Sandown Capital Limited

Registration number 2000/013674/06

Annual Financial Statements

for the year ended 31 March 2018

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Directors' responsibility statement

The directors are responsible for the preparation, integrity and fair presentation of the consolidated and separate annual financial statements of Sandown Capital Limited, comprising the statements of financial position at 31 March 2018, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the consolidated and separate financial statements which include a summary of the principal accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS) and comply with the requirements of Companies Act of South Africa and the Listings Requirements of the JSE Limited.

In addition, the directors are responsible for preparing the directors' report. The directors consider that in preparing the consolidated and separate financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all statements of IFRS that they consider to be applicable have been followed.

The directors are also responsible for maintaining an adequate and effective system of accounting records, for the safeguarding of assets and for developing and maintaining a system of internal controls that, among other things, will enable the preparation of the consolidated and separate financial statements that are free from material misstatement, including the preparation of the supplementary schedules included in these financial statements, whether due to fraud or error.

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

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

Approval of annual financial statements

The consolidated and separate annual financial statements of Sandown Capital Limited, as identified in the first paragraph, were approved by the Board of directors on 26 June 2018 and signed by:

Authorised Director	Authorised Director
LZ Brozin	SK Jelley
Chairman	*Chief Financial Officer*

Sandton
26 June 2018

Declaration by the Company Secretary

Declaration

In accordance with the provisions of section 88(2)(e) of the South African Companies Act 71 of 2008. I certify that for the year ended 31 March 2018 the Company has lodged with the registrar of companies all such returns as are required of a company in terms of the Act, and that all such returns are true, correct and up-to-date.

For and behalf of CIS Company Secretaries Proprietary Limited
Company Secretary

Sandton
26 June 2018

Directors' report
for the year ended 31 March 2018

The directors present their report which forms part of the consolidated and separate financial statements (financial statements) for the year ended 31 March 2018. The financial statements set out fully the financial position, results of operations and cash flows for the Company and the Group for the financial year ended 31 March 2018.

The Group's consolidated financial statements were prepared under the supervision of SK Jelley CA (SA), the Group Chief Financial Officer.

Restructure transactions and unbundling

Prior to the listing of Sandown Capital Limited on the Johannesburg Stock Exchange (JSE) and A2X on 29 November 2017 and the subsequent unbundling of its shares to shareholders of Peregrine Holdings Limited on 4 December 2017, Sandown Capital Limited was a wholly-owned subsidiary of Peregrine Holdings Limited (Peregrine).

In terms of a restructure of the Peregrine Group (Peregrine restructure) implemented in October 2017, all surplus non-operating assets held by Peregrine (i.e. excess cash, investment in hedge-funds and other proprietary investments), were transferred to Sandown Capital Limited, with effect from 2 October 2017.

In total, some R1,026,310,243 of attributable net assets were transferred to the Group in terms of the restructure.

Listing of shares on the JSE and A2X

The ordinary shares of Sandown Capital Limited were listed on the JSE and A2X with effect from 29 November 2017. The pre-listing statement was published on 14 November 2017 and is available on the Company's website www.sandowncapital.com.

Share Capital

Authorised shares

As at 31 March 2018 the authorised share capital of the Company comprised 500,000,000 (2017: 2,000) ordinary shares of no par value.

On 13 September 2017, the Company was converted to a public company and the authorised share capital of the Company was increased from 2,000 ordinary shares of no par value to 500,000,000 ordinary shares of no par value.

Issued shares

As at 31 March 2018 the issued share capital of the Company comprised 226,065,696 (2017: 2,000) ordinary shares of no par value.

During the year, 226,063,696 ordinary shares of no par value were issued, as part of the Peregrine restructure, as follows:

- 161,182,841 shares were issued to Peregrine for a nominal consideration of R100 on 29 September 2017;
- 22,606,570 shares were issued to Peregrine at an aggregate issue price of R5.5836 per share, or a total subscription price of R132,329,549 for the acquisition by Sandown Capital Limited of 900 shares in Sandown Capital International Limited (SCIL), which shares were issued by SCIL in respect of the acquisition of, inter alia, Rinjani Holdings Limited (Rinjani), on 2 October 2017;
- 42,274,285 Sandown Capital Limited shares were issued to Peregrine at an aggregate issue price of R5.07865 per share, or a total subscription price of R214,696,298 which subscription price was set-off against a non-interest bearing loan owing by Sandown Capital Limited to Peregrine arising out of the acquisition by Sandown Capital Limited of South African hedge-fund assets, on 2 October 2017.

Unissued shares

The directors may only issue unissued shares if such shares are offered to existing shareholders in proportion to their shareholding on such terms and in accordance with such procedures as the directors may determine, unless such shares are issued for the acquisition of assets by the Company. Notwithstanding the foregoing, shareholders may authorise the directors to issue unissued shares and/or grant options to subscribe for unissued shares as the directors in their discretion see fit, provided that the corporate action(s) to which any such share issue or grant of options of shares shall be valid for a period of 12 months from the date of listing on the JSE, or until the Company's first annual general meeting.

The directors will ask shareholders for authority to place authorised, but unissued shares, under their control, at the forthcoming annual general meeting. In terms of the requested authority and subject to the provisions of the Companies Act and the JSE Listing Requirements, the directors will not issue in any one financial year, more than 5% of the Company's issued ordinary share capital less the aggregate number of shares, if any, held by the Company and its subsidiaries from time to time, as treasury shares.

Investment Advisor

The external investment manager was appointed to the Group with effect from 4 October 2017, for a fixed period ending 31 March 2023. A summary of the key terms of the investment advisory agreement, including the fee structures and early-termination clauses, were set out in the Company's pre-listing statement published on 14 November 2017. In terms of the agreement, the two Executive Directors of Sandown Capital Limited, being the Chief Executive Officer and the Chief Financial Officer, are representatives of the investment advisor and are seconded to the Company under the terms of the advisory agreement.

Investment Strategy

The Board's stated intention post the restructure of the Group has been to steadily transform the portfolio from an inherited, relatively passive one into an actively managed portfolio focusing on opportunities that are more appropriate for a permanent capital vehicle. The aim is to steadily implement a process where, once suitable investment opportunities are identified, redemptions or sales of existing investments will be made to fund the opportunities.

During the period under review, this process was initiated with two new portfolio investments being acquired, totaling R125 million, funded by a combination of the Group's cash resources and redemptions of hedge-fund investments.

The Board acknowledges that the transformation of the inherited portfolio to one that has been dynamically implemented is likely to take some time and that such a strategy would result in less liquidity in the portfolio over time. It is also conscious that the current shareholder base consists of a mix of shareholders, being those who were recipients of unbundled units as a result of being Peregrine Holdings Limited shareholders and would likely prefer greater liquidity and those who have actively chosen to buy into the Group's investment strategy. Many in the former category have chosen to exit for this reason. As a result of these factors, the Company's shares have persistently traded at a discount of between 20 % and 40% to NAV since listing.

Whilst some discount to NAV is expected in a vehicle of this nature, concern has been expressed by a number of shareholders as to the discount exhibited since Sandown's listing. The Board acknowledges these concerns and is itself concerned that if sustained, the magnitude of the discount will constrain Sandown's ability to raise capital over time. As a result, the Board will be engaging with shareholders over the next few months, to explore options that are available to reduce the discount.

The Group's investment portfolio may comprise less than ten investments at any given time.

Financial results

The Group's results for the financial year were negatively impacted by the strengthening in the Rand exchange rates against the major world currencies. The majority of the Group's assets, either directly or indirectly, are denominated in Great British Pounds (GBP, or £) or US Dollars, against which the Rand appreciated over the second half of the year by 8.3% and 12.1% respectively. In addition, the performances of the hedge-funds over the second half of the year, both in South Africa and offshore, were negative, although largely in line with their respective peer groups.

Due to the large offshore (non-Rand) component of our investment portfolio, the Board tracks the performance of Sandown Capital Limited's key performance indicator (NAV per share) in both Rands and GBP, the functional reporting currency of its largest subsidiary, SCIL.

The salient financial highlights for the year ended and as at 31 March 2018 are:

- NAV per share as at 31 March 2018 of 487 cents (4 October 2017: 521 cents per share), a decrease of 6.5% since completion of the restructure and implementation of the present investment strategy;
- NAV per share as at 31 March 2018 of GBP 29.3 pence (4 October 2017: GBP 28.8 pence per share), an increase of 1.7% since completion of the restructure and implementation of the present investment strategy;
- Investment losses of R44.1 million (2017: R31.9 million profit);
- Operating expenses of R23.9 million (2017: R8.6 million), of which R8.9 million related to one-off restructure and listing expenses;
- Operating losses of R68 million (2017: R23 million profit);
- Headline & Basic Losses of R51.4 million (2017: R19.8 million profit); and
- The majority of the Group's operating losses related to unrealised fair value adjustments on financial investments (in particular, with respect to the listed equity investment and the hedge-funds).

Acquisitions

The assets acquired under the Peregrine restructure are dealt with separately in this Report.

The Group identified and implemented two portfolio investments during the second half of the year, in line with the investment strategy outlined above.

- In December 2017, Sandown Capital Limited acquired a 30% associate interest in Nala A2X Proprietary Limited (Nala A2X), which associate acquired a 10% empowerment stake in one of the new challenger exchanges in South Africa, A2X Proprietary Limited (A2X). The R22 million acquisition was fully funded by Sandown Capital Limited, by way of a preference share structure.

- In March 2018, Sandown Ventures Limited, a wholly-owned subsidiary of SCIL, acquired a non-controlling 60% equity interest in Capital Step Holding Limited (CSH), an alternative finance solution provider to the small medium enterprise (SME) market in the United Kingdom (UK) and Ireland, for an aggregate investment of R2,004. In addition, the Group advanced a shareholder loan to CSH and provided a five year term loan to its specialist funding entity, Capital Step Funding Limited (CSF). The initial investment was £6.05 million (R101 million), with a further commitment of an additional £6.25 million (R104 million) subject to various performance conditions.

Disposals

The following disposals were made during the financial year under review:

- Prior to the Peregrine restructure, the Company disposed of its entire shareholding in African Dawn Capital Limited for net sale proceeds of R1.9 million. In addition, as part of the restructure, 21,668 shares of Peregrine were transferred to the Peregrine group for no consideration.

- Following the Peregrine restructure, Sandown Capital Limited disposed of two legacy private equity investments, which included equity and loan arrangements, for an aggregate sale consideration of R4.7 million.

- In order to fund the private equity acquisitions set out above, and to part-settle a vendor loan outstanding to Peregrine, the Group made three redemptions totalling R68 million from its hedge-fund portfolio, which redemptions were made from both the South African hedge-funds (R25 million) and the offshore hedge-funds (R43 million).

Directorate and Company Secretary

CIS Company Secretaries Proprietary Limited was appointed as Company Secretary on 1 October 2017.

Mandy Yachad, previously the sole Executive Director of the Company, was appointed a non-executive director on 3 October 2017, which role he fulfilled until his resignation on 29 November 2017, following the successful transition of the Company from a wholly-owned subsidiary of Peregrine to its listing on the JSE on Wednesday, 29 November 2017. Lawrie Brozin, Sean Melnick, Sean Jelley, Andrew Hannington and Duncan Randall were appointed to the Board on 3 October 2017. With effect from 29 November 2017, Cindy Hess was appointed as an independent Non-executive Director.

Directors' shareholding

On 31 March 2018, the directors and their associates held in aggregate 37,188,139 Sandown Capital Limited shares (2017: Nil), representing 16.5% (2017: Nil) of the issued share capital of the Company.

The direct and indirect beneficial interests of the directors and their associates in the Company are set out in the table below:

	2018			
Director	**Direct Beneficial**	**Indirect Beneficial**	**Total**	**% of issued share capital**
Lawrie Brozin	–	6,000,000	**6,000,000**	2.7
Sean Melnick	29,437,275	–	**29,437,275**	13.0
Sean Jelley	1,750,000	–	**1,750,000**	0.8
Andrew Hannington	–	864	**864**	0.0
Cindy Hess	–	–	–	0.0
Duncan Randall	–	–	–	0.0
Total	**31,187,275**	**6,000,864**	**37,188,139**	**16.5**

The directors confirm that there have been no changes in the interests of the directors and/or their associates between the end of the financial year and the date of approval of the annual financial statements.

Subsidiaries

The Group has two operating subsidiaries, namely:

- SCIL, a wholly-owned investment holding company registered and operating in Guernsey, and
- Sandown Ventures Limited, an investment holdings entity registered and operating in Guernsey, which is a wholly-owned subsidiary of SCIL.

Portfolio investments in which the Group has a majority non-controlling interest (CSH and Rinjani) are fair value accounted as financial investments, through profit and loss designated at inception.

The aggregate losses after taxation attributable to Group companies amounted to R50.6m (2017: Nil).

Independent auditors

Deloitte & Touche were appointed with effect from 1 October 2016 and will continue in office in accordance with the Companies Act subject to the approval of the shareholders at the upcoming annual general meeting.

Dividends

The Company declared and paid a dividend amounting to R2.5 million (2017: R13 million) in respect of the year ended 31 March 2018. The dividend was paid when the Company was a wholly-owned subsidiary of Peregrine.

Borrowing limitations

In terms of the memorandum of incorporation, the borrowing powers of the directors are unlimited and the directors may exercise all powers of the Company to borrow money, as they may consider appropriate.

Events subsequent to reporting date

The directors are not aware of any matters or circumstances arising since the end of the financial year, not otherwise dealt with in the annual financial statements, which significantly affect the financial position of the Group or the results of its operations.

Audit & Risk Committee Report

The Audit & Risk Committee (the Committee) comprises three independent non-executive directors, namely Andrew Hannington (Chair), Cindy Hess and Duncan Randall. In accordance with the Committee's Terms of Reference, at the upcoming Annual General Meeting all three will be up for re-election as members of the Audit & Risk Committee.

A short resume for each of these directors can be found in the Directorate section of the Group's Integrated Annual Report, demonstrating their suitable skill and experience to serve on the Committee.

The Committee meets at least three times per year. Special meetings are convened as required. Attendance for the year under review is set out in the Corporate Governance section of the Integrated Annual Report.

An effectiveness evaluation is performed annually in terms of which the Board satisfies itself that each committee member has the suitable skills and experience to serve on the Audit & Risk Committee.

