Deneb Investments Limited

Registration number: 2013/091290/06

Separate Annual Financial Statements
for the year ended 31 March 2021

Deneb Investments Limited

Annual financial statements

for the year ended 31 March 2021

Contents

Directors’ responsibility statement

The directors are responsible for the preparation and fair presentation of the annual financial statements of Deneb Investments Limited, comprising the statement of financial position at 31 March 2021, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and the directors’ report.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the company 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.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the annual financial statements

The annual financial statements of Deneb Investments Limited, as identified in the first paragraph, were approved by the board of directors on 26 July 2021 and signed by

S Queen
(Authorised Director)

G Wege
(Authorised Director)

Directors' report

for the year ended 31 March 2021

The directors' have pleasure in presenting their report for the year ended 31 March 2021.

Business activities
The company is an investment holding company.

General review of operations
The results of the company and the state of its affairs are set out in the financial statements of which this report forms part.

Share capital issue
During the period 498 439 (2020: 756 199) shares were issued in terms of the Deneb share incentive scheme.

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

Distribution
The directors resolved to declare a 4-cent distribution to shareholders during the year ended 31 March 2021 (2020: NIL).

Directorate
The directors in office during the year and up to the date of this report are:

J Copelyn (Chairman)
M Ahmed
T Govender
Y Shaik
N Jappie
A Ntuli (Deceased: 8 January 2021)
D Duncan
S Queen
G Wege
K Mahloma

Directors' emoluments
Directors' emoluments for the year ended 31 March 2021 are set out in note 14.

Going Concern
The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis assumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

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 head.

Events after the reporting period

On 30 April 2021, the Group sold its shareholding in Officebox Proprietary Limited for an amount equal to its book value.

The directors are not aware of any material fact or circumstances arising between the end of the financial year and the date of this report that would require adjustments to the financial statements.

Company Secretary

The company secretary at the date of this report is:

Ms C Philip
Suite 801
76 Regent Road
Sea Point
8005

Business address	Postal address	Registered address
5th Floor Deneb House	PO Box 1585	5th Floor Deneb House
Cnr Browning and Main Rds	Cape Town	Cnr Browning and Main Rds
Observatory	8000	Observatory
7925		7925

Special resolutions

The following special resolutions were passed by the company's shareholders at the annual general meeting of shareholders held on 15 October 2020:

- 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 November 2020 until the next annual general meeting of the company;
- granting the company general authority to issue shares, options and convertible securities for cash, subject to such issue, in the aggregate, not exceeding 5% of the company's relevant number of ordinary shares at the date of the notice;
- 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.

Declaration by the company secretary

I certify that Deneb Investments Limited has lodged with the Companies and Intellectual Property Commission, for the financial year ended 31 March 2021, all such returns as are required by a public company in terms of the Companies Act of South Africa and that such returns are true, correct and up to date.

Cheryl Philip
Company secretary

26 July 2021

Audit Committee Report

The Deneb audit committee is a formal committee of the board and functions within its documented terms of reference. This report is presented to shareholders and constitutes the report of the audit committee in respect of the past financial year as required by section 94 of the Companies Act, No 71 of 2008, as amended ("the Companies Act").

Primary role and responsibility of the committee
The audit committee fulfils an independent oversight role regarding the Company's financial statements and the reporting process, including the system of internal financial control, with accountability to both the board and to shareholders. The committee's responsibilities include the statutory duties prescribed by the Companies Act, recommendations by King IV and additional responsibilities assigned by the board.

Composition and meetings of the audit committee
The committee comprises of three independent, non-executive directors: Mr M H Ahmed (chairperson), Ms F Mahloma and Ms N B Jappie. The committee members are appointed by the shareholders at the annual general meeting of the company. By invitation, the chief executive officer, the financial director, the external auditors and the head of internal audit have attended the committee meetings. Deneb appointed GRIPP Advisory Proprietary Limited ("GRIPP") to perform internal audit services to the Company. GRIPP has dedicated a representative to perform the functions associated with the role of Chief Internal Audit Officer.

Each committee meeting includes a confidential discussion between members, internal auditors and the external auditors, without members of executive management being present.

The committee meets twice annually, with special meetings called as required. The committee held two meetings during the financial year under review and attendance was as follows:

	26 May 2020	**12 November 2020**
M H Ahmed	√	√
K F Mahloma	√	√
N B Jappie	√	√

√ *In attendance*

Audit committee fees
Fees paid to the committee members are disclosed in note 14.

Evaluation of the audit committee
The effectiveness of the committee is assessed as part of the annual board and committee self-evaluation processes and the chairperson of the committee attends all statutory shareholder meetings to answer any questions on the committee's activities.

Functions and responsibilities of the audit committee
The audit committee has discharged the functions in terms of its charter and ascribed to it in terms of the Companies Act as follows:

Reporting function

- Reviewed the interim results announcement, annual financial statements and integrated annual report, culminating in a recommendation to the board to adopt them.
- Reviewed and approved the appropriateness of the accounting policies and practices.
- Ensured compliance with International Financial Reporting Standards, including consistent application to all periods as presented in the consolidated financial statements.
- Evaluated and determined the effectiveness of the Company's internal control systems.
- Reviewed legal matters that could have a significant impact on the Company's financial statements.
- Reviewed the requirements of King IV and instances where the King IV requirements have not been applied, have been explained in the Corporate Governance Report.
- Considered the JSE's most recent report on the proactive monitoring of financial statements, and where necessary, those of previous periods. The committee has taken appropriate action to respond to the findings as highlighted in the JSE's report when preparing the annual financial statements for the year ended 31 March 2021.

- In accordance with paragraph 3.84(g)(ii) of the JSE Listings Requirements, the committee further confirms that the company has established appropriate financial reporting procedures and that those procedures are operating effectively.

External audit function

- Reviewed the external audit reports on the consolidated financial statements.
- Nominated the external auditor for appointment by the shareholders.
- Monitored and reported on the independence of the external auditor.
- Approved the budgeted audit fees, audit plan and engagement terms of the external auditor.
- Determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services by the external auditor.
- Determined that the audit firm and designated auditor is accredited as such on the JSE list of auditors and advisers.
- Reviewed any key audit matters identified by the external auditor and is satisfied that it has been adequately addressed.

Finance function

- Considered the expertise and resources of the finance function, as well as the experience of the senior members of management responsible for the financial function.
- Considered the expertise and experience of the financial director.

Internal audit function

- Oversaw the functioning of the internal audit department and performance assessment of the head of internal audit, including the representative of the outsourced internal audit function.
- Approved the annual internal audit plan and monitored the progress thereof.

Independent external audit

The audit committee reviewed a representation by the external auditor and, after conducting its own review, confirmed the expertise and objectivity of PwC as the external auditor and noted Mr A Hugo as the designated auditor for the year under review. The external auditor has unrestricted access to the Company's records and management and furnishes a written report to the committee on significant findings arising from the annual audit. The committee is satisfied that the external auditor is independent of Deneb as set out in Section 94(8) of the Companies Act and suitable for reappointment at the annual general meeting by considering, inter alia, the information stated in paragraph 22.15(h) of the JSE Ltd Listings Requirements.

Internal audit and internal control

The outsourced internal audit function is an independent and objective assurance and consulting function that adds value and improves the operations of the Company. It assists to accomplish objectives by evaluating and improving the adequacy and effectiveness of risk management, internal control and governance processes. The internal audit function reports functionally to the chairperson of the audit committee, but administratively to the financial director.

A risk-based approach has been applied to develop the annual internal audit plan. The internal audit plan:

- is formally approved by the audit committee;
- is formulated by considering key risk factors as identified through ongoing risk assessments, but also incorporating any additional matters identified by management and the audit committee;
- considers the evaluation of governance processes, operational and financial processes and associated controls in accordance with the combined assurance model;
- assesses the internal financial controls; and
- is reviewed to consider new risk areas as the business evolves.

