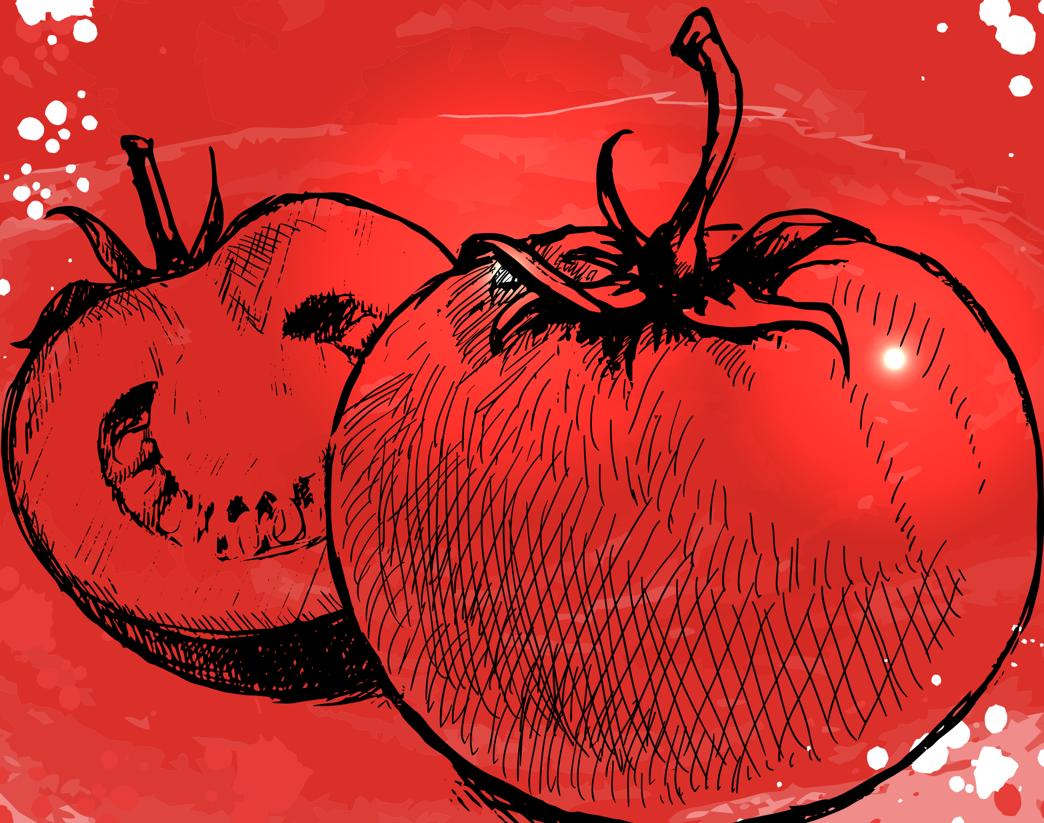
AH Vest Limited

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2014



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General Information

Country of incorporation and domicile	South Africa
Directors	MS Appelgryn IE Darsot MNI Darsot SI Darsot R Darsot BI Darsot JJ Du Plooy MT Pather C Sambaza H Takolia
Registered office	15 Misgund Road Eikenhof Johannesburg 1872
Business address	15 Misgund Road Eikenhof Johannesburg 1872
Postal address	P O Box 100 Eikenhof 1872
Holding company	Eastern Trading (Pty) Ltd (trading as Darsot Food Corporation)
Bankers	Nedbank Standard Bank ABSA Bank Bidvest Bank First National Bank
Auditors	Nexia SAB&T Chartered Accountants (S.A.) Registered Auditors
Secretary	Arbor Capital Company Secretarial Proprietary Limited

Chairman and Chief Executive Officer's Report

Introduction

It gives me great pleasure to present my second annual report as Chairman and Chief Executive Officer of the company. It is now two years since Eastern Trading took over majority shareholding and management control of AH Vest Limited (The Company). It has been a difficult period to stabilise the business, restructure it and maintain shelf space and capacity at the same time, with the many challenges the Tarlton factory faced during the year. I believe that we have now put The Company on a stable footing to allow it to grow into the future and benefit from the synergies that the Eastern Trading Group brings to AH Vest Limited.

Economic environment

The South African domestic market has been very tough in the last 12 months as consumers struggle with economic pressure reducing their disposable income. This pressure has filtered to the retailers who are our major customers. We expect this trend to continue into the foreseeable future until we can see a turn-around in the country's GDP. The economic growth has been marginal and unemployment levels are still at worrying levels. The country continues to battle with shortages of power as well as service delivery protests in some affected communities. Labour continues to be restless as evidenced by the major strikes that we witnessed during the year. The Rand exchange rate continued on a downward spiral and investor confidence continued to wane. Most of these matters have had a direct impact on the business performance during the year under review.

Operating Environment

The Tarlton facility came under severe capacity and working capital constraints in the current year. We experienced constant break downs due to ageing equipment. We placed a care and maintenance regime in place at Tarlton just to maintain capacity and protect the company's shelf space. The factory was also affected by constant power cuts in the area that now appear to be a recurring problem. The service delivery protests, plastics and metal industry strikes took a toll on the company during the year as the company experienced a lot of down time. Management's focus was on the new factory facility for the greater part of the year as the company continued with its expansion plans. The first two production lines in the new factory at Eikenhof have now come on stream and we expect to switch on the remaining 8 lines in the 2015 financial year. The rand continued to depreciate during the year putting pressure on the cost of importing the major raw materials.

Financial reporting

We reported last year that the company changed its financial year from March to June to align it to the holding company's year end, and reported fifteen months results to 30 June 2013 last year. We are reporting twelve months results for the year ended 30 June 2014.

Turnover has reduced to just under R123 million for the year ended 30 June 2014 compared to R136.5 million for the 15 month period ended 30 June 2013 although this represents an effective increase of average monthly turnover from R9.1 million up to R10.25 million. However, gross margins have been negatively impacted by increased raw material costs caused by the deterioration in the Rand, combined with an increase in a major raw material input being that of the cost of tomato paste through both duties imposed by the Government on import of tomato paste as well as general price increases due to world-wide shortages of the commodity. This led to the gross margin percentage dropping to 30.6% from 38.4%. Corrective measures are being put in place, including price increases and cost rationalisation, but these actions will take a while to take effect. The net loss after taxation was R4 495 380 for the period under review compared to a profit of R2 025 874 for the fifteen months ended 30 June 2013.

The Company experienced problems with its logistics service provider during the prior year with service delivery levels as low as 65%. This negatively impacted both the achievement of sales (lost sales) as well as margins and notice was given earlier during the current year to the said service provider and deliveries are now being handled by The Eastern Trading Group, with service delivery levels above 80% being achieved in the year under review. The company also suffered disruptions due to on-going service level protests and the steel and plastic sector strikes.

Efficiency has remained a serious problem during the year whilst operating at the existing Tarlton plant due to capacity constraints and many orders could not be filled in full. However, the lease has now come to an end and the company is in the process of moving its entire operations to Eikenhof. This process will happen gradually until the middle of the 2015 financial year once the production at the new facility has been stabilised. The new production facility has been designed to house 10 production lines. The board is happy to announce that two of the lines have already been commissioned. The remaining lines will be commissioned during the course of the 2015 financial year.

Whilst operating expenses have been well contained, as a percentage of turnover they have increased slightly, which is to be expected with the increase in transport costs, activity surrounding the construction of the new plant, administration and rental costs of running two factories in different locations. Operating expenses are expected to be well controlled going forward as the company will see a significant increase in capacity, the staffing will be rationalised due to increased automation. The Company will have increased factory and warehousing capacity to enable greater stock holding reducing delivery delays as well as lost sales. The Company will also start to benefit from group synergies.

The Company made a provision for retrenchments and relocations amounting to R0.7 million that is included in operating expenses. This is a once off cost that will be incurred in order to relocate the staff from Tarlton area to Eikenhof as well as rationalise and align the workforce with the new facility's labour requirement. Going forward, the company will benefit from a more streamlined and leaner work force.

Discontinued operations in the prior period primarily related to the sale of the land and buildings owned by the subsidiary company, All Joy Property Holdings (Pty) Limited. The asset was transferred during the year under review and the full proceeds were applied to reduce the Land Bank facility.

During the year The Company paid off the remaining Land Bank Loan in full and cancelled all the securities and guarantees that had been given to the bank.

During the year The Company invested a further R4.4 million on plant and equipment and R1.8 million on the factory infrastructure as part of the ongoing recapitalisation programme. The factory is now in the final phase of completion. This will ensure that our capacity increases by more than 100% based on one production shift.

SEGMENTAL ANALYSIS

No segmental analysis has been presented as the company operates primarily within one product segment, namely sauces, and one geographical segment namely South Africa. An analysis of the revenue of customers over 10% is set out below:

Customer Analysis

	2014	2013
Customer A	49%	46%
Customer B	28%	29%

Disposal of head office and relocation of factory and head office

During the prior year, The Company concluded the transfer of the head office premises, located at 103 Booysens Reserve Road Johannesburg, with effect from May 2014.

The total cash consideration for the disposal of the property was R5 150 000 and the proceeds of the disposal, after associated costs, have been utilised to reduce the Land Bank liability.

New products

The company introduced the new All Joy 700ml unpreserved tomato sauce in a glass bottle towards the end of the financial year. The uptake of this product by the market has already exceeded forecast and management is already making plans to increase the capacity to meet the unexpected demand.

We introduced the new All Joy Gourmet egg free vegenaise mayonnaise. This product has no added onion, garlic, flavourants or colourants. It caters for our customers with dietary and religious concerns.

We also introduced the new All Joy Gourmet double thick French style mayonnaise with extra oil, egg and mustard for a double thick creamy taste. This product also does not have any flavourants and colourants and fills a void that existed in the market for this taste profile. The two new mayonnaise products market up-take has been very good and continues to grow.

Management continues to invest in research and development to innovate new products and renovate the existing products to maintain relevance in the market place.

BEE Ratings

The company continues to meet its BEE obligations and is currently a holder of a Level 3 certificate.

Contingencies

As previously reported The Company entered into a lease agreement with JR 209 Investments (Pty) Ltd to rent the premises known as Twenty One Industrial Estate, with the purpose of relocating the factory and headquarters into one location in Clayville, Johannesburg.

A dispute arose in relation to this lease agreement and a notification of cancellation of lease was received following a demand for payment of R42 523 377 plus interest at prime plus 2% from 15 February 2013 to date of payment or alternatively payment of R9 272 401.60 plus interest at prime plus 2% from the date of the summons being 26 March 2013, alternatively at 15.5% per annum.

The Company's attorneys were consulted in this regard and they are now handling this matter. The action has been defended by AH-Vest and a notice in terms of Rule 35 (12) and 35 (14) of the Supreme Court rules has been served on JR 209 Investments (Pty) Ltd on 3 May 2013 which required a response from them within five days of the service of the notice.

A bare denial plea was submitted and the company has thus responded in the same manner and the matter is currently at a stalemate.

Significant matters settled during the year
As previously reported, the NEF made a claim of interest and capital against the company and its former CEO, Mr Marci Pather amounting to approximately R11 million for a disputed option. After some lengthy negotiations the major shareholder, Eastern Trading (Pty) Limited, managed to reduce the claim substantially and a settlement was reached. This matter is now closed and all the sureties have now been released by NEF.

Board of directors
During the period under review and to the date of issue of this announcement, the following board changes occurred:

Director	Appointed	Resigned
R Noorbaai		16 October 2013
C Sambaza	21 October 2013	
JJ du Plooy	15 October 2013	
Z Elias	15 October 2013	11 September 2014

The board would like to welcome Messrs C Sambaza and JJ Du Plooy to the board and looks forward to their valuable contribution to the future of the company. The board would also like to thank Mr R Noorbaai and Mr Z Elias who have resigned from the board for their invaluable contribution to the board during their time in office. The board wishes them well in their new endeavours.

Dividend
No dividends were declared during the period. (2013: Nil).

Vote of thanks
I would like to thank our customers for their support, encouragement and corporation and patience during a difficult period for The Company. We look forward to delivering better service to them in the coming year. I would also like to thank our board, management and staff for their hard work and loyalty during the year.

IE Darsot
Chairman and Chief Executive Officer
29 September 2014

Sustainability and Corporate Governance Report

This sustainability and corporate governance report has been prepared for the period under review and to the date of the finalisation of this Annual Report, being 29 September 2014 and includes updated information pursuant to the approval of the Annual Financial Statements and related reports on 29 September2014.

SUSTAINABILITY

The directors of AH-Vest Limited ("AH-Vest" or "the Group") are pleased to present the Group's second integrated sustainability and corporate governance report to stakeholders since the change in control of AH-Vest. This will be a continuous process to move closer to the goals of sustainable development and to demonstrate AH-Vest's commitment to those goals. As can be expected this is a major task and for this reason AH-Vest has decided to adopt a staggered approach. Over the next few years the board will strive to broaden and deepen the contents of this report. This will be done in conjunction with the Group's stakeholders to ensure meaningful, understandable and useful information is available on a timely basis, thus achieving true transparency and building a trusting relationship with all stakeholders. Shareholders are also referred to the combined Chairman and Chief Executive Officers' report for further information on events during the year. The activities of the operations in which AH-Vest has management control are included in this report.

CORPORATE GOVERNANCE

Introduction

The Group endorses the principles contained in the King III report on corporate governance and confirms its commitment to the principles of fairness, accountability, responsibility and transparency as advocated therein. The board strives to ensure that the Group is being ethically managed according to prudently determined risk parameters and in compliance with generally accepted corporate practices and conduct.

The board

Structure of the board

AH-Vest is governed by a unitary board which is assisted in fulfilling its duties by an audit and risk committee. The board, which is chaired by an executive chairman, is scheduled to sit at least four times a year, but meets more frequently if circumstances require it to do so. The executive chairman also acts as the Chief Executive Officer, which is permitted in accordance with the JSE Listings Requirements of the Alternative Exchange. The Company appointed a new financial director and two new independent non-executive directors, which included a lead independent director, during the period under review. The directors bring a wide range of experience, diversity, insight and independence of judgment on issues of strategy, performance, resources and standards of conduct, to the board.

AH-Vest's memorandum of incorporation states that the shareholders shall be entitled, by ordinary resolution, to determine such maximum number of Directors as they from time to time shall consider appropriate. The names and credentials of the directors in office during the 2014 financial period are detailed in the directors' report as contained in this annual report.

Independence of the board and board balance

At the year end, the board comprised 11 directors, comprising seven executive directors, and four independent non-executives. Subsequent to the year end, a non-executive director resigned; the board appointed two new independent non-executive directors and in addition, a new Financial Director has been appointed. The independent non-executive directors on the board helps maintain a balance of power and ensure independent decision making. The independent non-executive directors offer independent judgment and there are no extraneous factors that could materially affect their judgment. Fees earned by the non-executive directors are market-related, albeit on the low end. If there is an actual or potential conflict of interest, the director (executive or non-executive) concerned, after declaring his/her interest in terms of the new Companies Act, is excluded from the related decision-making process.

Board responsibilities

The board is ultimately responsible for the Company's performance and affairs, which includes protecting and enhancing the Company's wealth and resources, timely and transparent reporting and acting at all times in the best interest of the Company and its stakeholders. In fulfilling this responsibility, the board oversees the strategy, acquisition and disinvestment policy, risk management, financing and corporate governance policies of the Company.

The board is responsible for ensuring that controls and procedures are in place to ensure the accuracy and integrity of accounting records so that they provide reasonable assurance that assets are safeguarded from loss or unauthorised use and that the financial records may be relied upon for maintaining accountability for assets and liabilities and preparing the financial statements. The directors' statement of responsibility is set out on pages 17 to 21 of this report.

