Ubambo Investment Holdings Limited Group
(Registration number 1998/014976/06)
Group Audited Annual Financial statements
for the year ended 28 February 2019

These group audited annual financial statements were prepared by:
M.S.C Bawa
Director
These group audited annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa No. 71 of 2008.

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Holds investments in the information and communications technology and infrastructure industries
Directors	M.S.C. Bawa S.P. Simelane G.D. Harlow O.F.E. Moola
Registered office	1st Floor 25 Autumn Street Rivonia Gauteng 2191
Business address	1st Floor 25 Autumn Street Rivonia Gauteng 2191
Postal address	Private Bag X9943 Sandton Gauteng 2146
Bankers	Nedbank Limited
Auditors	RAiN Chartered Accountants Incorporated Registered Auditors
Company registration number	1998/014976/06

Index

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa No. 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the group audited annual financial statements and related financial information included in this report. It is their responsibility to ensure that the group audited 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 group audited annual financial statements.

The group audited 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 judgements 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 group audited 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 to 29 February 2020 and, in light of this review and the current financial position, they are satisfied that the group has or had 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 group audited annual financial statements. The group audited annual financial statements have been examined by the group's external auditors and their report is presented on pages 6 to 7.

The group audited annual financial statements set out on pages 8 to 26, which have been prepared on the going concern basis, were approved by the board on 04 February 2020 and were signed on their behalf by:

Approval of financial statements

M.S.C. Bawa

G.D. Harlow

Directors' Report

The directors have pleasure in submitting their report on the group audited annual financial statements of Ubambo Investment Holdings Limited Group and the group for the year ended 28 February 2019.

1. Review of financial results and activities

The consolidated group audited annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa No. 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

The group recorded a net loss after tax for the year ended 28 February 2019 of R (company: R837,367). This represented an increase of 71% from the net loss after tax of the prior year of R40,896,905.

2. Share capital

			2019	2018
Authorised			Number of shares	
Ordinary shares			300,000,000	300,000,000

	2019	2018	2019	2018
Issued	R	R	Number of shares	
Ordinary shares	5,433,103	5,433,103	139,548,949	139,548,949

There have been no changes to the authorised or issued share capital during the year under review.

3. Directorate

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Nationality
M.S.C. Bawa	Chief Executive Officer	Executive	South African
S.P. Simelane		Non-executive	South African
G.D. Harlow	Chairperson	Non-executive	South African
O.F.E. Moola		Non-executive	South African

There have been no changes to the directorate for the year under review.

4. Interests in subsidiaries

Details of material interests in subsidiary companies are presented in the consolidated group audited annual financial statements in notes 3.

5. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

6. Going concern

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated group audited annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

7. Auditors

RAiN Chartered Accountants Incorporated continued in office as auditors for the company and its subsidiaries for 2019.

At the AGM, the shareholders will be requested to reappoint RAiN Chartered Accountants Incorporated as the independent external auditors of the company and to confirm Mr I.E. Pierce as the designated lead audit partner for the 2020 financial year.

Directors' Report

8. Other

During 2018 the directors noted that there had been a significant restructuring and recapitalization process at Cell C. The dilutionary effects of the injection of new capital into Cell C had resulted in an effective dilution of Cellsaf's indirect holding in Cell C to approximately 8%. Additionally the historical debt in Cell C and 3C Telecommunications has been restructured in a manner that further reduces Cellsaf's interest in Cell C via 3C Telecommunications.

In light of this and uncertainties around the capital and debt structure of Cell C, the directors had decided to be conservative and accept the audit partners view that the interest in Cell C be impaired to R1

Independent Auditor's Report

To the shareholders of Ubambo Investment Holdings Limited Group

Opinion

We have audited the group audited annual financial statements of Ubambo Investment Holdings Limited Group (the company) set out on pages 8-27, which comprise the statement of financial position as at 28 February 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the group audited annual financial statements, including a summary of significant accounting policies.

