietary Limited		Alphawave Golf Proprietary Limited	
Summarised statement of financial position	2019 R'000	2018 R'000	2019 R'000	2018 R'000
Total non-current assets	67 718	59 482	1 197	552
Total current assets	34 157	38 551	6 169	4 416
Total non-current liabilities	(22 437)	(24 202)	(26 788)	(17 777)
Total current liabilities	(17 683)	(18 390)	(1 548)	(1 585)
Net assets/(liabilities)	61 755	55 441	(20 970)	(14 394)
Reconciliation to carrying amount				
Opening net assets – 1 April	55 441	47 150	(14 394)	–
Profit/(loss) for the year	7 693	9 145	(21 298)	(14 394)
Other equity movements	–	–	14 722	–
Dividends declared	(1 379)	(854)	–	–
Closing net assets – 31 March	61 755	55 441	(20 970)	(14 394)
Group share of net assets of associates	19 082	17 131	(8 633)	(6 009)
Loans to associates	–	–	22 000	17 000
Goodwill	–	–	9 022	7 200
Carrying amount	19 082	17 131	22 389	18 191
Revenue	84 915	75 903	3 401	–
Group's share of associates' losses for the year	2 377	3 925	(7 057)	(6 009)
Group's share of associates' other comprehensive income	–	–	–	–

The Group's financial year-end differs from that of the Paarl Valley Bottling Company Proprietary Limited (31 January) and Alphawave Golf Proprietary Limited (30 April), for the purposes of these financial statements the results according to the management accounts to 31 March were used.

	Country of incorporation	Ownership interest held 2019	Ownership interest held 2018	Company 2019 R'000	Company 2018 R'000
6. INVESTMENTS IN SUBSIDIARIES					
6.1 COMPOSITION OF THE GROUP (MATERIAL SUBSIDIARIES)					
Shares					
Niveus AG	Switzerland	**100%**	100%	**1 000**	1 000
Niveus Invest 1 Proprietary Limited	South Africa	**–**	100%	**–**	442
Niveus Invest 9 Proprietary Limited	South Africa	**100%**	85%	**2 403**	–
Niveus-La Concorde Holdings Proprietary Limited	South Africa	**100%**	100%	**1**	1
				3 404	1 443
Loans to subsidiaries					
– Amount receivable				**578 418**	629 889
– Allowance for expected credit losses				**(359 798)**	(78 130)
				218 620	551 759
Loans from subsidiaries					
– Amount payable				**(792)**	–
				221 232	553 202
Non-current assets				**222 024**	553 202
Current liabilities				**(792)**	–
				221 232	553 202

These loans are unsecured, interest free and have no fixed terms of repayment, with the exception of the loan to Niveus Invest 9 Proprietary Limited, which bears interest at prime (2018: prime).

Loans to subsidiaries amounting to R367 668 000 (2018: R78 130 000) have been subordinated in favour of other creditors, until such time as the subsidiaries' assets, fairly valued, exceed its liabilities, or 1 April 2020.

Due to the distribution of the Group's interest in Hosken Passenger Logistics and Rail and various disposals during the year, the allowance for expected credit loss recognised by the Company increased to R359,8 million (2018: R78,1 million). The factors considered in recognising this increased allowance were not prevalent at the prior year reporting date.

Details of loans to and from subsidiaries are set out in Note 29.2.

6.2 SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTEREST

The Group includes the following subsidiary with material non-controlling interest ("NCI"):

Name	Proportion of NCI ownership 2019	Proportion of NCI ownership 2018	(Loss)/profit allocated to NCI 2019 R'000	(Loss)/profit allocated to NCI 2018 R'000	Accumulated NCI 2019 R'000	Accumulated NCI 2018 R'000
La Concorde Holdings Limited	**41,8%**	42,4%	**(38 211)**	35 689	**96 478**	492 432

6. **INVESTMENTS IN SUBSIDIARIES** *(continued)*

6.2 *SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTEREST (continued)*

Set out below is the summarised financial information for the subsidiary that has a material non-controlling interest. Disclosed amounts are before inter-company eliminations.

	Group	
	2019 R'000	2018 R'000
Non-current assets	**206 146**	1 138 955
Current assets	**64 324**	105 795
Total assets	**270 470**	1 244 750
Non-current liabilities	**28 768**	53 451
Current liabilities	**14 160**	29 903
Total liabilities	**42 928**	83 354
Equity attributable to equity holders of the parent	**131 064**	668 964
Non-controlling interest	**96 478**	492 432
Revenue	**18 665**	16 480
(Loss)/profit for the year attributable to equity holders of the parent	**(51 909)**	42 348
(Loss)/profit for the year attributable to non-controlling interest	**(38 211)**	31 172
Other comprehensive income attributable to equity holders of the parent	**(63 094)**	–
Other comprehensive income attributable to non-controlling interest	**(46 445)**	–
Total comprehensive (loss)/income for the year	**(199 659)**	73 520
Cash flows from operating activities	**(4 876)**	(45 306)
Cash flows from investing activities	**(37 403)**	(447 749)
Cash flows from financing activities	**(5 011)**	–
Net cash flow	**(47 290)**	(493 055)

La Concorde Holdings Limited's figures include acquisition accounting entries.

		Group	
		2019 R'000	2018 R'000
7.	**DEFERRED TAX**		
	Movements in deferred taxation		
	At beginning of the year	(43 048)	6 903
	Charge to statement of profit or loss	32 187	(6 781)
	Accelerated tax allowances	(209)	(6 429)
	Accruals	114	1 841
	Asset revaluations	27 137	(4 543)
	Assessed losses	–	816
	Straight-lining of leases	–	617
	Other	5 145	917
	Disposal of businesses (refer to Note 30)	(784)	(31 481)
	Recognised directly in equity – revaluation of property, plant and equipment	–	(11 689)
	Discontinued operations	638	–
	At end of the year	(11 007)	(43 048)
	Analysis of deferred taxation		
	Accelerated tax allowances	(6 517)	(29 169)
	Accruals	(164)	(114)
	Asset revaluations	(9 413)	(17 529)
	Assessed losses	(57)	3 800
	Other	5 144	(36)
		(11 007)	(43 048)
	Disclosed as follows:		
	Deferred taxation assets	6 522	1 040
	Deferred taxation liabilities	(17 529)	(44 088)
		(11 007)	(43 048)

Company:

Deferred taxation assets are recognised to the extent that realisation of the deferred tax benefit is probable. No deferred tax asset has been recognised in respect of tax losses, as future taxable income is not probable. The total unrealised deferred tax asset is R14,6 million (2018: R28,6 million).

	Group 2019 R'000	Group 2018 R'000	Company 2019 R'000	Company 2018 R'000
8. OTHER FINANCIAL ASSETS				
Other financial assets carried at fair value through profit or loss:				
Hosken Passenger Logistics and Rail Limited ("HPL&R") equity shares	24 014	–	–	–
Tsogo Sun Holdings Limited equity shares	–	38 779	–	38 779
	24 014	38 779	–	38 779
Fair value of other financial assets				
The fair value of the listed equity instruments was determined using the quoted price available for the instruments.				
The investment is a level 1 investment.				
Movements analysis:				
Opening balance	38 779	–	38 779	–
Additions	53 340	33 240	4 433	33 240
Fair value adjustment	(30 567)	5 539	(5 674)	5 539
Disposal	(37 538)	–	(37 538)	–
Closing balance	24 014	38 779	–	38 779
9. LOANS RECEIVABLE				
Tsogo Sun Alternative Gaming Investments Proprietary Limited (previously Niveus Invest 19 Limited)	–	4 465	–	–
The loan was unsecured, interest free and had no fixed terms of repayment.				
Royal Jacaranda Casino	–	119	–	–
The loan was unsecured, interest free and had no fixed terms of repayment.				
Niveus Invest 15 Proprietary Limited	–	1 469	–	1 469
The loan was unsecured, interest free and had no fixed terms of repayment.				
The PDI Trust	–	120	–	120
The loan was unsecured, interest free and had no fixed terms of repayment.				
Niveus Foundation Trust	–	169	–	169
The loan was unsecured, interest free and had no fixed terms of repayment.				
Niveus Invest 7 Proprietary Limited	–	20	–	20
The loan was unsecured, interest free and had no fixed terms of repayment.				
Kuruman Country Inn	–	1 000	–	–
The loan was unsecured, interest free and had no fixed terms of repayment.				
BETSA CC	–	700	–	–
The loan was unsecured, interest free and had no fixed terms of repayment.				
	–	8 062	–	1 778

	Impaired R'000	Fully performing R'000	Total R'000
9. LOANS RECEIVABLE *(continued)*			
Analysis of credit risk			
Group – 2019			
Gross amounts owing	–	–	–
Less: Allowance for expected credit losses	–	–	–
Net amount owing	–	–	–
Group – 2018			
Gross amounts owing	14 813	8 062	22 875
Less: Allowance for impairment	(14 813)	–	(14 813)
Net amount owing	–	8 062	8 062
Credit rating on unsecured debt:	–	8 062	8 062
C: Good for the amount quoted	–	8 062	8 062
Company – 2019			
Gross amounts owing	–	–	–
Less: Allowance for impairment	–	–	–
Company – 2018			
Gross amounts owing	–	1 778	1 778
Less: Allowance for impairment	–	–	–
Credit rating on unsecured debt:	–	1 778	1 778
C: Good for the amount quoted	–	1 778	1 778

	Group 2019 R'000	Group 2018 R'000
10. INVENTORIES		
Consumables and spares	**119**	332
	119	332
Cost of inventories recognised as an expense includes the write-down of inventories to net realisable value of Rnil (2018: Rnil)		
Inventories stated at net realisable value	**–**	–

	Group		Company	
	2019 R'000	2018 R'000	**2019 R'000**	2018 R'000
11. TRADE AND OTHER RECEIVABLES				
Trade receivables	4 988	14 138	1 136	44
Trade receivables – Allowance for expected credit losses	(1 706)	(5 000)	(748)	–
Net trade receivables	3 282	9 138	388	44
Short-term loans	3 785	8 442	2 770	8 442
Short-term loans – Allowance for expected credit losses	(1 187)	–	(172)	–
Net short-term loans	2 598	8 442	2 598	8 442
Prepayments	49	560	13	193
Deposits and guarantees	–	134	–	–
Other receivables	12 269	7 225	494	256
Value-added taxation	1 638	2 307	1 636	1 787
	19 836	27 806	5 129	10 722

Fair value of trade and other receivables

The carrying value approximates fair value because of the short period to maturity of these instruments.

The short-term loans are unsecured, interest free and repayable in weekly instalments over periods ranging from 5 to 55 weeks.

The above comparative for the credit loss allowance was determined on the IAS 39 measurement basis which applied an incurred loss model, whereas the current year allowance was determined by applying an expected loss model in terms of IFRS 9.

Management has performed an assessment on the expected credit loss by taking into account the debtors that have been separately identified as a potential bad debt and evaluating the remaining book by category of debtors in terms of IFRS 9. The remainder of the debtors book was considered in terms of IFRS 9 provisions matrix considering forward-looking information to derive a default rate for the 2018 and 2019 year of assessment and the expected credit loss considered immaterial.

The impact was immaterial to the Group; therefore, no adjustment has been made to the financial reporting information.

11. TRADE AND OTHER RECEIVABLES *(continued)*

Collateral

The Group holds no collateral over the trade receivables, which can be sold or repledged to a third party.