Any material or significant control weaknesses are brought to the attention of management and the audit committee.

Expertise and financial experience of financial director and finance function

The audit committee is satisfied that in terms of paragraph 3.84(g)(i) of the JSE Ltd Listings Requirements the expertise and experience of the financial director is appropriate to meet the responsibilities of the position. This is based on the qualifications, continuing professional education and the committee's assessment of the financial knowledge and levels of experience of the financial director.

Audit Committee Report

The committee has reviewed the resources of the finance function, the experience of the senior members of management responsible for the financial function and has concluded that the function is performing adequately in terms of the requirements of the audit committee.

Approval of the audit committee report

The committee confirms that it has functioned in accordance with its terms of reference for the 2021 financial year and complied with all statutory and regulatory responsibilities.

Mohamed Ahmed
Chairperson

26 July 2021

Independent auditor's report

To the Shareholders of Deneb Investments Limited

Report on the audit of the separate financial statements

Our opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Deneb Investments Limited (the Company) as at 31 March 2021, and its separate financial performance and its 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.

What we have audited

Deneb Investments Limited's separate financial statements set out on pages 14 to 38 comprise:

- the separate statements of financial position as at 31 March 2021;
- the separate statements of profit or loss and comprehensive income for the year then ended;
- the separate statements of changes in equity for the year then ended;
- the separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the separate financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).*

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled “Deneb Investments Limited Separate Annual Financial Statements for the year ended 31 March 2021” and “Deneb Investments Limited Integrated annual report 2021”, which includes the Directors’ Report, the Audit Committee’s Report and the Declaration by Company Secretary as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor’s report thereon.

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

In connection with our audit of the separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the separate financial statements

The directors are responsible for the preparation and fair presentation of the 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s responsibilities for the audit of the separate financial statements

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

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 Deneb Investments Limited for 4 years.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: JA Hugo
Registered Auditor
Cape Town
26 July 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH

		2021	2020
	Notes	R000's	R000's
Revenue		**160 000**	111
Gross profit		**160 000**	111
Administrative and other expenses		**(2 752)**	(1 910)
Operating profit / (loss) before impairment	**3**	**157 248**	(1 799)
Impairment Reversal / (Impairment) of assets	**4**	**27 086**	(88 522)
Operating profit / (loss) before finance costs		**184 334**	(90 321)
Finance Expense		**-**	-
Profit / (Loss) before taxation		**184 334**	(90 321)
Taxation	**5**	**-**	-
Profit / (Loss) for the year		**184 334**	(90 321)
Other comprehensive profit for the year, net of related tax		**-**	-
Total comprehensive income / (loss) for the year		**184 334**	(90 321)
Basic earnings / (loss) per share from operations – cents		**42,36**	(20,78)
Diluted earnings / (loss) per share from operations - cents		**42,36**	(20,78)

STATEMENT OF FINANCIAL POSITION

AT 31 MARCH

	Notes	2021 R000's	2020 R000's
Assets			
Non-current assets		**1 184 114**	1 354 632
Investment in subsidiary companies	**6, 18**	**1 173 383**	1 176 122
Loan to subsidiary companies	**7**	**-**	168 130
Financial asset at fair value through other comprehensive income	**8**	**4 237**	4 237
Share incentive receivable	**9, 17**	**6 494**	6 143
Current assets		**342 681**	2 429
Trade and other receivables	**10**	**239**	214
Loan to subsidiary company	**7**	**342 436**	2 000
Cash and cash equivalents		**6**	215
Non-current assets held for sale	**19**	**-**	-
Total assets		**1 526 795**	1 357 061
Equity and liabilities			
Total equity		**1 526 395**	1 356 691
Stated capital	**11**	**1 459 387**	1 457 584
Reserves		**67 008**	(100 893)
Current liabilities		**400**	370
Trade and other payables	**13**	**400**	370
Total equity and liabilities		**1 526 795**	1 357 061

STATEMENT OF CHANGES IN EQUITY

AT 31 MARCH

Rand thousands	Notes	Stated Capital	Retained Income	Total
Balance 31 March 2019		**1 456 238**	**7 541**	**1 463 779**
Total comprehensive loss		**-**	**(90 321)**	**(90 321)**
Loss for the year		**-**	**(90 321)**	**(90 321)**
Other comprehensive income for the year		**-**	**-**	**-**
Transactions recognised directly in equity				
Share scheme - reduction in investment in underlying subsidiaries	**16**	**-**	**(3 749)**	**(3 749)**
- options exercised	**16**	**1 346**	**(1 346)**	**-**
Distribution to shareholders		**-**	**(13 018)**	**(13 018)**
Balance 31 March 2020		**1 457 584**	**(100 893)**	**1 356 691**
Total comprehensive profit		**-**	**184 334**	**184 334**
Profit for the year		**-**	**184 334**	**184 334**
Other comprehensive income for the year		**-**	**-**	**-**
Transactions with owners recognised directly in equity				
Share scheme - increase in investment in underlying subsidiaries	**16**	**-**	**2 777**	**2 777**
- options exercised	**16**	**1 803**	**(1 803)**	**-**
Distribution to shareholders		**-**	**(17 407)**	**(17 407)**
Balance 31 March 2021		**1 459 387**	**67 008**	**1 526 395**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH

	2021 R000's	2020 R000's
Net cash flow from operating activities	**157 253**	3 591
Profit / (Loss) before dividends received	**24 334**	(90 432)
Dividend received	**160 000**	111
Adjustments for:		
- Impairment of assets	**(27 086)**	88 522
Changes in:		
- Trade and other receivables	**(25)**	6 008
- Trade and other payables	**30**	(618)
Net cash flow from investing activities	**(142 832)**	9 592
Investment in subsidiary companies	**(1 909)**	(30 593)
Repayment of subsidiary loan	**51 163**	32 485
Loan advance to subsidiary	**(191 735)**	-
Share incentive receivable	**(351)**	7 700
Net cash flow from financing activities	**(14 630)**	(13 018)
Issue of shares	**2 777**	-
Distribution paid	**(17 407)**	(13 018)
Net change in cash and cash equivalents	**(209)**	165
Cash and cash equivalents at beginning of the year	**215**	50
Cash and cash equivalents at end of the year	**6**	215

1. Accounting policies

Deneb Investments Limited (the company) is a company domiciled in South Africa. The Company's registered office is on 5th floor, Deneb House, 368 Main Road, Observatory, 7925, Cape Town.

1.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the International Financial Reporting Interpretations Committee ("IFRIC") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the JSE listing requirements and the requirements of the South African Companies Act.

1.2 Basis of preparation

The financial statements are presented in South African Rand, which is the company's functional currency, rounded to the nearest thousand. They have been prepared on the going concern and historical cost bases under IFRS.

The financial statements of Deneb Investments Limited have been audited in terms of section 30 of the Companies Act and were prepared under the supervision of the Financial Director, Mr G Wege CA (SA).

1.3 Financial instruments

Initial recognition
Financial instruments are initially recognised at fair value for those instruments not measured at fair value through profit or loss, directly attributable transaction costs are included on initial measurement. Subsequent to initial recognition financial instruments are measured as described below.

Measurement
Subsequent to initial recognition these instruments are measured as follows:

Investments
Listed investments classified as financial asset at fair value through profit or loss, which is calculated by reference to stock exchange quoted selling prices at the close of business at the reporting date. Unlisted investments are shown at fair value, unless their fair value cannot be reliably determined, in which case they are shown at cost less accumulated impairment losses. Gains and losses are recognised in OCI except for impairment losses, which are expensed in profit or loss.

