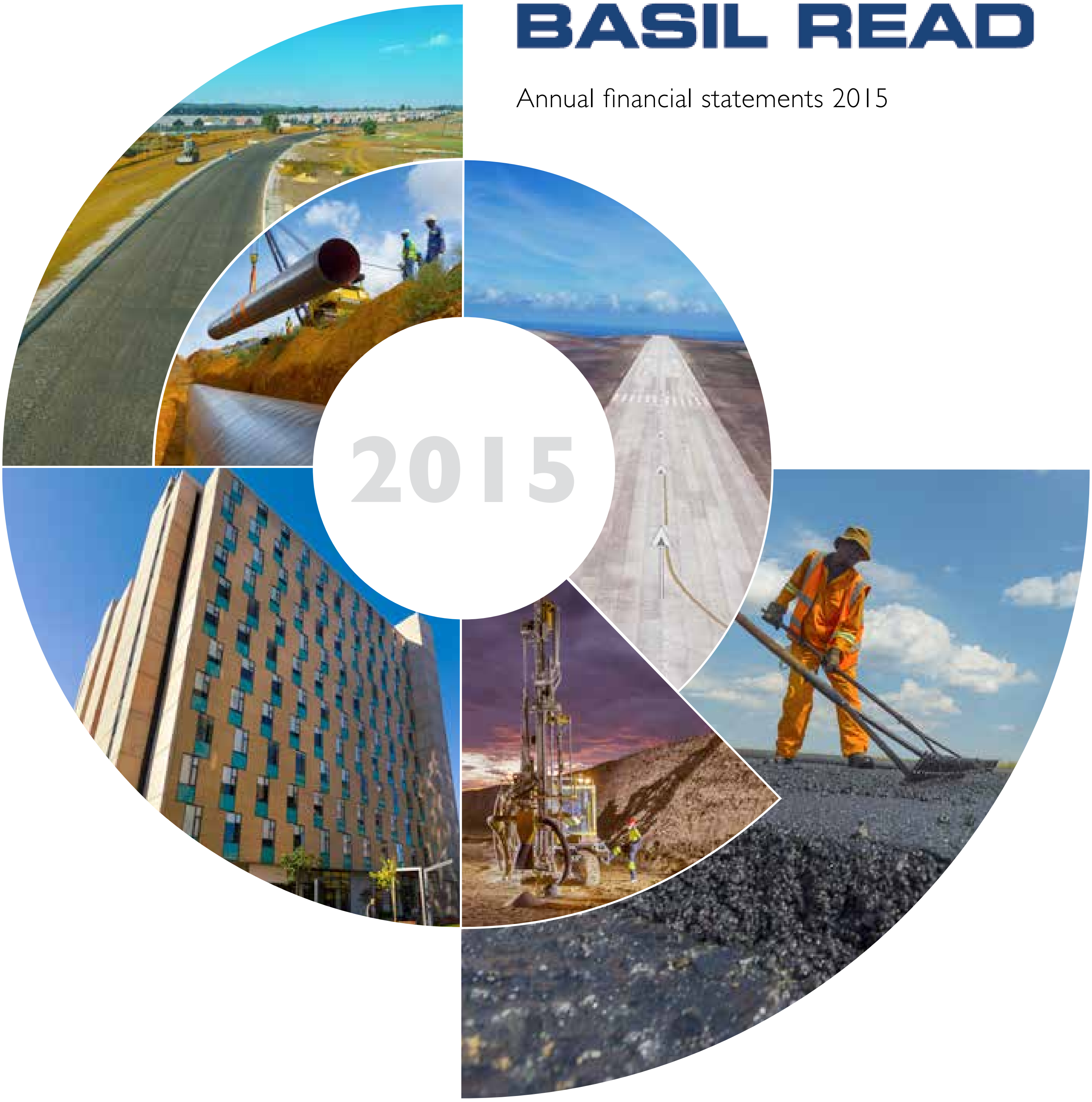
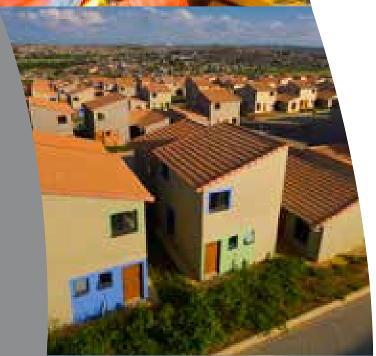
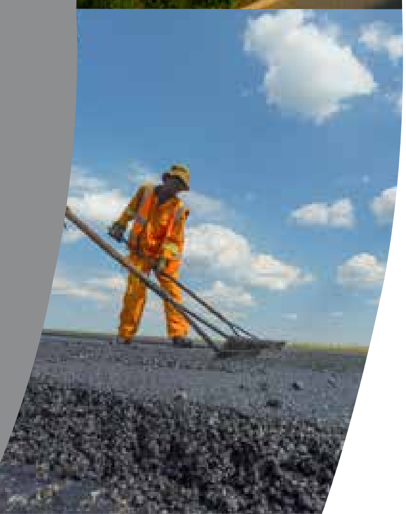
BASIL READ

Annual financial statements 2015





Contents

Annual financial statements	**1 – 88**
Directors’ responsibility statement	1
Certificate by company secretary	1
Directors’ report	2
Audit committee report	11
Report of the independent auditors	13
Consolidated income statement	14
Consolidated statement of comprehensive income	15
Consolidated statement of financial position	16
Consolidated statement of changes in equity	17
Consolidated statement of cash flows	18
Notes to the consolidated financial statements	19
Company income statement	83
Company statement of comprehensive income	83
Company statement of financial position	84
Company statement of changes in equity	85
Company statement of cash flows	85
Notes to the company financial statements	86
Shareholders’ information	**89 – 90**

For more information
see our website:
www.basilread.co.za

Directors' responsibility statement

The directors are responsible for the preparation, integrity and fair presentation of the financial statements of Basil Read Holdings Limited and its subsidiaries. The financial statements presented on pages 14 to 88 have been prepared in accordance with International Financial Reporting Standards (IFRS), and include amounts based upon judgements and estimates made by management.

The directors consider that in preparing the financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all IFRS that they consider to be applicable have been followed. The directors are satisfied that the information contained in the financial statements fairly presents the results of operations for the year and the financial position of the group at year-end. The directors also prepared the other information included in the integrated report and are responsible for both its accuracy and consistency with the financial statements.

The directors are responsible for ensuring that proper accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the group companies to enable the directors to ensure that the financial statements comply with the relevant legislation.

Basil Read Holdings Limited and its subsidiaries operate in a well-established control environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the business are being controlled.

The financial statements have been prepared on the going concern basis, since the directors have no reason to believe that the group will not be a going concern in the foreseeable future, based on forecasts and available cash resources. These financial statements support the viability of the company and the group.

The group's external auditors, PricewaterhouseCoopers Inc, audited the financial statements and their report is presented on page 13. The preparation of the financial statements was supervised by the chief financial officer, Amanda Wightman.

The financial statements were approved by the board of directors on 20 April 2016 and are signed on its behalf by:

PC Baloyi
Chairman

20 April 2016

NF Nicolau
Chief executive officer

20 April 2016

Certificate by company secretary

In terms of section 88(2)(e) of the Companies Act 71 2008 (as amended), I certify that, to the best of my knowledge and belief, Basil Read Holdings Limited has, in respect of the financial year reported upon, lodged with the Registrar of Companies all returns required of a public company in terms of the abovementioned Act and that all such returns are true and up to date.

AT Ndoni
Company secretary

20 April 2016

Directors' report

for the year ended 31 December 2015

The directors present the annual financial statements for the 2015 financial year, which supplement the 31st integrated report which is available on the company's website (www.basilread.co.za).

Nature of business

Basil Read is one of the top construction companies in South Africa. The company is listed on the JSE Limited and its subsidiary companies are active in the areas of civil engineering, road construction, building, mixed-use integrated housing developments, property development, opencast mining, blasting and excavating. These subsidiaries operate throughout sub-Saharan Africa.

Dividends

No dividend was declared in respect of the years ended 31 December 2015 and 31 December 2014.

Share capital

There was no change to the issued share capital of the company in the 2015 and 2014 financial years.

Operating results

The financial position, results of operations and cash flows of the company and that of the group for the year ended 31 December 2015 are set out on pages 14 to 88.

The group made a profit after taxation from continuing operations of R192 million (2014: loss after taxation of R646 million) during the year under review.

The group made a loss after taxation from discontinued operations of R20 million (2014: loss after taxation of R175 million) during the year under review.

Going concern

At the statement of financial position date, the current liabilities of the group exceeded the current assets by R138 million. The group has R1.4 billion in undrawn facilities with various financial institutions as at 31 December 2015.

The order book for the 2016 financial year is largely secure and the group expects to remain profitable. Operating cash flows in the 2016 year are expected to be cash generative and provide a positive indicator of the group's ability to continue as a going concern.

To further support liquidity, the following actions are being taken:

- Resolution of outstanding claims – management is advancing the claims resolution process where applicable in order to resolve claims as speedily as possible while ensuring that the company is fairly rewarded for actual work done
- Negotiation of banking facilities – following the group's return to profitability, the review of banking facilities is under way with a view to securing additional facilities to support liquidity
- Possible debt issue – management is investigating the possibility of raising cash through the issue of a debt instrument. This will not only support working capital liquidity but also aims to provide funding for growth.

The directors, therefore, have no reason to believe that the group will not be a going concern in the foreseeable future and for this reason have prepared the financial statements on a going concern basis.

Property, plant and equipment

The group acquired property, plant and equipment to the amount of R248 million (2014: R339 million) during the year.

Investments

Subsidiaries

On 1 February 2015, the group disposed of the entire issued share capital of LYT Architecture (Pty) Ltd and its subsidiaries, Facets Interiors (Pty) Ltd and TPS.P Arquitectos Limitada for a purchase consideration of R42 million, resulting in the recognition of a loss on disposal of R3.0 million. The core business of LYT Architecture is architectural and interior design.

On 25 September 2015, the group disposed of its 100% stake in Basil Read Energy (Pty) Ltd for a purchase consideration of R70 million, resulting in the recognition of a profit on disposal of R27.7 million. The company is an investor in energy producing assets in the renewable energy sector.

The information relating to the company's financial interest in its subsidiaries is set out in notes 11, 37, 39, 40, 41 and 43 to the financial statements.

Jointly controlled operations

For more information on the group's investments in jointly controlled operations, refer to notes 11 and 37 to the financial statements.

Jointly controlled entities

For more information on the group's investments in jointly controlled entities, refer to notes 11 and 37 to the financial statements.

Associates

On 25 September 2015, as part of the disposal of Basil Read Energy (Pty) Ltd, the group disposed of its 23% stake in Rubicept (Pty) Ltd and its 25% stake in 3Energy Renewables (Pty) Ltd.

For more information on the group's investments in associates, refer to notes 11 and 37 to the financial statements.

Borrowings

Interest-bearing borrowings comprise instalment sale agreements and a domestic medium-term note programme. During the year borrowings decreased due to repayments of notes issued under the domestic medium-term note programme and repayments of instalment sale agreements entered into for capital expenditure purposes.

For more information on the group's borrowings, refer to note 27 to the financial statements.

Events subsequent to the statement of financial position date

Basil Read concluded the disposal of SprayPave (Pty) Ltd on 1 February 2016 for a maximum purchase consideration of R78.6 million.

Shareholder spread

Details of shareholder categories are set out on page 89 of this report.

Directorate

The following were directors of the company during the year under review:

Paul Cambo Baloyi*	Independent non-executive director, chairman
Neville Francis Nicolau	Chief executive officer, managing director
Amanda Claire Wightman	Chief financial officer, financial director
Terence Desmond Hughes~	Non-executive director
Andrew Conway Gaorekwe Molusi	Non-executive director
Sango Siviwe Ntsaluba	Non-executive director
Thabiso Alexander Tlelai	Non-executive director
Doris Liana Theresia Dondur	Independent non-executive director
Mahomed Salim Ismail Gani[!]	Independent non-executive director
Claudia Estelle Manning	Independent non-executive director

** Appointed as chairman 1 January 2015*
~Appointed 1 January 2015
[!] Appointed 15 April 2015

Directors' report *continued*

for the year ended 31 December 2015

Directors' and prescribed officers' emoluments

Executive directors	Cash portion of package R	Benefits* R	Incentive bonus R	Gain on share options exercised R	Total R
2015					
Paid by Basil Read Limited					
Neville Francis Nicolau	**4 394 734**	**623 035**	**–**	**–**	**5 017 769**
Amanda Claire Wightman	**2 252 490**	**386 407**	**–**	**–**	**2 638 897**
	6 647 224	**1 009 442**	**–**	**–**	**7 656 666**
2014					
Paid by Basil Read Limited					
Marius Lodewucus Heyns#	1 253 327	208 797	12 324 775	–	13 786 899
Terence Desmond Hughes^	701 471	13 498	–	–	714 969
Neville Francis Nicolau~	1 459 513	224 552	–	–	1 684 065
Amanda Claire Wightman@	482 435	74 141	–	–	556 576
	3 896 746	520 988	12 324 775	–	16 742 509

* *Benefits include the group's contribution towards medical aid and provident fund*
\# *Retired 30 May 2014. The incentive bonus for Mr Heyns refers to the long-term incentive bonus that accrued to him and was paid in March 2014, calculated in terms of the long-term incentive policy as disclosed in the 2013 annual financial statements*
^ *Appointed 1 June 2014; resigned 31 August 2014*
~ *Appointed 1 September 2014*
@ *Appointed 13 October 2014*

Non-executive directors	Services as director R	Total R
2015		
Paul Cambo Baloyi	**915 000**	**915 000**
Terence Desmond Hughes$	**266 000**	**266 000**
Andrew Conway Gaorekwe Molusi	**627 000**	**627 000**
Sango Siviwe Ntsaluba#	**606 000**	**606 000**
Thabiso Alexander Tlelai#	**381 500**	**381 500**
Doris Liana Theresia Dondur	**644 000**	**644 000**
Mahomed Salim Ismail Gani!	**276 500**	**276 500**
Claudia Estelle Manning	**683 000**	**683 000**
	4 399 000	**4 399 000**
2014		
Sindile Lester Leslie Peteni*	1 198 000	1 198 000
Andrew Conway Gaorekwe Molusi	470 000	470 000
Sango Siviwe Ntsaluba#	490 000	490 000
Thabiso Alexander Tlelai#	444 000	444 000
Paul Cambo Baloyi	620 000	620 000
Charles Peter Davies^	383 500	383 500
Doris Liana Theresia Dondur~	262 500	262 500
Nopasika Vuyelwa Lila^	266 000	266 000
Claudia Estelle Manning	530 500	530 500
	4 664 500	4 664 500

$ *Appointed 1 January 2015*
\# *Paid to the companies that these directors represent*
! *Appointed 15 April 2015*
* *Retired 31 December 2014*
^ *Retired by rotation 26 June 2014*
~ *Appointed 24 June 2014*

Directors' fees for the 2015 financial year were paid according to the following table:

With effect from 1 January 2015	Member	Chairman
Board – retainer	140 000	500 000
Board – per meeting	17 500	33 000
Audit committee – retainer	70 000	140 000
Audit committee – per meeting	7 000	14 000
Risk committee – retainer	70 000	130 000
Risk committee – per meeting	7 000	14 000
Remuneration committee – retainer	70 000	130 000
Remuneration committee – per meeting	7 000	14 000
Social, ethics and transformation committee – retainer	70 000	130 000
Social, ethics and transformation committee – per meeting	7 000	14 000
Nominations and investment committee – per meeting	7 000	14 000
Ad hoc meetings – per meeting	7 000	14 000

Directors' fees are reviewed annually. It is proposed that directors' fees be increased as follows:

With effect from 1 January 2016	Member	Chairman
Board – retainer	215 000	700 000
Board – per meeting	17 500	33 000
Audit committee – retainer	70 000	140 000
Audit committee – per meeting	7 000	14 000
Risk committee – retainer	70 000	130 000
Risk committee – per meeting	7 000	14 000
Remuneration committee – retainer	70 000	130 000
Remuneration committee – per meeting	7 000	14 000
Social, ethics and transformation committee – retainer	70 000	130 000
Social, ethics and transformation committee – per meeting	7 000	14 000
Nominations and investment committee – per meeting	7 000	14 000
Ad hoc meetings – per meeting	7 000	14 000

These fees have been waived by the executive directors. Fees are paid quarterly in arrears.

	Cash portion of package R	Benefits* R	Incentive bonus R	Gain on share options exercised R	Total R
Prescribed officers					
2015					
Antonie Fourie#	**2 348 766**	**298 207**	**–**	**–**	**2 646 973**
Olivier Jean-Paul Giot	**3 033 632**	**–**	**–**	**–**	**3 033 632**
Khathutshelo Mapasa#	**2 270 972**	**312 494**	**–**	**–**	**2 583 466**
Andiswa Thandeka Ndoni	**1 966 165**	**343 579**	**–**	**–**	**2 309 744**
James Stephen Johnston#	**2 606 879**	**448 423**	**–**	**–**	**3 055 302**
	12 226 414	**1 402 703**	**–**	**–**	**13 629 117**
2014					
Christopher John Erasmus#!	1 417 181	249 465	–	–	1 666 646
Antonie Fourie#	2 119 823	267 861	–	–	2 387 684
Olivier Jean-Paul Giot	2 706 213	–	–	–	2 706 213
Guenther Hellhoff@	977 409	133 793	–	–	1 111 202
Terence Desmond Hughes$	935 295	17 997	–	–	953 292
James Stephen Johnston#	2 133 424	336 653	–	–	2 470 077
Khathutshelo Mapasa#%	1 219 939	180 147	–	–	1 400 086
Avinash Naidoo&	1 116 954	155 862	–	–	1 272 816
Andiswa Thandeka Ndoni	1 489 095	252 297	–	–	1 741 392
Amanda Claire Wightman#>	1 447 303	222 421	–	–	1 669 724
	15 562 636	1 816 496	–	–	17 379 132
Three next highest earners					
2015					
Employee A	**2 021 970**	**344 883**	**–**	**–**	**2 366 853**
Employee B	**1 910 643**	**339 365**	**–**	**–**	**2 250 008**
Employee C	**1 929 789**	**319 235**	**–**	**–**	**2 249 024**
	5 862 402	**1 003 483**	**–**	**–**	**6 865 885**
2014					
Employee A	1 858 217	273 062	–	–	2 131 279
Employee B	1 688 870	254 028	–	–	1 942 898
Employee C	1 681 734	217 655	–	–	1 899 389
	5 228 821	744 745	–	–	5 973 566

* *Benefits include the group's contribution towards medical aid, provident fund and expatriate costs*
\# *Paid by group subsidiary companies*
! *Until 30 September 2014*
@ *Until 30 June 2014*
$ *From 1 September 2014*
% *From 1 May 2014*
& *Until 14 November 2014*
> *Until 12 October 2014*

The following prescribed officers received once-off payments in the 2014 financial year:

	R
Christopher John Erasmus	5 330 000
Guenther Hellhoff	1 620 000
Terence Desmond Hughes	1 600 000
Avinash Naidoo	770 000
	9 320 000

Directors' and prescribed officers' equity-settled instruments

Executive directors

The directors held the following equity-settled instruments at 31 December 2015:

	Number	Average strike price	Average exercise price
Amanda Claire Wightman			
Equity-settled instruments at 1 January 2015	**32 000**	**13.95**	–
Equity-settled instruments granted during the year	–	–	–
Equity-settled instruments exercised during the year	–	–	–
Equity-settled instruments at 31 December 2015	**32 000**	**13.95**	

All of these options vested in previous financial periods.

The directors held the following equity-settled instruments at 31 December 2014:

	Number	Average strike price	Average exercise price
Marius Lodewucus Heyns			
Equity-settled instruments at 1 January 2014	380 000	13.95	–
Equity-settled instruments granted during the year	–	–	–
Equity-settled instruments exercised during the year	–	–	–
Equity-settled instruments lapsed during the year due to resignation	(380 000)	–	–
Equity-settled instruments at 31 December 2014	–	13.95	
Amanda Claire Wightman			
Equity-settled instruments at 1 January 2014	32 000	13.95	–
Equity-settled instruments granted during the year	–	–	–
Equity-settled instruments exercised during the year	–	–	–
Equity-settled instruments at 31 December 2014	32 000	13.95	

All of these options vested in previous financial periods.

Directors' report *continued*

for the year ended 31 December 2015

Prescribed officers

The following prescribed officers held the following equity-settled instruments at 31 December 2015:

	Number	Average strike price	Average exercise price
Antonie Fourie			
Equity-settled instruments at 1 January 2015	90 000	13.95	–
Equity-settled instruments granted during the year	–	–	–
Equity-settled instruments exercised during the year	–	–	–
Equity-settled instruments at 31 December 2015	90 000	13.95	
Olivier Jean-Paul Giot			
Equity-settled instruments at 1 January 2015	105 000	13.95	–
Equity-settled instruments granted during the year	–	–	–
Equity-settled instruments exercised during the year	–	–	–
Equity-settled instruments at 31 December 2015	105 000	13.95	
James Stephen Johnston			
Equity-settled instruments at 1 January 2015	90 000	13.95	–
Equity-settled instruments granted during the year	–	–	–
Equity-settled instruments exercised during the year	–	–	–
Equity-settled instruments at 31 December 2015	90 000	13.95	

All of these options vested in previous financial periods.

The following prescribed officers held the following equity-settled instruments at 31 December 2014:

	Number	Average strike price	Average exercise price
Christopher John Erasmus			
Equity-settled instruments at 1 January 2014	145 000	13.95	–
Equity-settled instruments granted during the year	–	–	–
Equity-settled instruments exercised during the year	–	–	–
Equity-settled instruments lapsed during the year due to resignation	(145 000)	–	–
Equity-settled instruments at 31 December 2014	–	13.95	
Antonie Fourie			
Equity-settled instruments at 1 January 2014	90 000	13.95	–
Equity-settled instruments granted during the year	–	–	–
Equity-settled instruments exercised during the year	–	–	–
Equity-settled instruments at 31 December 2014	90 000	13.95	
Olivier Jean-Paul Giot			
Equity-settled instruments at 1 January 2014	105 000	13.95	–
Equity-settled instruments granted during the year	–	–	–
Equity-settled instruments exercised during the year	–	–	–
Equity-settled instruments at 31 December 2014	105 000	13.95	
James Stephen Johnston			
Equity-settled instruments at 1 January 2014	90 000	13.95	–
Equity-settled instruments granted during the year	–	–	–
Equity-settled instruments exercised during the year	–	–	–
Equity-settled instruments at 31 December 2014	90 000	13.95	

All of these options vested in previous financial periods.