The board ensures that the Company complies with relevant laws affecting the Group and the industry in which it operates. The board and directors have a working understanding of the relevance and implications of non-compliance with the various Acts and JSE Listings Requirements.

Appointments to the board
The Company does not have a nomination committee and thus the process for board appointments is by way of board approval after receiving nominations for a board appointment and considering the relevant experience and profile of the nominated person. Any new appointments/delegations are considered by the board as a whole.

New directors appointed to the board during the year are appointed in accordance with the casual vacancy provisions of the Company's memorandum of incorporation, automatically retire at the next annual general meeting and their re-appointment is subject to the approval of shareholders at such annual general meeting. On appointment, new directors receive an induction pack, consisting of, *inter alia*, the memorandum of incorporation of the Company, Section 3 of the JSE Listings Requirements relating to continuing obligations of listed companies, minutes of board meetings for the prior 12 months, resolutions passed during the prior 12 months, all announcements published on SENS in the prior 12 months and an explanation of and copies of directors' declarations of interest. One third of the non-directors retire by rotation each year and are eligible for re-election by shareholders in accordance with the memorandum of incorporation. The memorandum of incorporation does not specify an age for retirement of directors.

Advice
The directors all have unlimited access to the company secretary who, *inter alia*, advises the board and its committees on issues relating to compliance with procedures, the JSE Listings Requirements and the King reports on corporate governance. Directors are furthermore, with the prior knowledge of the chief executive officer, entitled to ask any questions of any personnel and enjoy unrestricted access to all Company documentation, information and property.

Board and committee meetings and attendance thereof
The directors are briefed in respect of special business and information is provided to enable them to give full consideration to matters under discussion. Meeting packs are prepared and distributed for each board and sub-committee meeting and minutes of all board and committee meetings are duly recorded.

Change in directors
The following directors were appointed and resigned during the year under review to the date of posting of the annual report:

Director	Date appointed	Date Resigned	Role
MT Pather	18 March 1989		Executive director
IE Darsot	17 August 2012		Chairman and Chief Executive Officer
MNI Darsot	17 August 2012		Executive director
BI Darsot	17 August 2012		Executive director
SI Darsot	17 August 2012		Executive director
R Darsot	17 August 2012		Executive director
H Takolia	10 December 2012		Independent non-executive
MS Appelgryn	12 December 2012		Lead Independent non-executive
JJ Du Plooy	16 October 2013		Independent non-executive
Z Elias	16 October 2013	11 September 2014	Independent non-executive
C Sambaza	21 October 2013		Financial director
RY Noorbhai	15 January 2013	16 October 2013	Non-executive director

Four board meetings were held during the financial year ended 30 June 2014

Member	19/08/2013	19/09/2013	13/03/2014	27/05/2014
H Takolia	√	√	√	√
MS Appelgryn	√	√	√	√
IE Darsot	√	√	√	√
MT Pather	√	√	√	√
R Noorbhai	√	√	√	√
MNI Darsot	√	√	√	√
BI Darsot	√	√	√	√
SI Darsot	√	√	√	√
R Darsot	√	√	√	√
C Sambaza	N/A	√*	√	√
Z Elias	N/A	N/A	√	√
JJ Du Plooy	N/A	N/A	√	√
Designated Advisor	√*	√*	√*	√*
Company Secretary	√*	√*	√*	√*

√ - In attendance A – Absent with apologies tendered √* - By invitation N/A –not a board member at the time

Board committees

Sub-committees appointed by the board include the audit and risk committee. This committee meets independently but reports directly to the board and decisions taken by the committee require approval of the board prior to implementation. Four audit committee meetings were held during the financial period ended 30 June 2014. The committee operates in terms of an approved charter, which defines its role. The newly composed committee will be reviewing its charters to take cognisance of King III. Details of the sub-committee, including responsibilities and members, are described below.

As the audit committee is a statutory committee under the new Companies Act (and in terms of the recommendations set out in King III), shareholders are required to elect the members of this committee at each AH-Vest annual general meeting.

Audit committee

Member	Role
MS Appelgryn	Chairperson
H Takolia	Member
JJ Du Plooy	Member
Z Elias	Member

The committee comprised four independent non-executive directors during the year under review. The chief executive officer, the financial director, and the external auditors attend meetings of the committee as invitees when required. During the period under review, a representative of the designated advisor and the company secretary attended all audit committee meetings in accordance with the JSE Listings Requirements for AltX companies.

The committee acts in accordance with written terms of reference as confirmed by the board, which terms set out its authority and duties, and which terms will be reviewed during the forthcoming year. The primary mandate of the committee is to ensure the independence of the external auditors, evaluate the group's systems of internal financial and operational control, fraud and IT risks as they relate to financial reporting, review accounting policies and financial information to be issued to the public, facilitate effective communication between the board, management and the external auditors, recommend the appointment of, and determine, the fees payable to the internal and external auditors and determine and approve the level of non-audit services provided by the external auditors. The committee furthermore approves the audit plan, reviews the interim and annual results before recommending them to the board for approval and discusses these results and the audit process with the external auditors.

In addition, the audit committee is required to assess the appropriateness of the expertise and experience of the financial director.

Four audit committee meetings were held during financial period ended 30 June 2014. The attendance record of members of the audit committee at meetings is shown below:

Attendees	19/08/2013	19/09/2013	13/03/2014	27/05/2014
H Takolia	√	√	√	√
MS Appelgryn	√	√	√	√
IE Darsot	√*	√*	√*	√*
MT Pather	√*	√*	√*	√*
R Noorbhai	√*	N/A	N/A	N/A
MNI Darsot	N/A	N/A	N/A	N/A
BI Darsot	N/A	N/A	N/A	N/A
SI Darsot	N/A	N/A	N/A	N/A
R Darsot	√*	√*	√*	√*
C Sambaza	N/A	√*	√*	√*
Z Elias	N/A	N/A	√*	√*
JJ Du Plooy	N/A	N/A	√*	√*
Designated Advisor	√*	√*	√*	√*
Company Secretary	√*	√*	√*	√*
Auditors	√*	√*	√*	√*

√ - In attendance
A – Absent with apologies tendered
* - By invitation, not a committee member
N/A – was not a committee member or invitee at the time

the audit committee and was approved by the JSE in accordance with the JSE Listings Requirements. During the year under review, a new financial director, Mr Christopher Sambaza has been appointed as the financial director of the Company.

The audit committee satisfied itself as to the expertise and experience of the interim financial director and the finance team, although noted that additional support was required in the area of IFRS. The audit committee has also satisfied itself as to the expertise and experience of the new financial director and the finance team.

Risk committee
The Company does not currently have a Risk committee due to the size of the Company. The Audit committee currently handles all issues that would have otherwise been handled by a Risk committee and advises the board accordingly. The board is responsible for the governance of risk and setting levels of risk tolerance.

Remuneration and Nomination committee
The Company does not currently have a Remuneration and Nomination committee due to the size of the Company. The Audit committee currently handles all issues that would have otherwise been handled by a Remuneration committee and advises the board accordingly.

Social and Ethics Committee
The new committee comprised of three directors, Messrs H Takolia (chairman), Marci Pather and BI Darsot.

As at the date of this annual report, no meetings have been held.

Fees paid to non-executive directors
The fees payable to non-executive directors were determined by the executive directors after consultation with industry experts and a review of independent remuneration surveys. The fees are structured on a fixed per annum basis or per meeting basis and the proposed fees for the forthcoming year are set out below. Shareholders are required to approve these non-executive directors' fees.

	Chairman	Member
Board	N/A	R5 000 (per meeting)
Audit committee	R10 000 (per meeting)	R5 000 (per meeting)

Details of remuneration, fees and other benefits earned by directors in the past year are disclosed in the notes to the annual financial statements. The chairman does not receive a fee as he is an executive director.

Accounting and internal controls
The board has established controls and procedures to ensure the accuracy and integrity of the accounting records are enhanced and maintained, and to provide reasonable assurance that assets are safeguarded from loss or unauthorised use and that the financial statements may be relied upon for maintaining accountability for assets and liabilities and preparing the financial statements. The directors' responsibility statement is set out on pages 17 to 21 of this annual report.

Internal audit
The Company does not currently have an internal audit function but relies on the advice of the external auditors to recognise the internal control risks and have advised management and the board about possible remedies. The internal control environment has been substantially strengthened recently and new yet standard software has been introduced, which further reduces the risk of the control environment. The audit committee is in the process of evaluating the possibility of implementing an internal audit function and internal audit is a standing agenda item for discussion at each audit committee meeting.

External audit and auditors
The Group's auditors, Nexia SAB&T perform an independent and objective audit on the Group's financial statements. Interim reports are not audited, but are discussed with the auditors. The audit committee approves the audit plan and reviews the audit fees for the audit. The auditors have unrestricted access to the audit committee and are invited to attend all audit committee meetings. The re-appointment of the auditors is reviewed annually by the audit committee. The audit committee has confirmed that the external auditors are considered to be independent and the external auditors have confirmed that none of their staff have any conflict of interest with regard to the Company.

Broad-based black economic empowerment (B-BBEE)
The Group supports the principles embodied in the Code of Good Practice on B-BBEE and has focused management effort on achieving alignment with the Code. AH-Vest has undertaken an external B-BBEE rating and has achieved a rating as a Level 3 contributor (2013: Level 3 contributor) on the Generic Scorecard. The Groups' B-BBEE rating is monitored on a continuous basis and management has the authority and responsibility to take the necessary steps to further improve its rating. With various initiatives that are in place the Group is confident of improving this rating.

Interests of directors and share dealings
The register of interests of directors in contracts is available to members of the public on request.

The direct and indirect interest of directors as at 30 June 2014 is as follows:

Shareholder	Beneficially held		Total shares	Total %
	Direct	**Indirect**		
MT Pather*	-	-	-	-
I Darsot	-	65 314 795	65 314795	64.05
Total	**-**	**65 314 795**	**65 314 795**	**64.05**

* - As announced on SENS MT Pather's entire shareholding was acquired by Eastern Trading during the period under review but the transfer has not been effected through the share register as at 30 June 2014. An announcement in terms of Section 122 of the Companies Act, 2008 (No. 71 of 2008) will be made once the shares have been transferred in accordance with the signed agreements.

The direct and indirect interest of directors as at 30 June 2013 was as follows:

Shareholder	Beneficially held		Total shares	Total %
	Direct	**Indirect**		
MT Pather	3 200 000	3 570 375	6 770 375	6.64
I Darsot	-	58 455 395	58 455 395	57.32
Total	**3 200 000**	**62 025 770**	**62 225 770**	**63.96**

Trading Company shares
The Company enforces a restricted period for dealing in its shares, in terms of which any dealings in shares by all directors and senior personnel is disallowed by the board from the date of the reporting period to the time that results are released and at any time that such individuals are aware of un-published price sensitive information, whether the Company is trading under cautionary announcement as a result of such information or not.

The policy for and dealing in shares by all directors and senior personnel is that clearance to deal must be obtained from at least one of following nominated directors, the chairman of the board, the chief executive officer or the chairman of the audit committee. If any of the above persons requires clearance, one of the other two persons will approve such transactions. Directors are required to report share dealings to the designated advisor within 24 hours of such dealing and the designated advisor is required to release the details of any such trades on SENS no later than 24 hours after receiving such notification.

However, subsequent to year end, as part of the settlement with National Empowerment Fund ("NEF") as reported in the Annual Financial Statements, Mr M Pather (or his nominee) concluded a settlement agreement for the purchase of 7 860 473 shares at 38.166 cents per share from the NEF as announced on SENS on 24 July 2013. Due to the unusual nature of the situation, it was not possible to wait for an open period and clearance to deal could not be given. This is not the standard practice of the Company nor its directors but the settlement with the NEF was regarded as being in the interests of the Company and all stakeholders.

Company secretary
The name and address of the company secretary is set out on the back page of this annual report.

The company secretary is required to provide the members of the board with guidance and advice regarding their responsibilities, duties and powers and to ensure that the board is aware of all legislation relevant to or affecting the Company. The company secretary is required to ensure that the Company complies with all applicable legislation regarding the affairs of the Company, including the necessary recording of meetings of the board, board committees and shareholders of the Company. The board is of the opinion that Arbor Capital Company Secretarial Proprietary Limited has the requisite attributes, qualifications and experience to fulfil its commitments effectively. It requires a decision of the board as a whole to remove the company secretary, should this become necessary.

Code of ethics
The board subscribes to the highest level of professionalism and integrity in conducting its business and dealing with all of its stakeholders.

In adhering to its code of ethics, the board is guided by the following broad principles:
- Businesses should operate and compete in accordance with the principles of free enterprise;
- Free enterprise will be constrained by the observance of relevant legislation and generally accepted principles regarding ethical behaviour in business;
- Ethical behaviour is predicated on the concept of utmost good faith and characterised by integrity, reliability and a commitment to avoid harm;
- Business activities will benefit all participants through a fair exchange of value or satisfaction of needs; and
- Equivalent standards of ethical behaviour are expected from individuals and companies with whom business is conducted.

Principles contained in King III not complied with and the reasons for non-compliance
The board endorses the principles contained in the King III report on corporate governance and confirms its commitment to those principles where, in the view of the board, they apply to the business. Compliance is monitored regularly and the board has undertaken an internal review process in determining compliance. Where areas of non-compliance or partial compliance have been identified these have been listed below, together with the reasons therefore, as is required by King III. Areas where items are cross referenced have not been repeated in the analysis below:

GOVERNANCE ELEMENT AND ASSOCIATED PRINCIPLE	Comply	Partially Comply	Under review/ do not comply
ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP			
Effective leadership based on an ethical foundation	√		
Responsible corporate citizen	√		
Effective management of company's ethics	√		
Assurance statement on ethics in integrated annual report	√		
BOARDS AND DIRECTORS			
The board is the focal point for and custodian of corporate governance	√		
Strategy, risk, performance and sustainability are inseparable	√		
Directors act in the best interest of the company	√		
The chairman of the board is an independent non-executive director			√1
Framework for the delegation of authority has been established	√		
The board comprises a balance of power, with a majority of non-executive directors who are independent	√		
Directors are appointed through a formal process	√		
Formal induction and on-going training of directors is conducted	√		
GOVERNANCE ELEMENT AND ASSOCIATED PRINCIPLE			
The board is assisted by a competent, suitably qualified and experienced company secretary	√		
Regular performance evaluation of the board, its committees and the individual directors			√2
Appointment of well-structured committees and oversight of key functions		√3	
An agreed governance framework between the group and its subsidiary boards is in place	√		
Directors and executives are fairly and responsibly remunerated	√		
Remuneration of directors and senior executives is disclosed	√		
The company's remuneration policy is approved by its shareholders	√		
AUDIT COMMITTEE			
Effective and independent	√		
Suitably skilled and experienced independent non-executive directors	√		
Chaired by an independent non-executive director	√		
Oversees integrated reporting	√		
A combined assurance model is applied to improve efficiency in assurance activities	√		
Satisfies itself on the expertise, resources and experience of the company's finance functions	√		
Oversees internal audit			√2

