

# Separate statement of financial position – Super Group Limited

as at 30 June 2018

	Note	30 June 2018 R'000	30 June 2017 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiaries	1	4 071 635	3 717 605
Amounts owing by subsidiaries	1	–	19 910
Long term receivables	2	62 951	8 675
Deferred tax asset	3	6 699	9 833
		<b>4 141 285</b>	<b>3 756 023</b>
<b>Current assets</b>			
Amounts owing by subsidiaries	1	1 933 170	1 910 611
Trade and other receivables		217	37
Cash and cash equivalents		140 967	332
		<b>2 074 354</b>	<b>1 910 980</b>
<b>Total assets</b>		<b>6 215 639</b>	<b>5 667 003</b>
<b>EQUITY AND LIABILITIES</b>			
Capital and reserves attributable to the equity holders of Super Group Limited	4	5 932 179	5 448 794
<b>Non-current liability</b>			
Interest-bearing borrowings	5	258 355	204 000
<b>Current liabilities</b>			
Short-term portion of interest-bearing borrowings	5	2 647	2 881
Trade and other payables		4 808	5 834
Income tax payable		2 530	594
Provisions	6	15 120	4 900
		<b>25 105</b>	<b>14 209</b>
<b>Total equity and liabilities</b>		<b>6 215 639</b>	<b>5 667 003</b>

# Separate statement of comprehensive income – Super Group Limited

for the year ended 30 June 2018

	Note	30 June 2018 R'000	30 June 2017 R'000
Corporate management and guarantees fees from subsidiaries		40 116	36 398
Recovery of share options exercised from subsidiaries		25 052	27 270
Dividends received from subsidiaries		5 497	238 117
Net operating expenditure	7	(53 858)	(140 799)
Finance costs	8	(19 075)	(28 137)
Investment income	8	37 637	51 008
<b>Profit before income tax</b>		<b>35 369</b>	<b>183 857</b>
Income tax expense	9	(11 512)	(14 218)
<b>Profit for the year</b>		<b>23 857</b>	<b>169 639</b>
<b>Total comprehensive income for the year</b>		<b>23 857</b>	<b>169 639</b>

# Separate statement of cash flows – Super Group Limited

for the year ended 30 June 2018

	Note	30 June 2018 R'000	30 June 2017 R'000
<b>Cash flows from operating activities</b>			
Cash generated by operations	10	13 193	243 214
Investment income		37 637	51 008
Finance costs paid		(19 310)	(32 654)
Income tax paid	11	(8 162)	(9 144)
<b>Net cash inflow from operating activities</b>		<b>23 358</b>	<b>252 424</b>
<b>Cash flows from investing activities</b>			
Additional investment in an existing subsidiary		(326 069)	(335 000)
Amounts (advanced to)/repaid by subsidiaries		(53 883)	346 849
Loan granted		(54 276)	–
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(434 228)</b>	<b>11 849</b>
<b>Cash flows from financing activities</b>			
Share issues net of expenses		497 150	–
Corporate bond repaid		–	(471 000)
Corporate bond raised		–	204 000
Cross-currency interest rate swap raised		54 355	–
<b>Net cash inflow/(outflow) from financing activities</b>		<b>551 505</b>	<b>(267 000)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>140 635</b>	<b>(2 727)</b>
Cash and cash equivalents at beginning of year		332	3 059
<b>Cash and cash equivalents at end of year</b>		<b>140 967</b>	<b>332</b>

# Separate statement of changes in equity – Super Group Limited

for the year ended 30 June 2018

	Stated share capital R'000	Retained earnings R'000	General reserve R'000	Capital redemption reserve fund R'000	Total equity R'000
<b>Balance at 30 June 2016</b>	3 256 491	1 806 060	278 519	5 486	5 346 556
Total comprehensive income	–	169 639	–	–	169 639
Share-based payment reserve movement <sup>1</sup>	–	34 916	–	–	34 916
Options exercised	–	(97 705)	–	–	(97 705)
Movement on deferred tax on unexercised options	–	(4 612)	–	–	(4 612)
<b>Balance at 30 June 2017</b>	3 256 491	1 908 298	278 519	5 486	5 448 794
Total comprehensive income	–	23 857	–	–	23 857
Bookbuild share issued for cash <sup>2</sup>	500 000	–	–	–	500 000
Share issue expenses – bookbuild	(2 850)	–	–	–	(2 850)
Share-based payment reserve movement <sup>1</sup>	–	35 861	–	–	35 861
Options exercised	–	(71 763)	–	–	(71 763)
Movement on deferred tax on unexercised options	–	(1 720)	–	–	(1 720)
<b>Balance at 30 June 2018</b>	<b>3 753 641</b>	<b>1 894 533</b>	<b>278 519</b>	<b>5 486</b>	<b>5 932 179</b>

<sup>1</sup> Included in the share-based payment reserve movement is an amount of R26 061 000 (2017: R25 556 000) which was capitalised to investment in subsidiaries.