The terms of the equity-settled instruments are detailed in note 35.

Interests of directors and officers in share capital

The interests, direct and indirect, of the directors and officers at the date of this report are as follows:

	Direct		Indirect	
	2015 Number	2014 Number	**2015 Number**	2014 Number
Beneficial				
Sango Siviwe Ntsaluba	**6 986**	6 986	**2 776 939**	2 776 939
Alexander Thabiso Tlelai	**–**	–	**2 774 953**	2 774 953
Neville Francis Nicolau	**–**	–	**100 000**	100 000
	6 986	6 986	**5 651 892**	5 651 892
Shares held by associates	**–**	–	**–**	–
	6 986	6 986	**5 651 892**	5 651 892

The company's directors did not trade in shares between year-end and the date the financial statements were authorised for issue.

Directors' report *continued*

for the year ended 31 December 2015

Interests of directors and officers in share incentive scheme

The direct interests of the directors and officers at the date of this report are as follows:

	Number of unissued shares	% of unissued shares	% held once shares issued
2015			
Direct			
Antonie Fourie	**90 000**	**7.35**	**0.07**
Olivier Jean-Paul Giot	**105 000**	**8.58**	**0.08**
James Stephen Johnston	**90 000**	**7.35**	**0.07**
Amanda Claire Wightman	**32 000**	**2.61**	**0.02**
2014			
Direct			
Antonie Fourie	90 000	7.35	0.07
Olivier Jean-Paul Giot	105 000	8.58	0.08
James Stephen Johnston	90 000	7.35	0.07
Amanda Claire Wightman	32 000	2.61	0.02

The right to the unissued shares are in terms of the Basil Read Share Incentive Scheme. For further details, refer to note 35(e).

Special resolutions passed by subsidiary companies

The following special resolutions were passed by subsidiary companies during the year ended 31 December 2015:

- Special resolution by Basil Read Ltd, in its capacity as shareholder of Basil Read Mining (Pty) Ltd, authorising Basil Read Mining (Pty) Ltd to provide financial assistance to its subsidiaries and other group companies in accordance with section 45 of the Companies Act 71 2008, as amended.
- Special resolution by Basil Read Mining (Pty) Ltd, in its capacity as shareholder of Basil Read Mining SA (Pty) Ltd, authorising Basil Read Mining SA (Pty) Ltd to provide financial assistance to its subsidiaries and other group companies in accordance with section 45 of the Companies Act 71 2008, as amended.

Auditors

PricewaterhouseCoopers Inc will continue in office in accordance with section 90(6) of the Companies Act. At the annual general meeting, shareholders will be requested to reappoint PricewaterhouseCoopers Inc as the group's auditors for the 2016 financial year.

Company secretary

The company secretary is Ms Andiswa Ndoni.

Registered office

The Basil Read Campus
7 Romeo Street
Hughes Extension
Boksburg
1459

Postal address

Private Bag X170
Bedfordview
2008

Audit committee report

The committee is pleased to present its report for the financial year ended 31 December 2015 as required by the South African Companies Act 71 2008 (the Act) and recommended by the King III Report on Governance Principles for South Africa 2009 (King III).

Audit committee terms of reference

The committee has adopted a formal detailed charter that is in line with King III and the Act, is reviewed at least annually and is approved by the board as it is amended. A work plan is drawn up annually, outlining its statutory obligations and progress is monitored to ensure these are fulfilled. The committee has discharged all its responsibilities as set out in that charter.

Membership

The audit committee was appointed by the shareholders at the annual general meeting on 23 June 2015. The members are all independent non-executive directors, who collectively have the necessary financial skills and experience to fulfil their responsibilities on this committee.

In the review period, membership of the audit committee comprised the following non-executive directors:

- Ms Doris Dondur – independent non-executive director, chairman
- Mr Mahomed Gani – independent non-executive director (appointed 15 April 2015)
- Dr Claudia Manning – independent non-executive director (appointed 10 March 2015)
- Mr Sango Ntsaluba – non-executive director (resigned 15 April 2015).

Details of attendance at meetings are on page 71 of the integrated report, which is available on the company's website, (www.basilread.co.za), or on request from the company secretary.

In addition, the chief executive officer, chief financial officer, chief internal audit officer, group risk officer, heads of finance and the external auditors are permanent invitees to the meeting.

Mr Sango Ntsaluba continues to attend committee meetings as an invitee. Sango is a chartered accountant with over 20 years' experience, bringing a wealth of knowledge to the committee.

The appointment of Mr Mahomed Gani as an independent non-executive director to the board and member of the audit committee on 15 April 2015, further enhances the experience and financial skills of the committee.

Responsibilities

The responsibilities of this committee include monitoring and reviewing of the following:

- Annual financial statements, ensuring fair presentation and compliance with International Financial Reporting Standards (IFRS) and the Act, and recommending these to the board for approval
- Compilation of the integrated report, ensuring that content is accurate and reliable, and includes all relevant material operational, financial and non-financial information
- Accounting policies of Basil Read, ensuring they are consistently applied
- Critical accounting estimates and judgements
- Effectiveness of the internal control environment
- Effectiveness of the internal audit function, including approval of the internal audit plan and monitoring adherence of internal audit to this plan
- Recommendation of the appointment and remuneration of external auditors, reviewing the scope of their audit, their reports and pre-approving all non-audit services in excess of R250 000 in terms of the policy
- Independence and objectivity of the external auditors, ensuring that the scope of additional services does not impair their independence
- Reports of the internal and external auditors
- Evaluation of the performance of the chief financial officer
- The governance of information technology and effectiveness of the company's information systems
- Solvency and liquidity position of Basil Read to ensure that the going concern basis of reporting is appropriate
- Policies and procedures for preventing fraud.

External audit

The committee has satisfied itself through enquiry that the auditor of Basil Read Holdings Limited is independent as defined by the Act. The committee, in consultation with executive management, agreed to an audit fee for the 2015 financial year. The fee is considered appropriate for the work that could reasonably have been expected at that time. Audit fees are disclosed in note 9.

A formal procedure governs the process by which the external auditor is considered for providing non-audit services. Each engagement letter for non-audit work above R250 000 is reviewed by the committee in advance. Routine work assignments, including auditor letters required for tendering purposes, below the value of R250 000 do not need to be approved by the committee.

Meetings were held with the external auditor without management present, and no matters of concern were raised. The committee has reviewed the performance of the external auditors and has nominated, for approval at the annual general meeting, PricewaterhouseCoopers Inc as the external auditor for the 2016 financial year. In terms of the rotation requirements of the Act, Mr F Lombard, the designated auditor for the 2015 financial year audit, cannot continue as designated auditor. Accordingly Mr S Masondo will assume the role of designated auditor for the 2016 financial year, effective from 2 June 2016.

Internal audit

The internal audit function is a key element of the integrated assurance structure. Basil Read appointed a chief internal audit officer in February 2015 to establish an in-house department with a direct reporting responsibility to the committee. An in-house internal audit structure and co-sourcing internal audit model approach was approved to ensure the efficiency of the internal audit function.

KPMG was appointed as the internal audit co-source partner. The work of the internal audit function is guided by the company's risk register and previous internal and external audit reports, including management and audit committee inputs. The committee approves the annual internal audit assurance plan and monitors progress against the plan on a quarterly basis.

The committee determines the purpose, authority and responsibility of the internal audit function in a charter that is reviewed periodically.

The internal control systems of the company are designed to provide reasonable assurance on the maintenance of proper accounting records and reliability of financial information. These systems are monitored by internal audit which reports its findings and recommendations to the committee and to senior management. Where weaknesses in specific controls are identified, management undertakes to implement appropriate corrective actions.

Both internal and external audit have unrestricted access to the committee, its chairman and the chairman of the board, ensuring that auditors are able to maintain their independence. Both internal and external auditors report at audit committee meetings. The committee also meets with both internal and external auditors separately, at least annually, and as required without other invitees being present.

Finance director and finance function review

The committee has considered and is satisfied that, in terms of section 3.84(h) of the JSE Listings Requirements, the chief financial officer, Amanda Wightman, has the appropriate expertise and experience to meet the responsibilities of this position. The committee has also in terms of King III assessed the expertise, resources and experience of the finance function. Due to the restructuring of the company, the finance function is still in the process of being aligned to the new operating model and has some vacancies that are in the process of being filled.

Annual financial statements

The annual financial statements were prepared using appropriate accounting policies that conform to IFRS. The committee therefore recommended the approval of the annual financial statements to the board and the board approved these on 20 April 2016.

Integrated annual report

The committee has evaluated the integrated report for its consistency with operational and other information known to the committee. It has recommended the approval of the integrated report, which was formally given.

Doris Dondur

Doris Dondur
Chairman of the audit committee

20 April 2016

Report of the independent auditors

To the members of Basil Read Holdings Limited

We have audited the consolidated and separate financial statements of Basil Read Holdings Limited set out on pages 14 to 88, which comprise the statements of financial position as at 31 December 2015, and the statements of comprehensive income, income statements, 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 misstatement, whether due to fraud or error.

Auditors' 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 Basil Read Holdings Limited as at 31 December 2015, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 31 December 2015, we have read the directors' report, the audit committee's report and the company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Report on other legal and regulatory requirements

In terms of the IRBA rule published in Government Gazette number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc has been the auditor of Basil Read Holdings Limited for 29 years.

PricewaterhouseCoopers Inc
Director: FJ Lombard
Registered auditor

Johannesburg
20 April 2016

Consolidated income statement

for the year ended 31 December 2015

	Notes	2015 R000	2014 R000
CONTINUING OPERATIONS			
Revenue	7	**5 519 979**	6 261 441
Contracting and other costs		**(5 000 296)**	(6 566 668)
Other administrative and operating overheads		**(296 437)**	(485 010)
Other gains/(losses) – net	8	**2 951**	(13 052)
Operating profit/(loss)	9	**226 197**	(803 289)
Finance costs – net	10	**(35 391)**	(22 499)
Interest received	10	**21 077**	28 520
Foreign exchange	10	**(9 728)**	1 686
Interest paid	10	**(46 740)**	(52 705)
Share of profit of investments accounted for using the equity method	11	**40 536**	31 736
Profit/(loss) before taxation		**231 342**	(794 052)
Taxation	12	**(39 704)**	147 916
Net profit/(loss) for the year from continuing operations		**191 638**	(646 136)
DISCONTINUED OPERATION			
Net loss for the year from discontinued operations	24	**(45 066)**	(174 743)
Profit on disposal of discontinued operations	24	**24 641**	–
Net profit/(loss) for the year		**171 213**	(820 879)
Attributable to			
Equity shareholders of the company		**180 761**	(789 938)
Non-controlling interests		**(9 548)**	(30 941)
Net profit/(loss) for the year		**171 213**	(820 879)
Earnings/(loss) per share (cents)	13	**137.27**	(599.87)
Diluted earnings/(loss) per share (cents)	13	**137.27**	(599.87)
Earnings/(loss) per share from continuing operations (cents)	13	**152.78**	(467.17)
Diluted earnings/(loss) per share from continuing operations (cents)	13	**152.78**	(467.17)
Loss per share from discontinued operations (cents)	13	**(15.51)**	(132.70)
Diluted loss per share from discontinued operations (cents)	13	**(15.51)**	(132.70)

Consolidated statement of comprehensive income

for the year ended 31 December 2015

	2015 R000	2014 R000
Net profit/(loss) for the year	**171 213**	(820 879)
Other comprehensive income for the year – net of tax		
Items that may be subsequently reclassified to profit or loss	**16 787**	12 860
Movement in foreign currency translation reserve	**16 811**	12 936
Movement in fair value adjustment reserve	**(24)**	(76)
Fair value adjustment	**–**	(95)
Foreign exchange difference	**(24)**	19
Total comprehensive income/(expense) for the year	**188 000**	(808 019)
Total comprehensive income/(expense) for the year attributable to the following:		
Equity shareholders of the company	**198 738**	(775 921)
Non-controlling interests	**(10 738)**	(32 098)
Total comprehensive income/(expense) for the year	**188 000**	(808 019)

Consolidated statement of financial position

as at 31 December 2015

	Notes	2015 R000	2014 R000
ASSETS			
Non-current assets		**1 500 501**	1 669 708
Property, plant and equipment	14	**915 856**	1 080 248
Investment property	15	**6 590**	5 826
Intangible assets	16	**91 640**	99 938
Investments accounted for using the equity method	11	**41 719**	24 532
Loans to investments accounted for using the equity method	11	**94 681**	107 268
Deferred income tax assets	17	**298 726**	300 607
Investments at fair value	18	**51 289**	51 289
Current assets		**2 017 657**	2 552 957
Inventories	19	**25 939**	33 067
Development land	20	**262 679**	268 022
Contract debtors and other receivables	21	**1 199 938**	1 283 960
Derivative financial instruments	22	**2 885**	–
Current income tax assets		**19 371**	57 093
Cash and cash equivalents	23	**506 845**	910 815
Non-current assets held for sale	24	**104 203**	53 112
Total assets		**3 622 361**	4 275 777
EQUITY AND LIABILITIES			
Capital and reserves		**1 245 728**	1 133 544
Stated capital	25	**1 048 025**	1 048 025
Retained earnings		**155 720**	61 513
Other reserves		**41 983**	24 006
Non-controlling interests	26	**(22 176)**	(97 992)
Total capital and reserves		**1 223 552**	1 035 552
Non-current liabilities		**221 087**	259 965
Interest-bearing borrowings	27	**182 134**	215 898
Deferred income tax liabilities	17	**38 953**	44 067
Current liabilities		**2 155 388**	2 970 241
Trade and other payables	29	**1 449 595**	2 282 411
Current income tax liabilities		**15 034**	5 011
Current portion of interest-bearing borrowings	27	**157 798**	273 594
Derivative financial instruments	22	**–**	223
Provisions for other liabilities and charges	28	**497 523**	318 766
Bank overdraft	23	**35 438**	90 236
Liabilities directly associated with non-current assets classified as held for sale	24	**22 334**	10 019
Total equity and liabilities		**3 622 361**	4 275 777

Consolidated statement of changes in equity

for the year ended 31 December 2015

	Share capital R000	Treasury shares R000	Foreign currency translation reserve* R000	Fair value adjustment reserve R000	Retained earnings R000	Total attributable to owners of the parent R000	Non-controlling interests R000	Total equity R000
Balance at 1 January 2014	1 048 037	(12)	13 760	(3 771)	851 451	1 909 465	(38 207)	1 871 258
Disposal of subsidiary (refer note 40)	–	–	–	–	–	–	1 777	1 777
Capital contribution to non-controlling interests	–	–	–	–	–	–	(29 464)	(29 464)
Net loss for the year	–	–	–	–	(789 938)	(789 938)	(30 941)	(820 879)
Other comprehensive income for the year	–	–	14 093	(76)	–	14 017	(1 157)	12 860
Balance at 31 December 2014	**1 048 037**	**(12)**	**27 853**	**(3 847)**	**61 513**	**1 133 544**	**(97 992)**	**1 035 552**
Transactions with minorities (refer note 39)	–	–	–	–	(86 554)	(86 554)	86 554	–
Net profit for the year	–	–	–	–	180 761	180 761	(9 548)	171 213
Other comprehensive income for the year	–	–	18 001	(24)	–	17 977	(1 190)	16 787
Balance at 31 December 2015	**1 048 037**	**(12)**	**45 854**	**(3 871)**	**155 720**	**1 245 728**	**(22 176)**	**1 223 552**

** The foreign currency translation reserve is the result of exchange differences arising from the translation of the group's foreign operations to the group's presentation currency, the rand*

Consolidated statement of cash flows

for the year ended 31 December 2015

	Notes	2015 R000	2014 R000
CASH FLOW FROM OPERATING ACTIVITIES		**(150 691)**	(201 655)
Cash generated by operating activities	30	**(116 055)**	(118 330)
Finance income	10	**21 205**	30 354
Finance costs	10	**(57 074)**	(55 664)
Dividends paid	31	**(32)**	(4)
Taxation received/(paid)	32	**1 265**	(58 011)
CASH FLOW FROM INVESTING ACTIVITIES		**104 766**	(45 593)
Acquisitions of property, plant and equipment	14	**(68 794)**	(188 939)
Proceeds on disposal of property, plant and equipment		**77 459**	62 908
Acquisition of subsidiaries		**–**	(3 847)
Disposal of subsidiaries	40	**82 517**	(37)
Advances made to jointly controlled entities	11	**(22 407)**	(16 118)
Advances recovered from jointly controlled entities	11	**3 040**	5 234
Disposal of associate	11	**–**	86
Advances made to associates	11	**(3 401)**	(161)
Advances recovered from associates	11	**7 440**	8 499
Dividend received from associate	11	**28 912**	86 782
CASH FLOW FROM FINANCING ACTIVITIES		**(325 456)**	(116 838)
Proceeds from interest-bearing borrowings	27	**205 318**	100 000
Repayments of interest-bearing borrowings	27	**(530 774)**	(187 374)
Capital distribution to non-controlling interest parties	26	**–**	(29 464)
Effects of exchange rates on cash and cash equivalents		**10 393**	(2 734)
Movement in cash and cash equivalents		**(360 988)**	(366 820)
Cash and cash equivalents – at the beginning of the year		**835 664**	1 202 484
Cash and cash equivalents – at the end of the year	23	**474 676**	835 664
Included in cash and cash equivalents as per statement of financial position		**471 407**	820 579
Included in the assets of disposal group		**3 269**	15 085
		474 676	835 664

Notes to the consolidated financial statements

for the year ended 31 December 2015

1. ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), including IFRIC interpretations (collectively IFRS), the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, financial pronouncements as issued by the Financial Reporting Standards Council (FRSC) and the requirements of the Companies Act 71 2008 of South Africa.

The consolidated financial statements have been prepared on the historical cost basis as modified by the revaluation of available for sale investments and financial instruments fair valued through profit and loss. The following principal accounting policies are in accordance with IFRS and are used by the group. These policies have been consistently applied to all the years presented, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 5.

The accounting policies detailed below have been consistently applied to the company financial statements detailed on pages 83 to 88.

Standards, amendments and interpretations adopted by the group

There were a number of new standards, amendments and interpretations effective and adopted in the current year, none of which had a significant impact on the group or the company.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group

There are a number of new standards, amendments and interpretations which will only be effective after the 2015 financial year. The significant ones are shown below:

Accounting standard, amendment or interpretation	Effective date	Summary
IFRS 15 – *Revenue from contracts with customers*	1 January 2018	The FASB and IASB issued their converged standard on revenue recognition on 29 May 2014. It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of goods or services transfers to a customer.
IFRS 9 – *Financial instruments* (2009 and 2010) • Financial liabilities • Derecognition of financial instruments • Financial assets • General hedge accounting	1 January 2018	This IFRS is part of the IASB's project to replace IAS 39. IFRS 9 addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value.
IFRS 16 – *Leases*	1 January 2019	The IASB and FASB decided that lessees should be required to recognise assets and liabilities arising from all leases (with limited exceptions) on the balance sheet. Lessor accounting has not substantially changed in the new standard. The model reflects that, at the start of a lease, the lessee obtains the right to use an asset for a period of time and has an obligation to pay for that right.

Management is currently reviewing the impact of these standards on the group and the company.

Holding company investments

Basil Read Holdings Limited's investment in subsidiaries is recognised at cost, net of any accumulated impairment loss.

1. ACCOUNTING POLICIES *continued*

Group accounting

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is measured as the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

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

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

Goodwill is not amortised but tested for impairment annually.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

Changes in ownership interests in subsidiaries without change of control

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

Disposal of subsidiaries

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

Associates

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

The group's share of the post-acquisition profits or losses of associates is recognised in the income statement and its share of post-acquisition equity movements are adjusted against the cost of the investment. Unrealised gains or losses on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates, except where unrealised losses provide evidence of an impairment of the asset. When the group's share of losses in an associate equals or exceeds its interest in the associate, the group does not recognise further losses, unless the group has incurred obligations or made payments on behalf of the associates.

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

Joint arrangements

The group has applied IFRS 11 to all joint arrangements as of 1 January 2012. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

Joint ventures

Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the group's net investment in the joint ventures), the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

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

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

The group recognises in relation to its interest in a joint operation:
- Its assets, including its share of any assets held jointly
- Its liabilities, including its share of any liabilities incurred jointly
- Its revenue from its share of the output arising from the joint operation
- Its share of the revenue from the output by the joint operation
- Its expenses, including its share of any expenses incurred jointly.

Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The group's financial statements are presented in South African rand, which is the company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the date of the transaction)
- Equity items are translated at the closing rate
- All resulting exchange differences are recognised as a separate component of equity.

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

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

1. ACCOUNTING POLICIES *continued*

Other investments

The group classifies its investments in equity securities as available for sale or fair value through profit or loss. Management re-evaluates such designation on a regular basis. Investments are held for an indefinite period of time, which may be sold in response to needs for liquidity, and are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the statement of financial position date, in which case they are included in current assets.

Purchases of investments are recognised at cost on the trade date, which is the date that the group commits to purchase the asset. Cost of purchase includes transaction costs. Investments are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of these investments are included in equity. The fair value of listed investments are based on quoted market prices. Fair values for unlisted equity securities are estimated using applicable price/earnings or price/cash flow ratios refined to reflect the specific circumstances of the issuer. Equity securities for which fair values cannot be measured reliably are recognised at cost less impairment.

Property, plant and equipment

Property, plant and equipment (except for investment properties) are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Immovable properties are classified as either owner-occupied property or investment property and are accounted for accordingly.
Cost includes expenditure that is directly attributable to the acquisition of the item and includes transfers from equity of any gains or losses on qualifying cash flow hedges of currency purchases of property, plant and equipment. The cost of an item of property, plant and equipment further includes the initial estimate of the costs of its dismantlement, removal or restoration of the site on which it was located.