Trade, long-term and other receivables
Trade and other receivables are classified as financial assets in accordance with the provisions of IFRS 9 and continued to be stated at amortised cost.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits and are measured at amortised cost.

Financial liabilities, trade and other payables
Non-derivative financial liabilities are recognised at amortised cost using the effective interest method, comprising original debt less principal payments and amortisations.

Derecognition
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial asset/liability, any difference between carrying amount extinguished and the consideration paid is recognised in profit or loss.

1.4 Investments

Listed investments classified as financial asset at fair value through profit or loss, which is calculated by reference to stock exchange quoted sellin prices at the close of business at the reporting date. Unlisted investments are shown at fair value, unless their fair value cannot be reliabl determined, in which case they are shown at cost less accumulated impairment losses. Investment in subsidiaries comprise investments i subsidiaries and intra group loans and are accounted for at cost less any identified impairment loss.

1.5 Impairments

The Company has trade and other receivables that are subject to IFRS 9's new expected credit loss model and was required to revise its impairment methodology under IFRS 9.

Trade, long-term and other receivables
Trade and other receivables classified as financial assets in accordance with the provisions of IFRS9 and continued to be stated at amortised cost less impairment losses. For receivables and or contract assets that do not contain a significant financing component, the loss allowance is measured at initial recognition and throughout its life at an amount equal to lifetime expected credit losses (ECL).
Loans to group companies are classified as financial assets subsequently measured at amortised cost. Amortised cost is the amount recognised on the loan initially, minus principal repayments, adjusted for any loss allowance. The company applies the general impairment approach to measure ECL for loans receivable. The company assesses at the end of each reporting period whether the credit risk on a financial instrument has increased significantly since initial recognition. In the event of a significant increase in credit risk since initial recognition, the company recognises an allowance (or provision) for ECL resulting from all possible default events over the expected life of the financial instrument (lifetime ECL). Financial assets where 12-month ECL is recognised are considered to be 'stage 1'; financial assets which are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment are considered to be in default, or otherwise credit-impaired, are in 'stage 3'. The measurement of ECL under the general impairment approach reflects a probability-weighted outcome, the time value of money and the best forward-looking information available to the company. The probability-weighted outcome incorporates the probability of default, exposure at default, timing of when default is likely to occur and loss given default.

Impairment
The Company applies the simplified approach permitted by IFRS 9 in determining provision on impairment allowances for receivables. This approach requires expected losses to be recognised from initial recognition of all receivables based on the lifetime expected credit losses and therefore the Company doesn't track whether there has been an increase in significant credit risk associated with these balances.

The Company considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-to-maturity investment securities) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.
An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Investments in subsidiaries
If an investment in a subsidiary is impaired, the difference between its carrying value and recoverable amount is recognised in profit and loss. An impairment loss in respect of investment in subsidiary companies is calculated as the difference between the acquisition cost and the recoverable amount of the instrument. The recoverable amount for non-operating companies is calculated as the fair value of the underlying assets and for operating companies the value in use.

The Company considers a financial asset in default when payment terms are exceeded. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.6 Revenue

Dividend Income
Dividend income from investments is recognised when the right to receive payment is established. Dividend income falls outside of the scope of IFRS 15 and therefore had no impact on transition.

1.7 Employee benefits

Equity settled
Share-based transactions where the Company grants rights to its equity instruments directly to the employees of its subsidiaries are classified as equity-settled.
The fair value of the share options are measured using an Actuarial Binomial Model. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility (based on an evaluation of the company's historic volatility, particularly over the historic period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

The fair value adjustment is an increase to the Company's investment in subsidiary at the time it recognises the equity settled share based payment with a corresponding increase in equity. The share based payment transaction is recognised over the period in which the employee renders the related service to its subsidiary company.

Recharge-arrangement
A recharge arrangement exists whereby the subsidiary is required to fund the difference between the exercise price on the share right and the market price of the share at the time of exercising the right. The recharge arrangement is accounted for separately from the underlying equity-settled share based payment. The fair value of the recharge asset at the reporting dates is based on a cash-settled based payment (by analogy).

On initial recognition the Company recognises a corresponding share scheme settlement asset at fair value and a corresponding adjustment to the carrying amount of the investment in subsidiary.

Subsequent to initial recognition, the recharge arrangement is measured at fair value at each subsequent reporting date until settlement date to the extent vested. Where the settlement provision recognised is greater than the investment in subsidiary, the excess is recognised as a dividend received.

1.8 Dividends to shareholders

Dividends are accounted for in the period in which the dividends are declared.

1.9 Income tax

Dividend tax

Income tax comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or other comprehensive income.
Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Dividends withholding tax is a tax on shareholders receiving dividends and is applicable to all dividends declared on or after 1 April 2012. The Company withholds dividends tax on behalf of its shareholders at an appropriate rate on dividends declared. Amounts withheld are not recognised as part of the Company's tax charge but rather as part of the dividend paid recognised directly in equity.
Where withholding tax is withheld on dividends received, the dividend is recognised at the gross amount with the related withholdings tax recognised as part of tax expense unless it is otherwise reimbursable in which case it is recognised as an asset.

2. Use of judgements and estimates

Judgements and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in the fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If inputs used to measure the fair value of an asset or a liability might be categorised in the different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 7 - Other investments

Note 16 - Share-base payment arrangements

3. Operating profit/(loss) before impairments

	2021	2020
	R000's	R000's
The following items have been taken into account in determining		
Income		
Dividends received	**160 000**	111
- Prima Toy and Leisure Group Pty Ltd	160 000	-
- Business Partners Ltd	-	111
Administrative and other expenses		
Audit fees	**(882)**	(780)

4. Impairment of assets

	2021 R000's	2020 R000's
The following impairments were reversed / (recognised) during the year:		
Total Impairment Reversal / (Impairment)	**27 086**	**(88 522)**
- Impairment of investment in subsidiary companies	(4 649)	(88 522)
- Loan impairment reversal	31 735	-

Impairment testing

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

The company has performed impairment testing on all cash-generating units ("CGU's") where there is an indication that they may be impaired or impairment should be reversed.

For the purposes of determining the CGU's of the Group, the guidelines as per IAS 36 were followed and the below considerations were given:

- how the company reports its financial management accounts;
- how management make day-day operational decisions; and
- how management makes decisions about continuing with or disposing of the entity's assets.

CGU's where there is an indication that they may be impaired or impairment reversal
For impairment testing in line with IAS 36, the recoverable amount of a CGU was determined based on the higher of fair value less costs to sell, or value-in-use calculation, as appropriate.

Value-in-use estimations have been used to determine the recoverable amount for continuing CGUs.

Value-in-use calculation uses cash flow projections approved by management. These cash flow forecasts cover five years, and the cash flows after the forecast period are extrapolated into the future over the useful life of the CGU, using steady-growth rate, which is consistent with that of the industry and country.

In determining value-in-use, projected cash flows are discounted using the entity-specific pre-tax discount rate. Projected cash flows were adjusted for each CGUs specific risks. The pre-tax discount rate was calculated as 17.23% (2020: 15.86%) for the current period with a terminal value growth rate of 4.5% (2020: 4.5%).

Key assumptions	How determined
Gross profit margins	Based on most recent performance and adjusted for:
	• Future business plans • Margins are expected to grow in line with the long-term growth rate • Impact of Covid-19 pandemic crisis on economy
Long-term growth rate	The long-term growth rate into perpetuity has been determined as the long-term annual inflation rate.
Pre-tax risk-adjusted discount rate	The discount rate applied to the cash flows of each of the Group's operations is based on the weighted average cost of capital of the Group, which comprises of debt and equity. The risk-free rate used is the yield on R186 government bonds. These rates are adjusted for a risk premium to reflect both the increased risk of the specific company.

Expected future cash flows are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including production estimates, economic factors such as commodity prices, discount rates, currency exchange rates and estimates of costs to produce. Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amounts to exceed their recoverable amount.