GOVERNANCE ELEMENT AND ASSOCIATED PRINCIPLE	Comply	Partially Comply	Under review/ do not comply
Integral to the risk management process	√		
Oversees the external audit process	√		
Reports to the board and shareholders on how it has discharged its duties	√		
Ensures the integrity of the company's integrated annual report	√		
Sustainability reporting and disclosure is integrated with the company's financial reporting		√9	
Sustainability reporting and disclosure is independently assured			√9
INTERNAL AUDIT			
Ensures that there is an effective risk based internal audit			√4
GOVERNANCE ELEMENT AND ASSOCIATED PRINCIPLE			
Internal audit follows a risk based approach to its plan			√**4**
Internal audit provides a written assessment of the effectiveness of the company's system of internal controls and risk management			√4
The audit committee is responsible for overseeing internal audit	√4		
Internal audit is strategically positioned to achieve its objectives			√4
COMPLIANCE WITH LAWS, CODES, RULES AND STANDARDS			
The board ensures that the company complies with relevant laws	√		
The board and directors have a working understanding of the relevance and implications of non-compliance	√		
Compliance risk forms an integral part of the company's risk management process			√5
The board has delegated to management the implementation of an effective compliance framework and processes			√5
The board is responsible for the governance of risk and setting levels of risk tolerance	√		
The risk management committee assists the board in carrying out its risk responsibilities			√5
The board delegates the process of risk management to management.	√		
The board ensures that risk assessments and monitoring is performed on a continual basis	√		
Frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks			√5
Management implements appropriate risk responses	√		
The board receives assurance on the effectiveness of the risk management process			√5
Sufficient risk disclosure to stakeholders	√		
THE GOVERNANCE OF INFORMATION TECHNOLOGY			
The board is responsible for information technology (IT) governance	√		
IT is aligned with the performance and sustainability objectives of the company	√		
Management is responsible for the implementation of an IT governance framework			√6
The board monitors and evaluates significant IT investments and expenditure	√		
GOVERNANCE ELEMENT AND ASSOCIATED PRINCIPLE			
IT is an integral part of the company's risk management		√6	
IT assets are managed effectively		√6	
The risk management committee and audit committee assist the board in carrying out its IT responsibilities		√6	
GOVERNING STAKEHOLDER RELATIONSHIPS			
Appreciation that stakeholders' perceptions affect a company's reputation	√		
There is an appropriate balance between its various stakeholder groupings	√		
Equitable treatment of stakeholders	√		
Transparent and effective communication to stakeholders	√		
Delegated to management proactively deal with stakeholder relationships	√		
Disputes are resolved effectively and timeously			√7

√1 The chairman is not considered independent so a lead independent director will be appointed in the due course.
√2 The Company will consider implementing a formal delegation of authorities matrix as well as looking at board evaluation in the forthcoming year.
√3 Due to the size of the Company and in accordance with AltX Listings Requirements, the Company does not have a nomination or remuneration committee at present.
√4 The audit committee continually reviews and assesses the need for internal audit. However, no internal audit function has yet been established.
√5 Whilst the board continually monitors risk, no formal framework or methodology has been implemented and no formal risk management process exists. Where necessary, elements of risk are considered by the audit committee.
√6 Management oversees the IT environment but no formal governance framework is in place due to the current IT environment.
√7 Whilst attempts are made to resolve disputes timeously this is not always possibly due to third party positioning.
√8 Not applicable as the main operations of the Company are conducted through the holding company and subsidiary boards do not have outside directors.
√9 Due to the size of the Company, this has not been implemented or has not been fully implemented.

Designated advisor

In accordance with the JSE Limited's Listings Requirements relating to companies listed on the Alternative Exchange, the Company is required to appoint a designated advisor at all times. The Company's designated advisor is Arbor Capital Sponsors Proprietary Limited.

Risks

The Group implemented a risk matrix that will continue to be improved upon to make it more comprehensive. All potential risks are timeously brought to the Board's attention. The new financial director is currently undertaking a process of developing a comprehensive risk matrix for the Company in order to comply with the requirements.

Stakeholders

The Group is committed to ongoing and effective communication with all stakeholders, and subscribes to a policy of open and timeous communication. In addition, the Group recognises that there are many varying stakeholders within the business, with differing requirements.

Report of the Audit Committee

for the twelve months ended 30 June 2014

The report of the audit committee is presented as required by section 61(8)(a)(iii) of the Companies Act, 2008 (No 71 of 2008)

We are pleased to present our report for the financial year ended 30 June 2014. The audit committee is an independent statutory committee appointed by the shareholders. Further duties are delegated to the audit committee by the board of directors of the company. This report includes both these sets of duties and responsibilities.

AUDIT COMMITTEE

Audit committee members, meeting attendance and assessment

The audit committee is independent and consists of four independent non-executive directors in compliance with the provisions of the Companies Act, 2008. It meets at least twice per year as per its terms of reference. The chairman of the board, chief executive officer, finance director, external auditor, Designated Advisor, and Company Secretary attends meetings by invitation only.

The audit committee consisted of the following independent non–executive directors during the period under review and to the date of this report:

Mr MS Appelgryn (Chairman)
Mr H Takolia
Mr JJ Du Plooy
Mr Z Elias (resigned after the year end)

FUNCTIONS AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

Statement of audit committee responsibilities for the period ended 30 June 2014

The role of the audit committee is to assist the board by performing an objective and independent review of the functioning of the organisation's finance and accounting control mechanisms. It exercises its functions through close liaison and communication with corporate management and the internal and external auditors.

The committee is guided by its terms of reference, dealing with membership, structure and levels of authority and has the following responsibilities:

Audit committee terms of reference

- ensuring compliance with applicable legislation and the requirements of regulatory authorities;
- nominating for appointment a registered auditor who, in the opinion of the audit committee, is independent of the company;
- matters relating to financial accounting, accounting policies, reporting and disclosure;
- internal and external audit policy including determination of fees and terms of engagement;
- activities, scope, adequacy, and effectiveness of the internal audit function, where applicable, and audit plans;
- review/consideration of expertise and experience of the financial director and the financial team;
- review/approval of external audit plans, findings, reports, fees and determination and approval of any non-audit services that the auditor may provide to the company;
- compliance with the Code of Corporate Practices and Conduct; and
- compliance with the company's code of ethics

The audit committee addressed its responsibilities properly in terms of the charter during the period under review.

The audit committee has established a non-audit services policy as well as an approval process for non audit services, where utilised. During the period under review and to the date of this report no non-audit services were utilised.

FREQUENCY OF MEETINGS

In accordance with the JSE Listings Requirements, a representative of the designated advisor attends all audit committee meetings.

During the year under review four meetings were held and details of attendance by audit committee members, invitees and the designated advisor at these meetings are set out in the corporate governance report.

The committee met four times during the year ended 30 June 2014.

EXPERTISE AND EXPERIENCE OF FINANCIAL DIRECTOR

As required by paragraph 3.84(h) of the JSE Listings Requirements, the audit committee has satisfied itself that the financial director has appropriate expertise and experience. The audit committee had also satisfied itself as to the expertise and experience of the interim financial director and the finance team, although noted that additional support was required in the area of IFRS.

INTERNAL AUDIT

Based on the size of the company, the accounting packages and systems used and considering information and explanations given by management together with discussion held with the external auditors on the results of their audit, the company has not implemented a separate internal audit function during the 2014 financial period.

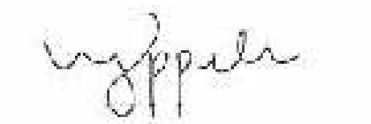
The audit committee is of the opinion that AH-Vest's system of internal financial controls is effective and forms a basis for the preparation of reliable financial statements. The consideration of internal audit remains a standing agenda item and is reconsidered at each audit committee meeting. The committee also serves as a link between the board of directors and the auditors. The committee is satisfied that it has complied with its legal, regulatory and other responsibilities.

FINANCIAL STATEMENTS

Management has reviewed the financial statements with the audit committee and the audit committee has reviewed them without management or external auditors being present. The quality of the accounting policies, as well as accounting systems, is discussed with the external auditors.

CONCLUSION

We have confirmed that Nexia SAB & T are independent of the group. The audit committee considers the financial statements of AH-Vest Limited to be a fair presentation of its financial position on the 30 June 2014 and of the results of the operations, changes in equity and cash flows for the period ended then, in accordance with International Financial Reporting Standards and the Companies Act.



MS Appelgryn
Chairman
29 September 2014

Independent Auditor's Report

To the Shareholders of AH VEST LTD

We have audited the consolidated and separate annual financial statementsof AH VEST LIMITED and its subsidiary as set out on pages 23 to 57, which comprise the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these consolidated annual financial statements in accordance with International Financial Reporting Standards, and requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of consolidated annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated annual financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated annual financial statements.

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

Opinion

In our opinion, the consolidated annual financial statements present fairly, in all material respects, the financial position of AH VEST LIMITED as at 30 June 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act 71 of 2008.

Other reports required by the Companies Act

As part of our audit of the consolidated annual financial statements for the year ended 30 June 2014, we have read the Directors' Report and the Audit Committee's Report, Audit Committee Report and Declaration by the Company Secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated
annual financial statements. This report is the responsibility of the respective preparer. Based on reading this report we have not identified material inconsistencies between this report and the audited consolidated annual financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

Nexia SAB+T

Nexia SAB&T
Director
Registered Auditors

29 September 2014

119 Witch-Hazel Avenue
Highveld Technopark
Centurion

Per: M.F. Sulaman
Chartered Accountant (SA)
Registered Auditor

Directors' Responsibility and Approval

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated annual financial statements.

The consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the year ended 30 June 2015 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's consolidated annual financial statements. The consolidated annual financial statements have been examined by the group's external auditors and their report is presented on page 16.

The consolidated annual financial statements set out on pages 23 to 57, which have been prepared on the going concern basis, were approved by the board on 29 September 2014 and were signed on its behalf by:

IE Darsot
Chairman and Chief Executive Officer

C Sambaza
Financial Director

Director's Report – 30 June 2014

1. BACKGROUND, INCORPORATION AND NATURE OF BUSINESS

AH-Vest was registered and incorporated as a private company in the Republic of South Africa in 1988 under the name All Joy Foods (Proprietary) Limited and was converted to a public company on 07 December 1998. The company transferred its listing from the Venture Capital Market to the Alternative Exchange ("Alt^{X}") of the JSE Limited in 2004, and the name was changed on 24 December 2008 to AH-Vest Limited.

2. INDUSTRY AND BUSINESS OVERVIEW

AH-Vest is involved in the manufacturing and sale of food products and operates principally in South Africa.

3. INTERNATIONAL FINANCIAL REPORTING STANDARDS

The accounting policies adopted for purposes of this report comply, and have been consistently applied in all material respects, with International Financial Reporting Standards ("IFRS"). These results have been prepared in terms of accounting policies consistent with the prior year.

4. CHANGE IN YEAR END

During 2013 the company changed its year end from 31 March to 30 June each year, in line with that of its new holding company. Accordingly, the results have been prepared for year ended 30 June 2014 and are compared to the results for the 15 month period ending 30 June 2013.

5. FINANCIAL RESULTS

The board presents the audited results for the twelve months ended 30 June 2014 and reports that the initiatives by the new management team taken surrounding working capital management and stock controls, together with continued support of AH-Vest's customers and stakeholders, has led to a turnaround in the management of working capital but the initiatives that resulted in an initial return to profitability have been negatively impacted by external or once off factors as detailed further below.

Turnover has reduced to just under R123 million for the year ended 30 June 2014 compared to R136.5 million the 15 month period ended 30 June 2013 although this represents an effective increase of average monthly turnover from R9.1 million up to R10.25 million. However, gross margins have been negatively impacted by increased raw material costs caused by the deterioration in the Rand, combined with an increase in a major raw material input being that of the cost of tomato paste through both duties imposed by the Government on import of tomato paste as well as general price increases due to world-wide shortages of the commodity. This led to the gross margin percentage dropping to 30.6% from 38.4%. Corrective measures are being put in place, including price increases and cost rationalisation, but these actions will take a while to take effect. The net loss after taxation was R4 495 380 for the period under review compared to a profit of R2 025 874 for the fifteen months ended 30 June 2013.

The Company experienced a problem with its logistics service provider during the prior year with service delivery levels as low as 65%. This negatively impacted both the achievement of sales (lost sales) as well as margins and notice was given earlier during the current year to the said service provider and deliveries are now being handled by The Eastern Trading Group, with service delivery levels above 80% being achieved in the year under review. The company also suffered disruptions due to on-going service level protests and the steel and plastic sector strikes.

Efficiency has remained a serious problem during the year whilst operating at the existing Tarlton plant due to capacity constraints and many orders could not be filled in full. However, the lease has now come to an end and the company is in the process of moving its entire operations to Eikenhof. This process will happen gradually until the middle of the 2015 financial year once the production at the new facility has been stabilised.

The new production facility has been designed to house 10 production lines. The board is happy to announce that two of the lines have already been commissioned. The remaining lines will be commissioned in the second half of the 2015 financial year.

Whilst operating expenses have been well contained, as a percentage of turnover they have increased slightly, which is to be expected with the increase in transport costs, activity surrounding the construction of the new plant, administration and rental costs of running two factories in different locations. Operating expenses are expected to be well controlled going forward as the company will see a significant increase in capacity, the staffing will be rationalised due to increased automation. The company will have increased factory and warehousing capacity to enable greater stock holding reducing delivery delays as well as lost sales .The company will also start to benefit from group synergies.

Discontinued operations in the prior period primarily related to the sale of the land and buildings owned by the subsidiary company, All Joy Property Holdings (Pty) Limited. The asset was transferred during the year under review and the full proceeds were applied to reduce the Land Bank facility.

During the year the company paid off the remaining Land Bank Loan in full and cancelled all the securities and guarantees that had been given to the bank.

6. ACQUISITIONS, DISPOSALS AND ISSUES OF SHARES FOR CASH

Disposal of head office and relocation of factory and head office
During the prior year, the Company concluded the transfer of the head office premises, located at 103 Booysens Reserve Road Johannesburg, with effect from May 2014.

The total cash consideration for the disposal of the property was R5 150 000 (Five million one hundred and fifty thousand Rand) and the proceeds of the disposal, after associated costs, have been utilised to reduce the Land Bank liability.

Issue and repurchase of shares
There were no share issues or share repurchases during the year under review.

7. CHANGE IN DIRECTORS

During the period under review and to the date of issue of this announcement, the following board changes occurred:

Name and designation	Appointed	Resigned
MT Pather	18 March 1989	
IE Darsot (Chairman and Chief Executive Officer)	17 August 2012	
MNI Darsot	17 August 2012	
BI Darsot	17 August 2012	
SI Darsot	17 August 2012	
R Darsot	17 August 2012	
H Takolia *^	10 December 2012	
MS Appelgryn *^	12 December 2012	
RY Noorbhai ^	15 January 2013	16 October 2013
JJ Du Plooy*^	15 October 2013	
Z Elias*^	15 October 2013	11 September 2014
C Sambaza (Financial Director)	21 October 2013	

* Independent Non-Executive Director
^ Non-Executive Director

8. INTEREST IN SUBSIDIARIES

The company has two subsidiaries as at the date of this report, namely All Joy Property Holdings Proprietary Limited and All Joy Foods Proprietary Limited. Details of the company's investment in subsidiaries are detailed in note of the annual financial statements. As mentioned above, All Joy Property Holdings Proprietary Limited disposed of the property held, which property formerly housed the head office of the Company.

9. COMPANY SECRETARY

The company secretary remained unchanged during the period under review.

The board of directors has considered and satisfied itself on the competence, qualifications and experience of the company secretary, which company secretary is independent of the Company and operates on an arm's length basis. In considering this matter the board of directors considered, inter alia, the years of experience of the Company Secretary, its low levels of staff turnover, the respective qualifications and training of staff members and the fact that the Company Secretary also provides outsource company secretarial services to other listed entities. The board has also considered the individuals, shareholders and board of Arbor Capital Company Secretarial Proprietary Limited in making its assessment.

Refer to inside back cover for the details of the company secretary.