Depreciation is calculated to write off the assets to their residual values over their expected useful lives on the following basis:
- Owner-occupied buildings – straight-line basis over 20 years
- Major plant and equipment – straight-line basis over periods ranging from two to 15 years
- Other plant and equipment – straight-line basis over periods ranging from three to five years
- Furniture and fittings – straight-line basis over periods ranging from three to five years
- Freehold property is not depreciated.

Residual values and useful lives are assessed annually and any effect of changes in residual values and useful lives are accounted for as a change in estimate, prospectively.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in operating profit.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Major renovations are depreciated over the remaining useful life of the related asset.

Borrowings

Borrowings are recognised initially as the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest rate method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings as interest. Borrowing costs are recognised in the income statement as incurred.

Capitalisation of borrowing costs

Borrowing costs, incurred in respect of property developments or capital work in progress, that require a substantial period to prepare assets for their intended use, are capitalised up to the date that the development of the asset is ready for its intended use. Other borrowing costs are recognised in the income statement as incurred.

Investment properties

Investment properties are held to appreciate in capital value. Investment properties are treated as long-term investments and carried at market value determined annually by the directors based on current real estate prices for similar properties. Every three years an external independent valuer carries out an independent valuation. Investment properties are not subject to depreciation. Increases and decreases in their carrying amount are included in net profit or loss for the period.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired subsidiary/associate/joint venture at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates and joint ventures is included in investments accounted for using the equity method and is tested for impairment as part of the overall balance.

Separately recognised goodwill is tested, at least, annually for impairment and at the end of each accounting period when an indicator of impairment exists and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The recoverable amount of the cash-generating unit to which goodwill has been allocated is based on fair value less cost to sell or value in use. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Contract-based intangibles

Contract-based intangibles represent construction contracts existing at date of acquisition and are recognised at fair value. Amortisation is calculated using the straight-line method to allocate the cost of the contract-based intangible over the period of the related contracts, which range between one and 10 years.

Leased assets

Finance leases

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 inception of the lease at the lower of the fair value of the leased plant and equipment or 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 income statement 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 plant and equipment acquired under finance leases is depreciated over the useful life of the asset unless ownership is not assured, in which case the item of plant and equipment is depreciated over the lease term.

Operating leases

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made by the lessee by way of penalty is recognised as an expense in the period in which termination takes place.

Impairment

Non-financial assets

Assets that have an indefinite useful life which are not subject to depreciation are tested for impairment, at least annually, on the same date and at the end of each reporting period when an indicator of impairment exists. Assets that are subject to depreciation are reviewed for impairment at the end of each reporting period whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When it is not possible to estimate the recoverable amount of an individual asset (the asset's value in use cannot be estimated to be close to its fair value less cost to sell and the asset does not generate cash inflows that are largely independent of those from other assets), the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Assets are considered to be impaired when the higher of the asset's fair value less cost to sell and its value in use is less than the carrying amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds the recoverable amount.

Where the recoverable amount is less than the carrying amount, the impairment is charged against profit or loss to reduce the carrying amount to the recoverable amount of the asset. The revised carrying amounts are depreciated over the remaining lives of such affected assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment previously recognised will be reversed when changes in circumstances, that have an impact on estimates, occur after the impairment was recognised. The reversal of an impairment will be limited to the lower of the newly calculated recoverable amount or the book value that would have existed if the impairment was not recognised. The reversal of an impairment is recognised in profit or loss.

Financial assets

(a) Assets carried at amortised cost

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

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

1. ACCOUNTING POLICIES *continued*

Impairment *continued*

***Financial assets** continued*

(a) Assets carried at amortised cost continued

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

(b) Assets classified as available for sale

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the group uses the criteria referred to in (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets 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 the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost basis. Net realisable value is determined on the latest replacement cost for consumable goods.

Development land

Development land is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, development and borrowing costs during development. When development is completed, borrowing costs and other charges are expensed as incurred.

Long-term construction contracts and contract revenue recognition

Revenue and costs

Contract costs are recognised when incurred. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The group uses the "percentage of completion method" to determine the appropriate amount of revenue to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the statement of financial position date as a percentage of total estimated costs for each contract and physical completion. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, pre-payments or other assets, depending on their nature.

The group presents as an asset (work in progress) the gross amount due from customers for contract work for all contracts in progress for which costs plus recognised profits (less recognised losses) exceeds progress billings. Work in progress, progress billings not yet paid by customers and retentions are included within contract debtors and retentions.

The group presents as a liability (advance payments received for contract work) the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

Contract debtors

Contract debtors comprise progress billings certified to date less payments received. Retention debtors are also raised as part of debtors at the time. Contract debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of contract debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables.

Other revenue recognition

Other revenue represents amounts receivable for project management services, development fees and subsidies receivable for the development of low-cost housing. It also includes amounts receivable for the supply of construction-related goods and services.

Other revenue is measured at the fair value of the consideration received or receivable net of discounts, VAT and other sales-related taxes.

Other revenue is recognised when the risks and rewards of ownership are transferred and the amount can be reliably measured.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the group.

Dividends are recognised when the right to receive payment is established.

Current and deferred taxation

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

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

Deferred taxation is provided on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred taxation liabilities are recognised for all taxable temporary differences and deferred taxation assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition, other than in a business combination, of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of a deferred taxation asset is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred taxation is calculated at the taxation rates that are expected to apply in the period when the liability is settled or the asset realised.

Deferred taxation assets and liabilities are offset when there is a legal enforceable right to offset and when the deferred taxation relates to the same fiscal authority.

Financial assets

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading or those designated as fair value through profit or loss on initial recognition. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current. Derivatives are classified as held for trading unless they are designated as hedges.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and subsequently carried at fair value. Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets. Loans and receivables include contract and trade debtors, receivables and cash and cash equivalents in the statement of financial position.

Loans and receivables are initially recognised at fair value, plus transaction costs, and subsequently carried at amortised cost using the effective interest rate method.

1. ACCOUNTING POLICIES *continued*

Financial assets *continued*

Available-for-sale financial assets

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

Available-for-sale financial assets are initially recognised at fair value, plus transaction costs, and subsequently carried at fair value. Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income.

Financial instruments

Financial instruments carried on the statement of financial position include cash and cash equivalents, investments, contract debtors, receivables, trade payables, leases and borrowings. The particular recognition methods are disclosed in the individual policy statements or notes to the financial statements.

Cash and cash equivalents

Cash and cash equivalents are initially recorded at fair value and subsequently measured at amortised cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand and bank balances, net of bank overdrafts.

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Provisions are measured at the directors' best estimate of the expenditure required to settle that obligation at the statement of financial position date, and are discounted to present value where the effect is material.

Employee benefits

Pension obligations

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

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Remeasurements arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past service costs are recognised immediately in income.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary 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. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Termination benefits

Termination benefits are payable whenever an employee's 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 either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Leave pay

Accrual is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees.

Share-based payments

Share options are granted to employees in terms of the scheme detailed in note 35. The net cost of share options, calculated as the difference between the fair value of such options at grant date and the price at which the options were granted, are expensed over their vesting periods. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest.

The fair value of options granted is determined by using the European binomial simulation model, taking into account the terms and conditions upon which the options were granted and any market vesting conditions.

At each statement of financial position date, the group revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Options exercised are equity settled through a fresh issue of shares.

Dividends

Dividends are recorded in the group's financial statements in the period in which they are approved by the group's shareholders.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee that makes strategic decisions.

Intersegment transfers

Segment revenue, segment expenses and segment results include transfers between business segments. Such transfers are accounted for based on commercial terms and conditions at market-related prices. These transfers are eliminated on consolidation.

Segment revenue and expenses

All segment revenue and expenses are directly attributable to the segments and are disclosed at the operating profit level.

Segment assets and liabilities

Segment assets include all operating assets and consist principally of property, plant and equipment, inventory, contract debtors and retentions and receivables and pre-payments.

Segment liabilities include all operating liabilities and consist principally of interest-bearing borrowings, trade and other payables and taxation.

2. FINANCIAL RISK MANAGEMENT

Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. From time to time the group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by financial management under policies approved by the board of directors. This function identifies, evaluates and, in certain circumstances, hedges financial risks in close cooperation with the group's various operating divisions. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

The group operates mainly in sub-Saharan Africa and on St Helena Island, and is exposed to foreign exchange risk arising from various currency exposures, through foreign entities which conduct business in various currencies. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The group is subject to transaction and translation exposure due to fluctuations in foreign currency exchange rates.

Management requires that group companies and divisions manage their foreign exchange risk against their functional currency. Group companies and divisions are required to report potential foreign currency risk exposures to the centralised group treasury. The group treasury will assess the risk and the possible financial impact using various scenario planning techniques. To manage foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, group treasury may use forward contracts, transacted with various financial institutions. Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

2. FINANCIAL RISK MANAGEMENT *continued*

Financial risk factors *continued*

(a) Market risk continued

(i) Foreign exchange risk continued

The group treasury's risk management policy is to assess the anticipated cash flows of each contract individually and to hedge an appropriate percentage of these cash flows so as to match costs and revenues in each foreign currency.

The group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

Foreign currency denominated construction contracts entered into may give rise to foreign exchange risk as the revenue base may be in a currency that is different to the cost base. The group's cost base is denominated primarily in South African rand. In instances where the revenue of foreign currency denominated construction contracts is in a currency other than the rand, an analysis of the costs associated with the contract is undertaken to assess whether the contract gives rise to foreign exchange risk. Forward exchange contracts may be entered into to manage any resulting risk, in particular to ensure that, as a minimum, any foreign exchange exposure relating to costs is adequately covered.

During the 2015 financial year, the group's exposure to foreign exchange risk arose primarily as a result of the following:

- The group's construction contract to construct the airport on St Helena Island. In terms of the contract, the group receives revenue in four currencies: South African rand, US dollar, British pound and euro. The revenue in foreign currency is received to cover forecast expenses in those currencies. To the extent that these expenses do not materialise or are higher than forecast, the group will be exposed to foreign exchange risk. The receipt of foreign currency also gives rise to cash and cash equivalents in those currencies.

Sensitivity analysis

At 31 December 2015, if the currency has weakened/strengthened by 10% against the US dollar with all other variables held constant, post-tax profit for the year would have been R13.1 million higher/lower, mainly as a result of foreign exchange gains/losses on translation of US dollar-denominated cash and cash equivalents, contract debtors and other receivables and trade and other payables.

At 31 December 2015, if the currency has weakened/strengthened by 10% against the British pound with all other variables held constant, post-tax profit for the year would have been R2.3 million higher/lower, mainly as a result of foreign exchange gains/losses on translation of British pound-denominated cash and cash equivalents, contract debtors and other receivables and trade and other payables.

At 31 December 2015, if the currency has weakened/strengthened by 10% against the euro with all other variables held constant, post-tax profit for the year would have been R6.9 million higher/lower, mainly as a result of foreign exchange gains/losses on translation of euro-denominated cash and cash equivalents, contract debtors and other receivables and trade and other payables.

In the prior year the group had the following foreign exchange exposures:

At 31 December 2014, if the currency has weakened/strengthened by 10% against the US dollar with all other variables held constant, post-tax loss for the year would have been R6.0 million higher/lower, mainly as a result of foreign exchange gains/losses on translation of US dollar-denominated cash and cash equivalents, contract debtors and other receivables and trade and other payables.

At 31 December 2014, if the currency has weakened/strengthened by 10% against the British pound with all other variables held constant, post-tax loss for the year would have been R2.3 million higher/lower, mainly as a result of foreign exchange gains/losses on translation of British pound-denominated cash and cash equivalents, contract debtors and other receivables and trade and other payables.

At 31 December 2014, if the currency has weakened/strengthened by 10% against the euro with all other variables held constant, post-tax loss for the year would have been R0.4 million higher/lower, mainly as a result of foreign exchange gains/losses on translation of euro-denominated cash and cash equivalents, contract debtors and other receivables and trade and other payables.

(ii) Cash flow and fair value interest rate risk

As the group has no significant interest-bearing assets other than cash and cash equivalents, the group's income and operating cash flows are substantially independent of changes in market interest rates.

The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk, which is partially offset by cash held at variable interest rates. Borrowings issued at fixed rates expose the group to fair value interest rate risk. The group maintains its borrowings at variable interest rates. During 2015 and 2014, the group's borrowings at variable rate were denominated in the functional currency.

At 31 December 2015, if interest rates on interest-bearing borrowings had been 100 basis points higher/lower with all other variables held constant, pre-tax loss for the year would have been R3.4 million lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

At 31 December 2014, if interest rates on interest-bearing borrowings had been 100 basis points higher/lower with all other variables held constant, pre-tax profit for the year would have been R4.9 million lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

(iii) Price risk

The group is exposed to equity securities price risk because of investments held by the group and classified on the consolidated statement of financial position as available for sale and fair value through profit or loss financial assets. These investments were acquired as strategic investments and were not actively managed with reference only to equity securities price risk.

The group holds direct investments in the equity of other entities. These equities are publicly traded on the following stock exchanges:

- All Share Index as quoted by the Johannesburg Stock Exchange (JSE)
- AltX Index as quoted by the JSE
- Alternative Investment Market (AIM) as quoted by the London Stock Exchange (LSE).

The group is exposed to materials price risk because of the fluctuation in the price of various raw materials, including diesel, steel, cement and rubber. More than 80% of the contracts that the group enters into provide for escalation in the prices of raw materials. In these cases, the price risk is borne by the client. In the case of fixed price contracts, the group is exposed to price risk. To minimise this risk, price curves are determined for each type of raw material and the expected movement in the cost of raw materials is built into the cost of the contract.

To minimise the exposure to price risk for the group as well as all clients, the group may enter into supplier agreements for the supply of raw materials at favourable rates.

The group may, from time to time, use derivative financial instruments to hedge certain of its materials price risk exposures. These instruments would be evaluated in accordance with limits set by management.

(b) Credit risk

Credit risk is managed on a group basis, except for credit risk relating to contract and trade debtors balances. Each local entity is responsible for managing and analysing the credit risk for each of their potential new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions and credit exposures to customers, including contract debtors and outstanding receivables.

The group's policy is to hold deposits with banks and financial institutions that have a minimum short-term credit rating of "A-". For local South African counterparties, the credit ratings are permitted to be the local South African ratings of the counterparties, rather than the international ratings as required for international counterparties. In certain instances, country regulations may require locally registered entities to operate banking accounts with local banking institutions, which may not meet the minimum rating requirement.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the risk committee assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. In cases where the risk committee deems the risk level to be unacceptable, payment guarantees issued by the customer are insisted upon.

The group establishes a provision for impairment based on factors surrounding the credit risk of specific customers, historical trends and other information. In determining the recoverability of a contract and trade debtor, the group considers any change in the credit quality of the trade receivable from the date the credit was granted up to the reporting date. Management does not expect a loss from fully performing financial assets.

Financial instruments which potentially subject the group to concentrations of credit risk are primarily cash and cash equivalents as well as trade receivables. As regards cash and cash equivalents, the group deals primarily with major financial institutions in South Africa and over border.

The group's customers are concentrated primarily in South Africa, but also exist in the rest of Africa. The majority of the group's customers are concentrated in the public and mining sectors.

Refer to note 21 for further information on the group's credit risk profile.

(c) Liquidity risk

Cash flow forecasting is performed by financial management. The group treasury monitors rolling forecasts of the group's liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the group's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable, external regulatory or legal requirements. A 12-month liquidity analysis is presented to the board of directors on a monthly basis.

2. FINANCIAL RISK MANAGEMENT *continued*

Financial risk factors *continued*

(c) Liquidity risk continued

Surplus cash held over and above balances required for working capital management is invested in interest-bearing current accounts, money market deposits and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.

The major sources of funds for the group are as follows:

- Undrawn facilities
- Available cash.

Although current liabilities exceeded current assets at the statement of financial position date, the group's cash flow forecast for 2016 provides a positive indicator that the group will continue operating as a going concern. Further details can be found in the directors' report.

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, including interest repayments. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	0 – 3 months R000	4 – 12 months R000	1 – 5 years R000	>5 years R000	Total R000
At 31 December 2015					
Interest-bearing borrowings	**37 867**	**136 286**	**199 587**	**–**	**373 740**
Trade and other payables	**1 224 352**	**225 243**	**–**	**–**	**1 449 595**
	1 262 219	**361 529**	**199 587**	**–**	**1 823 335**
At 31 December 2014					
Interest-bearing borrowings	51 746	242 538	231 512	–	525 796
Trade and other payables	1 461 174	821 237	–	–	2 282 411
	1 512 920	1 063 775	231 512	–	2 808 207

The table below analyses the group's derivative financial instruments which will be settled on a gross basis into the 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. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	0 – 3 months R000	4 – 12 months R000	1 – 5 years R000	>5 years R000	Total R000
At 31 December 2015					
Forward foreign exchange contracts	**13 468**	**–**	**–**	**–**	**13 468**
At 31 December 2014					
Forward foreign exchange contracts	–	–	–	–	–

3. CAPITAL RISK MANAGEMENT

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group considers total equity and interest-bearing borrowings to comprise capital.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "current and non-current interest-bearing borrowings and other borrowings" as shown in the consolidated statement of financial position) less cash and cash equivalents. Total equity is calculated as "capital and reserves" as shown in the consolidated statement of financial position plus net debt.

During 2015, the group's strategy, which was unchanged from 2014, was to maintain the gearing ratio below 50%, the long-term credit rating at BBB+ and the short-term credit rating at A2.

Both the long-term and short-term credit ratings are reviewed annually in June. The long-term credit rating was downgraded to BBB- and the short-term credit rating was downgraded to A3. This strategy for the 2016 financial year is to maintain these ratings as a minimum.

The gearing ratios at 31 December 2015 and 2014 were as follows:

	2015 R000	2014 R000
Total borrowings (refer note 27)	339 932	489 492
Less: cash and cash equivalents (refer note 23)	(471 407)	(820 579)
Net cash	(131 475)	(331 087)
Total equity	1 245 728	1 133 544
Total capital	1 114 253	802 457
Gearing ratio	(11.8%)	(41.3%)

The group further monitors the capital ratio on the basis of the debt:equity ratio, and manages interest-bearing liabilities with reference to the assets they are used to finance. The debt:equity ratio is calculated as total long-term debt divided by total equity. Total equity is calculated as "capital and reserves" as shown in the consolidated statement of financial position.

	2015 R000	2014 R000
Total long-term debt	182 134	215 898
Total equity	1 245 728	1 133 544
Debt:equity ratio	14.6%	19.0%

The group considers a debt:equity ratio of less than 100% to be acceptable, which is unchanged from 2014. This is reviewed annually after considering market conditions and the growth goals of the group.

The ratio of interest-bearing debt to the net book value of property, plant and equipment and development land is calculated as follows:

	2015 R000	2014 R000
Total interest-bearing borrowings (refer note 27)	339 932	489 492
Total assets financed	1 178 535	1 348 270
Property, plant and equipment (refer note 14)	915 856	1 080 248
Development land (refer note 20)	262 679	268 022
Ratio of interest-bearing debt to assets financed	28.8%	36.3%

3. CAPITAL RISK MANAGEMENT *continued*

The group considers a ratio of 80% or less to be acceptable, which is unchanged from 2014. This is reviewed annually after considering market conditions and the growth goals of the group.

The only loan covenants that are in place relate to certain subsidiaries within the mining division.The loan covenants require the subsidiaries to ensure that the following are met:

- Debt service coverage ratio in respect of any relevant period is not less than 1.50:1
- Borrowings to EBITDA ratio at the end of any relevant period shall not be more than 3.00:1
- Borrowings to equity ratio in respect of any relevant period specified in column 1 below shall not be more than the ratio set out in column 2 below opposite that relevant period.

Relevant period	Ratio
Relevant periods on or before 31 December 2015	5.0:1
Relevant periods on or before 31 December 2016	4.0:1
Relevant periods on or before 31 December 2017 and thereafter	3.0:1

These loan covenants were met at 31 December 2015.

4. FAIR VALUE ESTIMATION

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

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

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

The following table presents the group's assets and liabilities that are measured at fair value at 31 December 2015:

	Level 1 R000	Level 2 R000	Level 3 R000	Total R000
Financial assets				
Available-for-sale financial assets				
– equity instruments (refer note 18)	477	–	–	477
Financial assets at fair value through profit or loss				
– unlisted investment (refer note 18)	–	–	50 812	50 812
Derivative financial instruments (refer note 22)	–	2 885	–	2 885
Investment property (refer note 15)	–	–	6 590	6 590
Total financial assets	477	2 885	57 402	60 764
Financial liabilities				
Derivative financial instruments (refer note 22)	–	–	–	–

4. FAIR VALUE ESTIMATION *continued*

The following table presents the group's assets and liabilities that are measured at fair value at 31 December 2014:

	Level 1 R000	Level 2 R000	Level 3 R000	Total R000
Financial assets				
Available-for-sale financial assets				
– equity instruments (refer note 18)	477	–	–	477
Financial assets at fair value through profit or loss				
– unlisted investment (refer note 18)	–	–	50 812	50 812
Investment property (refer note 15)	–	–	5 826	5 826
Total financial assets	477	–	56 638	57 115
Financial liabilities				
Derivative financial instruments (refer note 22)	–	(223)	–	(223)

There were no transfers between levels 1 and 2 during the year.

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily LSE and JSE-listed equity investments classified as available for sale.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments
- The fair value of forward exchange contracts is determined using forward exchange rates at the statement of financial position date
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments
- The carrying value less impairment provision of contract debtors, other receivables and trade payables are assumed to approximate their fair values due to the short-term nature of these balances. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar instruments.