The responsibilities of the Committee, as set out in the Audit & Risk Committee Terms of Reference, include:

- Reviewing the external audit annual work plans and reports;
- Reviewing the Group's key risk framework and assessing risk mitigation strategies;
- Reviewing legal and compliance matters that could have a significant impact on the financial statements;
- Monitoring internal control frameworks and procedures, including accounting policies, legislative compliance, regulatory matters and governance;
- Reviewing the effectiveness of internal controls, including IT controls and risk management, based on reports from the Chief Financial Officer;
- Recommending the appointment of external auditors, who in the opinion of the Committee are independent of the Company, for approval by the shareholders at the Annual General Meeting;
- Approving the remuneration for the external auditors and an assessment of their performance;
- Performing an annual assessment of the independence of the external auditors;
- Setting the principles for recommending the use of external auditors for non-audit services;
- Advising and updating the Board on issues ranging from accounting standards to published financial information;
- Reviewing the consolidated and separate financial statements, and the Results SENS announcement;
- Assessing combined assurance from the external auditors and the executive directors and ensuring that the combined assurance received is adequate to address all material risks; and
- Monitoring compliance with laws and regulations.

The Committee is satisfied with the efficacy and independence of Deloitte & Touche as the external auditor of the Company. In accordance with paragraph 3.84(g) (iii) of the JSE Listing Requirements the Committee has assessed the suitability of appointment of the external auditors and the designated audit partner.

The Committee is satisfied, in line with paragraph 3.84 (g) (ii) of the JSE Listings Requirements that the Company has established appropriate financial reporting procedures and that those procedures are operating.

The Committee oversaw the compilation of the Integrated Annual Report, including appointing individuals with appropriate skills and experience to assist in its preparation. The Committee reviewed the directors' Responsibility Statement in the annual financial statements and concur therewith. A member of the Committee reviews the final report prior to its publication.

The Committee has considered and is satisfied with the appropriateness of the key audit matters reported on by the external auditors.

Following the review of the Annual Financial Statements, the Committee is of the opinion that, in all material respects they comply with the relevant provisions of the Companies Act of South Africa, IFRS, the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), and the JSE Listings Requirements, and that they fairly present in all material respects, the results of operations, cash flows and financial position of the Company and the Group for the year ended 31 March 2018.

The Committee has recommended to the Board the entire Integrated Annual Report for approval. The Audit & Risk Committee is of the opinion that it has discharged its functions in terms of its Terms of Reference and as ascribed by the Companies Act of South Africa.

The Committee has considered and is satisfied that the tenure of the external auditors has not compromised their independence and that no change be recommended.

The Committee has further considered and is satisfied with the expertise and experience of the Chief Financial Officer, SK Jelley, and that of the finance function.

Andrew Hannington
Audit & Risk Committee Chairperson

Sandton
26 June 2018

Independent Auditor's Report

To the Shareholders of Sandown Capital Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Sandown Capital Limited (the Group) set out on pages 14 to 64, which comprise the statements of financial position as at 31 March 2018, and the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group as at 31 March 2018, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act of South Africa.

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 Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and Company 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 International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There were no key audit matters identified in relation to the audit of the separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Group restructure	
The Peregrine Holdings Limited Group held a number of proprietary investments which it has restructured in a series of transactions to be ultimately held by the Group. The Group was unbundled to Peregrine Holdings Limited shareholders and was separately listed on the Johannesburg Stock Exchange ("JSE") in November 2017. The Group restructure has been recognised as a key audit matter due to the following: • The reorganisation and unbundling process represent a material, related party, once-off transaction to the Group. This transaction has a fundamental impact on the financial statements; • The process of moving the proprietary assets and the hedge funds to the Group involved a series of interconnected agreements between related parties; and • This process has resulted in significant interactions between the auditors and management in understanding the transactions to be undertaken to effect the reorganisation and unbundling. The process has resulted in significant audit effort to date, in obtaining the understanding of the transactions involved to effect the unbundling and reorganisation.	In response to the significant audit risk identified, we have performed the following audit procedures: • Evaluated the design and tested the implementation of relevant controls in respect of the reorganisation and unbundling process; • Inspected the legal agreements and pre-listing statement in order to understand restructure and unbundling process; • Evaluated the accuracy of the assets and liabilities transferred; • Our accounting and tax specialists evaluated the accounting and tax impact arising from the reorganisation; • Considered whether this evaluation is consistent with the Group's treatment of dividends distributed in specie; and • Evaluated the completeness and accuracy of the disclosure for the reorganisation in terms of IAS 24 *Related Parties*. Based on the above procedures, we found that the reorganisation and unbundling of SDC has been appropriately accounted for. The disclosure in note 23 of the consolidated financial statements was found to be appropriate.

Key Audit Matter	How the matter was addressed in the audit
Investments in hedge funds	
The Group's investment balance is dominated by hedge fund investments. There is a risk that the hedge fund investments are not valued appropriately, having a consequential impact on profit or loss. The investment in hedge funds has been recognised as a key audit matter due to the following: • The hedge funds make up 46% of the Group's net asset value. Therefore, value of the hedge funds have a significant impact on the overall consolidated financial statements; • The consequential allocation of audit effort to this account balance is significant in relation to the overall audit; and • The disclosures of hedge fund investments will be extensive.	In response to the significant risk identified, we have performed the following audit procedures: • Evaluated the design and tested the implementation of relevant controls in respect of the recognition of hedge fund investments, and the consequential impact on profit or loss; • Obtained a breakdown of the various funds valuations making up the total amount of hedge fund investments and related returns. Verified the breakdown agreed to the amount per the financial statements; • Obtained third-party statements for each fund investment, and compared the amounts per the statements to the breakdown of financial investments in the financial statements; • Evaluated and substantively audited key reconciliations performed by management between the third-party statements and the general ledger and performed tests of detail on reconciling items; • Recalculated the profit and loss on redemptions that occurred during the current financial year, and • Evaluated the accuracy and completeness of disclosures in terms of IFRS 7 Financial Instruments: Disclosures and IFRS 13 Fair Value Measurement. We are satisfied that Note 2 and Note 20 present the hedge funds accurately, and the disclosures for the investments are complete.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit Committee's Report and the Declaration by the Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this report. The other information also comprises the Integrated Report, which is expected to be made available to us after the date of this report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and 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 consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and 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 on the other information that we obtained prior to the date of this auditor's report, 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 Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and 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 Group and / or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and 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 consolidated and 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 consolidated and 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 Group's and 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 Group's and 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 consolidated and 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 Group and / or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Deloitte has been the auditor of Sandown Capital Limited for year.

Deloitte & Touche
Registered Auditor
Per: Lesley Wallace
Partner
26 June 2018

Statements of financial position
as at 31 March

		Group		Company	
		2018	2017	**2018**	2017
	Notes	**R'000s**	R'000s	**R'000s**	R'000s
Assets					
Non-current assets		**632,747**	2,910	**171,450**	2,910
Financial investments	*2*	**588,949**	2,910	**841**	2,910
Investment in Subsidiaries	*3*	**–**	–	**126,811**	–
Investment in Associates	*4*	**22,949**	–	**22,949**	–
Deferred tax	*7*	**20,849**	–	**20,849**	–
Current assets		**590,358**	175,881	**457,637**	175,881
Financial investments	*2*	**507,094**	169,048	**440,973**	169,048
Intercompany balances		**–**	–	**1,812**	–
Trade and other receivables	*5*	**162**	218	**162**	218
Taxation		**6,672**	6,172	**6,672**	6,172
Cash and cash equivalents		**76,430**	443	**8,018**	443
Total assets		**1,223,105**	178,791	**629,087**	178,791
Equity and liabilities					
Equity and reserves		**1,101,687**	164,868	**507,932**	164,868
Share capital	*6*	**474,400**	127,374	**474,400**	127,374
Fx Translation Reserve		**(34,961)**	–	**–**	–
Accumulated profits		**662,248**	37,494	**33,532**	37,494
Non-current liabilities					
Deferred taxation	*7*	**-**	1,386	**–**	1,386
Current liabilities		**121,418**	12,537	**121,155**	12,537
Loans and other payables	*8*	**120,000**	9,234	**120,000**	9,234
Trade and other payables	*9*	**1,418**	3,303	**1,155**	3,303
Total equity and liabilities		**1,223,105**	178,791	**629,087**	178,791
Net Asset Value per share (cents)	*14*	***487***	*102*		

Statements of comprehensive income
for the year ended 31 March

		Group		Company	
		2018	2017	**2018**	2017
	Notes	**R'000s**	R'000s	**R'000s**	R'000s
Investment (losses)/income	*10*	**(44,103)**	31,887	**(344)**	31,887
Total revenue		**(44,103)**	31,887	**(344)**	31,887
Operating expenses	*11*	**(23,932)**	(8,643)	**(16,626)**	(8,643)
(Loss)/profit from operations		**(68,035)**	23,244	**(16,970)**	23,244
Net interest (paid)/received		**(5,636)**	296	**(6,133)**	296
Interest received	*12.1*	**736**	296	**237**	296
Interest paid	*12.2*	**(6,372)**	–	**(6,370)**	–
(Loss)/profit before taxation		**(73,671)**	23,540	**(23,103)**	23,540
Taxation credit/(expense)	*13*	**22,236**	(3,742)	**22,236**	(3,742)
(Loss)/profit for the year		**(51,435)**	19,798	**(867)**	19,798
Other comprehensive loss for the year net of taxation					
Items that can be classified subsequent to profit & loss:					
- Currency translation differences		(34,961)	–	–	–
Total comprehensive (loss)/income for the year		**(86,396)**	19,798	**(867)**	19,798
Basic and diluted (loss) earnings per share (cents)		**(26.56)**	12.28		

Statements of changes in equity

for the year ended 31 March

Group	Share capital	Currency Translation Reserve	Accumulated profits	Total equity
	R'000	R'000	R'000	R'000
Balance at 31 March 2016	127,374	–	30,696	158,070
Total comprehensive income for the year	–	–	19,798	19,798
Transactions with owners recorded directly in equity:				
- Dividends paid	–	–	(13,000)	(13,000)
Balance at 31 March 2017	**127,374**	**–**	**37,494**	**164,868**
Total comprehensive loss for the year	–	(34,961)	(51,435)	(86,396)
Transactions with owners recorded directly in equity:				
- Restructure transactions (note 23)	347,026	–	679,284	1,026,310
- Disposal of Peregrine treasury shares for no consideration	–	–	(595)	(595)
- Dividends paid	–	–	(2,500)	(2,500)
Balance at 31 March 2018	**474,400**	**(34,961)**	**662,248**	**1,101,687**

Company	Share capital	Currency Translation Reserve	Accumulated profits	Total equity
	R'000	R'000	R'000	R'000
Balance at 31 March 2016	127,374	–	30,696	158,070
Total comprehensive income for the year	–	–	19,798	19,798
Transactions with owners recorded directly in equity:				
- Dividends paid	–	–	(13,000)	(13,000)
Balance at 31 March 2017	**127,374**	**–**	**37,494**	**164,868**
Total comprehensive loss for the year	–	–	(867)	(867)
Transactions with owners recorded directly in equity:				
- Restructure transactions (note 23)	347,026	–	–	347,026
- Disposal of Peregrine treasury shares for no consideration	–	–	(595)	(595)
- Dividends paid	–	–	(2,500)	(2,500)
Balance at 31 March 2018	**474,400**	**–**	**33,532**	**507,932**

Statements of cash flow
for the year ended 31 March

		Group		Company	
		2018	2017	**2018**	2017
	Notes	**R'000s**	R'000s	**R'000s**	R'000s
Cash flows from operating activities		**(18,449)**	(35,090)	**6,283**	(35,090)
Cash utilised by operations	*17*	**(25,760)**	(17,794)	**(18,716)**	(17,794)
Interest received		**736**	296	**237**	296
Interest paid		**(6,372)**	–	**(6,370)**	–
Interest received from private equity investments		**1,507**	–	**41**	–
Dividend received from subsidiary		–	–	**34,057**	–
Dividend received from investments		**14,440**	264	**34**	264
Cash Dividends paid		**(2,500)**	(13,000)	**(2,500)**	(13,000)
Taxation paid	*18*	**(500)**	(4,856)	**(500)**	(4,856)
Cash flows from investing activities		**(37,312)**	17,676	**21,598**	17,676
Proceeds from sale of financial investments		**87,965**	17,676	**44,680**	17,676
Acquisition of financial investments		**(102,328)**	–	**(133)**	–
Investment in associates		**(22,949)**	–	**(22,949)**	–
Cash flows from financing activities		**(23,556)**	13,564	**(20,306)**	13,564
Increase in intercompany balances		–	–	**3,250**	–
(Decrease)/increase in loans and other payables		**(23,556)**	13,564	**(23,556)**	13,564
Net (decrease)/increase in cash and cash equivalents		**(79,317)**	(3,850)	**7,575**	(3,850)
Net cash acquired in the restructure (note 23)		**170,567**	–	–	–
Currency impact on foreign cash balances		**(15,263)**	–	–	–
Cash and cash equivalents at beginning of year		**443**	4,293	**443**	4,293
Cash and cash equivalents at end of year		**76,430**	443	**8,018**	443

Notes to the financial statements

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements incorporate the following principal accounting policies for the Group financial statements of Sandown Capital Limited, which are consistent with those applied in the previous year. All relevant International Financial Reporting Standards and interpretations effective 31 March 2018 have been applied in the preparation of these financial statements, except for those standards and amendments to standards, discussed below, that have been adopted for the first time in the 2018 financial year. The accounting policies below apply to both the consolidated and separate financial statements.

Basis of preparation

These financial statements are prepared in accordance with, and comply with International Financial Reporting Standards (IFRS), SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act of South Africa and the JSE Listing Requirements. These financial statements are prepared in accordance with the going concern principle under the historical cost basis other than financial assets designated as at fair value through profit or loss, which are measured at fair value.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas involving a high degree of judgement or areas where assumptions and estimates are significant to the financial statements are disclosed in note 21.

1.1 Principles of consolidation

Subsidiaries are entities, including unincorporated entities controlled by the Group. The Group controls an entity when it has power over and is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are consolidated from the date on which the Group acquires control up to the date that control ceases.

Sandown Capital Limited makes private equity investments which in the ordinary course would meet the definition of subsidiary as set out above, but which, together with the Company, meet the definition of an Investment Entity (IFRS 10). The Group applies the exception to consolidation to these subsidiaries, in line with *Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)*, and classifies these investments as "fair value through profit and loss".