Impairments recognised / (reversed) during the year are attributed to the following operations:

	Recoverable amount R000's	Valuation method	Description of CGU
Officebox	-	Value-in-use	Business operation comprising assets and liabilities
New Just Fun	-	Value-in-use	Business operation comprising assets and liabilities

Officebox

Impairment losses recognised due to the investment written down to its recoverable amount resulting in impairment losses of R4.6 million.

New Just Fun

Impairment losses reversed due to the recovery of loan funding previously assessed as irrecoverable resulting in impairment reversal of R31.7 million.

The losses in Officebox were driven by challenging trading and economic conditions, compounded by the Covid-19 pandemic crisis and the effects it has on the economic outlook. Management has reassessed the value of this investment based on lower than previously anticipated projected cash flows. The impairment reversal in New Just Fun relates to the recovery of loan funding previously assessed as irrecoverable.

Impairments recognised in the prior year are attributed mainly to the following operations:

	Recoverable amount R000's	Valuation method	Description of CGU
HTIC	29 252	Value-in-use	Business operation comprising assets and liabilities
New Just Fun	-	Value-in-use	Business operation comprising assets and liabilities

The investments were written down to the their recoverable amounts, being the fair value as follows:

HTIC

Impairment losses recognised with respect to its investment in Oops Global SA which was written off in its entirety resulting in impairment losses of R48,7 million.

New Just Fun

Impairment losses recognised due to the investment written down to its recoverable amount resulting in impairment losses of R39,8 million.

5. Taxation

	2021 R000's	2020 R000's
South African Normal Taxation		
Current	**-**	-
	-	-
Reconciliation between actual and		
Profit / (loss) for the year	**184 334**	(90 321)
Non-deductible expense / Non-taxable	**(184 334)**	90 321
	-	-

6. Investment in subsidiaries

Shares at cost, less impairment	**1 173 383**	1 176 122
Shares at cost	**1 254 381**	1 284 205
Net impairments	**(80 998)**	(108 083)

7. Loan to subsidiary company

Loan to subsidiary companies	**342 436**	170 130
Current portion	**342 436**	2 000
Non-current portion	**-**	168 130

The company has a demand loan from Sargas Proprietary Limited (a 100% held subsidiary). The loan is interest-free and there are no fixed terms of repayment. An assessment was performed on the ECL considerations on the loan to subsidiary's and the risk/outcome was immaterial. This is due to the fact that Sargas has sufficient liquid credit facilities available and on hand to settle the loan.

8. Financial asset at fair value through other comprehensive income

	2021 R'000	2020 R'000
Business Partners Limited (unlisted)	**4 237**	4 237

	Number of shares	Number of shares
Business Partners Limited (unlisted)	**605 220**	605 220

	R'000	R'000
Investments are classified as financial asset at fair value through other comprehensive income and are reconciled as follows:		
Opening balance	**4 237**	4 237
Revaluations	-	-
Closing balance	**4 237**	4 237

9. Long-term receivables

Share incentive scheme receivable.	**6 494**	6 143
	6 494	6 143

The beneficiary's employer is obliged to refund the purchase price of these shares when shares are issued in terms of the share scheme.

Refer to note 17 for further details.

10. Trade and other receivables

Prepaid Expenditure	**239**	214
	239	214

11. Stated capital

(a) Authorised

10 000 000 000 (2020: 10 000 000 000) ordinary shares at no par value	-	-
Each ordinary share has the right to 1 vote at general meetings		

(b) Issued stated capital

435 181 373 (2020: 434 682 934) ordinary shares of no par value	**1 459 387**	1 457 584
Balance at beginning of year 434 682 934 (2020: 433 926 735)	**1 457 584**	1 456 238
Issued during the year 498 439 (2020: 756 199)	**1 803**	1 346

All shares are fully paid.

Issue of shares

Current period
During the period 498 439 (2020: 756 199) shares were issued in terms of the share incentive scheme.

Reserved under options – see note 17

42 862 171 ordinary shares of no par value each have been placed under the control of the directors, who are authorised to allot and issue all or any or such shares in accordance with the terms and conditions of the 2017 Deneb Share Incentive Scheme.

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

12. Financial instruments

Financial risk management

Overview
Effective risk management is integral to the company's objective of consistently adding value to the business. The focus of risk management is on identifying, assessing, managing and monitoring risk. Exposure to credit risk, liquidity risk and market risk is in the normal course of the company's business.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework.

Financial risk management

Interest rate management: The company is exposed to interest rate risk as it borrows and places funds on the money market. This risk is managed by maintaining an appropriate mix of fixed and daily call placements with reputable financial institutions.

Capital management: The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital base of the business is viewed as being the total equity R1 499 million (2020: R1 356 million).

Credit risk on loans to subsidiary companies: The Company is exposed to credit risk to subsidiary companies totalling R342m (2020: R170m). The risk is managed by reviewing the solvency and liquidity of the subsidiaries on a bi-annual basis.

	2021 **R'000**	2020 R'000
Categories of financial assets The carrying amount of financial assets, which also represent the maximum credit exposure and reasonably approximate their fair values, are as follows:		
Financial asset at fair value through other comprehensive income	**4 237**	4 237
Financial assets at fair value through profit or loss	**6 494**	6 143
Financial assets at amortised cost	**342 436**	170 130
	353 167	182 510

Reconciliation with line items presented in the statement of financial position:

	Notes	**Financial assets at amortised cost** **R000's**	**Financial assets at fair value through profit or loss** **R000's**	**Financial asset at fair value through other comprehensive income** **R000's**	**Non financial assets** **R000's**	**Total** **R000's**
2021						
Financial asset at fair value through other comprehensive income	**8**	**-**	**-**	**4 237**	**-**	**4 237**
Share scheme receivable	**9**	**-**	**6 494**	**-**	**-**	**6 494**
Trade and other receivables	**10**	**-**	**-**	**-**	**239**	**239**
Loans receivable from subsidiaries	**7**	**342 436**	**-**	**-**	**-**	**342 436**
Cash and cash equivalents		**6**	**-**	**-**	**-**	**6**
		342 442	**6 494**	**4 237**	**239**	**353 412**
2020						
Financial asset at fair value through other comprehensive income	8	-	-	4 237	-	4 237
Share scheme receivable	9	-	6 143	-	-	6 143
Trade and other receivables	10	-	-	-	214	214
Loans receivable from subsidiaries	7	170 130	-	-	-	170 130
Cash and cash equivalents		215	-	-	-	215
		170 345	6 143	4 237	214	180 939

	2021 **R'000**	2020 R'000
Categories of financial liabilities		
The carrying amount of financial liabilities, which also reasonably approximate their fair values are as follows:		
Measured at amortised cost	**400**	370
	400	370

Reconciliation with line items presented in the statement of financial position:

	Measured at amortised cost R'000	Non financial liability R'000	Total R'000
2021			
Trade and other payables	**400**	**-**	**400**
	400	**-**	**400**
2020			
Trade and other payables	370	-	370
	370	-	370

Maturity profile of financial instruments
Maturity profile of financial assets and liabilities at 31 March 2020 is summarised as follows:

R000's	**0 – 12 months**	**1 – 2 years**	**3 – 5 years**	**Over 5 years**	**Total**
2021					
Assets					
Financial asset at fair value through other comprehensive income	**-**	**4 237**	**-**	**-**	**4 237**
Share scheme receivable	**-**	**6 494**	**-**	**-**	**6 494**
Loans receivable from subsidiaries	**342 436**	**-**	**-**	**-**	**342 436**
Cash and cash equivalents	**6**	**-**	**-**	**-**	**6**
Total financial assets	**342 442**	**10 731**	**-**	**-**	**353 412**
Liabilities					
Trade and other payables	**(400)**	**-**	**-**	**-**	**(400)**
Total financial liabilities	**(400)**	**-**	**-**	**-**	**(400)**
Net financial (liabilities)/assets	**1 606**	**351 406**	**-**	**-**	**353 012**

R000's	0 – 12 months	1 – 2 years	3 – 5 years	Over 5 years	Total
2020					
Assets					
Financial asset at fair value through other comprehensive income	-	4 237	-	-	4 237
Share scheme receivable	-	6 143	-	-	6 143
Loans receivable from subsidiaries	2 000	168 130	-	-	170 130
Cash and cash equivalents	215	-	-	-	215
Total financial assets	2 215	178 510	-	-	180 725
Liabilities					
Trade and other payables	(370)	-	-	-	(370)
Total financial liabilities	(370)	-	-	-	(370)
Net financial (liabilities)/assets	1 845	178 510	-	-	180 355

Fair value of financial instruments
The fair value of short-term financial assets and liabilities approximate their carrying values as disclosed in the statement of financial position.

