

Separate Statement of Financial Position — Super Group Limited

at 30 June 2016

	Note	30 June 2016 R'000	30 June 2015 R'000
ASSETS			
Non-current assets			
Investment in subsidiaries	1	3 355 854	2 281 759
Amounts owing by subsidiaries	1	153 853	147 221
Deferred tax asset	2	19 960	11 449
		3 529 667	2 440 429
Current assets			
Amounts owing by subsidiaries	1	2 305 404	2 130 154
Trade and other receivables		15	154
Income tax prepaid		–	537
Cash and cash equivalents		3 059	400
		2 308 478	2 131 245
Total assets		5 838 145	4 571 674
EQUITY AND LIABILITIES			
Capital and reserves attributable to the equity holders of Super Group Limited	3	5 346 556	4 077 364
Non-current liability			
Interest-bearing borrowings	4	–	471 000
Current liabilities			
Short-term portion of interest-bearing borrowings	4	478 398	6 334
Amounts owing to subsidiaries	1	–	5 000
Trade and other payables		5 656	5 970
Income tax payable		1 035	–
Provisions	5	6 500	6 006
		491 589	23 310
Total equity and liabilities		5 838 145	4 571 674

Separate Statement of Comprehensive Income — Super Group Limited

for the year ended 30 June 2016

	Note	30 June 2016 R'000	30 June 2015 R'000
Corporate management and guarantees fees from subsidiaries		31 680	24 001
Recovery of share options exercised from subsidiaries		23 505	27 336
Dividends received from subsidiary		107 520	2 894
Net operating expenditure	6	(22 850)	(25 607)
Finance costs	7	(39 820)	(36 899)
Investment income	7	57 557	163 790
Profit before income tax		157 592	155 515
Income tax expense	8	(14 982)	(43 064)
Profit for the year		142 610	112 451
Total comprehensive income for the year		142 610	112 451

Separate Statement of Cash Flows — Super Group Limited

for the year ended 30 June 2016

	Note	30 June 2016 R'000	30 June 2015 R'000
Cash flows from operating activities			
Cash generated/(utilised) by operations	9	125 861	(5 574)
Investment income		57 557	40 456
Finance costs paid		(38 756)	(36 625)
Income tax paid	10	(9 503)	(1 262)
Net cash inflow/(outflow) from operating activities		135 159	(3 005)
Cash flows from investing activities			
Additional investment in an existing subsidiary		(1 170 352)	(292 000)
Amounts (advanced to)/repaid by subsidiaries		(147 250)	295 319
Net cash (outflow)/inflow from investing activities		(1 317 602)	3 319
Cash flows from financing activities			
Share issues net of expenses		1 185 102	–
Net cash inflow from financing activities		1 185 102	–
Net increase in cash and cash equivalents		2 659	314
Cash and cash equivalents at beginning of year		400	86
Cash and cash equivalents at end of year		3 059	400

Separate Statement of Changes in Equity — Super Group Limited

for the year ended 30 June 2016

	Stated share capital R'000	Ordinary share capital R'000	Share premium R'000	Retained earnings R'000	General reserve R'000	Capital redemption reserve fund R'000	Total equity R'000
Balance at 30 June 2014	–	315 334	1 746 798	1 720 627	287 776	5 486	4 076 021
Total comprehensive income for the year	–	–	–	112 451	–	–	112 451
Share-based payment reserve movement ¹	–	–	–	22 756	–	–	22 756
Options exercised	–	–	–	(134 284)	–	–	(134 284)
Movement on deferred tax on unexercised options	–	–	–	420	–	–	420
Balance at 30 June 2015	–	315 334	1 746 798	1 721 970	287 776	5 486	4 077 364
Total comprehensive income for the year	–	–	–	142 610	–	–	142 610
Shares repurchased from subsidiary	–	–	–	–	(41 848)	–	(41 848)
Shares issued for cash	–	33 751	833 658	–	32 591	–	900 000
Share issue expenses – rights offer	–	–	(29 562)	–	–	–	(29 562)
Transfer to stated capital	2 899 979	(349 085)	(2 550 894)	–	–	–	–
Bookbuild share issued for cash ²	360 000	–	–	–	–	–	360 000
Share issue expenses – bookbuild	(3 488)	–	–	–	–	–	(3 488)
Share-based payment reserve movement ¹	–	–	–	33 973	–	–	33 973
Options exercised	–	–	–	(104 911)	–	–	(104 911)
Movement on deferred tax on unexercised options	–	–	–	12 418	–	–	12 418
Balance at 30 June 2016	3 256 491	–	–	1 806 060	278 519	5 486	5 346 556

¹ Included in the share-based payment reserve movement is an amount of R24 781 000 (2015: R20 342 000) which was capitalised to investment in subsidiaries.

