



Directors' report

The directors have pleasure in submitting their report on the state of affairs of the business together with the consolidated financial statements for the year ended 31 March 2015.

Nature of the 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 the operations

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

Share capital

The following shares were issued by Deneb Investments Limited during the year:

- 539 776 349 shares on 1 October 2014 to Seardel Investment Corporation Limited (Seardel) as part of an internal restructure in terms of which the non-media subsidiaries of Seardel were acquired by Deneb Investments Limited in anticipation of its unbundling from Seardel and separate listing on the JSE Limited;
- 18 115 848 shares on 10 November 2014 to Seardel for R52,5 million in cash to ensure that Deneb is appropriately capitalised prior to its unbundling and listing;
- 64 shares were cancelled on 1 December 2014 on its unbundling and listing; and
- 2 919 619 shares were issued in terms of the Group's share incentive scheme.

Holding company

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

Distribution

The directors resolved to declare a distribution of three cents per ordinary share for the year ended 31 March 2015 (2014: RNil).

Subsequent events

Subsequent to year end the Group acquired a property situated at 11B Riley Road, Bedfordview for R22,6 million.

A property situated at 1 Moorsom Avenue, Epping, Cape Town, which was disclosed under assets held for sale in the current period, has been sold for R42,3 million.

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 7 and 9.

The following directors were appointed during the year:

- Mr M H Ahmed – 10 October 2014
- Mr J A Copelyn – 10 October 2014
- Mr D Duncan – 10 October 2014
- Mr T G Govender – 10 October 2014
- Mr L Govender – 11 March 2015
- Ms N J Jappie – 10 October 2014
- Mr A Ntuli – 10 October 2014
- Mr Y Shaik – 10 October 2014
- Ms R D Watson – 10 October 2014

Directors' emoluments

Directors' emoluments for the year ended 31 March 2015 are set out in the Remuneration Report on page 26 and in note 32 of the consolidated financial statements.

Secretary's and administrative details

The secretary of the company is HCI Managerial Services Proprietary Limited. There was no change in the office of the company secretary. The administrative and contact detail of the company is published on the inside back cover.

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 2015.

Special resolutions

There were no special resolutions passed by the subsidiaries of Deneb Investments Limited since the date of the previous Directors' Report.