With respect to the subsidiaries that either do not meet the requirements of an Investment Entity or where the Group has elected to not apply the consolidation exception, the acquisition method of accounting is used to account for the acquisition of subsidiaries. In these instances the cost of an acquisition is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus the value of any non-controlling interest measured in accordance with IFRS 3 plus the acquisition-date fair value of the Group's previously held equity interest in the acquiree. Costs attributable to such acquisitions are expensed when incurred. Identifiable assets acquired (including intangible assets) and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values, with the exception of those assets held for sale in terms of IFRS 5, which are recognized at their fair value less costs to sell, at the acquisition date, irrespective of the extent of any non-controlling interest. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Intercompany transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated on consolidation. Investments in subsidiaries are accounted for at cost less impairment where considered necessary. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments arising from additional information about facts and circumstances that existed at acquisition date. However, if the change is due to any other reason, the change is recognised consistent with the classification of the contingent consideration.

Notes to the financial statements

1. PRINCIPAL ACCOUNTING POLICIES (continued)

1.1 Principles of consolidation (continued)

Transactions with non-controlling interest holders are accounted for as transactions with external third parties. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

1.2 Equity accounted investees

Equity accounted investees include associates, which are those entities over which the Group has the ability to exercise significant influence, but not control, over the financial and operating policies and investments in joint ventures. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. Equity accounting involves recognising the investment initially at cost, including goodwill, and subsequently adjusting the carrying value for the Group's share of equity accounted profit or loss and other comprehensive income recognized in the statement of comprehensive income. When the Group's share of losses exceeds its interest in an associate/joint venture, the carrying amount of the associate/joint venture, including any long term investments, is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate/joint venture.

Unrealised gains and losses arising from intercompany transactions are eliminated in determining the Group's share of equity accounted profits. Unrealised losses are eliminated to the extent that there is no evidence of impairment.

Where an investment which meets the definition of an associate is acquired and held for purposes of the Group's investment activities, it is not accounted for under the equity method but is classified as held at fair value through profit and loss and accounted for on the basis set out in accounting policy note 1.4.

1.3 Foreign currencies

Functional and presentation currency

Items included in the financial statements of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The financial statements are presented in South African Rand which is the Company's functional currency and the Group's presentation currency. All amounts are rounded off to the nearest Rand.

Transactions and balances

Transactions in foreign currencies are translated into the functional currency at the exchange rate ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation, at year-end exchange rates, of monetary assets and liabilities denominated in foreign currency are recognised in profit and loss.

Non-monetary assets and liabilities, measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the foreign exchange rates at the dates the fair value was determined.

Foreign operations

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the Group's presentation currency as follows:

- Assets and liabilities are translated at the foreign exchange rate ruling at the financial year-end date, and
- Income and expenses are translated at average exchange rates for the year, to the extent that such average rates approximate rates ruling at the dates of the transactions.

Notes to the financial statements

1. PRINCIPAL ACCOUNTING POLICIES (continued)

1.3 Foreign currencies (continued)

Exchange differences arising on the translation are recognized directly in a separate component of other comprehensive income and presented in equity (as a foreign currency translation reserve). The relevant proportionate share of the translation difference is allocated to non-controlling interest, where applicable. When a foreign operation is sold, such exchange differences are recognised on profit and loss as part of the gain or loss on sale.

1.4 Financial assets

Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables.The classification is dependent on the purpose for which the asset is acquired. Management determines the classification of its investments at the time of purchase.

Financial assets at fair value through profit or loss

This includes the Group's investment into hedge-funds and other investments, including loans to private equity portfolio companies, held as part of the Group's investment activities.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those which the Group has classified upon initial recognition as at fair value through profit or loss. Included in this category are trade and other receivables, non-investment related loans and receivables and cash and cash equivalents.

Measurement

Purchases and sales of 'regular way' financial assets are recognised on the trade date, which is when the Group commits to purchase or sell the assets. Other financial assets are recognised when the entity becomes a party to the contractual provisions of the agreement.

All financial assets are initially measured at fair value plus, in the case of a financial asset not measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs incurred in the acquisition of financial assets measured at fair value through profit or loss are expensed in profit or loss.

After initial recognition, the Group measures financial assets held-for-trading or designated at fair value through profit or loss, at fair value without any deduction for transaction costs it may incur on their disposal.

The fair value of quoted financial assets is their mid-price at the financial year-end. If the market for a financial asset is not active or the instrument is an unlisted instrument, the fair value is estimated using valuation techniques. These include the use of prices and other relevant information generated by market transactions involving identical or similar assets, liabilities or a group of assets and liabilities and discounted cash flow analysis. Where discounted cash flow analyses are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market-related rate at the financial year-end for a financial asset with similar terms and conditions. Where other pricing models are used, inputs are based on observable market indicators at the financial year-end. If the value of unlisted equity instruments cannot be reliably measured, which would be the case in very limited circumstances, they are measured at cost.

Realised and unrealised gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are included in profit and loss in the period in which they arise.

Loans and receivables

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less impairment losses which are recognised in profit or loss. In the case of short term and trade receivables, the impact of discounting is not material and cost approximates amortised cost.

Notes to the financial statements

1. PRINCIPAL ACCOUNTING POLICIES (continued)

1.4 Financial assets (continued)

Impairment

Financial assets, other than those designated as at fair value through profit and loss are reviewed at each financial year-end to determine whether there is objective evidence of impairment. If any such indication exists, the recoverable amount is estimated and the carrying value is reduced to the estimated recoverable amount and the impairment loss is recognised in profit or loss.

Loans and receivables carried at amortised cost are impaired if there is objective evidence that the Group will not receive cash flows according to the original contractual terms. Default or delinquency in payment and significant financial difficulties are considered indicators that the receivable is impaired. The impairment is calculated as the difference between the carrying value of the asset and the expected cash flows discounted at the original effective rate. The resulting loss is accounted for as an impairment in profit and loss. With regard to trade and other receivables an allowance for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due accordingly to the terms of the receivables. The amount of the allowance is the difference between the asset's carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. This impairment may be reversed in a subsequent period if the evidence of impairment is revised. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are recognised in the profit or loss as bad debts recovered.

De-recognition

Financial assets are derecognised if the Group's contractual rights to cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all of the risks and rewards of the asset or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control over the financial asset. Gains or losses on derecognition are recognised in investment income.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the statement of financial position when and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Transfers

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1.5 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents. Cash and cash equivalents are initially recognised at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method.

1.6 Financial liabilities

All financial liabilities are initially recognised at fair value plus transaction costs incurred other than financial liabilities classified as at fair value through profit or loss at inception.

Classification and measurement

Financial liabilities at amortised cost

These comprise loans and payables and trade and other payables. These financial liabilities are initially recognised at fair value, net of transaction cost and subsequently measured at amortised cost using the effective interest method. In the case of short-term payables, the impact of discounting is not material and cost approximates amortised cost.

Notes to the financial statements

1. PRINCIPAL ACCOUNTING POLICIES (continued)

1.6 Financial liabilities (continued)

De-recognition

Financial liabilities are derecognised if the Group's obligation specified in the contract expire or are discharged or cancelled. The difference between the carrying value of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

1.7 Share capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares are shown in equity as a deduction from proceeds, net of tax.

1.8 Revenue

Revenue comprises the fair value of the consideration received or receivable as a result of investment activities performed in the ordinary course of the Group's activities.

Principal sources of revenue comprises:

- gain on sale of financial investments (see note 1.4);
- changes in the fair value of assets classified as at fair value through profit or loss (see note 1.4);
- interest earned on loans made as part of the Group's investing activities;
- interest paid on hedge-fund gearing, and
- dividend income.

Interest income is recognised on a basis that reflects the effective yield on the underlying instruments. Dividends are brought into account as at the last date of registration in respect of listed shares and when declared in respect of unlisted shares.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset, or when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the cash flows considering all contractual terms of the financial asset and does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

When it is not possible to estimate reliably the cash flows or the expected life of a financial asset, the Group uses the contractual cash flows over the full contractual term of the financial asset.

1.9 Operating lease payments

Leases in terms of which the Group does not assume substantially all of the benefits and risks of ownership are classified as operating leases.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

1.10 Finance costs

Interest costs are recognised in profit and loss using the effective interest method.

1.11 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or equity, in which case it is recognised in other comprehensive income or directly in equity.

Current tax expense is based on the results for the period and adjusted for items that are not taxable or deductible. The Group's liability for current taxation is calculated using tax rates and laws that have been enacted or substantively enacted by financial year end.

Notes to the financial statements

1. PRINCIPAL ACCOUNTING POLICIES (continued)

1.11 Taxation (continued)

Deferred taxation is recognised in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income.

Deferred tax is not accounted for if it arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Nor is deferred tax accounted for in respect of temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) enacted or substantially enacted at the financial year-end and expected to apply when the deferred tax asset is realised and deferred tax liability settled. Deferred tax assets are recognised to the extent that it is probable that a taxable profit will be available in future years against which the tax asset can be recovered.

Deferred tax asset and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle the current tax liabilities and assets on a net basis or their tax asset and liabilities will be realised simultaneously.

Taxation balances that arise with respect to controlled-foreign-company income or losses are accounted for as Company assets and liabilities as the tax liability for the controlled-foreign companies is with the Company itself, not the respective foreign entities. The income and losses to which these assets and liabilities relate, being generated by subsidiaries of the Company, are recognised in the consolidated Group accounts.

1.12 Earnings per share

Basic earnings per share is calculated on the adjusted weighted average number of shares in issue, net of treasury shares in respect of the current year, and is based on the profit attributable to the ordinary shareholders. Undistributed earnings are allocated to shares not yet vested in accordance with their respective rights to participate in dividends. Headline earnings per share is calculated in terms of the requirements set out in Circular 02/2015 issued by SAICA.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares. Diluted headline earnings is calculated in terms of the requirements of Circular 02/2015 issued by SAICA.

1.13 Dividends

Dividends are recognised in equity when declared.

Notes to the financial statements

2. FINANCIAL INVESTMENTS

	Group		Company	
	2018	2017	**2018**	2017
	R'000s	R'000s	**R'000s**	R'000s
2.1 Non-current				
At fair value through profit & loss designated at inception				
Equity investments				
Listed Equities (note 2.3.1)	**358,913**	2,289	–	2,289
Private equity investments:	**123,396**	57	**145**	57
Rinjani (note 2.3.2)	**123,249**	–	–	–
CSH (note 2.3.3)	**2**	–	–	–
Firefly private equity fund (note 2.3.4)	**145**	57	**145**	57
	482,309	2,346	**145**	2,346
Loans and receivables				
At fair value through profit & loss designated at inception				
Private equity investments:	**106,640**	564	**696**	564
Rinjani Shareholder Loan (note 2.3.2)	**5,062**	–	–	–
CSF - Term Loan (note 2.3.3)	**83,435**	–	–	–
CSH - Shareholders Loan	**17,447**	–	–	–
Firefly private equity fund (note 2.3.4)*	**696**	564	**696**	564
	588,949	2,910	**841**	2,910

*The prior year Firefly loan outstanding of R564,208 which was previously included in current loans and receivables was reclassified in the current year as a non-current financial investment (the prior year figures have been restated).

2.2 Current				
At fair value through profit & loss designated at inception				
Private equity investments (note 2.3.5)	–	5,348	–	5,348
Hedge-funds (note 2.3.6)	**507,094**	163,700	**440,973**	163,700
	507,094	169,048	**440,973**	169,048

2.3 Description of Investments

2.3.1 Listed Equities

Stenprop Limited (Stenprop)

As part of the Peregrine restructure, on 2 October 2017 the Group acquired 20,220,468 ordinary shares in Stenprop, a property owning company dual-listed on the JSE and Bermuda stock exchanges. Stenprop is domiciled in Guernsey and is registered as a UK REIT, with property assets located in Germany, Switzerland and the United Kingdom.

The investment, representing approximately 6.9% of the outstanding shares in issue, is reported at fair value through profit and loss since inception. It is denominated in Rands, notwithstanding being held by SCIL, whose functional currency is UK Pounds, in recognition of the fact that the share volumes traded on the JSE constituted the substantial majority of the number of all shares traded over the year and consequently that the Rand-denominated closing share price represents the most accurate indicator of fair value.

Notes to the financial statements

2. FINANCIAL INVESTMENTS (continued)

2.3.1 Listed Equities (continued)

Stenprop Limited (continued)

Of the 20,220,468 ordinary shares acquired, for no consideration, 6,318,728 shares were acquired from Peregrine Guernsey Limited and 13,901,740 shares were acquired from Stenham Limited, both wholly-owned subsidiaries of the Peregrine group at the time. The aggregate value of the shares acquired, based on the closing share price of Stenprop on the JSE as at 29 September 2017 of 1895 cps, was R383,177,869, which entire amount was recognised directly in equity. Movements in the fair value of the investment are recognised as investment income, through profit and loss.

Disposals – African Dawn Capital Limited

Prior to the Peregrine restructure, the Company disposed of 1,992,500 shares in African Dawn Capital Limited, realising a capital loss of R8,015,444 on the investment, which loss was included in investment income together with the reversal of fair value impairments recognised in prior years.

2.3.2 Private equity investments: Rinjani Holdings Limited

The Group acquired a 79.81% equity interest in Rinjani, a property holdings company registered in the British Virgin Islands (BVI), as part of the Peregrine restructure on 2 October 2017, together with a shareholder loan outstanding of R5,518,894 (£304,647) due by Rinjani.

In consideration thereof, Sandown Capital Limited issued Peregrine with 22,606,570 ordinary shares for an aggregate value of R132,329,549. The Group does not control the board of Rinjani, whose functional and presentational currency is UK Pounds, and classifies the investment as "fair value through profit and loss". A positive fair value adjustment of R7,206,489 has been recognised in investment income for the year ended 31 March 2018.

2.3.3 Private equity investments: Capital Step Group

In January 2018, Sandown Ventures Limited (SVL), a wholly-owned subsidiary of SCIL, acquired a 60% equity interest in CSH. CSH is a UK-registered company providing alternative funding solutions to the SME market in the United Kingdom and Republic of Ireland. The transaction was implemented through the acquisition of 3,401 shares in CSH from the minority shareholders for a nominal consideration of R572 (£38) and a subscription for shares at par value for an additional 8,503 shares for a subscription price of R1,431 (£85).

In addition to the above, SVL agreed to provide a shareholder loan, on a draw-down basis, to CSH to fund working capital, up to maximum of £2,300,000 (R38,216,892) of which £1,050,000 (R17,446,842) had been advanced by 31 March 2018. The loan is interest-free and repayable ahead of any shareholder distributions.

As part of the transaction, SVL also advanced a £5 million (R84,164,870) term loan to CSF, a wholly-owned subsidiary of CSH. The loan has a five-year fixed term, at an interest rate of Libor+1150bps. 50% of the interest is payable quarterly in arrears, with the remainder capitalised to the capital outstanding on the loan. The total interest accruing on the loan is recognised in investment income.