² A bookbuild is an offer of shares to selected investors of the company.

Separate notes to the financial statements — Super Group Limited

for the year ended 30 June 2016

1. Investment in and amounts owing by and to subsidiaries

	Investment in subsidiaries R'000	Amounts owing by subsidiaries (interest free) R'000	Amounts owing by subsidiaries (interest-bearing) R'000	Amounts owing to subsidiaries (interest free) R'000
30 June 2016				
Cost	3 359 604	1 610 708	848 549	–
Accumulated impairment recognised	(3 750)	–	–	–
	3 355 854	1 610 708	848 549	–
30 June 2015				
Cost	2 285 509	1 800 041	477 334	5 000
Accumulated impairment recognised	(3 750)	–	–	–
	2 281 759	1 800 041	477 334	5 000

The amounts owing by subsidiaries (interest bearing) are unsecured, bearing interest between 6.8% and three-month JIBAR plus 180 basis points (2015: three-month JIBAR plus 180 basis points).

The long-term portion of the amounts owing by subsidiaries relates to the liability in respect of share options that will vest in periods after 1 July 2017. All other amounts owing between the Company and subsidiaries are unsecured and have no fixed repayment terms.

	30 June 2016 R'000	30 June 2015 R'000
2. Deferred tax asset		
Balance at beginning of year	11 449	53 808
Current year profit or loss charge	(3 907)	(42 779)
Amount charged directly to equity	12 418	420
Balance at end of year	19 960	11 449
Analysis of closing balances at end of year		
Discounting of loans and deferred tax resulting from share-based payment reserve	17 573	9 162
Working capital and provisions	2 387	2 287
	19 960	11 449
3. Capital and reserves attributable to equity holders of Super Group Limited		
Stated share capital	3 256 491	–
Share capital	–	315 334
Share premium	–	1 746 798
Retained earnings	1 806 060	1 721 970
General reserves	278 519	287 776
Capital redemption reserve fund	5 486	5 486
	5 346 556	4 077 364
Ordinary share capital		
<i>Authorised</i>		
700 000 000 (2015: 349 085 434) ordinary shares with no par value (2015: R1 each)	–	349 085
54 857 377 (2015: 54 857 377) redeemable preference shares with no par value (2015: 10 cents each)	–	5 486
	–	354 571
<i>Issued</i>		
359 085 434 (2015: 315 334 081) ordinary shares of no par value (2015: R1 each)	3 256 491	315 334

Separate notes to the financial statements — Super Group Limited

> continued

3. Capital and reserves attributable to equity holders of Super Group Limited (continued)

Changes in authorised and issued share capital

During the year, a special resolution was passed at the Annual General Meeting, increasing the authorised share capital to 700 000 000 shares, converting the authorised and issued shares to no par value and converting the preference shares to no par value.

The Company concluded a fully-underwritten renounceable rights offer effective October 2015 for R900 000 000. The rights offer consisted of 35 019 470 rights offer shares (33 751 353 new shares and 1 268 117 treasury shares) at a price of R25.70. The statement of financial position has been impacted by an increase in stated capital of R828 590 000 (after share issue expenses).

The Company raised an amount of R360 000 000 through the placement of 10 000 000 ordinary shares, through an accelerated bookbuild at a price of R36.00 per share. The statement of financial position has been impacted by an increase in stated capital of R356 512 000 (after share issue expenses).

Rights and restrictions related to share capital

All shares rank equally with regard to the Company's residual assets. Unissued preference shares do not participate.

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. In respect to the Company's shares that are held by the Group as treasury shares, all rights are suspended until those shares are reissued.

4. Interest-bearing borrowings

Corporate bond

	30 June 2016 R'000	30 June 2015 R'000
The Corporate bond is unsecured and bears interest at three-month JIBAR plus 180 basis points. Interest repayment occurs quarterly. This liability matures on 31 October 2016.	478 398	477 334
Short-term portion reflected under current liabilities	(478 398)	(6 334)
	–	471 000
Repayment terms		
Year one	478 398	6 334
Year two to five	–	471 000
	478 398	477 334
Currency analysis		
Rand	478 398	477 334

5. Provisions

Employee-related provisions

Balance at beginning of year	6 006	11 173
Transferred to accruals	–	(392)
Increase in and additional provisions	10 379	4 385
Payments against provisions	(9 885)	(9 160)
Balance at end of year	6 500	6 006

Employee-related provisions relate to bonuses. The bonus provision is estimated based on the expected payment which will be made in respect of the services provided in the current financial year. In the prior year the leave pay liability was transferred from provisions to accruals.

