NIVEUS

INVESTMENTS LIMITED

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

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SHAREHOLDERS' DIARY

Financial year-end	31 March 2014
Annual general meeting	30 October 2014
Reports	
– Preliminary report	May
– Interim report to 30 September 2014	November
– Annual financial statements	September

CORPORATE INFORMATION

Company name and registration
Niveus Investments Limited
Registration number 1996/005744/06
("the company" or "the group" or "Niveus")

Registered office
Block B, Longkloof Studios, Darters Road, Gardens, Cape Town, 8001
PO Box 5251, Cape Town, 8000
Tel: 021 481 7560

Company secretary
HCI Managerial Services Proprietary Limited

Transfer secretaries
Computershare Investor Services Proprietary Limited
70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107
Tel: 011 370 7700

Auditors
Grant Thornton (Jhb) Inc

Sponsor
PSG Capital Proprietary Limited

BOARD OF DIRECTORS

Executive directors
André van der Veen (Chief executive officer)
Muriel Loftie-Eaton (Financial director)

Non-executive director
John Copelyn (Chairman)
Yunis Shaik

Independent non-executive directors
Moretlo Molefi
Jabu Ngcobo
Khutso Mampeule

SHAREHOLDER SNAPSHOT

Listed below are the analyses of shareholdings extracted from the register of ordinary shareholders at 31 March 2014.

DISTRIBUTION OF SHAREHOLDERS

		Number of shareholders	% of total	Number of shares	% of total
1	– 1 000 shares	160	41,34	45 112	0,04
1 001	– 10 000 shares	128	33,07	385 638	0,33
10 001	– 50 000 shares	53	13,70	1 205 223	1,04
50 001	– 100 000 shares	13	3,36	870 084	0,75
100 001	– 500 000 shares	12	3,10	3 825 321	3,31
500 001	– 1 000 000 shares	4	1,04	2 620 344	2,27
Over 1 000 000		17	4,39	106 559 863	92,26
TOTAL		387	100,00	115 511 585	100,00

TYPE OF SHAREHOLDER

	Number of shareholders	% of issued capital	Number of shares	% of current shareholders
Investment company	11	2,84	65 802 518	56,96
Individual	283	73,13	27 202 867	23,55
Trust/nominee	48	12,40	11 718 045	10,14
Private company	12	3,10	8 878 225	7,69
Public company	4	1,03	353 950	0,31
Banks	5	1,29	1 025 238	0,89
Close corporation	15	3,88	29 101	0,03
Pension fund	8	2,07	486 427	0,42
Endowment fund	1	0,26	15 214	0,01
TOTAL	387	100,00	115 511 585	100,00

SIGNIFICANT SHAREHOLDINGS

At 31 March 2014, as far as Niveus is aware, the following shareholders beneficially held, directly or indirectly, 10% or more of the issued shares:

Shareholder	Number of shares	% of issued capital
Hosken Consolidated Investments ("HCI")	60 087 926	52,02

SHAREHOLDER ANALYSIS

31 March 2014	Number of share-holders	% of share-holding	Number of shares	% of issued capital
Public	**378**	**97,66**	**36 795 609**	**31,87**
Non-public	**9**	**2,34**	**78 715 976**	**68,13**
HCI	1	0,26	60 087 926	52,02
Mr JA Copelyn # (direct)	1	0,26	6 537 687	5,66
Mr MJA Golding ** (direct)	1	0,26	6 794 185	5,88
Mr MJA Golding * (indirect)	1	0,26	1 789 487	1,55
Mr AW Eksteen ** (direct)	1	0,26	3 320	0,00
Mr VE Mphande ** (direct)	1	0,26	5 000	0,00
Mr A van der Veen # (direct)	1	0,26	859 253	0,74
Mr A van der Veen * (indirect)	1	0,26	2 544 804	2,20
Mrs MM Loftie-Eaton # (direct)	1	0,26	94 314	0,08
TOTAL	**387**	**100,00**	**115 511 585**	**100,00**

Directors
* *Associates of directors*
** *Directors of major subsidiaries of Niveus*

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

The directors of Niveus Investments Limited are responsible for the preparation, integrity and fair presentation of the annual financial statements of the company and of the group and for other information contained in this annual report. The annual financial statements for the year ended 31 March 2014 have been prepared in accordance with International Financial Reporting Standards and include amounts based on prudent judgements and estimates by management.

The going concern basis has been adopted in preparing the annual financial statements. The directors have no reason to believe that the group or any company within the group will not be a going concern in the foreseeable future based on forecasts and available cash resources.

These annual financial statements support the viability of the company and the group. The annual financial statements have been audited by the independent auditing firm, Grant Thornton (Jhb) Inc, which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board.

The directors believe that all representations made to the independent auditors during the audit were valid and appropriate.

The annual financial statements for the year ended 31 March 2014, which are available on the Niveus website, were approved by the board of directors on 3 September 2014 and are signed on its behalf by:

André van der Veen
CHIEF EXECUTIVE OFFICER

Muriel Loftie-Eaton
FINANCIAL DIRECTOR

3 September 2014
Cape Town

DECLARATION BY THE COMPANY SECRETARY

I hereby confirm, in my capacity as company secretary of Niveus Investments Limited, that for the period ended 31 March 2014, the company has filed all required returns and notices in terms of the Companies Act, 71 of 2008, as amended, and that all such returns and notices are to the best of my knowledge and belief true, correct and up to date.

HCI Managerial Services
Proprietary Limited

HCI Managerial Services Proprietary Limited
COMPANY SECRETARY

REPORT OF THE AUDIT AND RISK COMMITTEE

Members: KI Mampeule (chairman), Dr LM Molefi and JG Ngcobo

The audit and risk committee submits this report for the financial year ending 31 March 2014, 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. The chief executive officer, the financial director and the group's chief risk officer attend the meetings as permanent invitees, along with external audit and the chief audit executive. Other directors and members of management attend as required.

Three audit and risk committee meetings are held per annum.

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, including the system of internal financial control, with accountability to both the board and shareholders. The committee's responsibilities include the statutory duties prescribed by the Companies Act, 71 of 2008, as amended ("Companies Act"), recommendations by King III and additional responsibilities assigned by the board.

The committee has discharged the functions as dictated in its terms of reference and ascribed to it in terms of the Companies Act as follows:

- reviewed the interim, provisional and year-end financial statements, culminating in a recommendation to the board to adopt them;
- 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;
- evaluated policies and procedures regarding internal controls as well as adequacy of and adherence to controls;
- reviewed risk registers of subsidiary companies;
- reviewed internal audit reports;
- evaluated compliance with the JSE Listings Requirements;
- verified the independence of the external auditor as per section 92 of the Companies Act, and accordingly nominated Grant Thornton (Jhb) Inc to continue in office as the independent auditor, and noted the appointment of Mr Rudi Huiskamp as the designated auditor for 2014;
- approved the audit fees and engagement terms of the external auditor; and
- determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services by the external auditor.

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

CONFIDENTIAL MEETINGS

Meeting agendas provide for confidential meetings between the committee members and the external auditors, which are held regularly.

INTERNAL AUDIT

The committee is responsible for ensuring that the group's internal audit function is independent and has the necessary resources, standing and authority to fulfil its duties. The chief audit executive reports functionally to the chairman of the committee and administratively to the financial director.

REPORT OF THE AUDIT AND RISK COMMITTEE *(CONTINUED)*

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 probability of anticipating unpredictable risks;
– risk responses by management are considered and implemented;
– risk monitoring is continuous; and
– the board should receive assurance regarding effectiveness of risk management.

The committee is accountable to the board for implementing and monitoring the processes of risk management 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 board 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 appraised 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 chairman of the committee reports to the board of Niveus on the most significant risks derived from the above process.

PREPARATION OF THE ANNUAL FINANCIAL STATEMENTS AND COMPETENCE OF THE FINANCIAL DIRECTOR

As required by the Listings Requirement 3.84(h), the audit and risk committee has considered and has satisfied itself of the appropriateness of the expertise and experience of the financial director, Ms Muriel Loftie-Eaton.

The committee has further considered, and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the Niveus finance function and the experience of the senior members of management responsible for the finance function.

The committee has evaluated the annual financial statements of the Niveus group for the period ended 31 March 2014 and, based on the information provided, the committee recommends the adoption of the annual financial statements by the board.

Khutso Mampeule
CHAIRMAN: AUDIT AND RISK COMMITTEE

REPORT OF THE INDEPENDENT AUDITORS

TO THE SHAREHOLDERS OF NIVEUS INVESTMENTS LIMITED

We have audited the consolidated and separate financial statements of Niveus Investments Limited set out on pages 11 to 73, which comprise the statements of financial position as at 31 March 2014, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Niveus Investments Limited as at 31 March 2014, 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.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

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

Grant Thornton (JHB) Inc

GRANT THORNTON (JHB) INC
Chartered Accountants (SA)
Registered Auditors
Registration No.: 1994/001166/21

Rudi Huiskamp
Director
Chartered Accountant (SA)
Registered Auditor

3 September 2014

42 Wierda Road West
Wierda Valley
2196

DIRECTORS' REPORT

NATURE OF THE BUSINESS

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 the gaming and alcoholic beverage sectors.

RESULTS

The group made attributable headline earnings of R65 million (2013: R42 million) for the year.

COMPARATIVE FIGURES

The comparative figures are not comparable to the results of the current financial year due to the acquisition of Niveus Gaming and Entertainment Proprietary Limited and the acquisition of a controlling interest in KWV Holding Limited ("KWV") on 1 July 2012 and 1 January 2013 respectively. The prior year figures also include the acquisition and disposal of Formex Industries Proprietary Limited.

RESTATEMENT OF PRIOR YEAR FIGURES

The acquisition of a controlling interest in KWV on 1 January 2013 qualified as a business combination in terms of IFRS 3: Business Combinations. Comparative figures as at 31 March 2013 were determined based on all information available at the acquisition date ("provisional accounting"). This provisional accounting was adjusted for new information obtained within the timeframe of 12 months after the acquisition date. These adjustments to the fair values determined in the provisional purchase price allocation are not treated as movements in the current financial year, but as an adjustment to the comparative figures as at 31 March 2013. The revised acquisition accounting results in an additional gain on bargain purchase of R212 million due to adjustments to the valuation of KWV's trademarks and property, plant and equipment. The effects of the revised acquisition accounting are as follows:

Property, plant and equipment increased with R439 million
Trademarks (included in intangible assets) increased with R49 million
Deferred tax liability increased with R77 million
Non-controlling interest increased with R199 million

KWV changed their accounting policy to include excise duty in the valuation of inventory. The change had the following effects on the comparative figures:

On 31 March 2013
Group Inventory increased with R163 million
Group Trade and other receivables decreased with R163 million

For the year ended 31 March 2013
Group Revenue increased with R58 million
Group Other income decreased with R5 million
Group Other operating expenses increased with R53 million

CORPORATE ACTIONS

Niveus increased its interest in KWV Holdings Limited from 51,6% to 54,52% in September 2013 for a cash consideration of R16 million.

Niveus acquired a 60% interest in the Kuruman casino licence. Construction has commenced and it is anticipated that the casino will be operational in December 2014.

SHARES ISSUED AND DIVIDENDS DECLARED

On 22 July 2013, a gross dividend of 18 cents per ordinary share, with a net dividend of 15,3 cents per share after Dividend Withholding Tax of 15%, or the option to elect a capitalisation issue alternative of one share for every 70 shares held, was declared. A gross cash dividend of R1,2 million was paid and 1 512 602 capitalisation shares were issued on 12 August 2013.

On 17 February 2014, the company issued 1 379 896 shares at R20 per share to Johnnic Holdings Management Services ("JHMS") in lieu of the settlement of management fees payable to JHMS in the amount of R27 597 920 in terms of the management agreement between JHMS and Niveus. The shares were issued in terms of a specific approval for the issue of up to 2 000 000 shares to JHMS for this purpose. The approval was granted by the passing of a resolution at the general meeting of shareholders on 26 April 2013 in terms of the circular dated 28 March 2013. The management fee included R14,6 million which related to an equity-settled share-based payment in terms of IFRS 2: Share-based payments and was recorded directly in equity.

Subsequent to year-end, a dividend was approved by shareholders with a capitalisation alternative of one share for every 76 held. On 18 August 2014, a further 1,4 million shares were issued in this regard.

CHANGE IN SPONSOR

Niveus has appointed PSG Capital Proprietary Limited as its sponsor with effect from 1 November 2013.

MAJORITY SHAREHOLDER

HCI is the holding company of Niveus with an effective interest of 52,02%.

SPECIAL RESOLUTIONS

Date	Special resolution
29 July 2014	Approval of a cash dividend of 28 cents per share, together with a capitalisation issue alternative (one share for every 76 shares held) and the directors of the company are authorised to do such things as may be deemed necessary.

SPECIAL RESOLUTIONS OF SUBSIDIARIES

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

DIRECTORATE AND COMPANY SECRETARY

The directors of the company and the company secretary's details are set out on page 1. The following changes to the board were effected:

- Mr Y Shaik resigned as lead independent director and chairman of the audit and risk committee on 20 March 2014, but will remain on the board as non-executive director;
- Dr LM Molefi was appointed as lead independent director on 20 March 2014; and
- Mr KI Mampeule was appointed as chairman of the audit and risk committee on 20 March 2014.

Details of directors' shareholdings appear on page 52 and directors' emoluments on page 53.

Share options on Niveus' shares are granted by the administrator and details thereof are provided for disclosure purposes on pages 54 and 55.

During the year, on 16 June 2013, André van der Veen exercised 941 356 options at R6,16 per share and Muriel Loftie-Eaton exercised 92 985 options at R6,11 per share.

Subsequent to year-end, on 12 August 2014, Muriel Loftie-Eaton exercised 92 986 options at R5,86 per share. Khutso Mampeule obtained an effective indirect interest of 0,88% through his associated entities.

In accordance with the company's memorandum of incorporation, MM Loftie-Eaton, JG Ngcobo and Y Shaik retire by rotation at the forthcoming annual general meeting. The retiring directors, being eligible, offer themselves for re-election.

