

Summarised Consolidated Financial Statements

15

Independent Auditor's Report

The Independent Auditors' report can be found on page 6 of the Annual Financial Statements which are available on Super Group's website, www.supergroup.co.za.

Basis of preparation and accounting policies

The Summarised Consolidated Financial Statements for the year ended 30 June 2016 are prepared in accordance with the requirements of the JSE Listings Requirements for preliminary reports and the requirements of the Companies Act. The JSE Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by International Accounting Standards ("IAS") 34 – Interim Financial Reporting.

The accounting policies applied in the preparation of the Summarised Consolidated Financial Statements are in terms of IFRS and are consistent with those applied in the previous Annual Financial Statements. The definitions of capital items, core headline earnings and related adjustments are included in the accounting policies in the Annual Financial Statements. There were no standards and amendments to standards that are relevant to and became effective for the first time in Super Group's financial year commencing 1 July 2015.

The Summarised Consolidated Financial Statements are extracted from the Annual Financial Statements, but is not audited. The Annual Financial Statements were audited by KPMG Inc, who expressed an unmodified opinion thereon. The Annual Financial Statements and the Independent Auditor's Report thereon are available for inspection at the company's registered office. The directors take full responsibility for the preparation of the Summarised Consolidated Financial Statements and the financial information has been correctly extracted from the Annual Financial Statements.

The Independent Auditor's Report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

The Summarised Consolidated Financial Statements are presented in Rand, which is the company's functional currency and the Group's presentation currency.

These results have been compiled under the supervision of the Chief Financial Officer, Colin Brown, CA(SA), BCompt (Hons), MBL.

Summarised Consolidated Statement of Comprehensive Income

	Year ended 30 June 2016 Audited R'000	Restated ¹ Year ended 30 June 2015 Audited R'000
Revenue	25 949 004	19 817 915
Depreciation and amortisation (excluding amortisation of PPA intangibles)	(656 822)	(599 321)
Operating expenditure – excluding capital items	(23 219 796)	(17 672 639)
Operating income – capital items	10 134	1 276
EBITA¹	2 082 520	1 547 231
Amortisation of PPA intangibles	(130 517)	(46 095)
Operating profit	1 952 003	1 501 136
Finance costs	(394 921)	(261 437)
Income from equity-accounted investees and interest received	140 264	122 791
Profit before income tax	1 697 346	1 362 490
Income tax expense	(438 594)	(322 246)
Profit for the year	1 258 752	1 040 244
Profit for the year attributable to:		
Non-controlling interests	272 798	233 516
Equity holders of Super Group	985 954	806 728
	1 258 752	1 040 244
Other comprehensive income for the year		
Translation adjustment [#]	380 342	(17 385)
Effective portion of hedge [#]	(15 645)	(67)
Tax effect of effective portion of hedge [#]	4 423	–
Revaluation of land and buildings [*]	101 979	23 029
Tax effect of revaluation of land and buildings [*]	(23 237)	(4 338)
Other comprehensive income for the year (net of tax)	447 862	1 239
Total comprehensive income for the year (net of tax)	1 706 614	1 041 483
Total comprehensive income for the year attributable to:		
Non-controlling interests	407 791	195 599
Equity holders of Super Group	1 298 823	845 884
	1 706 614	1 041 483
Basic earnings per share (cents)	296.6	264.4
Diluted earnings per share (cents)	291.3	258.2
Additional Comprehensive Income Information	cents	cents
Headline earnings per share ²	292.6	265.0
Diluted headline earnings per share ²	287.3	258.8
Core headline earnings per share ²	308.1	282.6
Diluted core headline earnings per share ²	302.6	276.0

¹ Earnings before interest, tax and amortisation of purchase price allocation intangibles ("PPA").

² The earnings per share, headline earnings per share and the core earnings per share have been restated in terms of IAS 33.28 as a result of the rights issue in October 2015.

[#] Item of other comprehensive income which will be reclassified to profit or loss in the event of deconsolidation of relevant subsidiary.

^{*} Items of other comprehensive income which will not be reclassified to profit or loss.