Allowance for expected credit losses on trade and other receivables

Movements in the allowance for expected credit losses on trade and other receivables are as follows:

	Group		Company	
	2019 R'000	2018 R'000	**2019 R'000**	2018 R'000
Loss allowance as at 1 April calculated under IAS 39	**5 000**	35 856	**–**	–
Amounts restated through opening retained earnings	**–**	–	**–**	–
Opening loss allowance as at 1 April 2018 calculated under IFRS 9	**5 000**	35 856	**–**	–
Disposal of subsidiaries	**(411)**	(35 631)	**–**	–
Currency translation	**607**	–	**–**	–
Loss allowance recognised during the year	**1 327**	–	**920**	–
Receivables written off during the year	**(3 630)**	4 775	**–**	–
Loss allowance as at 31 March	**2 893**	5 000	**920**	–

For both trade and other receivables the creation and release of the allowance for losses have been included in other operating expenses and income in the statement of profit or loss. Amounts charged to the allowance account are written off when there is no expectation of recovery.

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

	Group 2019 R'000	Group 2018 R'000	Company 2019 R'000	Company 2018 R'000
South African rand	**17 692**	23 733	**5 129**	10 722
Swiss franc	**2 144**	3 628	**–**	–
Zambia kwacha	**–**	445	**–**	–
	19 836	27 806	**5 129**	10 722

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable as shown above.

	Company			
	2019 Number of shares R'000	2018 Number of shares R'000	**2019 Stated capital R'000**	2018 Stated capital R'000
12. STATED CAPITAL				
Authorised				
Ordinary shares of no par value	**500 000**	500 000	**–**	–
Issued				
In issue in Company at year end	**119 163**	119 163	**925 399**	925 399
Details of the issued stated capital and changes during the current and prior year are as follows:				
At beginning of the year	**119 163**	119 163	**925 399**	925 399
At end of the year	**119 163**	119 163	**925 399**	925 399

Details of options over shares are set out in Note 27.

The unissued shares are under the control of the directors until the next annual general meeting.

	Foreign currency translation reserve R'000	**General reserve R'000**	**Common control reserve R'000**	**Revaluation reserve R'000**	**Share-based payment reserve R'000**	**Total R'000**
13. OTHER RESERVES						
Group 2019						
At beginning of the year	**(12 342)**	**307**	**(84 881)**	**23 345**	**9 842**	**(63 729)**
Equity-settled share-based payments	**–**	**–**	**–**	**–**	**(3 906)**	**(3 906)**
Exchange differences on translation of foreign subsidiaries	**21 828**	**–**	**–**	**–**	**–**	**21 828**
Transfer to accumulated losses	**–**	**–**	**84 881**	**–**	**(5 936)**	**78 945**
At end of the year	**9 486**	**307**	**–**	**23 345**	**–**	**33 138**
Group 2018						
At beginning of the year	7 963	307	(84 881)	–	10 623	(65 988)
Equity-settled share-based payments	–	–	–	–	(781)	(781)
Exchange differences on translation of foreign subsidiaries	(20 305)	–	–	–	–	(20 305)
Fair value adjustments	–	–	–	23 345	–	23 345
At end of the year	(12 342)	307	(84 881)	23 345	9 842	(63 729)
Company 2019						
At beginning of the year					**3 552**	**3 552**
Equity-settled share-based payments					**2 384**	**2 384**
Transfers to accumulated profits					**(5 936)**	**(5 936)**
At end of the year					**–**	**–**
Company 2018						
At beginning of the year					4 333	4 333
Equity-settled share-based payments					4 908	4 908
Transfer to retained earnings					(5 689)	(5 689)
At end of the year					3 552	3 552

	Group		Company	
	2019 R'000	2018 R'000	**2019 R'000**	2018 R'000
14. TRADE AND OTHER PAYABLES				
Trade creditors	**27 415**	21 772	**22 350**	14 539
Short-term loans	**25 108**	14 344	**25 108**	–
Payroll accruals	**–**	2 880	**–**	2 693
Other accruals	**440**	9 319	**–**	–
Deposits	**763**	–	**–**	–
Other payables	**456**	–	**–**	–
Unclaimed dividends	**10 778**	12 883	**–**	–
	64 960	61 198	**47 458**	17 232

Fair value of trade and other payables

The carrying value approximates fair value due to the short period to settlement of these obligations.

The short-term loans are unsecured, interest free and repayable by mutual agreement.

	Group		Company	
15. OTHER FINANCIAL LIABILITIES				
Tsogo Sun Alternative Gaming Investments Proprietary Limited (previously Niveus Invest 19 Limited)	**–**	94 963	**–**	94 963
	–	94 963	**–**	94 963

The amount due to Tsogo Sun Alternative Gaming Investments Proprietary Limited was unsecured, interest free and had no fixed terms of repayment.

	Group	
	2019 R'000	2018 R'000
16. COMMITMENTS AND CONTINGENCIES		
Operating lease arrangements where the Group is a lessee:		
Future operating lease charges for premises:	**–**	–
Operating lease arrangements where the Group is a lessor:		
Future operating lease revenue for premises:		
– Payable within one year	**5 995**	6 857
– Payable within two to five years	**6 207**	11 463
– Payable after five years	**195**	181
	12 397	18 501
Capital expenditure		
Authorised by directors but not yet contracted for:		
– Investment property	**8 191**	9 165

It is intended that this expenditure will be funded from bank finance and operating cash flows.

	Group 2019 R'000	Group 2018 Restated R'000	Company 2019 R'000	Company 2018 R'000
17. REVENUE				
Rental income	–	17 328	–	–
Dividends received	–	–	–	202 196
Interest received	–	–	–	4 790
Management fees	–	–	3 846	–
	–	17 328	3 846	206 986
18. INVESTMENT INCOME				
Dividends				
Listed investments	15 508	–	492 233	–
Interest				
Financial institutions	5 758	81 205	274	161
Other	2 296	–	2 275	–
	8 054	81 205	2 549	161
	23 562	81 205	494 782	161
19. STAFF COSTS				
Salaries and wages	6 308	26 614	–	–
Share-based payments	2 384	4 908	2 384	4 908
	8 692	31 522	2 384	4 908
20. FINANCE COSTS				
Bank loans and finance leases	–	1 233	–	–
Subsidiaries	–	–	1 990	1 225
	–	1 233	1 990	1 225
21. (LOSS)/PROFIT BEFORE TAXATION				
The following items have been included in arriving at profit/(loss) before taxation:				
Auditors' remuneration	385	962	(31)	527
Consultancy fees	785	5 803	366	3 792
Foreign exchange losses/(gains)	8 749	(4 479)	–	–
Operating lease charges				
– Premises	622	242	–	–
(Profit)/loss on disposal of property, plant and equipment	(14)	(4)	–	–
Research and development	2	–	–	–
Secretarial fees	152	–	–	–
Share-based payments				
– Equity settled	2 384	4 908	2 384	4 908

	Group 2019 R'000	Group 2018 Restated R'000	Company 2019 R'000	Company 2018 R'000
22. TAXATION				
Continuing operations				
Current normal tax	652	27 603	–	–
Current normal tax – underprovision prior years	(4 401)	8 310	4 486	–
Deferred tax	(31 205)	11 870	–	–
Total tax charge as per statement of profit or loss	(34 954)	47 783	4 486	–
Discontinued operations				
Current normal tax	–	46 843	–	–
Deferred tax	256	(5 089)	–	–
Total tax charge	256	41 754	–	–
	(34 698)	89 537	4 486	–
Various subsidiaries have incurred operating losses, which resulted in losses for tax purposes. Deferred tax assets have not been raised unless it is probable that future taxable profits will be available against which the unused tax losses can be utilised.				
Assessed losses for tax purposes available for set-off against future taxable income for which deferred tax assets have not been raised at 28%:				
– Normal tax	40 865	69 478	18 539	102 052
Tax relief at current rates:				
– Normal tax	11 442	19 454	5 191	28 575
Reconciliation of tax rate	%	%	%	%
Normal tax rate	28,0	28,0	28,0	28,0
Adjustment for foreign taxation	–	(4,0)	–	–
Capital losses and non-deductible expenses*	(5,8)	4,1	52,9	(29,2)
Capital gains tax rate	(4,1)	(1,9)	(0,1)	–
Deferred tax (raised)/not raised on losses	(2,8)	3,2	–	–
Non-taxable income including losses/(income) from associates	7,0	0,3	(79,9)	1,1
Prior year charges	3,5	2,8	2,6	–
Raising of deferred tax assets not previously raised and utilising of tax losses	2,4	(2,4)	(1,1)	0,1
Effective rate	28,2	30,1	2,4	–

* *Non-deductible expenses relate mainly to expenditure at head office apportioned to non-taxable dividend income.*

	Group 2019 Number of shares '000	Group 2018 Number of shares '000
23. EARNINGS PER SHARE		
23.1 WEIGHTED AVERAGE NUMBER OF SHARES		
Basic earnings	119 163	119 163
Diluted earnings per share	119 163	119 163

	Group 2019 Cents	Group 2018 Cents
Headline earnings per share	(24,1)	70,1
– Continuing operations	(23,1)	7,3
– Discontinued operations	(1,0)	62,8
Diluted headline earnings per share	(24,2)	69,8
– Continuing operations	(23,2)	7,4
– Discontinued operations	(1,0)	62,4

	Group 2019 Gross R'000	Group 2019 Net R'000	Group 2018 Gross R'000	Group 2018 Net R'000
23. EARNINGS PER SHARE *(continued)*				
23.2 RECONCILIATION OF HEADLINE EARNINGS				
Earnings attributable to equity holders of the parent	**–**	**(55 452)**	–	184 260
IAS 16 Losses/(gains) on disposal of plant and equipment	**2 510**	**2 494**	(907)	(907)
IAS 16 Impairment of assets	**928**	**545**	4 003	4 003
IAS 27 Gains on disposal of subsidiaries	**(26 741)**	**(26 741)**	(67 597)	(67 597)
IAS 40 Fair value adjustment to investment property	**111 640**	**50 394**	(46 693)	(36 235)
Headline (loss)/profit		**(28 760)**		83 524

	Group 2019 R'000	Group 2018 R'000	Company 2019 R'000	Company 2018 R'000
24. NOTES TO THE STATEMENTS OF CASH FLOWS				
24.1 CASH GENERATED BY/(UTILISED IN) OPERATIONS				
(Loss)/profit after taxation for the year	**(91 731)**	208 158	**180 791**	(105 680)
Taxation	**(34 698)**	89 536	**4 486**	–
Investment income	**(24 050)**	(89 615)	**(494 782)**	(161)
Depreciation, amortisation and asset impairments	**5 309**	85 171	**–**	–
Loss/(profit) on disposal of property, plant and equipment	**2 500**	(183)	**–**	–
(Gain)/loss on disposal of subsidiary	**(26 741)**	(86 050)	**–**	204 494
Equity-accounted profits of associates	**4 680**	7 170	**–**	–
Unrealised foreign exchange differences	**8 798**	(19 580)	**–**	–
Fair value adjustment on investment property	**111 640**	(46 693)	**–**	–
Fair value adjustment of other financial asset	**30 567**	3 418	**5 674**	(5 539)
Movement in operating lease equalisation liability	**–**	(4 373)	**–**	–
Impairment of investment in joint arrangement	**–**	934	**–**	–
Other impairments	**928**	18 169	**283 223**	–
Loss on sale of assets – discontinued operations	**–**	17 729	**–**	–
Share-based payment expense	**2 384**	(781)	**2 384**	(781)
Finance charges	**18**	21 045	**–**	1 225
Reversal of impairment of loans to subsidiaries	**–**	–	**–**	2 103
(Payables)/receivables forgiven	**(5 038)**	–	**243**	–
Other non-cash items	**70**	–	**–**	–
	(15 364)	204 055	**(17 981)**	95 661
24.2 CHANGES IN WORKING CAPITAL				
Decrease/(increase) in inventory	**1**	(2 346)	**–**	–
Decrease in trade and other receivables	**1 358**	185 680	**31 342**	3 920
Increase/(decrease) in trade and other payables	**19 407**	180 874	**2 880**	(21 104)
	20 766	364 208	**34 222**	(17 184)
24.3 TAXATION PAID				
Unpaid at beginning of the year	**(27 152)**	(16 391)	**–**	–
Charged to the statement of profit or loss	**3 749**	(36 174)	**(4 486)**	–
Charged to the statement of profit or loss – discontinued	**–**	(46 582)	**–**	–
Dividend Withholding Tax on dividend in specie	**–**	(24 611)	**–**	(24 612)
Sale of businesses – refer Note 30	**–**	14 659	**–**	–
Penalties and interest and other	**2 597**	–	**–**	–
Unpaid at end of the year	**(1 370)**	27 152	**–**	–
	(22 176)	(81 947)	**(4 486)**	(24 612)