4. FAIR VALUE ESTIMATION *continued*

(c) Financial instruments in level 3

The following table presents the changes in level 3 instruments for the year ended 31 December 2015:

	Unlisted investments classified as fair value through profit or loss	Investment property	Total
Opening balance	**50 812**	**5 826**	**56 638**
Foreign exchange differences	**–**	**764**	**764**
Closing balance	**50 812**	**6 590**	**57 402**
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period, under "Other gains/losses"	**–**	**–**	**–**
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	**–**	**–**	**–**

The following table presents the changes in level 3 instruments for the year ended 31 December 2014:

	Unlisted investments classified as fair value through profit or loss R000	Investment property R000	Total R000
Opening balance	50 812	5 730	56 542
Foreign exchange differences	–	96	96
Closing balance	50 812	5 826	56 638
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period, under "Other gains/losses"	–	–	–
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	–	–	–

Offsetting financial assets and financial liabilities

At the reporting date, the group did not have any financial assets or liabilities that are subject to offsetting, enforceable master netting arrangements or similar agreements.

The group has, however, entered into master netting agreements in terms of the International Swap and Derivatives Association Inc (ISDA) with various financial institutions.

For financial assets and liabilities subject to enforceable master netting arrangements or similar agreements, each agreement between the group and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

Provision for impairment of contract debtors

A provision for impairment of contract debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of 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 contract debtor is impaired. The amount of the provision is the difference between the contract debtor's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Refer to note 21 for the carrying value.

Accounting for construction contracts

The group makes estimates and assumptions concerning the future, particularly regarding construction contract profit taking, provisions, arbitrations and claims. The resulting accounting estimates can, by definition, only approximate the actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Refer to note 28 for details of the group's contract provisions.

The group uses the percentage of completion method to determine the appropriate amount of revenue to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the statement of financial position date as a percentage of total estimated costs for each contract and physical completion. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, pre-payments or other assets, depending on their nature.

Property, plant and equipment

Property, plant and equipment is depreciated on a straight-line basis over its useful life to residual value. Residual values and useful lives are based on management's best estimate and actual future outcomes may differ from these estimates. Refer to note 14 for details of the group's property, plant and equipment.

The group annually tests whether property, plant and equipment has suffered any impairment. When performing impairment testing, the recoverable amount is determined for the individual asset. If the asset does not generate cash flows that are largely independent from other assets or groups of assets then the recoverable amounts of cash-generating units that those assets belong to are determined based on discounted future cash flows.

Income taxes

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

Deferred taxation

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

The group considered the following criteria in assessing the probability that taxable profit will be available against which the unused tax losses can be utilised:

- Whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses can be utilised
- Whether it is probable that the entity will have taxable profits before the unused tax losses expire
- Whether the unused tax losses result from identifiable causes which are unlikely to recur.

To the extent that it is not probable that taxable profit will be available against which the unused tax losses or unused tax credits can be utilised, the deferred tax asset is not recognised. To determine the probability that taxable profit will be available against which the unused tax losses can be utilised, the group has reviewed its forecasts of secured work for the foreseeable future and compared that to its total tax losses.

Refer to note 17 for details of the group's deferred tax assets.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *continued*

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves an exercise of significant judgement and estimates of the outcome of future events. Refer to note 33 for details of the group's contingent liabilities.

Goodwill

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on discounted future cash flows. These calculations require the use of estimates.

The following elements are used in the calculation of a cash-generating unit's value in use:
- An estimate of the future cash flows that the entity expects to derive from the cash-generating unit
- Expectations about possible variations in the amount or timing of those future cash flows
- The time value of money, represented by the current market risk-free rate of interest
- The price for bearing the uncertainty inherent in the cash-generating unit
- Other factors, such as illiquidity, that market participants would reflect in pricing the future cash flows the group expects to derive from the cash-generating unit.

Development land

Development land is stated at the lower of cost and net realisable value. Net realisable value is determined based on management's best estimate of the development plan, which includes estimated future sales volumes and prices. Future outcomes may differ from these estimates. Refer to note 20 for details of the group's development land.

Net realisable value tests are performed annually by independent valuators and represent the estimated future sales price of development land, based on prevailing prices, less estimated costs to completion and sale.

Investments at fair value – unlisted

Unlisted investments at fair value are held to generate independent cash flows through dividends or capital appreciation.

The group currently holds an investment in Lehating Mining (Pty) Ltd.The fair value of this investment is based on a discounted cash flow model over the life of the mine.The inputs to this model are based on management's best estimate of forward exchange rates and manganese prices. Future outcomes may differ from these estimates.

Refer to note 18 for details of the group's unlisted investments at fair value.

6. FINANCIAL INSTRUMENTS

(a) Financial instruments by category

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

31 December 2015	Loans and receivables R000	Available for sale R000	Held at fair value through profit or loss R000	Total R000
Assets as per statement of financial position				
Loans to investments accounted for using the equity method	94 681	–	–	94 681
Available-for-sale financial assets	–	477	–	477
Financial assets at fair value through profit or loss	–	–	50 812	50 812
Contract and trade debtors	1 073 355	–	–	1 073 355
Receivables	99 708	–	–	99 708
Derivative financial instruments	–	–	2 885	2 885
Cash and cash equivalents	506 845	–	–	506 845
Total	1 774 589	477	53 697	1 828 763

	At amortised cost R000	At fair value R000	Total R000
Liabilities as per statement of financial position			
Interest-bearing borrowings	339 932	–	339 932
Trade and other payables	1 449 595	–	1 449 595
Bank overdraft	35 438	–	35 438
Total	1 824 965	–	1 824 965

31 December 2014	Loans and receivables R000	Available for sale R000	Held at fair value through profit or loss R000	Total R000
Assets as per statement of financial position				
Loans to investments accounted for using the equity method	107 268	–	–	107 268
Available-for-sale financial assets	–	477	–	477
Financial assets at fair value through profit or loss	–	–	50 812	50 812
Contract and trade debtors	1 169 111	–	–	1 169 111
Receivables	64 669	–	–	64 669
Cash and cash equivalents	910 815	–	–	910 815
Total	2 251 863	477	50 812	2 303 152

	At amortised cost R000	At fair value R000	Total R000
Liabilities as per statement of financial position			
Interest-bearing borrowings	489 492	–	489 492
Trade and other payables	2 282 411	–	2 282 411
Derivative financial instruments	–	223	223
Bank overdraft	90 236	–	90 236
Total	2 862 139	223	2 862 362

6. FINANCIAL INSTRUMENTS *continued*

(b) Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired have been grouped into the following categories: government, multinational mining companies, listed companies, unlisted companies and individuals.

	Loans to investments accounted for using the equity method R000	Available-for-sale financial assets R000	Financial assets at fair value through profit or loss R000	Contract and trade debtors R000	Receivables R000	Cash and cash equivalents R000	Total R000
31 December 2015							
Government	–	–	–	401 402	53 262	–	454 664
Multinational mining companies	–	–	–	22 246	–	–	22 246
Listed companies	–	477	2 885	283 564	–	506 845	793 771
Unlisted companies	94 681	–	50 812	150 181	46 322	–	341 996
Individuals	–	–	–	–	124	–	124
	94 681	477	53 697	857 393	99 708	506 845	1 612 801
31 December 2014							
Government	–	–	–	579 998	30 489	–	610 487
Multinational mining companies	–	–	–	22 474	–	–	22 474
Listed companies	–	477	–	161 665	–	910 815	1 072 957
Unlisted companies	107 268	–	50 812	307 587	34 133	–	499 800
Individuals	–	–	–	43	47	–	90
	107 268	477	50 812	1 071 767	64 669	910 815	2 205 808

	2015 R000	2014 R000
7. REVENUE		
Contracting revenue	5 393 621	6 067 742
Other revenue – development fees	126 358	193 699
	5 519 979	6 261 441

Revenue has been presented on an aggregate basis in the income statement in the current year. Comparative information has been restated accordingly.

	2015 R000	2014 R000
8. OTHER GAINS/(LOSSES) – NET		
Fair value gains/(losses) on financial instruments		
– Interest rate swaps	–	1 185
– Forward exchange contracts	2 885	(2 577)
Loss on sale of subsidiaries	–	(1 818)
Loss on sale of associates	–	(9 846)
Dividend income	66	4
	2 951	(13 052)

8. **OTHER GAINS/(LOSSES) – NET** *continued*

The fair value gain on forward exchange contracts in the current year relates to forward exchange contracts entered into for the purchase of US dollars to fund the purchase of equipment required for a renewable energy project. Refer to note 22 for further details.

The fair value gain/(loss) on interest rate swaps in the prior year relates to an interest rate swap entered into by one of the group's subsidiaries in Botswana. Refer to note 22 for further details. The interest rate swap matured during the 2015 financial year.

The fair value loss on forward exchange contracts in the prior year relates to forward exchange contracts entered into for the purchase of US dollars to fund the purchase of equipment required for a renewable energy project. Refer to note 22 for further details. This forward exchange contact matured during the 2015 financial year.

	2015 R000	2014 R000
9. OPERATING PROFIT		
The following items have been (charged)/credited in arriving at operating profit:		
Raw materials	(1 862 168)	(2 261 006)
Subcontractors	(1 495 724)	(1 692 373)
Staff costs (refer note 35)	(1 357 150)	(1 265 325)
Depreciation of property, plant and equipment	(269 090)	(334 051)
Owned assets	(195 052)	(213 021)
Plant and equipment and rehabilitation assets	(191 221)	(207 021)
Furniture and fittings	(3 831)	(6 019)
Land and buildings and surface properties	–	19
Leased assets		
Plant and equipment and rehabilitation assets	(74 038)	(121 030)
Impairment of goodwill	–	(222 212)
Profit on sale of property, plant and equipment	14 623	897
Amortisation of intangible assets	(860)	(860)
Auditors' remuneration	(12 390)	(11 042)
For services as auditors	(10 372)	(9 305)
For other services	(2 018)	(1 737)
Operating leases	(39 392)	(18 097)
Office equipment	(2 565)	(1 818)
Office space – contractual	(36 827)	(16 279)
Write down of development land	–	(80 565)

		2015 R000	2014 R000
10.	**NET FINANCE COSTS**		
	Interest received	**21 077**	28 520
	Bank	**20 445**	24 155
	Customers and other	**632**	4 365
	Foreign exchange	**(9 728)**	1 686
	Foreign exchange gains	**46 141**	20 903
	Foreign exchange losses	**(55 869)**	(19 217)
	Interest paid	**(46 740)**	(52 705)
	Bank loans and other borrowings	**(9 827)**	(15 128)
	Finance leases	**(19 457)**	(21 446)
	Domestic medium-term note programme	**(17 456)**	(16 131)
	Net finance costs	**(35 391)**	(22 499)
11.	**INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**		
	The amounts recognised in the balance sheet are as follows:		
	Investments accounted for using the equity method	**41 719**	24 532
	Loans to investments accounted for using the equity method	**94 681**	107 268
		136 400	131 800
	The amounts recognised in the income statement are as follows:		
	Profit from investments accounted for using the equity method	**40 536**	31 736

(a) Investments accounted for using the equity method

Set out below are the investments accounted for using the equity method of the group as at 31 December 2015, which, in the opinion of the directors, are material to the group. The investments as listed below have share capital consisting solely of ordinary shares, which are held directly by the group. The country of incorporation or registration is also the principal place of business.

Nature of investments accounted for using the equity method 2015:

Name of entity	Place of business/country of incorporation	% of ownership interest	Nature of the relationship	Measurement method	Classification
Majwe Mining Joint Venture (Pty) Ltd	Botswana	28	Note 1	Equity	Associate
Savanna City Developments (Pty) Ltd	South Africa	50	Note 2	Equity	Joint venture
Thunderstruck Investments 136 (Pty) Ltd	South Africa	50	Note 3	Equity	Joint venture

Note 1: Majwe Mining Joint Venture (Pty) Ltd's primary business is opencast mining. Majwe Mining Joint Venture is a strategic partnership with Thiess (Pty) Ltd (previously Leighton Holdings Limited), a company incorporated in Australia and Bothakga Burrow Botswana (Pty) Ltd. This partnership provides the group with the ability to execute large opencast mining projects in Botswana.

Note 2: Savanna City Developments (Pty) Ltd's primary business is the development of mixed-use integrated property developments. Savanna City Developments is a strategic partnership with the Housing Impact Fund of South Africa (HIFSA), providing access to funding for the development of large-scale property developments.

Note 3: Thunderstruck Investments 136 (Pty) Ltd's primary business is property investment. Thunderstruck Investments 136 is the owner of the Basil Read head office campus in Boksburg.

Majwe Mining Joint Venture (Pty) Ltd, Savanna City Developments (Pty) Ltd and Thunderstruck Investments 136 (Pty) Ltd are private companies and there are no quoted market prices available for their shares.

During the year, the group disposed of its 23% stake in Rubicept (Pty) Ltd and its 25% stake in 3Energy Renewables (Pty) Ltd through its disposal of Basil Read Energy (Pty) Ltd.

There are no contingent liabilities relating to the group's interest in investments accounted for using the equity method.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD *continued*

(a) Investments accounted for using the equity method *continued*

As at 31 December 2015

Summarised statement of financial position

	Majwe Mining Joint Venture (Pty) Ltd R000	Savanna City Developments (Pty) Ltd R000	Thunderstruck Investments 136 (Pty) Ltd R000	Rubicept (Pty) Ltd* R000	Other R000	Total R000
Current						
Cash and cash equivalents	120 383	3 457	1 388	–	74	125 302
Other current assets (excluding cash)	642 534	456 843	58 389	–	10 447	1 168 213
Total current assets	762 917	460 300	59 777	–	10 521	1 293 515
Financial liabilities (excluding trade payables)	(657 983)	–	(92 158)	–	–	(750 141)
Other current liabilities (including trade payables)	(184 633)	(15 857)	(74 765)	–	(80)	(275 335)
Total current liabilities	(842 616)	(15 857)	(166 923)	–	(80)	(1 025 476)
Non-current						
Assets	204 488	548	252 813	–	195	458 044
Financial liabilities	–	(444 108)	(143 404)	–	(222)	(587 734)
Other liabilities	–	–	–	–	–	–
Total non-current liabilities	–	(444 108)	(143 404)	–	(222)	(587 734)
Net assets	124 789	883	2 263	–	10 414	138 349

** Disposed in the 2015 financial year through the disposal of Basil Read Energy (Pty) Ltd*

Summarised statement of comprehensive income

	Majwe Mining Joint Venture (Pty) Ltd R000	Savanna City Developments (Pty) Ltd R000	Thunderstruck Investments 136 (Pty) Ltd R000	Rubicept (Pty) Ltd* R000	Other R000	Total R000
Revenue	1 865 927	231 783	48 968	57 784	3 384	2 207 846
Costs	(1 762 527)	(230 558)	(5 085)	(63 151)	7 383	(2 053 938)
Interest income/(expense)	1 744	–	(13 639)	1 341	25	(10 529)
Profit/(loss) from continuing operations	105 144	1 225	30 244	(4 026)	10 792	143 379
Income tax expense	(19 925)	(343)	(8 469)	–	–	(28 737)
Post-tax profit/(loss) from continuing operations	85 219	882	21 775	(4 026)	10 792	114 642
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income	85 219	882	21 775	(4 026)	10 792	114 642
Dividends received	103 257	–	–	–	–	103 257

** Disposed in the 2015 financial year through the disposal of Basil Read Energy (Pty) Ltd*

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD *continued*

(a) Investments accounted for using the equity method *continued*

As at 31 December 2015

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amounts of its interest in investments accounted for using the equity method:

	Majwe Mining Joint Venture (Pty) Ltd R000	Savanna City Developments (Pty) Ltd R000	Thunderstruck Investments 136 (Pty) Ltd R000	Rubicept (Pty) Ltd* R000	Other R000	Total R000
Opening net assets at 1 January 2015	119 093	1	(19 512)	4 097	(41)	103 638
Profit/(loss) for the period	85 219	882	21 775	(4 026)	10 792	114 642
Other comprehensive income	–	–	–	–	–	–
Dividends received	(103 257)	–	–	–	–	(103 257)
Foreign exchange differences	23 734	–	–	–	–	23 734
Impairment of investments accounted for using the equity method	–	–	–	–	(337)	(337)
Disposal of investments accounted for using the equity method	–	–	–	(71)	–	(71)
Closing net assets at 31 December 2015	124 789	883	2 263	–	10 414	138 349
Interest in investments accounted for using the equity method (%)	28	50	50	23	various	
Carrying value	34 941	442	1 132	–	5 204	41 719
Goodwill	–	–	–	–	–	–
Total carrying value	34 941	442	1 132	–	5 204	41 719

** Disposed in the 2015 financial year through the disposal of Basil Read Energy (Pty) Ltd*

As at 31 December 2014

Summarised statement of financial position

	BR-Tsima Construction (Pty) Ltd* R000	Majwe Mining Joint Venture (Pty) Ltd R000	Savanna City Developments (Pty) Ltd R000	Thunderstruck Investments 136 (Pty) Ltd R000	Metrowind (Pty) Ltd* R000	Rubicept (Pty) Ltd R000	Other R000	Total R000
Current								
Cash and cash equivalents	–	71 192	837	2 786	–	44 842	36 736	156 393
Other current assets (excluding cash)	–	599 137	433 323	43 218	–	26 516	51 269	1 153 463
Total current assets	–	670 329	434 160	46 004	–	71 358	88 005	1 309 856
Financial liabilities (excluding trade payables)	–	(622 540)	(303 600)	–	–	–	–	(926 140)
Other current liabilities (including trade payables)	–	(170 818)	(130 733)	(130 410)	–	(11 455)	(86 738)	(530 154)
Total current liabilities	–	(793 358)	(434 333)	(130 410)	–	(11 455)	(86 738)	(1 456 294)
Non-current								
Assets	–	242 122	174	257 728	–	554 141	855	1 055 020
Financial liabilities	–	–	–	(192 834)	–	(609 947)	(2 163)	(804 944)
Other liabilities	–	–	–	–	–	–	–	–
Total non-current liabilities	–	–	–	(192 834)	–	(609 947)	(2 163)	(804 944)
Net assets	–	119 093	1	(19 512)	–	4 097	(41)	103 638

** Disposed in the 2014 financial year*

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD *continued*

(a) Investments accounted for using the equity method *continued*

Summarised statement of comprehensive income

	BR-Tsima Construction (Pty) Ltd* R000	Majwe Mining Joint Venture (Pty) Ltd R000	Savanna City Develop-ments (Pty) Ltd R000	Thunderstruck Investments 136 (Pty) Ltd R000	Metrowind (Pty) Ltd* R000	Rubicept (Pty) Ltd R000	Other R000	Total R000
Revenue	83 082	1 701 398	–	9 811	–	88 407	352 969	2 235 667
Depreciation and amortisation	–	–	–	(2 752)	–	–	–	(2 752)
Costs	(82 837)	(1 469 142)	–	(16 409)	–	(37 792)	(362 784)	(1 968 964)
Interest income/(expense)	–	9 093	–	(15 820)	–	(46 518)	758	(52 487)
Profit/(loss) from continuing operations	245	241 349	–	(25 170)	–	4 097	(9 057)	211 464
Income tax expense	–	(55 302)	–	8 340	–	–	(3 811)	(50 773)
Post-tax profit/(loss) from continuing operations	245	186 047	–	(16 830)	–	4 097	(12 868)	160 691
Other comprehensive income	–	–	–	–	–	–	–	–
Total comprehensive income	245	186 047	–	(16 830)	–	4 097	(12 868)	160 691
Dividends received	–	487 189	–	–	–	–	–	487 189

* *Disposed in the 2014 financial year*

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amounts of its interest in investments accounted for using the equity method.

	BR-Tsima Construction (Pty) Ltd* R000	Majwe Mining Joint Venture (Pty) Ltd R000	Savanna City Develop-ments (Pty) Ltd R000	Thunderstruck Investments 136 (Pty) Ltd R000	Metrowind (Pty) Ltd* R000	Rubicept (Pty) Ltd R000	Other R000	Total R000
Opening net assets at 1 January 2014	(3 732)	393 271	1	(2 682)	3 091	–	9 881	399 830
Profit/(loss) for the period	245	186 047	–	(16 830)	–	4 097	(12 868)	160 691
Other comprehensive income	–	–	–	–	–	–	–	–
Dividends received	–	(487 189)	–	–	–	–	–	(487 189)
Foreign exchange differences	–	26 964	–	–	–	–	–	26 964
Dilution of investments accounted for using the equity method	–	–	–	–	–	–	(497)	(497)
Disposal of investments accounted for using the equity method	3 487	–	–	–	(3 091)	–	3 443	3 839
Closing net assets at 31 December 2014	–	119 093	1	(19 512)	–	4 097	(41)	103 638
Interest in investments accounted for using the equity method (%)	n/a	28	50	50	n/a	23	various	
Carrying value	–	33 346	1	(9 756)	–	942	(1)	24 532
Goodwill	–	–	–	–	–	–	–	–
Total carrying value	–	33 346	1	(9 756)	–	942	(1)	24 532

* *Disposed in the 2014 financial year*

The information above reflects the amounts presented in the financial statements of the investments accounted for using the equity method adjusted for differences in accounting policies between the group and the investments.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD *continued*

(a) Investments accounted for using the equity method *continued*

Loans to/(from) investments accounted for using the equity method

	2015 R000	2014 R000
3Energy Renewables	–	771
Majwe Mining Joint Venture (Pty) Ltd	3 401	–
Mmila Projects (Pty) Ltd	–	107
Rubicept (Pty) Ltd	–	34 477
Savanna City Developments (Pty) Ltd	63 604	42 497
Siascan (Pty) Ltd	(3 040)	–
Thunderstruck Investments 136 (Pty) Ltd	31 857	30 557
Vhumbanani Projects (Pty) Ltd	(1 141)	(1 141)
	94 681	107 268

(b) Summarised financial information on subsidiaries with material non-controlling interests

Set out below is the summarised financial information for each subsidiary that has non-controlling interests that are material to the group.

Refer to note 26 for further details regarding transactions with non-controlling interests.