Fair value hierarchy
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 (i.e., as prices) or indirectly (i.e., derived from prices)
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measure at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying value					Fair value			
		Financial assets at amortised costs	**Financial assets at fair value through profit or loss**	**Financial asset at fair value through other compre-hensive income**	**Financial liabilities at amortised costs**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
	Notes	**R000's**	**R000's**	**R000's**	**R000's**	**R000's**	**R000's**	**R000's**	**R000's**	**R000's**
2021										
Financial assets measured at fair value										
Equity securities	**7**	**-**	**-**	**4 237**	**-**	**4 237**	**-**	**4 237**	**-**	**4 237**
Share scheme receivable	**8**	**-**	**6 494**	**-**	**-**	**6 494**	**-**	**6 494**	**-**	**6 494**
Financial assets not measured at fair value										
Loans receivable from subsidiaries	**6**	**342 436**	**-**	**-**	-	**342 436**	**-**	**-**	**-**	**342 436**
Financial liabilities not measured at fair value										
Trade and other payables		-	**-**	-	**(400)**	**(400)**	**-**	**(400)**	**-**	**(400)**
		342 436	**6 494**	**4 237**	**(400)**	**352 767**	**-**	**10 331**	**-**	**352 767**
2020										
Financial assets measured at fair value										
Equity securities	7	-	-	4 237	-	4 237	-	4 237	-	4 237
Share scheme receivable	8	-	6 143	-	-	6 143	-	6 143	-	6 143
Financial assets not measured at fair value										
Loans receivable from subsidiaries	6	170 130	-	-	-	170 130	-	-	-	170 130
Financial liabilities not measured at fair value										
Trade and other payables		-	-	-	(370)	(370)	-	(370)	-	(370)
		170 130	6 143	4 237	(370)	180 140	-	10 010	-	180 140

Reclassification of financial assets

No financial assets were reclassified from fair value to at cost or amortised cost or vice-versa during the year.

Pledges of financial assets

No financial assets pledged as collateral for liabilities or contingent liabilities.

Determination of fair value for financial assets and liabilities

Market risk is the risk that changes in the market prices such as foreign exchange rates and equity prices will affect the Company's income.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Adequate liquidity is managed through the use of cash flow forecasts and by the maintenance of adequate borrowing facilities.

13. Trade and other payables

	2021 R'000	2020 R'000
Accruals and other current liabilities	**400**	370
	400	370

14. Directors' emoluments

Name	Salary R'000	Bonus R'000	Retirement and medical contributions R'000	Share option expense R'000	Directors' fees R'000	Other benefits R'000	Total R'000
2021							
Executive Directors ***							
S. A. Queen* - (Chief Executive Officer)	4 725	1 242	-	2 904	-	-	8 871
A. M. Ntuli^	-	-	69	-	-	-	69
G. D. T. Wege	2 253	667	328	421	-	-	3 669
D. Duncan^^	3 206	200	-	-	-	-	3 406
Non-executive Directors							
J.A. Copelyn (Chairman)**	-	-	-	-	198	-	**198**
M. H. Ahmed	-	-	-	-	256	-	**256**
D. Duncan	-	-	-	-	35	-	**35**
T. G. Govender**	-	-	-	-	140	-	**140**
N. B. Jappie	-	-	-	-	198	-	**198**
K. F. Mahloma	-	-	-	-	198	-	**198**
A. M. Ntuli	-	-	-	-	57	-	**57**
Y. Shaik**	-	-	-	-	140	-	**140**
2020							
Executive Directors ***							
S. A. Queen* - (Chief Executive Officer)	4 669	1 198	-	1 719	-	-	7 586
A. M. Ntuli	966	98	241	-	-	-	1 305
G. D. T. Wege	2 207	619	322	-	-	-	3 148
D. Duncan	3 532	180	240	491	-	-	4 443
Non-executive Directors							
J.A. Copelyn (Chairman)**	-	-	-	-	193	-	**193**
M. H. Ahmed	-	-	-	-	250	-	**250**
T. G. Govender**	-	-	-	-	137	-	**137**
N. B. Jappie	-	-	-	-	193	-	**193**
K. F. Mahloma	-	-	-	-	146	-	**146**
Y. Shaik**	-	-	-	-	137	-	**137**
R Watson	-	-	-	-	33	-	**33**

* The salary of Mr SA Queen is included in the managerial services provided by HCI until 30 September 2020.

** Ceded to HCI

*** There is no distinction made in the remuneration packages of executive directors for services as directors and services for carrying on the business of the Company and/or subsidiary companies.

^ On 6 August 2020, Mr A.M. Ntuli stepped down as an executive director and assumed the role as non-executive director.

^^ On 31 December 2020, Mr D. Duncan retired as an executive director and assumed the role as a non-executive director.

Directors' interest in contracts is disclosed in note 15 (Related parties).

Additional disclosure in terms of the share options granted during the year:

2021

Deneb Investments Limited options	**Opening balance of share options 000's**	**Number of share options awarded during the year 000's**	**Number of shares exercised /forfeited 000's**	**Closing balance of share options 000's**	**Strike price of share options awarded during the year R**	**Exercised price of shares exercised R**
Executive Directors						
S. A. Queen	11 963	2 443	(1 714)	12 692	1.39	1.39
A. M. Ntuli	-	-	-	-	-	-
G. D. T. Wege	3 890	953	-	4 843	1.39	-
D. Duncan	7 672	1 405	(4 616)	4 461	1.39	1.39
Non-executive Directors						
J. Copelyn (Chairman)	-	-	-	-	-	-
M. H. Ahmed	-	-	-	-	-	-
T. G. Govender	-	-	-	-	-	-
L. Govender	-	-	-	-	-	-
N. B. Jappie	-	-	-	-	-	-
K. F. Mahloma	-	-	-	-	-	-
R. Watson	-	-	-	-	-	-
Y. Shaik	-	-	-	-	-	-

2020

Executive Directors						
S. A. Queen	9 672	2 290	-	11 963	1.81	-
A. M. Ntuli	316	100	(416)	-	1.81	-
G. D. T. Wege	2 802	1 088	-	3 890	1.81	-
D. Duncan	6 034	1 638	-	7 672	1.81	-
Non-executive Directors						
J. Copelyn (Chairman)	-	-	-	-	-	-
M. H. Ahmed	-	-	-	-	-	-
T. G. Govender	-	-	-	-	-	-
L. Govender	-	-	-	-	-	-
N. B. Jappie	-	-	-	-	-	-
R. Watson	-	-	-	-	-	-
Y. Shaik	-	-	-	-	-	-

The following table reflects the remuneration received by directors who also serve on the board of HCI and its subsidiaries for the year ended 31 March 2021:

Director	**Board fees R000's**	**Salary R000's**	**Other benefits R000's**	**Share option expense R000's**	**Bonus R000's**	**Total 31 March 2021 R000's**	**Total 31 March 2020 R000's**
J Copelyn	-	7 696	-	6 081	-	13 777	13 093
T Govender	-	2 003	-	2 629	-	4 632	4 338
Y Shaik	-	3 976	-	2 619	-	6 595	5 993
MH Ahmed	715	-	-	-	-	715	1 195
N Jappie	363	-	-	-	-	363	353
R Watson	-	-	-	-	-	-	1 318

15. Related parties

Transaction with Directors

Remuneration of directors

A share incentive has been implemented for key management personnel. See note 17 for further details.