10. AUDITORS

Nexia SAB&T, with Fazel Sulaman as the audit partner, was appointed as auditors during the year and acted as the company's auditors for the period ended 30 June 2104 and will continue in office in accordance with section 90 of the Companies Act, 2008 (Act 71 of 2008) ("the Act"). The audit committee have confirmed that it is satisfied with the independence of the auditors in accordance with section 94(7)(a) of the Act.

11. SHARE CAPITAL

The authorised and issued share capital of the company as at 30 June 2014 is set out in note 15 to the annual financial statements. As at 30 June 2014, there were 101 973 333 issued ordinary shares and 398 026 667 unissued ordinary shares. There was no change in the authorised share capital during the period under review.

12. DIVIDEND

The directors have decided not to declare a dividend for the period under review. (2013: Nil)

13. LITIGATION

As previously reported the Company entered into a lease agreement with JR 209 Investments (Pty) Ltd to rent the premises known as Twenty One Industrial Estate, with the purpose of relocating the factory and headquarters into one location in Clayville, Johannesburg.

A dispute arose in relation to this lease agreement and a notification of cancellation of lease was received following a demand for payment of R42 523 377 plus interest at prime plus 2% from 15 February 2013 to date of payment or alternatively payment of R9 272 401.60 plus interest at prime plus 2% from the date of the summons being 26 March 2013, alternatively at 15.5% per annum.

The Company's attorneys were consulted in this regard and they are now handling the matter. The action has been defended by AH Vest and a notice in terms of Rule 35 (12) and 35 (14) of the Supreme Court rules has been served on JR 209 Investments (Pty) Ltd on the 3 May 2013 which required a response from them within five days of the service of the notice.

A bare denial plea was submitted and the company has thus responded in the same manner and the matter is currently at a stalemate.

14. GOING CONCERN

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

15. DIRECTORS' INTEREST IN CONTRACTS

Directors interests in contracts are reported in the related party note contained in note 32 to the annual financial statements.

New contracts were entered into during the year under review, and to the date of this report, as follows:

- The approval of a management fee of R450 000 per month to cover executive services provided by Messrs I Darsot, MN Darsot, B Darsot, S Darsot and R Darsot through Eastern Trading Company as well as certain head offices costs and marketing services with effect from 1 April 2013.
- The approval of a logistics agreement with Eastern Trading Company for the provision of storage and delivery services at a rate of 7.5% of net turnover delivered, with a service delivery undertaking of above 90%, with effect from 1 September 2013;
- The approval of an agreement with Eastern Trading Company for the lease of new factory premises at a market related rental of R25 per square metre with effect from 1 July 2013.

The above contracts were approved by the uninterested directors of the Company and the interested directors were recused from the meeting in accordance with the Companies Act, 2008 (No. 71 of 2008).

16. CONTINGENCIES

As previously reported, the NEF made a claim of interest and capital against the company and its former CEO, Mr Marci Pather, amounting to approximately R11 million for a disputed option. After some lengthy negotiations the major shareholder, Eastern Trading (Pty) Limited, managed to reduce the claim substantially and a settlement was reached. This matter is now closed and all the sureties have been released by NEF.

17. FUTURE PROSPECTS AND POST BALANCE SHEET EVENTS

Following the change in control of the Company and due to the unavailability of the Clayville factory development and the current Tarlton factory lease coming to an end, the factory premises is in the process of being moved to the 200-acre estate in Eikenhof, Johannesburg, from which all of the other businesses owned by Eastern Trading Company are operated.

AH-Vest has continued to operate the current Tarlton factory, to defend its shelf space, albeit at a higher cost. Certain new production lines have already been commissioned with the balance being commissioned with production runs commencing in the second half of 2015.

The board of directors are confident that any losses incurred as a result of the Tarlton factory not producing the required volumes as well as the low service delivery levels will be made up in the forthcoming year with increased volumes expected out of the new "state of the art" plant.

Declaration by company secretary

In terms of section 88 (2) (e) of the Companies Act, 2008 (No 71 of 2008), we certify that, to the best of our knowledge and belief, the company has lodged with the Companies Intellectual Property Commission all such returns as are required of a public company in terms of the Act, in respect of the financial period ended 30 June 2014, and that all such returns are true, correct and up to date.

Arbor Capital Company Secretarial (Pty) Ltd
Registration Number 1998/025284/07
Company Secretary
29 September 2014

Statement of Financial Position as at 30 June 2014

		Group		Company	
		12 Months 2014	15 Months 2013	12 Months 2014	15 Months 2013
	Note(s)	R	R	R	R
Assets					
Non-Current Assets					
Property, plant and equipment	3	16 583 383	10 983 032	16 583 383	10 983 032
Intangible assets	4	208 164	485 715	208 164	485 715
Investments in subsidiaries	5	-	-	100	100
Deferred tax	9	7 744 292	199 494	7 744 292	199 494
		24 535 839	**11 668 241**	**24 535 939**	**11 668 341**
Current Assets					
Inventories	10	14 117 443	20 046 808	14 117 443	20 046 808
Loans to group companies	6	-	-	-	1 307 436
Loans to employees	11	8 334	163	8 334	163
Trade and other receivables	12	16 938 740	22 022 794	16 938 740	22 022 794
Cash and cash equivalents	13	100	3 515 506	-	3 515 406
		31 064 617	**45 585 271**	**31 064 517**	**46 892 607**
Non-current assets held for sale and assets of disposal groups	14	257 542	5 372 974	-	-
Total Assets		**55 857 998**	**62 626 486**	**55 600 456**	**58 560 948**
Equity and Liabilities					
Equity					
Share capital	15	21 293 071	21 293 071	21 293 071	21 293 071
Reserves		-	3 332 271	-	-
Accumulated loss		(6 022 841)	(4 859 732)	(9 659 569)	(4 716 092)
		15 270 230	**19 765 610**	**11 633 502**	**16 576 979**
Liabilities					
Non-Current Liabilities					
Loans from group companies	6	-	-	3 490 138	-
Loans from shareholders	7	9 668 600	-	9 668 600	-
Other financial liabilities	17	-	8 656 975	-	8 656 975
		9 668 600	**8 656 975**	**13 158 738**	**8 656 975**
Current Liabilities					
Loans from shareholders	7	-	237 659	-	237 659
Other financial liabilities	17	-	1 999 315	-	1 999 315
Current tax payable		2 992	-	-	-
Finance lease obligation	18	-	127 822	-	127 822
Trade and other payables	20	26 469 131	30 962 194	26 469 135	30 962 198
Provisions	19	692 996	-	692 996	-
Bank overdraft	13	3 646 085	-	3 646 085	-
		30 811 204	**33 326 990**	**30 808 216**	**33 326 994**
Liabilities of disposal groups	14	107 964	876 911	-	-
Total Liabilities		**40 587 768**	**42 860 876**	**43 966 954**	**41 983 969**
Total Equity and Liabilities		**55 857 998**	**62 626 486**	**55 600 456**	**58 560 948**

Statement of Comprehensive Income

		Group		Company	
		30 June 2014 12 Months 2014	30 June 2013 15 Months 2013	30 June 2014 12 Months 2014	30 June 2013 15 Months 2013
	Note(s)	R	R	R	R
Continuing operations					
Revenue	22	122 936 160	136 586 316	122 936 160	136 586 316
Cost of sales		(85 265 807)	(84 002 266)	(85 265 807)	(84 002 266)
Gross profit		**37 670 353**	**52 584 050**	**37 670 353**	**52 584 050**
Other income		268 901	471 994	768 901	741 994
Operating expenses		(49 711 692)	(49 722 962)	(49 711 692)	(49 962 962)
Operating (loss) profit	23	**(11 772 438)**	**3 333 082**	**(11 272 438)**	**3 363 082**
Investment revenue	24	1 066	22 188	1 066	22 188
Finance costs	25	(1 216 903)	(1 314 635)	(1 216 903)	(1 314 635)
(Loss) profit before taxation		**(12 988 275)**	**2 040 635**	**(12 488 275)**	**2 070 635**
Taxation	26	7 544 798	(250 506)	7 544 798	(250 506)
(Loss) profit from continuing operations		**(5 443 477)**	**1 790 129**	**(4 943 477)**	**1 820 129**
Discontinued operations					
Profit from discontinued operations		948 097	235 745	-	-
(Loss) profit for the period		**(4 495 380)**	**2 025 874**	**(4 943 477)**	**1 820 129**
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
(Losses) on property revaluation		-	(793 363)	-	-
Income tax relating to items that will not be reclassified		-	(562 976)	-	-
Total items that will not be reclassified to profit or loss		**-**	**(1 356 339)**	**-**	**-**
Other comprehensive income for the year net of taxation	28	**-**	**(1 356 339)**	**-**	**-**
Total comprehensive (loss) income for the period		**(4 495 380)**	**669 535**	**(4 943 477)**	**1 820 129**
Attributable to:					
Owners of the parent:					
Continuing operations		(5 443 477)	1 790 129	(4 943 477)	1 820 129
Discontinued operations		948 097	235 745	-	-
(Loss) profit for the year attributable to owners of the parent		**(4 495 380)**	**2 025 874**	**(4 943 477)**	**1 820 129**
Basic earnings per share					
From continuing and discontinued operations					
Basic earnings per share (cents)	35	(4,41)	1,99	-	-
From continuing operations	35	(5,34)	1,76	-	-
From discontinuing operations	35	0,93	0,23	-	-

Statement of Changes in Equity

	Share capital	Share premium	Total share capital	Revaluation reserve	Accumulated loss	Total equity
	R	R	R	R	R	R
Group						
Balance at 01 April 2012	**1 019 834**	**20 273 337**	**21 293 171**	**4 688 610**	**(6 885 606)**	**19 096 175**
Profit for the period	-	-	-	-	2 025 874	2 025 874
Other comprehensive income	-	-	-	(1 356 339)	-	(1 356 339)
Total comprehensive income for the period	**-**	**-**	**-**	**(1 356 339)**	**2 025 874**	**669 535**
Balance at 01 July 2013	**1 019 734**	**20 273 337**	**21 293 071**	**3 332 271**	**(4 859 732)**	**19 765 610**
Loss for the year	-	-	-	-	(4 495 380)	(4 495 380)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive Loss for the year	**-**	**-**	**-**	**-**	**(4 495 380)**	**(4 495 380)**
Transfer between reserves	-	-	-	(3 332 271)	3 332 271	-
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**(3 332 271)**	**3 332 271**	**-**
Balance at 30 June 2014	**1 019 734**	**20 273 337**	**21 293 071**	**-**	**(6 022 841)**	**15 270 230**
Note(s)	15	15	15	16&28	28	
Company						
Balance at 01 April 2012	**1 019 734**	**20 273 337**	**21 293 071**	**-**	**(6 536 221)**	**14 756 850**
Profit for the period	-	-	-	-	1 820 129	1 820 129
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**1 820 129**	**1 820 129**
Balance at 01 July 2013	**1 019 734**	**20 273 337**	**21 293 071**	**-**	**(4 716 092)**	**16 576 979**
Loss for the year	-	-	-	-	(4 943 477)	(4 943 477)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive Loss for the year	**-**	**-**	**-**	**-**	**(4 943 477)**	**(4 943 477)**
Balance at 30 June 2014	**1 019 734**	**20 273 337**	**21 293 071**	**-**	**(9 659 569)**	**11 633 502**
Note(s)	15	15	15	16&28	28	

Statement of Cash Flows

		Group		Company	
		12 Months 2014	15 Months 2013	12 Months 2014	15 Months 2013
	Note(s)	R	R	R	R
Cash flows from operating activities					
Cash used in operations	29	(2 535 544)	10 188 294	(2 433 118)	9 812 986
Interest income		1 066	22 188	1 066	22 188
Finance costs		(1 216 903)	(1 314 635)	(1 216 903)	(1 314 635)
Tax paid	30	(250 000)	-	-	-
Cash flows of held for sale / discontinued operations		-	(123 271)	-	-
Net cash from operating activities		**(4 001 381)**	**8 772 576**	**(3 648 955)**	**8 520 539**
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(6 948 768)	(6 547 884)	(6 948 768)	(6 547 884)
Sale of property, plant and equipment	3	5 150 000	-	-	-
Movement in group company loans		-	-	4 797 574	252 037
Advances to employees repaid		-	17 612	-	17 612
Net cash from investing activities		**(1 798 768)**	**(6 530 272)**	**(2 151 194)**	**(6 278 235)**
Cash flows from financing activities					
Repayment of other financial liabilities		(10 656 290)	(1 752 903)	(10 656 290)	(1 752 903)
Movement in loans to employees		(8 171)	-	(8 171)	-
Proceeds from shareholders loan		9 430 941	237 659	9 430 941	237 659
Finance lease payments		(127 822)	(314 662)	(127 822)	(314 662)
Net cash from financing activities		**(1 361 342)**	**(1 829 906)**	**(1 361 342)**	**(1 829 906)**
Total cash movement for the year		**(7 161 491)**	**412 398**	**(7 161 491)**	**412 398**
Cash at the beginning of the year		3 515 506	3 103 108	3 515 406	3 103 008
Total cash at end of the year	13	**(3 645 985)**	**3 515 506**	**(3 646 085)**	**3 515 406**

Accounting Policies

1. Presentation of Consolidated Annual Financial Statements

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB), the Financial Reporting Guides issued and the Accounting Practices Committee of the South African Institute of Chartered Accountants (SAICA), listings requirements of the JSE and the requirements of the Companies Act of South Africa.

The consolidated annual financial statements have been prepared on the historical cost basis, except for the measurement of land and buildings which was measured using the revaluation model and cashflow information which is measured on a cash basis,and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the consolidated annual financial statements of the group and all investees which are controlled by the group.

The group has control of an investees when it has power over the investees; it is exposed to or has rights to variable returns from involvement with the investees; and it has the ability to use its power over the investees to affect the amount of the investor's returns.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated annual financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the consolidated annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated annual financial statements and related disclosures. Use of available information and the application of judgements is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated annual financial statements. Significant judgements include:

Trade receivables and loans and receivables

The group assesses its Trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables and loans and receivables is calculated on an asset by asset basis, based on historical loss ratios and other indicators present at the reporting date that correlate with defaults on the portfolio.

Allowance for slow moving, damaged and obsolete stock

An allowance is made for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operating profit note.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

1.2 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including, production estimates, together with economic factors such as inflation and other economic factors.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 19 - Trade payables.

Expected manner of realisation for deferred tax

Deferred tax is provided for on the fair value adjustments of investment properties based on the expected manner of recovery, i.e. sale or use. This manner of recovery affects the rate used to determine the deferred tax liability. Refer note 9 - Deferred tax.

Taxation

Judgment is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

1.3 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for land and buildings which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

1.3 Property, plant and equipment (continued)

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is recognised to other comprehensive income and accumulated in the revaluation surplus in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current period. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation surplus in equity.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	**Average useful life**
Land	Indefinite
Buildings	20 years
Factory equipment	5 years
Plant and machinery	10 years
Furniture and fixtures	6 years
Motor vehicles	5 years
IT equipment	3 years
Leasehold improvements	Period of lease

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.4 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.

1.4 Intangible assets (continued)

- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Patents, trademarks and other rights	4 years
Brand names	4 years

1.5 Interests in subsidiaries

Company consolidated annual financial statements

In the company's separate consolidated annual financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

1.6 Financial instruments

Classification

The group classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

Initial recognition and measurement

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments.

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

1.6 Financial instruments (continued)

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership
Financial liabilities are derecognised when its contractual obligations are discharged, cancelled or expired.

Impairment of financial assets

At each reporting date the group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loans to (from) group companies

These include loans to and from holding companies and subsidiaries.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables.

1.6 Financial instruments (continued)

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

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 within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

1.7 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

1.7 Tax (continued)

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability.The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

1.9 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.10 Non-current assets held for sale and assets of disposal groups

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal group) are measured at the lower of their carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in profit or loss.