GOING CONCERN

The board considers the going concern status of the Niveus group on a biannual 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.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2014

	Notes	Group 2014 R'000	Group 2013 *Restated* R'000	Company 2014 R'000	Company 2013 R'000
Assets					
Non-current assets		**1 200 750**	1 058 332	**601 421**	505 070
Property, plant and equipment	1	**1 023 845**	891 530	**–**	–
Investment property	2	**3 900**	3 700	**–**	–
Goodwill	3	**49 730**	49 730	**–**	–
Intangible assets	4	**78 450**	76 451	**–**	–
Investments in associates and joint arrangements	5	**15 272**	15 141	**–**	–
Investments in subsidiaries	6	**–**	–	**601 421**	505 070
Deferred taxation	7	**17 996**	15 553	**–**	–
Loans receivable	8	**11 557**	6 227	**–**	–
Current assets		**1 533 880**	1 533 308	**17 433**	84 876
Inventories	9	**1 005 172**	979 719	**–**	–
Derivative financial instruments	10	**5 952**	2 545	**–**	–
Trade and other receivables	11	**295 452**	265 255	**11 260**	2 280
Loans receivable	8	**3 123**	23 108	**–**	–
Taxation		**741**	2 716	**54**	54
Cash and cash equivalents	26.6	**223 440**	259 965	**6 119**	82 542
Total assets		**2 734 630**	2 591 640	**618 854**	589 946
Equity and liabilities					
Capital and reserves		**1 902 357**	1 856 025	**561 537**	579 965
Ordinary share capital	12	**837 002**	790 345	**837 002**	790 345
Other reserves	13	**(76 971)**	(85 093)	**3 321**	–
Accumulated profits/(losses)		**413 543**	367 212	**(278 786)**	(210 380)
Equity attributable to equity holders of the parent		**1 173 574**	1 072 464	**561 537**	579 965
Non-controlling interest		**728 783**	783 561	**–**	–
Non-current liabilities		**277 034**	306 823	**–**	–
Operating lease equalisation liability		**3 356**	2 038	**–**	–
Borrowings	14	**163 225**	185 350	**–**	–
Finance lease liabilities	15	**2 404**	7 343	**–**	–
Accruals	16	**420**	–	**–**	–
Deferred taxation	7	**107 629**	112 092	**–**	–
Current liabilities		**555 239**	428 792	**57 317**	9 981
Trade and other payables	16	**498 370**	395 257	**45 397**	6 283
Derivative financial instruments	10	**23 911**	24 091	**–**	–
Loans from subsidiaries	6	**–**	–	**11 920**	3 698
Current portion of borrowings	14	**25 873**	3 502	**–**	–
Current portion of finance lease liabilities	15	**4 720**	4 470	**–**	–
Taxation		**2 365**	1 472	**–**	–
Total equity and liabilities		**2 734 630**	2 591 640	**618 854**	589 946

STATEMENTS OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	Group 2014 R'000	Group 2013 Restated R'000	Company 2014 R'000	Company 2013 R'000
Revenue	18	**1 154 982**	258 724	**–**	–
Net gaming win		**818 421**	655 611	**–**	–
		1 973 403	914 335	**–**	–
Other operating expenses		**(1 773 760)**	(740 844)	**(4 931)**	(7 399)
Other income		**12 540**	3 575	**–**	–
Depreciation and amortisation		**(107 588)**	(72 626)	**–**	–
Investment income	19	**11 136**	5 514	**6 558**	4 442
Share of profits/(losses) of associates and joint arrangements		**331**	(14 722)	**–**	–
Asset impairments		**(6 412)**	(2 880)	**–**	–
Gain on bargain purchase	33	**–**	472 260	**–**	–
Impairment of goodwill		**–**	(343)	**–**	–
Impairment of loans to subsidiaries	6	**–**	–	**(21 618)**	(43 027)
Finance costs	21	**(16 496)**	(16 273)	**(5 472)**	(599)
Profit/(loss) before taxation	22	**93 154**	547 996	**(25 463)**	(46 583)
Taxation	23	**(34 044)**	(30 635)	**–**	–
Profit/(loss) for the year from continuing operations		**59 110**	517 361	**(25 463)**	(46 583)
Discontinued operations	24	**–**	(16 178)	**–**	(138 939)
Profit/(loss) for the year		**59 110**	501 183	**(25 463)**	(185 522)
Attributable to:					
Equity holders of the parent		**61 471**	502 637		
Non-controlling interest		**(2 361)**	(1 454)		
		59 110	501 183		
Earnings per share (cents)	25	**54,1**	521,6		
Continuing operations		**54,1**	538,4		
Discontinued operations		**–**	(16,8)		
Headline earnings per share (cents)	25	**57,2**	43,9		
Continuing operations		**57,2**	49,7		
Discontinued operations		**–**	(5,8)		
Diluted earnings per share (cents)	25	**52,8**	521,6		
Continuing operations		**52,8**	538,4		
Discontinued operations		**–**	(16,8)		
Diluted headline earnings per share (cents)	25	**55,9**	43,9		
Continuing operations		**55,9**	49,7		
Discontinued operations		**–**	(5,8)		

STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2014

		Group		Company	
		2014	2013 *Restated*	2014	2013
	Notes	R'000	R'000	R'000	R'000
Profit/(loss) for the year		59 110	501 183	(25 463)	(185 522)
Other comprehensive income net of tax:					
Foreign currency translation differences	13	2 773	96	–	–
Total comprehensive income/(loss) for the year		61 883	501 279	(25 463)	(185 522)
Attributable to:					
Equity holders of the parent		63 927	502 733		
Non-controlling interest		(2 044)	(1 454)		
		61 883	501 279		

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	Stated capital R'000	Other reserves R'000	Accumulated profits/(losses) R'000	Non-controlling interest R'000	Total R'000
Group						
Balances as at 31 March 2012		44 888	170	(19 649)	(530)	24 879
Stated capital						
Shares issued	12	745 457	–	–	–	745 457
Current operations						
Total comprehensive income		–	96	502 637	(1 454)	501 279
As previously reported		–	96	290 414	(1 215)	289 295
Restatement	38	–	–	212 223	(239)	211 984
Effects of changes in holding		–	(208 304)	7 169	788 065	586 930
As previously reported		–	(208 304)	7 169	588 762	387 627
Restatement	38	–	–	–	199 303	199 303
Capital reductions and dividends		–	–	–	(2 520)	(2 520)
Transfer of reserves		–	122 945	(122 945)	–	–
Balance as at 31 March 2013 (restated)		**790 345**	**(85 093)**	**367 212**	**783 561**	**1 856 025**
Stated capital						
Shares issued	12	**46 657**	**–**	**–**	**–**	**46 657**
Current operations						
Total comprehensive income		**–**	**2 456**	**61 471**	**(2 044)**	**61 883**
Equity-settled share-based payments		**–**	**5 647**	**–**	**–**	**5 647**
Effects of changes in holding		**–**	**(52)**	**27 934**	**(47 332)**	**(19 450)**
Capital reductions and dividends		**–**	**–**	**(42 943)**	**(5 462)**	**(48 405)**
Transfer of reserves		**–**	**71**	**(131)**	**60**	**–**
Balance as at 31 March 2014		**837 002**	**(76 971)**	**413 543**	**728 783**	**1 902 357**

	Notes	Stated capital R'000	Other reserves R'000	Accumulated losses R'000	Total R'000
Company					
Balances at 31 March 2012		44 888	–	(24 858)	20 030
Stated capital					
Shares issued	12	745 457	–	–	745 457
Current operations					
Total comprehensive loss for the year		–	–	(185 522)	(185 522)
Balances at 31 March 2013		**790 345**	**–**	**(210 380)**	**579 965**
Capital reductions and dividends					
Shares issued	12	**46 657**	**–**	**–**	**46 657**
Current operations					
Total comprehensive loss for the year		**–**		**(25 463)**	**(25 463)**
Equity-settled share-based payments		**–**	**3 321**	**–**	**3 321**
Capital reductions and dividends		**–**	**–**	**(42 943)**	**(42 943)**
Balances at 31 March 2014		**837 002**	**3 321**	**(278 786)**	**561 537**

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2014

		Group		Company	
		2014	2013 *Restated*	2014	2013
	Notes	R'000	R'000	R'000	R'000
Cash flows from operating activities		**219 772**	216 909	**16 407**	390
Cash generated by/(utilised in) operations	26.1	**242 882**	205 945	**(1 610)**	(7 399)
Investment income		**11 024**	5 514	**6 141**	4 442
Changes in working capital	26.2	**15 974**	59 145	**11 876**	3 994
Cash generated by operating activities		**269 880**	270 604	**16 407**	1 037
Finance costs		**(12 841)**	(19 264)	**–**	(599)
Taxation paid	26.3	**(37 267)**	(34 431)	**–**	(48)
Cash flows from investing activities		**(235 051)**	(37 194)	**(579)**	22 981
Business combinations	26.4	**–**	111 947	**–**	–
Investment in:					
– Subsidiary companies	26.5	**(19 450)**	–	**(579)**	(419)
– Associated companies and joint arrangements	5	**–**	(33 196)	**–**	–
Dividends received		**200**	–	**–**	–
Proceeds on disposal of investments	26.4	**–**	22 921	**–**	23 400
Short-term loans repayments received		**20 752**	2 739	**–**	–
Short-term loans advanced		**–**	(377)	**–**	–
Increase in long-term loans receivable		**(6 287)**	–	**–**	–
Intangible assets acquired		**(4 575)**	(2 714)	**–**	–
Property, plant and equipment:					
– Additions		**(230 898)**	(140 976)	**–**	–
– Disposals		**5 207**	2 463	**–**	–
Cash flows from financing activities		**(21 246)**	69 146	**(92 251)**	59 171
Ordinary shares issued		**–**	236 593	**–**	236 593
Dividends paid to non-controlling shareholders		**(13 595)**	(2 520)	**(9 202)**	–
Loans to subsidiary companies		**–**	–	**(83 049)**	(177 422)
Long-term funding repaid		**(7 651)**	(164 927)	**–**	–
Cash and cash equivalents					
Movement for the year		**(36 525)**	248 861	**(76 423)**	82 542
At beginning of year		**259 965**	11 139	**82 542**	–
Foreign exchange difference		**–**	(35)	**–**	–
At end of year	26.6	**223 440**	259 965	**6 119**	82 542

1. ACCOUNTING POLICIES

This summary of the principal accounting policies of the Niveus Investments Limited group is presented to assist with the evaluation of the consolidated annual financial statements.

1.1 BASIS OF PREPARATION

The consolidated annual financial statements of the group 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 consolidated financial statements have been 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 2014, as presented in note 3.

The preparation of the consolidated annual financial statements in accordance with IFRS requires that certain critical accounting estimates and assumptions be used. It also requires that management use their discretion in applying the accounting policy of the group. Those areas requiring a higher level of judgement or that are more complex, or areas where assumptions and estimates have a material effect on the consolidated annual financial statements, are presented in note 2.

1.2 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 that makes strategic decisions. 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 which display similar economic characteristics are aggregated for reporting purpose.

1.3 BASIS OF CONSOLIDATION

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

(i) SUBSIDIARIES

Subsidiaries are entities controlled by the group. Control exists where the group is exposed to, or has rights to, variable returns from its involvement with that entity and where the group has the ability to affect those variable returns through its power over the entity. Where the activities that most significantly affect the returns of another entity are governed by voting rights, the group controls such an entity where it has control over more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Where the group's interest in subsidiaries is less than 100%, the share attributable to outside shareholders is reflected in non-controlling interest. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

Intra-group balances, transactions and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated annual financial statements. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Investments in subsidiaries are accounted for at cost less accumulated impairment in the separate financial statements of the company.

(ii) TRANSACTIONS AND NON-CONTROLLING INTERESTS

Transactions with non-controlling interests are treated as transactions with equity holders of the group. Disposals to non-controlling interests that do not result in the loss of control, result in gains and losses for the group that are recorded directly in the statement of changes in equity. The difference between any consideration paid and the relevant share of the net asset value acquired from non-controlling interests is recorded directly in equity.

(iii) ASSOCIATES AND JOINT ARRANGEMENTS

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Joint arrangements are entities that are jointly controlled through contractual arrangements between the group and other parties.

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

Investments in associates and joint arrangements are accounted for using the equity method of accounting and are initially recognised at cost.

The carrying amount of the group's investment in associates and joint arrangements includes goodwill (net of any accumulated impairment loss) recognised on acquisition.

The group's share of its associates' and joint arrangements' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition reserve movements is recognised in other comprehensive income. The cumulative post-acquisition movements are recognised against the carrying amount of the investment. When the group's share of losses in an associate and joint venture equals or exceeds its interest in the associate and joint venture, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

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

Investments in associates and joint arrangements are accounted for at cost less accumulated impairment in the separate financial statements of the company.

1.4 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 consolidated 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 have been 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. Translation differences on non-monetary assets, such as equity investments classified as available-for-sale, are recognised in other comprehensive income.

(iii) FOREIGN SUBSIDIARIES, ASSOCIATES AND JOINT ARRANGEMENTS – TRANSLATION

Once-off items in the statement of profit or loss and statement of cash flows of foreign subsidiaries, associates and joint arrangements expressed in currencies other than the 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.

1.5 BUSINESS COMBINATIONS

(i) SUBSIDIARIES

The group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

(ii) GOODWILL

Goodwill arising on consolidation represents the excess of the cost of the acquisition over the group's interest in the fair value of the identifiable assets (including intangibles), liabilities and contingent liabilities of the acquired entity at the date of acquisition. Where the fair value of the group's share of identifiable net assets acquired exceeds the fair value of the consideration, the difference is recognised immediately in profit or loss.

Goodwill is stated at cost less impairment losses and is reviewed for impairment on an annual basis. Any impairment identified is recognised immediately in profit or loss and is not reversed.

Where a business combination occurs in several stages goodwill will be recognised on the transaction that results in the group obtaining control of the subsidiary. Goodwill, or gain on bargain purchase, will be measured as the difference between the fair value of the identifiable net assets acquired and the sum of the consideration paid, the non-controlling interest and the fair value of any previous interest held.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units is in accordance with the basis on which the businesses are managed and according to the differing risk and reward profiles.

(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.

1.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost net of accumulated depreciation and any impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying value or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the specific asset will flow to the group and the cost can be measured reliably. 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 note 1.15)

(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:

Computer and office equipment	3 years
Computer software	3 years
Plant and machinery	6 – 50 years
Buildings	40 years
Furniture and fittings	5 – 10 years
Art	10 years
Gaming machines	6 years
Motor vehicles	4 – 15 years
Gaming equipment	3 – 6 years
Leasehold improvements	Lesser of estimated useful life or period of lease (normally 8 years)
Signage	10 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 they arise.

1.7 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.

1.8 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 programmes are expensed as incurred.

(ii) BID COSTS 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, and amortised over the exclusivity period applicable to each licence, which ranges from 15 to 20 years from date of commencement of those operations.

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

No amortisation is recognised on the casino licence as the Kuruman Casino is still under construction.

(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.

1.9 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities are initially recognised at fair value plus any directly attributable transaction costs (transaction costs are not included on initial recognition for financial instruments carried at fair value through profit or loss).

Financial assets consist of cash, equity instruments, a contractual right to receive cash or another financial asset, or a contractual right to exchange financial instruments with another entity on potentially favourable terms. Financial assets are derecognised when the right to receive cash flows from the asset have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Financial liabilities are recognised when there is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments with another entity on potentially unfavourable terms. Financial liabilities are derecognised when they are extinguished, that is discharged, cancelled or expired.

If a legally enforceable right exists to set off recognised amounts of financial assets and liabilities and there is an intention to settle net, the relevant financial assets and liabilities are offset.

Interest costs are recognised using the effective-interest method. Premiums or discounts arising from the difference between the net proceeds of financial instruments purchased or issued and the amounts receivable or repayable at maturity are included in the effective-interest calculation and taken to net interest payable over the life of the instrument.

(i) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss are non-derivative financial assets held for trading and/or designated by the entity upon initial recognition as fair value through profit or loss.

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Gains or losses arising from changes in the fair value of the "financial assets at fair value though profit or loss" category are presented in the statement of profit or loss in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of other income when the group's right to receive payments is established.

(ii) HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the group's management has the positive intention and ability to hold to maturity.

Held-to-maturity investments are initially recognised at fair value plus transaction costs. Held-to-maturity investments are subsequently carried at amortised cost using the effective-interest method.

(iii) LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets (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 uncollectible, 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.

(iv) FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Non-derivative financial liabilities are measured initially and subsequently at fair value by discounting the future cash payments using the market rate applicable at the date of the statement of financial position. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(v) FINANCIAL LIABILITIES AT AMORTISED COST

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective-yield method; any difference between proceeds and the redemption value is recognised in the profit or loss over the period of the borrowings.

(vi) AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments are non-derivative financial assets that are either designated in this category or not classified as any of the above. Investments in this category are included in non-current assets unless management intends to dispose of the investment within 12 months of the statement of financial position date.

(vii) CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried at cost and include cash in hand, bank deposits, other short-term highly liquid investments and bank overdrafts.

Bank overdrafts are included within cash and cash equivalents on the face of the statement of cash flows as they form an integral part of the group's cash management.

(viii) FAIR VALUE

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, and for unlisted securities, the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

(ix) IMPAIRMENT

The group assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments are not reversed through profit or loss. Impairment testing of trade receivables is described in note (iii) above.