Summarised Consolidated Statement of Financial Position

	30 June 2016 Audited R'000	30 June 2015 Audited R'000
ASSETS		
Non-current assets	12 862 527	7 690 203
Property, plant and equipment	3 431 286	3 313 348
Investment property	143 200	139 200
Full maintenance lease assets	1 144 622	1 065 721
Intangible assets	1 400 757	275 303
Goodwill	6 333 276	2 420 989
Investments and other non-current assets	124 904	133 598
Deferred tax assets	284 482	342 044
Current assets	9 935 093	7 600 710
Assets held-for-sale	–	48 065
Inventories	3 053 994	2 458 192
Trade receivables	2 610 871	2 000 108
Sundry receivables	1 142 318	971 437
Cash and cash equivalents	3 127 910	2 122 908
Total assets	22 797 620	15 290 913
EQUITY AND LIABILITIES		
Capital and reserves		
Capital and reserves attributable to equity holders of Super Group	7 614 120	5 021 951
Non-controlling interests	1 687 673	910 729
Total equity	9 301 793	5 932 680
LIABILITIES		
Non-current liabilities	5 765 635	3 639 691
Fund reserves	536 175	370 432
Non-controlling interest put options and other liabilities	402 749	215 282
Full maintenance lease borrowings	523 619	452 670
Interest-bearing borrowings	3 627 830	2 258 754
Provisions	92 008	112 320
Deferred tax liabilities	583 254	230 233
Current liabilities	7 730 192	5 718 542
Non-controlling interest put option liability	–	61 937
Full maintenance lease borrowings	102 174	127 760
Interest-bearing borrowings	863 046	279 191
Trade and other payables	6 491 231	4 865 235
Income tax payable	54 925	182 702
Provisions	218 816	201 717
Total equity and liabilities	22 797 620	15 290 913

Summarised Consolidated Statement of Cash Flows

	Audited Year ended 30 June 2016 R'000	Audited Year ended 30 June 2015 R'000
Cash flows from operating activities		
Operating cash flow	2 651 508	2 122 675
Working capital inflow/(outflow)	245 471	(102 088)
Cash generated from operations	2 896 979	2 020 587
Finance costs paid	(387 018)	(262 205)
Investment income and interest received	142 029	117 278
Income tax paid	(552 678)	(248 815)
Dividend paid to non-controlling interest	(186 481)	(135 570)
Net cash generated from operating activities	1 912 831	1 491 275
Cash flows from investing activities		
Net additions to property, plant and equipment	(320 603)	(717 986)
Net additions to full maintenance lease assets	(285 281)	(737 274)
Net additions to intangible assets	(36 912)	(35 328)
Proceeds on disposal of assets held-for-sale	48 065	–
Net acquisition of businesses (net of cash acquired)	(1 848 874)	(759 730)
Dividends received from equity-accounted investees	18 048	42 350
Other investing activities	19 902	31 972
Net cash outflow from investing activities	(2 405 655)	(2 175 996)
Cash flows from financing activities		
Share issues net of expenses	1 226 950	–
Net share repurchases	(570)	(75 937)
Additional investment in existing subsidiaries	(81 447)	(78 940)
Net interest-bearing borrowings raised	214 065	590 091
Net full maintenance lease borrowings raised	29 935	371 067
Net cash inflow from financing activities	1 388 933	806 281
Net increase in cash and cash equivalents	896 109	121 560
Net cash and cash equivalents at beginning of the year	2 122 908	2 040 179
Effect of foreign exchange on cash and cash equivalents	108 893	(38 831)
Cash and cash equivalents at end of the year	3 127 910	2 122 908