	Group 2019 R'000	Group 2018 R'000
24. NOTES TO THE STATEMENTS OF CASH FLOWS *(continued)*		
24.4 BUSINESS COMBINATIONS/DISPOSALS OF SUBSIDIARIES		
24.4.1 ACQUISITIONS		
Property, plant and equipment	–	(4 180)
Trade and other receivables	–	(45)
Inventory	–	(86)
Cash and cash equivalents	–	(968)
Other non-current liabilities	–	6 191
Trade and other payables	–	1 315
Other current liabilities	–	314
Equity at acquisition	–	2 541
Non-controlling interest	–	(1 092)
Goodwill on acquisition	–	(2 203)
Cost of acquisition	–	(754)
Derecognition of fair value of associate	–	(1 651)
Cash and cash equivalents at date of acquisition	–	968
Net cash inflow/(outflow)	–	(1 437)
24.4.2 DISPOSALS – GROUP		
Proceeds on disposal, net cash flow on disposal and analysis of assets and liabilities disposed (refer to Note 30)		
Property, plant and equipment and investment property	59 043	420 460
Goodwill	3 500	50 433
Intangible assets	5 845	11 568
Investments in associates	–	75 963
Investments in joint arrangements	–	280
Other financial assets	–	32 159
Deferred tax asset	784	31 481
Other non-current assets	4 661	12 027
Inventories	211	8 385
Other financial assets – current	–	3 652
Trade and other receivables	2 131	116 919
Current income tax assets	4	–
Cash and cash equivalents	4 435	181 343
Other financial liabilities	–	(2 324)
Trade and other payables	(17 869)	(351 178)
Other financial liabilities – current	–	(10 907)
Current income tax liabilities	–	(14 659)
	62 745	565 602
Non-controlling interest	9 035	18 484
Disposal proceeds set off against repurchase consideration	–	(134 538)
Dividend in specie	–	(540 683)
Profit on disposal	26 741	67 596
Cash and cash equivalents at date of disposal	(4 435)	(181 343)
Loan set-off	(93 521)	–
Net cash inflow/(outflow)	565	(204 882)

	Group 2019 R'000	Group 2018 R'000	Company 2019 R'000	Company 2018 R'000
24. NOTES TO THE STATEMENTS OF CASH FLOWS *(continued)*				
24.5 CASH AND CASH EQUIVALENTS				
Bank balances and deposits	243 176	259 534	33 954	1 385
Cash in disposal group assets held for sale	9 541	–	–	–
	252 717	259 534	33 954	1 385

Fair value of cash and cash equivalents

The carrying value of cash and cash equivalents approximates fair value due to the short-term maturity of these instruments.

	2019 Direct and indirect beneficial Number	2019 Direct and indirect beneficial Percentage holding %	2018 Direct and indirect beneficial Number	2018 Direct and indirect beneficial Percentage holding %
25. DIRECTORS' INTEREST				
31 March				
Executive directors				
A van der Veen*, **	870 559	0,7	870 559	0,7
MM Loftie-Eaton**	196 941	0,2	196 941	0,2
Non-executive directors				
JA Copelyn	7 173 840	6,0	7 173 840	6,0
	8 241 340	6,9	8 241 340	6,9

No change occurred in the directors' interest from 31 March 2019 to the date of the approval of the annual financial statements other than noted in the directors' report.

* *In addition to the interest disclosed above, A van der Veen holds an indirect non-beneficial interest in 2 830 552 Niveus shares through Nport Investment Holdings Proprietary Limited.*

** *Resigned 31 July 2018.*

	Board fees R'000	Salary R'000	Other benefits R'000	IFRS 2 expense R'000	Bonus R'000	Total R'000
26. DIRECTORS' EMOLUMENTS						
Year ended 31 March 2019						
Executive directors						
LI Bethlehem****	–	2 381	–	544	1 267	4 192
AF Pereira*	–	2 200	–	845	858	3 903
A van der Veen***	–	3 903	290	1 782	–	5 975
CE Kristal**	–	260	–	–	325	585
MM Loftie-Eaton***	–	901	–	602	1 252	2 755
	–	9 645	290	3 773	3 702	17 410
Non-executive directors						
JA Copelyn	–	7 330	198	4 310	3 573	15 411
JG Ngcobo	1 073	–	–	–	–	1 073
LM Molefi	588	–	–	–	–	588
R Watson	871	–	–	–	–	871
Y Shaik	–	3 787	–	2 146	1 600	7 533
Paid by Hosken Consolidated Investments Limited's subsidiaries not in the Niveus Group	(2 103)	(19 601)	(488)	(7 845)	(7 298)	(37 335)
	429	1 161	–	2 384	1 577	5 551

* *Appointed 1 July 2018*
** *Resigned 30 June 2018*
*** *Resigned 1 August 2018*
**** *Appointed 15 February 2019*

	Board fees R'000	Salary R'000	Other benefits R'000	IFRS 2 expense R'000	Bonus R'000	Total R'000
Year ended 31 March 2018						
Executive directors						
A van der Veen	–	4 533	699	2 435	2 210	9 877
MM Loftie-Eaton	–	2 102	45	630	1 252	4 029
CE Kristal	–	271	–	–	–	271
	–	6 906	744	3 065	3 462	14 177
Non-executive directors						
JA Copelyn	–	6 980	816	4 051	3 927	15 774
JG Ngcobo	1 021	–	–	–	–	1 021
LM Molefi	545	–	–	–	–	545
KI Mampeule*	751	–	–	–	–	751
Y Shaik	–	3 609	–	1 371	1 758	6 738
Paid by Hosken Consolidated Investments Limited's subsidiaries not in the Niveus Group	(1 936)	(10 335)	(816)	(5 422)	(5 685)	(24 194)
	381	7 160	744	3 065	3 462	14 812

* *Resigned 19 April 2017.*

Refer to Note 27.1 for realised gains on share options exercised.

27. SHARE OPTIONS

27.1 DIRECTORS

	Opening balance		Options granted			Options exercised				Options lapsed		Closing balance	
	Number	Strike price	Number	Strike price	Vesting date	Number	Exercise date	Share price (R) on exercise date	Realised gain	Number	Date	Number	Strike price
Year ended 31 March 2019													
A van der Veen													
Niveus shares[@]	283 233	24,03	–	–	–	(283 233)	30-Nov-18	43,54	6 027 198	–	–	–	–
Niveus shares[@]	244 962	33,73	–	–	–	(244 962)	30-Nov-18	43,54	2 750 923	–	–	–	–
JA Copelyn													
HCI shares	72 864	135,99	–	–	–	–	–	–	–	(72 864)	18-Sep-18	–	–
HCI shares	102 442	123,49	–	–	–	(102 442)	18-Feb-19	119,20	277 617	–	–	–	–
HCI shares	123 956	117,03	–	–	–	–	–	–	–	–	–	123 956	117,03
HCI shares	–	–	250 224	117,78	28-Aug-21	–	–	–	–	–	–	250 224	117,78
MM Loftie-Eaton													
Niveus shares[@]	51 344	26,88	–	–	–	(51 344)	31-Jul-18	43,54	946 270	–	–	–	–
Niveus shares[@]	27 145	24,03	–	–	–	(27 145)	31-Jul-18	43,54	577 646	–	–	–	–
Niveus shares[@]	89 825	33,73	–	–	–	(89 825)	31-Jul-18	43,54	1 008 735	–	–	–	–
Y Shaik													
HCI shares	39 695	125,02	–	–	–	(39 695)	10-Sep-18	127,18	689 061	–	–	–	–
HCI shares	39 696	125,02	–	–	–	–	–	–	–	–	–	39 696	125,02
HCI shares	7 354	123,49	–	–	–	(7 354)	18-Feb-19	119,20	19 906	–	–	–	–
HCI shares	8 369	117,03	–	–	–	–	–	–	–	–	–	8 369	117,03
HCI shares	–	–	110 318	117,78	28-Aug-21	–	–	–	–	–	–	110 318	117,78
LI Bethlehem													
HCI shares	13 598	150,07	–	–	–	–	–	–	–	(13 598)	27-Feb-19	–	–
HCI shares	13 597	150,07	–	–	–	–	–	–	–	–	–	13 597	150,07
HCI shares	3 530	135,99	–	–	–	–	–	–	–	(3 530)	18-Sep-18	–	–
HCI shares	3 261	123,49	–	–	–	(3 261)	26-Feb-19	118,69	7 121	–	–	–	–
HCI shares	8 505	117,03	–	–	–	–	–	–	–	–	–	8 505	117,03
HCI shares	–	–	50 893	117,78	28-Aug-21	–	–	–	–	–	–	50 893	117,78
AF Pereira													
HCI shares	16 236	123,49	–	–	–	(16 236)	18-Feb-19	119,20	43 985	–	–	–	–
HCI shares	25 593	117,03	–	–	–	–	–	–	–	–	–	25 593	117,03
HCI shares	–	–	49 287	117,78	28-Aug-21	–	–	–	–	–	–	49 287	117,78

[@] *Share options are net equity settled. The strike price reduces with the amount of dividend per share declared between grant date and exercise date.*

	Opening balance		Options granted			Options exercised				Closing balance	
	Number	Strike price	Number	Strike price	Vesting date	Number	Exercise date	Share price (R) on exercise date	Realised gain	Number	Strike price
27. SHARE OPTIONS *(continued)*											
***27.1 DIRECTORS** (continued)*											
Year ended 31 March 2018											
A van der Veen											
HCI shares	99 184	70,00	–	–	–	(99 184)	21-Jun-17	124,00	7 094 632	–	–
Niveus shares@	43 828	23,51	–	–	–	(43 828)	20-Feb-18	43,54	908 116	–	–
Niveus shares@	414 795	22,18	–	–	–	(414 795)	31-Mar-18	8,72	9 114 601	–	–
Niveus shares@	283 233	24,03	–	–	–	–	–	–		283 233	24,03
Niveus shares@	244 962	33,73	–	–	–	–	–	–		244 962	33,73
JA Copelyn											
HCI shares	308 571	70,00	–	–	–	(308 571)	9-Jun-17	128,00	22 781 797	–	–
HCI shares	12 631	150,07	–	–	–	(12 631)	27-Feb-18	151,77	175 598	–	–
HCI shares	72 864	135,99	–	–	–	–	–	–	–	72 864	135,99
HCI shares	102 442	123,49	–	–	–	–	–	–	–	102 442	123,49
HCI shares	123 956	117,03	–	–	–	–	–	–	–	123 956	117,03
MM Loftie-Eaton											
Niveus shares@	87 416	23,51	–	–	–	(87 416)	20-Feb-18	43,54	1 811 260	–	–
Niveus shares@	8 671	22,18	–	–	–	(8 671)	31-Mar-18	8,72	190 534	–	–
Niveus shares@	51 344	26,88	–	–	–	–	–	–	–	51 344	26,88
Niveus shares@	27 145	24,03	–	–	–	–	–	–	–	27 145	24,03
Niveus shares@	89 825	33,73	–	–	–	–	–	–	–	89 825	33,73
Y Shaik											
HCI shares	39 695	125,02	–	–	–	(39 695)	19-Sep-17	131,90	781 244	–	–
HCI shares	39 695	125,02	–	–	–	–	–	–	–	39 695	125,02
HCI shares	39 696	125,02	–	–	–	–	–	–	–	39 696	125,02
HCI shares	7 354	123,49	–	–	–	–	–	–	–	7 354	123,49
HCI shares	8 369	117,03	–	–	–	–	–	–	–	8 369	117,03

@ *Share options are net equity settled. The strike price reduces with the amount of dividend per share declared between grant date and exercise date.*

The HCI share options were granted by Hosken Consolidated Investments Limited for the services rendered to Hosken Consolidated Investments Limited. As a result, no IFRS 2 cost is recognised in these financial statements.