The term loan is subordinated in favour of a third-party funder of CSF, who has committed a senior loan (initial loan) of £10m (R166,164,000), with an accordian in place for a further £10 million, subject to certain conditions being met. SVL has committed to an additional £5 million (R85,164,870) of loan funding to CSF, on the same terms as the term toan, subject to the third-party funder of CSF agreeing to fund an additional £20 million (R332 million) over and above the initial £20 million set out above, on the same terms as those set out in the initial loan.

The Group does not control the board of CSH and classifies these investments as "fair value through profit and loss". CSH and CSF's functional and presentational currency is UK pounds. CSF has a single external credit facility and has associated pledges and covenants. The entities do not apply hedge accounting.

No fair value adjustments on the CSH and CSF loans have been recognised for the year ended 31 March 2018.

Notes to the financial statements

2. FINANCIAL INVESTMENTS (continued)

2.3.4 Private equity investments: Firefly Investments 61

The Group has a 50% partnership interest a private equity fund, Firefly Investments 61 (Firefly). The fund is in run-off with its sole remaining investment awaiting sale. The Group's partnership share was valued at R145,022 as at 31 March 2018 (2017: R56,998). In addition, the fund has an outstanding loan due to the Group of R695,942 (2017: R564,208). The loan is repayable on demand and attracts interest at prime, less 3.75%.

2.3.5 Private equity investments: Elite Group

In terms of the Peregrine restructure and unbundling, all claims the Group had against Elite Group Proprietary Limited (Elite), consisting of a corporate bond and trade and other receivables, together with the amount impaired, were ceded and assigned, for an aggregate consideration of R4,500,000, to Peregrine Financial Services Holdings Limited. As at the disposal date, the bond had a net book value of R4,748,259 (2017: R5,348 441), consisting of a corporate bond with an outstanding amount of R6,531,071 (2017: R7,131,255), together with an impairment raised of R1,782,814 (2017: R1,782,814). Amounts outstanding under Trade and other receivables at the transaction date were R218,239 (2017: R218,239). The resultant loss on disposal of R466,505 was recognised in investment income.

2.3.6 Hedge-funds

As at 31 March 2018 the Group held four (2017: two) hedge-fund investments:

- R51,031,062 (2017: R51,070,572) in the PNF Peregrine Fund en Commandite Partnership (PNF Peregrine Fund) which is shown net of a loan amounting to R77,374,086 (2017: R72,602,380). This investment, made with Peregrine Capital Proprietary Limited (Peregrine Capital), is on a geared basis. The loan bears interest at the JSE Trustee rate as published monthly by JSE Trustees Proprietary Limited, less 57 basis points. The loan is repayable within 10 days from disinvestment from the PNF Peregrine Fund.

- R389,941,778 (2017: R112,629,225) in the Peregrine Partners Fund en Commandite Partnership (Peregrine Partners Fund).

- R29,649,871 (2017: Nil) in the Stenham Targeted Skills II Fund (Stenham Fund).

- R36,471,375 (2017: Nil) in the SA Alpha Peregrine High Growth USD Fund (SA Alpha Fund).

As part of the Peregrine restructure, the Group acquired R474,557,698 of hedge-fund assets, in consideration of which the Company issued 42,274,285 ordinary shares and raised a vendor loan of R134,323,129 from Peregrine SA Proprietary Limited (Peregrine SA). The loan bears interest at Jibar +250bps and was repaid in full on 1 June 2018.

During the period post the restructure, and prior to 31 March 2018, the Group made three hedge-fund redemptions, including its entire holding in the Electus en Commandite Partnership Fund (R24,718,013), its entire holding in the Stenham Healthcare Opportunities Fund (R12,342,328) and a part-redemption from the Stenham Fund (R30,943,050). Profits and losses on redemption were recognised as investment income through profit and loss.

As the Group's hedge-fund investments are managed by external, independent fund managers and given the fact that Sandown Capital Limited has no influence on the investment strategies applied within the various hedge-funds, and no unilateral ability to replace the fund manager, the Group has not consolidated any of the above hedge-fund investments.

A register of investments is available for inspection at the registered office of the Company in terms of Section 26 of the Companies Act, and more detail is provided in note 28: Schedule of investments.

Notes to the financial statements

3. INVESTMENT IN SUBSIDIARY COMPANIES

	Group		Company	
	2018	2017	**2018**	2017
	R'000s	R'000s	**R'000s**	R'000s
Shares at cost	**–**	–	**126,811**	527
TWF Investments Proprietary Limited	–	–	–	527
Sandown Capital International Limited	–	–	126,811	–
Impairment				
TWF Investments Proprietary Limited	–	–	–	(527)
Investment in subsidiaries, net of impairment	**–**	–	**126,811**	–

Application was made during the year for the de-registration of TWF Investments Proprietary Limited, which investment was fully impaired in the prior year.

SCIL, a wholly-owned subsidiary of the Company, was registered in Guernsey on 22 September 2017 in order to hold the offshore investments of the Group, ahead of the Peregrine restructure on 2 October 2017. SCIL has 1,000 shares in issue, with the Company having subscribed for 100 shares at par on registration, and acquired the remaining 900 shares as part of the Peregrine restructure for a total consideration of R132,331,256 (which included the acquisition by SCIL of 100% of the shares in its wholly-owned subsidiary, Sandown Ventures Limited). R5,518,894 of the total consideration was settled by way of a consideration loan due by SCIL, which loan was subsequently transferred to Sandown Capital Limited and is included in intercompany balances.

Indirectly held:

SVL, an investment holding company registered in Guernsey, is 100% held by SCIL. It holds the Group's equity investment in and loans to the Capital Step Group.

4. INVESTMENT IN ASSOCIATES

Nala Empowerment Investment Company (Pty) Limited (30%) *Note 4.1*	–	–	–	–
Nala A2X (Pty) Limited - ordinary shares (28%) *Note 4.2*	–	–	–	–
Nala A2X (Pty) Limited - preference shares (100%)	**22,857**	–	**22,857**	–
Nala A2X (Pty) Limited - Loan account	**92**	–	**92**	–
	22,949	–	**22,949**	–

The above mentioned entities are incorporated in South Africa and are unlisted.

4.1 Nala Empowerment Investment Company Proprietary Limited (Nala)

Nala was formed on 28 September 2017 as an empowerment investment holding company to house the 15,060,112 shares in Consolidated Infrastructure Group Limited (CIG) acquired from Nala PGR SA Holdings Proprietary Limited (Nala PGR), as part of the Peregrine restructure. Nala is ultimately 70% majority black-owned by three community-based trusts, namely; the Peregrine Educational Trust (35%), the Peregrine Community Development Trust (15%) and the Employee Portfolio Investment Trust (20%). The remaining 30% of the equity is held by Sandown Capital Limited.

Notes to the financial statements

4. INVESTMENT IN ASSOCIATES (continued)

4.1 Nala Empowerment Investment Company Proprietary Limited (continued)

The CIG shares were acquired on 2 October 2017 for a purchase consideration of R194,564,768, being the market value of the shares net of accrued deferred tax liabilities transferred in of R2,838,662, or a net price of 1292 cps. The transaction was funded by way of a non-recourse vendor loan from Nala PGR, which loan bears interest at prime less 1.4% and is repayable by no later than 30 October 2019.

Based on the closing price for CIG as at 31 March 2018 of 380 cps, Nala's investment in CIG has a fair value of R57,228,426. The outstanding vendor loan, including the capitalised interest, due to Nala PGR, was R203,212,198 as at 31 March 2018.

The Group's 30% associate interest in Nala is accounted for at nil, in line with accounting policy note 1.2.

4.2 Nala A2X Proprietary Limited

Nala A2X was formed on 4 December 2017 to house the 14,286 ordinary shares in A2X subscribed for in terms of a share subscription agreement dated 15 December 2017. Nala A2X is 72% held by an associate company of Sandown Capital Limited, Nala (refer note 4.1), with the remaining 28% held directly by Sandown Capital Limited. Including the indirect holding through Nala, the Company has an effective 49% interest in Nala A2X.

The aggregate subscription price of R22,857,143 was fully funded by way of the subscription by Sandown Capital Limited of preference share capital issued by Nala A2X. In addition, the Company settled legal expenses on behalf of Nala A2X, which amount was funded by way of an interest free shareholder loan.

The salient rights and terms attached to the cumulative, redeemable preference shares are summarised as:

- Redeemable by the Issuer no earlier than 16 January 2028, save with the consent of the preference shareholders.
- A-Preference shares: entitlement to a cumulative preference dividend equal to 10% per annum of the outstanding issued preference share capital, subject to availability of distributable earnings.
- B-Preference shares: entitlement to a preference dividend equal to 49% of the cumulative after-tax earnings of Nala A2X, after deducting the A-preference share dividend entitlement, subject to availability of distributable earnings.

The Company's direct 28% associate in Nala A2X is accounted for at fair value, in line with accounting policy note 1.2. No fair value adjustments have been recognised for the year ended 31 March 2018.

Summarised financial information of equity accounted investees:

	Group		**Company**	
	2018	2017	**2018**	2017
	R'000s	R'000s	**R'000s**	R'000s
Non-current assets	**80,086**	–	**80,086**	–
Non-current liabilities	**(194,565)**	–	**(194,565)**	–
Current liabilities	**(8,833)**	–	**(8,833)**	–
Equity	**(123,312)**	–	**(123,312)**	–
Revenue – Investment losses	**(137,336)**	–	**(137,336)**	–
Losses and other comprehensive income for the year	**(146,169)**	–	**(146,169)**	–

Notes to the financial statements

5. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2018	2017	**2018**	2017
	R'000s	R'000s	**R'000s**	R'000s
Trade debtors	–	218	–	218
Balance due from broker	**6**	–	**6**	–
Prepayments	**156**	–	**156**	–
	162	218	**162**	218

Trade and other receivables are shown net of an impairment allowance of Nil (2017: R14,118,926), following the disposal of the Group's claims on Elite as set out in note 2.3.5. The balance due from broker represents amounts held on a trading account. Prepayments reflect amounts paid to the JSE Limited, in respect of annual listing fees paid in advance. The carrying amounts approximate fair value.

6. SHARE CAPITAL

At beginning of the year	**127,374**	127,374	**127,374**	127,374
Shares issued in terms of restructure	**347,026**	–	**347,026**	–
Share capital at the end of the year	**474,400**	127,374	**474,400**	127,374

The Company had an authorised share capital of 500,000,000 ordinary shares of no par value as at 31 March 2018 (2017: 2,000). On 13 September 2017 the Company was converted to a public company and the authorised share capital was increased to 500,000,000 ordinary shares of no par value.

The Company had 226,060,696 ordinary shares of no par value in issue as at 31 March 2018 (2017: 2,000).

During the financial year, 226,063,696 ordinary shares of no par value were issued pursuant to, and as part of the Peregrine restructure, as follows:

- 161,182,841 shares were issued to Peregrine for a nominal consideration of R100 on 29 September 2017;
- 22,606,570 shares were issued to Peregrine at an aggregate issue price of R5.8536 per share, or a total subscription price of R132,329,549 for the acquisition by Sandown Capital Limited of 900 shares in SCIL, which shares were issued by SCIL in respect of the acquisition of, inter alia, Rinjani, on 2 October 2017; and
- 42,274,285 Sandown Capital Limited shares were issued to Peregrine at an aggregate issue price of R5.07865 per share, or a total subscription price of R214,696,298, which subscription price was set-off against a non-interest bearing loan owing by Sandown Capital Limited to Peregrine arising out of the acquisition by Sandown Capital Limited of South African hedge-fund assets, on 2 October 2017.

Details of the movement in share capital are provided in the statement of changes in equity.

Notes to the financial statements

7. DEFERRED TAXATION

	Group		Company	
	2018	2017	**2018**	2017
	R'000s	R'000s	**R'000s**	R'000s
Deferred tax assets and (liabilities) are attributable to the following:				
Fair value adjustments - financial investments	**(2,777)**	(3,483)	**(2,777)**	(3,483)
Estimated tax losses	**12,684**	312	**12,684**	312
Unrealised losses earned in low/no tax jurisdictions	**10,620**	–	**10,620**	–
Accruals	**322**	1,785	**322**	1,785
	20,849	(1,386)	**20,849**	(1,386)
Reconciliation of movement in deferred tax balance:				
At beginning of the year	**(1,386)**	2,356	**(1,386)**	2,356
Movement through profit and loss:	**22,235**	(3,742)	**22,235**	(3,742)
Fair value adjustments - financial investments	**(233)**	362	**(233)**	362
Tax loss utilised	**–**	(1,365)	**–**	(1,365)
Estimated assessable losses for set-off against future income	**12,372**	–	**12,372**	–
Unrealised losses earned in low/no tax jurisdictions	**10,620**	–	**10,620**	–
Accruals	**(524)**	(2,739)	**(524)**	(2,739)
	20,849	(1,386)	**20,849**	(1,386)

Given the nature of the underlying investments, the likelihood of the Group earning future taxable profits, which may be offset against the current tax losses, is considered to be high and a deferred tax asset has therefore been recognised.

8. LOANS AND OTHER PAYABLES

Peregrine SA Holdings Proprietary Limited	**120,000**	9,234	**120,000**	9,234
	120,000	9,234	**120,000**	9,234

As part of the Peregrine restructure, Peregrine SA Holdings Limited (Peregrine SA) provided a vendor loan of R134,323,129 to the Company as part-funding of the acquisition by Sandown Capital Limited of South African hedge-fund investments. The loan was unsecured, incurred interest at 1 Month Jibar + 250bps, and was repaid in full on 1 June 2018. The outstanding portion of the loan as at 31 March 2018 was R120,000,000 (2017: Nil).

The prior year loan outstanding as at 31 March 2017 of R9,234,339 was interest-free and repayable on demand. The loan was settled in full during the year. The carrying amounts approximate fair value.

9. TRADE AND OTHER PAYABLES

Trade and administrative	**1,418**	425	**1,155**	425
Employee costs	**–**	2,878	**–**	2,878
	1,418	3,303	**1,155**	3,303

Trade and administrative payables represent the provision for current year audit fees, offshore fiduciary-related administration costs and other sundry related expenses. The carrying amounts approximate fair value.