	Year ended 30 June 2016 R'000	Year ended 30 June 2015 R'000
6. Net operating expenditure		
Operating profit is arrived at after taking the following into account:		
Audit fees	(480)	(450)
Directors' emoluments ¹		
Executive directors' emoluments	(19 586)	(18 187)
– Basic remuneration	(7 135)	(6 671)
– Performance bonus	(9 885)	(9 160)
– Other benefits	(1 629)	(1 350)
– Employee contributions to defined contribution funds	(937)	(1 006)
Executive directors fees paid by subsidiary	1 121	882
Non-executive directors – for services as directors	(3 692)	(4 090)
– Chairman's fees	(544)	(474)
– Directors' fees	(3 148)	(3 616)
Share-based payment expense	(9 192)	(2 414)
Forex gain	16 449	–
7. (Finance costs)/investment income		
<i>Finance costs</i>	(39 820)	(36 899)
– Corporate Bond	(39 820)	(36 899)
<i>Investment income</i>	57 557	163 790
– Interest received from subsidiaries	42 971	40 431
– Interest received from banks	14 496	22
– Present value effect of intercompany loans	–	123 334
– Other interest received	90	3
	17 737	126 891
8. Income tax expense		
Income tax comprises:		
South African normal tax		
– Current	11 011	389
– Deferred	3 907	42 779
– Prior year current tax	64	(104)
	14 982	43 064
Reconciliation of income tax expense		
The reconciliation of the rate of tax is based on profit before tax	%	%
Statutory tax rate	28.0	28.0
Non-deductible expenses	0.4	0.2
Non-taxable income	(19.1)	–
Tax deduction with no profit or loss effect	(4.3)	(4.2)
Deferred tax charged on options exercised	4.3	4.2
Exempt income and other	0.2	(0.5)
Effective tax rate	9.5	27.7

¹ Refer to directors remuneration report on pages 70 to 73 for further detail.

Separate notes to the financial statements — Super Group Limited

> continued

	Year ended 30 June 2016 R'000	Year ended 30 June 2015 R'000
9. Cash generated/(utilised) by operations		
Reconciliation of profit before income tax to cash generated from operations		
Profit before income tax	157 592	155 515
Finance costs	39 820	36 899
Investment income	(57 557)	(163 790)
Operating profit	139 855	28 624
Adjustments for:		
Share-based payment expense	9 192	2 414
Increase/(decrease) in provisions	494	(4 775)
Options exercised	(23 505)	(27 336)
Operating cash flow	126 036	(1 073)
Working capital changes	(175)	(4 501)
– Decrease in trade and other receivables	139	153
– Decrease in trade and other payables	(314)	(4 654)
	125 861	(5 574)
10. Income tax paid		
Balance at beginning of year	537	(440)
Current year profit or loss charge	(11 075)	(285)
Balance at end of year	1 035	(537)
Tax paid	(9 503)	(1 262)

11. Related parties

Related party transactions occur between the Company and its subsidiaries. All transactions are concluded at arm's length. The Company has, however, entered into borrowing transactions at 0% interest. These loans are seen as equity transactions with its subsidiaries.

The Company received corporate management and guarantee fees of R31 680 000 (2015: R24 001 000), recovered costs of share options exercised of R23 505 000 (2015: R27 336 000) and interest income of R42 971 000 (2015: R40 431 000) from subsidiaries during the year under review.

Dividends of R105 000 000 (2015: Rnil) were received from Bluefin Investments Limited and R2 520 000 (2015: R2 894 000) from SG Tsogo Proprietary Limited.

Refer to pages 70 to 73 for directors remuneration.

The Company has issued guarantees on behalf of subsidiary companies (refer note 12). Refer to page 85 for detailed disclosure of investments in and amounts owing by and to subsidiaries.

12. Contingent liabilities and other commitments

The Company, by the nature of its activities, will be involved in litigation from time to time to protect its business interests. No significant legal matters are pending at year-end.

The Company has issued guarantees of R680 000 000 (2015: R680 000 000) to financial institutions in respect of the continuing payment obligations of its South African full maintenance lease borrowings.