Summarised Consolidated Statement of Changes in Equity

	Stated capital R'000	Share capital R'000	Share premium R'000	Other reserves R'000	Retained earnings R'000	Share buyback reserve R'000	Total R'000	Non- controlling interest (NCI) R'000	Total equity R'000
Balance at 30 June 2014 – Audited	–	315 334	1 746 798	811 741	1 885 329	(490 406)	4 268 796	952 693	5 221 489
Changes in equity for the 2015 year									
Other comprehensive income	–	–	–	39 156	–	–	39 156	(37 917)	1 239
Translation adjustment	–	–	–	20 501	–	–	20 501	(37 886)	(17 385)
Effective portion of hedge	–	–	–	(36)	–	–	(36)	(31)	(67)
Revaluation of land and buildings	–	–	–	23 029	–	–	23 029	–	23 029
Taxation effect of revaluation of land and buildings	–	–	–	(4 338)	–	–	(4 338)	–	(4 338)
Profit for the year	–	–	–	–	806 728	–	806 728	233 516	1 040 244
Total comprehensive income for the year	–	–	–	39 156	806 728	–	845 884	195 599	1 041 483
Realisation of revaluation reserve through depreciation	–	–	–	(116)	116	–	–	–	–
Realisation of revaluation reserve through reclassification of revalued properties	–	–	–	(4 403)	4 403	–	–	–	–
Share-based payment reserve movement	–	–	–	–	23 749	–	23 749	2 378	26 127
Share options exercised	–	–	–	–	(127 146)	–	(127 146)	(228)	(127 374)
B-BBEE good leaver options exercised ¹	–	–	–	–	(4 966)	–	(4 966)	–	(4 966)
Movement in treasury shares	–	–	–	–	–	56 403	56 403	–	56 403
Deferred tax recorded directly in equity on movement in options	–	–	–	–	6 256	–	6 256	709	6 965
NCI put options movement	–	–	–	–	2 640	–	2 640	–	2 640
Dividends paid to NCI	–	–	–	–	–	–	–	(135 570)	(135 570)
Additional investment in existing subsidiaries	–	–	–	–	(49 665)	–	(49 665)	(29 275)	(78 940)
NCI recognised in respect of subsidiaries acquired	–	–	–	–	–	–	–	16 189	16 189
NCI derecognised in respect of subsidiaries disposed	–	–	–	–	–	–	–	(91 766)	(91 766)
Balance at 30 June 2015 – Audited	–	315 334	1 746 798	846 378	2 547 444	(434 003)	5 021 951	910 729	5 932 680
Changes in equity for the 2016 year									
Other comprehensive income	–	–	–	312 869	–	–	312 869	134 993	447 862
Translation adjustment	–	–	–	239 980	–	–	239 980	140 362	380 342
Effective portion of hedge	–	–	–	(8 160)	–	–	(8 160)	(7 485)	(15 645)
Taxation effect of effective portion of hedge	–	–	–	2 307	–	–	2 307	2 116	4 423
Revaluation of land and buildings	–	–	–	101 979	–	–	101 979	–	101 979
Taxation effect of revaluation of land and buildings	–	–	–	(23 237)	–	–	(23 237)	–	(23 237)
Profit for the year	–	–	–	–	985 954	–	985 954	272 798	1 258 752
Total comprehensive income for the year	–	–	–	312 869	985 954	–	1 298 823	407 791	1 706 614
Realisation of revaluation reserve through depreciation	–	–	–	(1 236)	1 236	–	–	–	–
Share issue for cash	–	33 751	833 658	–	–	32 591	900 000	–	900 000
Share issue expenses – Rights Offer	–	–	(29 562)	–	–	–	(29 562)	–	(29 562)
Transfer to stated capital	2 899 979	(349 085)	(2 550 894)	–	–	–	–	–	–
Bookbuild shares issued for cash ²	360 000	–	–	–	–	–	360 000	–	360 000
Share issue expenses – bookbuild	(3 488)	–	–	–	–	–	(3 488)	–	(3 488)
Share-based payment reserve movement	–	–	–	–	38 414	–	38 414	5 543	43 957
Share options exercised	–	–	–	–	(92 769)	–	(92 769)	(6 182)	(98 951)
B-BBEE good leaver options exercised ¹	–	–	–	–	(5 960)	–	(5 960)	–	(5 960)
Movement in treasury shares	–	–	–	–	–	104 341	104 341	–	104 341
Dividends paid to NCI	–	–	–	–	–	–	–	(186 481)	(186 481)
Deferred tax recorded directly in equity on movement in options	–	–	–	–	20 234	–	20 234	1 518	21 752
NCI put options movement	–	–	–	–	(126 306)	–	(126 306)	–	(126 306)
Transactions with equity partners – NLC ³	–	–	–	–	156 664	–	156 664	204 296	360 960
Transactions with equity partners – SG Coal ³	–	–	–	–	(19 238)	–	(19 238)	104 446	85 208
Transactions with equity partners – SG Fleet ³	–	–	–	–	(8 984)	–	(8 984)	(2 463)	(11 447)
NCI recognised in respect of subsidiaries acquired – IN TIME ³	–	–	–	–	–	–	–	248 476	248 476
Balance at 30 June 2016 – Audited	3 256 491	–	–	1 158 011	3 496 689	(297 071)	7 614 120	1 687 673	9 301 793

¹ A good leaver is an employee who participated in the Broad-Based Black Economic Empowerment Scheme whose employment was terminated due to their death, retrenchment, retirement or sale of the subsidiary or business which employed the participant.

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

³ Refer to business combinations note.