Remuneration of directors are disclosed in note 14.

At the year end the directors (including their family interests) were directly or indirectly interested in the company's issued shares as follows:

	2021		2020	
Direct	6 200 197	1.4%	5 724 703	1.3%
Indirect	35 496 431	8.2%	34 974 552	8.0%

There have been no material changes to the date of this report.

Details of directors' beneficial direct and indirect interest in the ordinary shares are as follows:

	2021		2020	
	Direct	**Indirect**	**Direct**	**Indirect**
S Queen	4 042 518	327 052	3 681 358	270 642
G Wege	1 440 496	-	1 438 496	-
D Duncan	717 183	-	604 849	-
A M Ntuli	-	-	-	-
Y Shaik	-	405 684	-	47 344
N Jappie	-	-	-	-
K F Mahloma	-	-	-	-
T Govender	-	4 921 062	-	4 921 062
J Copelyn	-	29 836 182	-	29 735 504
	6 200 197	35 496 430	5 724 703	34 974 552

Transactions with subsidiary companies

During the year, in ordinary course of business, the company entered into transactions with its subsidiary companies.
Intra group loans are disclosed in note 7.

16. Contingencies

There are no material contingencies at the date of signing this report

17. Share incentive scheme

Basis of accounting

The 2014 Deneb Share Incentive Scheme was established on 10 October 2014. In addition, the 2017 Deneb Share Incentive Scheme was approved by shareholders and adopted by the Company and its subsidiaries on 1 November 2017. The terms and conditions of the 2017 Share Scheme are in all material aspects the same as the 2014 Share Scheme.

The Incentive Schemes provide selected employees with the opportunity to acquire ordinary shares in Deneb Investments Limited, thereby ensuring that such employees are encouraged and motivated to pursue continued growth and profitability.

In terms of the 2014 Share Scheme, 53 977 647 ordinary shares of no par value each have been placed under the control of the directors, and 42 862 171 ordinary shares of no par value for the 2017 Share Scheme. The directors are authorised to allot and issue all or any of such shares in accordance with the terms of conditions of the Share Incentive Scheme. Options are accounted for as equity-settled.

Equity-settled

During the financial year, 13 158 970 ordinary options (2020: 13 096 530) were allotted.

The exercise of the options by the employees is subject to meeting performance targets relating to profitability, as well as the continued employment of the employee as at the date on which the option is exercised, in which case the employee may exercise:

10 563 004 options issued on 27 January 2015 of which 5 803 500 are unexercised and vest as follows from the grant date:
- up to 10% of the option shares from the first anniversary of the option date
- up to a further 20% of the option shares from the second anniversary date
- up to a further 30% of the option shares from the third anniversary date; and
- the balance, namely 40% of the option shares, from the fourth anniversary date.

8 135 448 options issued on 29 June 2015 of which 5 339 043 are unexercised and vest as follows from the grant date:
- up to 10% of the option shares from the first anniversary of the option date
- up to a further 20% of the option shares from the second anniversary date
- up to a further 30% of the option shares from the third anniversary date; and
- the balance namely, 40% of the option shares, from the fourth anniversary date.

11 552 529 options issued on 30 June 2016 of which 8 194 740 are unexercised and vest as follows from the grant date:
- up to 10% of the option shares from the first anniversary of the option date
- up to a further 20% of the option shares from the second anniversary date
- up to a further 30% of the option shares from the third anniversary date; and
- the balance namely, 40% of the option shares, from the fourth anniversary date.

9 204 132 options issued on 26 June 2017 of which 7 333 957 are unexercised and vest as follows from the grant date:
- up to 10% of the option shares from the first anniversary of the option date
- up to a further 20% of the option shares from the second anniversary date
- up to a further 30% of the option shares from the third anniversary date; and
- the balance namely, 40% of the option shares, from the fourth anniversary date.

10 781 733 options issued on 18 June 2018 of which 8 780 605 are unexercised and vest as follows from the grant date:
- up to 10% of the option shares from the first anniversary of the option date
- up to a further 20% of the option shares from the second anniversary date
- up to a further 30% of the option shares from the third anniversary date; and
- the balance namely, 40% of the option shares, from the fourth anniversary date.

13 096 530 options issued on 4 July 2019 of which 10 190 422 are unexercised and vest as follows from the grant date:
- up to 10% of the option shares from the first anniversary of the option date
- up to a further 20% of the option shares from the second anniversary date
- up to a further 30% of the option shares from the third anniversary date; and
- the balance namely, 40% of the option shares, from the fourth anniversary date.

13 158 970 options issued on 30 June 2020 of which 11 754 121 are unexercised and vest as follows from the grant date:
- up to 10% of the option shares from the first anniversary of the option date
- up to a further 20% of the option shares from the second anniversary date
- up to a further 30% of the option shares from the third anniversary date; and
- the balance namely, 40% of the option shares, from the fourth anniversary date.

(i) Options in issue are as follows:

Option holder	**Grant date**	**Unexercised Options**	**Strike price** Cents	**Vesting conditions**	**Remaining life of option**
S.A. Queen					
	27 January 2015	1 091 401	168	Continued employment	3 years
	29 June 2015	1 591 233	162	Continued employment	3 years
	30 June 2016	2 343 944	137	Continued employment	4 years
	26 June 2017	1 441 713	132	Continued employment	5 years
	18 June 2018	1 489 586	194	Continued employment	3 years
	4 July 2019	2 290 642	177	Continued employment	4 years
	30 June 2020	2 443 035	135	Continued employment	5 years
Total for SA Queen		12 691 554			
G.D.T. Wege					
	29 June 2015	668 258	162	Continued employment	3 years
	30 June 2016	738 491	137	Continued employment	4 years
	26 June 2017	672 598	132	Continued employment	5 years
	18 June 2018	722 214	194	Continued employment	3 years
	4 July 2019	1 088 366	177	Continued employment	4 years
	30 June 2020	953 333	135	Continued employment	5 years
Total for GDT Wege		4 843 280			
D. Duncan	27 January 2015	1 564 245	168	Continued employment	3 years
	29 June 2015	891 388	162	Continued employment	4 years
	30 June 2016	981 939	137	Continued employment	4 years
	26 June 2017	1 023 672	132	Continued employment	5 years
Total for D Duncan		4 461 244			
Other, not being directors	27 January 2015	3 147 854	168	Continued employment	3 years
	29 June 2015	2 248 164	162	Continued employment	3 years
	30 June 2016	4 130 366	137	Continued employment	4 years
	26 June 2017	4 195 974	132	Continued employment	5 years
	18 June 2018	6 568 805	194	Continued employment	3 years
	4 July 2019	6 811 464	177	Continued employment	4 years
	30 June 2020	8 357 733	135	Continued employment	5 years
Total other		35 460 360			
Total options in issue		**57 456 438**			

Reconciliation of movements in options:

Number of options	2021	2020
Opening balance	54 838 085	44 628 668
Awarded during the period	13 158 970	13 096 530
Exercised during the period	(498 439)	(756 199)
Options used for strike price	(2 344 509)	(714 304)
Lapsed/forfeited during the period	(2 660 751)	(1 416 610)
Closing balance	57 456 438	54 838 085

	2021	2020
Number of options exercisable at year end	27 450 886	33 386 602
Expense/ (income) during the year (included in employment costs)	2 777 320	(3 748 764)
Value of shares issued during the year	1 802 837	1 345 865
Weighted average share price of share options exercised during the year	1,54	1,94

(iii) Valuation methodology

The fair value of the options granted was determined as follows:

A stochastic model, based on the standard “binomial” options pricing model (which is mathematically consistent with the Black-Schöles-Merton model), but allows for the particular features of employee share options to be modelled realistically, was used.