27. SHARE OPTIONS *(continued)*

27.1 DIRECTORS (continued)

No options were issued during the current or prior year. No unexercised or unvested options remained in issue as at 31 March 2019. In prior years, the grant date fair value of the share options granted were determined using the Black-Scholes valuation model. The significant inputs were the listed share price on grant date, volatility and annual risk-free rate. The grant date fair value is expensed on a straight-line basis over the vesting period of options granted. The options have a vesting period ranging between three and five years from grant date.

	2019 R'000	2018 R'000
Group and Company		
Equity-settled share-based payment expense for the year	2 384	4 908

27.2 KEY PERSONNEL OF SUBSIDIARIES

The Group adopted the Niveus employee share scheme, a share option scheme, approved by the Niveus shareholders on 23 April 2013, in terms of which shares of Niveus are offered on a share option basis to participants, provided they remain in the Group's employment until the options vest. Any gain realised on the exercise of these options is settled on a net equity basis, whereby the participant receives that number of shares that equates in value to the gain made on exercise date.

	Number of share options	
	2019	2018
Group		
Outstanding at the beginning of the year	1 013 952	1 345 590
Vested and settled	(1 013 952)	(331 638)
Outstanding at the end of the year	–	1 013 952

Share options outstanding at the end of the year have the following details:

					Number of share options	
Grant date	Vesting date	Expiry date	Strike price	Maximum exercise price	2019	2018
1 Aug 2014	1 Aug 2018	1 Nov 2018	24,26	80,57	–	25 000
1 Aug 2014	1 Aug 2019	1 Nov 2019	24,26	108,77	–	25 000
22 May 2015	22 May 2018	22 Aug 2018	23,64	58,16	–	212 735
22 May 2015	22 May 2019	22 Aug 2019	23,64	78,52	–	20 000
22 May 2015	22 May 2020	22 Aug 2020	23,64	106,00	–	20 000
23 Sep 2015	23 Sep 2018	23 Dec 2018	24,03	59,12	–	403 959
10 Jan 2017	10 Jan 2020	10 Apr 2020	33,73	82,99	–	257 633
10 Jan 2017	10 Jan 2021	10 Apr 2021	33,73	112,04	–	24 812
10 Jan 2017	10 Jan 2022	10 Apr 2022	33,73	151,25	–	24 813
					–	1 013 952

No options were issued during the current or prior year. No unexercised or unvested options remained in issue as at 31 March 2019. In prior years, the grant date fair value of the share options granted were determined using the Black-Scholes valuation model. The significant inputs were the listed share price on grant date, volatility and annual risk-free rate. The grant date fair value is expensed on a straight-line basis over the vesting period of options granted. The options have a vesting period ranging between three and five years from grant date.

Options vested and exercised during the year resulted in no shares being issued as the options were settled via cash.

The aggregate number of Niveus shares which may be utilised for the scheme is 10 500 000, of which 455 964 have been utilised since the adoption of the scheme.

	Group 2019 R'000	Group 2018 Restated* R'000
28. SEGMENT INFORMATION		
The following are the summarised results for the various reportable operating segments:		
Revenue	–	17 328
Other	–	1 889
Property	–	15 439
EBITDA	(23 041)	(31 892)
Head office and other	(24 730)	(25 980)
Property	1 689	(5 912)
(Loss)/profit before tax	(147 837)	73 998
Head office and other	(29 781)	(51 405)
Property	(118 056)	125 403
Headline earnings		
Continuing operations	(27 618)	8 680
Head office and other	(32 527)	(21 253)
Property	4 909	29 933
Discontinued operations	(1 142)	74 844
Gaming and entertainment	(1 142)	74 844
	(28 760)	83 524
Assets		
Gaming and entertainment	186 636	262 527
Head office and other	72 314	97 402
Property/Beverages	312 215	1 267 684
	571 165	1 627 613
Liabilities		
Gaming and entertainment	476	24 522
Head office and other	50 772	122 408
Property/Beverages	31 700	80 471
	82 948	227 401
Fixed asset additions		
Gaming and entertainment	5 411	89 996
Head office and other	14	1 395
Property/Beverages	233	800
	5 658	92 191
Group revenue is attributable to the following geographical areas:	–	17 328
Republic of South Africa	–	17 328

* *Prior year revenue, expenses and gains and losses relating to current year discontinued operations were removed from the results of continuing operations and included in a single line item "Net result from discontinued operations". Refer to Note 31.*

29. RELATED PARTY INFORMATION

Related parties

Holding company:	Hosken Consolidated Investments Limited
Subsidiaries of holding company:	Euphorbia Proprietary Limited HCI Managerial Services Proprietary Limited Hosken Passenger Logistics and Rail Limited Johnnic Holdings Management Services Proprietary Limited Limtech Biometric Solutions Proprietary Limited Niveus Invest 1 Proprietary Limited Niveus Managerial Services Proprietary Limited Tsogo Sun Alternative Gaming Proprietary Limited (Previously Niveus Invest 19 Limited) Tsogo Sun Holdings Limited
Subsidiaries of Niveus Group:	BETcoza Online (RF) Proprietary Limited La Concorde Holdings Limited La Concorde South Africa Proprietary Limited La Concorde Holdings Limited Niveus AG Niveus Invest 1 Proprietary Limited Niveus Invest 3 Proprietary Limited Niveus Invest 9 Proprietary Limited Niveus Invest 14 Proprietary Limited Niveus-La Concorde Holdings Proprietary Limited Niveus Managerial Services 2 Proprietary Limited Vbet Africa Proprietary Limited
Associates:	Paarl Valley Bottling Company Proprietary Limited Alphawave Golf Proprietary Limited
Minority shareholders of subsidiaries of holding company:	K2011104255 Proprietary Limited Tuffsan Investments 1019 Proprietary Limited Yaounde Investments Proprietary Limited Zamori 356 Proprietary Limited
Key management	Senior management of subsidiaries and executive management of the Company

	Group		Company	
	2019 R'000	2018 R'000	**2019 R'000**	2018 R'000
29. RELATED PARTY INFORMATION *(continued)*				
29.1 RELATED PARTY TRANSACTIONS				
Management fees received from/(paid to)				
Johnnic Holdings Management Services Proprietary Limited	**(3 492)**	(3 294)	**(3 492)**	(3 294)
K2011104255 Proprietary Limited	**–**	(330)	**–**	–
La Concorde South Africa Proprietary Limited	**–**	–	**3 846**	3 633
Yaounde Investments Proprietary Limited	**–**	(990)	**–**	–
Zamori 356 Proprietary Limited	**–**	(1 319)	**–**	–
Salary recoveries				
HCI Managerial Services Proprietary Limited	**(96)**	–	**(96)**	–
Johnnic Holdings Management Services Proprietary Limited	**(18 103)**	(4 623)	**(18 103)**	(4 623)
Purchase of goods and services				
Limtech Biometric Solutions Proprietary Limited	**–**	(60)	**–**	–
Rent paid/(received)				
Euphorbia Proprietary Limited	**–**	(1 330)	**–**	–
La Concorde South Africa Proprietary Limited	**–**	–	**315**	–
Interest received/(paid)				
Niveus Invest 1 Proprietary Limited	**–**	–	**(1 990)**	–
Niveus Invest 3 Proprietary Limited	**–**	–	**476**	2 973
Niveus Invest 9 Proprietary Limited	**–**	–	**1 799**	1 817
Niveus Invest 9 Proprietary Limited	**–**	–	**–**	(1 225)
Dividends received from/(paid to)				
K2011104255 Proprietary Limited	**–**	(500)	**–**	–
Tuffsan Investments 1019 Proprietary Limited	**–**	(2 100)	**–**	–
Yaounde Investments Proprietary Limited	**–**	(1 500)	**–**	–
Zamori 356 Proprietary Limited	**–**	(2 000)	**–**	–
La Concorde Holdings Limited	**–**	–	**487 405**	–
Hosken Passenger Logistics and Rail Limited	**11 619**	–	**939**	–
Tsogo Sun Holdings Limited	**3 889**	–	**3 889**	–
Hosken Consolidated Investments Limited	**(255 215)**	–	**(255 215)**	–
Key management compensation				
Salaries and other short-term benefits	**2 738**	11 112	**–**	–
Share options	**2 384**	3 065	**2 384**	3 065

	Group 2019 R'000	Group 2018 R'000	Company 2019 R'000	Company 2018 R'000
29. RELATED PARTY INFORMATION *(continued)*				
29.2 RELATED PARTY BALANCES				
Year-end balances arising from sales/purchases of goods/services				
Tsogo Sun Alternative Gaming Investments Proprietary Limited (previously Niveus Invest 19 Limited)	–	4 465	–	–
Loans receivable/(payable)				
Cherry Moss Trade and Invest 188 Proprietary Limited (before expected credit loss of R56 774 103 (2018: R50 860 150))	–	–	68 249	65 221
HCI Managerial Services Proprietary Limited	(239)	–	(5)	–
HCI Treasury Proprietary Limited	(15 959)	–	(14 500)	–
Johnnic Holdings Management Services Proprietary Limited	(32 771)	(14 432)	(32 771)	(14 432)
Niveus Invest 1 Proprietary Limited (before expected credit loss of Rnil (2018: Rnil))	–	–	–	94 521
Niveus Invest 3 Proprietary Limited (before expected credit loss of R24 219 196 (2018: R20 440 638))	–	–	24 219	23 561
Niveus Invest 7 Proprietary Limited	–	20	–	20
Niveus Invest 9 Proprietary Limited (before expected credit loss of Rnil (2018: R4 954 667))	–	–	17 352	19 380
Niveus Invest 15 Proprietary Limited	–	1 469	–	1 469
Niveus Invest 20 Proprietary Limited	–	–	36 852	24 200
Niveus-La Concorde Holdings Proprietary Limited (before expected credit loss of R273 973 767 (2018: Rnil))	–	–	426 915	426 915
Niveus Managerial Services 2 Proprietary Limited (before expected credit loss of R4 831 383 (2018: R1 875 106))	–	–	4 831	1 875
Tsogo Sun Alternative Gaming Investments Proprietary Limited (previously Niveus Invest 19 Limited)	–	4 465	–	–
Tsogo Sun Alternative Gaming Investments Proprietary Limited (previously Niveus Invest 19 Limited)	–	(94 963)	–	(94 963)

Loans receivable not impaired were assessed for recoverability. Recoverability scenarios of each indicated that these will be recovered. For loans impaired expected credit losses were based on recoverability scenarios.