The Company has issued limited guarantees to a total of R1 275 186 000 (2015: R1 275 186 000) to financial institutions in respect of vehicle floor plan financing.

The Company has issued guarantees amounting to R2 070 814 000 (2015: R2 070 814 000) to financial institutions in respect of asset-based borrowings.

The Company has issued guarantees and indemnified the security SPV, Mainstreet 728 Proprietary Limited, up to the current facility of R95 000 000 (2015: R95 000 000).

The Company has issued a limited guarantee of R410 113 000 (2015: R371 250 000) to a financial institution in respect of its Mauritian subsidiaries and operations.

The Company has issued a guarantee of R466 667 000 (2015: R455 056 000) to a financial institute in respect of the acquisition funding of Allen Ford (UK) Limited.

The Company has issued a guarantee of R250 000 000 (2015: Rnil) to a financial institute in respect of a revolving credit facility.

The Company has issued guarantees and suretyships to various landlords for rental obligations related to properties including properties previously sold under sale and leaseback agreements.

13. Financial risk management and financial instruments

Risk profile

In the course of the Company's business operations it is exposed to liquidity, credit and market risk, which includes foreign currency and interest rate risk. The risk management policy of the Company relating to each of these risks is discussed under the headings below.

Credit risk

Credit risk relates to potential exposure on cash and cash equivalents, other receivables and derivative instruments. Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. The carrying amount of financial assets represents the maximum credit exposure.

	Year ended 30 June 2016 R'000	Year ended 30 June 2015 R'000
Loans and receivables at amortised cost		
Amounts owing by subsidiaries	2 459 257	2 277 375
Trade and other receivables	15	154
Financial assets at amortised cost		
Cash and cash equivalents	3 059	400
	2 462 331	2 277 929

The carrying amounts of the assets disclosed above approximates the fair value.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. To manage this risk, the Company manages its working capital, capital expenditure and cash flow and annually assess the financial viability of customers. In order to mitigate any liquidity risk that may arise, adequate unutilised banking facilities and reserve borrowing capacity is maintained per Group policy. The Company continually monitors forecast and actual cash flows and actively matches maturity profiles of financial assets and liabilities.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount R'000	Within six months R'000	Six to 12 months R'000	One to two years R'000	Total payments R'000
30 June 2016					
Non-derivative financial liabilities					
Financial liabilities at amortised cost					
Interest-bearing borrowings	478 398	492 785	–	–	492 785
Trade and other payables (excluding VAT)	5 353	5 353	–	–	5 353
	483 751	498 138	–	–	498 138
30 June 2015					
Non-derivative financial liabilities					
Financial liabilities at amortised cost					
Interest-bearing borrowings	477 334	18 744	18 691	489 999	527 434
Amounts owing to subsidiary	5 000	5 000	–	–	5 000
Trade and other payables (excluding VAT)	5 362	5 362	–	–	5 362
	487 696	29 106	18 691	489 999	537 796

Separate notes to the financial statements — Super Group Limited

> continued

13. Financial risk management and financial instruments

Interest rate risk

Exposure to interest rate risk on debt and investments is monitored by management. The Company borrows principally in Rand at floating rates of interest. The fixing or capping of interest rates on debt to achieve improved predictability of cash flows is considered and implemented on a case-by-case basis. The interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates.

	30 June 2016 R'000	30 June 2015 R'000
At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:		
Fixed rate	1 605 370	1 789 833
Variable rate	373 210	400
A 100 basis points increase in interest rates at year-end would have increased/(decreased) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant.		
Equity	1 345	1 381
Profit or loss	1 345	1 381

14. Events subsequent to 30 June 2016

The JSE has granted a listing to Super Group on 9 September of its SPG002 senior unsecured notes, in terms of its DMTN Programme dated 22 October 2013, the value of this issue was R50 million, with a three-month JIBAR coupon rate payable quarterly. The maturity date of this issue is 9 September 2019.

15. Significant shareholders

Distribution of shareholders that hold greater than 5% of the issued share capital as at 30 June 2016:

Distribution of shareholders	Number of shareholdings	Number of shares	% of total shareholdings	% of issued capital
Collective investment schemes	321	146 353 543	3.55	40.76
Retirement benefit funds	302	53 754 106	3.34	14.97
Organs of state	4	47 664 254	0.04	13.27
Retail shareholders	7 340	19 899 659	81.17	5.54