1.10 DERIVATIVE FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Derivative financial assets and financial liabilities are financial instruments whose value changes in response to an underlying variable, require little or no initial investment and are settled in the future.

Derivative financial assets and liabilities are analysed between current and non-current assets and liabilities on the face of the statement of financial position, depending on when they are expected to mature. For derivatives that are not designated to have a hedging relationship, all fair value movements thereon are recognised immediately in profit or loss.

1.11 INVENTORIES

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the weighted average or first-in first-out method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of the business, less selling expenses. Provision is made for slow-moving goods, and obsolete materials are written off.

1.12 SHARE 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. Where subsidiaries hold shares in the holding company's equity share capital, the consideration paid to acquire these shares is deducted from total shareholders' equity as treasury shares. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity. Shares issued to or held by share incentive plans within the group are treated as treasury shares until such time when participants pay for and take delivery of such shares.

1.13 TRADE PAYABLES

Trade payables are initially recognised at fair value and subsequently measured at amortised cost. Trade payables are analysed between current and non-current liabilities on the face of the statement of financial position, depending on when the obligation to settle will be realised.

1.14 BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs, and are subsequently stated at amortised cost and include accrued interest and prepaid interest. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months from the reporting date.

1.15 IMPAIRMENT

This policy covers all assets except inventories (see note 1.11), financial assets (see note 1.9) and non-current assets classified as held for sale (see note 1.16). Impairment reviews are performed by comparing the carrying value of the asset to its recoverable amount, being the higher of the fair value less costs to sell and value in use. The fair value less costs to sell is considered to be the amount that could be obtained on disposal of the asset. The value in use of the asset is determined by discounting, at a market-based pre-tax discount rate, the expected future cash flows resulting from its continued use, including those arising from its final disposal. When the carrying values of non-current assets are written down by any impairment amount, the loss is recognised in profit or loss in the period in which it is incurred. Where the asset does not generate cash flows that are independent from the cash flows of other assets the group estimates the recoverable amount of the cash-generating unit (“CGU”) to which the asset belongs.

For the purpose of conducting impairment reviews, CGUs are considered to be the lowest level of groups of assets and liabilities that have separately identifiable cash flows. They also include those assets and liabilities directly involved in producing the income and a suitable proportion of those used to produce more than one income stream.

When an impairment is recognised, the impairment loss is held firstly against any specifically impaired assets of the CGU, then recognised against goodwill balances. Any remaining loss is set against the remaining intangible and tangible assets on a pro rata basis.

Should circumstances or events change and give rise to a reversal of a previous impairment loss, the reversal is recognised in profit or loss in the period in which it occurs and the carrying value of the asset is increased. The increase in the carrying value of the asset is restricted to the amount that it would have been had the original impairment not occurred. Impairment losses in respect of goodwill are irreversible.

Intangible non-current assets with an indefinite life and goodwill are tested annually for impairment. Assets subject to amortisation are reviewed for impairment if circumstances or events change to indicate that the carrying value may not be fully recoverable.

1.16 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 which is expected to qualify for recognition as a completed sale within one year from date of classification.

1.17 PROVISIONS

Provisions are recognised when there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are calculated on a discounted basis where the effect is material to the original undiscounted provision. The carrying amount of the provision increases in each period to reflect the passage of time and the unwinding of the discount and the movement is recognised in the statement of profit or loss within interest costs.

Provisions are not recognised for future operating losses; however, provisions are recognised for onerous contracts where a contract is expected to be loss making (and not merely less profitable than expected).

1.18 REVENUE RECOGNITION

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

(i) SALE OF GOODS

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

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

KWV's revenue is shown inclusive of excise and net of value-added tax, returns, rebates and discounts, and after eliminating sales within the group.

(ii) RENDERING OF SERVICES

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

(iii) 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.

(iv) DIVIDEND INCOME

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

(v) NET GAMING WIN

Net gaming win comprises the slot machine win derived by limited payout route operations from gambling patrons and net bingo winnings derived from betting patrons. In terms of accounting standards, betting transactions concluded under gaming operations meet the definition of derivatives and therefore income from gaming operations represents the net position arising from financial instruments. The net gaming win is measured as the net cash received from betting transactions from gaming operations. Due to the short-term nature of the group's limited payout route operations, all income is recognised immediately in profit and loss at fair value.

VAT and other taxes, including gaming levies, that are charged on gaming and betting winnings are included in net gaming win and are treated as direct costs as these are borne by the group and not customers.

1.19 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.

The difference between the amounts recognised as an expense and the contractual payments is recognised as an operating lease liability. This liability is not discounted.

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

(ii) THE GROUP IS THE LESSOR

The group recognises finance lease receivables on its statement of financial position. Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the group's net investment in the finance lease. 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. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

1.20 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

1.21 TAX

(i) INCOME TAX

The tax expense for the period comprises current, deferred tax and secondary tax on companies. 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 consolidated 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) SECONDARY TAX ON COMPANIES (STC)

South African residential companies were subject to a two-pronged tax system. Firstly, tax was payable on taxable income and secondly, tax was payable on distributed income profit. A company had to pay STC on dividends declared or deemed to have been declared (as defined in the Income Tax Act) to its shareholders.

Any dividends received in the relevant dividend cycle decrease the STC payable. The amount by which the dividends received exceed the dividends declared was carried over to the following dividend cycle as an STC credit.

Secondary tax on companies was abolished on dividends effective 1 April 2012 and was replaced by a dividend withholding tax. STC credits will not directly benefit the company because the new withholding tax is levied on the shareholder and not the company, with exception of non-cash dividends. The company will only carry STC deferred tax assets to the extent that they will be utilised against cash dividends paid prior to 1 April 2012, or future non-cash dividends.

Existing STC credits will expire on 1 April 2015 if not utilised.

(iii) DIVIDENDS TAX

Dividends paid by the company to shareholders that are not exempt are subject to dividends tax at a rate of 15%.

1.22 DIVIDEND DISTRIBUTIONS

Dividend distributions to equity holders of the parent are recognised as a liability in the consolidated 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.

1.23 EMPLOYEE BENEFITS

(i) DEFINED-CONTRIBUTION PLANS

A defined-contribution plan is a pension or provident plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For the defined-contribution plans, subsidiaries of the group pay contributions to both in-house pension funds managed by employer and employee-nominated trustees and public administered provident plans on a contractual basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. The rules of the funds do not allow for prepaid contributions.

(ii) 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 possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

(iii) 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.

(iv) 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.

1.24 EARNINGS PER SHARE

Earnings per share is calculated on the weighted average number of shares in issue, net of treasury shares, 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 02/2013 issued by SAICA.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of 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 ESTIMATED IMPAIRMENT OF GOODWILL

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1.5. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations.

Refer to note 3 to the consolidated annual financial statements for impairment recognised on goodwill.

2.2 DEFERRED TAX ASSETS

The group recognises the 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 group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws.

To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the reporting date could be impacted.

2.3 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 assets' residual values, useful lives and related depreciation charges annually at each reporting date.

2.4 INVENTORY VALUATION

The group manufactures and trades with perishable products. Judgement is required to determine the saleability of these products. In addition, a significant portion of the group's matured wines and brandies has a lengthy production cycle. The saleability and valuation of work-in-progress inventories are dependent on market and consumer trends. Stringent quality control, detailed sales planning and forecasting and procurement planning are key factors in ensuring that the valuation of the group's inventory is reasonable.

2.5 IMPAIRMENT OF TRADE AND OTHER RECEIVABLES

The group assesses its trade and other receivables for impairment at each reporting date. In determining whether an impairment should be recognised in profit and 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.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE:

The International Accounting Standards Board (IASB) issued a number of standards, amendments to standards, and interpretations during the financial year ended 31 March 2014.

3.1 The following new standards and amendments to existing standards have been adopted by the group and are applicable for the first time during the year ended 31 March 2014. Other than disclosed below, these pronouncements had no significant effect on the group's financial statements:

Standard	Title
IFRS 7	Offsetting of Financial Assets and Financial Liabilities
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 1	Presentation of Items of Other Comprehensive Income
IAS 19	Employee Benefits
IAS 27 (revised 2011)	Separate Financial Statements
IAS 28 (revised 2011)	Investments in Associates and Joint Ventures
Various	Annual improvements to IFRS 2011

3.2 Changes in accounting policies due to the adoption of new or amended accounting standards:

The group applied the following new or amended accounting standards, for the year ended 31 March 2014:

3.2.1 IFRS 10 "Consolidated Financial Statements": this new accounting standard replaces all of the consolidation and control guidance previously contained in IAS 27 "Consolidated and Separate Financial Statements" and SIC-12 "Consolidation Special Purpose Entities".

The group has reviewed its control assessments in accordance with IFRS 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the group's investees held during the period or comparative periods covered by these annual financial statements.

3.2.2 IFRS 11 “Joint Arrangements”: this new accounting standard replaces the guidance previously contained in IAS 31 “Interests in Joint Ventures”, and SIC-13 “Jointly Controlled Entities Non-Monetary Contributions by Venturers”. Significantly, IFRS 11 requires all interests in joint ventures to be accounted for under the equity method.

The group already accounts for joint arrangements using the equity method and therefor the new standard has no effect on the annual financial statements.

3.2.3 IFRS 12 “Disclosure of Interests in Other Entities”: this new accounting standard requires various new disclosures. The group has applied the requirements of IFRS 12 retrospectively.

3.3 The following new standards, interpretations and amendments to existing standards are not yet effective as at 31 March 2014. The group is currently evaluating the effects of these standards and interpretations which have not been early adopted:

Standard/ interpretation	Title	Effective for annual period ending
IAS 32	Offsetting Financial Assets and Financial Liabilities	March 2015
IAS 36	Impairment of Assets – Recoverable Amount Disclosures	March 2015
IAS 39	Novation of Derivative Financial Instruments	March 2015
IFRIC 21	Accounting for Levies	March 2015
IFRS 11	Acquisition of an Interest in a Joint Operation	March 2016
IAS 38/IAS 16	Clarification of Acceptable Methods of Depreciation and Amortisation	March 2017
IFRS 15	Revenue from Contracts with Customers	March 2018
Various	Annual improvements to IFRS 2013	March 2015

		Group	
		2014 R'000	2013 *Restated* R'000
1.	PROPERTY, PLANT AND EQUIPMENT		
	Cost		
	Computer and office equipment	26 799	14 959
	Plant and machinery	483 253	435 257
	Plant under construction	1 311	1 565
	Land and buildings	423 739	415 442
	Furniture and fittings	116 276	89 278
	Art	40 580	40 580
	Gaming machines	356 833	263 539
	Motor vehicles	18 725	14 829
	Motor vehicles under finance lease	13 589	14 002
	Gaming equipment and signage	34 304	45 160
	Site leasehold improvements	91 987	49 958
		1 607 396	1 384 569
	Accumulated depreciation		
	Computer and office equipment	16 640	9 062
	Plant and machinery	276 036	256 064
	Plant under construction	–	–
	Land and buildings	15 675	14 208
	Furniture and fittings	74 098	53 567
	Art	83	79
	Gaming machines	140 669	106 784
	Motor vehicles	10 018	9 710
	Motor vehicles under finance lease	6 899	2 438
	Gaming equipment and signage	20 487	32 089
	Site leasehold improvements	22 946	9 038
		583 551	493 039
	Carrying value		
	Computer and office equipment	10 159	5 897
	Plant and machinery	207 217	179 193
	Plant under construction	1 311	1 565
	Land and buildings	408 064	401 234
	Furniture and fittings	42 178	35 711
	Art	40 497	40 501
	Gaming machines	216 164	156 755
	Motor vehicles	8 707	5 119
	Motor vehicles under finance lease	6 690	11 564
	Gaming equipment and signage	13 817	13 071
	Site leasehold improvements	69 041	40 920
		1 023 845	891 530

	Group 2014 R'000	Group 2013 Restated R'000
1. PROPERTY, PLANT AND EQUIPMENT *(continued)*		
Movements in property, plant and equipment		
Balance at beginning of year		
Computer equipment	5 897	1 674
Plant and machinery	179 193	–
Plant under construction	1 565	–
Land and buildings	401 234	–
Furniture and fittings	35 711	3 370
Art	40 501	–
Gaming machines	156 755	119 185
Motor vehicles	5 119	2 229
Motor vehicles under finance lease	11 564	–
Gaming equipment and signage	13 071	12 578
Site leasehold improvements	40 920	9 327
	891 530	148 363
Additions		
Computer and office equipment	8 891	3 576
Plant and machinery	47 755	14 851
Plant under construction	–	215
Land and buildings	8 297	302
Furniture and fittings	19 703	5 678
Gaming machines	103 873	82 234
Motor vehicles	5 926	551
Motor vehicles under finance lease	–	14 002
Gaming equipment and signage	4 768	5 864
Site leasehold improvements	38 887	12 149
	238 100	139 422
Additions and disposals through business combinations		
Computer and office equipment	–	3 658
Plant and machinery	–	174 217
Plant under construction	–	1 356
Land and buildings	–	401 548
Furniture and fittings	–	31 990
Art	–	40 508
Motor vehicles	–	3 920
Site leasehold improvements	–	26 547
	–	683 744
Disposals		
Computer and office equipment	(515)	(60)
Plant and machinery	(318)	(1 936)
Plant under construction	–	(6)
Furniture and fittings	(104)	(18)
Gaming machines	–	(23)
Motor vehicles	(572)	(658)
Motor vehicles under finance lease	(302)	–
Site leasehold improvements	(78)	–
	(1889)	(2 701)

	Group 2014 R'000	Group 2013 *Restated* R'000
1. PROPERTY, PLANT AND EQUIPMENT *(continued)*		
Depreciation		
Computer and office equipment	(3 908)	(2 951)
Plant and machinery	(17 615)	(7 939)
Land and buildings	(1 467)	(616)
Furniture and fittings	(11 757)	(5 305)
Art	(4)	(7)
Gaming machines	(47 061)	(42 571)
Motor vehicles	(1 766)	(923)
Motor vehicles under finance lease	(4 572)	(2 438)
Gaming equipment and signage	(4 011)	(5 371)
Site leasehold improvements	(9 862)	(6 297)
	(102 023)	(74 418)
Transfers		
Plant and machinery	254	–
Plant under construction	(254)	–
	–	–
Exchange differences		
Computer and office equipment	4	–
Furniture and fittings	4	–
Gaming machines	4 522	–
	4 530	–
Impairments		
Computer and office equipment	(210)	–
Plant and machinery	(2 052)	–
Furniture and fittings	(1 379)	(4)
Gaming machines	(1 925)	(2 070)
Gaming equipment and signage	(11)	–
Site leasehold improvements	(826)	(806)
	(6 403)	(2 880)
Balances at end of year		
Computer and office equipment	10 159	5 897
Plant and machinery	207 217	179 193
Plant under construction	1 311	1 565
Land and buildings	408 064	401 234
Furniture and fittings	42 178	35 711
Art	40 497	40 501
Gaming machines	216 164	156 755
Motor vehicles	8 707	5 119
Motor vehicles under finance lease	6 690	11 564
Gaming equipment and signage	13 817	13 071
Site leasehold improvements	69 041	40 920
	1 023 845	891 530

A register of land and buildings is available for inspection at the registered office of the company.

The group recognised impairments of property, plant and equipment with a net book value of R6,4 million (2013: R2,9 million) due to scrapping of assets not being in use anymore.

Encumbrances
Details of the assets that serve as security for borrowings are presented in note 14.

		Group	
		2014 R'000	2013 *Restated* R'000
2.	INVESTMENT PROPERTY		
	Investment property consists of:		
	Erf 1282 Middelburg, Mpumalanga, in extent 1 788 m²	3 900	3 700
		3 900	3 700

Investment property is stated at fair value.