Notes to the financial statements

10. INVESTMENT INCOME

	Group		Company	
	2018	2017	**2018**	2017
	R'000s	R'000s	**R'000s**	R'000s
Dividend income - subsidiary company	**–**	–	**34,057**	–
Dividend income - listed equities	**14,440**	264	**34**	264
Investment returns - hedge-funds	**(34,595)**	28,253	**(26,079)**	28,253
Interest paid - hedge-fund loans	**(6,923)**	(4,303)	**(6,923)**	(4,303)
Fair value adjustments - private equity	**6,750**	5,926	**(457)**	5,926
Fair value adjustments - listed equities	**(24,265)**	179	**–**	179
Fair value adjustments - private equity fund	**88**	–	**88**	–
Loss on disposal of financial investments	**(1,105)**	(821)	**(1,105)**	(821)
Interest received - private equity loans	**1,507**	839	**41**	839
Interest impairment reversal - private equity loans	**–**	1,550	**–**	1,550
	(44,103)	31,887	**(344)**	31,887

11. OPERATING EXPENSES

Include:				
Auditors' remuneration	**1,934**	368	**1,934**	368
- Audit fees	**1,000**	368	**1,000**	368
- Reporting accountant (Listing)*	**684**	–	**684**	–
- Advisory fees*	**250**	–	**250**	–
Listing & Restructure Fees	**8,870**	–	**8,747**	–
*(*includes Auditors' listing-related fees above)*				
Executive directors' emoluments (note 11.1)	**1,130**	6,391	**1,130**	6,391
- Salaries and contributions	**1,130**	1,858	**1,130**	1,858
- Retirement benefit plans	**–**	253	**–**	253
- Bonus	**–**	4,280	**–**	4,280
- Bonus over provision	**(612)**	(884)	**(612)**	(884)
Salary and related costs	**518**	5,507	**518**	5,507
Non-executive directors' Fees (note 11.2)	**720**	–	**720**	–
Investment advisory fees (note 11.1 & 22)	**8,000**	–	**3,250**	–
Operating lease rentals	**34**	150	**34**	150
- Premises	**34**	146	**34**	146
- Office equipment	**–**	4	**–**	4

Notes to the financial statements

11. OPERATING EXPENSES (continued)

11.1 Executive directors' emoluments

Executive directors	Basic Salary R'000	Pension Fund Benefits R'000	Perform-ance bonus R'000	**Emol-uments for services R'000**	Long term incentive bonus	**Total emol-uments**
2018						
Paid to Executive director of the company - for managerial services						
M Yachad	1,130	–	–	**1,130**	–	**1,130**
2017						
Paid to Executive director of the company - for managerial services						
M Yachad	1,858	253	3,342	**5,453**	938	**6,391**

Prior to the Peregrine restructure, Mandy Yachad was the sole director of the Company. With effect from 1 October 2017, his role changed to that of a non-executive director, which position he held until his resignation on 29 November 2017. R40,000 of non-Executive directors fees in respect of his non-executive director services were paid to Peregrine SA for the two month period, which fees did not accrue to him in his personal capacity and are included in the non-executive directors' fee schedule set out in 11.2.

Following the Peregrine restructure, Sean Melnick (CEO) and Sean Jelley (CFO) were appointed executive directors of the Company, which appointments were effective 3 October 2017. The executive directors are employees and representatives of the investment advisor and have been seconded to the Company in terms of the investment advisory agreement. The remuneration and benefits paid to Sean Melnick and Sean Jelley for their services as directors of the Company are borne by the investment advisor and form part of the fees payable by the Company to the investment advisor for investment advisory services provided, which fees do not accrue to them in their personal capacity. In terms of their contracts with the investment advisor, as set out in the Company's pre-listing statement dated 14 November 2017, Sean Melnick and Sean Jelley each received basic annual remuneration of R270 000 (F2017: Nil) for the year ended 31 March 2018, and a share of the after tax profits of the investment advisor.

11.2 Non-executive directors' fees

Non-executive director Fees

			Sub-Committees				
R'000	**Chair**	**Main Board**	**Audit & Risk**	**Remco & Nom**	**Social & Ethics**	**2018 R**	2017 R
Lawrie Bozin (Chairman)[1]	Main Board	200	15	–	–	**215**	–
Andrew Hannington[2]	Audit	80	60	20	22	**182**	–
Duncan Randall	Remco	80	45	25	20	**170**	–
Cindy Hess [3]	Social & Ethics	53	30	13	17	**113**	–
Mandy Yachad (resigned)[4]	–	40	–	–	–	**40**	–
Total		**453**	**150**	**58**	**59**	**720**	–

With exception of Cindy Hess, all non-executive directors were appointed on 3 October 2017.

[1] LB resigned from the AC on 29 November 2017
[2] AH resigned as Chair of the Social & Ethics Committee on 29 November 2017
[3] CH was appointed to the Board and Committees on 29 November 2017
[4] MY resigned from the Board on 29 November 2017

Notes to the financial statements

12. NET INTEREST (PAID)/RECEIVED

	Group		Company	
	2018 R'000s	2017 R'000s	**2018 R'000s**	2017 R'000s
Interest received (note 12.1)	**736**	296	**237**	296
Interest paid (note 12.2)	**(6,372)**	–	**(6,370)**	–
	(5,636)	296	**(6,133)**	296
12.1 Interest received				
Bank balances	**736**	125	**237**	125
Loans and receivables	–	129	–	129
Broker account	–	42	–	42
	736	296	**237**	296
Arising on:				
Loans and receivables at amortised cost	**736**	254	**237**	254
Non-financial investments	–	42	–	42
	736	296	**237**	296
12.2 Interest paid				
Loans and other payables	**(6,372)**	–	**(6,370)**	–
	(6,372)	–	**(6,370)**	–
Arising on:				
Financial liabilities at amortised cost	**(6,370)**	–	**(6,370)**	–
Non-financial investments	**(2)**	–	–	–
	(6,372)	–	**(6,370)**	–

13. TAXATION

South African normal taxation				
- Current year	–	–	–	–
Deferred taxation	**22,236**	(3,742)	**22,236**	(3,742)
- Current year (SA)	**11,616**	(3,624)	**11,616**	(3,624)
- Current year (Foreign CFC)*	**10,620**	–	**10,620**	–
- Prior year under provision (SA)	–	(118)	–	(118)
	22,236	(3,742)	**22,236**	(3,742)

* A deferred tax asset has been raised by the Company with respect to controlled-foreign-company (CFC) related taxable losses incurred in the year, which losses are available for offset against future CFC-related taxable income.

Notes to the financial statements

13. TAXATION (continued)

	Group		Company	
	2018	2017	**2018**	2017
Tax rate reconciliation:	**%**	%	**%**	%
Standard rate of taxation	**28.00**	28.00	**28.00**	28.00
Adjusted for:				
Listing and related expenditure	**-2.00**	2.00	**-6.24**	2.00
Capital profits and exempt income	**6.07**	-15.58	**34.42**	-15.58
Capital losses	**-10.88**	0.97	**-5.30**	0.97
Translation losses recognised in equity	**9.19**	–	**29.32**	–
Losses in low/no tax jurisdictions	**-0.19**	–	**16.04**	–
Prior year under provision	**–**	0.50	**–**	0.50
Effective rate of taxation	**30.18**	15.89	**96.25**	15.89

14. NET ASSET VALUE PER SHARE

	2018	Restated 2017
	R'000	R'000
Net asset value per share as at 31 March 2018		
Equity attributable to equity holders	**1,101,687**	164,868
Number of shares in issue at reporting date	226,065,696	2,000
Number of shares issued for no consideration during the year	161,182,841	161,182,841
Number of shares used to calculate net asset value (NAV) per share*	**226,065,696**	161,184,841
NAV per share (cents)	**487**	102
Net tangible asset value per share (cents)	**487**	102

NAV per share is calculated on the number of ordinary shares in issue at the end of the financial year and is based on the NAV attributable to outstanding ordinary shareholders. NAV is the difference between total assets and total liabilities. Net tangible asset value is determined by adjusting the NAV for the intangible assets.

* As the Peregrine restructure and subsequent unbundling of the Sandown Capital Limited ordinary shares included the issue of a number of shares for no consideration, the guidance of IAS33 *Earnings per share* (paragraph 28) has been applied to the calculation of NAV per share such that the number of ordinary shares outstanding before the restructure has been adjusted to reflect the number of ordinary shares issued as if the issue for no consideration had occurred at the beginning of the earliest period reported. The prior year NAV per share has accordingly been restated to reflect the above.

Notes to the financial statements

15. EARNINGS AND HEADLINE (LOSS)/EARNINGS PER SHARE

	2018	Restated 2017
	R'000	R'000
Basic and diluted (loss)/earnings per share		
(Losses)/Earnings	**(51,435)**	19,798
Number of shares in issue at reporting date	226,065,696	2,000
Weighted average number of shares in issue*	**193,625,269**	161,184,841
Basic and diluted (loss)/earnings per share (cents)	**(26.56)**	12.28
Headline (loss)/earnings per share		
(Losses)/Earnings	(51,435)	19,798
Adjustment for headline earnings	–	–
Headline (loss)/earnings	**(51,435)**	19,798
Basic & Headline (loss)/earnings per share (cents)	**(26.56)**	12.28

* As the Peregrine restructure and subsequent unbundling of the Sandown Capital Limited ordinary shares included the issue of a number of shares for no consideration, the guidance of IAS33 *Earnings per share* (paragraph 28), in terms of which the number of ordinary shares outstanding before the restructure has been adjusted to reflect the number of ordinary shares in issue as if the issue had occurred at the beginning of the earliest period reported. This resulted in a restatement of the earnings per share for the prior year ended 31 March 2017.

16. DIVIDENDS PER SHARE

Dividends declared and paid in the year	**2,500**	13,000
Number of shares in issue at reporting date	226,065,696	2,000
Number of shares issued for no consideration during the year	161,182,841	161,182,841
Number of shares used to calculate dividends per share*	**226,065,696**	161,184,841
Dividends per share (cents)	**1.11**	8.07

The Company declared and paid dividends of R2.5 million (2017: R13 million) during the current financial year. These dividends were paid when the Company was a wholly-owned subsidiary of Peregrine. The Board does not expect to declare dividends going forward, with the intention being to reinvest income derived from investments into new investment opportunities.

* As the Peregrine restructure and subsequent unbundling of the Sandown Capital Limited ordinary shares included the issue of a number of shares for no consideration, the guidance of IAS33 *Earnings per share* (paragraph 28) has been applied to the calculation of Dividends per share such that the number of ordinary shares outstanding before the restructure has been adjusted to reflect the number of ordinary shares outstanding as if the issue for no consideration had occurred at the beginning of the earliest period reported. The prior year Dividend per share has accordingly been restated to reflect the above.

Notes to the financial statements

17. CASH UTILISED BY OPERATIONS

	Group		Company	
	2018	2017	**2018**	2017
	R'000s	R'000s	**R'000s**	R'000s
(Loss)/Profit before taxation	**(73,671)**	23,540	**(23,103)**	23,540
Adjusted for:	**49,739**	(32,683)	**6,477**	(32,683)
Reversal of impairment allowance	–	(500)	–	(500)
Interest received	**(736)**	(5,348)	**(237)**	(5,348)
Interest paid	**6,372**	(296)	**6,370**	(296)
Investment returns attributable to hedge-fund investments, net of interest paid on hedge-fund loans	**41,518**	(23,950)	**33,002**	(23,950)
Fair value of investments	**17,427**	(2,306)	**369**	(2,306)
Loss on disposal of investments	**1,105**	820	**1,105**	820
Non-cash portion of interest received on investments	–	(839)	–	(839)
Interest received from investments	**(1,507)**	–	**(41)**	–
Dividends received from subsidiaries	–	–	**(34,057)**	–
Dividends received from investments	**(14,440)**	(264)	**(34)**	(264)
	(23,932)	(9,143)	**(16,626)**	(9,143)
Working capital changes	**(1,828)**	(8,651)	**(2,090)**	(8,651)
Decrease/(increase) in trade and other receivables	**56**	26	**58**	26
Decrease/(increase) in trade and other payables	**(1,884)**	(8,677)	**(2,148)**	(8,677)
	(25,760)	(17,794)	**(18,716)**	(17,794)

18. TAXATION PAID

Prepaid at beginning of the year	**(6,172)**	(1,316)	**(6,172)**	(1,316)
Current tax expense	**–**	–	**–**	–
Prepaid at end of the year	**6,672**	6,172	**6,672**	6,172
	500	4,856	**500**	4,856

Notes to the financial statements

19. ANALYSIS OF ASSETS AND LIABILITIES BY FINANCIAL INSTRUMENT CLASSIFICATION

Group	Financial instruments at fair value through profit or loss - designated at inception	Loans and receivables at amortised cost	Financial liabilities at amortised cost	Non-financial instruments and financial instruments beyond the scope of IFRS 7	**Total**	Fair value of financial instruments
2018	R'000	R'000	R'000	R'000	**R'000**	
Non current assets	611,806	92	–	20,849	**632,747**	
Financial investments	588,949	–	–	–	**588,949**	588,949
Investment in Associates	22,857	92	–	–	**22,949**	22,857
Deferred tax	–	–	–	20,849	**20,849**	
Current assets	507,094	76,592	–	6,672	**590,358**	
Financial investments	507,094	–	–	–	**507,094**	507,094
Trade and other receivables	–	162	–	–	**162**	
Taxation	–	–	–	6,672	**6,672**	
Cash and cash equivalents	–	76,430	–	–	**76,430**	
Total assets	**1,118,900**	**76,684**	–	**27,521**	**1,223,105**	
Non-current liabilities						
Deferred taxation	–	–	–	–	–	
Current liabilities	–	–	121,418	–	**121,418**	
Loans and payables	–	–	120,000	–	**120,000**	
Trade and other payables	–	–	1,418	–	**1,418**	
Total liabilities	**–**	**–**	**121,418**	**–**	**121,418**	

Notes to the financial statements

19. ANALYSIS OF ASSETS AND LIABILITIES BY FINANCIAL INSTRUMENT CLASSIFICATION (continued)

Group	Financial instruments at fair value through profit or loss - designated at inception	Loans and receivables at amortised cost	Financial liabilities at amortised cost	Non-financial instruments and financial instruments beyond the scope of IFRS 7	Total	Fair value of financial instruments
2017	R'000	R'000	R'000	R'000	**R'000**	
Non current assets	2,910	–	–	–	2,910	
Financial investments	2,910	–	–	–	2,910	2,910
Investment in Associates	–	–	–		–	
Investment in Subsidiary	–	–	–	–	–	
Current assets	169,048	661	–	6,172	175,881	
Financial investments	169,048	–	–	–	169,048	169,048
Trade and other receivables	–	218	–	–	218	
Taxation	–	–	–	6,172	6,172	
Cash and cash equivalents	–	443	–	–	443	
Total assets	171,958	661	–	6,172	178,791	
Non-current liabilities						
Deferred taxation	–	–	–	1,386	1,386	
Current liabilities	–	–	9,659	2,878	12,537	
Loans and payables	–	–	9,234	–	9,234	
Intercompany loans	–	–	–	–	–	
Trade and other payables	–	–	425	2,878	3,303	
Total liabilities	–	–	9,659	4,264	13,923	