1.11 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.12 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

1.13 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.14 Provisions and contingencies

Provisions are recognised when:
- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 31.

1.15 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Royalties are recognised on the accrual basis in accordance with the substance of the relevant agreements.

2. New Standards and Interpretations

2.1 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 July 2014 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 9 Financial Instruments	1 July 2018	Measurement requirements of all contingent consideration assets and liabilities under IFRS 9
• IFRS 13 Fair value measurement	1 July 2014	Measurement requirement for all short term receivables and payables
• IAS 16 Property , plant and equipment	1 July 2014	Revaluation method of proportionate restatement of accumulated depreciation
• IAS 24 Related parties	1 July 2014	Disclosure for key management personnel
• IAS 38 Intangible assets	1 July 2014	Revaluation method of proportionate restatement of accumulated amortisation
• IAS 40 Investment Property	1 July 2014	Classification of investment property or owner occupied property clarity between IFRS 3 and IAS 40

3. Property, plant and equipment

Group	2014			2013		
	Cost / Valuation	**Accumulated depreciation**	**Carrying value**	**Cost / Valuation**	**Accumulated depreciation**	**Carrying value**
Plant and machinery	22 787 321	(9 192 733)	13 594 588	18 364 620	(8 078 676)	10 285 944
Furniture and fixtures	72 685	(19 707)	52 978	23 248	(11 712)	11 536
Motor vehicles	955 573	(592 105)	363 468	735 573	(654 154)	81 419
IT equipment	743 907	(606 059)	137 848	743 907	(446 922)	296 985
Leasehold improvements	3 857 445	(2 078 644)	1 778 801	2 078 644	(2 078 644)	-
Factory Equipment	985 971	(330 271)	655 700	508 141	(200 993)	307 148
Closing balance	**29 402 902**	**(12 819 519)**	**16 583 383**	**22 454 133**	**(11 471 101)**	**10 983 032**

Company	2014			2013		
	Cost / Valuation	**Accumulated depreciation**	**Carrying value**	**Cost / Valuation**	**Accumulated depreciation**	**Carrying value**
Plant and machinery	22 787 321	(9 192 733)	13 594 588	18 364 620	(8 078 676)	10 285 944
Furniture and fixtures	72 685	(19 707)	52 978	23 248	(11 712)	11 536
Motor vehicles	955 573	(592 105)	363 468	735 573	(654 154)	81 419
IT equipment	743 907	(606 059)	137 848	743 907	(446 922)	296 985
Leasehold improvements	3 857 445	(2 078 644)	1 778 801	2 078 644	(2 078 644)	-
Factory Equipment	985 971	(330 271)	655 700	508 141	(200 993)	307 148
Closing balance	**29 402 902**	**(12 819 519)**	**16 583 383**	**22 454 133**	**(11 471 101)**	**10 983 032**

Reconciliation of property, plant and equipment - Group - 2014

	Opening balance	**Additions**	**Depreciation**	**Total**
Plant and machinery	10 285 944	4 422 700	(1 114 056)	13 594 588
Furniture and fixtures	11 536	49 437	(7 995)	52 978
Motor vehicles	81 419	220 000	62 049	363 468
IT equipment	296 985	-	(159 137)	137 848
Leasehold improvements	-	1 778 801	-	1 778 801
Factory Equipment	307 148	477 830	(129 278)	655 700
	10 983 032	**6 948 768**	**(1 348 417)**	**16 583 383**

Reconciliation of property, plant and equipment - Group - 2013

	Opening balance	**Additions**	**Classified as held for sale**	**Depreciation**	**Total**
Land	2 116 814	-	(2 116 814)	-	-
Buildings	3 826 549	-	(3 826 549)	-	-
Plant and machinery	5 397 398	6 367 559	-	(1 479 013)	10 285 944
Furniture and fixtures	16 379	-	-	(4 843)	11 536
Motor vehicles	239 280	-	-	(157 861)	81 419
IT equipment	441 475	80 622	-	(225 112)	296 985
Leasehold improvements	211 316	-	-	(211 316)	-
Factory Equipment	315 946	99 703	-	(108 501)	307 148
	12 565 157	**6 547 884**	**(5 943 363)**	**(2 186 646)**	**10 983 032**

Reconciliation of property, plant and equipment - Company - 2014

	Opening balance	**Additions**	**Depreciation**	**Total**
Plant and machinery	10 285 944	4 422 700	(1 114 056)	13 594 588
Furniture and fixtures	11 536	49 437	(7 995)	52 978
Motor vehicles	81 419	220 000	62 049	363 468
IT equipment	296 985	-	(159 137)	137 848
Leasehold improvements	-	1 778 801	-	1 778 801
Factory equipment	307 148	477 830	(129 278)	655 700
	10 983 032	**6 948 768**	**(1 348 417)**	**16 583 383**

Reconciliation of property, plant and equipment - Company - 2013

	Opening balance	Additions	Depreciation	Total
Plant and machinery	5 397 398	6 367 559	(1 479 013)	10 285 944
Furniture and fixtures	16 379	-	(4 843)	11 536
Motor vehicles	239 280	-	(157 861)	81 419
IT equipment	441 475	80 622	(225 112)	296 985
Leasehold improvements	211 316	-	(211 316)	-
Factory Equipment	315 946	99 703	(108 501)	307 148
	6 621 794	**6 547 884**	**(2 186 646)**	**10 983 032**

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the company.

4. Intangible assets

Group	2014			2013		
	Cost / Valuation	**Accumulated amortisation**	**Carrying value**	**Cost / Valuation**	**Accumulated amortisation**	**Carrying value**
Patents, trademarks and other rights	334 748	(271 983)	62 765	334 748	(188 296)	146 452
Brand names	775 458	(630 059)	145 399	775 458	(436 195)	339 263
Closing balance	**1 110 206**	**(902 042)**	**208 164**	**1 110 206**	**(624 491)**	**485 715**

Company	2014			2013		
	Cost / Valuation	**Accumulated amortisation**	**Carrying value**	**Cost / Valuation**	**Accumulated amortisation**	**Carrying value**
Patents, trademarks and other rights	334 748	(271 983)	62 765	334 748	(188 296)	146 452
Brand names	775 458	(630 059)	145 399	775 458	(436 195)	339 263
Closing balance	**1 110 206**	**(902 042)**	**208 164**	**1 110 206**	**(624 491)**	**485 715**

Reconciliation of intangible assets - Group - 2014

	Opening balance	Amortisation	Total
Patents, trademarks and other rights	146 452	(83 687)	62 765
Brand names	339 263	(193 864)	145 399
	485 715	**(277 551)**	**208 164**

Reconciliation of intangible assets - Group - 2013

	Opening balance	Amortisation	Total
Patents, trademarks and other rights	251 061	(104 609)	146 452
Brand names	581 594	(242 331)	339 263
	832 655	**(346 940)**	**485 715**

	Group		Company	
	2014 R	2013 R	2014 R	2013 R

Reconciliation of intangible assets - Company - 2014

	Opening balance	Amortisation	Total
Patents, trademarks and other rights	146 452	(83 687)	62 765
Brand names	339 263	(193 864)	145 399
	485 715	**(277 551)**	**208 164**

Reconciliation of intangible assets - Company - 2013

	Opening balance	Amortisation	Total
Patents, trademarks and other rights	251 061	(104 609)	146 452
Brand names	581 594	(242 331)	339 263
	832 655	**(346 940)**	**485 715**

Pledged as security

	Group 2014 R	Group 2013 R	Company 2014 R	Company 2013 R
Patents	-	146 452	-	146 452
Brands	-	339 263	-	339 263

Used to secure borrowings from Landbank granted to the group of R 10 656 290 in 2013. In the current year the Landbank borrowing has been settled and all assets pledged as security were released and security cancelled.

5. Interests in subsidiaries including consolidated structured entities

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

Company

Name of company	Held by	% voting power 2014	% voting power 2013	% holding 2014	% holding 2013	Carrying amount 2014	Carrying amount 2013
All Joy Property Holdings (Pty) Ltd	AH Vest Ltd	100,00 %	100,00 %	100,00 %	100,00 %	100	100

6. Loans to (from) group companies

Subsidiaries

	Group 2014 R	Group 2013 R	Company 2014 R	Company 2013 R
All Joy Property Holdings (Pty) Ltd The loan is unsecured and bears no interest and has no fixed terms of repayment. The loan is not expected to be repaid within the next 12 months.	-	-	(3 490 138)	1 307 436
Current assets	-	-	-	1 307 436
Non-current liabilities	-	-	(3 490 138)	-
	-	**-**	**(3 490 138)**	**1 307 436**

	Group		Company	
	2014 R	2013 R	2014 R	2013 R

6. Loans to (from) group companies (continued)

Credit quality of loans to group companies

The credit quality of loans to group companies that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterpart default rates:

Credit rating				
High	-	-	(3 490 138)	1 307 436

Fair value of loans to and (from) group companies

Loans to group companies	-	-	-	1 307 436
Loans from group companies	-	-	(3 490 138)	-

The carrying value of loans to group companies are assumed to approximate their fair values due to the short term nature thereof

7. Loans to (from) shareholders

Eastern Trading (Pty) Ltd The loan is unsecured and has no fixed terms of repayment. The shareholder has agreed not to call on repayment of this loan for at least within the next 12 months.	(9 668 600)	(237 659)	(9 668 600)	(237 659)

Fair value of loans to and (from) shareholders

Loans from shareholders	(9 668 600)	(237 659)	(9 668 600)	(237 659)

The carrying value of loans to group companies are assumed to approximate their fair values due to the short term nature thereof

8. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

Group - 2014

	Loans and receivables	Total
Trade and other receivables	16 589 446	16 589 446
Cash and cash equivalents	100	100
Loans to employees	8 334	8 334
Trade receivables related to non current assets held for sale	257 542	257 542
	16 855 422	**16 855 422**

8. **Financial assets by category (continued)**

Group - 2013

	Loans and receivables	Total
Trade and other receivables	21 892 062	21 892 062
Cash and cash equivalents	3 515 506	3 515 506
Loans to employees	163	163
Trade receivables related to non current assets held for sale	222 974	222 974
	25 630 705	**25 630 705**

Company - 2014

	Loans and receivables	Total
Trade and other receivables	16 589 446	16 589 446
Loans to employees	8 334	8 334
	16 597 780	**16 597 780**

Company - 2013

	Loans and receivables	Total
Trade and other receivables	21 892 602	21 892 602
Cash and cash equivalents	3 515 406	3 515 406
Loans to subsidiary	1 307 436	1 307 436
Loans to employees	163	163
	26 715 607	**26 715 607**

	Group		Company	
	2014 R	2013 R	2014 R	2013 R

9. Deferred tax

Deferred tax asset

Tax losses available for set off against future taxable income	7 744 292	199 494	7 744 292	199 494

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax asset	7 744 292	199 494	7 744 292	199 494

Reconciliation of deferred tax asset / (liability)

At beginning of year	199 494	450 000	199 494	450 000
Originating and reversing temporary difference on leave pay	133 827	(110 317)	133 827	(110 317)
Originating and reversing temporary difference on bad debts	110 088	5 605	110 088	5 605
Originating and reversing temporary difference on settlement discounts	942 628	330 408	942 628	330 408
Originating and reversing temporary difference on finance lease assets	-	(67 341)	-	(67 341)
Originating and reversing temporary difference on property, plant and equipment	(806 596)	(1 360 016)	(806 596)	(1 360 016)
Originating and reversing temporary difference on credit notes	200 700	627 402	200 700	627 402
Originating and reversing temporary difference on operating leases	-	(68 233)	-	(68 233)
Originating and reversing temporary difference on prepaid expenses	36 605	(9 060)	36 605	(9 060)
Assessed loss recognised	6 927 546	401 046	6 927 546	401 046
	7 744 292	**199 494**	**7 744 292**	**199 494**

Recognition of deferred tax asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

Unrecognised deferred tax asset

Unused tax losses not recognised as deferred tax assets	-	13 660 739	-	13 660 739

Notes to the Consolidated Annual Financial Statements

	Group		Company	
	2014 R	2013 R	2014 R	2013 R

10. Inventories

Raw materials, components	8 988 693	6 871 402	8 988 693	6 871 402
Work in progress	31 056	379 048	31 056	379 048
Finished goods	4 941 533	10 832 261	4 941 533	10 832 261
Stock in transit	156 161	1 964 097	156 161	1 964 097
	14 117 443	**20 046 808**	**14 117 443**	**20 046 808**

11. Loans to employees

Loans to employees				
At beginning of the year	163	17 775	163	17 775
Advances	8 171	71 546	8 171	71 546
Repayments	-	(89 158)	-	(89 158)
	8 334	**163**	**8 334**	**163**

The loans to employees bear no interest and are unsecured.

Credit quality of loans to directors, managers and employees

The credit quality of loans to employees that are neither past due nor impaired can be assessed by reference to historical information about counterpart default rates:

Credit rating				
High	8 334	163	8 334	163

Fair values of loans to directors, managers and employees

Loans to directors, managers and employees	8 334	163	8 334	163

The above loans have been assessed for impairment on an individual basis and no impairment was identified

12. Trade and other receivables

Trade receivables	16 589 446	21 790 219	16 589 446	21 790 219
Prepayments	70 000	86 486	70 000	86 486
Deposits	110 000	10 000	110 000	10 000
Other receivable	169 294	136 089	169 294	136 089
	16 938 740	**22 022 794**	**16 938 740**	**22 022 794**

Trade and other receivables were previously pledged as security to the Land Bank for a loan facility of R 15,000,000. This loan was settled during the current period and consequently all securities were released and cancelled upon settlement. There were no trade and other receivables pledged as security at year end.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to historical information about counterpart default rates:

	Group		Company	
	2014 R	2013 R	2014 R	2013 R

12. Trade and other receivables (continued)

Fair value of trade and other receivables

Trade and other receivables	16 938 740	22 022 794	16 938 740	22 022 794

The carrying value of trade and other receivables are assumed to approximate their fair values due to the short term nature thereof

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 30 June 2014 R 684,074, (2013: R 4,978,332) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	5 196 301	10 899 462	5 196 301	10 899 462
2 months past due	921 080	4 958 162	921 080	4 958 162
3 months past due	1 208 300	4 978 332	1 208 300	4 978 332

Trade and other receivables impaired

As of 30 June 2014, trade and other receivables of R 524,226 (2013: R 39,777-) were impaired and provided for.

The ageing of these loans is as follows:

over 120 days	524 226	39 777	524 226	39 777

The creation and release of provision for impaired receivables have been included in operating expenses in profit or loss (note 23). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset mentioned above. The group does not hold any collateral as security.

13. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	100	10 847	-	10 747
Bank balances	-	3 504 659	-	3 504 659
Bank overdraft	(3 646 085)	-	(3 646 085)	-
	(3 645 985)	**3 515 506**	**(3 646 085)**	**3 515 406**

Current assets	100	3 515 506	-	3 515 406
Current liabilities	(3 646 085)	-	(3 646 085)	-
	(3 645 985)	**3 515 506**	**(3 646 085)**	**3 515 406**

	Group		Company	
	2014 R	2013 R	2014 R	2013 R

13. Cash and cash equivalents (continued)

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterpart default rates:

Credit rating				
High	(3 645 985)	3 515 506	(3 646 085)	3 515 406

14. Discontinued operations

The group has sold its land and buildings in the current period and the transfer has taken place.