31 December 2015

Summarised statement of financial position

	Basil Read Mozambique Limitada R000	Newport Construction (Pty) Ltd R000	Sladden International (Botswana) (Pty) Ltd* R000
Current			
Assets	52 228	21 176	–
Liabilities	(78 213)	(61 697)	–
Total current net assets	(25 985)	(40 521)	–
Non-current			
Assets	–	5 523	–
Liabilities	–	–	–
Total non-current net assets	–	5 523	–
Net assets	(25 985)	(34 998)	–

** Non-controlling interest acquired in the 2015 financial year (refer note 39)*

Summarised statement of comprehensive income

	Basil Read Mozambique Limitada R000	Newport Construction (Pty) Ltd R000	Sladden International (Botswana) (Pty) Ltd* R000
Revenue	–	95 048	11 560
Profit/(loss) before income tax	(10 942)	658	(6 600)
Income tax (expense)/income	(4 905)	–	–
Post-tax profit/(loss) from continuing operations	(15 847)	658	(6 600)
Post-tax profit/(loss) from discontinued operations	–	–	–
Other comprehensive income	–	–	–
Total comprehensive income	(15 847)	658	–
Total comprehensive income allocated to non-controlling interests	(7 765)	197	(1 980)
Dividends paid to non-controlling interests	–	–	–

** Non-controlling interest acquired in the 2015 financial year (refer note 39)*

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD *continued*

(b) Summarised financial information on subsidiaries with material non-controlling interests *continued*

31 December 2014

Summarised statement of financial position

	Basil Read Mozambique Limitada R000	Basil Read Construction Middle East LLC* R000	Newport Construction (Pty) Ltd R000	Sladden International (Botswana) (Pty) Ltd R000
Current				
Assets	65 663	–	17 865	39 907
Liabilities	(76 798)	–	(59 336)	(352 825)
Total current net assets	(11 135)	–	(41 471)	(312 918)
Non-current				
Assets	590	–	5 815	35 820
Liabilities	–	–	–	–
Total non-current net assets	590	–	5 815	35 820
Net assets	(10 545)	–	(35 656)	(277 098)

** Deregistered in the 2014 financial year*

Summarised statement of comprehensive income

	Basil Read Mozambique Limitada R000	Basil Read Construction Middle East LLC* R000	Newport Construction (Pty) Ltd R000	Sladden International (Botswana) (Pty) Ltd R000
Revenue	55 169	–	123 450	82 231
Profit/(loss) before income tax	(8 337)	(83)	6 280	(96 758)
Income tax (expense)/income	–	–	–	–
Post-tax profit from continuing operations	(8 337)	(83)	6 280	(96 758)
Post-tax profit from discontinued operations	–	–	–	–
Other comprehensive income	–	–	–	(8 245)
Total comprehensive income	(8 337)	(83)	6 280	(105 003)
Total comprehensive income allocated to non-controlling interests	(4 118)	–	1 884	(30 151)
Dividends paid to non-controlling interests	–	–	–	–

** Deregistered in the 2014 financial year*

The information above is the amount before intercompany eliminations.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD *continued*

(c) Consolidated structured entities

The group had the following consolidated structured entity at 31 December 2015:

Name	Country of incorporation and place of business	Nature of business	Proportion held by the group
Basil Read Share Incentive Trust	South Africa	Employee share scheme	100

Summarised financial information on consolidated structured entities

Set out below is the summarised financial information for the Basil Read Share Incentive Trust.

Summarised statement of financial position

	2015 Basil Read Share Incentive Trust R000	2014 Basil Read Share Incentive Trust R000
Current		
Assets	861	835
Liabilities	(597)	(587)
Total current net assets	264	248
Non-current		
Assets	13	13
Liabilities	–	–
Total non-current net assets	13	13
Net assets	277	261

Summarised statement of comprehensive income

	2015 Basil Read Share Incentive Trust R000	2014 Basil Read Share Incentive Trust R000
Revenue	–	–
Profit before income tax	26	20
Income tax (expense) / income	(10)	–
Post-tax profit from continuing operations	16	20
Post-tax profit from discontinued operations	–	–
Other comprehensive income	–	–
Total comprehensive income	16	20

The information above is the amount before intercompany eliminations.

	2015 R000	2014 R000
12. TAXATION		
South African normal taxation		
Current taxation	(999)	(10 394)
Current year	(4 369)	(10 394)
Prior year	3 370	–
Deferred taxation	12 220	175 536
Current year	23 853	170 209
Prior year	(11 633)	5 327
Withholding tax		
Current year	–	(10 070)
Foreign taxation		
Current taxation	(45 064)	(12 650)
Current year	(31 581)	(8 234)
Prior year	(13 483)	(4 416)
Deferred taxation	(5 861)	5 494
Current year	(9 496)	5 043
Prior year	3 635	451
Total taxation (charged)/credited	(39 704)	147 916

Capital gains of R9.1 million (2014: Rnil) have been utilised against assessed losses in the current year.

Reconciliation of the standard rate of taxation to effective rate

	%	%
South African normal rate of taxation	28.0	28.0
Foreign taxation	(22.1)	5.0
Losses utilised	(3.5)	0.8
Prior year underprovision	8.5	0.2
Timing differences not accounted for under deferred tax	11.0	(6.8)
Non-taxable items	(4.7)	(8.6)
Impairment of goodwill	–	(7.8)
Share of profits of investments accounted for using the equity method	(4.9)	1.4
Other	0.2	(2.2)
Effective tax rate	17.2	18.6

The tax rate reconciliation is prepared using the tax rate applicable to the Basil Read group in South Africa. The impact of tax rate differences in other countries is disclosed as a reconciling item.

Timing differences not accounted for under deferred taxation include the result of certain subsidiaries where deferred taxation on assessed losses have not been provided.

Estimated tax losses	R000	R000
Total estimated tax losses of subsidiaries at the end of the financial year available for utilisation against future taxable income of those companies	987 783	833 435

		2015 cents	2014 cents
13.	**EARNINGS PER SHARE**		
	Earnings/(loss) per share	**137.27**	(599.87)
	The calculation of earnings/(loss) per share is based on the consolidated profit after taxation of R180 761 118 (2014: loss of R789 937 994) and the weighted average number of shares in issue during the year of 131 685 904 (2014: 131 685 904) shares.		
	Headline earnings/(loss) per share	**120.28**	(362.08)
	The calculation of headline earnings/(loss) per share is based on the consolidated headline profit after taxation of R158 392 425 (2014: loss of R476 809 019) and the weighted average number of shares in issue during the year of 131 685 904 (2014: 131 685 904) shares.		
	Diluted earnings/(loss) per share	**137.27**	(599.87)
	The calculation of diluted earnings/(loss) per share is based on the consolidated profit after taxation of R180 761 118 (2014: loss of R789 937 994) and the weighted average number of shares in issue during the year of 131 685 904 (2014: 131 685 904) shares.		
	Diluted headline earnings/(loss) per share	**120.28**	(362.08)
	The calculation of diluted headline earnings/(loss) per share is based on the consolidated headline profit after taxation of R158 392 425 (2014: loss of R476 809 019) and the weighted average number of shares in issue during the year of 131 685 904 (2014: 131 685 904) shares.		
	CONTINUING OPERATIONS		
	Earnings/(loss) per share	**152.78**	(467.17)
	The calculation of earnings/(loss) per share is based on the consolidated profit after taxation of R201 186 495 (2014: loss of R615 194 794) and the weighted average number of shares in issue during the year of 131 685 904 (2014: 131 685 904) shares.		
	Headline earnings/(loss) per share	**143.87**	(298.08)
	The calculation of headline earnings/(loss) per share is based on the consolidated profit after taxation of R189 455 467 (2014: loss of R392 524 794) and the weighted average number of shares in issue during the year of 131 685 904 (2014: 131 685 904) shares.		
	Diluted earnings/(loss) per share	**152.78**	(467.17)
	The calculation of diluted earnings/(loss) per share is based on the consolidated profit after taxation of R201 186 495 (2014: loss of R615 194 794) and the weighted average number of shares in issue during the year of 131 685 904 (2014: 131 685 904) shares.		
	Diluted headline earnings/(loss) per share	**143.87**	(298.08)
	The calculation of diluted headline earnings/(loss) per share is based on the consolidated profit after taxation of R189 455 467 (2014: loss of R392 524 794) and the weighted average number of shares in issue during the year of 131 685 904 (2014: 131 685 904) shares.		
	DISCONTINUED OPERATIONS		
	Loss per share	**(15.51)**	(132.70)
	The calculation of loss per share is based on the consolidated loss after taxation of R20 425 477 (2014: loss of R174 743 000) and the weighted average number of shares in issue during the year of 131 685 904 (2014: 131 685 904) shares.		
	Headline loss per share	**(23.59)**	(64.00)
	The calculation of headline loss per share is based on the consolidated loss after taxation of R31 063 355 (2014: loss of R84 284 000) and the weighted average number of shares in issue during the year of 131 685 904 (2014: 131 685 904) shares.		
	Diluted loss per share	**(15.51)**	(132.70)
	The calculation of diluted loss per share is based on the consolidated loss after taxation of R20 425 477 (2014: loss of R174 743 000) and the weighted average number of shares in issue during the year of 131 685 904 (2014: 131 685 904) shares.		
	Diluted headline loss per share	**(23.59)**	(64.00)
	The calculation of diluted headline loss per share is based on the consolidated loss after taxation of R31 063 355 (2014: loss of R84 284 000) and the weighted average number of shares in issue during the year of 131 685 904 (2014: 131 685 904) shares.		

		2015 R000	2014 R000
13.	**EARNINGS PER SHARE** *continued*		
	Reconciliation between basic earnings/(loss), diluted earnings/(loss) and headline earnings/(loss) is as follows:		
	Basic and diluted earnings/(loss)	180 761	(789 938)
	Adjusted by the after tax effect of the following:		
	(Profit)/loss on sale of subsidiary	(20 046)	1 479
	Loss on sale of associate	–	8 010
	Profit on sale of property, plant and equipment (refer note 9)	(9 926)	(730)
	Impairment of goodwill (refer note 9)	7 438	304 370
	Impairment of associate	165	–
	Headline earnings/(loss)	158 392	(476 809)
	Reconciliation between basic earnings/(loss), diluted earnings/(loss) and headline earnings/(loss) from continuing operations is as follows:		
	Basic and diluted earnings/(loss) from continuing operations	201 186	(615 195)
	Adjusted by the after tax effect of the following:		
	Loss on sale of subsidiary	–	1 479
	Profit on sale of associate	–	(567)
	Profit on sale of property, plant and equipment (refer note 9)	(11 896)	(454)
	Impairment of goodwill (refer note 9)	–	222 212
	Impairment of associate	165	–
	Headline earnings/(loss) from continuing operations	189 455	(392 525)
	Reconciliation between basic loss, diluted loss and headline loss from discontinued operations is as follows:		
	Basic and diluted loss from discontinued operations	(20 425)	(174 743)
	Adjusted by the after tax effect of the following:		
	Profit on sale of subsidiary	(20 046)	–
	Loss on sale of associate	–	8 577
	Profit/(loss) on sale of property, plant and equipment (refer note 9)	1 970	(276)
	Impairment of goodwill (refer note 9)	7 438	82 158
	Impairment of associate	–	–
	Headline loss from discontinued operations	(31 063)	(84 284)
		Number 000	Number 000
	Reconciliation between weighted average number of shares and diluted weighted average number of shares:		
	Weighted average number of shares	131 686	131 686
	Adjusted by: "A" ordinary shares (refer note 25)	–	–
	Adjusted by: Basil Read Share Incentive Scheme (refer note 35(e))	–	–
	Diluted weighted average number of shares	131 686	131 686

14. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings R000	Plant and equipment R000	Furniture and fittings R000	Total R000
At 1 January 2014				
Cost	33 499	2 392 322	51 015	2 476 836
Accumulated depreciation	(475)	(1 309 684)	(28 530)	(1 338 689)
Net book amount	33 024	1 082 638	22 485	1 138 147
Year ended 31 December 2014				
Opening net book amount	33 024	1 082 638	22 485	1 138 147
Additions	–	336 145	2 929	339 074
Acquisition of subsidiaries	–	1 004	5	1 009
Disposals	–	(61 964)	(47)	(62 011)
Depreciation	–	(334 422)	(7 982)	(342 404)
Exchange differences	21	10 107	5	10 133
Transferred to assets held for sale	–	(349)	(3 351)	(3 700)
Closing net book amount	33 045	1 033 159	14 044	1 080 248
At 31 December 2014				
Cost	33 386	2 609 671	44 810	2 687 867
Accumulated depreciation	(341)	(1 576 512)	(30 766)	(1 607 619)
Net book amount	33 045	1 033 159	14 044	1 080 248
Year ended 31 December 2015				
Opening net book amount	**33 045**	**1 033 159**	**14 044**	**1 080 248**
Additions	**–**	**242 739**	**4 764**	**247 503**
Disposals	**(4 000)**	**(58 570)**	**(2 688)**	**(65 258)**
Depreciation	**–**	**(265 692)**	**(3 831)**	**(269 523)**
Exchange differences	**22**	**179**	**–**	**201**
Transferred to assets held for sale	**(16 648)**	**(58 259)**	**(2 408)**	**(77 315)**
Closing net book amount	**12 419**	**893 556**	**9 881**	**915 856**
At 31 December 2015				
Cost	**12 765**	**2 563 435**	**37 493**	**2 613 693**
Accumulated depreciation	**(346)**	**(1 669 879)**	**(27 612)**	**(1 697 837)**
Net book amount	**12 419**	**893 556**	**9 881**	**915 856**

14. PROPERTY, PLANT AND EQUIPMENT *continued*

Book value of plant and equipment subject to instalment sale agreements (refer to note 27) is as follows:

	Land and buildings R000	Plant and equipment R000	Furniture and fittings R000	Total R000
At 31 December 2015				
Instalment sale agreements				
Cost	**–**	**551 349**	**–**	**551 349**
Accumulated depreciation	**–**	**(227 488)**	**–**	**(227 488)**
	–	**323 861**	**–**	**323 861**
At 31 December 2014				
Instalment sale agreements				
Cost	–	692 922	–	692 922
Accumulated depreciation	–	(314 746)	–	(314 746)
	–	378 176	–	378 176

A full register of the group's land and buildings is available for inspection at the registered office.

Assets under construction, included in plant and equipment, amount to R3.0 million (2014: R30.8 million).

	2015 R000	2014 R000
15. INVESTMENT PROPERTY		
Fair value at the beginning of the year	**5 826**	5 730
Foreign exchange differences	**764**	96
Fair value at the end of the year	**6 590**	5 826

The investment property held on the statement of financial position consists of a residential property in Francistown, Botswana, currently rented to a third party for use as offices.

In assessing the fair value of the investment property, valuations consider title deed information, town planning conditions, locality, use and improvements made to the property. Property vacancy rates in surrounding areas, realised yields on comparative sales as well as micro and macro-economic conditions pertaining to residential properties are considered.

The last external valuation of the income producing investment property was performed by independent valuator Kwena Property Services (Pty) Ltd as at 31 December 2013.

16. INTANGIBLE ASSETS

	Goodwill R000	Contract-based intangibles R000	Total R000
At 1 January 2014			
Cost	439 789	80 177	519 966
Accumulated amortisation	–	(75 734)	(75 734)
Accumulated impairment	(32 403)	–	(32 403)
Net book amount	407 386	4 443	411 829
Year ended 31 December 2014			
Opening net book amount	407 386	4 443	411 829
Acquisition of subsidiary	1 691	–	1 691
Amortisation charge	–	(860)	(860)
Impairment – continuing operations	(222 212)	–	(222 212)
Impairment – discontinued operations	(82 158)	–	(82 158)
Transferred to assets held for sale	(8 352)	–	(8 352)
Closing net book amount	96 355	3 583	99 938
At 31 December 2014			
Cost	433 128	80 177	513 305
Accumulated amortisation	–	(76 594)	(76 594)
Accumulated impairment	(336 773)	–	(336 773)
Net book amount	96 355	3 583	99 938
Year ended 31 December 2015			
Opening net book amount	**96 355**	**3 583**	**99 938**
Amortisation charge	**–**	**(860)**	**(860)**
Impairment – discontinued operations	**(7 438)**	**–**	**(7 438)**
Closing net book amount	**88 917**	**2 723**	**91 640**
At 31 December 2015			
Cost	**433 128**	**80 177**	**513 305**
Accumulated amortisation	**–**	**(77 454)**	**(77 454)**
Accumulated impairment	**(344 211)**	**–**	**(344 211)**
Net book amount	**88 917**	**2 723**	**91 640**

Goodwill is allocated to the group's cash-generating units identified according to the business segments that are expected to benefit from the business combination. The carrying amount of goodwill has been allocated to the following business segments:

	2015 R000	2014 R000
Construction	**88 917**	96 355

16. INTANGIBLE ASSETS *continued*

The group tests goodwill for impairment annually, or more frequently if there are indicators that goodwill might be impaired. The recoverable amount of a cash-generating unit (CGU) is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a one-year period. Cash flows beyond the one-year period are extrapolated up to between two and three years using an estimated growth rate as stated below.

The key assumptions used for value-in-use calculations in 2015 are as follows:

	Construction	Mining	Developments	Engineering
Growth rate ranges (nominal)	**0% – 5%**	**n/a**	**n/a**	**n/a**
Discount rate (nominal)	**18.3%**	**n/a**	**n/a**	**n/a**

The key assumptions used for value-in-use calculations in 2014 are as follows:

	Construction	Mining	Developments	Engineering
Growth rate ranges (nominal)	0% – 7%	0% – 5%	n/a	0% – 7%
Discount rate (nominal)	15.1%	14.1%	n/a	14.3%

The goodwill is considered to have an indefinite life. Goodwill is tested for impairment and any subsequent losses are taken to the income statement.

The impairment charge in the current year relates to SprayPave (Pty) Ltd which was classified as held-for-sale and subsequently written down to fair value less costs to sell (refer to note 24). The recoverable amounts of CGUs have been determined based on value in use and fair value less costs to sell calculations. The value-in-use calculations are pre-tax cash flow projections based on financial budgets approved by management covering a one-year period. For each of the CGUs with a significant amount of goodwill the key assumptions, long-term growth rate and discount rate used in the value-in-use calculations are as per the table below. In addition, where there has been an impairment loss in a CGU, the recoverable amount is also disclosed below:

	Roads
2015	
Revenue (R000)	**1 300 000**
Operating profit (%)	**1.2**
Pre-tax discount rate (%)	**18.3**
Recoverable amount of the CGU (R000)	**124 219**
1% change in growth rate*	**12 768**
1% change in discount rate*	**(10 525)**
1% change in growth and discount rate*	**(84)**

	Gerolemou/ Mvela group	Blasting & Excavating group	Valente group	LYT Architecture (Pty) Ltd	Hytronix (Pty) Ltd
2014					
Revenue (R000)	1 125 220	571 536	30 112	82 403	11 541
Operating (loss)/profit (%)	(6.2)	0.9	(8.5)	2.7	0.3
Pre-tax discount rate (%)	15.1	14.1	15.1	14.3	14.1
Recoverable amount of the CGU (R000)	141 580	204 657	22 690	78 754	2 566
1% change in growth rate*	13 654	37 255	1 318	12 059	977
1% change in discount rate*	(11 612)	(24 960)	(261)	(7 998)	(656)
1% change in growth and discount rate*	(699)	2 931	793	1 361	76

* *Increase/(decrease) in the recoverable amount if the growth rate and the discount rate had been higher or lower by 100 basis points, with all other variables held constant*

16. INTANGIBLE ASSETS *continued*

Value-in-use and fair value less costs to sell calculations determined according to the method detailed on the previous page, resulted in the group recognising an impairment charge as follows:

	2015 R000	2014 R000
Gerolemou/Mvela group	–	170 240
Blasting & Excavating group	–	34 779
Valente group	–	15 502
LYT Architecture (Pty) Ltd	–	82 158
Hytronix (Pty) Ltd	–	1 691
SprayPave (Pty) Ltd	7 438	–
	7 438	304 370

No class of asset other than goodwill was impaired.

The contract-based intangible asset that arose from the acquisition of Sunset Bay Trading 282 (Pty) Ltd has been determined to have a finite life based on the expected duration of the property development. It is being amortised over a maximum period of 120 months, of which 38 months are remaining.

The amortisation charge has been included in "Depreciation, impairment and amortisation" in the income statement.

17. DEFERRED TAXATION

	2015 R000	2014 R000
Deferred taxation is calculated on all temporary differences under the liability method using a principal tax rate of the fiscal authority as indicated below:		
Botswana: 22% (2014: 22%)		
Namibia: 34% (2014: 34%)		
South Africa: 28% (2014: 28%)		
Zambia: 35% (2014: 35%)		
The movement on the deferred taxation account is as follows:		
Balance at the beginning of the year	256 540	73 954
Movements during the year attributable to:		
Temporary differences	12 911	183 090
Transferred to assets held for sale	(8 462)	(205)
Foreign exchange differences	(1 216)	(299)
Balance at the end of the year	259 773	256 540

The movement in the group's deferred taxation asset during the year is as follows:

	Accelerated tax depreciation R000	Provisions, accruals and retentions R000	Assessed losses and other R000	Total R000
Balance as at 1 January 2014	(8 188)	63 339	65 485	120 636
Credited/(charged) to the income statement	(6 435)	121 297	65 314	180 176
Transferred to assets held for sale	56	(895)	634	(205)
Balance as at 31 December 2014	(14 567)	183 741	131 433	300 607
Credited/(charged) to the income statement	(2 530)	(26 868)	35 979	6 581
Transferred to assets held for sale	2 091	(1 129)	(9 424)	(8 462)
Balance as at 31 December 2015	(15 006)	155 744	157 988	298 726

17. DEFERRED TAXATION *continued*

The movement in the group's deferred taxation liability during the year is as follows:

	Accelerated tax depreciation R000	Provisions, accruals and retentions R000	Assessed losses and other R000	Total R000
Balance as at 1 January 2014	(42 596)	(10 181)	6 095	(46 682)
Credited/(charged) to the income statement	11 519	(2 552)	(6 053)	2 914
Foreign exchange differences	(339)	(56)	96	(299)
Balance as at 31 December 2014	(31 416)	(12 789)	138	(44 067)
Credited/(charged) to the income statement	**(15 021)**	**13 510**	**7 841**	**6 330**
Foreign exchange differences	**(1 911)**	**681**	**14**	**(1 216)**
Balance as at 31 December 2015	**(48 348)**	**1 402**	**7 993**	**(38 953)**
Combined balance as at 31 December 2014	(45 983)	170 952	131 571	256 540
Combined balance as at 31 December 2015	**(63 354)**	**157 146**	**165 981**	**259 773**

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

Deferred tax has not been provided on estimated assessed losses of subsidiary companies amounting to R499.0 million (2014: R410.9 million).