<sup>2</sup> A bookbuild is an offer of shares to selected investors of the company.

# Separate notes to the financial statements

## – Super Group Limited

	Investment in subsidiaries R'000	Amounts owing by subsidiaries (interest free) R'000	Amounts owing by subsidiaries (interest bearing) R'000
<b>1. INVESTMENT IN AND AMOUNTS OWING BY SUBSIDIARIES</b>			
<b>30 June 2018</b>			
Cost	4 075 385	1 672 169	261 001
Accumulated impairment recognised	(3 750)	–	–
	<b>4 071 635</b>	<b>1 672 169</b>	<b>261 001</b>
<b>30 June 2017</b>			
Cost	3 826 866	1 565 426	365 095
Accumulated impairment recognised	(109 261)	–	–
	<b>3 717 605</b>	<b>1 565 426</b>	<b>365 095</b>

The amounts owing by subsidiaries (interest bearing) are unsecured, repayable on demand and bear interest at 3 month LIBOR plus 150bps, 3 month JIBAR plus 225 basis points and 3 month JIBAR plus 230 basis points (2017: 680 basis points, 3 month JIBAR plus 225 basis points and 3 month JIBAR plus 230 basis points).

The investment in Emerald Insurance Company Limited which was included in the prior year accumulated impairment was disposed of in the current year.

	30 June 2018 R'000	30 June 2017 R'000
<b>2. LONG-TERM RECEIVABLES</b>		
Loan to Investec Bank Limited (Investec)	54 276	–
Loan to SG Tsogo Trust	8 675	8 675
	<b>62 951</b>	<b>8 675</b>
<p>During the year the Company entered into a cross-currency interest rate swap with Investec for a principal amount of £3 000 000. The receivable is unsecured, bears interest at 3 month JIBAR plus 100bps and is repayable on 28 June 2022. Interest payments occur quarterly.</p> <p>During the prior year the Company disposed of 900 000 shares in SG Tsogo Proprietary Limited for R8 675 200. This receivable bears interest at 7.5% annually.</p>		
<b>3. DEFERRED TAX ASSET</b>		
Balance at beginning of year	9 833	19 960
Current year profit or loss charge	(1 414)	(5 515)
Amount charged directly to equity	(1 720)	(4 612)
Balance at end of year	<b>6 699</b>	<b>9 833</b>
Analysis of closing balances at end of year:		
Discounting of loans and deferred tax resulting from share-based payment reserve	1 955	7 946
Working capital and provisions	4 744	1 887
	<b>6 699</b>	<b>9 833</b>

	30 June 2018 R'000	30 June 2017 R'000
<b>4. CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF SUPER GROUP LIMITED</b>		
Stated share capital	3 753 641	3 256 491
Retained earnings	1 894 533	1 908 298
General reserves	278 519	278 519
Capital redemption reserve fund	5 486	5 486
	<b>5 932 179</b>	<b>5 448 794</b>
<b>Ordinary share capital</b>		
<i>Authorised</i>		
700 000 000 (2017: 700 000 000) ordinary shares with no par value		
54 857 377 (2017: 54 857 377) redeemable preference shares with no par value (2017: no par value)		
<i>Issued</i>		
371 507 794 (2017: 359 085 434) ordinary shares with no par value	<b>3 753 641</b>	3 256 491

#### Changes in issued share capital

The Company raised R500 000 000 through the placement of 12 422 360 ordinary shares, through an accelerated bookbuild at a price of R40.25 per share. The statement of financial position has been impacted by an increase in stated capital of R497 150 000 (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.

	30 June 2018 R'000	30 June 2017 R'000
<b>5. INTEREST-BEARING BORROWINGS</b>		
<b>Corporate Bond</b>		
The Corporate bond is unsecured and bears interest at 3 month JIBAR plus 230 basis points and 3 month JIBAR plus 225 basis points (2017: 3 month JIBAR plus 230 basis points and 3 month JIBAR plus 225 basis points). Interest repayment occurs quarterly. This liability matures on 9 September 2019 (R50 253 000) and on 31 October 2019 (R156 394 000).	206 647	206 881
<b>Cross-currency interest rate swap</b>		
The cross-currency interest rate swap has a principal of £3 000 000, is secured over non-current receivables and bears interest at 3 month LIBOR plus 113bps. Interest payments occur quarterly. The liability matures on 28 June 2022	54 355	–
	<b>261 002</b>	<b>206 881</b>
Short term portion reflected under current liabilities	(2 647)	(2 881)
	<b>258 355</b>	<b>204 000</b>
<b>Repayment terms</b>		
Year 1	2 647	2 881
Year 2 – 5	258 355	204 000
	<b>261 002</b>	<b>206 881</b>
<b>Currency analysis</b>		
Rand	206 647	206 881
Pound Sterling	54 355	–
	<b>261 002</b>	<b>206 881</b>