Profit and loss

Revenue	819 418	648 122	-	-
Expenses	(645 537)	(198 146)	-	-
Net profit before tax	173 881	449 976	-	-
Tax	774 216	(214 231)	-	-
	948 097	**235 745**	**-**	**-**

Assets and liabilities

Non-current assets held for sale				
Property, plant and equipment	-	5 150 000	-	-
Trade receivables	257 542	222 974	-	-
	257 542	**5 372 974**	**-**	**-**

Liabilities of disposal groups				
VAT	89 548	81 287	-	-
Deferred tax	-	777 208	-	-
Accruals	18 416	18 416	-	-
	107 964	**876 911**	**-**	**-**

Equity				
Revaluation reserve	-	3 332 271	-	-

15. Share capital

Authorised				
500 000 000 Ordinary shares of 1 cent each	5 000 000	5 000 000	5 000 000	5 000 000

- unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

Issued				
Ordinary (101 973 333 shares of R 0.01 each)	1 019 734	1 019 734	1 019 734	1 019 734
Share premium	20 273 337	20 359 260	20 273 337	20 359 260
Share issue costs written off against share premium	-	(85 923)	-	(85 923)
	21 293 071	**21 293 071**	**21 293 071**	**21 293 071**

	Group		Company	
	2014 R	2013 R	2014 R	2013 R

16. Revaluation reserve

In terms of the Memorandum of Incorporation, there are no restrictions on the distribution of reserves.

	2014	2013	2014	2013
Land	940 071	940 071	-	-
Building	2 392 200	2 392 200	-	-
Transfer to retained earnings	(3 332 271)	-	-	-
	-	**3 332 271**	**-**	**-**

17. Other financial liabilities

	2014	2013	2014	2013
Held at amortised cost				
Land Bank loan	-	10 656 290	-	10 656 290

The loan was in the form of a term loan of R 15,000,000. The loan was settled on 26 June 2014 from the sale of the group's land and buildings. The following securities have been cancelled:

- Notarial Covering bond R6m by AH-Vest Ltd.
- Cession of debtors' book by AH-Vest Ltd.
- Cession of Insurance policies taken up by AH-Vest Ltd.
- Cession of lease agreement taken up by AH-Vest Ltd.
- Deed of suretyship from Maslamony Teegarajan Pather for 20% of facility amount being R 3 461 192.22.
- Hypothecation of Trade Marks agreement by AH-Vest Ltd.

	2014	2013	2014	2013
Non-current liabilities				
At amortised cost	-	8 656 975	-	8 656 975
Current liabilities				
At amortised cost	-	1 999 315	-	1 999 315
	-	**10 656 290**	**-**	**10 656 290**

18. Finance lease obligation

	2014	2013	2014	2013
Minimum lease payments due				
- within one year	-	131 552	-	131 552
	-	131 552	-	131 552
less: future finance charges	-	(3 730)	-	(3 730)
Present value of minimum lease payments	**-**	**127 822**	**-**	**127 822**
Present value of minimum lease payments due				
- within one year	-	127 822	-	127 822

It is group policy to lease certain motor vehicles and equipment under finance leases.

The average lease term was 3 years and the average effective borrowing rate was 9% (2013: 9%)

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The group's obligations under finance leases are secured by the lessor's charge over the leased assets All finance leases were settled during the current financial year.
There were no remaining lease obligations due at year end.

	Group		Company	
	2014	2013	2014	2013
	R	R	R	R

19. Provisions

Reconciliation of provisions - Group - 2014

	Opening balance	**Additions**	**Total**
Restructuring	-	692 996	692 996

The restructuring provision relates to redundancy and retrenchment costs to be incurred when the factory operations move premises in the new financial year. The provision comprises of possible relocation costs for probable employees that will relocate to new premises and severance packages for probable employees who will be retrenched.

20. Trade and other payables

	Group 2014 R	Group 2013 R	Company 2014 R	Company 2013 R
Trade payables	22 419 381	25 940 917	22 419 385	25 940 921
VAT	1 572 975	347 473	1 572 975	347 473
Other payables	2 476 775	4 673 804	2 476 775	4 673 804
	26 469 131	**30 962 194**	**26 469 135**	**30 962 198**

Fair value of trade and other payables

	Group 2014 R	Group 2013 R	Company 2014 R	Company 2013 R
Trade payables	26 469 132	30 962 194	26 469 132	30 962 198

The carrying values of trade and other payables approximates their fair values due to short term nature thereof

21. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

Group - 2014

	Financial liabilities at amortised cost	**Total**
Trade and other payables	22 419 382	22 419 382
Liabilities of disposal groups	131 764	131 764
Loans from shareholder	9 668 600	9 668 600
Bank overdraft	3 646 085	3 646 085
	35 865 831	**35 865 831**

Group - 2013

	Financial liabilities at amortised cost	**Total**
Other financial liabilities	10 656 290	10 656 290
Finance lease obligation	127 822	127 822
Trade and other payables	30 332 073	30 332 073
Loans from shareholder	237 659	237 659
Liabilities of disposal group	18 416	18 416
	41 372 260	**41 372 260**

	Group		Company	
	2014 R	2013 R	2014 R	2013 R

21. Financial liabilities by category (continued)

Company - 2014

	Financial liabilities at amortised cost	Total
Trade and other payables	22 419 382	22 419 382
Loan from shareholder	9 668 600	9 668 600
Bank overdraft	3 646 085	3 646 085
	35 734 067	**35 734 067**

Company - 2013

	Financial liabilities at amortised cost	Total
Other financial liabilities	10 656 290	10 656 290
Finance lease obligation	127 822	127 822
Trade and other payables	30 332 073	30 332 073
Loan from shareholder	237 659	237 659
	41 353 844	**41 353 844**

22. Revenue

Sale of goods	136 277 203	151 978 156	136 277 203	151 978 156
Rebates	(13 341 043)	(15 391 840)	(13 341 043)	(15 391 840)
	122 936 160	**136 586 316**	**122 936 160**	**136 586 316**

23. Operating (loss) profit

Operating (loss) profit for the year is stated after accounting for the following:

Operating lease charges				
Premises				
• Contractual amounts	-	487 505	-	727 505

Amortisation on intangible assets	277 551	346 939	277 551	346 939
Depreciation on property, plant and equipment	1 521 752	2 186 646	1 521 752	2 186 646
Employee costs	16 466 528	18 629 324	16 466 528	18 629 324

24. Investment revenue

Interest revenue				
Loans and receivables	1 066	22 188	1 066	22 188

	Group 2014 R	Group 2013 R	Company 2014 R	Company 2013 R
25. Finance costs				
Financial Liabilities	1 052 761	1 298 776	1 052 761	1 298 776
Other	65 000	-	65 000	-
Creditors	99 142	15 859	99 142	15 859
	1 216 903	**1 314 635**	**1 216 903**	**1 314 635**

26. Taxation

Major components of the tax (income) expense

	Group 2014 R	Group 2013 R	Company 2014 R	Company 2013 R
Current				
Local income tax - current period	252 992	-	-	-
Deferred				
Originating and reversing temporary differences	(7 797 790)	250 506	(7 544 798)	250 506
	(7 544 798)	**250 506**	**(7 544 798)**	**250 506**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	Group 2014 R	Group 2013 R	Company 2014 R	Company 2013 R
Accounting profit (loss)	(12 814 394)	2 040 635	(12 488 275)	2 070 635
Tax at the applicable tax rate of 28% (2013: 28%)	(3 588 030)	571 378	(3 496 717)	579 778
Tax effect of adjustments on taxable income				
Non deductible expenditure	67 964	192 684	67 964	192 684
Tax losses utilised	(4 116 045)	(401 067)	(4 116 045)	(401 067)
Other	91 313	(112 489)	-	(120 889)
	(7 544 798)	**250 506**	**(7 544 798)**	**250 506**

No provision has been made for 2014 tax as the group has no taxable income. The estimated tax loss available for set off against future taxable income R 25,453,720 (2013: R 13,660,739-).

27. Auditors' remuneration

	Group 2014 R	Group 2013 R	Company 2014 R	Company 2013 R
Fees	401 163	216 520	401 163	216 520

28. Other comprehensive income

Components of other comprehensive income - Group - 2014

	Gross	Tax	Net
Items that will not be reclassified to profit or loss			
Movements on revaluation			
Transferred to retained earnings	(3 332 271)	-	(3 332 271)

	Group		Company	
	2014 R	2013 R	2014 R	2013 R

28. Other comprehensive income (continued)

Components of other comprehensive income - Group - 2013

	Gross	Tax	Net
Items that will not be reclassified to profit or loss			
Movements on revaluation			
Revaluation of property plant and equipment	(793 363)	(562 976)	(1 356 339)

29. Cash (used in) generated from operations

	Group 2014 R	Group 2013 R	Company 2014 R	Company 2013 R
(Loss) profit before taxation	(12 814 394)	2 490 612	(12 488 275)	2 070 635
Adjustments for:				
Depreciation and amortisation	1 625 968	2 533 585	1 625 968	2 533 585
Interest received - investment	(1 066)	(22 188)	(1 066)	(22 188)
Finance costs	1 216 903	1 314 635	1 216 903	1 314 635
Movements in operating lease assets and accruals	-	(49 879)	-	(49 879)
Movements in provisions	692 996	-	692 996	-
Impairment on deposits	-	460 000	-	460 000
Changes in working capital:				
Inventories	5 929 365	(3 983 532)	5 929 365	(3 983 532)
Trade and other receivables	5 084 054	(6 866 889)	5 084 054	(6 866 889)
Trade and other payables	(4 493 063)	14 311 950	(4 493 063)	14 356 619
Non current assets held for sale	250 000	-	-	-
Trade payables of disposal group	8 261	-	-	-
Trade receivables of disposal group	(34 568)	-	-	-
	(2 535 544)	**10 188 294**	**(2 433 118)**	**9 812 986**

30. Tax paid

	Group 2014 R	Group 2013 R	Company 2014 R	Company 2013 R
Current tax for the period recognised in profit or loss	(252 992)	-	-	-
Balance as at year end	2 992	-	-	-
	(250 000)	**-**	**-**	**-**

Notes to the Consolidated Annual Financial Statements

31. Contingencies

Lease agreement with JR 209 Investments (Pty) Ltd:

The Company entered into a lease agreement with JR 209 Investments (Pty) Ltd to rent the premises known as Twenty One Industrial Estate, with the purpose of relocating the factory and headquarters into one location in Clayville, Johannesburg.

A dispute has arisen in relation to this lease agreement as a notification of cancellation of lease has been received following a demand for payment of approximately R42 million. The Company's attorneys are being consulted in this regard and the matter is regarded as being frivolous.

The action has been defended by A H Vest Ltd and a notice in terms of Rule 35 (12) and 35 (14) of the Supreme Court rules has been served on JR 209 Investments (Pty) Ltd on the 3 May 2013.

The claim against AH-Vest Ltd is in the amount of R 42 523 377.00 and in respect of the alternative claim B, in the amount if R 9 272 401.60. Interest in the aforesaid amounts are also claimed, calculated at the prime rate plus 2% from 15 February 2013, alternatively from the date of issue of the summons being the 23 March 2013, to the date of payment.

At present, the Plaintiff, JR 209 Investments (Pty) Ltd, had applied for and had simultaneously made an application for condemnation in order for it to take an exception to the Defendant's, AH-Vest Ltd, plea. Such application is opposed by AH-Vest Ltd. Pleadings in respect of this interlocutory application are closed and we are currently awaiting service of the Plaintiff's Heads of Argument in relation to the interlocutory matters in compliance with the practice directive as set out in the High Court, Gauteng Local Division's Practice Manual.

Financial Services Board ("FSB") investigation over the affairs of AH-Vest Limited.

The Enforcement Committee of the FSB has imposed a penalty of R1 500 000 on AH-Vest Limited. AH-Vest Limited had prepared appeal against the findings of guilt and the administrative penalties imposed by the Enforcement Committee of the FSB.No provision has been raised for this penalty as AH Vest legal representatives and directors best estimates indicated that it is not likely that the penalty would be enforced by the FSB appeal board. Subsequently the matter remains as unsettled.

	Group		Company	
	2014 R	2013 R	2014 R	2013 R

32. Related parties

Relationships

Ultimate holding company	Eastern Trading (Pty) Ltd trading as Darsot Food Corporation
Holding company	Eastern Trading (Pty) Ltd (trading as Darsot Food Corporation)
Subsidiaries	All Joy Property Holdings (Pty) Ltd
Shareholder with significant influence	Eastern Trading (Pty) Ltd trading as Darsot Food Corporation Farm Food Holdings (Pty) Ltd National Empowerment Fund Purple Rain Properties (Pty) Ltd
Company owned by members of key management	Five Point Steel (Pty) Ltd
Members of key management	MT Pather I Darsot MNI Darsot BI Darsot SI Darsot R Darsot C Sambaza

Related party balances

	Group 2014 R	Group 2013 R	Company 2014 R	Company 2013 R
Loan accounts - Owing (to) by related parties				
All Joy Property Holdings (Pty) Ltd	-	-	(3 490 138)	1 307 436
Eastern Trading (Pty) Limited	(9 668 600)	(237 658)	(9 668 600)	(237 658)
Amounts included in Trade receivable (Trade Payable) regarding related parties				
Eastern Trading (Pty) Ltd	2 000 192	2 434 636	2 000 192	2 434 636
Eastern Trading (Pty) Ltd	(3 773 532)	(1 447 589)	(3 773 532)	(1 447 589)
Purple Rain Properties (Pty) Ltd	-	(500)	-	(500)
Five Point Steel (Pty) Ltd	-	(314 701)	-	(314 701)

Related party transactions

	Group 2014 R	Group 2013 R	Company 2014 R	Company 2013 R
Purchases from (sales to) related parties				
Purple Rain Properties (Pty) Ltd	-	577 215	-	577 215
Eastern Trading (Pty) Ltd	(1 754 554)	(2 081 002)	(1 754 554)	(2 081 002)
Five Point Steel (Pty) Ltd	-	570 875	-	570 875
Rent paid to (received from) related parties				
All Joy Property Holdings (Pty) Ltd	-	-	-	240 000
A and J Farms	1 031 585	1 237 922	1 031 585	1 237 922
Eastern Trading (Proprietary) Limited	3 000 000	-	3 000 000	-
Management fees paid to (received from) related parties				
Eastern Trading (Pty) Ltd	5 400 000	2 650 000	5 400 000	2 650 000
All Joy Property Holding (Pty) Ltd	-	-	(500 000)	(270 000)
Marketing fees paid to related parties				
Eastern Trading (Pty) Ltd	-	650 000	-	650 000

Commission paid to related parties

	Group		Company	
	2014 R	2013 R	2014 R	2013 R
32. Related parties (continued)				
Eastern Trading (Pty) Ltd	-	422 836	-	422 836
Transport charges paid to related parties				
Eastern Trading (Pty) Ltd	8 458 128	264 475	8 458 128	264 475
Other expenses paid to related parties				
Eastern Trading (Pty) Ltd	-	423 594	-	423 594

33. Directors' emoluments

Executive

2014

	Remuneration	Expenses	Medical Aid	Directors Pension	Total
MT Pather	1 601 510	316 338	175 560	188 368	2 281 776
IE Darsot	340 407	-	-	-	340 407
MNI Darsot	135 530	-	-	-	135 530
SI Darsot	135 530	-	-	-	135 530
R Darsot	135 530	-	-	-	135 530
BI Darsot	135 530	-	-	-	135 530
C Sambaza	615 000	20 000	-	-	635 000
	3 099 037	**336 338**	**175 560**	**188 368**	**3 799 303**

2013

	Remuneration	Travel	Medical Aid	Provident fund	Total
MT Pather	1 829 533	219 862	175 560	274 757	2 499 712
IE Darsot	104 717	-	-	-	104 717
MNI Darsot	111 391	-	-	-	111 391
SI Darsot	111 391	-	-	-	111 391
R Darsot	111 391	-	-	-	111 391
BI Darsot	111 391	-	-	-	111 391
MA Hill	1 414 026	77 350	37 212	-	1 528 588
	3 793 840	**297 212**	**212 772**	**274 757**	**4 578 581**

33. Directors' emoluments (continued)

Non-executive

2014

	Directors' fees	Total
Z Elias	27 027	27 027
JJ du Plooy	27 027	27 027
MS Appelgryn	94 126	94 126
H Takolia	80 937	80 937
	229 117	**229 117**

2013

	Directors' fees	Total
NG Mthethwa	178 333	178 333
S Soni	40 000	40 000
MS Appelgryn	15 000	15 000
H Takolia	10 000	10 000
	243 333	**243 333**

34. Risk management

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the group consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 6, 7, 17 & 18 cash and cash equivalents disclosed in note 13, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the debt: equity ratio.