Operating segments

	Super Group		Supply Chain Africa		Supply Chain Europe	
	Year ended 30 June 2016 Audited R'000	Year ended 30 June 2015 Audited R'000	Year ended 30 June 2016 Audited R'000	Year ended 30 June 2015 Audited R'000	Year ended 30 June 2016 Audited R'000	Year ended 30 June 2015 Audited R'000
Revenue	25 949 004	19 817 915	8 021 631	8 321 231	1 400 007	–
South Africa	15 148 437	14 487 141				
Australia	2 103 987	1 543 177				
Europe	1 400 007	–				
United Kingdom	7 000 543	3 327 302				
Africa and other	296 030	460 295				
Depreciation and amortisation (excluding amortisation of PPA intangibles)	(656 822)	(599 321)	(348 666)	(394 445)	(7 527)	–
Net operating expenditure – excluding capital items	(23 219 796)	(17 672 639)	(7 181 221)	(7 347 795)	(1 241 550)	–
Operating income – capital items	10 134	1 276	6 161	(4 242)	(820)	–
EBITA	2 082 520	1 547 231	497 905	574 749	150 110	–
Amortisation of PPA intangibles	(130 517)	(46 095)	(38 849)	(42 942)	(53 768)	–
Operating profit	1 952 003	1 501 136	459 056	531 807	96 342	–
Net finance charges	(254 657)	(138 646)	(68 902)	(74 964)	(28 627)	–
Profit before tax	1 697 346	1 362 490	390 154	456 843	67 715	–

	Super Group		Supply Chain Africa		Supply Chain Europe	
	As at 30 June 2016 Audited R'000	As at 30 June 2015 Audited R'000	As at 30 June 2016 Audited R'000	As at 30 June 2015 Audited R'000	As at 30 June 2016 Audited R'000	As at 30 June 2015 Audited R'000
Assets						
Non-current assets						
Property, plant and equipment	3 431 286	3 313 348	1 861 987	1 978 275	40 212	–
Investment property	143 200	139 200	–	–	–	–
Full maintenance lease assets	1 144 622	1 065 721	–	–	–	–
Intangible assets	1 400 757	275 303	84 658	140 324	604 686	–
Goodwill	6 333 276	2 420 989	588 890	577 029	1 831 111	–
Investments and other non-current assets	124 904	133 598	26 650	74	–	–
Current assets						
Assets held-for-sale	–	48 065	–	–	–	–
Inventories	3 053 994	2 458 192	419 052	396 069	1 089	–
Trade receivables	2 610 871	2 000 108	1 250 495	1 184 795	388 433	–
Sundry receivables	1 142 318	971 437	680 690	606 795	12 223	–
Intercompany trade receivables	–	–	13 329	19 407	–	–
Segment assets	19 385 228	12 825 961	4 925 751	4 902 768	2 877 754	–
South Africa	8 354 934	8 031 123				
Australia	4 491 484	1 691 625				
Europe	2 877 754	–				
United Kingdom	3 045 401	2 313 187				
Africa and other	615 655	790 026				
Liabilities						
Non-current liabilities						
Long-term borrowings	4 151 449	2 711 424	440 762	537 846	901 147	–
Non-controlling interest put options and other liabilities	402 749	215 282	124 825	125 127	189 616	–
Fund reserves	536 175	370 432	–	–	–	–
Long-term provisions	92 008	112 320	2 078	3 643	2 631	–
Current liabilities						
Short-term borrowings	965 220	406 951	212 448	206 311	4 581	–
Non-controlling interest put options	–	61 937	–	61 937	–	–
Trade and other payables and provisions	6 710 047	5 066 952	1 578 286	1 526 065	215 491	–
Intercompany trade payables	–	–	44 057	38 242	–	–
Segment liabilities	12 857 648	8 945 298	2 402 456	2 499 171	1 313 466	–
South Africa	5 151 302	5 224 151				
Australia	3 316 687	1 404 574				
Europe	1 313 466	–				
United Kingdom	2 814 108	2 040 240				
Africa and other	262 085	276 333				
Net capex	594 731	1 490 588	160 748	361 266	14 507	–
South Africa	362 661	1 075 585				
Australia	47 345	81 486				
Europe	14 507	–				
United Kingdom	77 489	260 234				
Africa and other	92 729	73 283				
Net operating assets	12 875 023	7 896 800	3 263 231	3 324 366	2 659 632	–