The key principles of the Black Schöles Model are incorporated into this Actuarial Binomial Model. They include:

- Risk-neutral valuation
- The underlying share price is assumed to follow a log-normal distribution of
- Stock returns are independently distributed
- A risk free return can be earned and is known in advance.
- The market is efficient and thus an investor cannot make risk-free profits
- The underlying share price follows a markov process – i.e. where the share price has been in the past does not have a bearing on where it will go in the future. All relevant information is contained in the share price at the grant date.

It follows then that if the Actuarial Binomial Model is being used to value a call option that:

- can only be exercised on a single date
- has no performance conditions or vesting period
- has a constant volatility and dividend yield throughout its life
- may not be forfeited

then the value produced by the Actuarial Binomial Model will be exactly equal to that produced by the Black-Schöles formula.

The inability of the Black-Schöles formula to value American options was remedied by Cox, Ross and Rubinstein who devised a binomial lattice technique for valuing share options using the underlying financial economic principles of Black, Schöles and Merton.

The binomial model has proved over time to be the most flexible, intuitive and popular approach to option pricing. It is based on the simplification that over a single period (of possibly very short duration), the underlying asset can only move from its current price to two possible levels.

Using the concept of hedging to replicate the option value at each step (using a combination of a risky and risk free asset), it is possible to calculate the value of the option by working recursively backwards from the expiry of the option.

The lattice provides a tremendously flexible framework for valuing employee share options. This is because the possible share price at each point over the option lifetime is considered. The framework also allows for the division of the option lifetime into distinct periods – e.g. vesting period, closed period and eligible exercise period

Valuation assumptions

The model used for valuing the employee share option arrangements requires a number of financial assumptions to be made.

The main assumptions together with a detailed description of the derivation of each of these assumptions have been set out below.

Share Price

The closing share price, as at the acceptance date of each option granted was used as available on I-Net Bridge.

Risk-free interest rate

IFRS 2 requires the use of a risk-free interest rate with a term equal to the expected lifetime of the option. The Nominal Bond Curve as completed by the Johannesburg Stock Exchange of South Africa and obtained from I-Net Bridge was used. The rates used in the valuation are based on the yield curve provided at the acceptance date of each option granted. The Nominal Bond Curve was determined by appropriate risk-free rate corresponding to the expected option lifetime of each grant.

Expected Option Lifetime

Our valuers have estimated the expected option lifetime by considering separately each of the tranches available within the grant. The expected lifetime was rounded to the nearest complete year.

Volatility of share price

Volatility is a measure of the amount by which a share price is expected to fluctuate during the lifetime of the option. The estimate of the expected volatility over the term of the option is a significant assumption needed in determining the fair value of an employee share option. To be consistent with the definition of volatility used in option pricing models and the requirements of IFRS 2 (Appendix B paragraph B22), an annualised standard deviation of the continuously compounded rates of return of theshare was used.

In terms of IFRS 2, some of the factors that need to be considered in estimating the expected volatility include:

- Paragraph B25 (b) – “The historical volatility of the share price over the most recent period that is generally commensurate with the expected term of the option”
- Paragraph B25 (d) – “The tendency of volatility to revert to its mean, i.e. its long-term average level, and other factors indicating that expected future volatility might differ from past volatility”

In order to estimate the share price volatility to be used in the valuation our valuers have considered the expected option lifetime of all the grants over the vesting period. As each grant is made up of 4 distinct tranches, being the staggered vesting periods, they have made use of the expected lifetime for each of these tranches.

Only share price data from 1 November 2008 has been considered due to the rights issue that occurred during October 2008.

Dividend yield

IFRS 2 requires an expected dividend or dividend yield to be taken into account in the valuation of share options in those arrangements where employees are not entitled to the dividend declared during the vesting period or the period before exercise. The dividend yield used should be the best estimate of the forward-looking dividend yield over the expected life of the option, determined at the grant date. A dividend yield assumption of 2.6% has been used.

Employee turnover

The main effect of allowing for employee turnover is that, in respect of the proportion of employees who are assumed to leave before the option (or part of the option) vests, the cost of that option (or part of the option) would be zero.

A forfeiture rate of 5% per annum compound during the vesting period has been assumed. Our valuers' experience has been that employee turnover for staff included in share option schemes is generally between 5% and 15% although acknowledging that this varies between industries and sectors.

It follows then that of the Actuarial Binomial Model is being used to value a call option that:

- can only be exercised on a single date
- has no performance conditions or vesting period
- has a constant volatility and dividend yield through its life
- may not be forfeited

Further, where an employee leaves during the exercise period, he is assumed to exercise immediately if the option is “in-the-money”. A withdrawal assumption of 5% per annum compound as above has again been used.

It should be noted that the assumption of employee turnover is a non-market condition and therefore in accordance with IFRS 2, is adjusted, during the period over which the expense is recognised (i.e. the vesting period). Each year, the employee turnover assumption should reflect the actual result of leavers in that year and to allow for the effect that actual experience would have on the future assumptions.

Ultimately at the end of the particular vesting period the actual number of options that eventually vest would need to have been expensed as an equity-settled share-based payment.

During the period over which the options vest, any differences in actual leavers to the assumption will be accounted for in profit or loss at the end of the vesting period on a true- up basis.

Exercise behaviour

Option valuation theory implies that the optimal time to exercise the option (and maximise value) is generally towards the end of the allowable exercise period. However, individual behaviour often results in employees exercising their options relatively early (especially after a sudden share price rise), provided the options are "in-the-money".

Our valuers have relied on a fairly general assumption for exercise behaviour based on internal investigations and a wide set of data provided by their international colleagues.

The following assumptions were used to reflect exercise behaviour in any given year:

- 1/3rd of Scheme participants will exercise their options when they are 20% "in-the-money" (i.e. the share price is equal to 120% of the offer price);
- 1/3rd of Scheme participants will exercise their options when they are 50% "in-the-money" (i.e. the share price is equal to 150% of the offer price); and
- the remaining 1/3rd of Scheme participants will exercise their options at the theoretically "optimal" time.

Share based receivable

Deneb granted rights (equity instruments) to the employees of its subsidiaries. Deneb requires the subsidiaries to make payment for the granting of these rights as the obligation falls due. This type of intragroup payment arrangement is commonly referred to as a "recharge arrangement".

Deneb adopted an accounting policy for the recharge arrangement by making use of the guidance in IFRS 2 relating to cash-settled share-based payments (by analogy). This meant the company determined the fair value of the recharge asset at the date that the recharge arrangement is entered into and will recognise the value over the vesting period. At each reporting date the recharge liability is remeasured.

The liability of this recharge arrangement is in the financial statements of the subsidiary companies and the corresponding receivable with the holding company, the liability and receivable will be eliminated on consolidation.

The same valuation methodology is followed as described for the options but applied specifically for cash-settled share-based payments as required by IFRS 2.