The fair value of the investment property is determined by using external valuations, contracts and taking credit risk into account.

The fair value of investment property, totalling R3,9 million, has been arrived at on the basis of an external valuation. The valuation was performed by Elmine Grobler Valuators on 10 February 2014, based on a property rental capitalisation rate of 10,5%.

Details of the investment property are available at the registered office of the company.

	2014 R'000	2013 *Restated* R'000
At beginning of year	3 700	3 700
Fair value adjustment	200	–
At end of year	3 900	3 700
Rental income from investment property	647	538
Direct operating expenses relating to rental income from investment property	131	133

		Group	
		2014 R'000	2013 *Restated* R'000
3.	**GOODWILL**		
	Arising on acquisition of shares in subsidiaries	49 730	49 730
	Reconciliation of carrying value		
	At beginning of year	49 730	48 230
	– Cost	50 073	48 230
	– Accumulated impairment	(343)	–
	Addition through business combination	–	343
	Acquisition of subsidiary	–	1 500
	Impairment of goodwill	–	(343)
	At end of year	49 730	49 730
	– Cost	50 073	50 073
	– Accumulated impairment	(343)	(343)

Goodwill relates mainly to the group's limited payout gaming operations.

The recoverable amounts of the cash-generating units have been determined on a value-in-use calculation, using cash flow projections which cover a five-year period.

A growth rate of 4,5% has been applied and cash flows have been discounted at 14%.

The following assumptions have been applied when reviewing goodwill impairment:

- Asset values have been based on the carrying amounts for the financial period;
- Future expected profits have been 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; and
- Cash flows have been extended into perpetuity as management have no reason to believe that the group will not continue past the budget period.

The recoverable amounts of the cash-generating units were determined to be higher than the relevant portion of goodwill and therefore no impairment was necessary.

4. INTANGIBLE ASSETS

	Computer software R'000	Trademarks R'000	Bid costs R'000	Total R'000
Group 2014				
Carrying value at beginning of year	4 145	65 594	6 712	76 451
Additions	654	–	6 919	7 573
Amortisation	(1 613)	(3 487)	(465)	(5 565)
Impairment	(9)	–	–	(9)
Carrying value at end of year	3 177	62 107	13 166	78 450
Cost	22 149	85 138	14 326	121 613
Accumulated amortisation	(18 972)	(23 031)	(1 160)	(43 163)
	3 177	62 107	13 166	78 450
Group 2013 (*Restated*)				
Carrying value at beginning of year	1 656	–	5 596	7 252
Additions	1 214	–	1 500	2 714
Business combinations	2 708	66 465	–	69 173
Amortisation	(1 433)	(871)	(384)	(2 688)
Carrying value at end of year	4 145	65 594	6 712	76 451
Cost	21 495	85 138	7 407	114 040
Accumulated amortisation	(17 350)	(19 544)	(695)	(37 589)
	4 145	65 594	6 712	76 451

Included in the additions for the year is R5 850 000 paid for the Kuruman Casino licence.

Refer to note 32 for contingent consideration payable on the Casino licence.

The amortisation expense has been included in the line item depreciation and amortisation in the statement of profit or loss.

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

Bid costs	10 to 12,5 years
Casino licence	No amortisation since the casino is not operational yet
Computer software	5 to 8 years
Trademarks	5 to 20 years

The remaining amortisation period on the trademarks is 18,75 years (2013: 19,75 years).

No impairment indicators were identified.

		Group				Company	
		Group's interest		Carrying value		Carrying value	
		2014	2013	2014 R'000	2013 R'000	2014 R'000	2013 R'000
5.	**INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS**						
	The following are the group's principal associates and joint arrangements:						
	Incorporated in South Africa						
	Paarl Valley Bottling Company Proprietary Limited	28%	28%	10 750	10 258	–	–
	Solamoyo Processing Company Proprietary Limited	40%	40%	4 522	4 883	–	–
				15 272	15 141	–	–
	Equity interest						
	– Unlisted shares at cost less impairment			3 500	3 500		
	– Interest in post-acquisition reserves			6 334	6 203		
				9 834	9 703		
	Loans						
	– Solamoyo Processing Company Proprietary Limited			5 438	5 438		
				15 272	15 141		
	The loan is unsecured, interest-free and has no fixed terms of repayment.						
	Reconciliation of investment in associates and joint arrangements						
	At the beginning of the year			15 141	284 670		
	Acquired through business combination			–	15 297		
	Share of net loss of associates and joint arrangements			331	(14 722)		
	Share of other comprehensive income of associates and joint arrangements			–	46		
	Dividends received from associates			(200)	–		
	Change in control from associate to subsidiary			–	(303 346)		
	Acquisition of additional interest			–	33 090		
	Additional loans made			–	106		
				15 272	15 141		

The summarised financial information in respect of the group's principal associates and joint arrangements are set out below:

	Beverages	Beverages
Total assets	69 785	68 560
Total liabilities	(33 805)	(33 427)
Net assets	35 980	35 133
Reconciliation to carrying amount		
Opening net assets – 1 April	35 133	
Profit for the year	1 560	
Dividends declared	(713)	
Closing net assets - 31 March	35 980	
Group share	9 800	
Goodwill	34	
Carrying amount	9 834	
Revenue	20 417	13 118
Group's share of associates' and joint arrangements' profits/(losses) for the year	331	(14 722)
Group's share of associates' and joint arrangements' other comprehensive income	–	46

	Country of incorporation	Ownership interest held 2014	2013	Company 2014 R'000	2013 R'000
6. INVESTMENTS IN SUBSIDIARIES					
6.1 COMPOSITION OF THE GROUP					
Shares					
Cherry Moss Trade and Invest 188 Proprietary Limited	South Africa	100%	100%	–	–
K2013049718 Proprietary Limited	South Africa	100%	0%	–	–
Niveus AG	Switzerland	100%	100%	1 000	419
Niveus Gaming and Entertainment Proprietary Limited	South Africa	100%	100%	–	–
Niveus Invest 1 Proprietary Limited	South Africa	100%	0%	–	–
Niveus Invest 3 Proprietary Limited	South Africa	100%	0%	–	–
Niveus Managerial Services Proprietary Limited	South Africa	100%	100%	–	–
Niveus-KWV Holdings Proprietary Limited	South Africa	100%	100%	1	1
Vukani Gaming Corporation Proprietary Limited	South Africa	100%	100%	5 107	5 107
– At cost				6 108	5 527
– Impairment provisions				–	–
				6 108	5 527
Loans to subsidiaries					
– Amount receivable				679 417	562 029
– Impairment provision				(84 104)	(62 486)
				595 313	499 543
Loans from subsidiaries					
– Amount payable				(11 920)	(3 698)
				589 501	501 372
Non-current assets				601 421	505 070
Current liabilities				(11 920)	(3 698)
				589 501	501 372

These loans are unsecured, interest-free and have no set repayment dates, with the exception of the loans with Galaxy Gaming Eastern Cape Proprietary Limited, Bingo Vision Proprietary Limited and Vukani Gaming Corporation Proprietary Limited which bear interest at prime plus 2% (2013: 4,8% and prime plus 2% respectively) and Niveus AG which bears interest at the 12-month Swiss Franc LIBOR interest rate per annum.

Loans to subsidiaries amounting to R89 668 063 (2013: R62 485 842) have been subordinated in favour of other creditors, until such time as the subsidiaries' assets, fairly valued, exceed their liabilities.

Details of loans to and from subsidiaries are set out in note 31.

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

6.2 *SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTEREST*

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

	Proportion of ownership		Profit/(loss) allocated to NCI		Accumulated NCI	
			2014	2013	2014	2013
Name	2014	2013	R'000	R'000	R'000	R'000
KWV Holdings Limited	45,5%	48,4%	(877)	(3 149)	743 354	791 184

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

	KWV Holdings Limited	
	12 months	3 months
	2014 R'000	2013 R'000
Non-current assets	738 991	733 840
Current assets	1 355 787	1 323 092
Total assets	2 094 778	2 056 932
Non-current liabilities	107 555	112 055
Current liabilities	352 759	310 043
Total liabilities	460 314	422 098
Equity attributable to equity holders of the parent	891 110	843 650
Non-controlling interest	743 354	791 184
Revenue	1 110 212	233 764
Loss for the year attributable to equity holders of the parent	(160)	(3 853)
Loss for the year attributable to non-controlling interest	(877)	(3 149)
Other comprehensive income attributable to equity holders of the parent	274	157
Other comprehensive income attributable to non-controlling interest	393	–
Total comprehensive loss for the year	(370)	(6 845)
Cash flows from operating activities	41 317	12 311
Cash flows from investing activities	(17 655)	(7 479)
Net cash flow	23 662	4 832

KWV Holdings Limited's figures include acquisition accounting entries.

		Group	
		2014 R'000	2013 *Restated* R'000
7.	DEFERRED TAX		
	Movements in deferred taxation		
	At beginning of year	(96 539)	9 612
	Charge to statement of profit or loss	6 091	2 486
	Recognised directly in equity	815	–
	Acquired through business combinations	–	(108 637)
	At end of year	(89 633)	(96 539)
	Analysis of deferred taxation		
	Accelerated tax allowances	(119 717)	(120 771)
	Provisions and accruals	15 586	12 014
	Prepayments	(86)	(21)
	Assets revaluations	(34 602)	(36 588)
	Finance lease	149	70
	Assessed losses	48 634	48 381
	Straight-lining of leases	403	376
		(89 633)	(96 539)
	Disclosed as follows:		
	Deferred taxation assets	17 996	15 553
	Deferred taxation liabilities	(107 629)	(112 092)
		(89 633)	(96 539)
8.	LOANS RECEIVABLE		
	Moody Blue Trade and Invest 124 Proprietary Limited	2 768	2 264
	The loan receivable is unsecured, interest-free and repayable through the offset of dividends declared by Vukani Gaming Gauteng Proprietary Limited.		
	Tuffsan Investments 1019 Proprietary Limited	1 294	1 563
	The loan receivable is unsecured, interest-free and repayable through the offset of dividends declared by Vukani Gaming Limpopo Proprietary Limited.		
	Eggers and Franke GmbH and Co. KG	387	1 208
	The loan amounts to EUR26 566 (2013: EUR102 003) is unsecured and bears interest at average European Central Bank interest rates of 2% (2013: 2,625%). It is repayable in quarterly instalments of EUR62 500. At 31 March 2014 EUR16 333 (2013: EUR68 039) of the loan was impaired.		
	Freewheel Trade and Invest 23 Proprietary Limited	–	19 000
	This loan was secured by a mortgage of R38 million over property held by Freewheel. Interest was charged at a fixed amount of R150 000 (2013: R150 000) per month and the loan was settled in June 2013.		
	Jacaranda Royal Casino Limited	6 045	–
	The loan receivable is unsecured, bears interest at the prevailing Zambian prime rate and has no repayment terms.		
	Orange River Wine Cellar Co-op Limited	2 136	2 000
	This loan is unsecured and bears interest at prime rate less 2% per annum. The capital portion of the loan is repayable in annual instalments of R2 million at the end of March. The accrued interest is also paid at the end of March annually. The loan was settled on 11 April 2014.		
	Unsecured loan	2 050	3 300
	The loan receivable is unsecured, interest-free, and is repayable in monthly instalments of R100 000.		
		14 680	29 335
	Less: Current portion of loans receivable	(3 123)	(23 108)
		11 557	6 227

8. **LOANS RECEIVABLE** *(continued)*

Analysis of credit risk	Impaired R'000	Fully performing R'000	Total R'000
Group – 2014			
Gross amounts owing	624	14 293	14 917
Less: Provision for impairment	(237)	–	(237)
Net amount owing	387	14 293	14 680
Security for amounts owing	–	–	–
Unsecured debt/Exposure to credit risk	387	14 293	14 680
Credit rating on unsecured debt:	387	14 293	14 680
Ba: Capable of meeting normal commitments	387	–	387
C: Good for the amount quoted	–	14 293	14 293
Group – 2013			
Gross amounts owing	2 014	28 127	30 141
Less: Provision for impairment	(806)	–	(806)
Net amount owing	1 208	28 127	29 335
Security for amounts owing	–	(19 000)	(19 000)
Unsecured debt/Exposure to credit risk	1 208	9 127	10 335
Credit rating on unsecured debt:	1 208	9 127	10 335
Ba: Capable of meeting normal commitments	1 208	–	1 208
C: Good for the amount quoted	–	9 127	9 127

	Group 2014 R'000	Group 2013 *Restated* R'000
9. INVENTORIES		
Liquid inventory	943 573	910 501
Auxiliary material	59 134	67 078
Consumables and spares	2 465	2 140
	1 005 172	979 719
Cost of inventories recognised as an expense includes the writedown of inventories to net realisable value of R31,3 million (2013: R5 million)	729 219	163 567
Inventories stated at net realisable value	11 973	5 956
10. DERIVATIVE FINANCIAL INSTRUMENTS		
Foreign exchange options	19 981	18 198
Forward exchange contracts	(2 022)	3 348
	17 959	21 546
The amounts disclosed in the statement of financial position are as follows:		
Current assets	5 952	2 545
Foreign exchange options	3 930	451
Forward exchange contracts	2 022	2 094
Current liabilities	23 911	24 091
Foreign exchange options	23 911	18 649
Forward exchange contracts	–	5 442

Refer to note 35 for detailed disclosure on derivative financial instruments.

	Group		Company	
	2014 R'000	2013 *Restated* R'000	2014 R'000	2013 R'000
11. TRADE AND OTHER RECEIVABLES				
Trade receivables	218 413	215 728	9 457	1 639
Trade receivables – Provision for impairment	(5 683)	(6 537)	–	–
Net trade receivables	212 730	209 191	9 457	1 639
Short-term loans	34 314	32 464	–	–
Short-term loans – Provision for impairment	(14 435)	(10 370)	–	–
Net short-term loans	19 879	22 094	–	–
Prepayments	8 920	10 703	–	141
Deposits and guarantees	18 226	5 506	–	–
Other receivables	8 849	6 739	–	–
Value added taxation	26 848	11 022	1 803	500
	295 452	265 255	11 260	2 280

Fair value of trade 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 are repayable in weekly instalments over periods ranging from 4 to 52 weeks.

Trade receivables past due but not impaired

At 31 March 2014, trade receivables and short-term loans of R22,1 million (2013: R33,6 million) were past due but not impaired. These relate mainly to a number of customers for whom there is no recent history of default. The aging of these trade receivables is as follows:

	Group 2014 R'000	Group 2013 R'000
Amounts in 14 to 21 days	239	282
Amounts in 21 to 28 days	10 143	22 010
Amounts in 28 to 36 days	86	419
Amounts in 36 days plus	11 665	10 946
	22 133	33 657

Impairment of trade receivables and short-term loans

At 31 March 2014, trade receivables of R5,7 million (2013: R6,5 million) and short-term loans of R14,4 million (2013: R10,4 million) were impaired. Impaired trade receivables and short-term loans relate to debtors that have been handed over to attorneys for collection and debtors that have been outstanding for longer than the agreed credit terms.