FleetAfrica		SG Fleet		Dealerships SA		Dealerships UK		Services and intercompany eliminations	
Year ended 30 June 2016 Audited R'000	Year ended 30 June 2015 Audited R'000	Year ended 30 June 2016 Audited R'000	Year ended 30 June 2015 Audited R'000	Year ended 30 June 2016 Audited R'000	Year ended 30 June 2015 Audited R'000	Year ended 30 June 2016 Audited R'000	Year ended 30 June 2015 Audited R'000	Year ended 30 June 2016 Audited R'000	Year ended 30 June 2015 Audited R'000
732 716	522 697	2 203 072	1 616 585	6 637 676	6 069 143	6 946 252	3 278 658	7 650	9 601
(156 075) (413 340)	(102 540) (304 415)	(80 892) (1 322 939) 461	(67 728) (988 584) 34	(32 153) (6 395 161) (59)	(15 243) (5 881 496) 4 932	(17 377) (6 750 887)	(6 854) (3 194 210)	(14 132) 85 302 4 391	(12 511) 43 861 552
163 301	115 742	799 702 (31 462)	560 307	210 303	177 336	177 988 (6 438)	77 594 (3 153)	83 211	41 503
163 301 (21 198)	115 742 1 819	768 240 (70 136)	560 307 (17 278)	210 303 (32 993)	177 336 (34 966)	171 550 (55 350)	74 441 (22 139)	83 211 22 549	41 503 8 882
142 103	117 561	698 104	543 029	177 310	142 370	116 200	52 302	105 760	50 385
FleetAfrica		SG Fleet		Dealerships SA		Dealerships UK		Services and intercompany eliminations	
As at 30 June 2016 Audited R'000	As at 30 June 2015 Audited R'000	As at 30 June 2016 Audited R'000	As at 30 June 2015 Audited R'000	As at 30 June 2016 Audited R'000	As at 30 June 2015 Audited R'000	As at 30 June 2016 Audited R'000	As at 30 June 2015 Audited R'000	As at 30 June 2016 Audited R'000	As at 30 June 2015 Audited R'000
1 732	805	31 054	9 392	351 595	300 168	355 400	294 540	789 306	730 168
-	-	-	-	-	-	-	-	143 200	139 200
967 547	900 231	177 075	165 490	-	-	-	-	-	-
-	-	640 887	58 357	-	-	65 196	69 312	5 330	7 310
87 822	87 822	3 226 787	1 169 059	159 705	159 029	438 961	428 050	-	-
-	-	-	-	-	-	-	-	98 254	133 524
-	48 065	-	-	-	-	-	-	-	-
174	3 176	57 365	46 078	773 756	776 562	1 802 558	1 236 307	-	-
125 141	168 095	449 933	309 563	134 677	143 366	223 822	171 545	38 370	22 744
26 065	35 541	85 488	65 537	7 152	1 260	94 753	31 407	235 947	230 897
4 703	1 282	-	-	701	1 125	-	-	(18 733)	(21 814)
1 213 184	1 245 017	4 668 589	1 823 476	1 427 586	1 381 510	2 980 690	2 231 161	1 291 674	1 242 029
444 265	401 157	1 393 844	353 051	-	-	606 431	603 622	365 000	815 748
-	-	28 341	16 291	44 999	50 875	-	-	14 968	22 989
83 955	73 695	452 220	296 737	-	-	-	-	-	-
-	-	78 772	100 150	-	-	-	-	8 527	8 527
51 394	70 492	215 433	57 695	-	-	-	-	481 364	72 453
-	-	-	-	-	-	-	-	-	-
91 159	126 148	1 305 531	595 655	1 218 909	1 186 231	2 140 856	1 419 941	159 815	212 912
6 800	17 275	-	-	1 562	13	-	-	(52 419)	(55 530)
677 573	688 767	3 474 141	1 419 579	1 265 470	1 237 119	2 747 287	2 023 563	977 255	1 077 099
191 341	667 972	98 742	91 597	15 130	64 255	75 767	250 123	38 496	55 375
959 276	942 255	2 803 690	814 131	709 349	675 774	1 578 315	1 321 047	901 530	819 227

Business combinations

Subsidiaries and businesses acquired	Nature of business	Operating segment	Date acquired	Interest acquired (%)	Purchase price R'000
IN tIME Holding GmbH (IN tIME)	Logistics	Supply Chain Offshore	2 November 2015	75	776 027
NLC Proprietary Limited (NLC)	Fleet management	SG Fleet	30 November 2015	100	2 206 157
Other acquisitions	Logistics and Dealerships	Supply Chain Africa and Dealerships SA			1 270
Total purchase consideration					2 983 454

	IN tIME R'000	NLC R'000	Other acquisitions R'000	Total R'000
Net costs on acquisition in businesses				
Fair value of assets acquired and liabilities assumed at date of acquisition:				
Assets				
Property, plant and equipment	33 415	6 952	–	40 367
Intangible assets	613 293	555 063	–	1 168 356
Goodwill	1 708 293	1 765 405	1 270	3 474 968
Inventories	1 418	1 868	–	3 286
Trade and other receivables	402 841	49 802	–	452 643
Provision for impairment of trade receivable	(5 915)	(52)	–	(5 967)
Cash and cash equivalents	262 409	511 211	–	773 620
	3 015 754	2 890 249	1 270	5 907 273
Liabilities				
Fund reserves	–	111 117	–	111 117
Interest-bearing borrowings	1 513 765	–	–	1 513 765
Deferred tax liabilities	181 845	154 029	–	335 874
Trade and other payables	214 543	403 163	–	617 706
Income tax payable	41 296	8 100	–	49 396
Provisions	39 802	7 683	–	47 485
	1 991 251	684 092	–	2 675 343
Acquirees' fair value at acquisition	1 024 503	2 206 157	1 270	3 231 930
Less: Non-controlling interest	(248 476)	–	–	(248 476)
Purchase price	776 027	2 206 157	1 270	2 983 454
Equity shares of SG Fleet transferred	–	(360 960)	–	(360 960)
Cash consideration transferred	776 027	1 845 197	1 270	2 622 494
Cash acquired	(262 409)	(511 211)	–	(773 620)
Cash outflow	513 618	1 333 986	1 270	1 848 874