Notes to the financial statements

19. ANALYSIS OF ASSETS AND LIABILITIES BY FINANCIAL INSTRUMENT CLASSIFICATION (continued)

Company	Financial instruments at fair value through profit or loss - designated at inception	Loans and receivables at amortised cost	Financial liabilities at amortised cost	Non-financial instruments and financial instruments beyond the scope of IFRS 7	Total	Fair value of financial instruments
2018	R'000	R'000	R'000	R'000	**R'000**	
Non current assets	23,698	92	–	147,660	**171,450**	
Financial investments	841	–	–	–	**841**	841
Investment in Subsidiary	–	–	–	126,811	**126,811**	
Investment in Associates	22,857	92	–	–	**22,949**	22,857
Deferred tax	–	–	–	20,849	**20,849**	
Current assets	440,973	9,992	–	6,672	**457,637**	
Financial investments	440,973	–	–	–	**440,973**	440,973
Loan to subsidiary	–	1,812	–	–	**1,812**	
Trade and other receivables	–	162	–	–	**162**	
Taxation	–	–	–	6,672	**6,672**	
Cash and cash equivalents	–	8,018	–	–	**8,018**	
Total assets	**464,671**	**10,084**	–	**154,332**	**629,087**	
Non-current liabilities						
Deferred taxation	–	–	–	–	–	
Current liabilities	–	–	120,000	1,155	**121,155**	
Loans and payables	–	–	120,000	–	**120,000**	
Trade and other payables	–	–	–	1,155	**1,155**	
Total liabilities	–	–	**120,000**	**1,155**	**121,155**	

Notes to the financial statements

19. ANALYSIS OF ASSETS AND LIABILITIES BY FINANCIAL INSTRUMENT CLASSIFICATION (continued)

Company	Financial instruments at fair value through profit or loss – designated at inception	Loans and receivables at amortised cost	Financial liabilities at amortised cost	Non-financial instruments and financial instruments beyond the scope of IFRS 7	Total	Fair value of financial instruments
2017	R'000	R'000	R'000	R'000	**R'000**	
Non current assets	2,910	–	–	–	2,910	
Financial investments	2,910	–	–	–	2,910	2,910
Investment in Subsidiary	–	–	–	–	–	
Investment in Associates	–	–	–	–	–	
Current assets	169,048	661	–	6,172	175,881	
Financial investments	169,048	–	–	–	169,048	169,048
Trade and other receivables	–	218	–	–	218	
Taxation	–	–	–	6,172	6,172	
Cash and cash equivalents	–	443	–	–	443	
Total assets	171,958	661	–	6,172	178,791	
Non-current liabilities						
Deferred taxation	–	–	–	1,386	1,386	
Current liabilities	–	–	9,659	2,878	12,537	
Loans and payables	–	–	9,234	–	9,234	
Trade and other payables	–	–	425	2,878	3,303	
Total liabilities	–	–	9,659	4,264	13,923	

Notes to the financial statements

20. RISK MANAGEMENT

Having regard to the fact that managing risk is an inherent part of the Group's activities, risk management and the ongoing improvement in corresponding control structures remain a key focus in building a successful and sustainable business. Within a complex financial services environment, the Board recognises that risk management is a dynamic process and that the risk framework should be robust enough to effectively manage and react to change in an efficient and timeous manner.

Formalisation of a risk management framework for the Group is the responsibility of the Board of directors of Sandown Capital Limited. The framework ensures:

- efficient allocation of capital across various activities in order to maximise returns and diversification of income streams;
- risk taking within levels acceptable to the Group as a whole;
- efficient liquidity management and control of funding costs; and
- appropriate risk management and control.

Whilst the Board is ultimately responsible for the management of risk, the Board relies on the executive directors to operate within the control structures and frameworks established by the Board and has delegated the responsibility for implementation of the risk framework to the executive directors.

The executive directors take an active role in the risk management process and are responsible for the implementation, ongoing maintenance of and ultimate compliance with the risk process as it applies to the Group. The Board is kept abreast of developments through formalised reporting structures, ongoing communication with the executive directors, and through regular meetings of the Group Audit and Risk Committee.

Risk management structure

The Group's risk management framework is summarised below. Key responsibilities lie with the following management bodies and committees.

Board of directors: responsible for the strategic direction, supervision and control of the Group and for defining the Group's tolerance for risk.

Audit and Risk Committee: responsible for assisting the board of directors of the Group and subsidiary entities, in fulfilling their responsibilities by providing guidance regarding risk governance and the development of the Group's risk profile, including regular review of major risk exposures and the management of risk limits. In addition, the committee is responsible for monitoring the executive director's approach with respect to financial reporting, internal controls, accounting and legal and regulatory compliance. The chairman of the Audit and Risk Committee reports back to the Board of directors of the Group in this regard.

The nature and key risks to which the Group is exposed are categorised as follows:

20.1 Market risk

Market risk is the potential change in the value of a financial instrument resulting from changes in market prices. The Group's activities expose it primarily to the financial risks of changes in equity prices, interest rates and foreign currency exchange rates. The Group's investment activities include investments into hedge-funds and listed and unlisted private equity investment opportunities. The Group is exposed to market risk associated with the underlying instruments held by hedge-funds and has exposure to equity price movements and fluctuations in interest and foreign currency exchange rates as a result of listed and unlisted investments held directly as part of its investment activities.

Notes to the financial statements

20. RISK MANAGEMENT (continued)

20.1.1 Equity pricing risk

20.1.1.1 Key risk exposures

As at reporting date, Group's capital was allocated per concentration of risk, which is by type of instrument:

	Group		Company	
	2018	2017	**2018**	2017
	R'000s	R'000s	**R'000s**	R'000s
Hedge-fund investments	**507,094**	163,700	**440,973**	163,700
Listed equities	**358,913**	2,289	**–**	2,289
Private equity investments	**230,036**	5,969	**841**	5,969
Investment in Associates	**22,857**	–	**22,857**	–
	1,118,900	171,958	**464,671**	171,958

20.1.1.2 Equity sensitivity analysis

Investment into hedge-funds

To date, the Group has invested in funds managed by Electus Fund Managers, Peregrine Capital, Green Oak Capital and Stenham Asset Management (the managers), both directly and through the Peregrine Fund Platform. The managers manage a suite of hedge-funds, which focus on both South African and Global listed equity counters. Stock selection is primarily bottom up, based on fundamental research employing disciplined and consistent research procedures. The funds aim to achieve positive returns regardless of the direction of the equity market. The decision to invest and the quantum thereof forms part of the Group's capital allocation decision implemented and managed by the executives.

In all cases referred to above; fund managers are subject to appropriate due diligence and selected on the basis of the manager's track record and experience, their approach to investment and risk management, as well as their ability to demonstrate sound operational procedures and acceptable legal infrastructure. Investment into the funds is on an arm's length basis.

Operational controls surrounding the investment process include:

- management according to a fund mandate, which sets out investment parameters including target investments, maximum holdings and exposures, and various investment limits;
- investor review by way of daily access to portfolio information and regular reporting;
- monitoring of positions against mandate limits;
- utilisation of external administrators for the provision of independent accounting, administration and valuation services;
- utilisation of an appropriate prime-broker;
- internal audit of controls and procedures surrounding fund valuations, mandate monitoring and KYC compliance; and
- an annual audit of the funds by external auditors.

Investments made by the Group into the hedge-funds are diversified through the utilisation of a variety of trading systems employed by the managers. The selection of funds and managers is part of the on-going and active management of the Group's stated investment strategy.

Notes to the financial statements

20. RISK MANAGEMENT (continued)

20.1.1.2 Equity sensitivity analysis (continued)

Investment into hedge-funds (continued)

The Group measures the profit or loss of its investment portfolio monthly or more regularly if required and has the ability to exit investments on a monthly/quarterly basis. The fair value of the Group's investments into hedge-funds is determined using the underlying market values of the investments held by each fund. As a result of the nature of the funds into which the Group has invested, the investments are largely exposed to movements in the prices of equity instruments listed on the JSE.

Investments held as part of the Group's private equity investment activities

The Group holds listed equities and unlisted private equity investments. The Group has approximately 56% (2017: 1%) of its capital invested in listed and unlisted private equity as part of its investment activities. Investment decisions are structured within a mandate, approved by the Sandown Capital Limited board and implemented and managed as part of the investment of Group capital.

Applying a 10% variation in equity/fund prices, the impact on the carrying value of the financial investments as at 31 March would have been:

Group *Impact on carrying values*	Increase by 10%	Decrease by 10%
2018	R'000	R'000s
Increase (decrease) in carrying value	**86,601**	**(86,601)**
2017		
Increase (decrease) in carrying value	16,599	(16,599)

Notes to the financial statements

20. RISK MANAGEMENT (continued)

20.1.2 Interest rate risk

20.1.2.1 Key risk exposures

Interest rate risk refers to the impact on future cash flows and earnings of interest sensitive assets and liabilities as a result of interest rates repricing.

Financial assets and liabilities that are sensitive to interest rate risk comprise those financial instruments carried at amortised cost. This includes cash balances, loans and receivables and loans and payables. Borrowings comprise of loans from third parties and amounts borrowed against hedge-fund investments. The decision to gear against certain of the hedge-fund investments is to enhance investment returns rather than as a result of a funding decision. The rates paid on hedge-fund gearing are thus managed as part of the overall return expectations of the Group's investment strategy.

The Group manages interest rate exposure arising from other borrowings as part of the overall management of Sandown Capital's investment strategy. The decision to borrow and the levels at which borrowings are maintained are evaluated on a regular basis. Considerations include historic and anticipated investment yields and the cost of borrowing, the Group's liquidity requirements and the current state of credit markets. The efficient allocation of capital is expected to enhance profitability over the longer term.

The repricing profile of financial assets and liabilities carried at amortised cost that are sensitive to interest rate fluctuations is presented in the table below. Short term financial assets and liabilities carried at amortised cost whereby the effects of discounting that are considered to be immaterial are reflected as "non-rate" in the sensitivity analysis. Non-interest bearing asset and liabilities carried at amortised cost are specifically classified as non-rate financial instruments.

A 2% (South Africa) and 1% (offshore) increase or decrease in interest rates represents management's assessment of the reasonable possible change in interest rates. The table depicts the sensitivity of a 2% (South Africa) and 1% (offshore) parallel shift in the applicable rates respectively.

Notes to the financial statements

20. RISK MANAGEMENT (continued)

20.1.2.2 Interest rate sensitivity analysis

2018	Carrying value of Financial instrument at amortised cost	Interest rate	Current years interest income/ expense (Restated)*	Reasonable change in rate of [2% SA & 1% Offshore]	Impact on pre-tax profit or loss**	Impact on post-tax profit or loss***
Interest sensitivity gap	R'000	%	R'000	R'000	R'000	R'000
Interest bearing financial assets						
Financial investments	106,640					
Rinjani shareholder Loan	5,062	Non-rate	–	–	–	–
Capital Step Term Loan (GBP)	83,435	12.00%	10,012	10,847	834	601
Capital Step Shareholder Loan (GBP)	17,447	Non-rate	–	–	–	–
Firefly Partnership Loan	696	6.50%	45	59	14	10
Loan to associate	92	Non-rate	–	–	–	–
A-Preference shares in Nala A2X	22,857	Fixed (10%)	–	–	–	–
Trade and other receivables	6	Non-rate	–	–	–	–
Trade and other receivables	156	Non-rate	–	–	–	–
Cash and cash equivalents – South Africa	8,018	6.30%	505	666	160	115
Cash and cash equivalents – Offshore (GBP/USD)	68,411	1.00%	684	1,368	684	493
** rands unless stated otherwise*	206,180		11,246	12,940	1,692	1,219
Interest bearing financial liabilities						
Loans and other payables	120,000	9.3% - 9.4%	10,980	13,380	(2,400)	(1,728)
Trade and other payables	1,418	Non-rate	–	–	–	–
	121,418		10,980	13,380	(2,400)	(1,728)

* *The current year's interest income/expense is recalculated based on the carrying value of the financial instruments closing balance at year-end.*
** *Impact on profit or loss of a change in interest rates would be based on the financial instruments closing balance at year-end. It is not a change of the current year's interest expense, rather it calculates the impact on the following year's net finance cost if rates fluctuated by 2% (local) and 1% (foreign).*
*** *The impact on profit or loss post tax is deemed to be the same as the impact on equity*

Notes to the financial statements

20. RISK MANAGEMENT (continued)

20.1.2.2 Interest rate sensitivity analysis (continued)

2017	Carrying value of Financial instrument at amortised cost	Interest rate	Current years interest income/ expense*	Reasonable change in rate of [2% SA & 1% Offshore]	Impact on pre-tax profit or loss**	Impact on post-tax profit or loss***
	R'000	%	R'000	R'000	R'000	R'000
Interest sensitivity gap						
Interest bearing financial assets						
Financial investments	5,348	10.50%	839	669	(170)	(123)
Financial investments	564	6.50%	59	48	(12)	(8)
Trade and other receivables: non rate	218	Non-rate	–	–	–	–
Cash and cash equivalents	443	0.13%	125	9	(116)	(83)
	6,573		1,023	726	(298)	(214)
Interest bearing financial liabilities						
Loans and other payables	9,234	Non-rate	–	–	–	–
Trade and other payables	425	Non-rate	–	–	–	–
	9,659		–	–	–	–

* *The current year's interest income/expense is recalculated based on the carrying value of the financial instruments closing balance at year-end.*
** *Impact on profit or loss of a change in interest rates would be based on the financial instruments closing balance at year-end. It is not a change of the current year's interest expense, rather it calculates the impact on the following year's net finance cost if rates fluctuated by 2% (local) and 1% (foreign).*
*** *The impact on profit or loss post tax is deemed to be the same as the impact on equity.*

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Notes to the financial statements

20. RISK MANAGEMENT (continued)

2.1.3 Foreign currency risk

Foreign exchange translation exposure which arises from the translation of the Group's international operations into Rand is not considered a foreign currency exposure under IFRS. However, a significant portion of the Group's investments are held by its offshore subsidiary, SCIL, and as such a significant portion of the Group's investment income is earned in foreign currency and the volatility of these currencies relative to the Rand will impact the Group's Rand profit or loss and asset values.