	2021 **R'000**	2020 R'000
Share-based receivable	**6 494**	6 143

Reconciliation of share-based receivable		
Opening balance	**6 143**	17 592
Options exercised	**(1 803)**	(1 346)
Recharge	**2 154**	(10 103)
Closing balance	**6 494**	6 143

18. Investment in subsidiary companies

Name of subsidiary companies

(Incorporated in the Republic of South Africa unless otherwise stated)

	Issued capital		% Interest		Shares at carrying value	
	2021	2020	**2021**	2020	**2021**	2020
Direct holdings			**%**	%	**R**	R
Brits Nonwoven Proprietary Limited	196	196	100.0	100.0	-	-
Prima Interactive Proprietary Limited	-	-	100.0	100.0	-	-
Brand ID International Proprietary Limited*	-	-	100.0	100.0	-	-
HTIC Limited – Hong Kong	5 700 100	5 700 100	100.0	100.0	29 252 309	29 252 309
Nyenye Clothing Manufacturers Proprietary Limited – Lesotho*	1 000	1 000	100.0	100.0	1 000	1 000
Prima Toy and Leisure Group Proprietary Limited	823 290	823 290	100.0	100.0	153 968 312	153 968 312
Sargas Proprietary Limited	2 500 050	2 500 050	100.0	100.0	596 461 962	596 461 962
Seardel Number 17 Proprietary Limited*	100	100	100.0	100.0	100	100
Seartec Proprietary Limited*	669 106	669 106	100.0	100.0	193 289 069	193 289 069
Seartec Trading Proprietary Limited	1 000	1 000	100.0	100.0	-	-
Clever Little Monkey Proprietary Limited	-	-	100.0	100.0	-	-
Officebox Proprietary Limited	17 300 000	17 300 000	89.3	89.3	-	4 648 514
eMonti Precision Assembly Proprietary Limited*	-	-	100.0	100.0	-	-
Ulko Active Wear Proprietary Limited	-	-	100.0	100.0	-	-
Blue Reef Water Solutions Proprietary Limited	-	-	100.0	100.0	-	-
Frame Knitting Manufacturers Proprietary Limited	-	-	100.0	100.0	-	-
Integrated Polypropylene Products Proprietary Limited	-	-	100.0	100.0	-	-
Romatex Home Textiles Proprietary Limited	-	-	100.0	100.0	-	-
Custom Extrusion Proprietary Limited	100	100	100.0	100.0	26 108 372	26 108 372
Sirius Sales Proprietary Limited (Previously The Kid Zone (Pty) Ltd)	120	120	100.0	100.0	120	120
Premier Rainwatergoods Proprietary Limited	-	-	100.0	100.0	40 134 440	40 134 440
New Just Fun Group Proprietary Limited	98	98	100.0	100.0	-	-
Formex Industries Proprietary Limited	100 001	100 001	100.0	100.0	105 058 000	105 058 000
Oops Global SA (Switzerland)	-	-	100.0	-	15	-
Adjust for share incentive scheme					29 109 093	27 200 258
Ordinary shares at carrying value					**1 173 382 793**	1 176 122 456

	% Interest		
Indirect holdings	**2021**	2020	**Holding Company**
Gold Reef Speciality Chemicals Proprietary Limited	**100.0**	100.0	Sargas Proprietary Limited
Oops Global SA (Switzerland) ***	**-**	96.4	Deneb Investments Limited (2020: HTIC Limited)
Prima Toy and Leisure Trading Proprietary Limited	**100.0**	100.0	Prima Toy and Leisure Group Proprietary Limited
Seartec Industries Proprietary Limited*	**100.0**	100.0	Seartec Proprietary Limited
Formex Tubing Proprietary Limited	**100.0**	100.0	Formex Industries Proprietary Limited
Autotube Manufacturing Proprietary Limited*	**100.0**	100.0	Formex Industries Proprietary Limited
Philmec Proprietary Limited*	**100.0**	100.0	Autotube Manufacturing Proprietary Limited
Tubeworx Proprietary Limited*	**100.0**	100.0	Formex Industries Proprietary Limited

* Dormant

** HTIC issued 1 700 000 additional shares of R24,4m during the year (2019: R14,5m)

*** HTIC increased its shareholding in Oops Global SA to 100%, following which Deneb acquired the company. In the prior year, HTIC increased its shareholding in Oops Global SA from 86.4% to 96.4%.

19. Events after the reporting period

On 30 April 2021, the company sold its shareholding in Officebox (Pty) Ltd for a purchase consideration equal to the carrying value of the shares.

The unrest during the month of July 2021 meant that the Group's Durban-based operations were closed for a full week to protect staff and assets. We managed to get through it largely unscathed and do not foresee a material impact on the value of the Company's underlying investments.

The directors are not aware of any other material fact or circumstances arising between the end of the financial year and the date of this report that would require adjustments to the financial statements.

20. New standards

There are no new standards, amendment to standards or interpretations effective in future reporting periods which are considered to have a significant effect on these financial statements.

- Amendment to IAS 1, Presentation of financial statements and IAS 8, 'Accounting policies, changes in accounting estimates and errors' on the definition of material (effective on or after 1 January 2020). These amendments to IAS 1 and IAS 8 and consequential amendments to other IFRSs:
  - use a consistent definition of materiality through IFRSs and the Conceptual Framework for Financial Reporting;
  - clarify the explanation of the definition of material ; and
  - incorporate some of the guidance in IAS 1 about immaterial information.

  The amended definition is: "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."
- Amendment to IFRS 3, Business combinations - Definition of a business (effective on or after 1 January 2020). This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations. More acquisitions are likely to be accounted for as asset acquisitions. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present (including for early stage companies that have not generated outputs). To be a business without outputs, there will now need to be an organised workforce.
  The aggregate impact of the initial application of the new effective standards and interpretations on the company's annual financial statements is immaterial. Standards, interpretations and amendments to published standards not yet effective.

  The following standards, interpretations and amendments to published standards, which are compulsory for periods beginning on or after 1 March 2021, should not apply to the future accounting periods of the Company:

- IFRS 16, Leases COVID-19-Related Rent Concessions Amendment (effective from 1 June 2020). The IASB has provided lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification, provided that the concession meets certain conditions. Lessees can elect to account for qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as a variable lease payment.

- Amendment to IAS 1, Presentation of Financial Statements on Classification of Liabilities as Current or Non-current (effective from 1 January 2022). The amendment clarifies that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant).

- Amendments to IFRS 3, Business combinations (effective from 1 January 2022). The Board has updated IFRS 3, Business combinations, to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, the Board added a new exception in IFRS 3 for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, Provisions, Contingent Liabilities and Contingent Assets, or IFRIC 21, Levies, rather that the 2018 Conceptual Framework. The Board has also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.

- Amendments to IAS 16, Property, Plant and Equipment, on Proceeds before Intended Use (effective from 1 January 2022). The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss.

- Amendments to IAS 37, Provisions, Contingent Liabilities and Contingent Assets on Onerous Contracts - Cost of Fulfilling a Contract (effective from 1 January 2022). The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.

- Annual improvements to IFRS's - 2018-20 cycle (effective on or after 1 January 2022). These amendments include minor changes to: 1) IFRS 1, First Time Adoption of IFRS, has been amended for a subsidiary that becomes a first time adopter after its parent. The subsidiary may elect to measure cumulative translation differences for foreign operations using the amounts reported by the parent at the date of the parent's transition to IFRS. 2) IFRS 9, Financial Instruments, has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation. 3) IFRS 16, Leases, amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives. 4) IAS 41, Agriculture, has been amended to align the requirements for measuring fair value with those of IFRS 13. The amendment removes the requirement for entities to exclude cash flows for taxation when measuring fair value.

Management do not anticipate that any of these changes would have a material impact on the financial statements of the company. However, management will consider the full impact of these standards published but not yet effective up until the date of adoption.

21. Consolidated annual financial statements

The Company prepared consolidated annual financial statements in a separate set of financial statements. The consolidated set together with the separate set from the annual financial statements of Deneb Investments Limited. Both these sets are available at the Company's registered office and on www.deneb.co.za