# Separate notes to the financial statements

## – Super Group Limited (continued)

	30 June 2018 R'000	30 June 2017 R'000
<b>6. PROVISIONS</b>		
<b>Employee-related provisions</b>		
Balance at beginning of year	4 900	6 500
Increase in and additional provisions	20 020	8 830
Payments against provisions	(9 800)	(10 430)
Balance at end of year	<b>15 120</b>	4 900
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.		
<b>7. NET OPERATING EXPENDITURE</b>		
Net operating expenditure is arrived at after taking the following into account:		
Audit fees	(610)	(501)
Directors' emoluments <sup>1</sup>		
Executive directors' emoluments	(20 435)	(20 675)
– Basic remuneration	(8 272)	(7 916)
– Performance bonus	(9 820)	(10 430)
– Other benefits	(1 643)	(1 636)
– Employee contributions to defined contribution funds	(700)	(693)
Executive directors fees paid by subsidiary	1 167	1 200
Non-executive directors - for services as directors	(4 063)	(3 808)
– Chairman's fees	(700)	(652)
– Directors' fees	(3 363)	(3 156)
Share-based payment expense	(9 800)	(9 360)
Loss on sale of subsidiary <sup>2</sup>	(2 623)	(4 746)
Profit on sale of sale of shares <sup>3</sup>	–	8 675
Impairment of Investment in subsidiary <sup>4</sup>	–	–

<sup>1</sup> Refer to directors remuneration report on pages 85 to 87 for further detail.

<sup>2</sup> Emerald Insurance Company Limited was sold for R1 during the current year.

<sup>3</sup> In the prior year the Company sold 900 000 shares in SG Tsogo Proprietary Limited for R8 675 200.

<sup>4</sup> In the prior year the investment in Emerald Insurance Company Limited was impaired to the recoverable amount which represents the net asset value of the investment.

	30 June 2018 R'000	30 June 2017 R'000
<b>8. (FINANCE COSTS)/INVESTMENT INCOME</b>		
<i>Finance costs</i>	<b>(19 075)</b>	(28 137)
– Corporate Bond	<b>(19 075)</b>	(28 137)
<i>Investment income</i>	<b>37 637</b>	51 008
– Interest received from subsidiaries	<b>22 043</b>	50 406
– Interest received from banks	<b>15 546</b>	588
– Other interest received	<b>48</b>	14
	<b>18 562</b>	22 871
<b>9. INCOME TAX EXPENSE</b>		
<i>Income tax comprises:</i>		
South African normal tax		
– Current	<b>9 854</b>	8 993
– Deferred	<b>1 414</b>	5 515
– Prior year current tax	<b>244</b>	(290)
	<b>11 512</b>	14 218
Reconciliation of income tax expense:	<b>%</b>	<b>%</b>
The reconciliation of the rate of tax is based on profit before tax		
Statutory tax rate	<b>28.0</b>	28.0
Non-deductible expenses - Including impairment of subsidiary	<b>3.3</b>	17.4
Non taxable income - Dividends received	<b>(4.3)</b>	(36.3)
Income from foreign sources	<b>4.9</b>	–
Profit on sale of shares and other	<b>0.7</b>	(1.4)
Effective tax rate	<b>32.6</b>	7.7

# Separate notes to the financial statements

## – Super Group Limited (continued)

	30 June 2018 R'000	30 June 2017 R'000
<b>10. CASH GENERATED BY OPERATIONS</b>		
Reconciliation of profit before income tax to cash generated from operations:		
Profit before income tax	35 369	183 857
Finance costs	19 075	28 137
Investment income	(37 637)	(51 008)
Operating profit	16 807	160 986
<b>Adjustments for:</b>		
Share-based payment expense	9 800	9 360
Loss on sale of subsidiary	2 623	4 746
Profit on sale of shares	–	(8 675)
Impairment of Investment in subsidiary	–	105 511
Increase/(decrease) in provisions	10 220	(1 600)
Options exercised	(25 052)	(27 270)
Operating cash flow	14 398	243 058
Working capital changes	(1 205)	156
– Increase in trade and other receivables	(180)	(22)
– (Decrease)/increase in trade and other payables	(1 025)	178
	13 193	243 214
<b>11. INCOME TAX PAID</b>		
Balance at beginning of year	(594)	(1 035)
Current year profit or loss charge	(10 098)	(8 703)
Balance at end of year	2 530	594
Tax paid	(8 162)	(9 144)

## 12. RELATED PARTIES

### Subsidiary companies

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 R40 116 000 (2017: R36 398 000), recovered costs of share options exercised of R25 052 000 (2017: R27 270 000) and interest income of R22 043 000 (2017: R50 406 000) from subsidiaries during the year under review.