This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including current and noncurrent borrowings as shown in the statement of financial position) less cash and cash equivalents. Total equity is represented in the statement of financial position.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

34. Risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. In terms of its borrowing requirements, the Group ensures that adequate funds are available to meet its expected and unexpected financial commitments through undrawn borrowing facilities. In terms of its long-term liquidity risk, a reasonable balance is maintained between the period over which assets generate funds and the period over which the respective assets are funded.

The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the group's remaining contractual maturity for its non derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay. The table includes both estimated interest and principal cash flows.

Group

At 30 June 2014	**Less than 1 year**
Trade and other payables	24 469 132
Bank overdraft	3 646 085
Liability of disposal group	107 964

At 30 June 2013	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**
Borrowings	1 999 315	1 731 395	6 925 580
Finance lease obligations	127 822	-	-
Trade and other payables	30 332 073	-	-
Loans from shareholder	237 659	-	-
Liability of disposal groups	18 416	-	-

Company

At 30 June 2014	**Less than 1 year**
Bank overdraft	3 646 085
Trade and other payables	24 469 135

At 30 June 2013	**Less than 1 year**
Other financial liabilities	10 656 290
Finance lease obligation	127 822
Trade and other payables	30 332 073
Loan from shareholder	237 659

	Group		Company	
	2014 R	2013 R	2014 R	2013 R

34. Risk management (continued)

Interest rate risk

As the group has no significant interest-bearing assets, the group’s income and operating cash flows are substantially independent of changes in market interest rates.

Fair value interest rate risk

Financial instrument	Current interest rate	Due in one to two years
Loan from subsidiary	- %	3 490 138

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at 12 end were as follows:

Financial instrument	Group - 2014	Group - 2013	Company - 2014	Company - 2013
Loan to subsidiary	-	-	-	1 307 436
Cash and cash equivalents	-	3 504 659	-	3 504 659
Trade and other receivables	16 938 740	21 892 062	16 938 740	21 892 602
Loans to employees	8 334	163	8 334	163
Trade receivables related to non current assets held for sale	257 542	222 974	-	-

Foreign exchange risk

The group does not hedge foreign exchange fluctuations.

35. Segment information

No segmental analysis has been presented as the company operates primarily within one product segment, namely sauces, and one geographical segment namely South Africa.

Analysis of revenue per customer:
Revenue from the group's two principle customers, which individually represent over 10% of revenue is as follows:

Customer	2014	2013
Customer A	49%	46%
Customer B	28%	29%
	77%	**75%**

36. Earnings per share

Basic earnings per share				
From continuing operations (cents per share)	(5,34)	1,76	-	-
From discontinued operations (cents per share)	0,93	0,23	-	-
	(4,41)	**1,99**	**-**	**-**

36. Earnings per share (continued)

Basic earnings per share
Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Basic earnings per share was based on (loss)/earnings of (R 4 495 380) (2013: R 2 025 874) and a weighted average number of ordinary shares of 101 973 333 (2013: 101 973 333).

Diluted earnings per share
In the determination of diluted earnings per share, profit or loss attributable to the equity holders of the parent and the weighted average number of ordinary shares are adjusted for the effects of all dilutive potential ordinary shares. Diluted earnings per share was based on (loss)/earnings of (R 4 495 380) (2013: R R 2 025 874) and a weighted average number of ordinary shares of 101 973 333 (2013: 101 973 333).
Where there is a discontinued operation, diluted earnings per share is determined for both continuing and discontinued operations. The earnings used in the calculation of diluted earnings per share are the same as those used to calculate basic earnings per share.

Diluted earnings per share

From continuing operations (cents per share)	(5,34)	1,76
From discontinued operations (cents per share	0,93	0,23
	(4,41)	**1,99**

Headline earnings and earnings per share
Headline earnings per share is determined by dividing headline (loss)/earnings of (R 4 495 380) (2013: R 1 985 874) by the weighted average number of ordinary shares of 101 973 333 (2013: 101 973 333) outstanding during a period.
In the determination of headline earnings per share, profit or loss attributable to the equity holders of the parent, and the weighted average number of ordinary shares are adjusted for the effects of all potential headline transactions applicable to the ordinary shares
Where there is a discontinued operation, headline earnings per share is determined for both continuing and discontinuing operations

Headline earnings (cents per share)		
From continuing operations (cents per share)	(5,34)	1,72
From discontinued operations (cents per share)	0,93	0,23
	(4,41)	**1,95**
Reconciliation between earnings and headline earnings		
Continuing	(5 443 477)	1 790 129
Adjusted for:		
Profit on sale of property, plant and equipment		(40 000)
	(5 443 477)	**1 750 129**
Discontinuing	948 097	235 745
Total headline earnings	**(4 495 380)**	**1 985 874**
Reconciliation of weighted average number of ordinary shares		
Continuing operations	101 973 333	101 973 333
Discontinuing operations	101 973 333	101 973 333

During the year ended 30 June 2014, the share capital structure has remained unchanged.

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37. Comparatives

The period ended 30 June 2013 consisted of fifteen months and therefore comparative numbers will not be comparable.

Shareholder Analysis as at 30 June 2014

The share register has been extracted from the register of shareholders dated 27 June 2014 as adjusted by shares sold to Eastern Trading Company (Pty) Ltd by M Pather as disclosed below)

SHAREHOLDERS HOLDING MORE THAN 5%

Shareholder	No. of Shares	% Holding
Eastern Trading Company (Pty) Ltd t/a Darsot Food Corporation ("Eastern Trading Company") #	65 314 795	64.1%
Farm Food Holdings (Pty) Ltd	23 802 500	23.3%
*National Empowerment Fund**	7 860 473	7.7%
Total shareholders	**96 977 768**	**95.1%**

#Number of shares includes 3 000 000 and 3 859 400 shares which is still to be effected in the share register at year end

*These shares were purchased by Mr M Pather or his nominee from the National Empowerment Fund but the transfer of the shares has not occurred

CATEGORIES OF SHAREHOLDERS - PUBLIC VS NON-PUBLIC

Shareholder	No. of Shareholders	No. of Shares	Percentage
Public	258	4 995 565	4.90%
Non-Public			
Shareholders holding more than 10% of total issued capital	2		
Eastern Trading Company		65 314 795	64.1%
Farm Food Holdings (Pty) Ltd		23 802 500	23.3%
Directors and Associates			
To be transferred to M Pather or his nominee (from National Empowerment Fund)	1	7 860 473	7.7%
Total shareholders	**261**	**101 973 333**	**100%**

SHAREHOLDERS ANALYSIS AND INFORMATION

	No. of Shares	No. of Holders	% Holding
Individuals	**7 623 735**	242	7.5%
Nominees and Trusts	**124 851**	3	0.1%
Close Corporations	**168 599**	2	0.2%
Companies, Financial Institutions	**94 056 508**	14	92.2%
Total shareholders	**101 973 333**	**261**	**100.0%**

Size of Shareholding	No. of Holders	No. of Shares	% Holding
1 – 1 000	101	35 523	0.04%
1 001 – 10 000	97	483 748	0.48%
10 001 – 100 000	45	1 607 956	1.57%
100 001 – 1 000 000	13	2 868 338	2.81%
1 000 001 and over	5	96 977 768	95.10%
Total shareholders	**261**	**101 973 333**	**100.00%**

AH-VEST LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1989/000100/06)
("AH-Vest" or "company")
JSE code: AHL ISIN code: ZAE000129177

Directors

IE Darsot (Executive Chairman and Chief Executive Officer)	MA Appelgryn#
C Sambaza (Financial Director)	H Takolia#
MT Pather	JJ Du Plooy#
R Darsot	
MNI Darsot	
SI Darsot	
B Darsot	

\# - Independent non-executive

NOTICE OF ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY

Notice is hereby given that the annual general meeting of shareholders of the company will be held in the boardroom, 15 Misgund Road, Eikenhof, Johannesburg, at 10:00 on Thursday, 19 February 2015, to consider and, if deemed fit, to pass, with or without modification, the following ordinary and special resolutions set out below:

The record date on which shareholders must be recorded as such in the register maintained by the transfer secretaries of the company for purposes of determining which shareholders are entitled to attend and vote at the annual general meeting is Friday, 13 February 2015.

Electronic Participation in the Annual General Meeting

Please note that the Company intends to make provisions for shareholders of the Company, or their proxies, to participate in the annual general meeting by way of electronic communication. Should you wish to participate in the annual general meeting by way of electronic communication, you will need to contact the Company at +27 11 480 8500 (and speak to either Doris Shabangu or Neo Letele) by Tuesday, 17 2015, so that the Company can provide for a teleconference dial-in facility. Please ensure that if you are participating in the meeting via teleconference that the voting proxies be sent through to the transfer secretaries, namely Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001, (PO Box 61051, Marshalltown, 2107) by no later than 10h00 on Tuesday, 17 February 2015.

The board of directors of the Company has determined that the record date for the purpose of determining which shareholders of the Company are entitled to receive notice of this annual general meeting is Friday, 19 December 2014 and the record date for purposes of determining which shareholders of the Company are entitled to participate in and vote at the annual general meeting is Friday, 13 February 2015. Accordingly, only shareholders who are registered in the register of members of the company on Friday, 13 February 2015 will be entitled to participate in and vote at the annual general meeting and thus the last day to trade in order to be reflected on the register of members is Friday, 6 February 2015.

ORDINARY RESOLUTIONS

<u>Approval of the annual financial statements – ordinary resolution number 1</u>

Ordinary resolution number 1 – Annual financial statements

"RESOLVED THAT the annual financial statements of the Company and its subsidiaries for the period ended 30 June 2014, including the director's report, the report of the auditors and the reports of the Audit Committee and Social and Ethics Committee thereon be and are hereby received and accepted.

Explanatory note:
In terms of the Companies Act, 2008 (No. 71 of 2008) ("the Act"), shareholders are required to approve the annual financial statements each year. Ordinary resolution 1 is proposed to receive and accept the group audited financial statements for the twelve months period ended 30 June 2014, including the directors 'report, the report of the auditors and the report of the audit committee thereon as well as to receive a report back at the meeting from the Chairman of the Social and Ethics Committee. The financial statements, the directors' report, the report of the auditors and the reports of the Audit Committee and Social and Ethics Committee are set out on page 14 to 57 of the integrated report.

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

Approval of retirement of directors – ordinary resolution numbers 2 to 3

Ordinary resolution number 2 – director retirement and re-election – MS Appelgryn
"**RESOLVED THAT:** Mr MS Appelgryn, who retires in accordance with the provisions of the company's memorandum of incorporation, but being eligible offers himself for re-election, be and hereby is re-elected as a director of the company."

Mr MS Appelgryn's curriculum vitae is set out at the end of this notice of annual general meeting.

Ordinary resolution number 3 – director retirement and re-election – H Takolia
"**RESOLVED THAT:** Mr H Takolia, who retires in accordance with the provisions of the company's memorandum of incorporation, but being eligible offers himself for re-election, be and hereby is re-elected as a director of the company."

Mr H Takolia curriculum vitae is set out at the end of this notice of annual general meeting.

Explanatory note for ordinary resolution number 2 and 3:
In accordance with the memorandum of incorporation of the company one-third of the directors is required to retire at each meeting and may offer themselves for re-election. In terms of the memorandum of incorporation of the company the CEO, during the period of his service contract, is not taken into account when determining which directors are to retire by rotation.
In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

Approval of appointment of auditors – ordinary resolution number 4

Ordinary resolution number 4 – Appointment of external auditors

"RESOLVED THAT the appointment of Nexia SAB&T Chartered Accountants Incorporated Inc as external auditors of the company for the ensuing year, with Mr MF Sulaman as the designated auditor at partner status of the company, and the authorisation of the audit committee to determine the auditors' remuneration be and is hereby approved."

Explanatory note:
Nexia SAB&T Chartered Accountants Inc. has indicated its willingness to continue as the company's auditor until the next annual general meeting. The group audit committee has satisfied itself as to the independence of SAB&T Chartered Accountants Inc. and Mr Fazel Sulaman. The group audit committee has the power in terms of the Act, to approve the remuneration of the external auditors. The remuneration and non-audit fees paid to the auditors during the period ended 30 June 2014 are contained in note 27 of the annual financial statements.

Subject to the passing of the resolution, Mr MF Sulaman will be the individual registered auditor who will undertake the audit during the financial year ending 30 June 2014.

Section 90(1) of the Companies Act requires the company to appoint an auditor each year at its annual general meeting. The group audit committee has satisfied itself as to the independence of Nexia SAB&T Chartered Accountants Inc. and considered whether or not they comply with the requirements of sections 90(2) and (3) of the Companies Act and section 22 of the Listings Requirements of the JSE Limited ("JSE") and the board considered and accepted these findings.

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

Election of audit committee members – ordinary resolution numbers 5 - 7

Ordinary resolution number 5 – Appointment of Audit Committee member – H Takolia

"RESOLVED THAT Haroon Takolia is re-elected as a member of the audit committee of the company."

Ordinary resolution number 6 – Appointment of Audit Committee member and chairman – MS Appelgryn

"RESOLVED THAT Marthinus Stephanus Appelgryn is re-elected as a member and the chairman of the audit committee of the company"

Ordinary resolution number 7 – Appointment of Audit Committee member – JJ Du Plooy

"RESOLVED THAT Jacobus Johannes Du Plooy is re-elected as a member of the audit committee of the company"

Explanatory note for ordinary resolutions numbers 5 to 7:
In terms of Section 94 (2) of the Companies Act, No 71 of 2008 (as amended) ("the Companies Act"), Section 94 of the Companies Act requires that, at each annual general meeting, shareholders of the company must elect an audit committee comprising at least 3 members.

Brief curricula vitae of each member standing for election are set out at the end of this notice of annual general meeting.

In order for these resolutions to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

Ordinary resolution number 8 – General authority to allot and issue shares for cash

"**RESOLVED THAT** subject to the provisions of the Companies Act, the Listings Requirements of the JSE and the company's memorandum of incorporation, as a general authority valid until the next annual general meeting of the company and provided that it shall not extend past 15 months from the date of this annual general meeting, the authorised but unissued ordinary shares of the company be and are hereby placed under the control of the directors to allot, issue, grant options over or otherwise deal with or dispose of to such persons at such times and on such terms and conditions and for such consideration whether payable in cash or otherwise, as the directors may think fit, provided that":

- the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such equity securities or rights that are convertible into a class already in issue;
- this authority shall not endure beyond the next annual general meeting of the company nor shall it endure beyond 15 months from the date of this meeting;
- there will be no restrictions in regard to the persons to whom the shares may be issued, provided that such shares are to be issued to public shareholders (as defined by the JSE Limited ("JSE") in its Listings Requirements) and not to related parties;
- upon any issue of shares which, together with prior issues during any financial year, will constitute 5% or more of the number of shares of the class in issue, the company shall by way of an announcement on Securities Exchange News Service ("SENS"), give full details thereof, including the effect on the net asset value of the company and earnings per share;
- the aggregate issue of a class of shares already in issue in any financial year will not exceed 50% of the number of that class of shares (including securities which are compulsorily convertible into shares of that class); and
- the maximum discount at which shares may be issued is 10% of the weighted average traded price of the company's shares over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors of the applicant."