The carrying value of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

Group	USD	GBP	**Total**
2018	R'000s	R'000s	R'000s
Non-current assets	–	229,195	229,195
Current assets	104,072	30,462	134,534
Total assets	104,072	259,657	363,729
Non-current liabilities	–	–	–
Current liabilities	–	–	–
Total liabilities	–	–	–
Net exposure	104,072	259,657	363,729

20.1.3.1 Sensitivity analysis

Assuming a reasonable change of 10% in the currency exchange rates applied to the above balances, the impact on profit or loss would be:

	R'000s	R'000s	R'000s
Impact on pre-tax profit or loss	10,407	25,966	36,373
Impact on post-tax profit or loss	7,493	18,696	26,189

While the Group's financial investment in Stenprop is held offshore by SCIL, the investment is denominated in Rands, being the functioning currency of the JSE, the exchange on which the greatest volume of Stenprop's shares trade.

In addition to the above foreign currency exposures, the Group has a funding commitment with respect to an undrawn shareholder loan to CSH of £1.25 million (R20.8 million), and a commitment to provide an additional Term Loan of £5 million (R83.1 million), subject to various conditions, to CSF, one of its portfolio investment companies.

The following significant exchange rates were applied at the reporting date:

1 USD: ZAR 11.86
1 GBP: ZAR 16.62
1 EUR: ZAR 14.61

Notes to the financial statements

20.2 Credit risk

20.2.1 Key risk exposures

Credit risk is the risk of loss resulting from the default of a counterparty. Credit risk includes settlement risk.

There is no significant concentration of credit risk for the Group.

Assets that expose the Group to credit risk consist principally of cash deposits, trade and other receivables and loans and receivables. Cash is placed on deposit with high credit rated financial institutions. Credit risk is limited due to the high credit rating of counterparties. The carrying value of financial assets recorded in the financial statements, which is net of impairment losses, represents the company's maximum exposure to credit risk.

Financial assets not impaired

The ageing of financial assets past due and not impaired at the reporting date is set out below:

2018	Maximum exposure to credit risk	Not past due	Non-financial instruments and financial instruments beyond the scope of IFRS 7	**Carrying value**
	R'000	R'000	R'000	**R'000**
Financial investments	106,640	106,640	–	**106,640**
Trade and other receivables	162	162	–	**162**
Investment in Associates	92	92	–	**92**
Taxation	–	–	6,672	**6,672**
Cash and cash equivalents	76,430	76,430	–	**76,430**
	183,324	183,324	6,672	**189,996**

2017	Maximum exposure to credit risk	Not past due	Non-financial instruments and financial instruments beyond the scope of IFRS 7	Carrying value
	R'000	R'000	R'000	R'000
Financial investments	5,912	5,912	–	5,912
Trade and other receivables	218	218	–	218
Taxation	–	–	6,172	6,172
Cash and cash equivalents	443	443	–	443
	6,573	6,573	6,172	12,745

Notes to the financial statements

20. RISK MANAGEMENT (continued)

20.2 Credit risk (continued)

20.2.1 Key risk exposures (continued)

The credit quality of financial assets neither past due nor impaired is as follows:

2018	Strong	Satisfactory	High risk	Total
	R'000	R'000	R'000	R'000
Financial investments	106,640	–	–	**106,640**
Trade and other receivables	162	–	–	**162**
Investment in Associates	92	–	–	**92**
Cash and cash equivalents	76,430	–	–	**76,430**
	183,324	–	–	**183,324**

2017	Strong	Satisfactory	High risk	Total
	R'000	R'000	R'000	R'000
Financial investments	5,912	–	–	5,912
Trade and other receivables	–	–	218	218
Cash and cash equivalents	443	–	–	443
	6,355	–	218	6,573

Financial statement descriptions can be summarised as follows:

Strong: there is a very high likelihood that the asset will be recovered in full.

Satisfactory: there is still a high likelihood that the asset will be recovered in full however the counterparty has indicated some evidence of deterioration and is being monitored more carefully.

High Risk: there is concern over the counterparty's ability to make payments when due. These receivables have not yet been impaired, and the counterparty is continuing to make payments when due and is expected to settle all outstanding amounts.

20.2.2 Impairment

Default, delinquency in payment and significant financial difficulties are considered indicators that a receivable is impaired. At year-end management has assessed its financial assets and determined, based on historic default rates and the credit quality of clients, and concluded that specific impairments are not required in respect of these financial assets. Based on historic default rates, the Group believes that impairment allowance is necessary in respect of trade receivables. The impairment allowance account is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts are considered irrecoverable and are written off against the financial asset directly.

Notes to the financial statements

20. RISK MANAGEMENT (continued)

20.2 Credit risk (continued)

20.2.3 Impairment (continued)

The movement in the allowance for impairment in respect of loans and trade receivables is as follows:

	2018	2017
Group	**R'000**	R'000
At beginning of the year	**15,902**	17,952
Increase in allowance raised	**–**	–
Reversal of allowance raised	**(15,902)**	(2,050)
	–	15,902

The reversal of the impairment allowances through profit and loss in the current year is in respect of the African Dawn Capital Limited investment and the sale of claims on the Elite Group, both of which were sold in the year.

20.3 Liquidity risk

20.3.1 Key risk exposures

Liquidity risk refers to the ability to meet funding obligations as they fall due. The centralised nature of the Group's treasury function ensures that capital is appropriately allocated across the Group and that funding and commitments are met timeously.

The Group is currently funded by internal cash resources and partly by way of a rand loan from a third party. The Group has the ability to draw down on hedge-fund investments on a monthly basis should a liquidity shortfall arise.

There were no breaches or defaults on any loan obligations during the current year.

20.3.2 Liquidity mismatch table

A summary of the Group's undiscounted liquidity profile is reflected in the table overleaf. Assets and liabilities are allocated according to their contractual maturity dates. The Group has the ability to disinvest from the hedge-funds on a monthly basis. Other investment assets (including listed equities) are shown as realisable in greater than a year.

Notes to the financial statements

20. RISK MANAGEMENT (continued)

20.3 Liquidity risk (continued)

20.3.2 Liquidity mismatch table (continued)

Liquidity mismatch table - 2018	Demand	1-6 months	6 months -1 year	1- 5 years	>5 years	Non financial instruments	Total
Assets	R	R	R	R	R	R	R
Non-financial assets and financial assets beyond the scope of IFRS 7 :	–	–	–	–	–	27,521	**27,521**
Deferred taxation	–	–	–	–	–	20,849	**20,849**
Taxation	–	–	–	–	–	6,672	**6,672**
Non-derivative financial assets used to manage liquidity risk-:	76,430	507,256	–	611,898	–	–	**1,195,584**
Financial investments	–	507,094	–	588,949	–	–	**1,096,043**
Investment in Associates	–	–	–	22,949	–	–	**22,949**
Trade and other receivables	–	162	–	–	–	–	**162**
Cash and cash equivalents	76,430	–	–	–	–	–	**76,430**
	76,430	507,256	–	611,898	–	27,521	**1,223,105**
Liabilities							
Non-financial liabilities and financial assets beyond the scope of IFRS 7:							
Deferred taxation	–	–	–	–	–	–	–
Non-derivative financial liabilities:	–	121,418	–	–	–	–	**121,418**
Loans and other payables	–	120,000	–	–	–	–	**120,000**
Trade and other payables	–	1,418	–	–	–	–	**1,418**
	–	121,418	–	–	–	–	**121,418**
Equity	–	–	–	–	–	1,101,687	**1,101,687**
Liquidity gap	76,430	385,838	–	611,898	–	(1,074,166)	**–**
Cumulative liquidity gap	76,430	462,268	462,268	1,074,166	1,074,166	–	**–**

Notes to the financial statements

20. RISK MANAGEMENT (continued)

20.3 Liquidity risk (continued)

20.3.2 Liquidity mismatch table (continued)

Liquidity mismatch table - 2017	Demand	1-6 months	6 months - 1 year	1- 5 years	>5 years	Non financial instruments	Total
	R	R	R	R	R	R	R
Assets							
Non-financial assets and financial assets beyond the scope of IFRS 7 :							
Taxation	–	–	–	–	–	6,172	6,172
Non-derivative financial assets used to manage liquidity risk-:	443	163,700	6,162	2,314	–	–	172,619
Financial investments	–	163,700	5,944	2,314	–	–	171,958
Trade and other receivables	–	–	218	–	–	–	218
Cash and cash equivalents	443	–	–	–	–	–	443
	443	163,700	6,162	2,314	–	6,172	178,791
Liabilities							
Non-financial liabilities and financial assets beyond the scope of IFRS 7:							
Deferred taxation						1,386	1,386
Non-derivative financial liabilities:	–	9,659	–	–	–	2,878	12,537
Loans and other payables	–	9,234	–	–	–	–	9,234
Trade and other payables	–	425	–	–	–	2,878	3,303
	–	9,659	–	–	–	4,264	13,923
Equity	–	–	–	–	–	164,868	164,868
Liquidity gap	443	154,041	6,162	2,314	–	(162,960)	–
Cumulative liquidity gap	443	154,484	160,646	162,960	162,960	–	–

Notes to the financial statements

20. RISK MANAGEMENT (continued)

20.4 Fair value hierarchy

The fair value of a financial instrument is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is a presumption that an entity is a going concern without any intention or need to liquidate, to curtail materially the scale of its operations or to undertake a transaction on adverse terms. Fair value is not, therefore, the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distressed sale.

The fair value of financial instruments traded in active markets is based on unadjusted quoted market prices at reporting date. A market is regarded as active if quoted prices for identical assets or liabilities are readily available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the mid-price. These instruments are included in level 1.

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

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

The following table presents the Group's assets that are measured at fair value as at 31 March:

Group			**2018**
	Level 1	Level 2	Total
	R'000	R'000	R'000
Financial assets at fair value though profit or loss			
Designated at inception:			
Listed equities	358,913	–	**358,913**
Private equity investments	–	230,036	**230,036**
Hedge-fund investments	–	507,094	**507,094**
Investment in Associates (preference shares)	–	22,857	**22,857**
Total financial assets carried at fair value	358,913	759,987	**1,118,900**

			2017
	Level 1	Level 2	Total
	R'000	R'000	R'000
Financial assets at fair value though profit or loss			
Designated at inception:			
Listed equities	2,289	–	2,289
Private equity investments	–	5,969	5,969
Hedge-fund investments	–	163,700	163,700
Total financial assets carried at fair value	2,289	169,669	171,958

Notes to the financial statements

20. RISK MANAGEMENT (continued)

20.4 Fair value hierarchy (continued)

Company

	Level 1	Level 2	**2018** Total
	R'000	R'000	R'000
Financial assets at fair value though profit or loss			
Designated at inception:			
Listed equities	–	–	–
Private equity investments	–	841	**841**
Hedge-fund investments	–	440,973	**440,973**
Investment in Associates (preference shares)	–	22,857	**22,857**
Total financial assets carried at fair value	–	464,671	**464,671**

	Level 1	Level 2	2017 Total
	R'000	R'000	R'000
Financial assets at fair value though profit or loss			
Designated at inception:			
Listed equities	2,289	–	2,289
Private equity investments	–	5,969	5,969
Hedge-fund investments	–	163,700	163,700
Total financial assets carried at fair value	2,289	169,669	171,958

Notes to the financial statements

20. RISK MANAGEMENT (continued)

20.4 Fair value hierarchy (continued)

20.4.3 Valuation techniques applied and inputs to valuation techniques:

Financial assets at fair value though profit or loss	Valuation technique used to determine fair value	Description of significant observable inputs used in valuation technique	Description of significant unobservable inputs used in valuation technique (not applicable for level 1)	Value of significant unobservable inputs used in valuation technique (not applicable for level 1)	Recurring or Non-recurring fair value measurement
Listed equities	Quoted market prices	Unadjusted quoted prices in an active market of underlying investments	N/A	N/A	Recurring
Private equity investments	Current market assumptions for loans, independent valuations, and cost for recent transactions	Market related interest rate	N/A	N/A	Recurring
Hedge-fund investments	Quoted market prices	The fair value is determined by an independent administrator, based on the quoted market prices of the underlying investments held by the hedge-funds	Unobservable inputs are mostly expense accruals of the hedge-fund entities that are deducted from the sum of the fair values of net investments held by the hedge-funds	N/A	Recurring
Investment in Associates	Current market assumptions for loans, independent valuations, and cost for recent transactions	Market related coupons	N/A	N/A	Recurring

20.5 Offsetting financial assets and financial liabilities

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The unlisted hedge-fund investments were presented net of loans. The investments made are on a geared basis with permissible loan ratios of up to 100%. The loan agreement against the investment in the PNF Peregrine Fund states that loan will be settled at the same time as a redemption out of the fund. The hedge-fund investments are measured at fair value and the loans are measured at amortised cost.

Notes to the financial statements

20. RISK MANAGEMENT (continued)

20.5 Offsetting financial assets and financial liabilities (continued)

Financial assets subject to offsetting

Group	Gross amounts of recognised financial assets	Measurement basis	Gross amounts of recognised financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement of financial position
	R '000		R '000	R '000
2018				
Current financial investments	**584,468**	**At fair value**	**(77,374)**	**507,094**
2017				
Current financial investments	236,302	At fair value	(72,602)	163,700

Company	Gross amounts of recognised financial assets	Measurement basis	Gross amounts of recognised financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement of financial position
	R '000		R '000	R '000
2018				
Current financial investments	**518,347**	**At fair value**	**(77,374)**	**440,973**
2017				
Current financial investments	236,302	At fair value	(72,602)	163,700

21 CRITICAL ACCOUNTING VARIATIONS AND JUDGMENTS

Estimates and assumptions are continually evaluated and are based on historical and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The results of estimates and assumptions form the basis of making judgements about the carrying value of assets and liabilities. Actual results may differ from the estimates made.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Hedge-funds

As the Group's hedge-fund investments are managed by external, independent fund managers (refer note 2.3.6) and given the fact that Sandown Capital Limited has no influence on the investment strategies applied within the various hedge-funds, and no unilateral ability to replace the fund manager, the Group has not consolidated the hedge-fund investments.

These are measured at fair value for financial reporting purposes.

Notes to the financial statements

21. CRITICAL ACCOUNTING VARIATIONS AND JUDGMENTS (continued)

Fair value measurement and valuation processes

Some of the Group's assets are measured at fair value for financial reporting purposes. In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. The determination of fair value requires estimates and judgements particularly where the inputs to valuations are not market observable, as is the case for many of the Group's fair valued assets.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed in note 20.4.

Deferred taxation

A deferred tax asset is recognised on temporary differences and estimated assessable tax losses as it is the view of the directors that these will be recovered in future years.