Dividends of Rnil (2017: R100 000 000) was received from Bluefin Investments Limited, R3 597 000 (2017: R3 090 000) from SG Tsogo Proprietary Limited, R1 900 000 (2017: R117 000 000) from Emerald Insurance Company Limited and Rnil (2017: R18 027 000) from Transport Brokers Proprietary Limited.

Refer to pages 85 to 87 for directors remuneration.

Refer to pages 100 and 101 for detailed disclosure of investments in and amounts owing by and to subsidiaries.

### 13. 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 were pending at year-end.

The Company has issued guarantees of R570 000 000 (2017: 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 R2 502 951 000 (2017: R2 412 973 000) to financial institutions in respect of vehicle floor plan financing.

The Company has issued guarantees amounting to R3 240 464 000 (2017: R2 471 414 000) to financial institutions in respect of asset-based borrowings.

The Company has issued a limited guarantee of R394 961 000 (2017: R385 278 000) to a financial institution in respect of its Mauritian subsidiaries and operations.

The Company has issued a guarantee of R807 971 000 (2017: R712 095 000) to a financial institution in respect of the acquisition funding of Allen Ford (UK) Limited, Bestodeck Limited and Essex Auto Group Limited.

The Company has issued guarantees of R515 000 000 (2017: R250 000 000) to a financial institution in respect of a revolving credit facility.

In the prior year the Company issued guarantees and indemnified the security SPV, Mainstreet 728 Proprietary Limited, up to the facility of R95 000 000.

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.

### 14. 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.

	30 June 2018 R'000	30 June 2017 R'000
<b>The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:</b>		
Amounts owing by subsidiaries	1 933 170	1 930 521
Long term receivable	62 951	8 675
Trade and other receivables	217	37
Cash and cash equivalents	140 967	332
	<b>2 137 305</b>	<b>1 939 565</b>

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 assesses 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 Company policy. The Company continually monitors forecast and actual cash flows and actively matches maturity profiles of financial assets and liabilities.



# Separate notes to the financial statements – Super Group Limited (continued)

## 14. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

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 6 months R'000	6 – 12 months R'000	1 – 2 years R'000	2 – 5 years R'000	Total payments R'000
<b>30 June 2018</b>						
Non-derivative financial liabilities						
<b>Financial liabilities at amortised cost</b>						
Interest-bearing borrowings	261 002	9 899	9 807	213 242	56 221	289 169
Trade and other payables (excluding VAT)	4 541	4 541	–	–	–	4 541
	<b>265 543</b>	<b>14 440</b>	<b>9 807</b>	<b>213 242</b>	<b>56 221</b>	<b>293 710</b>
<b>30 June 2017</b>						
Non-derivative financial liabilities						
<b>Financial liabilities at amortised cost</b>						
Interest-bearing borrowings	206 881	9 888	9 732	19 626	209 872	249 118
Trade and other payables (excluding VAT)	4 314	4 314	–	–	–	4 314
	<b>211 195</b>	<b>14 202</b>	<b>9 732</b>	<b>19 626</b>	<b>209 872</b>	<b>253 432</b>

### 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 2018 R'000	30 June 2017 R'000
At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:		
<b>Fixed rate instruments</b>		
Financial assets	1 681 061	1 574 138
Financial liabilities	(4 541)	(4 314)
	<b>1 676 520</b>	<b>1 569 824</b>
<b>Variable rate instruments</b>		
Financial assets	456 244	365 427
Financial liabilities	(261 002)	(206 881)
	<b>195 242</b>	<b>158 546</b>
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	1 274	1 914
Profit or loss	1 274	1 914

## 15. EVENTS SUBSEQUENT TO 30 JUNE 2018

The JSE listed Super Group's SPG004 senior unsecured notes, in terms of its DMTN Programme dated 22 October 2013 on 27 September 2018. The value of the SPG004 issue was R450 million with interest of three-month JIBAR plus 200 basis points, coupon rate payable quarterly on 27 March, 27 June, 27 September and 27 December of each year. The maturity date of this issue is 27 September 2023.

Other than the matters disclosed, the directors are not aware of other matters or circumstances arising subsequent to the reporting date up to the date of this report, which will affect these results.

## 16. SIGNIFICANT SHAREHOLDERS

Distribution of shareholders that hold greater than 5% of the issued share capital as at 30 June 2018:

Distribution of Shareholders	Number of Shareholdings	Number of Shares	% of total shareholdings	% of issued Capital
Collective Investment Schemes	261	161 131 157	3.87%	43.37%
Organs of State	9	68 547 629	0.13%	18.45%
Retirement Benefit Funds	270	50 784 051	4.01%	13.67%
Custodians	30	18 610 224	0.45%	5.01%