	Group 2019 R'000	Group 2018 R'000
30. BUSINESS COMBINATIONS/DISPOSALS		
30.1 PROCEEDS ON DISPOSAL, NET CASH FLOW ON DISPOSAL AND ANALYSIS OF ASSETS AND LIABILITIES DISPOSED OF SLOTS AND KENO LIMITED		
Non-current assets		
Property, plant and equipment	(136)	–
Goodwill	(3 500)	–
Current assets		
Trade and other receivables	(455)	–
Cash and cash equivalents	(583)	–
Current liabilities		
Trade and other payables	10 520	–
	5 846	–
Non-controlling interests	(3 426)	–
Gain on disposal of subsidiary	(2 420)	–
Cash and cash equivalents disposed of	583	–
Net cash outflow on disposal	583	–

	Group 2019 R'000	2018 R'000
30. BUSINESS COMBINATIONS/DISPOSALS *(continued)*		
30.2 PROCEEDS ON DISPOSAL, NET CASH FLOW ON DISPOSAL AND ANALYSIS OF ASSETS AND LIABILITIES DISPOSED OF NIVEUS INVEST 1 PROPRIETARY LIMITED, THE OWNER OF THE GRAND OASIS CASINO IN KURUMAN, NORTHERN CAPE		
Non-current assets		
Property, plant and equipment	(58 879)	–
Intangible assets	(5 845)	–
Deferred tax asset	(784)	–
Other non-current assets	(4 577)	–
Current assets		
Trade and other receivables	(245)	–
Inventory	(211)	–
Cash and cash equivalents	(3 848)	–
Current liabilities		
Trade and other payables	6 696	
	(67 693)	–
Non-controlling interests	(5 609)	–
Gain on disposal of subsidiary	(20 219)	–
Cash and cash equivalents disposed of	3 848	–
Loan set-off	93 521	–
Net cash outflow on disposal	3 848	–
30.3 PROCEEDS ON DISPOSAL, NET CASH FLOW ON DISPOSAL AND ANALYSIS OF ASSETS AND LIABILITIES DISPOSED OF NIVEUS INVEST 13 PROPRIETARY LIMITED		
Non-current assets		
Property, plant and equipment	(28)	–
Other non-current assets	(84)	–
Current assets		
Trade and other receivables	(1 431)	–
Current income tax assets	(4)	–
Cash and cash equivalents	(4)	–
Current liabilities		
Trade and other payables	653	–
	(898)	–
Gain on disposal of subsidiary	(4 102)	–
Cash and cash equivalents disposed of	4	–
Net cash inflow on disposal	(4 996)	–

	Group	
	2019 R'000	2018 R'000

31. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS

Interests in online and retail sportsbetting

During March 2019 the Company initiated the process to dispose of its online and retail sportsbetting interests. The assets and liabilities of these operations have therefore been reclassified to disposal groups held for sale in the current year and the results of its operations to discontinued operations in the current and prior years

	2019 R'000	2018 R'000
Loss relating to discontinued operations		
Net gaming win	70 217	42 484
Other income and operating costs	(72 224)	(45 961)
Share of losses of associates and joint ventures	–	(203)
Investment income	376	299
Depreciation and amortisation	(3 702)	(3 762)
Impairment of assets	(834)	(633)
Finance costs	(9)	(724)
Loss before taxation	(6 176)	(8 500)
Taxation	–	–
Loss from discontinued operations	(6 176)	(8 500)
Cash flows from discontinued operations		
Cash flows from operating activities	5 700	(5 052)
Cash flows from investing activities	(929)	(1 209)
Cash flows from financing activities	–	–
	4 771	(6 261)
Assets of disposal group		
Property, plant and equipment	7 991	–
Intangible assets	4 838	–
Investment in associates	1 463	–
Trade and other receivables	2 628	–
Other financial assets	918	–
Goodwill	9 398	–
Bank and cash balances	9 541	–
	36 777	–
Liabilities of disposal group		
Trade and other payables	(9 236)	–
Other	(5 507)	–
	(14 743)	–
Net asset value of disposal group	22 034	

Disposal of interests in Niveus Invest 13 Proprietary Limited and Slots and Keno Limited

The Group disposed of its entire interests in Niveus Invest 13 Proprietary Limited and Slots and Keno Limited, effective 1 April 2018 and 31 May 2018, for total consideration of R5 million. The results of these operations have been reclassified to discontinued operations in the current and prior years.

	2019 R'000	2018 R'000
Profit/(loss) relating to discontinued operations		
Revenue	–	5 421
Net gaming win	572	5 241
Other income and operating costs	(793)	(14 275)
Investment income	–	16
Depreciation and amortisation	(14)	(97)
Gain on disposal of business	6 522	–
Finance costs	1	(685)
Profit/(loss) before taxation	6 288	(4 379)
Taxation	–	(261)
Profit/(loss) from discontinued operations	6 288	(4 640)
Cash flows from discontinued operations		
Cash flows from operating activities	(83)	(213)
Cash flows from investing activities	(505)	(72)
Cash flows from financing activities	–	–
	(588)	(285)

	Group 2019 R'000	Group 2018 R'000
31. DISCONTINUED OPERATIONS *(continued)*		
Disposal of shares in Niveus Invest 1 Proprietary Limited		
On 15 June 2018 the Group disposed of the entire share capital of Niveus Invest 1 Proprietary Limited, the owner of the Grand Oasis Casino in Kuruman, Northern Cape, for final net consideration of R93,5 million. The results of these operations are classified under discontinued operations in the current and prior years.		
Profit relating to discontinued operations		
Revenue	**1 079**	5 581
Net gaming win	**6 457**	31 134
Other income and operating costs	**(6 346)**	(32 263)
Share of losses of associates and joint ventures	**–**	–
Investment income	**112**	182
Depreciation and amortisation	**(216)**	(1 616)
Impairment of investment in joint venture	**–**	–
Gain on disposal of business	**20 219**	–
Finance costs	**(9)**	(47)
Profit before taxation	**21 296**	2 971
Taxation	**(256)**	(804)
Profit from discontinued operations	**21 040**	2 167
Cash flows from discontinued operations		
Cash flows from operating activities	**96**	5 568
Cash flows from investing activities	**–**	3 242
Cash flows from financing activities	**–**	–
	96	8 810
Shares in gaming businesses		
During March 2017, it was contracted to dispose of subsidiaries Jacaranda Royal Casino Limited, Vslots Lesotho Proprietary Limited and VSlots Swaziland Proprietary Limited. The disposal was concluded in June 2017. Revenue and expenses, and gains and losses relating to these assets have been removed from the results of continuing operations and are included in a single line item on the face of the consolidated statement of profit or loss ("Net result from discontinued operations"). The operating results of the discontinued operations and the loss on sale of assets were as follows:		
Loss relating to discontinued operations		
Revenue	**–**	882
Net gaming win	**–**	–
Other income and operating costs	**–**	9 699
Investment income	**–**	–
Depreciation and amortisation	**–**	(13)
Foreign currency translation reserves reclassified to profit and loss on disposal	**–**	(18 454)
Finance costs	**–**	(2)
Loss from discontinued operations	**–**	(7 888)
Remeasurement of disposal group	**–**	–
Net result from discontinued operations	**–**	(7 888)
Cash flows from discontinued operations		
Cash flows from operating activities	**–**	447
Cash flows from investing activities	**–**	–
	–	447
Assets of disposal group sold		
Property, plant and equipment	**–**	1 503
Intangible assets	**–**	1 187
Other financial assets	**–**	42
Trade and other receivables	**–**	834
Bank and cash balances	**–**	189
	–	3 755
Liabilities of disposal group sold		
Trade and other payables	**–**	(1 650)
Other financial liabilities	**–**	(13 231)
	–	(14 881)
Net asset value of disposal group	**–**	(11 126)
Non-controlling interest	**–**	6 041
Loss on disposal	**–**	(18 454)
Cash and cash equivalents at date of disposal	**–**	(189)
Net cash outflow	**–**	(23 728)

	Group 2019 R'000	2018 R'000
31. DISCONTINUED OPERATIONS *(continued)*		
Unbundling of shares in gaming businesses		
During June 2017, Niveus accepted an indicative offer from Tsogo Sun Holdings Limited for the sale of all its interests in Vukani Gaming Corporation Proprietary Limited ("Vukani"), Galaxy Gaming and Entertainment Proprietary Limited ("Galaxy") and all their associated entities, trusts and businesses (collectively the "Gaming Businesses") to Tsogo subject to certain conditions precedent. These conditions were met in November 2017 and the sale became effective. Revenue and expenses, and gains and losses relating to these assets have been removed from the results of continuing operations and are shown as a single line item on the face of the consolidated statement of profit or loss ("Net result from discontinued operations"). The operating results of the discontinued operations and the loss on sale of assets were as follows:		
Profit relating to discontinued operations		
Revenue	–	69 114
Net gaming win	–	865 250
Other income and operating costs	–	(689 674)
Share of losses of associates	–	(4 882)
Investment income	–	7 913
Depreciation and amortisation	–	(55 102)
Asset impairments	–	(17 394)
Fair value adjustments of investment properties	–	(1 426)
Loss on disposal of business	–	86 050
Finance costs	–	(18 357)
Profit from discontinued operations	–	241 492
Taxation	–	(40 689)
Net result from discontinued operations	–	200 803
Cash flows from discontinued operations		
Cash flows from operating activities	–	418 039
Cash flows from investing activities	–	(485 729)
Cash flows from financing activities	–	170 644
	–	102 954
These discontinued operations include the gaming machine rental operations of Niveus AG, which ceased.		
Assets of disposal group sold		
Property, plant and equipment and investment property	–	418 957
Goodwill	–	50 433
Intangible assets	–	10 381
Investments in associates	–	76 243
Other financial assets	–	35 769
Deferred tax asset	–	31 481
Other non-current assets	–	12 027
Inventories	–	8 385
Trade and other receivables	–	116 085
Cash and cash equivalents	–	181 154
	–	940 915
Liabilities of disposal group classified as held for sale		
Trade and other payables	–	(349 528)
Current income tax liabilities	–	(14 659)
	–	(364 187)
Net asset value of disposal group	–	576 728
Non-controlling interest	–	12 443
Disposal proceeds set off against repurchase consideration	–	(134 538)
Dividend in specie	–	(540 683)
Profit on disposal	–	86 050
Cash and cash equivalents at date of disposal	–	(181 154)
Net cash outflow	–	(181 154)

32. FINANCIAL RISK MANAGEMENT

32.1 FINANCIAL RISK FACTORS

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

32.1.1 MARKET RISK

Currency risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Swiss franc. Foreign exchange risk arises from exposure in the foreign operations due to trading transactions in currencies other than the functional currency. There is a translation risk arising from the consolidation of the results of foreign subsidiaries in South African rand, the holding Company's reporting currency.

Foreign currency forward contracts or other appropriate derivatives are entered into when management considers it appropriate to establish economic hedges for future sales transactions. Forward contracts are not entered into for speculative purposes. No such contracts have been entered into as at the current or prior year reporting date.

	Group			
	Average rate		Reporting date	
	2019	2018	**2019**	2018
The following significant exchange rates applied during the year:				
Euro	**15,91**	15,21	**16,39**	14,54
US dollar	**13,75**	13,00	**14,60**	11,81

A 10% strengthening of the functional currency against the following currencies at 31 March would have increased/(decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. This analysis is performed on the same basis for 2019 compared to 2018.

	Group Profit/(loss)	
	2019 R'000	2018 R'000
Euro	**(4 110)**	(4 247)
Swiss franc	**(23)**	244
US dollar	**(9 957)**	(7 956)
A 10% weakening of the functional currency against the above currencies at 31 March would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.		
The following carrying amounts were exposed to foreign currency exchange risk:		
Trade and other receivables		
Swiss franc	**36**	1 796
	36	1 796
Bank and cash balances		
Euro	**41 102**	42 467
Swiss franc	**219**	355
US dollar	**99 570**	79 559
	140 891	122 381
Trade and other payables		
Swiss franc	**22**	–
Tanzanian shilling	**–**	5 577
	22	5 577

32. FINANCIAL RISK MANAGEMENT *(continued)*

32.1 FINANCIAL RISK FACTORS (continued)

32.1.1 MARKET RISK *(continued)*

Interest rate risk

Due to significant cash investments, movements in market interest rates influence income. Interest rate risk is managed by the Group treasury function by using approved counterparties that offer the best rates.

At 31 March the interest rate profile of the Group's interest-bearing financial instruments was:

	Group Carrying amount		Company Carrying amount	
	2019 R'000	2018 R'000	**2019 R'000**	2018 R'000
Variable rate instruments				
Bank balances	**243 176**	259 534	**33 954**	1 385

Fair value sensitivity analysis for variable rate instruments:

Group

A change of 100 basis points in interest rates would have increased or decreased profit after tax by R5 million (2018: R6,7 million).