The acquisition of IN tIME will allow the Group to expand into the time-critical delivery services sector across Europe. The Group performed a purchase price allocation exercise on IN tIME whereby intangible assets acquired were separately valued. The valuation, using projected financial information led to the recognition of R610 549 000 in respect of customer relationships, trade name and self-developed software.

The acquisition of NLC will bolster the SG Fleet division. The Group performed a purchase price allocation exercise on NLC whereby intangible assets acquired were separately valued. The valuation, using projected financial information led to the recognition of R536 534 000 in respect of customer contracts and trade name.

The non-controlling interests have been calculated using the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

Goodwill has been recognised on the acquisition of IN tIME, NLC and the other acquisitions amounting to R1.7 billion, R1.8 billion and R1.3 million respectively.

Goodwill is attributable mainly to the skills and technical talent of the workforce and synergies expected to be achieved from integrating the acquired businesses into the Group's various operations. None of the goodwill is expected to be deductible for tax purposes.

The acquisition related costs of R82.1 million relating to these acquisitions are included in the Consolidated Statement of Comprehensive Income.

Impact of the acquisitions on the results of the Group	IN TIME R'000	NLC R'000	Total R'000
From the dates of acquisition, the acquired businesses contributed:			
Revenue	1 400 007	352 519	1 752 526
Attributable profit to equity holders of Super Group ¹	54 724	31 244	85 968

¹ Profit after tax, after non-controlling interest (excluding acquisition related costs).

Impact of the acquisitions on the results of the Group had they occurred on 1 July 2015	IN TIME R'000	NLC R'000	Total R'000
From 1 July 2015, the businesses would have contributed:			
Revenue	2 235 014	590 255	2 825 269
Profit after tax and amortisation of PPA intangibles	119 698	121 497	241 195
Attributable profit to equity holders of Super Group ¹	89 773	63 373	153 146

¹ Profit after tax, after non-controlling interest (excluding acquisition related costs).

Net proceeds on disposal of business	Micor SA R'000
Fair value of assets and liabilities disposed were:	
Property, plant and equipment	(1 375)
Trade and other payables	1 726
Provisions	3 500
Fair value of net liabilities disposed	3 851
Profit on sale of subsidiary	(39 629)
Proceeds receivable	16 100
Equity-accounted investee recognised	19 678
Cash inflow	–

Micor SA was disposed effective 30 June 2016. The Group received R16.1 million in July and a 55% shareholding in an equity-accounted investee.

Net costs on increase in existing shareholding in subsidiaries	SG Fleet R'000	SG Coal R'000	Total R'000
Non-controlling interest	(2 463)	(130 786)	(133 249)
Effect of transactions between equity partners on equity	(8 984)	60 786	51 802
Cash outflow	(11 447)	(70 000)	(81 447)

During the year, the Group purchased an additional 0.12% in SG Fleet for R11.5 million and an additional 25% in SG Coal for R70.0 million.

Net proceeds on decrease in existing shareholding in subsidiaries	SG Fleet R'000	SG Coal R'000	Total R'000
Non-controlling interest	204 296	235 232	439 528
Effect of transactions between equity partners on equity	156 664	(80 024)	76 640
	360 960	155 208	516 168
Equity shares of SG Fleet issued	360 960	–	360 960
Present value of proceeds receivable	–	155 208	155 208
Equity shares of SG Fleet transferred on purchase of NLC	(360 960)	–	(360 960)
Receivable	–	(155 208)	(155 208)
Cash inflow	–	–	–

SG Fleet issued 9.1 million shares to the sellers of NLC as part payment for the acquisition of NLC, resulting in a dilution of 1.96% of the Group's shareholding.

During the year, the Group disposed of 49.17% of SG Coal for R180.6 million, effective from 2 June 2016 receivable over a period of 24 months.