	Group		Company	
	2014	2013 *Restated*	2014	2013
	R'000	R'000	R'000	R'000
11. TRADE AND OTHER RECEIVABLES *(continued)*				
Movements on the provision for impairment of trade receivables and short-term loans are as follows:				
At beginning of year	16 907	4 285		
Business combination	–	5 501		
Impairments recognised in profit and loss	6 020	14 286		
Reversals of impairments recognised in profit and loss	(2 809)	(5 539)		
Disposal of subsidiary	–	(1 626)		
At end of year	20 118	16 907		

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

	Group		Company	
The carrying amounts of the group's trade and other receivables are denominated in the following currencies:	2014	2013	2014	2013
SA rand	201 543	196 896	11 260	2 280
US dollar	18 148	14 703	–	–
Euro	61 491	42 650	–	–
British pound	4 141	2 184	–	–
Canadian dollar	6 309	6 389	–	–
Japan yen	3 764	2 398	–	–
Swiss franc	56	35	–	–
	295 452	265 255	11 260	2 280

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

	Group			
Credit risk **Trade receivables and short-term loans: 2014**	Impaired R'000	Past due, but not impaired R'000	Fully performing R'000	Total R'000
Gross amounts owing	20 118	22 133	210 476	252 727
Less: Provision for impairment	(20 118)	–	–	(20 118)
Net amount owing	–	22 133	210 476	232 609
Credit insurance for amounts owing	–	(11 045)	(182 472)	(193 517)
Unsecured debt/Exposure to credit risk	–	11 088	28 004	39 092
Credit rating on unsecured debt:	–	11 088	28 004	39 092
Aa: No caution needed for credit transaction	–	–	–	–
Ba: Capable of meeting normal commitments	–	325	2 810	3 135
B: Good for the amount quoted	–	7 727	12 144	19 871
C: Good for the amount quoted – if strictly in the way of business	–	3 036	13 050	16 086
Trade receivables and short-term loans: 2013				
Gross amounts owing	16 907	33 657	197 628	248 192
Less: Provision for impairment	(16 907)	–	–	(16 907)
Net amount owing	–	33 657	197 628	231 285
Credit insurance for amounts owing	–	(26 150)	(124 366)	(150 516)
Unsecured debt/Exposure to credit risk	–	7 507	73 262	80 769
Credit rating on unsecured debt:	–	7 507	73 262	80 769
Aa: No caution needed for credit transaction	–	445	2 313	2 758
Ba: Capable of meeting normal commitments	–	3 177	23 958	27 135
B: Good for the amount quoted	–	2 071	30 726	32 797
C: Good for the amount quoted – if strictly in the way of business	–	1 814	16 265	18 079

11. TRADE AND OTHER RECEIVABLES *(continued)*

Credit risk Trade receivables: 2014	Company Impaired R'000	 Past due, but not impaired R'000	 Fully performing R'000	 Total R'000
Gross amounts owing	–	–	9 457	9 457
Less: Provision for impairment	–	–	–	–
Net amount owing	–	–	9 457	9 457
Credit insurance for amounts owing	–	–	–	–
Unsecured debt/Exposure to credit risk	–	–	9 457	9 457
Credit rating on unsecured debt:	–	–	9 457	9 457
B: Good for the amount quoted	–	–	9 457	9 457
Trade receivables: 2013				
Gross amounts owing	–	–	1 639	1 639
Less: Provision for impairment	–	–	–	–
Net amount owing	–	–	1 639	1 639
Credit insurance for amounts owing	–	–	–	–
Unsecured debt/Exposure to credit risk	–	–	1 639	1 639
Credit rating on unsecured debt:	–	–	1 639	1 639
B: Good for the amount quoted	–	–	1 639	1 639

12. STATED CAPITAL

	Company 2014 Number of shares '000	 2013 Number of shares '000	 2014 Stated capital R'000	 2013 Stated capital R'000
Authorised				
Ordinary shares of no par value	500 000	500 000	–	–
Issued				
In issue in company at year-end	115 512	112 619	837 002	790 345
Details of the issued share capital and changes during current and prior the year are as follows:				
At beginning of year	112 619	58 633	790 345	44 888
Cash proceeds received from shares issued	–	17 021	–	236 593
Capitalisation issued in respect of dividend declared	1 513	–	19 059	–
Shares issued in lieu of outstanding management fees	1 380	–	27 598	–
Loan claims received from shares issued	–	31 465	–	437 364
Acquisition of subsidiary (note 26.4)	–	5 500	–	71 500
At end of year	115 512	112 619	837 002	790 345

1 512 602 shares were issued to shareholders who elected to receive a capitalisation issue in respect of the dividend declared on 22 May 2013.

On 17 February 2014, the company issued 1 379 896 shares at R20 per share to Johnnic Holdings Management Services ("JHMS") in lieu of the settlement of management fees payable to JHMS in the amount of R27 597 920 in terms of the management agreement between JHMS and Niveus.

Details of options over shares are set out in note 29.

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

13. OTHER RESERVES

	FCTR R'000	Common control reserve R'000	Equity reserve R'000	Share-based payment reserve R'000	Total R'000
Group 2014					
At beginning of year	49	(84 881)	(261)	–	(85 093)
Equity-settled share-based payments	–	–	–	5 647	5 647
Exchange differences on translation of foreign subsidiaries	2 456	–	–	–	2 456
Transfers from accumulated profits	–	–	71	–	71
Effects of changes in holding	(52)	–	–	–	(52)
At end of year	2 453	(84 881)	(190)	5 647	(76 971)
Group 2013					
At beginning of year	170	–	–	–	170
Exchange differences on translation of foreign subsidiaries	96	–	–	–	96
Transfers to accumulated profits	(217)	123 423	(261)	–	122 945
Effects of changes in holding	–	(208 304)	–	–	(208 304)
At end of year	49	(84 881)	(261)	–	(85 093)
Company 2014					
At beginning of year				–	–
Equity-settled share-based payments				3 321	3 321
At end of year				3 321	3 321

		Group	
		2014 R'000	2013 *Restated* R'000
14.	BORROWINGS		
	Bank borrowings		
	Capital and capitalised raising fee	186 054	186 054
	Interest capitalised	3 546	3 502
	Unamortised raising fee	(502)	(704)
		189 098	188 852
	Current portion of borrowings	(25 873)	(3 502)
		163 225	185 350
	Secured	189 098	188 852

A loan facility of R185 million was obtained from Investec Bank Limited on 19 December 2011. The facility bears interest at the three-month Johannesburg Interbank Agreed Rate (JIBAR) plus a margin of 2,6% (2013: 2,55%). Investec is entitled to adjust the margin for capital adequacy, reserve assets or similar requirements pursuant to any changes to the application or interpretation of any law or regulation including the International Convergence of Capital Measurements and Capital Standards or any similar regulation. The interest payable under the facility is calculated on a daily basis and compounded quarterly. The facility and interest thereon is payable on the following basis:

1) Interest is payable semi-annually in arrears, with the first payment date being 2 July 2012.
2) Capital repayments on the facility will commence on 1 July 2014 with five equal semi-annual capital payments of R11,1 million and a final bullet payment of R130 million on 19 December 2016.
3) The loan/facility is secured by a R185 million guarantee from the company's ultimate holding company, Hosken Consolidated Investments Limited and HCI Securities Proprietary Limited, a fellow subsidiary.

As at 31 March 2014, the carrying value of borrowings approximates their fair value.

	2014 R'000	2013 *Restated* R'000
Maturity of these borrowings is as follows:		
Due within one year	25 873	3 502
Due within two to five years	163 225	185 350
	189 098	188 852
Weighted average effective interest rates	7,78%	7,91%

		Group 2014 R'000	Group 2013 Restated R'000	Company 2014 R'000	Company 2013 R'000
15.	**FINANCE LEASE LIABILITIES**				
	Due within one year	5 170	5 304		
	Due within two to five years	2 466	7 840		
	Less future finance charges	(512)	(1 331)		
	Present value of finance lease liabilities	7 124	11 813		
	Due within one year	4 720	4 470		
	Due within two to five years	2 404	7 343		
		7 124	11 813		
	Included in financial statements as:				
	Current	4 720	4 470		
	Non-current	2 404	7 343		
		7 124	11 813		

Finance leases were entered into with Fleet Africa Proprietary Limited during the prior financial year by one of the group's subsidiaries. The average lease term of the finance lease contracts are three years and the effective borrowing rate is 9% (2013: 8,5%) per annum. The obligations under the finance leases are secured by the lessor's charge over the leased assets. The carrying amount of the motor vehicles purchased under the finance lease is R6 690 000 (2013: R11 564 000). Refer to note 1 for further details. The monthly repayment amounts to R431 000 (2013: R442 000).

		Group 2014 R'000	Group 2013 Restated R'000	Company 2014 R'000	Company 2013 R'000
16.	**TRADE AND OTHER PAYABLES**				
	Trade creditors	264 369	219 760	45 225	3 704
	Short-term loans	3 584	–	–	–
	Payroll accruals	18 991	7 332	–	2 510
	Other accruals	51 657	40 487	172	69
	Excise duty	157 317	123 506	–	–
	Value added taxation	2 872	4 172	–	–
		498 790	395 257	45 397	6 283
	Non-current portion of accruals	(420)	–	–	–
		498 370	395 257	45 397	6 283

Fair value of trade and other payables

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

		Group 2014 R'000	Group 2013 Restated R'000	Company 2014 R'000	Company 2013 R'000
17.	**COMMITMENTS**				
	Operating lease arrangements where the group is a lessee:				
	Future operating lease charges for premises:				
	– Payable within one year	24 620	15 993		
	– Payable within two to five years	65 611	38 251		
	– Payable after five years	3 376	7 421		
		93 607	61 665		
	Capital expenditure				
	Authorised by directors but not yet contracted for:				
	– Property, plant and equipment	340 676	210 915		
	Authorised by directors and contracted to be expended:				
	– Property, plant and equipment	50 665	4 434		

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

The above values approximate fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(CONTINUED)*

FOR THE YEAR ENDED 31 MARCH 2014

		Group 2014 R'000	Group 2013 Restated R'000	Company 2014 R'000	Company 2013 R'000
18.	**REVENUE**				
	Sale of goods	**1 154 714**	258 476	**–**	–
	Machine rental	**268**	248	**–**	–
		1 154 982	258 724	**–**	–
19.	**INVESTMENT INCOME**				
	Interest				
	Holding company	**3 869**	2 393	**3 869**	2 393
	Subsidiaries	**–**	–	**2 679**	2 048
	Financial institutions	**7 267**	3 121	**10**	1
		11 136	5 514	**6 558**	4 442
20.	**STAFF COSTS**				
	Salaries and wages	**237 480**	82 342	**–**	–
	Retirement benefits – defined contribution	**17 613**	6 413	**–**	–
	Share-based payments	**33 102**	–	**–**	–
	Other	**2 443**	71	**–**	–
		290 638	88 826	**–**	–
21.	**FINANCE COSTS**				
	Bank loans and finance leases	**16 465**	15 657	**–**	–
	Holding company	**–**	599	**–**	599
	Subsidiaries	**–**	–	**5 472**	–
	Other	**31**	17	**–**	–
		16 496	16 273	**5 472**	599
22.	**PROFIT/(LOSS) BEFORE TAXATION**				
	The following items have been included in arriving at profit/(loss) before taxation:				
	Advertising and promotions	**107 469**	30 329	**–**	–
	Auditors' remuneration				
	– Audit fees – current year	**5 368**	2 010	**57**	57
	Consultancy fees	**13 660**	6 110	**191**	191
	Depreciation, amortisation and asset impairments	**114 000**	79 986	**–**	–
	Excise recovered in excess of excise paid	**–**	(5 448)	**–**	–
	Fair value adjustment on investment property	**(200)**	–	**–**	–
	Foreign currency gains	**(140)**	(16 140)	**–**	–
	Foreign currency losses	**53 083**	–	**–**	–
	Gaming levies	**131 244**	105 419	**–**	–
	Impairment of goodwill	**–**	343	**–**	–
	Impairment of loans to subsidiaries	**–**	–	**21 618**	43 027
	Impairment of trade receivables – charged to provision	**6 020**	14 286	**–**	–
	Inventory written off	**31 297**	5 016	**–**	–
	Operating lease charges				
	– Plant and equipment	**5 734**	1 367	**–**	–
	– Premises	**29 909**	15 932	**–**	–
	Operating lease income	**(3 238)**	–	**–**	–
	Profit on disposal of property, plant and equipment	**(679)**	(314)	**–**	–
	Raw materials and consumables	**697 922**	158 551	**–**	–
	Repairs and maintenance	**20 124**	4 988	**–**	–
	Reversal of impairment of trade and loan receivables	**(3 534)**	(5 539)	**–**	–
	Staff costs (note 20)	**290 638**	88 826	**–**	–
	VAT on net gaming win	**85 001**	68 788	**–**	–

		Group		Company	
		2014	2013 Restated	2014	2013
		R'000	R'000	R'000	R'000
23.	**TAXATION**				
	South African taxes				
	Current normal tax	**39 989**	33 270	**–**	–
	Current normal tax – (Under-)/overprovision prior years	**146**	(149)	**–**	–
	Deferred tax – Current year	**(6 107)**	(2 188)	**–**	–
	Deferred tax – (Under-)/overprovision prior years	**16**	(298)	**–**	–
		34 044	30 635	**–**	–
	Various subsidiaries have incurred operating losses which result 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	**133 689**	206 179	**–**	260
	Tax relief at current rates:				
	– Normal tax	**36 519**	57 263	**–**	73
	Reconciliation of tax rate	**%**	%	**%**	%
	Normal tax rate	**28,0**	28,0	**28,0**	28,0
	Adjustment for foreign taxation	**0,4**	–	**–**	–
	Capital losses and non-deductible expenses	**6,6**	0,8	**(21,6)**	(27,5)
	Deferred tax not raised on losses	**11,7**	0,5	**(7,3)**	(0,5)
	Income from associates	**(0,1)**	0,7	**–**	–
	Non-taxable income	**(0,8)**	(24,1)	**0,9**	–
	Prior year charges	**0,2**	–	**–**	–
	Utilisation of deferred tax assets not previously raised	**(9,5)**	(0,3)	**–**	–
	Effective rate	**36,5**	5,6	**0,0**	0,0
24.	**DISCONTINUED OPERATIONS**				
	24.1 LOSS FOR THE YEAR RELATING TO FORMEX INDUSTRIES PROPRIETARY LIMITED				
	Revenue	**–**	161 240	**–**	–
	Operating costs	**–**	(163 690)	**–**	–
	Loss on disposal of subsidiary	**–**	(9 555)	**–**	(138 939)
	Finance charges	**–**	(4 173)	**–**	–
	Loss before tax	**–**	(16 178)	**–**	(138 939)
	Taxation	**–**	–	**–**	–
		–	(16 178)	**–**	(138 939)
	Cash flows from discontinued operations				
	Cash flows from operating activities	**–**	14 527		
	Cash flows from investing activities	**–**	(5 966)		
	Cash flows from financing activities	**–**	(10 288)		
		–	(1 727)		

25. EARNINGS AND DIVIDENDS PER SHARE

	2014 Number of shares '000	2013 Number of shares '000
25.1 WEIGHTED AVERAGE NUMBER OF SHARES		
Basic earnings per share	113 677	96 373
Adjustments for:		
Share options	2 653	–
Diluted earnings per share	116 330	96 373

	2014		2013	
25.2 RECONCILIATION OF HEADLINE EARNINGS	Gross R'000	Net R'000	Gross *Restated* R'000	Net *Restated* R'000
Earnings attributable to equity holders of the parent		61 471		502 637
IAS 16 losses/(gains) on disposal of plant and equipment	(679)	(475)	238	107
IAS 16 impairment of assets	6 412	4 230	2 880	2 074
IAS 36 impairment of goodwill	–	–	343	343
IFRS 3 gain on bargain purchase	–	–	(472 260)	(472 260)
IAS 27 loss from disposal of subsidiary	–	–	9 555	9 555
IAS 40 fair value adjustment to investment property	(200)	(163)	–	–
Re-measurements included in equity-accounted earnings of associates	–	–	(147)	(147)
Headline earnings attributable to equity holders of the parent		65 063		42 309