22. RELATED PARTY INFORMATION

Related Party Balances and Transactions

Transactions with Peregrine Group companies

Sandown Capital Limited was a wholly-owned subsidiary of the Peregrine Group until 1 December 2017, a group of which Sean Melnick is the non-executive Chairman, on which date all the issued shares in the Company were unbundled to the shareholders of Peregrine Holdings Group. During the period in which the Company was a subsidiary of the Peregrine Group, Sandown Capital Limited entered into various transactions in the ordinary course of business with a fellow subsidiary company, Peregrine SA. The total value of these transactions charged for the period was R229,671 (2017: R414,804).

In addition, Peregrine SA was paid R40,000 for the provision of non-executive director services to the Company, relating to the services of Mandy Yachad for the period in which he was a non-executive director of the Company.

The Group invested in hedge-funds managed by Peregrine Capital and Peregrine Fund Platform, which for a portion of the financial year were fellow subsidiaries of Sandown Capital Limited. There are loans outstanding against the fund managed by Peregrine Capital, due to Peregrine Group entities, which loans bear interest at the JSE Trustee rate as published monthly by JSE Trustees Proprietary Limited, less 57 basis points. During the period Sandown Capital Limited was a member of the Peregrine Group, interest on these loans amounted to R2.2 million (2017: R4.3 million).

As part of the Peregrine restructure and the subsequent listing of the Company, Java Capital, an associate company at the time, was paid a total of R4.7 million by the Company with respect to advisory and related fees.

Peregrine restructure transactions

As part of the Peregrine restructure, Stenham Limited, a fellow subsidiary of Sandown Capital Limited in the Peregrine Group at the time, transferred various assets to SCIL for no consideration, comprising of:

- three hedge funds investments, valued in aggregate at R125 million;
- foreign cash balances of R171 million; and
- 13,901,740 shares in Stenprop, valued at R263 million.

In addition, Stenham Group Limited (a wholly-owned subsidiary of Stenham Limited) exchanged its 79.41% shareholding and claims against Rinjani Holdings Limited, as well as its 100% shareholding in a dormant entity, SVL, for the issue of 900 shares by SCIL, following which the SCIL shares were ultimately distributed to Peregrine by way of a distribution in specie. Such shares in SCIL were then partnership

Notes to the financial statements

22. RELATED PARTY INFORMATION (continued)

contemplated in section 42 of the Income Tax Act. Peregrine also subscribed for an additional 161 million Sandown Capital Limited shares for R100 at the same time.

As part of the Peregrine restructure, Peregrine Guernsey Limited, a fellow subsidiary with Sandown Capital Limited of the Peregrine group at the time, transferred 6,318,728 Stenprop shares to SCIL, valued at R120 million, for no consideration.

As per the disposal agreement between Peregrine SA and Sandown Capital Limited, Peregrine SA, disposed of three hedge-funds investments to the Company with an aggregate value of R349 million, payment of which was settled by way of two separate vendor loans:

- the first loan, interest-bearing, for an amount of R134 million; and
- the remaining balance of R215 million took the form of a non-interest bearing loan, which was subsequently distributed to Peregrine as a distribution in specie and settled by Sandown Capital Limited by way of the issue of 42 million ordinary shares in Sandown Capital Limited to Peregrine.

Sandown Capital Limited disposed of its claims on the Elite Group to Peregrine Financial Services Holdings Limited, for a cash consideration of R4.5 million in October 2017, as part of the Peregrine restructure.

21,668 shares in Peregrine, previously held as treasury shares on behalf of the Peregrine Group, were transferred to a Peregrine Group company as part of the Peregrine restructure, whilst the Company was a wholly-owned subsidiary of Peregrine, for no consideration. This transfer was accounted for as an adjustment to equity.

Private equity fund

The Group has a 50% interest in a partnership, Firefly, an investment fund that invests in private equity opportunities. Sean Melnick, Sean Jelley and Mandy Yachad, directors of the Group during the year ended 31 March 2018, have co-invested with the Group into the fund, either directly or through an entity in which they have an indirect beneficial interest. The value of the loan receivable from Firefly as at 31 March 2018 was R695,942 (31 March 2017: R564,208). The loan is interest-bearing and repayable on demand.

Capital Step Transaction

As part of the Capital Step transaction set out in more detail in note 2.3 above, SVL acquired 2,551 ordinary shares in CSH from Sean Melnick, for a total consideration of R429 (£25.51). The disposal of Melnick's 22.5% interest in CSH was a condition set by the Board of Sandown Capital Limited in order to remove any potential conflict of interest between the Group and the executive director.

Directors

Details of directors' shareholding in the Company are disclosed in the Directors' Report. Directors' emoluments are disclosed in note 11.

Equity accounted investees

During the year, the Group paid certain expenses, on loan account, with respect to fees incurred in the ordinary course of business on behalf of entities in which the Group holds an associate interest. These expenses amounted to R91,895 for the year (F2017: Nil) and the loan balances outstanding as at 31 March 2018 were R91,895 (2017: Nil).

Investments and loans to associates as at 31 March 2018 are disclosed in note 4.

Notes to the financial statements

22.RELATED PARTY INFORMATION (continued)

Subsidiaries

Details of investments in subsidiaries are disclosed in note 3. Transactions between subsidiaries are conducted in the ordinary course of business at arms' length. Dividends paid by subsidiary companies are recognised in investment income by the holding company. Intercompany transactions and balances are eliminated on consolidation.

Loans to subsidiary companies as at 31 March 2018 comprise of R1,812,027 (2017: Nil) due by SCIL to the Company. The amounts due by/to subsidiary companies are considered of a short term nature, unsecured and repayable on demand. Loans are interest-free unless stated otherwise.

Investment advisor

The Group entered into an investment advisory agreement with an external investment advisor on 4 October 2017, an entity in which the executive directors are representatives of and have an economic interest. The details of the advisory agreement are set out in the Company's pre-listing statement published on 14 November 2017. The advisory fees paid to the investment advisor by the Group for the period from the commencement of the agreement to 31 March 2018 amounted to R8 million (2017: Nil). The executives received no remuneration from the Group.

Notes to the financial statements

23. PEREGRINE RESTRUCTURE

With effect from 2 October 2017 Peregrine transferred to Sandown Capital Limited, a wholly-owned subsidiary of Peregrine at the reporting date, all the attributable surplus balance sheet investments within the Peregrine Group. The effect of the restructure and unbundling on the assets and liabilities as at the reporting date is presented below.

The fair values reflected below represent their carrying values as at the Restructure date (2 October 2017).

		R'000
Identifiable assets transferred in:		**1,160,634**
Financial investments	990,067	
Hedge-funds	474,558	
Listed Equity	383,178	
Private Equity	132,331	
Cash and cash equivalents	170,567	
Identifiable liabilities transferred in:		**(134,324)**
Attributable net assets		**1,026,310**

Pursuant to the restructure, Sandown Capital Limited issued Peregrine with an additional 64,880,855 ordinary shares, such that the total number of shares in issue increased to 226,065,696. In addition, as part of the transfer of hedge-fund assets, Peregrine provided the Group with a short-term loan facility of R134.3 million which loan was repaid in full on 1 June 2018.

Sandown Capital Limited was separately listed on the JSE on Wednesday, 29 November 2017, with the shares in Sandown Capital Limited being unbundled to Peregrine shareholders on Monday, 4 December 2017.

24. CAPITAL COMMITMENTS

There are no capital commitments other than as recorded for financial investments in note 2.3.3 (Capital Step).

25. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern whilst maximising the return to stakeholders through the optimisation of the Company's capital structure. In order to achieve a distinct and clearly defined focus on business opportunities and on investment activities the responsibilities and resources for the management of the Company's capital are split. Capital allocation decisions take account of the Company's solvency and liquidity requirements and its growth and return objectives.

The CEO and executives of Sandown Capital Limited, acting under delegated responsibility of the Board, are responsible for the management of investment activities, primarily investment into private equity and related opportunities.

The Sandown Capital Limited board reviews the capital structure on an on-going basis as required. Decisions to alter the capital structure give consideration to the cost of capital and the risks associated with each class of capital.

Notes to the financial statements

26. EVENTS SUBSEQUENT TO REPORTING DATE

There were no significant events subsequent to year end that would require adjustment to the financial results as currently reported.

27. GOING CONCERN

These consolidated and separate financial statements have been prepared on the basis of accounting policies applicable to a going concern.

Notes to the financial statements

28. SCHEDULE OF INVESTMENTS

Investment	*Description*	Proportion Owned	Fair Value 31-Mar-18 R'000s	Cost* R'000s	Fund Managers	Fee Basis	Redemption Notice Period
Listed equities							
Stenprop Limited *(incorporated in Guernsey)*	*Property investment company, dual-listed on the Johannesburg (JSE) & Bermuda stock exchanges*	6.9%	358,913	383,178	n/a	–	–
Private equity							
Rinjani Holdings Limited *(incorporated in the BVI)*	*Unlisted investment SPV, holding various listed and unlisted real estate assets in the UK and Germany*	79.4%	128,246	131,193	n/a	–	–
Capital Step Holdings Limited *(incorporated in the UK)*	*UK-based, specialist finance company lending to SME markets in the UK & Ireland*	60%	100,882	100,527	n/a	–	–
Nala A2X Proprietary Limited *(incorporated in South Africa)*	*Associate BEE SPV, with 10% holding in A2X (unlisted)*	28%	22,857	22,857	n/a	-	-
Nala Empowerment Investment Company Proprietary Limited *(incorporated in South Africa)*	*Associate BEE SPV, with 7.45% holding in Consolidated Infrastructure Group (listed on the JSE) and a corresponding non-recourse vendor loan*	30%	–	–	n/a	–	–
Firefly Investments 61 *(domicled in South Africa)*	*Private Equity Fund (in run off)*	50%	841	145	n/a	–	–
Hedge-funds							
PNF Peregrine Fund ECP*** *(domiciled in South Africa)*	*Equity L/S Fund (Peregrine Capital High Growth Fund strategy)*	100%	51,031	58,429	Peregrine Capital	2/20	Monthly
Peregrine Partners Fund ECP *(domiciled in South Africa)*	*Multi-strategy Fund of Funds, including: PNF Peregrine Fund ECP, Peregrine Capital Flexible Opportunities H4 Fund & Green Oak Fixed Income ECP*	100%	389,942	424,943	Peregrine Capital/ Green Oak Capital	1-2/20	Monthly/ Quarterly
Stenham Targeted Skills II *(domiciled in Guernsey)*	*Equity L/S Fund*	3.3%	29,650	33,503	Stenham Asset Management	1/0	Monthly
SA Alpha Peregrine High Growth (USD) *(domiciled in Cayman Islands)*	*Feeder fund into Peregrine High Growth Fund*	3.8%	36,471	44,392	SA Alpha/ Peregrine Capital	2/20	Monthly

** The indicated cost of the non-Portfolio Investments reflects their market-value as at the date of the Peregrine restructure (4 October 2017)*
*** The PNF Peregrine Fund ECP is shown net of gearing of R77.3 million as at 31 March 2018*
**** 80.1% of the Fund is held via the Peregrine Partners Fund ECP*

Notes to the financial statements

Annexure A – Standards and Interpretations

New and revised Standards and Interpretations issued but not yet adopted

The following new and revised Standards and Interpretations have not been adopted in these financial statements.

The Group is still considering the impact of the adoption of these standards, but they are not expected to have a significant impact because of the valuation of most of the financial instruments at fair value.

Standard	Effective date
IFRS 1 - First-time Adoption of International Reporting Standards	1 January 2018
IFRS 2 - Share-Based Payments (Revised)	1 January 2018
IFRS 9 - Financial Instruments (Reissued)	1 January 2018
IFRS 15 - Revenue from Contracts with Customers	1 January 2018
IFRS 16 – Leases	1 January 2019
IAS 7 - Statement of Cash Flows	1 January 2018
IAS 12 - Income Taxes	1 January 2018
IAS 28 - Investments in Associates & Joint Ventures (Revised)	1 January 2019
IAS 40 - Investment Property (Revised)	1 January 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	1 January 2018

Notes to the financial statements

Annexure B: Shareholder Information

Shares and Shareholders
(as per the share register as at 31 March 2018)

SHAREHOLDER SPREAD	No of Share Holders	%	No of Shares	%
1 - 1 000 shares	1,580	49.31	554,329	0.25
1 001- 10 000 shares	1,030	32.15	3,799,392	1.68
10 001- 100 000 shares	395	12.33	14,234,702	6.30
100 001- 1 000 000 shares	164	5.12	47,462,275	20.99
1 000 001 shares and over	35	1.09	160,014,998	70.78
Totals	**3,204**	**100.00**	**226,065,696**	**100.00**

DISTRIBUTION OF SHAREHOLDERS	No of Share Holders	%	No of Shares	%
Banks/Brokers	43	1.34	11,813,414	5.23
Close Corporations	38	1.19	7,373,396	3.26
Endowment Funds	17	0.53	3,021,645	1.34
Individuals	2,501	78.06	38,898,911	17.21
Insurance Companies	32	1.00	13,887,133	6.14
Investment Companies	6	0.19	10,934,576	4.84
Medical Schemes	7	0.22	351,594	0.16
Mutual Funds	105	3.28	60,136,031	26.60
Other Corporations	14	0.44	27,083	0.01
Private Companies	77	2.40	38,239,971	16.92
Public Companies	3	0.09	18,811	0.01
Retirement Funds	139	4.34	33,923,018	15.01
Share Trust	3	0.09	2,276,264	1.01
Trusts	219	6.84	5,163,849	2.28
Totals	**3,204**	**100.00**	**226,065,696**	**100.00**

PUBLIC / NON - PUBLIC SHAREHOLDERS	No of Share Holders	%	No of Shares	%
Non - Public Shareholders	**8**	**0.25**	**66,661,518**	**29.49**
Directors of the company	7	0.22	34,661,518	15.33
Strategic Holding of more than 10%	1	0.03	32,000,000	14.16
Public Shareholders	**3,196**	**99.75**	**159,404,178**	**70.51**
Totals	**3,204**	**100.00**	**226,065,696**	**100.00**

Beneficial Shareholders holding 5% or more	No of Shares	%
Nkholi Consolidated Inv (Pty) Ltd	32,000,000	14.16
Melnick,SA	26,182,622	11.58
Allan Gray	16,567,236	7.33
Government Employees Pension Fund	15,747,683	6.97
Old Mutual	13,674,502	6.05
Investec	10,726,489	4.74
Totals	**114,898,532**	**50.83**