In order for this resolution to be adopted, it must be approved by 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required, excluding the controlling shareholders of the company and the company's designated advisor.

Explanatory Note:
In terms of the company's memorandum of incorporation, read with the JSE Listings Requirements, the shareholders may authorise the directors to allot and issue the authorised but unissued shares for cash, as the directors in their discretion think fit.

Ordinary resolution number 9 Non – binding advisory vote on the remuneration policy

"RESOLVED THAT the company's remuneration policy, as set out below, be and is hereby endorsed by way of a non-binding advisory vote."

Explanatory note
The purpose of ordinary resolution 9 is to endorse, by way of a non-binding advisory vote, the remuneration policy elements in the remuneration policy as set out below.

King III recommends that every year the company's remuneration policy should be tabled to shareholders for a non-binding advisory vote at the annual general meeting. This vote enables shareholders to express their views on the remuneration policies adopted and on their implementation. The remuneration committee prepared and the board considered and accepted the remuneration policy, as set out below and shareholders are required to vote on this policy.

Remuneration Policy Summary:
The executive directors are currently remunerated on a cost to company basis with no incentives or bonuses. Annual increases are considered each year based on the company's affordability as well as considering inflation and other macro economic factors. Key performance objectives will be considered as well as incentives for executive directors in the coming year as the company has returned to profitability.

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

SPECIAL RESOLUTIONS

Special resolution number 1 – Non-Executive Directors' remuneration

"RESOLVED THAT, subject to the approval of 75% of the members present in person and by proxy, and entitled to vote at the meeting, the approval of the remuneration payable to the non-executive directors for the financial year commencing 01 July 2014 as follows:

	Chairman	**Other directors/members of committees**
Board Meeting: Per meeting:	N/A	R5 000
Audit Committee: Per meeting:	R10 000	R5 000

Explanatory note:
In terms of Section 69 (9) of the Act, shareholders are required to approve the remuneration of non-executive directors.

In order for this resolution to be adopted, the support of more than 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

Special resolution number 2 – General authority to enter into funding agreements, provide loans or other financial assistance

"**RESOLVED THAT,** subject to the approval of 75% of the members present in person and by proxy, and entitled to vote at the meeting, in terms of Section 45 of the Companies Act, No 71 of 2008, as amended, the company be and is hereby granted a general approval authorising that the company and or any one or more of and/or its wholly-owned subsidiaries incorporated in the Republic to enter into direct or indirect funding agreements guarantee a loan or other obligations, secure any debt or obligation, or to provide loans or financial assistance between any one or more of the subsidiaries from time to time, subject to the provisions of the JSE Limited's Listings Requirements, for funding agreements and as the directors in their discretion deem fit.

Explanatory note:
The purpose of this resolution is to enable the company to enter into funding arrangements with its subsidiaries and to allow intergroup loans to subsidiaries.

The minimum percentage of voting rights that is required for this special resolution to be adopted is 75% (seventy five percent) of the voting rights plus 1 (one) vote to be cast on each resolution.

Attendance and participation at the Annual General Meeting Certificated shareholders and dematerialised shareholders with "own name" registration

If you are unable to attend the annual general meeting of AH-Vest shareholders to be held in the boardroom, 15 Misgund Road, Eikenhof, Johannesburg, at 10:00 on Thursday, 19 February 2015 and wish to be represented thereat, you should complete and return the attached form of proxy in accordance with the instructions contained therein and lodge it with, or post it to, the transfer secretaries, namely Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) so as to be received by them by no later than 10h00 on Tuesday, 17 February 2015.

Dematerialised shareholders, other than those with "own name" registration

If you hold dematerialised shares in AH-Vest through a CSDP or broker and do not have an "own name" registration, you must timeously advise your CSDP or broker of your intention to attend and vote at the annual general meeting or be represented by proxy thereat in order for your CSDP or broker to provide you with the necessary authorisation to do so, or should you not wish to attend the annual general meeting in person, you must timeously provide your CSDP or broker with your voting instruction in order for the CSDP or broker to vote in accordance with your instruction at the annual general meeting.

Voting rights

Each shareholder, whether present in person or represented by proxy, is entitled to attend and vote at the annual general meeting. On a show of hands every shareholder who is present in person or by proxy shall have one vote, and, on a poll, every shareholder present in person or by proxy shall have one vote for each share held by him/her.

Identification

In terms of section 63(1) of the Companies Act, any person attending or participating in the annual general meeting must present reasonably satisfactory identification and the person presiding at the annual general meeting must be reasonably satisfied that the right of any person to participate in and vote whether as a shareholder or as a proxy for a shareholder has been reasonably verified. Acceptable forms of identification include valid identity documents, drivers' licences and passports.

A form of proxy (white) which sets out the relevant instructions for use is attached for those members who wish to be represented at the annual general meeting of members. Duly completed forms of proxy must be lodged with the transfer secretaries of the company to be received by not later than 10h00 on Tuesday, 17 February 2015.

By order of the Board

Arbor Capital Company Secretarial
(Registration Number 1998/025284/07)
Company Secretary
Date: 29 September 2014

Shareholders' diary

EVENT	TIMING
Financial year-end	End of June each year
Publication of year end results	By no later than 30 September each year
Interim results	31 December 2014
Publication of interim results	No later than 31 March 2015
Record date to be recorded on the share register to attend the Annual General Meeting as a shareholder	13 February 2015
Next Annual General Meeting	19 February 2015

Form of Proxy

AH-VEST LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1989/000100/06)
("AH-Vest" or "company")
JSE code: AHL ISIN code: ZAE000129177

FORM OF PROXY (for use by certificated and own name dematerialised shareholders only)

For use by certificated and "own name" registered dematerialised shareholders of the company ("shareholders") at the annual general meeting of AH-Vest to be held at 10:00 on Thursday, 19 February 2015 at 15 Misgund Road, Eikenhof, Johannesburg ("the annual general meeting").

I/We (please print) ____

of (address) ____

being the holder/s of ______________ ordinary shares of 0.01 cent each in AH-Vest, appoint (see note 1):

1. ________________________________ or failing him,
2. ________________________________ or failing him,
3. the chairperson of the annual general meeting,

as my/our proxy to act for me/us and on my/our behalf at the annual general meeting which will be held for the purpose of considering, and if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (see note 2):

	Number of votes		
	For	**Against**	**Abstain**
Ordinary Resolution Number 1- Acceptance of annual financial statements			
Ordinary Resolution Number 2- director retirement and re-election of MS Appelgryn			
Ordinary Resolution Number 3- director retirement and re-election of H Takolia			
Ordinary Resolution Number 4- Auditor's appointment of external auditor			
Ordinary Resolution Number 5- Election of audit committee member – H Takolia			
Ordinary Resolution Number 6- Election of audit committee member – MS Appelgryn			
Ordinary Resolution Number 7- Election of audit committee member – JJ Du Plooy			
Ordinary Resolution Number 8- General authority to allot and issue shares for cash			
Ordinary Resolution Number 9 - Non – binding advisory vote on the remuneration policy			
Special Resolution Number 1- Non-executive directors' remuneration			
Special Resolution Number 2- General authority to enter into funding agreements, provide loans or other financial assistance			

Signed at______________________on ______________________ 2015

Signature ________________________________

Assisted by me (where applicable) ______________________

Name________________Capacity____________Signature________________

Notes to the Form of Proxy

1. *This form is for use by certificated shareholders and dematerialised shareholders with "own-name" registration whose shares are registered in their own names on the record date and who wish to appoint another person to represent them at the meeting. If duly authorised, companies and other corporate bodies who are shareholders having shares registered in their own names may appoint a proxy using this form, or may appoint a representative in accordance with the last paragraph below.* ***Other shareholders should not use this form.*** *All beneficial holders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker, and do not have their shares registered in their own name, must provide the CSDP or broker with their voting instructions. Alternatively, if they wish to attend the Meeting in person, they should request the CSDP or broker to provide them with a letter of representation in terms of the custody agreement entered into between the beneficial owner and the CSDP or broker.*
2. *This proxy form will not be effective at the meeting unless received at the registered office of the company at 15 Misgund Road, Eikenhof, Johannesburg, Republic of South Africa, not later than Tuesday, 17 February 2015 at 10h00.*
3. *This proxy shall apply to all the ordinary shares registered in the name of shareholders at the record date unless a lesser number of shares are inserted.*
4. *A shareholder may appoint one person as his proxy by inserting the name of such proxy in the space provided. Any such proxy need not be a shareholder of the company. If the name of the proxy is not inserted, the chairman of the meeting will be appointed as proxy. If more than one name is inserted, then the person whose name appears first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of any persons whose names follow. The proxy appointed in this proxy form may delegate the authority given to him in this proxy by delivering to the company, in the manner required by these instructions, a further proxy form which has been completed in a manner consistent with the authority given to the proxy of this proxy form.*
5. *Unless revoked, the appointment of proxy in terms of this proxy form remains valid until the end of the meeting even if the meeting or a part thereof is postponed or adjourned.*
6. *If*
   - *6.1 a shareholder does not indicate on this instrument that the proxy is to vote in favour of or against or to abstain from voting on any resolution; or*
   - *6.2 the shareholder gives contrary instructions in relation to any matter; or*
   - *6.3 any additional resolution/s which are properly put before the Meeting; or*
   - *6.4 any resolution listed in the proxy form is modified or amended,*

   the proxy shall be entitled to vote or abstain from voting, as he thinks fit, in relation to that resolution or matter. If, however, the shareholder has provided further written instructions which accompany this form and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in 6.1 to 6.4, then the proxy shall comply with those instructions.
7. *If this proxy is signed by a person (signatory) on behalf of the shareholder, whether in terms of a power of attorney or otherwise, then this proxy form will not be effective unless:*
   - *7.1 it is accompanied by a certified copy of the authority given by the shareholder to the signatory; or*
   - *7.2 the Company has already received a certified copy of that authority.*
8. *The chairman of the meeting may, at his discretion, accept or reject any proxy form or other written appointment of a proxy which is received by the chairman prior to the time when the meeting deals with a resolution or matter to which the appointment of the proxy relates, even if that appointment of a proxy has not been completed and/or received in accordance with these instructions. However, the chairman shall not accept any such appointment of a proxy unless the chairman is satisfied that it reflects the intention of the shareholder appointing the proxy.*
9. *Any alterations made in this form of proxy must be initialled by the authorised signatory/ies.*
10. *This proxy form is revoked if the shareholder who granted the proxy:*
    - *10.1 delivers a copy of the revocation instrument to the company and to the proxy or proxies concerned, so that it is received by the company by not later than Tuesday, 17 February 2015 at 10h00; or*
    - *10.2 appoints a later, inconsistent appointment of proxy for the Meeting; or*
    - *10.3 attends the Meeting in person.*
11. *If duly authorised, companies and other corporate bodies who are shareholders of the company having shares registered in their own name may, instead of completing this proxy form, appoint a representative to represent them and exercise all of their rights at the meeting by giving written notice of the appointment of that representative. This notice will not be effective at the meeting*

Summary of rights established by section 58 of the Companies Act, 71 of 2008 ("Companies Act"), as required in terms of subsection 58(8)(b)(i)

1. A shareholder may at any time appoint any individual, including a non-shareholder of the company, as a proxy to participate in, speak and vote at a shareholders' meeting on his or her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).

2. A proxy appointment must be in writing, dated and signed by the shareholder and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 below (section 58(2)).

3. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder (section 58(3)(a)).

4. A proxy may delegate his or her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy ("proxy instrument") (section 58(3)(b)).

5. A copy of the proxy instrument must be delivered to the company, or to any other person acting on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders' meeting (section 58(3)(c)) and in terms of the memorandum of incorporation ("MOI") of the company at least 48 hours before the meeting commences.

6. Irrespective of the form of instrument used to appoint a proxy:

6.1 the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (section 58)4)(a));

6.2 the appointment is revocable unless the proxy appointment expressly states otherwise (section 58(4)(b)); and

6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company (section 58(4)(c)).

7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 above (section 58(5)).

8. If the proxy instrument has been delivered to a company, as long as that appointment remains in effect, any notice required by the Companies Act or the company's MOI to be delivered by the company to the shareholder must be delivered by the company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the company to do so in writing and paid any reasonable fee charged by the company for doing so (section 58(6)(b)).

9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).

10. If a company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of proxy instrument:

10.1 the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised (section 58(8)(a));

10.2 the invitation or form of proxy instrument supplied by the company must:

10.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));

10.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b)(ii)); and

10.2.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting (section 58(8)(b)(iii));

Abridged Curriculum vitae

Tony Appelgryn CA (SA) - Appointed to the board – 13 December 2012

Tony served as an auditor with accounting and auditing firm, Coopers & Lybrand (today known as PriceWaterhouseCoopers) from 1990 to 1992. During this time he was appointed as audit manager on various audits, notably of the Small Business Development Corporation (today known as Business Partners), where he gained valuable experience in assisting, starting up and after caring of businesses. He served as Chairman of The Junior Chamber of The Afrikaanse Sakekamer from 1994 to 1996. In 1993, Tony was one of the founding members of an auditing and accounting practice, which went from strength to strength, and today he is a Senior Partner of the auditing company, ARC Chartered Accountants and Auditors Incorporated.

Haroon Takolia CA (SA) MBA (WITS) - Appointed to the board – 13 December 2012

Haroon is a qualified chartered accountant and holds an MBA from the University of the Witwatersrand. He completed his articles of clerkship at Fram Cohen Kaplan and Kramer in 1979 and currently heads Takolia and Co., an independent audit practice with several high profile clients. Haroon is a respected auditor (with clients such as the National Union of Mineworkers and South African Tennis Association) and has varied business interests. He serves on a number of social and educational boards as well as the board and audit committees of Cape Empowerment Limited and Ascension Properties Limited.

Jacobus Johannes Du Plooy

Jacobus is a chartered accountant and qualified with ARC Chartered Accountants & Auditors (“ARC”) in 2008, passing his qualifying exams first time around. He became an audit manager and remained with ARC until June 2012. Jacobus joined Minaco Group Proprietary Limited in July 2012 where he holds the position of financial manager.

Jacobus was appointed as an independent non-executive to AH-Vest and was appointed to the audit committee.

Administration

AH-Vest Limited
(Registration number 1989/000100/06)

Company Secretary and Registered Office
Arbor Capital Company Secretarial (Pty) Ltd
(Registration number 1998/025284/07)
Ground Floor
One Health Building
Woodmead North Office Park
54 Maxwell Drive
Woodmead 2157
Suite # 439
Private Bag X29
Gallo Manor 2191
Tel +27 11 480 8500
Fax +27 11 480 8501

Transfer Secretaries
Computershare Investor Services (Pty) Ltd
(Registration number 2004/003647/07)
70 Marshall Street
Johannesburg, 2001
PO Box 61051
Marshalltown, 2107

Designated Advisor
Arbor Capital Sponsors (Pty) Ltd
(Registration number 2006/033725/07)
Ground Floor
One Health Building
Woodmead North Office Park
54 Maxwell Drive
Woodmead 2191
Suite # 439
Private Bag X29
Gallo Manor 2052

Auditors
Nexia SAB&T Chartered Accountants
Registration number 1997/018869/21
119 Witch-Hazel Avenue
Highveld Technopark
Centurion
0046
PO Box 10512
Centurion
0046

AH Vest Limited