	Group		Company	
	2014	2013	2014	2013
		Restated		
	R'000	R'000	R'000	R'000
26. NOTES TO THE STATEMENTS OF CASH FLOWS				
26.1 CASH GENERATED BY/(UTILISED IN) OPERATIONS				
Profit/(loss) after taxation for the year	59 110	501 183	(25 463)	(185 522)
Taxation	34 044	30 635	–	–
Depreciation, amortisation and asset impairments	114 000	75 506	–	–
Gain on bargain purchase	–	(472 260)	–	–
Profit on disposal of property, plant and equipment	(679)	(314)	–	–
Impairment of goodwill	–	343	–	–
Equity-accounted (profits)/losses of associates and joint arrangements	(331)	14 722	–	–
Unrealised foreign exchange differences	(6 013)	19 249	–	–
Fair value adjustment on investment property	(200)	–	–	–
Investment income	(11 136)	(5 514)	(6 558)	(4 442)
Finance charges	16 496	16 273	5 472	599
Loss on disposal of subsidiary	–	9 555	–	138 939
Movement in operating lease equalisation liability	(1 318)	(1 385)	–	–
Impairment of loans to subsidiaries	–	–	21 618	43 027
Impairment of trade receivables – charged to provision	6 020	14 286	–	–
Reversal of impairment of trade and loan receivables	(3 534)	(5 539)	–	–
Share-based payment expense	36 423	–	3 321	–
Discontinued operations				
– Depreciation	–	4 480	–	–
– Finance costs	–	4 173	–	–
– Loss on disposal of property, plant and equipment	–	552	–	–
	242 882	205 945	(1 610)	(7 399)
26.2 CHANGES IN WORKING CAPITAL				
Increase in Inventory	(25 454)	(152 312)	–	–
(Increase)/decrease in Trade and other receivables	(30 518)	22 144	(8 980)	(2 280)
Increase in Trade and other payables	71 946	189 313	20 856	6 274
	15 974	59 145	11 876	3 994
Inventory and receivables have been restated as detailed in note 37.				
26.3 TAXATION PAID				
Receivable/(unpaid) at beginning of year	1 244	(339)	54	6
Charged to the statement of profit or loss	(40 135)	(33 121)	–	–
Acquired through business combination	–	273	–	–
Unpaid at end of year	1 624	(1 244)	(54)	(54)
	(37 267)	(34 431)	–	(48)

	Group 2014 R'000	Group 2013 *Restated* R'000
26. NOTES TO THE STATEMENTS OF CASH FLOWS *(continued)*		
26.4 BUSINESS COMBINATIONS/DISPOSALS		
26.4.1 ACQUISITIONS		
Property, plant and equipment	–	(767 477)
Goodwill	–	(343)
Intangible assets	–	(69 173)
Loans and receivables	–	(25 030)
Interest in associates and joint arrangements	–	(15 297)
Trade and other receivables	–	(280 142)
Inventory	–	(862 101)
Other current assets	–	(273)
Cash and cash equivalents	–	(113 447)
Deferred tax liability	–	108 637
Long-term loans	–	310 515
Non-current liabilities held for disposal	–	2 837
Trade and other payables	–	203 214
Derivative financial instruments	–	6 785
Current portion of long-term borrowings	–	21 661
Other current liabilities	–	173 862
	–	(1 305 772)
Non-controlling interest	–	769 468
Common control reserve	–	(208 303)
Non-cash acquisition of shareholders loan	–	(102 500)
Goodwill	–	(1 500)
Gain on bargain purchase	–	472 260
Cost of acquisition	–	(376 347)
5 500 000 shares issued to gain control	–	71 500
Interest already owned	–	303 346
Cash and cash equivalents at date of acquisition	–	113 447
Net cash inflow	–	111 946
26.4.2 DISPOSALS		
The disposal comprises the sale of the group's 90% share in Formex Industries Proprietary Limited.		
Property, plant and equipment	–	83 733
Non-current assets held for disposal	–	1 951
Inventories	–	35 557
Trade and other receivables	–	27 212
Cash and cash equivalents	–	479
Long-term borrowings	–	(176 684)
Non-current liabilities held for sale	–	(2 724)
Trade and other payables	–	(33 004)
Current portion of long-term borrowings	–	(19 091)
Other current liabilities	–	(175 078)
	–	(257 649)
Non-controlling interest	–	25 765
	–	(231 884)
Loss on disposal of subsidiaries	–	(9 555)
Intergroup loans	–	264 839
Consideration received in cash	–	23 400
Less: Cash and cash equivalents disposed of	–	(479)
Net cash inflow	–	22 921

	Group 2014 R'000	Group 2013 *Restated* R'000	Company 2014 R'000	Company 2013 R'000
26. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*				
26.5 INVESTMENT IN SUBSIDIARIES				
Carrying amount of non-controlling interest acquired	(47 332)	–		
Increase in parent's equity	27 882	–		
Net cash outflow	(19 450)	–		
26.6 CASH AND CASH EQUIVALENTS				
Bank balances and deposits	223 440	244 965	6 119	82 542
Restricted cash	–	15 000	–	
	223 440	259 965	6 119	82 542

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.

27. DIRECTORS' INTEREST

31 March	2014 Direct and indirect beneficial Number	2014 Direct and indirect beneficial Percentage holding %	2013 Direct and indirect beneficial Number	2013 Direct and indirect beneficial Percentage holding %
Executive directors				
A van der Veen	3 404 057	2,9	847 151	0,8
MM Loftie-Eaton	94 314	0,1		
Non-executive directors				
JA Copelyn	6 537 687	5,7	6 980 946	6,2
MJA Golding (resigned 24 May 2013)	8 583 672	7,4	10 476 987	9,3
	18 619 730	16,1	18 305 084	16,3

28. DIRECTORS' EMOLUMENTS

Year ended 31 March 2014	Niveus board fees[@] R'000	HCI board fees R'000	Salary R'000	Other benefits R'000	Gains from share options R'000	Bonus R'000	Total R'000
Executive directors							
A van der Veen	–	–	3 539	893	2 779	2 299	9 510
MM Loftie-Eaton	–	–	1 030	27	688	669	2 414
Non-executive directors							
JA Copelyn	120	–	5 449	1 521	3 579	4 085	14 754
JG Ngocobo	120	439	–	–	–	–	559
LM Molefi	120	509	–	–	–	–	629
MJA Golding **	22	–	5 449	1 521	3 579	4 085	14 656
KI Mampeule *	86	–	–	–	–	–	86
Y Shaik	120	512	92	–	48	–	772
Paid by Hosken Consolidated Investments Limited's subsidiaries not in the Niveus Group	–	(1 460)	(10 990)	(3 844)	(7 352)	(8 170)	(31 816)
	588	–	4 569	118	3 321	2 968	11 564
Year ended 31 March 2013							
Executive directors							
A van der Veen	–	–	3 340	273	883	2 171	6 667
MM Loftie-Eaton	–	–	850	–	111	650	1 611
Non-executive directors							
JA Copelyn #	60	–	5 145	1 091	3 682	3 858	13 836
JG Ngocobo	60	275	–	–	–	–	335
LM Molefi	60	293	–	–	–	–	353
MJA Golding **#	43	–	5 145	1 084	3 682	3 858	13 812
Y Shaik	60	289	–	–	–	–	349
Paid by Hosken Consolidated Investments Limited's subsidiaries not in the Niveus Group	–	(857)	(12 100)	(2 448)	(8 358)	(7 716)	(31 479)
	283	–	2 380	–	–	2 821	5 484

[@] *Effective 26 April 2013*
* *Appointed 10 April 2013*
** *Resigned 24 May 2013*
\# *Niveus board fees ceded to HCI*

Refer to note 29.1 for realised gains on share options exercised.

29. SHARE OPTIONS

29.1 DIRECTORS

Year ending 31 March 2014

	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
A van der Veen											
HCI shares	99 184	70,00								99 184	70,00
Niveus shares *	941 356	6,16				(941 356)	16-Jun-13	15,99	9 253 529	–	–
Niveus shares @	886 059	6,16								886 059	6,16
Niveus shares @	882 546	6,16								882 546	6,16
Niveus shares @	–	–	471 878	14,38	27-Aug-16					471 878	14,38
JA Copelyn											
HCI shares	308 571	70,00								308 571	70,00
HCI shares	145 565	71,52				(145 565)	11-Jul-13	121	7 202 556	–	–
HCI shares	137 015	72,32								137 015	72,32
HCI shares	136 471	77,24								136 471	77,24
HCI shares	–	–	103 607	118,06	28-Aug-16					103 607	118,06
MJA Golding											
HCI shares	308 571	70,00								308 571	70,00
HCI shares	145 565	71,52				(145 565)	11-Jul-13	121	7 202 556	–	–
HCI shares	137 015	72,32								137 015	72,32
HCI shares	136 471	77,24								136 471	77,24
HCI shares	–	–	103 607	118,06	28-Aug-16					103 607	118,06
MM Loftie-Eaton											
Niveus shares *	92 986	6,11				(92 986)	16-Jun-13	15,99	918 697	–	–
Niveus shares *	92 986	6,11								92 986	6,11
Niveus shares @	31 502	6,11								31 502	6,11
Niveus shares *	92 986	6,11								92 986	6,11
Niveus shares @	106 757	6,11								106 757	6,11
Niveus shares @	–	–	148 269	14,38	27-Aug-16					148 269	14,38

* Share options may be gross- or net equity-settled. The share option price for purposes of calculating the number of shares is not limited to a maximum amount. The option strike price reduces by the amount of dividend declared per share between grant date and exercise date. A three-year interest-free loan is offered to settle the strike price.

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

29. SHARE OPTIONS *(continued)*

29.1 DIRECTORS (continued)

Year ending 31 March 2013

	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	Strike price	Number	Strike price
A van der Veen													
HCI shares	99 184	70,00										99 184	70,00
HCI shares	249 434	37,80				(249 434)		85	11 773 285			–	–
HCI shares	78 769	71,52								(78 769)	71,52	–	–
HCI shares	74 142	72,32								(74 142)	72,32	–	–
HCI shares			73 848	77,24	29-Aug-15					(73 848)	77,24	–	–
Niveus shares *			941 356	6,16	16-Jun-13							941 356	6,16
Niveus shares #			886 059	6,16	15-Mar-15							886 059	6,16
Niveus shares #			882 546	6,16	29-Aug-15							882 546	6,16
JA Copelyn													
HCI shares	308 571	70,00										308 571	70,00
HCI shares	460 952	37,80				(460 952)	26-Mar-12 and 11-Jun-12	82 and 85	21 065 506			–	–
HCI shares	145 565	71,52										145 565	71,52
HCI shares	137 015	72,32										137 015	72,32
HCI shares			136 471	77,24	29-Aug-15							136 471	77,24
MJA Golding													
HCI shares	308 571	70,00										308 571	70,00
HCI shares	460 952	37,80				(460 952)	28-Mar-12 and 11-Jun-12	82,99 and 85	21 293 678			–	–
HCI shares	145 565	71,52										145 565	71,52
HCI shares	137 015	72,32										137 015	72,32
HCI shares			136 471	77,24	29-Aug-15							136 471	77,24
MM Loftie-Eaton													
HCI shares	23 342	71,52								(23 342)	71,52	–	–
HCI shares	2 636	72,32								(2 636)	72,32	–	–
HCI shares			8 933	77,24	29-Aug-15					(8 933)	77,24	–	–
Niveus shares *			92 986	6,11	16-Jun-13							92 986	6,11
Niveus shares *			92 986	6,11	16-Jun-14							92 986	6,11
Niveus shares #			31 502	6,11	15-Mar-15							31 502	6,11
Niveus shares *			92 986	6,11	16-Jun-15							92 986	6,11
Niveus shares #			106 757	6,11	29-Aug-15							106 757	6,11

* Share options may be gross- or net equity-settled. The share option price for purposes of calculating the number of shares is not limited to a maximum amount. The option strike price reduces by the amount of dividend declared per share between grant date and exercise date. A three-year interest-free loan is offered to settle the strike price.

\# Share options may only be 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.

29. SHARE OPTIONS *(continued)*

29.1 DIRECTORS *(continued)*

The grant date fair value of the Niveus share options granted were determined using the Black-Scholes valuation model. The significant inputs into the model were the listed share price on grant date, volatility of 55,25% and an annual risk-free rate of 6.23%. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of the daily share price since Niveus shares were listed on the Johannesburg Stock Exchange in September 2012.

	2014 R'000	2013 R'000
Group and Company		
Equity-settled share-based payment expense for the year	3 321	–

29.2 KEY PERSONNEL OF SUBSIDIARIES

The group adopted the Niveus employee share scheme, a new share option scheme, approved by 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 employ 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	
	2014	2013
Outstanding at beginning of year	1 368 955	–
Granted during the year	273 621	1 368 955
Outstanding at the end of year	1 642 576	1 368 955

No options were exercised during the year.

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	2014	2013
10-Sep-12	10-Sep-15	10-Dec-15	7,12	17,52	1 152 289	1 152 289
11-Sep-12	10-Sep-16	10-Dec-16	7,12	23,65	108 333	108 333
12-Sep-12	10-Sep-17	10-Dec-17	7,12	31,93	108 333	108 333
10-Sep-13	10-Sep-16	10-Dec-16	15,30	37,64	273 621	–
					1 642 576	1 368 955

The grant date fair value of the share options granted were determined using the Black-Scholes valuation model. The significant inputs into the model were the listed share price on grant date, volatility of 55,25% (2013: 38,7%) and an annual risk-free rate of 6,23% (2013: 5,39%). The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of the daily share price since Niveus shares were listed on the Johannesburg Stock Exchange in September 2012.

The aggregate number of Niveus shares which may be utilised for the scheme is 10 500 000 of which none has been utilised since the adoption of the scheme.