Salient features

	Year ended 30 June 2016 Audited R'000	Year ended 30 June 2015 Audited R'000
1. Interest-bearing borrowings		
SG Fleet interest-bearing borrowings	1 479 144	301 966
Asset-based finance	653 210	920 841
Corporate bond	478 398	477 334
Acquisition borrowings – United Kingdom	466 667	452 188
Acquisition borrowings – Germany	905 727	–
Property and other borrowings	507 730	385 616
	4 490 876	2 537 945
2. Share statistics		
Total issued less treasury shares ('000)	346 671	298 839
Weighted number of shares ('000) ¹	332 387	305 088
Diluted weighted number of shares ('000) ¹	338 447	312 440
Net asset value per share (cents) ²	2196.4	1680.5
¹ As a result of the Rights Offer undertaken by Super Group in October 2015, the weighted and diluted weighted number of shares in issue had to be adjusted in terms of IAS 33.28, which resulted in the EPS, HEPS, and Core HEPS for the year ended 30 June 2015 having to be restated.		
² Net asset value per share is calculated as the capital and reserves attributable to equity shareholders of Super Group divided by the total issued less treasury shares.		
3. Capital commitments		
Authorised but not yet contracted for capital commitments, excluding full maintenance lease assets.	555 355	341 780
Capital commitments will be funded from normal operating cash flows and the utilisation of existing borrowings facilities.		
4. Related party transactions		
The Group, in the ordinary course of business, entered into various sales and purchase transactions on arm's length basis with related parties.		
Certain management of subsidiary companies sub-contracts vehicles to the Group. Sales, purchases and management fees received amounted to R5 094 000 (2015: R17 891 000), R26 982 000 (2015: R41 774 000) and R1 249 000 (2015: R2 140 000) respectively for these services. These transactions were entered into in the normal course of business under terms and conditions that were no more favourable than those arranged with third parties. Net amounts owing by the key employees of this subsidiary was R47 000 (2015: net amounts owing to key employees R1 942 000).		
5. Subsequent events		
SG Fleet acquisition		
SG Fleet announced the acquisition of Fleet Hire on 4 August 2016, a UK company providing contract hire, salary sacrifice, short-term rental and fleet management services. The enterprise value of GBP25.7 million (purchase price GBP19.6 million plus lease portfolio debt net of cash of GBP6.1 million) will be funded through SG Fleet shares of GBP1.8 million, debt of GBP12.0 million and cash on hand of GBP5.8 million. The acquisition provides SG Fleet with critical mass in the attractive UK market and, in combination with its existing local business, creates a profitable platform for continued growth. The Group will provide further information in the interim financial report ending 31 December 2016.		
Mercedes-Benz dealerships		
The Group has concluded an agreement with Sandown Motor Holdings Proprietary Limited (Sandown), where the Group, through Super Group Trading Proprietary Limited, has acquired the Western Cape dealership business and related properties effective 1 September 2016. The purchase price of the dealerships is approximately R418 million, while the purchase price of the property is R200 million. The Group will provide more information in the interim financial report ending 31 December 2016.		
Listing of Domestic Medium-Term Notes		
The JSE has granted a listing to Super Group on 9 September of its SPG002 senior unsecured notes, in terms of its Domestic Medium-Term Note Programme dated 22 October 2013. The value of the issue was R50 million, with the interest linked to the three-month JIBAR coupon rate and is payable quarterly. The maturity date of this issue is 9 September 2019.		

6. Significant events

SG IN TIME Holdings GmbH acquisition

The Group acquired a 75% interest in the share capital of IN TIME Holding GmbH for R776.0 million. The Statement of Financial Position as at 30 June 2016 has been impacted by increases in intangible assets of R604.7 million, goodwill of R1.9 billion, trade and other receivables of R400.7 million, long-term borrowings of R901.1 million and a net deferred tax liability of R173.4 million as a result of this acquisition. Trading relating to the eight months ended 30 June 2016 has been included in the Statement of Comprehensive Income.

SG Fleet Group Limited acquisition of NLC Proprietary Limited

SG Fleet Group Limited, acquired NLC Proprietary Limited effective 30 November 2015 for a purchase consideration of R2.2 billion. The Statement of Financial Position as at 30 June 2016 has been impacted by increases in intangible assets of R549.8 million, goodwill of R1.8 billion, fund reserves of R131.2 million and a deferred tax liability of R151.4 million as a result of the acquisition. This transaction was funded through the issue of SG Fleet shares, cash and interest-bearing borrowings. Trading relating to the seven months ended 30 June 2016 has been included in the Statement of Comprehensive Income.