Company

A change of 100 basis points in interest rates would have increased or decreased profit after tax by R353 390 (2018: R77 729).

Other price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group is not exposed to significant price risk.

32.1.2 CREDIT RISK

The Group has no significant concentrations of credit risk. Overall credit risk is managed at subsidiary level. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to the Group's customer base, including outstanding receivables and committed transactions. For banks and financial institutions, only Group audit committee approved parties are accepted. The Group has policies that limit the amount of credit exposure to any financial institution. Trade receivables comprise a large, widespread customer base and the Group performs ongoing credit evaluations of the financial condition of its customers. The utilisation of credit limits are regularly monitored. Refer to notes 9 and 11 for further credit risk analysis in respect of loans receivable and trade and other receivables. No credit limits were exceeded during the year under review, and management does not expect any losses from non-performance by these counterparties.

32.1.3 LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the treasury functions of the major subsidiaries aim to maintain flexibility in funding by keeping committed credit lines available. Management monitors rolling forecasts of the Group's liquidity headroom on the basis of expected cash flows and the resultant borrowing position compared to available credit facilities. This process is performed during each financial year end for five years into the future in terms of the Group's long-term planning process.

32. FINANCIAL RISK MANAGEMENT *(continued)*

32.1 FINANCIAL RISK FACTORS (continued)

32.1.3 LIQUIDITY RISK (continued)

The table below analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year R'000	**Between 2 and 5 years R'000**	**Over 5 years R'000**
Group			
At 31 March 2019			
Trade and other payables	64 960	–	–
	64 960	–	–
At 31 March 2018			
Trade and other payables	58 318	–	–
Other financial liabilities	94 963	–	–
	153 281	–	–
Company			
At 31 March 2019			
Trade and other payables	47 458	–	–
Loans from subsidiaries	792	–	–
	48 250	–	–
At 31 March 2018			
Trade and other payables	17 232	–	–
Other financial liabilities	94 963	–	–
	112 195	–	–

32.2 CAPITAL RISK MANAGEMENT

The Group manages its shareholders' equity, defined as its issued capital and reserves, as capital. The Group's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to shareholders in the form of dividends and capital appreciation. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. There were no changes in the Group's approach to capital management during the year.

	Group		Company	
	2019 R'000	2018 Restated R'000	**2019 R'000**	2018 Restated R'000
The own capital ratios are as follows:				
Total capital and reserves	473 474	1 400 212	212 857	517 872
Total assets	571 165	1 627 613	261 107	630 067
Own capital ratio	83%	86%	82%	82%

The Company's current liability exceeded its current assets at the reporting date. The total balance of R47 271 448 owing to Group companies are repayable only if the Company has sufficient cash.

32. FINANCIAL RISK MANAGEMENT *(continued)*

32.3 FAIR VALUE ESTIMATION

IFRS 7 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Level 1 – Quoted prices available in active markets for identical assets or liabilities

Level 2 – Inputs used, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly

Level 3 – Fair value determined by valuation that uses inputs that are not based on observable market data

The following assets and liabilities are measured at fair value:

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Group 2019				
Assets				
Financial assets at fair value through profit or loss				
Equity securities	24 014	–	–	24 014
Investment properties	–	–	153 900	153 900
Total assets	24 014	–	153 900	177 914
Group 2018				
Assets				
Equity securities	38 779	–	–	38 779
Disposal group assets held for sale	–	–	855 273	855 273
Investment properties	–	–	262 758	262 758
Total assets	38 779	–	1 118 031	1 156 810

The following table presents the changes in level 3 financial instruments for the year:

	Disposal group assets held for sale R'000	Investment property R'000	Total R'000
Group 2019			
Assets			
Carrying value at the beginning of the year	855 273	262 758	1 118 031
Business combinations	–	2 296	2 296
Disposals	(855 273)	–	(855 273)
Transfer from property, plant and equipment	–	486	486
Fair value adjustments	–	(111 640)	(111 640)
Carrying value at the end of the year	–	153 900	153 900
Group 2018			
Assets			
Carrying value at the beginning of the year	–	28 638	28 638
Business combinations	–	(6 100)	(6 100)
Additions	855 273	3 938	859 211
Improvements	–	52	52
Transfer to property, plant and equipment	–	189 537	189 537
Profits recognised in profit and loss	–	46 693	46 693
Carrying value at the end of the year	855 273	262 758	1 118 031

33. SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

On 28 June 2019 the Group entered into the following transactions with its holding company, HCI:

- An agreement with La Concorde South Africa Proprietary Limited, a subsidiary, to acquire the Group's interests in the following properties:
  Erf 11919, De Hoop Farm, Paarl, Western Cape
  Erf 31366, Picardie Farm, Paarl, Western Cape
  Erf 8677, Paarl, Western Cape
  Erf 8676, Paarl, Western Cape

  Total consideration in respect of the transaction is R79,75 million plus the value of certain loan claims advanced subsequent to the reporting date.

33. SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING PERIOD *(continued)*

- An agreement with the Company to acquire its interest in Niveus Invest 20 Proprietary Limited ("Niveus Invest 20"). Niveus Invest 20 holds the Group's 41% interest in Alphawave Golf Proprietary Limited.

  Total consideration will equal the carrying amount of the Group's shares held in and loan claims owing by Niveus Invest 20. At the reporting date, the carrying value of the shares and loan claims to be sold amounted to R36,85 million.

  Please refer to the announcement published on the Johannesburg Stock Exchange News Service on 1 July 2019 for further information in respect of the above transactions.

Other than as noted, there have been no events subsequent to the reporting date that affect the results of the Group for the year ended 31 March 2019.

34. FINANCIAL INSTRUMENTS

An analysis of the Group's assets and liabilities, classified by financial instrument, is set out below. Financial instrument classifications in the prior period are in accordance with IAS 39.

	Loans and receivables		Amortised cost		Non-financial instruments		Fair value through profit or loss		Total	
	2019 R'000	2018 R'000	**2019 R'000**	2018 R'000	**2019 R'000**	2018 R'000	**2019 R'000**	2018 R'000	**2019 R'000**	2018 R'000
Group										
Assets										
Non-current assets	**–**	8 062	**–**	–	**245 414**	437 823	**24 014**	38 779	**269 428**	484 664
Property, plant and equipment	**–**	–	**–**	–	**43 336**	114 159	**–**	–	**43 336**	114 159
Investment properties	**–**	–	**–**	–	**153 900**	262 758	**–**	–	**153 900**	262 758
Goodwill	**–**	–	**–**	–	**–**	11 714	**–**	–	**–**	11 714
Intangible assets	**–**	–	**–**	–	**185**	12 830	**–**	–	**185**	12 830
Investments in associates	**–**	–	**–**	–	**41 471**	35 322	**–**	–	**41 471**	35 322
Other financial assets	**–**	–	**–**	–	**–**	–	**24 014**	38 779	**24 014**	38 779
Deferred taxation	**–**	–	**–**	–	**6 522**	1 040	**–**	–	**6 522**	1 040
Non-current receivables	**–**	8 062	**–**	–	**–**	–	**–**	–	**–**	8 062
Current assets	**–**	284 772	**261 325**	–	**3 635**	2 904	**–**	–	**264 960**	287 676
Inventories	**–**	–	**–**	–	**119**	332	**–**	–	**119**	332
Trade and other receivables	**–**	25 238	**18 149**	–	**1 687**	2 568	**–**	–	**19 836**	27 806
Taxation	**–**	–	**–**	–	**1 829**	4	**–**	–	**1 829**	4
Cash and cash equivalents	**–**	259 534	**243 176**	–	**–**	–	**–**	–	**243 176**	259 534
Disposal group assets held for sale	**–**	–	**–**	–	**36 777**	855 273	**–**	–	**36 777**	855 273
Total assets	**–**	292 834	**261 325**	–	**285 826**	1 296 000	**24 014**	38 779	**571 165**	1 627 613
Liabilities										
Non-current liabilities	**–**	–	**–**	–	**17 529**	44 088	**–**	–	**17 529**	44 088
Deferred taxation	**–**	–	**–**	–	**17 529**	44 088	**–**	–	**17 529**	44 088
Current liabilities	**–**	–	**64 197**	153 281	**1 222**	30 032	**–**	–	**65 419**	183 313
Trade and other payables	**–**	–	**64 197**	58 318	**763**	2 880	**–**	–	**64 960**	61 198
Financial liabilities	**–**	–	**–**	94 963	**–**		**–**	–	**–**	94 963
Taxation	**–**	–	**–**	–	**459**	27 152	**–**	–	**459**	27 152
Disposal group liabilities held for sale	**–**	–	**–**	–	**14 743**	–	**–**	–	**14 743**	–
Total liabilities	**–**	–	**64 197**	153 281	**33 494**	74 120	**–**	–	**97 691**	227 401

34. FINANCIAL INSTRUMENTS *(continued)*

	Loans and receivables		Amortised cost		Non-financial instruments		Fair value through profit or loss		Total	
	2019 R'000	2018 R'000	**2019 R'000**	2018 R'000	**2019 R'000**	2018 R'000	**2019 R'000**	2018 R'000	**2019 R'000**	2018 R'000
Company										
Assets										
Non-current assets	**–**	1 778	**–**	–	**222 024**	577 403	**–**	38 779	**222 024**	617 960
Investments in associates	**–**	–	**–**	–	**–**	24 201	**–**	–	**–**	24 201
Investments in subsidiaries	**–**	–	**–**	–	**222 024**	553 202	**–**	–	**222 024**	553 202
Other financial assets	**–**	–	**–**	–	**–**	–	**–**	38 779	**–**	38 779
Loans receivable	**–**	1 778	**–**	–	**–**	–	**–**	–	**–**	1 778
Current assets	**–**	12 107	**39 083**	–	**–**	–	**–**	–	**39 083**	12 107
Trade and other receivables	**–**	10 722	**5 129**	–	**–**	–	**–**	–	**5 129**	10 722
Cash and cash equivalents	**–**	1 385	**33 954**	–	**–**	–	**–**	–	**33 954**	1 385
Total assets	**–**	13 885	**39 083**	–	**222 024**	577 403	**–**	38 779	**261 107**	630 067
Liabilities										
Current liabilities	**–**	–	**48 250**	112 195	**–**	–	**–**	–	**48 250**	112 195
Trade and other payables	**–**	–	**47 458**	17 232	**–**	–	**–**	–	**47 458**	17 232
Other financial liabilities	**–**	–	**–**	94 963	**–**	–	**–**	–	**–**	94 963
Loans from subsidiaries	**–**	–	**792**	–	**–**	–	**–**	–	**792**	–
Total liabilities	**–**	–	**48 250**	112 195	**–**	–	**–**	–	**48 250**	112 195

NOTICE OF ANNUAL GENERAL MEETING

NIVEUS INVESTMENTS LIMITED
Registration number 1996/005744/06
Incorporated in the Republic of South Africa
ISIN code: ZAE000169553
Share code: NIV
("NIVEUS" or "the Company")

NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR ENDED 31 MARCH 2019

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held on Thursday 12 September 2019 at 08:00 at the offices of Hosken Consolidated Investments Limited, Suite 801, 76 Regent Road, Sea Point 8005. Registration will start at 07:30.

This document is available in English only. The proceedings at the meeting will be conducted in English.

GENERAL INSTRUCTIONS AND INFORMATION

The board of directors of the Company ("the board") determined, in accordance with section 59 of the Companies Act, 71 of 2008, as amended ("Act"), that the record date for the purpose of determining when persons must be recorded as shareholders in the securities register of the Company in order to be entitled to receive notice of the annual general meeting is Friday, 19 July 2019 (the last date to trade to be recorded in the register will thus be Tuesday, 16 July 2019). The board determined that the record date for purposes of determining which shareholders of the Company are entitled to participate in and vote at the annual general meeting is Friday, 6 September 2019. Accordingly, only shareholders who are registered in the securities register of the Company on Friday, 6 September 2019 will be entitled to participate in and vote at the annual general meeting (the last date to trade to be recorded in the register will thus be Tuesday, 3 September 2019).