	2014 R'000	2013 R'000
Group		
Equity-settled share-based payment expense for the year	1 510	–

During the year share options were granted, exercised and vested in respect of options issued to a key member of Vukani's management. These share options were cash-settled and carried the following terms and conditions:

Number of options:	2 187 500
Strike price:	R7,12
Exercise price:	R21,37
Payment:	R31 171 875

		Group	
		2014 R'000	2013 *Restated* R'000
30.	**SEGMENT INFORMATION**		
	The following are the summarised results for the various reportable operating segments:		
	Revenue		
	Gaming and entertainment	44 770	24 960
	Beverages	1 110 212	233 764
		1 154 982	258 724
	Net gaming win		
	Gaming and entertainment	818 421	655 611
	EBITDA		
	Gaming and entertainment	216 035	191 609
	Beverages	26 075	(4 496)
	Other	(29 927)	(10 047)
		212 183	177 066
	Depreciation and amortisation		
	Continuing operations		
	Gaming and entertainment	78 677	65 828
	Beverages	28 911	6 798
		107 588	72 626
	Discontinued operations		
	Industrial	–	4 480
		107 588	77 106
	Profit/(loss) before tax		
	Continuing operations		
	Gaming and entertainment	117 946	106 308
	Beverages	(448)	(24 368)
	Other	(24 344)	466 056
		93 154	547 996
	Loss after tax		
	Discontinued operations		
	Industrial	–	(16 178)
	Headline earnings		
	Continuing operations		
	Gaming and entertainment	83 395	70 446
	Beverages	1 050	(18 361)
	Other	(19 382)	(4 173)
		65 063	47 912
	Discontinued operations		
	Industrial	–	(5 603)
		65 063	42 309
	Assets		
	Gaming and entertainment	606 849	449 826
	Beverages	2 100 628	2 056 938
	Other	27 153	84 876
		2 734 630	2 591 640
	Liabilities		
	Gaming and entertainment	334 000	307 219
	Beverages	460 339	422 112
	Other	37 934	6 284
		832 273	735 615

	Group 2014 R'000	Group 2013 *Restated* R'000
30. SEGMENT INFORMATION *(continued)*		
Fixed asset additions		
Gaming and entertainment	199 442	166 693
Beverages	38 658	650 466
Industrial	–	89 740
	238 100	906 899
Group revenue is attributable to the following geographical areas:		
Republic of South Africa	645 583	177 115
Europe and the United Kingdom	340 721	53 566
Africa (excl. South Africa)	87 511	14 220
Rest of the world	81 167	13 823
	1 154 982	258 724

31. RELATED-PARTY INFORMATION

Related parties

Holding company:	Hosken Consolidated Investments Limited
Subsidiaries of holding company:	Euphorbia Proprietary Limited
	Gallagher Convention Centre Limited
	HCI Managerial Services Proprietary Limited
	HCI Treasury Proprietary Limited
	Johnnic Holdings Management Services Limited
	Limtech Biometric Solutions Proprietary Limited
	Three Blind Mice Communications Proprietary Limited
Subsidiaries of Niveus Group:	Bingo Vision Proprietary Limited
	Cherry Moss Trade and Invest 188 Proprietary Limited
	Galaxy Gaming Eastern Cape Proprietary Limited
	K2013049718 Proprietary Limited
	KWV South Africa Proprietary Limited
	Niveus AG
	Niveus Gaming and Entertainment Proprietary Limited
	Niveus Invest 1 Proprietary Limited
	Niveus Invest 3 Proprietary Limited
	Niveus Managerial Services Proprietary Limited
	Niveus-KWV Holdings Proprietary Limited
	Vukani Gaming Corporation Proprietary Limited
Associate:	Paarl Valley Bottling Company Proprietary Limited
Joint arrangement:	Solamoyo Processing Company Proprietary Limited
Minority shareholders of subsidiaries:	K2011104255 Proprietary Limited
	Moody Blue Trade and Invest 124 Proprietary Limited
	Tuffsan Investments 1019 Proprietary Limited
	Yaounde Investments Proprietary Limited
	Zamori 356 Proprietary Limited

	Group 2014 R'000	Group 2013 R'000	Company 2014 R'000	Company 2013 R'000
31. RELATED-PARTY INFORMATION *(continued)*				
31.1 RELATED-PARTY TRANSACTIONS				
Management fees received from/(paid to)				
Bingo Vision Proprietary Limited	–	–	6 011	292
HCI Managerial Services Proprietary Limited	–	(3 242)	–	–
Johnnic Holdings Management Services Limited	(9 900)	(3 786)	(9 900)	(3 786)
K2011104255 Proprietary Limited	(439)	(443)	–	–
KWV South Africa Proprietary Limited	–	–	2 940	1 642
Vukani Gaming Corporation Proprietary Limited	–	–	12 023	1 459
Yaounde Investments Proprietary Limited	(1 316)	(1 328)	–	–
Zamori 356 Proprietary Limited	(1 755)	(1 771)	–	–
Sale of goods and services				
HCI Managerial Services Proprietary Limited	1	–	–	–
Salary recoveries				
Bingo Vision Proprietary Limited	–	–	–	990
HCI Managerial Services Proprietary Limited	(8 316)	(2 849)	(245)	–
Johnnic Holdings Management Services Limited	(59 671)	(5 343)	(20 340)	(5 343)
Vukani Gaming Corporation Proprietary Limited	–	–	–	1 972
Purchases of goods and services				
HCI Managerial Services Proprietary Limited	–	(1 214)	–	–
KWV South Africa Proprietary Limited	–	–	(255)	–
Limtech Biometric Solutions Proprietary Limited	(293)	(124)	–	–
Niveus Managerial Services Proprietary Limited	–	–	(93)	–
Rent received/(paid)				
Euphorbia Proprietary Limited	(356)	(282)	–	–
Gallagher Convention Centre Limited	(43)	(22)	–	–
KWV South Africa Proprietary Limited	–	–	(27)	(11)
Consulting fees paid				
Johnnic Holdings Management Services Limited	–	(308)	–	(308)
Interest received/(paid)				
Bingo Vision Proprietary Limited	–	–	2 263	191
HCI Treasury Proprietary Limited	3 869	2 393	3 869	2 393
HCI Treasury Proprietary Limited	–	(599)	–	(599)
K2013049718 Proprietary Limited	–	–	154	–
Niveus Invest 1 Proprietary Limited	–	–	141	–
Niveus Invest 3 Proprietary Limited	–	–	121	–
Vukani Gaming Corporation Proprietary Limited	–	–	(5 472)	1 857
Dividends paid				
K2011104255 Proprietary Limited	533	–	–	–
Tuffsan Investments 1019 Proprietary Limited	1 198	2 520	–	–
Yaounde Investments Proprietary Limited	1 599	–	–	–
Zamori 356 Proprietary Limited	2 132	–	–	–
Key management compensation				
Salaries and other short-term benefits	42 974	7 864	–	–

	Group		Company	
	2014 R'000	2013 R'000	2014 R'000	2013 R'000
31. RELATED-PARTY INFORMATION *(continued)*				
31.2 RELATED-PARTY BALANCES				
Year-end balances arising from sales/purchases of goods/services				
Bingo Vision Proprietary Limited	–	–	8 624	–
HCI Managerial Services Proprietary Limited	37	–	(34)	–
Johnnic Holdings Management Services Limited	(45 003)	–	(45 003)	–
KWV South Africa Proprietary Limited	–	–	(25)	–
Niveus AG	–	–	133	–
Yaounde Investments Proprietary Limited	254	1 251	–	–
Loans receivable/(payable)				
Bingo Vision Proprietary Limited	–	–	49 170	6 024
Cherry Moss Trade and Invest 188 Proprietary Limited (before impairment provision of R24 668 063 (2013: 20 409 056)	–	–	28 634	24 535
Galaxy Gaming Eastern Cape Proprietary Limited	–	–	6 634	15 061
HCI Treasury Proprietary Limited	6 078	82 172	6 078	82 172
K2013049718 Proprietary Limited	–	–	3 604	–
Moody Blue Trade and Invest 124 Proprietary Limited	2 768	2 264	–	–
Niveus AG	–	–	39 700	–
Niveus Gaming and Entertainment Proprietary Limited (before impairment provision of R59 435 728 (2013: R42 076 786)	–	–	124 876	124 876
Niveus Invest 1 Proprietary Limited	–	–	5 643	–
Niveus Invest 3 Proprietary Limited	–	–	6 056	–
Niveus-KWV Holdings Proprietary Limited	–	–	407 599	391 532
Niveus Managerial Services Proprietary Limited	–	–	7 501	–
Tuffsan Investments 1019 Proprietary Limited	1 294	1 563	–	–
Vukani Gaming Corporation Proprietary Limited	–	–	(11 920)	(3 698)

32. CONTINGENT LIABILITIES

Group

A subsidiary of the group provides an unlimited guarantee to various financial institutions in respect of any claims against KWV South Africa Proprietary Limited.

In terms of the purchase agreement for the Kuruman Casino Licence, an additional R4 million is payable if certain performance conditions are met.

Company

Bank deposits of R2 million (2013: R2 million) have been pledged to support guarantees issued by the company's bankers in favour of a certain South African provincial gaming board for the due and punctual fulfilment of the licence obligations under which certain group subsidiaries operates.

33. BUSINESS COMBINATIONS

33.1 *SUBSIDIARIES ACQUIRED*

	Principal activity	Date of acquisition	Proportion of shares acquired
KWV Holdings Limited	Beverages	2012/12/11	51,6%
Formex Industries Proprietary Limited (disposed)	Industrial	2012/07/01	90%
Niveus Gaming and Entertainment Proprietary Limited	Gaming	2012/07/01	100%
Easiwin Lottery Proprietary Limited	Gaming	2012/08/30	100%

33.2 *KWV HOLDINGS LIMITED – COST OF ACQUISITION, NET CASH FLOW ON ACQUISITION AND ANALYSIS OF ASSETS AND LIABILITIES ACQUIRED*

The acquisition of a controlling interest in KWV on 1 January 2013 qualified as a business combination in terms of IFRS 3: Business Combinations. Comparative figures as at 31 March 2013 were determined based on all information available at the acquisition date ("provisional accounting"). This provisional accounting was adjusted for new information obtained within the timeframe of 12 months after the acquisition date. In terms of IAS 8: Accounting policies, Changes in Accounting Estimates and Errors, the adjustments to fair values have been applied retrospectively. The comparative figures has been restated to present the prior year figures as if the acquisition accounting was finalised in the prior year.

	2013 *Restated* R'000	Adjustments R'000	2013 R'000
Non-current assets			
Property, plant and equipment	640 687	439 465	201 222
Intangible assets	69 173	49 845	19 328
Investment in associates and joint arrangements	15 297	–	15 297
Loans and receivables	2 000	–	2 000
Current assets			
Trade and other receivables	235 852	(97 908)	333 760
Inventory	817 536	97 908	719 628
Cash and cash equivalents	102 686	–	102 686
Loans and receivables	23 030	–	23 030
Current income tax assets	273	–	273
Non-current liabilities			
Deferred tax liability	(108 637)	(77 528)	(31 109)
Current liabilities			
Trade and other payables	(149 433)	–	(149 433)
Derivative financial instruments	(6 785)	–	(6 785)
Equity at acquisition	1 641 679	411 782	1 229 897
Non-controlling interests	(794 573)	(199 303)	(595 270)
Gain on bargain purchase	(472 260)	(212 479)	(259 781)
Cost of acquisition	374 846	–	374 846
5 500 000 shares issued to gain control	(71 500)	–	(71 500)
Derecognition of fair value of associate	(303 346)	–	(303 346)
Cash balances acquired	102 686	–	102 686
Net cash inflow on acquisition	102 686	–	102 686

	Group 2014 R'000	2013 R'000
33. BUSINESS COMBINATIONS *(continued)*		
33.3 FORMEX INDUSTRIES PROPRIETARY LIMITED – COST OF ACQUISITION, NET CASH FLOW ON ACQUISITION AND ANALYSIS OF ASSETS AND LIABILITIES ACQUIRED		
COMMON CONTROL TRANSACTION		
Non-current assets		
Property, plant and equipment	–	82 800
Current assets		
Trade and other receivables	–	37 760
Inventory	–	44 107
Cash and cash equivalents	–	2 205
Non-current liabilities		
Long-term borrowings	–	(182 030)
Current liabilities		
Trade and other payables	–	(37 543)
Other current liabilities	–	(162 338)
Current portion of long-term liabilities	–	(21 661)
Bank overdraft	–	(11 489)
Non-current assets held for disposal	–	(2 837)
Equity at acquisition	–	(251 026)
Non-controlling interests	–	25 103
Common control reserve	–	123 423
Acquisition of impaired intergroup loan for no consideration	–	102 500
Cost of acquisition	–	–
Cash balances acquired	–	2 205
Net cash inflow on acquisition	–	2 205
33.4 NIVEUS GAMING AND ENTERTAINMENT PROPRIETARY LIMITED – COST OF ACQUISITION, NET CASH FLOW ON ACQUISITION AND ANALYSIS OF ASSETS AND LIABILITIES ACQUIRED		
COMMON CONTROL TRANSACTION		
Non-current assets		
Property, plant and equipment	–	43 990
Goodwill	–	343
Current assets		
Trade and other receivables	–	6 531
Inventory	–	458
Cash and cash equivalents	–	8 864
Non-current liabilities		
Long-term borrowings	–	(128 485)
Current liabilities		
Trade and other payables	–	(16 238)
Other current liabilities	–	(35)
Bank overdraft	–	(308)
Equity at acquisition	–	(84 880)
Common control reserve	–	84 880
Cost of acquisition	–	–
Cash balances acquired	–	8 556
Net cash inflow on acquisition	–	8 556

			Group	
			2014 R'000	2013 R'000
33.	BUSINESS COMBINATIONS *(continued)*			
	33.5	***EASIWIN LOTTERY PROPRIETARY LIMITED – COST OF ACQUISITION, NET CASH FLOW ON ACQUISITION AND ANALYSIS OF ASSETS AND LIABILITIES ACQUIRED***		
		Goodwill	–	1 500
		Cost of acquisition	–	(1 500)
		Net cash outflow on acquisition	–	(1 500)
	33.6	***PROCEEDS ON DISPOSAL, NET CASH FLOW ON DISPOSAL AND ANALYSIS OF ASSETS AND LIABILITIES DISPOSED OF***		
		Disposals consist of the sale of the group's 90% interest in Formex Industries Proprietary Limited.		
		Non-current assets		
		Property, plant and equipment	–	83 733
		Non-current assets held for disposal	–	1 951
		Inventories	–	35 557
		Trade and other current receivables	–	27 212
		Cash and cash equivalents	–	479
		Long-term borrowings	–	(176 684)
		Non-current liabilities held for sale	–	(2 724)
		Current portion of long-term borrowings	–	(19 091)
		Other current liabilities	–	(208 082)
		Equity at disposal	–	(257 649)
		Non-controlling interests	–	25 765
			–	(231 884)
		Loss on disposal of subsidiaries	–	(9 555)
		Intergroup loans	–	264 839
		Consideration received in cash	–	23 400
		Less: Cash and cash equivalents disposed of	–	(479)
		Net cash inflow	–	22 921
34.	TRANSACTIONS WITH NON-CONTROLLING SHAREHOLDERS			
	34.1	***KWV HOLDINGS LIMITED – ACQUISITION OF ADDITIONAL INTEREST***		
		On 30 September 2013, an additional interest of 2,92% of the issued shares of KWV was acquired for a consideration of R16 million. The group now holds 54,52% of the equity share capital of KWV Holdings Limited. The effect of changes in the ownership interest is summarised as follows:		
		Carrying amount of non-controlling interest acquired	47 332	–
		Consideration paid to non-controlling interests	(16 000)	–
		Increase in parent's equity	31 332	–
	34.2	***GALAXY BINGO NORTH WEST PROPRIETARY LIMITED – ACQUISITION OF ADDITIONAL INTEREST***		
		On 14 February 2014, an additional interest of 60% of the issued shares of Galaxy Bingo North West Proprietary Limited was acquired for a consideration of R3 450 000. The group now holds 100% of the equity share capital of Galaxy Bingo North West Proprietary Limited. The effect of changes in the ownership interest is summarised as follows:		
		Carrying amount of non-controlling interest acquired	–	–
		Consideration paid to non-controlling interests	(3 450)	–
		Excess of consideration paid recognised in parent's equity	(3 450)	–

35. FINANCIAL RISK MANAGEMENT

35.1 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. The group uses derivative financial instruments to hedge certain risk exposures.

35.1.1 MARKET RISK

Currency risk

The group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the euro, US dollar, Canadian dollar, Japanese yen, Swiss franc and the UK pound. 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 are entered into to protect existing assets and liabilities against movements in exchange rates or to hedge future cash flows of high probability. Although hedge accounting is not applied, group policy provides that all transactions of the South African operating subsidiaries are hedged as soon as any material foreign currency exposure arises.

Foreign currency forward contracts or other appropriate derivatives are also entered into when management considers it appropriate to establish economic hedges for future sales transactions. Forward contracts are not entered into for speculative purposes.

