

Directors' report

The directors have pleasure in submitting their report on the activities of the business together with the consolidated financial statements for the year ended 31 March 2021.

NATURE OF BUSINESS

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

GENERAL REVIEW OF OPERATIONS

The results of the Group are set out in the integrated annual report and consolidated financial statements of which this report forms part.

SHARE CAPITAL

During the year under review, 498 439 (2020: 756 199) 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 ("HCI").

DISTRIBUTION

The directors resolved to declare a 7 cents distribution to shareholders for the year ended 31 March 2021 (2020: 4 cents).

SUBSEQUENT EVENTS

Refer to note 36.

GOING CONCERN

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

DIRECTORATE

The directors of the company appear on pages 8 to 10. During the year under review, the following changes were recorded:

- Mr A Ntuli retired as an executive director and was re-appointed as a non-executive director on 6 August 2020;
- Mr D Duncan retired as an executive director and was re-appointed as a non-executive director on 15 December 2020;
- On 8 January 2021, Mr A Ntuli passed away.

COMPLIANCE WITH THE COMPANIES ACT AND MOI

The directors confirm compliance with the provisions of the Companies Act and that the company operated in conformity with its memorandum of incorporation during the year under review.

DIRECTORS' EMOLUMENTS

Directors' emoluments for the year ended 31 March 2021 are set out in the Remuneration Report and in note 28 of the consolidated financial statements.

SECRETARY'S AND ADMINISTRATIVE DETAILS

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

MATERIAL CHANGE

There has been no material change in the financial or trading position of the company since the publication of its provisional results for the year ended 31 March 2021.

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 October 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 paragraph 5.72 of the JSE Listings Requirements, for the acquisition by the company, or a subsidiary of the company, of ordinary issued shares issued by the company; and
- granting the company authorisation to provide financial assistance to subsidiaries in accordance with sections 44 and 45 of the Companies Act.

SPECIAL RESOLUTIONS OF SUBSIDIARIES

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