All shareholders are encouraged to attend, speak and vote at the annual general meeting and are entitled to appoint a proxy to attend, speak and vote at the meeting in place of the shareholder. The proxy duly appointed to act on behalf of a shareholder, need not also be a shareholder of the Company.

If you hold certificated shares (i.e. you have not dematerialised your shares in the Company) or are registered as an "own name" dematerialised shareholder (i.e. you have specifically instructed your Central Securities Depository Participant ("CSDP") to hold your shares in your own name on the Company's sub-register), then:

- you may attend and vote at the annual general meeting; alternatively;
- you may appoint one or more proxies (who need not be shareholders of the Company) to represent you at the annual general meeting by completing the attached form of proxy and returning it to the office of the transfer secretaries (Computershare Investor Services (Pty) Limited, 15 Biermann Avenue, Rosebank 2196 (PO Box 61051, Marshalltown 2017)), to be received by no later than 08:00 on Wednesday 11 September 2019 for administrative purposes, or delivering such form by hand thereafter to the Company Secretary, before the proxy exercises any rights of the shareholder at the meeting; and/or
- you may participate in the annual general meeting by way of electronic participation as stipulated in this notice.

Please note that the Company intends to make provision for shareholders of the Company, or their proxies, to participate in the annual general meeting by way of video conference in Johannesburg. Should you wish to participate in the annual general meeting by way of video conference as aforesaid, you are required to give notice of such proposed participation to the Company at its registered office or at the office of the transfer secretaries by no later than 08:00 on Tuesday 10 September 2019. In order for the notice to be valid, it must be accompanied by the following:

- if the shareholder is an individual, a certified copy of his identity document and/or passport;
- if the shareholder is not an individual, a certified copy of the resolution adopted by the relevant entity authorising the representative to represent the shareholder at the annual general meeting and a certified copy of the authorised representative's identity document and/or passport;
- a valid e-mail address and/or facsimile number for the purpose of receiving details of the video conference facility that will be made available.

Upon receipt of the aforesaid notice and documents, the Company shall use its reasonable endeavours to notify you of the relevant details of the video-conference facilities available in Johannesburg at which you can participate in the annual general meeting by way of electronic communication.

Please note that if you own dematerialised shares (i.e. have replaced the paper share certificates representing the shares with electronic records of ownership under the JSE Limited's ("JSE") electronic settlement system, Share Transactions Totally Electronic ("STRATE")) held through a CSDP or broker (or their nominee) and are not registered as an "own name dematerialised shareholder", then you are not a registered shareholder of the Company, your CSDP or broker (or their nominee) would be. Accordingly, in these circumstances, subject to the mandate between yourself and your CSDP or broker, as the case may be:

- if you wish to participate in the annual general meeting (either being physically present at the meeting or by way of electronic participation), you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from it; alternatively
- if you are unable to attend the annual general meeting but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish it with your voting instructions in respect of the annual general meeting and/or request it to appoint a proxy. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be, within the time period required by your CSDP or broker, as the case may be.

CSDPs, brokers or their nominees, as the case may be, recorded in the Company's sub-register as holders of dematerialised shares held on behalf of an investor/beneficial owner in terms of STRATE should, when authorised in terms of their mandate or instructed to do so by the person on behalf of whom they hold dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the office of the Company's transfer secretaries (Computershare Investor Services (Pty) Limited, 15 Biermann Avenue, Rosebank 2196 (PO Box 61051, Marshalltown 2017)) to be received by 08:00 on Wednesday 11 September 2019 for administrative purposes, or delivering such form by hand thereafter to the Company Secretary, before the proxy exercises any rights of the shareholder at the meeting. In order to facilitate proceedings at the annual general meeting, shareholders intending to appoint a proxy are requested to do so as soon as is reasonably practical.

In accordance with section 63(1) of the Act, participants at the annual general meeting will be required to provide proof of identification to the reasonable satisfaction of the chairman of the annual general meeting and must accordingly provide a copy of their identity document, passport or driver's licence at the annual general meeting for verification.

Shareholders of the Company that are companies, that wish to participate in the annual general meeting, may authorise any person to act as its representative at the annual general meeting.

Voting at the annual general meeting

On a show of hands, every shareholder present in person (or by way of electronic participation) or represented by proxy at the annual general and entitled to vote, shall have only one vote irrespective of the number of shares such shareholder holds. On a poll, shareholders present in person (or by way of electronic participation) or represented by proxy at the annual general and entitled to vote, shall be entitled to 1 (one) vote per ordinary share held by such shareholder.

Unless otherwise specifically provided in this notice of annual general meeting, for any of the ordinary resolutions to be adopted, 50% of the voting rights plus 1 (one) vote exercised on each such ordinary resolution must be exercised in favour thereof. For any special resolutions to be adopted, at least 75% of the voting rights exercised on each special resolution must be exercised in favour thereof.

Details of directors, shareholders, share capital and analysis of shareholders, no-change statement and directors' responsibility statement

The integrated annual report of which this notice of annual general meeting forms part, provides details of:

- the directors and management of the Company, including brief CVs of the directors nominated for re-election, on page 3;
- the major shareholders of the Company on page 5;
- the directors' interests in securities on page 61; and
- the share capital of the Company in Note 12 and an analysis of shareholders on page 4.

No-change statement

Other than the facts and developments reported on in the integrated annual report, there have been no material changes to the Company and its subsidiaries ("the Group") financial or trading position, nor are there any legal or arbitration proceedings that may materially affect the financial position of the Group between the signature date of the audit report and the date of this notice.

Director's responsibility statement

The directors, whose names appear on page 3 of the integrated annual report, collectively and individually, accept full responsibility for the accuracy of the information given in this notice and certify that, to the best of their knowledge and belief, that there are no facts that have been omitted which would make any statement in this notice false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the annual report and this notice of annual general meeting contains all information required by the Listings Requirements of the JSE ("JSE Listings Requirements").

Purpose of annual general meeting

The purpose of the annual general meeting is for the following business to be transacted, and to consider and, if approved, to pass with or without modification, the following ordinary and special resolutions, in the manner required by the Company's memorandum of incorporation ("MOI"), the Act, as read with the JSE Listings Requirements.

1. Presentation of the Audited Annual Financial Statements of the Company, including the reports of the directors, external auditors and the audit committee, for the year ended 31 March 2019

In terms of the Act, the audited annual financial statements of the Company (including the reports of the directors and the audit committee) for the year ended 31 March 2019 as approved by the board of directors will be presented to the shareholders of the Company.

The annual financial statements of the Group are set out on pages 12 to 79 of the integrated annual report, of which this notice of annual general meeting forms part. The annual financial statements of the Group, including the unmodified audit opinion, are also available on NIVEUS's website at www.niveus.co.za. Alternatively, shareholders of the Company may request and obtain a copy of the complete annual financial statements of the Group in person, at no charge, at the registered office of NIVEUS (La Concorde, 57 Main Street, Paarl 7646) during office hours.

2. Presentation of Social and Ethics Committee Report

In accordance with Regulation 43 of the Companies Regulations, 2011, the Company's Social and Ethics Committee report for the financial year ended 31 March 2019, prepared and approved by the Company's Social and Ethics Committee and set out on page 16 of the integrated annual report, of which this notice of annual general meeting forms part, will be presented to the shareholders of the Company. Any specific questions to the Social and Ethics Committee may be sent to the Company Secretary prior to the annual general meeting.

3. Ordinary resolution number 1 (1.1 to 1.4): ***Election of directors***

3.1 Ordinary resolution number 1.1: Election of Mr JA Copelyn as director
"Resolved that Mr JA Copelyn be and is hereby elected as a director of the Company."

3.2 Ordinary resolution number 1.2: Election of Dr LM Molefi as director
"Resolved that Dr LM Molefi be and is hereby elected as a director of the Company."

3.3 Ordinary resolution number 1.3: Election of Ms RD Watson as director
"Resolved that Ms RD Watson be and is hereby elected as a director of the Company."

Explanatory Note

Mr JA Copelyn, Dr LM Molefi and Ms RD Watson retire as directors in accordance with the Company's MOI but, being eligible, each offer themselves for re-election as a director of the Company.

The board has considered the proposed election of Mr JA Copelyn, Dr LM Molefi and Ms RD Watson and recommends that they be re-elected as directors of the Company.

Brief CV details of the abovementioned directors are on page 3 of the integrated report, of which this notice of annual general meeting forms part.

The reason for ordinary resolution numbers 1.1 to 1.3 is to propose the re-election of Mr JA Copelyn, Dr LM Molefi and Ms RD Watson who have retired as directors in accordance with the Company's MOI. These elections will be conducted by a series of separate votes in respect of each candidate.

Accordingly, the shareholders are requested to consider and if deemed fit, to re-elect Mr JA Copelyn, Dr LM Molefi and Ms RD Watson by way of passing the ordinary resolutions set out above.

3.4 Appointment of director – ordinary resolution number 1.4: Election of Ms LI Bethlehem as director.
"Resolved that Ms L I Bethlehem be and is hereby elected as a director of the Company."

The reason for ordinary resolution number 1.4 is to elect a director of the Company who was appointed during the course of the year and who retires as a director in accordance with the Act. The board has considered the proposed election of Ms LI Bethlehem and recommends that she be elected as a director of the Company. Brief CV details of Ms LI Bethlehem is on page 3 of the integrated report, of which this notice of annual general meeting forms part.

Accordingly, the shareholders are requested to consider and if deemed fit, to re-elect Ms LI Bethlehem by way of passing the ordinary resolution set out above.

4. Ordinary resolution number 2: *Re-appointment of auditors*

"Resolved that BDO South Africa Incorporated and Mr B Frey, as designated auditor, is hereby appointed as the auditor to the Company for the ensuing year."

Explanatory Note

In terms of the Act, the Company, being a public company, must have its financial results audited and such auditor of the Company must each year at the Company's annual general meeting be appointed or re-appointed, as the case may be, as an external auditor. The Company's current external auditor is BDO South Africa Incorporated, which has indicated that Mr B Frey, who is a director of the firm and a registered auditor and accredited with the JSE in accordance with the JSE Listings Requirements, will undertake the audit.

The Company's audit committee has recommended that BDO South Africa Incorporated be re-appointed as the auditors of the Company, for the ensuing year and to note that the individual registered auditor who will undertake the audit during the financial year ending 31 March 2020 is Mr B Frey.

5. Ordinary resolution number 3: *Appointment of audit committee*

5.1 Ordinary resolution number 3.1: Election of Dr LM Molefi as member of the audit committee
"Resolved that Dr LM Molefi be and is hereby appointed to the audit committee of the Company, with immediate effect."

5.2 Ordinary resolution number 3.2: Election of Mr JG Ngcobo as member of the audit committee
"Resolved that Mr JG Ngcobo be and is hereby appointed to the audit committee of the Company, with immediate effect."

5.3 Ordinary resolution number 3.3: Election of Ms RD Watson as member of the audit committee
"Resolved that Ms RD Watson be and is hereby appointed to the audit committee of the Company, with immediate effect."

Explanatory Note

In terms of the Act, at each annual general meeting an audit committee comprising at least three members must be elected. It is proposed that the following independent non-executive directors be elected as members of the audit committee for the ensuing year. The board has considered the proposed appointment of Dr LM Molefi, Mr JG Ngcobo and Ms RD Watson and recommends that they be appointed (or re-appointed, as the case may be) to the audit committee. The appointment of each member of the audit committee will be voted on separately.