	Accelerated tax depreciation R000	Provisions, accruals and retentions R000	Assessed losses and other R000	Total R000
2015: Deferred taxation reversal				
– Deferred taxation to be recovered after more than 12 months	**(53 145)**	**164 225**	**146 878**	**257 958**
– Deferred taxation to be recovered within 12 months	**(10 209)**	**(7 079)**	**19 103**	**1 815**
	(63 354)	**157 146**	**165 981**	**259 773**
2014: Deferred taxation reversal				
– Deferred taxation to be recovered after more than 12 months	(9 122)	(43 959)	62 651	9 570
– Deferred taxation to be recovered within 12 months	(36 861)	214 911	68 920	246 970
	(45 983)	170 952	131 571	256 540

		2015 R000	2014 R000
18.	**INVESTMENTS AT FAIR VALUE**		
	Listed investments		
	At the end of the year	**477**	477
	At the beginning of the year	**477**	572
	Mark-to-market adjustment through equity	**–**	(95)
	The following information relates to the group's interest in listed investments:		
	The group holds an investment in African Eagle Resources plc, a UK-listed mineral exploration and development company operating in Zambia, Tanzania and Mozambique.		
	Unlisted investments		
	At the beginning and end of the year	**50 812**	50 812
	The following information relates to the group's interest in unlisted investments: The group owns a 13.3% investment in Lehating Mining (Pty) Ltd, a mining company		
		51 289	51 289

The directors value the unlisted investments at R50 812 444 (2014: R50 812 444).

Investments at fair value are presented within "Investing activities" in the statement of cash flows.

Changes in fair values of investments at fair value classified as financial assets at fair value through profit or loss are recorded in "Other gains/(losses) – net" in the income statement (note 8).

The fair value of the investment in Lehating Mining is based on a discounted cash flow model over the life of the mine. The key inputs to this model are as per below:

	2015	2014
Discount rate (real)	**10.5%**	8.8%
Long-term forecast exchange rate (real) – USD/ZAR	**14.23 – 15.46**	16.5
Manganese price in USD/dmtu (real)	**3.05 – 3.37**	3.91

The fair value of the investment in Lehating Mining was within the range determined by the discounted cash flow model.

Investments at fair value have been presented on an aggregate basis in the statement of financial position in the current year. Comparative information has been restated accordingly.

		2015 R000	2014 R000
19.	**INVENTORIES**		
	Consumables	**19 990**	18 843
	Finished goods	**1 946**	7 612
	Other	**4 003**	6 612
		25 939	33 067

		2015 R000	2014 R000
20.	**DEVELOPMENT LAND**		
	Development land	**262 679**	268 022

Development land relates to Rolling Hills Estate and Klipriver Business Park and is land typically held for the purposes of development and subsequent resale. The group purchases unserviced land, partitions the land into different sized stands or erven, installs internal services such as electricity, water, sanitation and other civil works, and then disposes of the serviced stands to prospective buyers.

The buyers are responsible for the architecture and construction of any buildings on these stands. In the case of Rolling Hills Estate, the architectural design has to be approved by Basil Read's architects to ensure that it is in line with the estate's architectural guidelines.

Due to the nature of property developments, the full value of development land may not be realised in the coming 12-month period.

	2015 R000	2014 R000
Reconciliation of carrying value of development land		
Purchase consideration of land	**40 409**	40 994
Capitalisation of development costs and installation of bulk services	**315 181**	319 148
Capitalisation of borrowing costs	**36 833**	37 624
Write down of development land to net realisable value	**(129 744)**	(129 744)
	262 679	268 022
Movements in development land are as follows:		
Opening balance	**268 022**	363 120
Sale of erven	**(5 343)**	(14 776)
Sale consideration of land	**(585)**	(1 617)
Capitalisation of development costs and installation of bulk services	**(3 967)**	(10 971)
Capitalisation of borrowing costs	**(791)**	(2 188)
Capitalisation of development costs and installation of bulk services	–	243
Write down of development land to net realisable value	–	(80 565)
	262 679	268 022

The write down in the prior year relates to the group's investment in Rolling Hills Estate, a lifestyle residential development in the Mpumalanga Highlands, due to a lack of recorded sales.

	2015 R000	2014 R000
21. CONTRACT DEBTORS AND OTHER RECEIVABLES		
Contract debtors	600 154	626 181
Contract debtors	609 824	634 911
Provision for impairment of contract debtors	(9 670)	(8 730)
Trade receivables	1 165	116 795
Trade receivables	1 165	117 774
Provision for impairment of trade receivables	–	(979)
Retention debtors	38 799	47 669
Retention debtors	43 506	52 303
Provision for impairment of retention debtors	(4 707)	(4 634)
Work in progress	433 237	378 466
Costs incurred to date	3 854 688	5 011 498
Profit recognised to date	301 522	234 434
Progress payments received and receivable	(3 722 973)	(4 867 466)
Receivables and pre-payments	126 583	114 849
Pre-payments	12 783	36 396
Staff debtors	124	47
Deposits	14 092	13 784
VAT receivable	53 262	30 489
Other receivables	46 322	34 133
	1 199 938	1 283 960

Contract debtors to the value of R12 million (2014: R12 million) of Blasting & Excavating (Pty) Ltd are ceded as security for the bank overdraft facilities in place. At year-end, the total utilised overdraft facility amounted to Rnil (2014: Rnil) (refer to note 23).

The following receivables are included as part of other receivables:
- An amount of R10.3 million (2014: R12.4 million) due from BR-Tsima Construction (Pty) Ltd
- An amount of R7.0 million (2014: Rnil million) due in respect of the deferred payment for the disposal of LYT Architecture (Pty) Ltd (refer to note 40)
- Various sundry amounts due to the group for plant hire, transport recoveries and sale of formwork.

The age analysis of contract debtors, trade receivables and retention debtors is as follows:

31 December 2015
Contract debtors

	Fully performing R000	Past due but not impaired R000	Impaired R000	Total R000
Government	169 297	48 961	–	218 258
Multinational mining companies	11 005	–	–	11 005
Listed companies	140 248	10 558	1 897	152 703
Unlisted companies	64 774	155 311	7 773	227 858
Individuals	–	–	–	–
	385 324	214 830	9 670	609 824

21. CONTRACT DEBTORS AND OTHER RECEIVABLES *continued*

The age analysis for contract debtors balances that are considered past due is as follows:

	0 – 3 months R000	4 – 6 months R000	7 – 12 months R000	Total R000
Past due balances	39 810	86 018	89 002	214 830

No security is held against these balances.

Trade receivables

	Fully performing R000	Past due but not impaired R000	Impaired R000	Total R000
Government	–	–	–	–
Multinational mining companies	–	–	–	–
Listed companies	32	–	–	32
Unlisted companies	–	1 133	–	1 133
Individuals	–	–	–	–
	32	1 133	–	1 165

The age analysis for trade receivables balances that are considered past due is as follows:

	0 – 3 months R000	4 – 6 months R000	7 – 12 months R000	Total R000
Past due balances	–	1 133	–	1 133

No security is held against these balances.

Retention debtors

	Fully performing R000	Past due but not impaired R000	Impaired R000	Total R000
Government	29 278	–	–	29 278
Multinational mining companies	–	–	–	–
Listed companies	–	–	–	–
Unlisted companies	9 521	–	4 707	14 228
Individuals	–	–	–	–
	38 799	–	4 707	43 506

No security is held against these balances.

21. CONTRACT DEBTORS AND OTHER RECEIVABLES *continued*

31 December 2014

Contract debtors

	Fully performing R000	Past due but not impaired R000	Impaired R000	Total R000
Government	252 761	31 970	–	284 731
Multinational mining companies	14 538	44	–	14 582
Listed companies	95 198	646	1 716	97 560
Unlisted companies	183 957	47 059	7 014	238 030
Individuals	8	–	–	8
	546 462	79 719	8 730	634 911

The age analysis for contract debtors balances that are considered past due is as follows:

	0 – 3 months R000	4 – 6 months R000	7 – 12 months R000	Total R000
Past due balances	31 392	19 612	28 715	79 719

No security was held against these balances.

Trade receivables

	Fully performing R000	Past due but not impaired R000	Impaired R000	Total R000
Government	96 056	–	–	96 056
Multinational mining companies	–	–	–	–
Listed companies	146	–	–	146
Unlisted companies	10 442	10 131	979	21 552
Individuals	20	–	–	20
	106 664	10 131	979	117 774

The age analysis for trade receivables balances that are considered past due is as follows:

	0 – 3 months R000	4 – 6 months R000	7 – 12 months R000	Total R000
Past due balances	4 352	5 394	385	10 131

No security was held against these balances.

21. CONTRACT DEBTORS AND OTHER RECEIVABLES *continued*

Retention debtors

	Fully performing R000	Past due but not impaired R000	Impaired R000	Total R000
Government	26 370	7 494	2 274	36 138
Multinational mining companies	–	–	–	–
Listed companies	9 233	–	1 888	11 121
Unlisted companies	4 572	–	472	5 044
Individuals	–	–	–	–
	40 175	7 494	4 634	52 303

The age analysis for retention debtors balances that are considered past due is as follows:

	0 – 3 months R000	4 – 6 months R000	7 – 12 months R000	Total R000
Past due balances	–	–	7 494	7 494

No security was held against these balances.

The carrying amounts of the group's contract debtors, trade receivables, retention debtors and work in progress are denominated in the following currencies:

	2015 R000	2014 R000
South African rand	**945 091**	961 594
United States dollar	**28 317**	707
Botswana pula	**23 629**	136 574
Euro	**287**	–
British pound	**3 980**	4 297
Mozambican meticais	**–**	4 677
Sierra Leonean leone	**–**	8
Zambian kwacha	**72 051**	61 254
	1 073 355	1 169 111

Movements on the group provision for impairment of contract debtors are as follows:

	2015 R000	2014 R000
At the beginning of the year	**8 730**	8 884
Provision for impairment	**764**	1 428
Receivables written off during the year as uncollectible	**–**	–
Unused amounts reversed	**(438)**	(1 636)
Foreign exchange differences	**614**	54
	9 670	8 730

21. CONTRACT DEBTORS AND OTHER RECEIVABLES *continued*

Movements on the group provision for impairment of trade receivables are as follows:

	2015 R000	2014 R000
At the beginning of the year	**979**	1 339
Provision for impairment	**–**	–
Receivables written off during the year as uncollectible	**–**	–
Unused amounts reversed	**–**	(360)
Transferred to assets held for sale	**(979)**	–
	–	979

Movements on the group provision for impairment of retention debtors are as follows:

	2015 R000	2014 R000
At the beginning of the year	**4 634**	4 365
Provision for impairment	**–**	269
Receivables written off during the year as uncollectible	**–**	–
Unused amounts reversed	**(473)**	–
Foreign exchange differences	**546**	–
	4 707	4 634

The creation and release of provision for impaired contract debtors, trade receivables and retention debtors have been included in "Contracting and other costs" in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering amounts due.

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

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The group may hold payment guarantees from contract and trade debtors as security.

The group has the following amounts due from top five debtors:

	Number of customers	Value R000	% of contract and trade debtors	% of total revenue
31 December 2015	**5**	**638 755**	**59.5%**	**11.6%**
31 December 2014	5	503 731	43.1%	7.7%

The group has the following credit risk per geographical segment:

Region	2015 R000	2014 R000
South Africa	**875 784**	882 302
Rest of Africa	**163 368**	246 078
Rest of world	**34 203**	40 731
	1 073 355	1 169 111

21. **CONTRACT DEBTORS AND OTHER RECEIVABLES** *continued*

The group has classified its contract and trade debtors into the following categories:
- Government
- Multinational mining companies
- Listed companies
- Unlisted companies
- Individuals.

Government debtors encompass all debtors to central governments, government institutions and parastatals across all geographies. Typically, government debt tends to have little or no risk as default on this type of debt indicates a failed state situation. Different countries' governments will have different levels of risk associated with them, however, depending on the credit rating of the country concerned. Examples of government debtors include the government of St Helena, Eskom and SANRAL.

Multinational mining companies refers to large mining corporations that operate across a variety of geographies and tend to be blue chip organisations. Given their relative financial strength, they are generally considered to have a reasonably good credit rating. Examples include the De Beers group and Assmang Ltd.

Listed companies encompass all companies that are listed on a registered stock exchange in any country. Typically, a listed company should have relatively good governance structures and be administered in terms of strict laws and regulations. While it is not impossible for a listed entity to fail, given the relative transparency required, it is likely that there would be indicators of distress that would allow the group to take corrective action in the event that it would be required.

Unlisted companies are typically smaller entities that are not listed on a registered stock exchange in any country, and are generally considered to be associated with higher levels of credit risk. Indicators of distress may be difficult to identify given the lack of public information available for these entities.

Individuals generally carry the highest level of credit risk. Certain of the group's smaller entities may perform work for individuals but this is typically not the group's core customer group, given the relatively high credit risk.

Contract debtors and other receivables have been presented on an aggregate basis in the statement of financial position in the current year. Comparative information has been restated accordingly.

	2015 R000	2014 R000
22. DERIVATIVE FINANCIAL INSTRUMENTS		
Forward exchange contract		
Fair value gain	2 885	–
Interest rate swap	–	(223)
Fair value loss	–	10
Foreign exchange differences	–	(233)
	2 885	(223)

The forward exchange contract relates to the group's commitment to a Chinese supplier for the procurement of the turbines used in the construction of the Metrowind Van Stadens wind farm. The forward exchange contract outstanding at the 2015 financial year-end was for an amount of USD1.0 million.

The interest rate swap in the prior year was in one of the group's subsidiaries in Botswana, whereby a floating interest rate on instalment sale agreements was swapped for a fixed interest rate.

The group has not applied hedge accounting.

Reconciliation of opening and closing balances

	2015 R000	2014 R000
Forward exchange contract		
At the beginning of the year	–	2 577
Fair value gain/(loss)	2 885	(2 577)
At the end of the year	2 885	–
Interest rate swap		
At the beginning of the year	(223)	(1 395)
Fair value gain	–	1 185
Settlement of interest rate swap	223	–
Foreign exchange differences	–	(13)
At the end of the year	–	(223)

		2015 R000	2014 R000
23.	**CASH AND CASH EQUIVALENTS**		
	Bank balances	**505 309**	907 606
	Cash on hand	**1 536**	3 209
		506 845	910 815
	Bank overdraft	**(35 438)**	(90 236)
		471 407	820 579

The group's policy is to hold deposits with banks and financial institutions that have a minimum short-term credit rating of "A-".

For local South African counterparties, the credit ratings are permitted to be the local South African ratings of the counterparties, rather than the international ratings as required for international counterparties.

24. NON-CURRENT ASSETS HELD FOR SALE

The assets and liabilities relating to SprayPave (Pty) Ltd (part of the roads segment) were presented as held for sale in the current year following the approval of the board of directors to sell the company. The sale was concluded on 1 February 2016.

In terms of IFRS 5 *Non-current assets held for sale and discontinued operations*, disposal groups or assets held for sale must be tested for impairment. The carrying amount of SprayPave, disclosed as a discontinued operation, exceeds the fair value of the discontinued operation and goodwill of R7.4 million has been impaired as a result.

The assets and liabilities relating to LYT Architecture (Pty) Ltd (part of the engineering segment) were presented as held for sale in the prior year following the approval of the board of directors to sell the company. The sale was concluded on 1 February 2015.

	2015 R000	2014 R000
ASSET AND LIABILITIES		
Assets of company classified as held for sale		
Property, plant and equipment	**77 315**	3 700
Intangible asset	**–**	8 352
Deferred income tax assets	**8 462**	205
Contract debtors and other receivables	**9 546**	24 824
Inventories	**5 611**	–
Current income tax asset	**–**	860
Cash and cash equivalents	**3 269**	15 171
	104 203	53 112
Liabilities of company classified as held for sale		
Interest-bearing borrowings	**2 813**	–
Trade and other payables	**14 160**	9 933
Provisions for other liabilities and charges	**5 361**	–
Bank overdraft	**–**	86
	22 334	10 019

	2015 R000	2014 R000
24. NON-CURRENT ASSETS HELD FOR SALE *continued*		
INCOME STATEMENT OF DISCONTINUED OPERATIONS		
Revenue	**101 430**	323 369
Expenses	**(119 174)**	(422 612)
Impairment of goodwill	**(7 438)**	(82 158)
Share of profit of investments accounted for using the equity method	**(900)**	7 802
Net finance costs	**(478)**	(2 811)
Profit before taxation of discontinued operations	**(26 560)**	(176 410)
Taxation	**6 135**	1 667
Profit after taxation of discontinued operations	**(20 425)**	(174 743)
Movement in fair value adjustment reserve	**–**	–
Profit for the year from discontinued operations	**(20 425)**	(174 743)
CASH FLOWS OF DISCONTINUED OPERATIONS		
Operating cash flows	**(26 409)**	(101 794)
Investing cash flows	**267**	(21 538)
Financing cash flows	**(5 145)**	(3 316)
Effects of exchange rates on cash and cash equivalents	**–**	–
Total cash flows	**(31 287)**	(126 648)

25. STATED CAPITAL

Ordinary shares

Authorised

300 000 000 ordinary no par value shares (2014: 300 000 000)

	Number of shares	No par value ordinary shares R000	No par value "A" ordinary shares R000	Treasury shares R000	Total R000
Issued					
Year ended 31 December 2014					
At the beginning and end of the year	131 685 899	1 047 701	–	(12)	1 047 689
Year ended 31 December 2015					
At the beginning and end of the year	**131 685 899**	**1 047 701**	**–**	**(12)**	**1 047 689**

25. STATED CAPITAL *continued*

"A" ordinary shares

Authorised

33 607 507 "A" ordinary no par value shares (2014: 33 607 507)

	Number of shares	No par value ordinary shares R000	No par value "A" ordinary shares R000	Treasury shares R000	Total R000
Issued					
Year ended 31 December 2014					
At the beginning and end of the year	33 607 507	–	336	–	336
Year ended 31 December 2015					
At the beginning and end of the year	**33 607 507**	**–**	**336**	**–**	**336**
Total share capital					
Year ended 31 December 2014					
At the end of the year	165 293 406	1 047 701	336	(12)	1 048 025
Year ended 31 December 2015					
At the end of the year	**165 293 406**	**1 047 701**	**336**	**(12)**	**1 048 025**

All shares issued by the company are fully paid up.

The unissued shares were not placed under the control of the directors by resolution of the shareholders until the forthcoming annual general meeting. The directors are not authorised, by resolution of the shareholders and until the forthcoming annual general meeting, to issue ordinary shares for cash.

Reconciliation of closing balance

	Number of shares	Total R000
Year ended 31 December 2015		
Group issued share capital	**165 293 406**	**1 048 025**
Treasury shares held by the Basil Read Share Incentive Scheme (refer note 35)	**8 382**	**12**
	165 301 788	**1 048 037**

	Number of shares	Total R000
Year ended 31 December 2014		
Group issued share capital	165 293 406	1 048 025
Treasury shares held by the Basil Read Share Incentive Scheme (refer note 35)	8 382	12
	165 301 788	1 048 037

	2015 R000	2014 R000
26. NON-CONTROLLING INTERESTS		
Balance at the beginning of the year	**(97 992)**	(38 207)
Transactions with non-controlling interests (refer note 39)	**86 554**	–
Capital contribution to non-controlling interest parties	**–**	(29 464)
Disposal of subsidiary (refer note 40)	**–**	1 777
Total comprehensive income for the year	**(10 738)**	(32 098)
Balance at the end of the year	**(22 176)**	(97 992)

		2015 R000	2014 R000
27.	**INTEREST-BEARING BORROWINGS**		
	Instalment sale agreements		
	Total amount outstanding	**254 614**	262 484

The instalment sale agreements for plant and equipment bear interest between the prime overdraft rate plus 3% and prime less 2% per annum and are repayable in monthly instalments of between R4 494 and R1 689 825 over a period of between one and five years.

The agreements are secured by plant and equipment with a book value of R323 861 367 (2014: R378 175 627). Refer to note 14 for further details.

	2015 R000	2014 R000
Domestic medium-term note programme		
Total amount outstanding	**85 318**	227 008

On 17 December 2013, the group raised R125 million under this programme. The unlisted note, BSR11U, was settled on 20 December 2013 and bore interest at the three-month ZAR-JIBAR-SAFEX rate plus 2.10%. Interest was payable quarterly. This note was fully redeemed on 19 June 2015.

On 23 July 2014, the group raised R60 million under this programme. The listed note, BSR12, was settled on 25 July 2014 and bore interest at the three-month ZAR-JIBAR-SAFEX rate plus 2.65%. Interest was payable quarterly. This note was fully redeemed on 19 June 2015.

On 23 July 2014, the group raised R40 million under this programme. The listed note, BSR13, was settled on 25 July 2014 and bore interest at the three-month ZAR-JIBAR-SAFEX rate plus 2.90%. Interest was payable quarterly. This note was fully redeemed on 19 June 2015.

On 17 June 2015, the group raised R60 million under this programme. The listed note, BSR14, was settled on 19 June 2015 and bore interest at the three-month ZAR-JIBAR-SAFEX rate plus 2.50%. Interest was payable on maturity. This note was fully redeemed on 18 September 2015.

On 17 June 2015, the group raised R60 million under this programme. The listed note, BSR15, was settled on 19 June 2015 and bore interest at the three-month ZAR-JIBAR-SAFEX rate plus 3.10%. Interest was payable quarterly. This note was fully redeemed on 18 December 2015.

On 17 June 2015, the group raised R35 million under this programme. The listed note, BSR16, was settled on 19 June 2015 and bears interest at the three-month ZAR-JIBAR-SAFEX rate plus 3.85%. Interest is payable quarterly and the capital sum is payable on 17 June 2016. The interest rate applicable at year-end was 10.45%.