Rights Offer

The Group concluded a fully-underwritten renounceable Rights Offer effective October 2015 for R900 million. The Rights Offer consisted of an offer of 35 019 470 Rights Offer shares at a price of R25.70 per Rights Offer share. The Statement of Financial Position has been impacted by an increase in stated capital of R870.4 million (after share issue expenses).

Exchange rate movements

The Group operates in foreign countries which use currencies other than presentation currency. The main currencies used in the Group's foreign operations are Australian Dollar, US Dollar, Euro and the GBP. The deterioration of the Rand against these currencies has had an effect on the Group's financial statements and has resulted in a foreign currency translation adjustment of R380.3 million increasing total equity.

The table below reflects the movement in the exchange rates from the prior reporting periods:

	30 June 2016	30 June 2015	% change
Average currency rate to the South African Rand:			
Australian Dollar	10.49	9.54	10.0
US Dollar	14.51	11.45	26.7
Euro	16.10	13.74	17.2
GBP	21.46	18.02	19.1
Closing currency rate to the South African Rand:			
Australian Dollar	10.98	9.36	17.3
US Dollar	14.73	12.15	21.2
Euro	16.34	13.55	20.6
GBP	19.61	19.12	2.6

The non-South African operations account for 58% (June 2015: 42%) and 60% (June 2015: 40%) of the Group's total assets and liabilities respectively. The non-South African operations generated 42% (June 2015: 27%) and 60% (June 2015: 47%) of the Group's revenue and operating profit respectively.

The non-South African operations revenue, operating profit and profit before tax increased in the current year by 103%, 66% and 52% respectively.

Salient features

> continued

	Hierarchy		Valuation technique
	Level 2 R'000	Level 3 R'000	
7. Fair value			
Property, plant and equipment – Land, buildings and leasehold improvements		1 474 689	Valuation performed by Onyx valuation services in June 2016. The valuation model considers the present value of net cash flows to be generated from these properties, taking into account expected rental growth rate, void period, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.
Investment properties		143 200	
Deferred contingent purchase consideration		57 462	This valuation was performed using the present value of expected future profits, discounted using a pre-tax rate of 9.0% and assessed for recoverability.
FEC assets	206		The fair values are based on broker quotes. Similar contracts are traded in an active market and reflect the actual transactions in similar instruments.
FEC liabilities	5 692		
Digistics put option		113 374	This put option has been based on the average non-controlling interest non-proportionate share of the profit after tax for the three financial years preceding 1 October 2017 of the put option at a price earnings ratio of 6.5. The present value has been determined using an after tax discount rate of 6.5%
IN TIME put option		189 616	This put option is calculated as the fair value determined by using the average audited EBITDA for the preceding three years at a price earnings multiple of 7.5, adjusted for net debt. The present value has been determined using a pre-tax discount rate of 7.3%. The put option can be exercised from 30 June 2020 to 30 June 2025.

The carrying value of all other financial instruments approximates the fair value of the financial instruments as at 30 June 2016.

Movement in level 3 financial instruments measured at fair value

The following table shows a reconciliation from the opening to closing balances of level 3 financial instruments carried at fair value:

	30 June 2016 Audited R'000
Financial assets – Deferred contingent purchase consideration	
Opening balance	69 694
Fair value adjustment to profit and loss	(12 232)
	57 462
Financial liabilities – Put option liabilities	
Opening balance	176 684
Movement through statement of changes in equity	126 306
Subsidiary acquired	170 576
Put option exercised	(65 000)
Fair value adjustment in statement of changes in equity	20 730
	302 990

Sensitivity analysis

The significant assumption included in the fair value measurement of the deferred contingent purchase consideration relates to the projected income that is not observable in the market. A change of 100bps to the significant assumption had no impact on the fair value of the asset.

The significant assumption included in the fair value measurement of the put option liabilities relates to the projected income that is not observable in the market. The following table shows how the fair value of the liabilities would change if the significant assumption was increased by 100bps:

	Fair value R'000	Increase in liability R'000
Digistics	113 374	376
IN TIME	189 616	1 990

	Year ended 30 June 2016 Audited R'000	Year ended 30 June 2015 Audited R'000
8. Capital items		
Impairment of property, plant and equipment, intangible assets and full maintenance lease vehicles	19 715	8 349
Impairment of equity-accounted investee	22 620	–
(Profit)/loss on sale of business/subsidiary	(39 629)	12 053
Profit on sale of property, plant and equipment	(8 840)	(9 114)
Fair value adjustment to investment property	(4 000)	(12 564)
Capital items before taxation and NCI	(10 134)	(1 276)
Taxation effect of capital items	(2 297)	2 562
NCI effect of capital items	(1 064)	577
Capital items after taxation and NCI	(13 495)	1 863