The appointment of Dr LM Molefi and Ms RD Watson to the Audit Committee is subject to the approval of resolutions 1.2 and 1.3 above.

Brief CVs of the members are on page 3 of the integrated annual report, of which this notice of annual general meeting forms part.

6. Ordinary resolution number 4: *General authority over authorised but unissued shares*

"Resolved that, as required by the Company's MOI and subject to the provisions of the Act and the JSE Listings Requirements, the authorised but unissued shares in the Company be and are hereby placed under the control of the directors, subject to the provisions of the Act, the MOI and the JSE Listings Requirements, as presently constituted and which may be amended

from time to time, and provided that such authority may not, in the aggregate, in any one financial year, exceed 5%, being 5 958 137 ordinary shares, of the aggregate number of shares of the relevant class of shares in issue (excluding treasury shares), and such authority to endure until the next annual general meeting of the Company (whereupon this authority shall lapse, unless it is renewed at the aforementioned annual general meeting), provided that it shall not extend beyond 15 (fifteen) months of the date of this meeting until the next annual general meeting."

Explanatory note

In terms of the Company's MOI, read with the JSE Listings Requirements, the shareholders of the Company may authorise the directors to, inter alia, issue any authorised but unissued ordinary shares and/or grant options over them on such terms and conditions and to such persons whether they be shareholders or not, as the directors in their discretion deem fit. The authority will be subject to the provisions of the Act and the JSE Listings Requirements. The board has decided to seek annual renewal of this authority from the shareholders of the Company in accordance with best practice. The board has no current plans to make use of this authority (other than in terms of the HCI employee share scheme), but wishes to ensure, by having this authority in place, that the Company retains its flexibility in managing the Group's capital resources and to enable the Company to take advantage of any business opportunity that may arise in the future.

7. Non-binding advisory votes: ***Advisory endorsement of the remuneration policy and implementation report***

7.1 Non-binding advisory vote 1:
"Resolved, by way of a non-binding advisory vote, that the Company's remuneration policy accompanying this notice of annual general meeting be accepted and endorsed."

7.2 Non-binding advisory vote 2:
"Resolved, by way of a non-binding advisory vote, that the Company's implementation report accompanying this notice of annual general meeting be accepted and endorsed."

Explanatory note

In terms of Part 5.4, principle 14 (recommended practice 37) of the King IV Report on Corporate Governance™ in South Africa, 2016 ("King IV™") the Company's remuneration policy and implementation report should be tabled to shareholders for separate non-binding advisory votes at the annual general meeting. This vote enables shareholders to express their views on the remuneration policies adopted and on the implementation of these policies. Furthermore, King IV™ recommends that the remuneration policy should record the measures that the board commits to in the event that either the remuneration policy or the implementation report, or both, have been voted against by 25% (twenty-five per cent) or more of the voting rights exercised by the shareholders.

The shareholders are requested to separately endorse the Company's remuneration policy on page 15 and the implementation report on page 15 in the remuneration report, by way of separate non-binding advisory votes.

8. Special resolution number 1: General authority to issue shares, options and convertible securities for cash

"Resolved that, subject to the passing of ordinary resolution number 4, the provisions of the Act and the provisions of the JSE Listings Requirements, the directors be and are hereby authorised to allot and issue ordinary shares of the Company (or to issue options or convertible securities convertible into ordinary shares) for cash to such person or persons, on such terms and conditions as they may deem fit, subject to the following:

- *the securities shall be of a class already in issue, or convertible into a class already in issue;*
- *the securities shall be issued to public shareholders as defined in the JSE Listings Requirements and not to related parties as defined in the JSE Listings Requirements;*
- *ordinary shares which are the subject of general issues for cash, in the aggregate, may not exceed 5% (five per cent) of the Company's relevant number of ordinary shares in issue as at the date of this notice, constituting 5 958 137.*
- *any number of ordinary shares issued under the authority must be deducted from the number of ordinary shares authorised immediately above;*
- *the maximum discount at which the shares may be issued shall be 10% (ten per cent) of the weighted average traded price of the shares of the Company over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed by the directors of the Company;*
- *the Company shall publish such announcements (if any) as may be required by the JSE Listings Requirements pursuant to the issue of shares under this authority; and*
- *the authority hereby granted will be valid until the Company's next annual general meeting provided that it will not extend beyond 15 months from the date on which this resolution is passed."*

Explanatory note

In terms of ordinary resolution number 4, the shareholders authorise the directors to allot and issue a portion of the authorised but unissued shares, as the directors in their discretion think fit. The existing general authority to issue shares for cash granted by the shareholders at the previous annual general meeting, held on 22 October 2018, will expire at this annual general meeting, unless renewed. The authority will be subject to the provisions of the Act and the JSE Listings Requirements. The aggregate number of ordinary shares capable of being allotted and issued for cash are limited as set out in the resolution. The directors consider it advantageous to renew this authority to enable the Company to take advantage of any business opportunity that may arise in future.

9. Special resolution number 2: Approval of annual fees to be paid to non-executive directors

"Resolved that for the period 1 April 2020 to 31 March 2021, the remuneration payable to non-executive directors of the Company for their services as directors be as follows:

Type of fee	***Current fee (excl VAT) R'000***	***New proposed fee (excl VAT) R'000***
Board member	*106*	*112*
Subcommittee member	*45,58*	*48*

Invitation fee:

All non-executive directors who attend the committee meetings by invitation at the request of the board shall be eligible to receive up to a maximum of 50% of the fee as if they were a member of the committee, as determined by the board."

Explanatory note

In terms of section 66(8) of the Act, the Company may pay remuneration to its directors for their services as directors. In terms of section 66(9) of the Act the remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the shareholders during the previous 2 (two) years.

10. Special resolution number 3: General authority to repurchase Company shares

"Resolved that the Company hereby approves, as a general approval contemplated in paragraph 5.72 of Section 5 of the JSE Listings Requirements, the repurchase by the Company or any of its subsidiaries from time to time of the issued ordinary shares of the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but subject to the MOI, the provisions of the Act and the JSE Listings Requirements, as presently constituted and which may be amended from time to time, and provided further that:

- *acquisitions by the Company and its subsidiaries of shares in the capital of the Company in terms of this general authority to repurchase shares may not, in the aggregate, exceed in any one financial year 20% (twenty per cent) of the Company's issued share capital of the class of the repurchased shares from the date of the grant of this general authority;*
- *any such repurchase shall be effected through the order book operated by the JSE trading system, without any prior understanding or arrangement between the Company and the counterparty;*
- *the Company (or any subsidiary) is authorised to do so in terms of its MOI;*
- *this general authority shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;*
- *in determining the price at which the Company's shares are repurchased by the Company or its subsidiaries in terms of this general authority, the maximum premium at which such shares may be acquired may not be greater than 10% (ten per cent) above the weighted average of the market price at which such shares are traded on the JSE for the 5 (five) business days immediately preceding the date the repurchase transaction is effected;*
- *at any point in time, the Company may only appoint one agent to effect any repurchase(s) on the Company's behalf;*
- *the Company or its subsidiaries may not repurchase shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless there is a repurchase programme in place and the dates and quantities of shares to be repurchased during the relevant period are fixed and full details thereof have been submitted to the JSE in writing prior to commencement of the prohibited period. The Company must instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;*

- *an announcement will be published as soon as the Company and/or its subsidiaries has/have acquired shares in terms of this authority constituting, on a cumulative basis, 3% (three per cent) of the initial number of shares of the class of shares in issue at the time that this general authority is granted by the shareholders, and each time the Company acquires a further 3% (three per cent) of the initial number thereafter, which announcement(s) shall contain full details of such repurchases as required in terms of the JSE Listings Requirements; and*
- *a repurchase shall only be effected if the board of directors have at the time of the repurchase passed a resolution authorising the repurchase in terms of sections 48 and 46 of the Act and it reasonably appears that the Company and its subsidiaries have satisfied the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Company and its subsidiaries."*

Explanatory note

The reason for special resolution number 3 is to grant the directors of the Company and/or subsidiaries of the Company a general authority in terms of the Act and the JSE Listings Requirements to acquire the Company's ordinary shares, subject to the terms and conditions set out in the special resolution. The directors require that such general authority should be implemented in order to facilitate the repurchase of the Company's ordinary shares in circumstances where the directors consider this to be appropriate and in the best interests of the Company and its shareholders.

Director's statement:

Pursuant to and in terms of the JSE Listings Requirements, the board of directors of the Company hereby states that:

- it is their intention to utilise the general authority to acquire shares in the Company if at some future date the cash resources of the Company are in excess of its requirements and the opportunity presents itself to do so during the year, which the board deems to be in the best interest of the Company and its shareholders, taking prevailing marketing conditions and other factors into account;
- in determining the method by which the Company intends to acquire its shares, the maximum number of shares to be acquired and the date on which such repurchase will take place, the directors of the Company will only make the repurchase if at the time of the repurchase they are of the opinion that the following conditions have been and will be met:
    - o the Company and the Group will be able to pay their debts for a period of 12 (twelve) months after the date of this notice of the annual general meeting;
    - o the assets of the Company and the Group are to be in excess of the liabilities of the Company and Group for a period of 12 (twelve) months after the date of this notice of annual general meeting (for this purpose the assets and liabilities are recognised and measured in accordance with the accounting policies used in the audited financial statements for the year ended 31 March 2019);
    - o the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of this notice of the annual general meeting;
    - o the working capital of the Company and the Group are adequate for the ordinary business purposes for a period of 12 (twelve) months after the date of approval of this notice of the annual general meeting; and
    - o resolution being passed by the board that it authorised the repurchase of shares, that the Company and its subsidiaries have passed the solvency and liquidity test and that since the test was performed there have been no material changes to the financial position of the Group. The authority granted in terms of this Special Resolution number 3 is limited to paragraph 5.72(a), (c), (d) and paragraph 5.68 of the JSE Listings Requirements.

The following additional information, some of which may appear elsewhere in the annual report of which this notice forms part, is provided in terms of the JSE Listings Requirements for purposes of this general authority:

- major beneficial shareholders – page 5 of the document of which this notice of annual general meeting forms part; and
- share capital of the Company – page 55 of the document of which this notice of annual general meeting forms part.

11. Ordinary Resolution number 5: Directors' authority to implement Company resolutions

"Resolved that each and every director of the Company be and is hereby authorised to do all such things and sign all such documents as may be necessary for or incidental to the implementation of the resolutions passed at this meeting."

12. To transact such other business which may be transacted at an annual general meeting

By order of the Board

24 July 2019
Cape Town

SHAREHOLDERS' DIARY

Financial year-end	31 March 2019
Annual general meeting	12 September 2019
Reports	
– Preliminary report	May
– Interim report to 30 September 2019	November
– Annual financial statements	July

CORPORATE ADMINISTRATION

Company name and registration
Niveus Investments Limited
Registration number: 1996/005744/06
ISIN code: ZAE000169553
Share code: NIV

Registered office
La Concorde, 57 Main Street, Paarl 7646
Tel: 021 481 7560

Company secretary
HCI Managerial Services Proprietary Limited
Suite 801, 76 Regent Road, Sea Point 8005
PO Box 5251, Cape Town 8001

Transfer secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank 2196
PO Box 61051, Marshalltown 2107
Tel: 011 370 7700

Auditor
BDO South Africa Incorporated
Practice Number 905526
Wanderers Office Park
52 Corlett Drive
Illovo 2196

Sponsor
Investec Bank Limited
100 Grayston Drive
Sandown
Sandton 2196

Executive directors
Lael Bethlehem
Cisco Pereira

Non-executive directors
John Copelyn
Yunis Shaik

Independent non-executive directors
Dr Moretlo Molefi
Jabu Ngcobo
Rachel Watson

Resignations
Carolyn Kristal – Resigned 30/06/2018
Muriel Loftie-Eaton – Resigned 01/08/2018
André van der Veen – Resigned 01/08/2018

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