On 17 June 2015, the group raised R50 million under this programme. The listed note, BSR17, was settled on 19 June 2015 and bears interest at the three-month ZAR-JIBAR-SAFEX rate plus 4.50%. Interest is payable quarterly and the capital sum is payable on 19 June 2018. The interest rate applicable at year-end was 11.10%.

On redemption of BSR17, the redemption amount will be calculated as the sum of:
- 100% of the nominal amount of notes
- The accrued interest to the maturity date and
- The share price increase amount.

The share price increase amount will be calculated as follows:

$$\frac{FP - (CP \times 130/100)}{CP \times 130/100} \times \text{nominal amount of notes}$$

Where:

CP means the prior 30-day average closing share price of Basil Read calculated as at the trade date, being R3.33;

FP means the prior 30-day average closing share price of Basil Read calculated two business days prior to the maturity date. FP is a maximum of 1.57 x CP.

	2015 R000	2014 R000
	339 932	489 492
Less: current portion transferred to current liabilities	**(157 798)**	(273 594)
Instalment sale agreements	**(122 480)**	(146 586)
Domestic medium-term note programme	**(35 318)**	(127 008)
Total non-current interest-bearing borrowings	**182 134**	215 898

		2015 R000	2014 R000
27.	**INTEREST-BEARING BORROWINGS** *continued*		
	The present value of future minimum payments on instalment sale agreements is as follows:		
	Due within the next 12 months	122 480	146 586
	Due between one and five years	132 134	115 898
	Thereafter	–	–
		254 614	262 484
	The present value of future minimum payments on the domestic medium-term note programme is as follows:		
	Due within the next 12 months	35 318	127 008
	Due between one and three years	50 000	100 000
	Thereafter	–	–
		85 318	227 008
	The fair value of interest-bearing borrowings is as follows:		
	Instalment sale agreements	254 614	262 484
	Domestic medium-term note programme	85 318	227 008
		339 932	489 492
	The carrying amounts of interest-bearing borrowings are denominated in the following currencies:		
	South African rand	310 339	454 394
	Botswana pula	29 593	35 098
		339 932	489 492

The group has R1.4 billion (2014: R0.9 billion) undrawn borrowing facilities at the end of the year. These facilities are annual facilities and are subject to review at various dates during 2016.

		2015 R000	2014 R000
28.	**PROVISIONS FOR OTHER LIABILITIES AND CHARGES**		
	Employee provisions		
	Balance at the beginning of the year	14 251	27 744
	Provisions created	96 651	50 600
	Provisions reversed	(9 652)	(11 901)
	Provisions utilised	(2 828)	(52 277)
	Transferred to liability held for sale	(5 358)	–
	Foreign exchange differences	1 769	85
	Balance at the end of the year	94 833	14 251
	Employee provisions consist mainly of employee incentives awarded based on individual performance and normally paid within six months of the financial year-end.		
	Contract provisions		
	Balance at the beginning of the year	304 515	106 907
	Provisions created	433 486	327 182
	Provisions reversed	(286 646)	(62 552)
	Provisions utilised	(49 890)	(67 387)
	Transferred to liability held for sale	(3)	–
	Foreign exchange differences	1 228	365
	Balance at the end of the year	402 690	304 515
	Contract provisions consist mainly of provision for losses to end-of-site and provision for end-of-site maintenance period.		
	Balance at the end of the year – current provisions	497 523	318 766

		2015 R000	2014 R000
29.	**TRADE AND OTHER PAYABLES**		
	Trade creditors and accruals	733 395	1 179 226
	Shareholders for dividends (refer note 31)	768	800
	Advance payments received for contract work	715 432	1 102 385
		1 449 595	2 282 411
30.	**CASH GENERATED BY OPERATING ACTIVITIES**		
	Operating profit/(loss)	201 015	(984 691)
	Adjustment for non-cash items:	238 260	740 358
	Depreciation	269 523	342 404
	Impairment loss	7 604	304 370
	Write down of development land	–	80 565
	Profit on sale of property, plant and equipment	(12 201)	(897)
	(Profit)/loss on sale of subsidiary	(24 641)	1 818
	Loss on sale of associate	–	9 846
	Fair value adjustment	(2 885)	1 392
	Amortisation of intangible assets	860	860
	Operating cash flow	439 275	(244 333)
	Movements in working capital:	(555 330)	126 003
	Inventories	1 517	8 891
	Development land	5 343	14 533
	Contract debtors and other receivables	72 483	(234 893)
	Trade and other payables	(818 791)	153 357
	Provisions for other liabilities and charges	184 118	184 115
	Cash generated by operating activities	(116 055)	(118 330)

Excluded from the cash flow statement are additions to fixed assets amounting to R178.7 million (2014: R150.1 million) which were funded by instalment sale agreements.

		2015 R000	2014 R000
31.	**DIVIDENDS PAID**		
	Dividends due at the beginning of the year	(800)	(804)
	Dividends declared per the statement of changes in equity	–	–
	Dividends due at the end of the year	768	800
	Dividends paid	(32)	(4)

No dividend was declared in respect of the 2015 and 2014 financial years.

The dividend paid as shown above relates to the payment of previously declared unclaimed dividends.

		2015 R000	2014 R000
32.	**TAXATION RECEIVED/(PAID)**		
	Net taxation due at the beginning of the year	52 082	28 495
	Normal taxation charged to the income statement	(46 480)	(33 507)
	Acquisition of subsidiaries	–	(57)
	Transferred to assets held for sale	–	(860)
	Net taxation due at the end of the year	(4 337)	(52 082)
	Taxation received/(paid)	1 265	(58 011)

		2015 R000	2014 R000
33.	**GUARANTEES AND CONTINGENT LIABILITIES**		
	Guarantees		
	The group has the following guarantees and suretyships outstanding at the year-end:		
	Payment guarantees	**46 450**	155 655
	Performance and construction guarantees	**1 945 344**	1 546 365
	Bond retention guarantees	**410 705**	425 854
	Bid and other bonds	**1 012**	39 540
		2 403 511	2 167 414

It is not expected that any loss will arise out of the issue of the above guarantees.

Contingent liability

The group has identified a number of instances where subsidiaries in Botswana have not fully complied with the time of submission requirements as prescribed by the Value Added Tax Act in Botswana. The Botswana entities have made voluntary submissions to the Botswana Unified Revenue Service (BURS) setting out these instances and requesting BURS to issue revised assessments.

No provision for additional taxes has been raised in relation to this VAT issue as legal advice indicates that it is not probable that a significant liability will arise. It is likely, however, that penalties and interest will be levied by BURS due to late submission and payments and the group accrued for these costs in the 2013 financial year.

		2015 R000	2014 R000
34.	**CAPITAL AND OPERATING LEASE COMMITMENTS**		
	Capital expenditure contracted for at the statement of financial position date	**–**	–
	Capital expenditure approved and not yet contracted for	**270 000**	254 419
	The above capital expenditure will be financed from funds generated from operations and borrowings.		
	Operating lease commitments contracted for at the statement of financial position date:		
	Due within the next 12 months	**41 562**	18 483
	Due between one and two years	**44 958**	19 925
	Thereafter	**387 860**	236 294
		474 380	274 702

The operating leases for office equipment are payable in monthly instalments of R133 777 over a period of three years.

The operating leases for office space are payable in monthly instalments of between R321 374 and R1 257 030, escalating annually at 8.5%. The longest lease expires in nine years.

Included in operating leases for office space is the rental of the Basil Read head office campus in Boksburg, which is with Thunderstruck Investments 136 (Pty) Ltd, a related party. The leases expire in nine years.

	2015 R000	2014 R000
35. EMPLOYEE BENEFITS		
(a) Staff costs	**1 357 150**	1 378 723
Salaries and wages	**1 254 137**	1 222 900
Pension costs – defined contribution plans	**66 416**	69 093
Termination costs	**–**	37 951
Social security costs	**36 597**	48 779

Segment employees analysis	Number	Number
Number of employees employed by the group: geographical	**5 325**	6 426
Local	**4 225**	5 060
International	**1 100**	1 366

(b) Defined contribution and defined benefit plan

The Basil Read Group Pension Fund, the Basil Read Group Provident Fund and the Construction Industry Retirement Benefit Plan covers permanent employees of the group and its subsidiary companies. The pension fund is a defined benefit plan while the provident fund and Construction Industry Retirement Benefit Plan are both defined contribution plans. All three funds are registered under the Pension Funds Act of 1965 as privately administered funds.

The Basil Read Group Pension Fund was actuarially valued on 30 September 2007 and subsequently rolled forward to 31 December 2009. The surplus apportionment, as required by the Pension Funds Second Amendment Act 2001, was approved by the Financial Services Board during January 2007.

The pensioners of the fund were outsourced on a GN18 basis in 2013. The outsource removed all risk from the fund in respect of the pensioners as it extinguished the fund liability.

The trustees are looking into closing the fund in the near future. The pensioners have been outsourced and the majority of the liabilities are made up of defined contribution type liabilities. No further reporting will be required under IAS 19 once the closure of the fund takes place.

	2015 R000	2014 R000
Present value of funded obligations	**(26 325)**	(24 947)
Fair value of plan assets	**36 321**	34 036
Surplus	**9 996**	9 089
Unrecognised due to paragraph 64 limit:	**(9 996)**	(9 089)
The principal actuarial assumptions used for valuation purposes were as follows:		
Discount rate	**8.20%**	6.70%
Expected return on assets	**8.20%**	6.70%
Future salary increases	**n/a**	n/a
Future pension increases	**n/a**	n/a

The group has not recognised any portion of the pension fund surplus in its statement of financial position. The directors do not expect a significant portion of this surplus to be allocated to the group once the final apportionment has been approved by the trustees of the fund.

35. EMPLOYEE BENEFITS *continued*

(b) Defined contribution and defined benefit plan *continued*

	2015 R000	2014 R000
Reconciliation of present value of funded obligations		
Balance at the beginning of the year	**24 947**	26 808
Service cost	**196**	294
Member contributions	**–**	–
Interest cost	**1 671**	1 387
Remeasurements	**(293)**	(3 022)
Benefits paid	**–**	(226)
Risk premiums	**–**	–
Expenses	**(196)**	(294)
Curtailment loss	**–**	–
Balance at the end of the year	**26 325**	24 947
Reconciliation of fair value of plan assets		
Balance at the beginning of the year	**34 036**	33 968
Expected return on assets	**2 274**	1 794
Contributions	**–**	–
Risk premiums	**–**	–
Benefits paid	**–**	(226)
Expenses	**(196)**	(294)
Remeasurements	**207**	(1 206)
Amount settled	**–**	–
Balance at the end of the year	**36 321**	34 036
The assets of the Basil Read Pension Fund were invested as follows:		
Cash	**68.8%**	70.3%
Bonds	**31.2%**	29.7%
Total	**100.0%**	100.0%

Five-year analysis

	Present value of funded obligations R000	Fair value of plan assets R000
As at 31 December 2011	59 188	64 678
As at 31 December 2012	25 546	32 405
As at 31 December 2013	26 808	33 968
As at 31 December 2014	24 947	34 036
As at 31 December 2015	**26 325**	**36 321**

Sensitivity analysis

No sensitivity analysis is presented as the liabilities that remain in the fund are not dependent on the economic assumptions. The liabilities, therefore, do not change for a change in the discount or inflation rates.

35. **EMPLOYEE BENEFITS** *continued*

(c) Company contribution

The company, on the advice of the Actuary, determines the company contribution rate in respect of the Basil Read Group Pension Fund.

(d) Medical aid

The company continuously reviews its contribution and benefit structures in its various medical aid schemes to ensure that these are well positioned against steeply rising healthcare costs. The group has no current exposure to post-retirement medical aid costs.

(e) Share incentive scheme

In terms of the Basil Read Share Incentive Scheme, the group's share incentive trust holds the right to issue options to directors and qualifying employees. The exercise price of the granted options is equal to the market price of the shares less a maximum discount of 10%. Options are conditional on the employee being in the service of the group on the vesting date. The group has no legal or constructive obligation to repurchase or settle the options in cash.

The table below is a summary of the options outstanding as at 31 December 2015:

Grant date	September 2002 Number 000	November 2007 Number 000	April 2009 Number 000
Rights outstanding at the beginning of the year	**9**	**1 215**	**990**
Rights exercised during the year	**–**	**–**	**–**
Lapsed during the year due to resignations	**–**	**–**	**–**
Rights outstanding at the end of the year	**9**	**1 215**	**990**
Allocated to executive directors	**–**	**12**	**20**
Allocated to key management	**–**	**380**	**357**
	R	**R**	**R**
Fair value of unissued shares based on the group's year-end share price	**31 895**	**4 299 773**	**3 504 777**

All of these options vested in previous financial periods.

The table below is a summary of the options outstanding as at 31 December 2014:

Grant date	September 2002 Number 000	November 2007 Number 000	April 2009 Number 000
Rights outstanding at the beginning of the year	9	1 783	1 544
Rights exercised during the year	–	–	–
Lapsed during the year due to resignations	–	(568)	(554)
Rights outstanding at the end of the year	9	1 215	990
Allocated to executive directors	–	12	20
Allocated to key management	–	380	357
	R	R	R
Fair value of unissued shares based on the group's year-end share price	37 842	5 101 425	4 158 210

All of these options vested in previous financial periods.

(f) Directors' and prescribed officers' emoluments

Full details of executive and non-executive directors' and prescribed officers' emoluments are provided in the directors' report on page 4, under the following sections:

- Directors' and prescribed officers' emoluments
- Directors' and prescribed officers' equity-settled instruments
- Interests of directors and officers in share capital
- Interests of directors and officers in share incentive scheme.

36. SEGMENT REPORT

The group mainly operates in South Africa and sub-Saharan Africa. The group's client base consists mainly of government and mining institutions.

The executive committee, supported by the operations committee, is the group's chief operating decision maker. Management has determined the operating segments based on the reports reviewed by the executive committee that are used to make strategic decisions, for the purposes of allocating resources and assessing performance.

The committee manages the business in terms of three operational segments: construction, mining and St Helena. Assets and liabilities are allocated to each of these segments and are managed accordingly.

In terms of revenue and operating profit, the construction segment has been further broken down into buildings and developments, civils and plant and roads to be consistent with the internal reporting reviewed by the committee.

During the 2014 financial year, the operating reporting structure was reviewed and revised to better reflect the way the business is managed. These changes were implemented effective 1 January 2015 and the segment information presented has been aligned to the new structure of the internal organisation. The comparative information has been restated for all periods presented.

Intersegment revenue is charged at market rates prevailing at the time of the transaction. The revenue from external customers reported to the strategic executive committee is measured in a manner consistent with that in the income statement.

The amounts provided to the strategic executive committee with respect to assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

The amounts provided to the strategic executive committee with respect to liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

For the year ended 31 December 2015	Total segment revenue R000	Intersegment revenue R000	Revenue from external customers R000
Revenue			
Construction	**3 477 079**	**(153 654)**	**3 323 425**
Buildings and developments	**1 020 635**	**(4 000)**	**1 016 635**
Civils and plant	**852 423**	**–**	**852 423**
Pipelines	**95 444**	**–**	**95 444**
Roads	**1 508 577**	**(149 654)**	**1 358 923**
Mining	**1 402 190**	**(166 652)**	**1 235 538**
St Helena	**961 016**	**–**	**961 016**
	5 840 285	**(320 306)**	**5 519 979**
For the year ended 31 December 2014			
Construction	4 246 325	(56 945)	4 189 380
Buildings and developments	1 349 030	–	1 349 030
Civils and plant	1 310 352	(426)	1 309 926
Pipelines	30 112	–	30 112
Roads	1 556 831	(56 519)	1 500 312
Mining	1 274 056	(78 333)	1 195 723
St Helena	876 338	–	876 338
	6 396 719	(135 278)	6 261 441

36. SEGMENT REPORT *continued*

	2015 R000	2015 Margin %	2014 R000	2014 Margin %
Operating profit				
Construction	46 985	1.41	(877 779)	(20.95)
Buildings and developments	18 847	1.85	(304 492)	(22.57)
Civils and plant	503	0.06	(388 942)	(29.69)
Pipelines	(21 563)	(22.59)	(2 554)	(8.48)
Roads	49 198	3.62	(181 791)	(12.12)
Mining	83 558	6.76	(26 630)	(2.23)
St Helena	95 654	9.95	101 120	11.54
	226 197	4.10	(803 289)	(12.83)

Other profit and loss disclosures

For the year ended 31 December 2015	Construction R000	Mining R000	St Helena R000	Total R000
Depreciation	(69 401)	(166 341)	(33 781)	(269 523)
Impairment of goodwill	–	–	–	–
Net finance income/(costs)	(27 411)	(31 917)	23 937	(35 391)
For the year ended 31 December 2014				
Depreciation	(81 971)	(198 151)	(62 282)	(342 404)
Impairment of goodwill	(185 741)	(36 471)	–	(222 212)
Net finance income/(costs)	(27 570)	(16 714)	21 785	(22 499)
Assets				
For the year ended 31 December 2015				
Property, plant and equipment	252 272	587 854	75 730	915 856
Goodwill	88 917	–	–	88 917
Inventories	4 747	19 895	1 297	25 939
Work in progress	420 479	12 758	–	433 237
Cash and cash equivalents	190 026	112 929	168 452	471 407
For the year ended 31 December 2014				
Property, plant and equipment	402 552	513 888	163 808	1 080 248
Goodwill	96 355	–	–	96 355
Inventories	11 925	18 033	3 109	33 067
Work in progress	327 957	22 476	28 033	378 466
Cash and cash equivalents	134 406	112 571	573 602	820 579
Liabilities				
For the year ended 31 December 2015				
Interest-bearing borrowings	116 600	223 332	–	339 932
Advance payments received for contract work	463 873	5 648	245 911	715 432
Provisions for other liabilities and charges	366 032	8 900	122 591	497 523
For the year ended 31 December 2014				
Interest-bearing borrowings	292 569	196 923	–	489 492
Advance payments received for contract work	303 345	1 960	797 080	1 102 385
Provisions for other liabilities and charges	210 299	31 123	77 344	318 766

36. SEGMENT REPORT *continued*

Order book

	2015 R000	2014 R000
Construction	**4 765 063**	5 064 936
Buildings and developments	**1 301 715**	1 667 075
Civils and plant	**796 740**	1 064 616
Pipelines	**49 404**	87 495
Roads	**2 617 204**	2 245 750
Mining	**4 659 957**	3 773 675
St Helena	**1 316 173**	1 700 338
	10 741 193	10 538 949

Geographic information

	2015 %	2014 %
Revenue		
South Africa	**72**	77
Rest of Africa	**11**	10
Rest of world	**17**	13
	100	100

37. SCHEDULE OF GROUP COMPANIES

The following information relates to the group's financial interest in direct and indirect investments:

Subsidiaries

Name	Country of incorporation and place of business	Nature of business	Proportion held by the group	Proportion held by external partners
Abrina 6830 (section 21)	South Africa	Construction	100	–
African Road Maintenance and Construction (Pty) Ltd	South Africa	Property investment	100	–
B&E Africa (Pty) Ltd	Swaziland	Blasting and excavating	100	–
B&E Botswana (Pty) Ltd	Botswana	Blasting and excavating	100	–
B&E Lesotho (Pty) Ltd	Lesotho	Blasting and excavating	100	–
Basil Read Construction Ltd	United Kingdom	Construction	100	–
Basil Read Construction Namibia (Pty) Ltd	Namibia	Construction	100	–
Basil Read Construction Sierra Leone Ltd	Sierre Leone	Construction	100	–
Basil Read Homes (Pty) Ltd	South Africa	Construction	100	–
Basil Read International (Pty) Ltd	South Africa	Construction	100	–
Basil Read Limited	South Africa	Construction	100	–
Basil Read Mauritius (Pty) Ltd	Mauritius	Investment holding company	100	–
Basil Read Mining (Pty) Ltd	South Africa	Investment holding company	100	–
Basil Read Mining Botswana (Pty) Ltd	Botswana	Opencast mining	100	–
Basil Read Mining Namibia (Pty) Ltd	Namibia	Opencast mining	100	–
Basil Read Mining SA (Pty) Ltd	South Africa	Opencast mining	100	–
Basil Read Mozambique Limitada	Mozambique	Construction	51	49
Basil Read Newport joint venture	South Africa	Construction	100	–
Basil Read Nigeria Ltd	Nigeria	Construction	100	–

37. SCHEDULE OF GROUP COMPANIES *continued*

Name	Country of incorporation and place of business	Nature of business	Proportion held by the group	Proportion held by external partners
Basil Read Phambili Pipelines joint venture	South Africa	Construction	100	–
Basil Read Properties No. 2 (Pty) Ltd	South Africa	Property investment	100	–
Basil Read Roads (Pty) Ltd (previously Roadcrete Africa (Pty) Ltd	South Africa	Construction	100	–
Basil Read Tanzania (Pty) Ltd	Tanzania	Construction	100	–
Basil Read Uganda (Pty) Ltd	Uganda	Construction	100	–
Basil Read Zambia Ltd	Zambia	Construction	100	–
Blasting & Excavating (Pty) Ltd	South Africa	Blasting and excavating	100	–
Blasting & Excavating Namibia (Pty) Ltd	Namibia	Blasting and excavating	100	–
Blue Waves Properties 183 (Pty) Ltd	South Africa	Property investment	100	–
City Square Trading 949 (Pty) Ltd	South Africa	Property development	100	–
Codevco (Pty) Ltd	South Africa	Property development	100	–
Contract Plumbing and Sanitation (Pty) Ltd	South Africa	Construction	100	–
Hytronix (Pty) Ltd	South Africa	Mining equipment	100	–
Matomo Engineering Namibia (Pty) Ltd	Namibia	EPC	100	–
Matomo Projects (Pty) Ltd	South Africa	EPC	100	–
Mvela Phanda Construction (Pty) Ltd	South Africa	Construction	100	–
Newport Construction (Pty) Ltd	South Africa	Construction	70	30
P. Gerolemou Construction (Pty) Ltd	South Africa	Construction	100	–
Phambili Pipelines (Pty) Ltd	South Africa	Construction	100	–
Richtrau No. 111 (Pty) Ltd	South Africa	Construction	100	–
Roadcrete Africa joint venture	South Africa	Construction	100	–
Roadcrete Mkhatjwa (Pty) Ltd	South Africa	Construction	100	–
Sladden International (Botswana) (Pty) Ltd	Botswana	Construction	100	–
SprayPave (Pty) Ltd	South Africa	Construction	100	–
Sunset Bay Trading 282 (Pty) Ltd	South Africa	Property development	100	–
Swaziland Construction Company (Pty) Ltd	Swaziland	Construction	100	–
Tubo Jacked Pipelines (Pty) Ltd	South Africa	Construction	100	–
TWP Investments (Pty) Ltd	South Africa	Investment holding company	100	–
TWP Matomo Process Plant (Pty) Ltd	South Africa	Investment holding company	100	–
Valente Brothers (Pty) Ltd	South Africa	Construction	100	–
Joint ventures				
Engala (Pty) Ltd (previously Siascan (Pty) Ltd)	South Africa	Renewable energy	50	50
Savanna City Developments (Pty) Ltd	South Africa	Property development	50	50
Thunderstruck Investments 136 (Pty) Ltd	South Africa	Investment holding company	50	50
Vhumbanani Projects (Pty) Ltd	South Africa	Plant design and control engineering	50	50

