

Directors' report

The directors have pleasure in submitting their report on the activities of the business together with the consolidated financial statements for the year ended 31 March 2018.

NATURE OF BUSINESS

Deneb Investments Limited is a diverse investment company operating in southern Africa and listed on the JSE Limited under the Financial Services – Speciality Finance sector.

GENERAL REVIEW OF OPERATIONS

The results of the Group are set out in the Integrated Annual Report and consolidated financial statements of which this report forms part.

SHARE CAPITAL

During the year under review, 2 715 629 (2017: 639 324) share options were exercised in terms of the Group's share incentive scheme. In the prior year, Deneb acquired 133 507 226 ordinary shares from SACTWU at a price of R2,00 per share.

HOLDING COMPANY

The company's ultimate holding company is Hosken Consolidated Investments Limited (HCI).

DIVIDENDS/DISTRIBUTION

The directors resolved to make a 3-cent distribution to shareholders for the year ended 31 March 2018 (2017: 3 cents).

SUBSEQUENT EVENTS

There are no material post year-end events at the date of signing this report.

GOING CONCERN

The directors have made an assessment of the ability of the Group to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

DIRECTORATE

The directors of the company appear on pages 8 to 10. There were no changes to the directorate during the year.

Subsequent to year-end, Mr L G Govender tendered his resignation from the board on 17 April 2018.

DIRECTORS' EMOLUMENTS

Directors' emoluments for the year ended 31 March 2018 are set out in the remuneration report and in note 27 of the consolidated financial statements.

SECRETARY'S AND ADMINISTRATIVE DETAILS

The secretary of the company is Ms C L Philip. Her business address is located at Suite 801, 76 Regent Road, Sea Point, 8005.

MATERIAL CHANGE

There has been no material change in the financial or trading position of the company since the publication of its provisional results for the year ended 31 March 2018.

SPECIAL RESOLUTIONS

The following special resolutions were passed by the Company's shareholders at the annual general meeting of shareholders held on 1 November 2017:

- Approval of the fees payable to non-executive directors for their services as directors or as members of the board sub-committees in respect of the period 1 October 2017 until the next annual general meeting of the Company;
- Granting the company and the subsidiaries of the company a general authority contemplated in terms of the JSE Listings Requirement paragraph 5.72, for the acquisition by the company, or a subsidiary of the company, of ordinary issued shares issued by the company; and
- Granting the company authorisation to provide financial assistance to subsidiaries in accordance with sections 44 and 45 of the Companies Act.

SPECIAL RESOLUTIONS OF SUBSIDIARIES

Share subscription: The company subscribed, by way of special resolution, for an additional 140 ordinary shares in OfficeBox (Pty) Ltd for R4 million, which increased the company's shareholding in OfficeBox from 84,5% to 89,25%.

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