Management decided to hedge a significant portion of the KWV 2015 budgeted export sales during 2014 as detailed below:

Group 2014	Contracted foreign amount FC'000	Average exchange rate	Total contracted amount R'000	Foreign currency receivables and cash balances R'000	Contracts to cover cash balances/ (uncovered receivables) as at 31 March R'000
Contracts and options to sell foreign currency					
EUR	3 754	12,56	47 154	73 049	(25 895)
CAD	615	9,96	6 123	7 359	(1 236)
USD	2 240	9,65	21 615	19 455	2 160
GBP	102	14,12	1 447	4 455	(3 008)
JPY	22 732	0,10	2 385	8 345	(5 960)
			78 724	112 663	(33 939)
Hedging in respect of future sales					
Fixed rate contracts and options					
EUR	9 433	14,12	133 216	–	133 216
CAD	2 900	9,65	27 986	–	27 986
USD	353	17,76	6 272	–	6 272
GBP	1 667	10,20	17 001	–	17 001
JPY	229 350	0,11	25 106	–	25 106
			209 581	–	209 581
Zero cost foreign exchange options		Floor cap	Floor in R'000		
EUR	4 424	14,50 – 17,59	64 144	–	64 144
EUR	2 000	14,00 – 15,87	28 000	–	28 000
			92 144	–	92 144
			301 725	–	301 725
Total for 2014			380 449	112 663	267 786

35. FINANCIAL RISK MANAGEMENT *(continued)*

35.1 FINANCIAL RISK FACTORS (continued)

35.1.1 MARKET RISK (continued)

Group 2013	Contracted foreign amount FC'000	Average exchange rate	Total contracted amount R'000	Foreign currency receivables and cash balances R'000	Contracts to cover cash balances/ (uncovered receivables) as at 31 March R'000
Contracts and options to sell foreign currency					
EUR	8 289	10,80	89 493	83 660	5 833
CAD	843	8,36	7 047	7 054	(7)
USD	1 784	8,55	15 253	15 369	(116)
GBP	257	13,75	3 539	3 499	40
JPY	36 039	0,10	3 732	3 600	132
			119 064	113 182	5 882
Hedging in respect of future sales					
EUR	25 297	11,61	293 791	–	293 791
CAD	697	8,26	5 752	–	5 752
USD	13 314	9,05	120 463	–	120 463
GBP	84	13,07	1 103	–	1 103
JPY	33 750	0,11	3 606	–	3 606
			424 715	–	424 715
Total for 2013			543 779	113 182	430 597

Contracts to buy foreign currency	Contracted foreign amount FC'000	Average exchange rate	Total contracted amount R'000	Foreign currency payable R'000	Uncovered as at 31 March R'000
Group 2014					
EUR	**–**	**–**	**–**	**10 648**	**(10 648)**
CAD	**–**	**–**	**–**	**1 795**	**(1 795)**
USD	**–**	**–**	**–**	**1 889**	**(1 889)**
GBP	**–**	**–**	**–**	**280**	**(280)**
			–	**14 612**	**(14 612)**
Group 2013					
EUR	–	–	–	6 342	(6 342)
CAD	–	–	–	1 983	(1 983)
USD	–	–	–	88	(88)
GBP	–	–	–	2 939	(2 939)
JPY	–	–	–	1 302	(1 302)
			–	12 654	(12 654)

The following significant exchange rates applied during the year:	Average rate 2014	Average rate 2013	Reporting date 2014	Reporting date 2013
EUR	**13,57**	11,14	**14,55**	11,80
CAD	**9,6**	8,60	**9,57**	9,06
USD	**10,12**	8,63	**10,58**	9,21
GBP	**16,1**	13,63	**17,61**	13,99
CHF	**10,67**	9,05	**12,2**	9,71
JPY	**0,10**	0,10	**0,10**	0,10

35. **FINANCIAL RISK MANAGEMENT** *(continued)*

35.1 FINANCIAL RISK FACTORS (continued)

35.1.1 MARKET RISK (continued)

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 2013.

	Profit/(loss)	
	2014 R'000	2013 R'000
Local currency:		
EUR	30 287	6 641
CAD	2 869	413
USD	6 878	1 352
GBP	1 189	342
JPY	3 584	231
CHF	56	(64)

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:

	2014 R'000	2013 R'000
Non-current receivables		
EUR	387	1 208
CHF	–	1 280
	387	2 488
Trade and other receivables		
EUR	61 491	42 650
CAD	6 309	6 389
USD	18 148	14 703
GBP	4 141	2 184
JPY	3 764	2 398
CHF	56	35
	93 909	68 359
Bank and cash balances		
EUR	18 177	42 939
CAD	1 050	665
USD	2 919	665
GBP	314	1 315
JPY	4 581	1 202
CHF	503	410
	27 544	47 196
Hedging instruments		
EUR	272 514	383
CAD	23 124	13
USD	49 602	136
GBP	7 719	5
JPY	27 491	7
CHF	–	446
	380 450	990
Trade and other payables		
EUR	49 699	20 769
CAD	1 795	2 939
USD	1 889	1 983
GBP	280	88
JPY	–	1 302
CHF	–	387
	53 663	27 468

35. FINANCIAL RISK MANAGEMENT *(continued)*

35.1 FINANCIAL RISK FACTORS (continued)

35.1.1 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.

The company and its subsidiary companies are exposed to interest rate risk due to long-term debt.

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

	Group		Company	
	Carrying amount		Carrying amount	
	2014 R'000	2013 R'000	**2014 R'000**	2013 R'000
Variable rate instruments				
Bank balances	**223 440**	259 966	**6 119**	82 542
Loans to subsidiaries	**–**	–	**55 804**	21 085
Loans from subsidiaries	**–**	–	**11 920**	3 698
Loans receivable	**2 523**	3 208	**–**	–
Borrowings	**189 098**	188 852	**–**	–
Finance lease liabilities	**7 124**	11 813	**–**	–
	422 185	463 839	**73 843**	107 325

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 R1,2 million (2013: R1,7 million).

Company

A change of 100 basis points in interest rates would have increased or decreased profit after tax by R360 000 (2013: R719 000).

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.

35.1.2 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, derivative financial instruments 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 note 8 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.

35.1.3 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 flow and the resultant borrowing position compared to available credit facilities. This process is performed at each financial year-end for five years into the future in terms of the group's long-term planning process.

35. FINANCIAL RISK MANAGEMENT *(continued)*

35.1 FINANCIAL RISK FACTORS (continued)

35.1.3 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 2014			
Bank and other borrowings	**41 736**	**189 023**	**–**
Derivative financial instruments	**23 911**	**–**	**–**
Trade and other payables	**338 181**	**420**	**–**
	403 828	**189 443**	**–**
At 31 March 2013			
Bank and other borrowings	19 813	245 031	–
Derivative financial instruments	24 091	–	–
Trade and other payables	267 579	–	–
	311 483	245 031	–
Company			
At 31 March 2014			
Trade and other payables	**45 397**	**–**	**–**
Loans from subsidiary	**11 920**	**–**	**–**
	57 317	**–**	**–**
At 31 March 2013			
Trade and other payables	6 283	–	–
Loans from group company	3 698	–	–
	9 981	–	–

35.2 CAPITAL RISK MANAGEMENT

The group manages its shareholders' equity, defined as its issued capital, reserves and treasury shares, 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	
The own capital ratios are as follows:	2014 R'000	2013 R'000
Total capital and reserves	**1 902 357**	1 856 025
Total assets	**2 734 630**	2 591 640
Own capital ratio	**70%**	72%

35. FINANCIAL RISK MANAGEMENT *(continued)*

35.3 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 financial instruments are measured at fair value:

Group 2014	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Assets				
Financial assets at fair value through profit or loss				
Derivative financial instruments	–	5 952	–	5 952
Investment property	–	–	3 900	3 900
Total assets	–	5 952	3 900	9 852
Liabilities				
Financial liabilities at fair value through profit or loss				
Derivative financial instruments	–	23 911	–	23 911
Total liabilities	–	23 911	–	23 911
Group 2013				
Assets				
Financial assets at fair value through profit or loss				
Derivative financial instruments	–	2 545	–	2 545
Investment properties	–	–	3 700	
Total assets	–	2 545	3 700	2 545
Liabilities				
Financial liabilities at fair value through profit or loss				
Derivative financial instruments	–	24 091	–	24 091
Total liabilities	–	24 091	–	24 091

36. SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING PERIOD

Subsequent to year-end, a dividend was approved by shareholders with a capitalisation alternative of one share for every 76 held. On 18 August 2014, a further 1,4 million shares were issued in this regard.

In May 2014, the group entered into an agreement to sell the additional 60% interest obtained in Galaxy Bingo North West Proprietary Limited on 14 February 2014.

During August 2014, Vukani Gaming Corporation Proprietary Limited obtained a loan facility of R200 million from FirstRand Bank Limited to fund future capital expansion and operational requirements.

Niveus increased its shareholding in KWV Holdings Limited from 54,52% to 57,13% during July and September 2014 for a total consideration of R11,9 million.

The loan to Niveus AG was converted to a Capital Contribution Reserve during August 2014.

No other material events which may have a significant influence on the financial position of the group occurred between the date of the financial period end and the date of approval of the financial statements.

37. CHANGES IN ACCOUNTING POLICIES

Excise duty became increasingly relevant to KWV in recent years as KWV's business shifted away from packed wine exports and bulk spirit sales in the local market towards packed product sales (spirits in particular) in the South African market. In addition, the above-inflation increases in South African excise duties over the past few years increased its impact on the business and the relevance of how it is accounted for and managed.

As a result, the policy regarding the accounting for excise duties was reviewed during the year and changed to include excise duties in the valuation of inventory and in revenue and cost of sales. The change will result in better visibility on the total investment in inventory and on the impact of inventory losses; and improved management of selling expenses (i.e. discounts and commissions) that are based on gross turnover.

The change in the accounting policy had the following effect on the financial statements:

	Previously stated R'000	Change in policy R'000	Restated R'000
Impact of changes in accounting policy on consolidated statement of financial position on 31 March 2013:			
Current assets			
Inventory	816 753	162 966	979 719
Trade and other receivables	428 221	(162 966)	265 255
Impact of changes in accounting policy on consolidated statement of profit and loss:			
Revenue	200 525	58 199	258 724
Other operating expenses	(688 093)	(52 751)	(740 844)
Other income	9 023	(5 448)	3 575

The change in accounting policy had no impact on the statements of other comprehensive income, changes in equity and of cash flows.

38. RESTATEMENT

The revised fair values of KWV's assets and liabilities, applied in the acquisition accounting (refer to note 33.2), resulted in additional depreciation, amortisation and deferred tax charge for the year ended 31 March 2013. The effects on profit or loss were as follows:

	Previously stated R'000	Restatement R'000	Restated R'000
Depreciation and amortisation	(71 898)	(728)	(72 626)
Gain on bargain purchase	259 781	212 479	472 260
Taxation	(30 868)	233	(30 635)

39. FINANCIAL INSTRUMENTS

An analysis of the group's assets and liabilities, classified by financial instrument, are set out below:

	Loans and receivables		Financial liabilities at amortised cost		Non-financial instruments		Fair value through profit or loss		Total	
	2014 R'000	2013 *Restated* R'000	2014 R'000	2013 *Restated* R'000	2014 R'000	2013 *Restated* R'000	2014 R'000	2013 *Restated* R'000	2014 R'000	2013 *Restated* R'000
Group										
Assets										
Non-current assets	**16 995**	11 665	**–**	–	**1 183 755**	1 046 667	**–**	–	**1 200 750**	1 058 332
Property, plant and equipment	**–**	–	**–**	–	**1 023 845**	891 530	**–**	–	**1 023 845**	891 530
Investment property	**–**	–	**–**	–	**3 900**	3 700	**–**	–	**3 900**	3 700
Goodwill	**–**	–	**–**	–	**49 730**	49 730	**–**	–	**49 730**	49 730
Intangible assets	**–**	–	**–**	–	**78 450**	76 451	**–**	–	**78 450**	76 451
Investments in associates and joint arrangements	**5 438**	5 438	**–**	–	**9 834**	9 703	**–**	–	**15 272**	15 141
Deferred taxation	**–**	–	**–**	–	**17 996**	15 553	**–**	–	**17 996**	15 553
Loans receivable	**11 557**	6 227	**–**	–	**–**	–	**–**	–	**11 557**	6 227
Current assets	**486 247**	526 603	**–**	–	**1 041 681**	1 004 160	**5 952**	2 545	**1 533 880**	1 533 308
Inventories	**–**	–	**–**	–	**1 005 172**	979 719	**–**	–	**1 005 172**	979 719
Derivative financial instruments	**–**	–	**–**	–	**–**	–	**5 952**	2 545	**5 952**	2 545
Trade and other receivables	**259 684**	243 530	**–**	–	**35 768**	21 725	**–**	–	**295 452**	265 255
Loans receivable	**3 123**	23 108	**–**	–	**–**	–	**–**	–	**3 123**	23 108
Taxation	**–**	–	**–**	–	**741**	2 716	**–**	–	**741**	2 716
Cash and cash equivalents	**223 440**	259 965	**–**	–	**–**	–	**–**	–	**223 440**	259 965
Total assets	**503 242**	538 268	**–**	–	**2 225 436**	2 050 827	**5 952**	2 545	**2 734 630**	2 591 640
Liabilities										
Non-current liabilities	**–**	–	**165 629**	192 693	**110 985**	114 130	**420**	–	**277 034**	306 823
Operating lease equalisation liability	**–**	–	**–**	–	**3 356**	2 038	**–**	–	**3 356**	2 038
Borrowings	**–**	–	**163 225**	185 350	**–**	–	**–**	–	**163 225**	185 350
Finance lease liabilities	**–**	–	**2 404**	7 343	**–**	–	**–**	–	**2 404**	7 343
Accruals	**–**	–	**–**	–	**–**	–	**420**	–	**420**	–
Deferred taxation	**–**	–	**–**	–	**107 629**	112 092	**–**	–	**107 629**	112 092
Current liabilities	**–**	–	**368 774**	275 551	**162 554**	129 150	**23 911**	24 091	**555 239**	428 792
Trade and other payables	**–**	–	**338 181**	267 579	**160 189**	127 678	**–**	–	**498 370**	395 257
Derivative financial instruments	**–**	–	**–**	–	**–**	–	**23 911**	24 091	**23 911**	24 091
Current portion of borrowings	**–**	–	**25 873**	3 502	**–**	–	**–**	–	**25 873**	3 502
Current portion of finance lease liabilities	**–**	–	**4 720**	4 470	**–**	–	**–**	–	**4 720**	4 470
Taxation	**–**	–	**–**	–	**2 365**	1 472	**–**	–	**2 365**	1 472
Total liabilities	**–**	–	**534 403**	468 244	**273 539**	243 280	**24 331**	24 091	**832 273**	735 615

39. FINANCIAL INSTRUMENTS *(continued)*

	Loans and receivables		Financial liabilities at amortised cost		Non-financial instruments		Fair value through profit or loss		Total	
	2014 R'000	2013 *Restated* R'000	2014 R'000	2013 *Restated* R'000	2014 R'000	2013 *Restated* R'000	2014 R'000	2013 *Restated* R'000	2014 R'000	2013 *Restated* R'000
Group										
Assets										
Non-current assets	**595 313**	499 543	**–**	–	**6 108**	5 527	**–**	–	**601 421**	505 070
Investments in subsidiaries	**595 313**	499 543	**–**	–	**6 108**	5 527	**–**	–	**601 421**	505 070
Current assets	**15 576**	84 181	**–**	–	**1 857**	695	**–**	–	**17 433**	84 876
Taxation	**–**	–	**–**	–	**54**	54	**–**	–	**54**	54
Trade and other receivables	**9 457**	1 639	**–**	–	**1 803**	641	**–**	–	**11 260**	2 280
Cash and cash equivalents	**6 119**	82 542	**–**	–	**–**	–	**–**	–	**6 119**	82 542
Total assets	**610 889**	583 724	**–**	–	**7 965**	6 222	**–**	–	**618 854**	589 946
Liabilities										
Non-current liabilities	**–**	–	**57 317**	9 981	**–**	–	**–**	–	**57 317**	9 981
Trade and other payables	**–**	–	**45 397**	6 283	**–**	–	**–**	–	**45 397**	6 283
Loans from subsidiaries	**–**	–	**11 920**	3 698	**–**	–	**–**	–	**11 920**	3 698
Total liabilities	**–**	–	**57 317**	9 981	**–**	–	**–**	–	**57 317**	9 981

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