37. SCHEDULE OF GROUP COMPANIES *continued*

Name	Country of incorporation and place of business	Nature of business	Proportion held by the group	Proportion held by external partners
Joint operations				
Basil Read Bothakga Burrow joint venture	Botswana	Opencast mining	70	30
Basil Read Genesis joint venture	Namibia	Construction	80	20
BRCD joint venture	South Africa	Construction	80	20
BRDC N17 joint venture	South Africa	Construction	80	20
BRGDT joint venture	South Africa	Construction	55	45
CBR joint venture	South Africa	Opencast mining	50	50
Germiston Hospital Contractors joint ventures	South Africa	Construction	70	30
Kopano joint venture	South Africa	Construction	50	50
Kusile Civil Works joint venture	South Africa	Construction	25	75
Kusile Silos joint venture	South Africa	Construction	28	72
MPC/NHC joint venture	South Africa	Construction	70	30
MPC/SSB joint venture	South Africa	Construction	66	34
PGTN joint venture	South Africa	Construction	60	40
Realeka/MPC joint venture	South Africa	Construction	50	50
Runway Contractors joint venture	South Africa	Construction	70	30
SSBR Kusile joint venture	South Africa	Construction	50	50
Trekkopje joint venture	Namibia	Opencast mining	33.3	67
Associates				
Binga Constuçoes Mozambique Limitada	Mozambique	Construction	49	51
Majwe Mining Joint Venture (Pty) Ltd	Botswana	Opencast mining	28	72
Mmila Projects (Pty) Ltd	South Africa	Bitumen supply	49	51
N17 Toll Operators (Pty) Ltd	South Africa	Toll concessions	25	75
Protea Parkway Concession (Pty) Ltd	South Africa	Toll concessions	25	75
SBB Mozambique Limitada	Mozambique	Construction	30	70
Structured entity				
Basil Read Share Incentive Trust	South Africa	Employee share scheme	100	–

38. RELATED PARTY TRANSACTIONS

The following transactions have been entered into with related parties during the year:

Costs incurred by the group

Nature of relationship/amounts paid to	Nature of transaction	2015 R000	2014 R000
Shareholders			
NMT Capital (Pty) Ltd (previously Amabubesi Investments (Pty) Ltd)	Directors' fees	988	934
Directors			
Amounts paid to other non-executive directors	Directors' fees	3 411	3 731
Amounts paid to executive directors	Remuneration and incentives	7 657	16 734
Prescribed officers			
Amounts paid to prescribed officers	Remuneration and incentives	13 629	17 379
Management			
Amounts paid to key management#	Cash portion of package	5 862	12 001
Amounts paid to key management#	Benefits	1 003	1 961
Amounts paid to key management#	Incentive bonus	–	–
Associate companies and joint ventures			
Savanna City Developments (Pty) Ltd	Loan*	63 604	42 497
Engala (Pty) Ltd (previously Siascan (Pty) Ltd)	Loan*	(3 040)	–
Thunderstruck Investments 136 (Pty) Ltd	Loan*	31 857	30 557
Vhumbanani Projects (Pty) Ltd	Loan*	(1 141)	(1 141)
3Energy Renewables (Pty) Ltd	Loan*	–	771
Majwe Mining Joint Venture (Pty) Ltd	Loan*	(25 511)	–
Mmila Projects (Pty) Ltd	Loan*	–	107
Rubicept (Pty) Ltd	Loan*	–	34 477

 # Details of share options awarded to key management can be found in note 35
** Refer to note 11 for further details*

39. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

For the year ended 31 December 2015

On 1 March 2015, the group acquired the remaining 30% of the share capital of Sladden International (Botswana) (Pty) Ltd, thereby giving the group an effective 100% interest in the company.

	R000
Carrying value of non-controlling interest share acquired	(86 554)
Purchase price paid	–
Loss on transaction with non-controlling interests	(86 554)
Loss on transaction with non-controlling interests has been allocated as follows:	
Retained income	(86 554)

40. DISPOSAL OF SUBSIDIARIES

For the year ended 31 December 2015

LYT Architecture (Pty) Ltd

On 1 February 2015, the group disposed of 100% of the share capital of LYT Architecture (Pty) Ltd and its subsidiaries, Facets Interiors (Pty) Ltd and TPS.P Arquitectos Limitada. The company is an architectural and interior design company.

LYT Architecture (Pty) Ltd was included as part of the mining segment.

Details of net assets disposed are as follows:

	R000
Sale consideration:	
– cash received	30 000
– asset raised	10 080
Net sale consideration	40 080
Carrying value of net assets disposed	(43 093)
Loss on sale	(3 013)

The assets and liabilities as of 1 February 2015 disposed of are:

	Fair value R000	Disposee's carrying amount R000
Cash and cash equivalents	15 085	15 085
Property, plant and equipment	3 700	3 700
Intangible asset	8 352	8 352
Deferred income tax asset	205	205
Contract debtors and other receivables	24 824	24 824
Current income tax asset	860	860
Trade and other payables	(9 933)	(9 933)
Net assets	43 093	43 093
Purchase consideration received in cash		30 000
Cash and cash equivalents in subsidiary disposed		(15 085)
Cash inflow on disposal		14 915

40. DISPOSAL OF SUBSIDIARIES *continued*

For the year ended 31 December 2015 *continued*

Basil Read Energy (Pty) Ltd

On 25 September 2015, the group disposed of 100% of the share capital of Basil Read Energy (Pty) Ltd. The company is an investor in energy producing assets in the renewable energy sector.

Basil Read Energy (Pty) Ltd was included as part of the civil engineering segment.

Details of net assets disposed are as follows:

	R000
Sale consideration:	
– cash received	70 000
Net sale consideration	70 000
Carrying value of net assets disposed	(42 346)
Profit on sale	27 654

The assets and liabilities as of 25 September 2015 disposed of are:

	Fair value R000	Disposee's carrying amount R000
Cash and cash equivalents	2 398	2 398
Investments accounted for using the equity method	27 931	27 931
Contract debtors and other receivables	12 073	12 073
Trade and other payables	(56)	(56)
Net assets	42 346	42 346
Purchase consideration received in cash		70 000
Cash and cash equivalents in subsidiary disposed		(2 398)
Cash inflow on disposal		67 602

For the year ended 31 December 2014

AngloAfrican Insurance Brokers (Pty) Ltd

On 1 December 2014, the group disposed of 51% of the share capital of AngloAfrican Insurance Brokers (Pty) Ltd to the minority partner. The company is a financial services provider specialising in insurance.

AngloAfrican Insurance Brokers (Pty) Ltd was included as part of the construction segment.

Details of net assets disposed are as follows:

	R000
Sale consideration:	
– cash received	–
Net sale consideration	–
Carrying value of net assets disposed	(41)
Derecognition of non-controlling interest	(1 777)
Loss on sale	(1 818)

40. DISPOSAL OF SUBSIDIARIES *continued*

The assets and liabilities as of 1 December 2014 disposed of are:

	Disposee's carrying amount R000
Cash and cash equivalents	37
Contract debtors and other receivables	72
Trade and other payables	(68)
Net assets	41
Purchase consideration received in cash	–
Cash and cash equivalents in subsidiary disposed	(37)
Cash outflow on disposal	(37)

41. POST-STATEMENT OF FINANCIAL POSITION EVENTS

Basil Read concluded the disposal of SprayPave (Pty) Ltd on 1 February 2016 for a maximum purchase consideration of R78.6 million. Further details regarding the disposal entity can be found in note 24.

Company income statement

for the year ended 31 December 2015

	Notes	2015 R000	2014 R000
CONTINUING OPERATIONS			
Dividends received		–	5 000
Admin and operating overheads		(4 998)	360
Operating (loss)/profit		(4 998)	5 360
Interest received	42	14	28
Interest paid	42	(3)	(7)
(Loss)/profit before taxation		(4 987)	5 381
Taxation		–	(136)
Net (loss)/profit for the year		(4 987)	5 245

Company statement of comprehensive income

for the year ended 31 December 2015

	2015 R000	2014 R000
Net (loss)/profit for the year	(4 987)	5 245
Other comprehensive income for the year, net of tax	–	–
Total comprehensive income for the year	(4 987)	5 245

Company statement of financial position

as at 31 December 2015

	Notes	2015 R000	2014 R000
ASSETS			
Non-current assets		**1 121 305**	1 129 493
Investments in subsidiaries	43	**257 144**	257 144
Loans to subsidiaries	43	**864 159**	872 347
Available-for-sale financial assets	44	**2**	2
Current assets		**662**	492
Current income tax assets		**144**	–
Cash and cash equivalents	45	**518**	492
Total assets		**1 121 967**	1 129 985
EQUITY AND LIABILITIES			
Capital and reserves		**1 058 089**	1 063 076
Stated capital	46	**1 048 037**	1 048 037
Retained earnings		**10 052**	15 039
Current liabilities			
Trade and other payables	47	**63 878**	66 909
Total equity and liabilities		**1 121 967**	1 129 985

Company statement of changes in equity

for the year ended 31 December 2015

	Share capital R000	Retained earnings R000	Total R000
Balance at 1 January 2014	1 048 037	9 794	1 057 831
Total comprehensive income for the year	–	5 245	5 245
Balance at 31 December 2014	**1 048 037**	**15 039**	**1 063 076**
Total comprehensive income for the year	**–**	**(4 987)**	**(4 987)**
Balance at 31 December 2015	**1 048 037**	**10 052**	**1 058 089**

Company statement of cash flows

for the year ended 31 December 2015

	Notes	2015 R000	2014 R000
CASH FLOW FROM OPERATING ACTIVITIES		**(8 162)**	(6 097)
Cash generated by operating activities	48	**(7 997)**	21 209
Net finance income		**11**	21
Dividends paid	49	**(32)**	(4)
Taxation paid	50	**(144)**	(27 323)
CASH FLOW FROM INVESTING ACTIVITIES			
Loans repaid by subsidiaries		**8 188**	6 068
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**–**	–
Movement in cash and cash equivalents		**26**	(29)
Cash and cash equivalents – at the beginning of the year		**492**	521
Cash and cash equivalents – at the end of the year	45	**518**	492

Notes to the company financial statements

for the year ended 31 December 2015

		2015 R000	2014 R000
42.	**NET FINANCE INCOME**		
	Interest paid		
	Bank loans and other borrowings	(3)	(7)
	Interest received		
	Bank	14	28
	Net finance income	11	21
43.	**INVESTMENTS IN SUBSIDIARIES**		
	Unlisted investments		
	Shares at cost	170 297	170 297
	Share-based payments	86 847	86 847
		257 144	257 144
	Loans to subsidiaries	864 159	872 347
		1 121 303	1 129 491
	Details of the group's investments in subsidiaries are as follows:		
	Basil Read Ltd	934 349	951 429
	Shares at cost	1	1
	Share-based payment	79 081	79 081
	Interest-free loans to subsidiary	855 267	872 347
	BSR Engineering (Pty) Ltd	178 062	178 062
	Shares at cost	170 296	170 296
	Share-based payment	7 766	7 766
	Basil Read Mining SA (Pty) Ltd		
	Interest-free loans to subsidiary	6 675	–
	Blasting & Excavating (Pty) Ltd		
	Interest-free loans to subsidiary	4 503	–
	Sladden International (Botswana) (Pty) Ltd		
	Interest-free loans to subsidiary	14	–
	Matomo (Pty) Ltd		
	Interest-free loans from subsidiary	(1 710)	–
	Hytronix (Pty) Ltd		
	Interest-free loans from subsidiary	(342)	–
	Basil Read Mining Botswana (Pty) Ltd		
	Interest-free loans from subsidiary	(248)	–
		1 121 303	1 129 491

Unless indicated, the above loans are interest free.

At 31 December 2015, the net asset value of the group was R1.2 billion (2014: R1.0 billion) and the market capitalisation was R466.2 million (2014: R553.1 million), based on the group's year-end share price.

		2015 R000	2014 R000
44.	**AVAILABLE-FOR-SALE FINANCIAL ASSETS**		
	Listed investments		
	At the beginning and the end of the year	2	2
45.	**CASH AND CASH EQUIVALENTS**		
	Bank balances	518	492

46. STATED CAPITAL

Ordinary shares

Authorised

300 000 000 ordinary no par value shares (2014: 300 000 000)

	Number of shares	No par value ordinary shares R000	No par value "A" ordinary shares R000	Total R000
Issued				
Year ended 31 December 2014				
At the beginning and end of the year	131 694 281	1 047 701	–	1 047 701
Year ended 31 December 2015				
At the beginning and end of the year	**131 694 281**	**1 047 701**	**–**	**1 047 701**

"A" ordinary shares

Authorised

33 607 507 "A" ordinary no par value shares (2014: 33 607 507)

	Number of shares	No par value ordinary shares R000	No par value "A" ordinary shares R000	Total R000
Issued				
Year ended 31 December 2014				
At the beginning and end of the year	33 607 507	–	336	336
Year ended 31 December 2015				
At the beginning and end of the year	**33 607 507**	**–**	**336**	**336**
Total share capital				
Year ended 31 December 2014				
At the end of the year	165 301 788	1 047 701	336	1 048 037
Year ended 31 December 2015				
At the end of the year	**165 301 788**	**1 047 701**	**336**	**1 048 037**

The unissued shares were not placed under the control of the directors by resolution of the shareholders until the forthcoming annual general meeting. The directors are not authorised, by resolution of the shareholders and until the forthcoming annual general meeting, to issue ordinary shares for cash.

		2015 R000	2014 R000
47.	**TRADE AND OTHER PAYABLES**		
	Trade creditors and accruals	**63 110**	66 109
	Shareholders for dividends	**768**	800
		63 878	66 909
48.	**CASH GENERATED BY OPERATING ACTIVITIES**		
	Operating profit	**(4 998)**	5 360
	Adjustment for non-cash items:	**–**	–
	Operating cash flow	**(4 998)**	5 360
	Movements in working capital:		
	Trade and other payables	**(2 999)**	15 849
	Cash generated by operating activities	**(7 997)**	21 209
49.	**DIVIDENDS PAID**		
	Dividends due at the beginning of the year	**(800)**	(804)
	Dividends declared per the statement of changes in equity	**–**	–
	Dividends due at the end of the year	**768**	800
	Dividends paid	**(32)**	(4)
50.	**TAXATION PAID**		
	Taxation due at the beginning of the year	**–**	(27 187)
	Normal taxation charged to the income statement	**–**	(136)
	Taxation due at the end of the year	**(144)**	–
	Taxation paid	**(144)**	(27 323)

51. BORROWING POWERS

The company has unlimited borrowing powers in terms of its constitutional documents.

52. GUARANTEES AND CONTINGENT LIABILITIES

The company has issued sureties for unlimited amounts in respect of amounts advanced to and sureties issued on behalf of subsidiary companies. It is not expected that any loss will arise out of the issue of these guarantees.

53. POST-STATEMENT OF FINANCIAL POSITION EVENTS

No material events have occurred between the statement of financial position date and the date of these results that would have a material effect on the financial statements of the company.

Shareholders' information

as at 31 December 2015

ANALYSIS OF ORDINARY SHAREHOLDERS AS AT 31 DECEMBER 2015

	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
SHAREHOLDER SPREAD				
1 – 1 000	1 135	43.37	468 039	0.36
1 001 – 10 000	1 025	39.17	3 795 281	2.88
10 001 – 100 000	317	12.11	10 425 773	7.92
100 001 – 1 000 000	117	4.47	37 501 604	28.48
Over 1 000 000	23	0.88	79 503 584	60.36
Total	2 617	100.00	131 694 281	100.00
DISTRIBUTION OF SHAREHOLDERS				
Assurance companies	17	0.65	1 715 359	1.30
BEE entities	2	0.08	18 983 056	14.41
Close corporations	32	1.22	744 485	0.57
Collective investment schemes	37	1.41	32 626 621	24.77
Custodians	13	0.50	5 241 836	3.98
Foundations and charitable funds	13	0.50	589 511	0.45
Hedge funds	5	0.19	568 057	0.43
Insurance companies	3	0.11	2 322 958	1.76
Investment partnerships	12	0.46	85 941	0.07
Managed funds	5	0.19	105 013	0.08
Medical aid funds	5	0.19	299 605	0.23
Organs of state	3	0.11	9 596 678	7.29
Private companies	51	1.95	6 315 065	4.80
Public companies	2	0.08	1 559	0.00
Public entities	2	0.08	9 315 617	7.07
Retail shareholders	2 183	83.41	11 196 520	8.50
Retirement benefit funds	102	3.90	19 664 015	14.93
Scrip lending	1	0.04	20 000	0.02
Stockbrokers and nominees	18	0.69	4 501 318	3.42
Treasury	1	0.04	18 511	0.01
Trusts	107	4.09	7 776 389	5.90
Unclaimed scrip	3	0.11	6 167	0.01
Total	2 617	100.00	131 694 281	100.00
SHAREHOLDER TYPE				
Non-public shareholders	4	0.15	25 497	0.02
Directors and associates (excluding employee share schemes)	3	0.11	6 986	0.01
Treasury	1	0.04	18 511	0.01
Public shareholders	2 613	99.85	131 668 784	99.98
Total	2 617	100.00	131 694 281	100.00
FUND MANAGERS WITH A HOLDING GREATER THAN 3% OF THE ISSUED SHARES				
Allan Gray			30 326 235	23.03
Prudential Investment Managers			11 985 852	9.10
PSG Asset Management			9 923 602	7.54
Public Investment Corporation			7 798 500	5.92
Argon Asset Management			4 033 969	3.06
Total			64 068 158	48.65

Shareholders' information *continued*

as at 31 December 2015

BENEFICIAL SHAREHOLDERS WITH A HOLDING GREATER THAN 3% OF THE ISSUED SHARES

	Number of shares	% of issued capital
Allan Gray	13 822 730	10.50
NMT Capital (Pty) Ltd (previously Amabubesi Investments (Pty) Ltd)	11 099 813	8.43
Government Employees Pension Fund	9 596 678	7.29
Industrial Development Corporation	9 090 909	6.90
PSG	8 582 130	6.52
SIOC CDT Investment Holdings (RF) (Pty) Ltd	7 883 243	5.99
Total	**60 075 503**	**45.63**

Total number of shareholdings	**2 617**
Total number of shares in issue	**131 694 281**

SHARE PRICE PERFORMANCE

Opening price 2 January 2015	R4.20
Closing price 31 December 2015	R3.54
Closing high for the period	R5.25
Closing low for the period	R2.31
Number of shares in issue	131 694 281
Volume traded during the period	26 845 521
Ratio of volume traded to shares issued (%)	20.38%
Rand value traded during the period	95 920 902
Price/earnings ratio as at 31 December 2015	(1.98)
Earnings yield as at 31 December 2015	(50.62)
Dividend yield as at 31 December 2015	–

ANALYSIS OF "A" ORDINARY SHARES AS AT 31 DECEMBER 2015

	Number of shareholders	% of total shareholdings	Number of shares	% of issued capital
SHAREHOLDER SPREAD				
1 – 1 000 shares	–	–	–	–
1 001 – 5000 shares	–	–	–	–
5 001 – 10 000 shares	–	–	–	–
10 001 – 50 000 shares	–	–	–	–
50 001 – 100 000 shares	–	–	–	–
Over 100 001 shares	1	100.00	33 607 507	100.00
	1	100.00	33 607 507	100.00

BENEFICIAL SHAREHOLDERS WITH A HOLDING GREATER THAN 3% OF THE ISSUED SHARES

	Number of shares	% of issued capital
SIOC CDT Investment Holdings (RF) (Pty) Ltd	33 607 507	100.00
	33 607 507	100.00

Total number of shareholdings	1
Total number of shares in issue	33 607 507

Administration

BASIL READ HOLDINGS LIMITED

Registration number: 1984/007758/06
Share code: BSR
ISIN: ZAE000029781

REGISTERED OFFICE

Basil Read Campus
7 Romeo Street
Hughes Extension
Boksburg, 1459

Private Bag X170, Bedfordview, 2008
Tel: +27 11 418 6300
Fax: +27 11 418 6334
Email: communications@basilread.co.za

COMPANY SECRETARY

Andiswa Ndoni

SPONSOR

Grindrod Bank
4th floor, Grindrod Tower
8A Protea Place
Sandton, 2146

BANKERS

Nedbank Corporate Banking – Gauteng
1st floor
Corporate Place Nedbank
135 Rivonia Road
Sandown, 2196

First National Bank of Southern Africa Limited
5th floor
No 3 First Place
Bank City
Harrison Street
Johannesburg, 2001

TRANSFER SECRETARIES

Link Market Services
13th floor, Rennie House
19 Ameshoff Street, Braamfontein

Shareholders' diary

Financial year-end	31 December
Annual general meeting	2 June 2016
REPORTS	
Half-year interim report	August 2016
Audited results	March 2017

Disclaimer

BASTION GRAPHICS

www.basilread.co.za