In our opinion, the group audited annual financial statements present fairly, in all material respects, the financial position of Ubambo Investment Holdings Limited Group as at 28 February 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa No. 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the group audited annual financial statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of group audited annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Ubambo Investment Holdings Limited Group group audited annual financial statements for the year ended 28 February 2019", which includes the Directors' Report as required by the Companies Act of South Africa No. 71 of 2008 and the Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the group audited annual financial statements and our auditor's report thereon.

Our opinion on the group audited annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the group audited annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group audited annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RAiN Chartered Accountants Inc.
Director: Ian Pierce
Registration number : 2000/023955/21
P O Box 1006 Saxonwold 2132 Johannesburg South Africa
34 Fricker Road Illovo 2196 Johannesburg South Africa
Tel (+27) 011 243 5030 www.rain.org.za info@rain.org.za

Responsibilities of the directors for the Group Audited Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the group audited annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa No. 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of group audited annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group audited annual financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Group Audited Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the group audited annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these group audited annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the group audited annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the group audited annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the group audited annual financial statements, including the disclosures, and whether the group audited annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Rain.

RAiN Chartered Accountants Incorporated
Registered Auditor
Per: I.E. Pierce
Johannesburg
04 February 2020

Ubambo Investment Holdings Limited Group
(Registration number 1998/014976/06)
Group Audited Annual Financial Statements for the year ended 28 February 2019

Statement of Financial Position as at 28 February 2019

		Group		Company	
Figures in Rand	Notes	2019	2018	2019	2018
Assets					
Non-Current Assets					
Investments in subsidiaries		-	-	100	100
Other financial assets	4	1	1	-	-
		1	**1**	**100**	**100**
Current Assets					
Loans to group companies	5	-	-	13,529,879	13,529,879
Trade and other receivables	6	274,110	254,147	274,010	254,047
Cash and cash equivalents	7	73,307	58,072	73,207	57,972
		347,417	**312,219**	**13,877,096**	**13,841,898**
Total Assets		**347,418**	**312,220**	**13,877,196**	**13,841,998**
Equity and Liabilities					
Equity					
Share capital	9	34,567,572	34,567,572	34,567,572	34,567,572
Retained income		(35,201,361)	(34,363,994)	(21,658,378)	(20,821,012)
		(633,789)	**203,578**	**12,909,194**	**13,746,560**
Liabilities					
Current Liabilities					
Trade and other payables	10	13,207	20,642	2	7,438
Other financial liabilities	11	968,000	88,000	968,000	88,000
		981,207	**108,642**	**968,002**	**95,438**
Total Equity and Liabilities		**347,418**	**312,220**	**13,877,196**	**13,841,998**

Statement of Profit or Loss and Other Comprehensive Income

		Group		Company	
Figures in Rand	Notes	2019	2018	2019	2018
Other operating gains	12	7,436	-	7,436	-
Other operating expenses		(845,370)	(6,377,254)	(845,370)	(896,905)
Operating loss	14	**(837,934)**	**(6,377,254)**	**(837,934)**	**(896,905)**
Investment income	15	567	-	567	-
Loss for the year		**(837,367)**	**(6,377,254)**	**(837,367)**	**(896,905)**
Other comprehensive income:					
Items that may be reclassified to profit or loss:					
Fair value adjustment of available-for-sale financial assets		-	(34,519,650)	-	-
Other comprehensive income for the year net of taxation		**-**	**(34,519,650)**	**-**	**-**
Total comprehensive loss for the year		**(837,367)**	**(40,896,904)**	**(837,367)**	**(896,905)**

Statement of Changes in Equity

Figures in Rand	Share capital	Share premium	Total share capital	Fair value adjustment assets-available-for-sale reserve	Retained income	Total equity
Group						
Balance at 01 March 2017	**2,811,104**	**29,134,468**	**31,945,572**	**34,519,650**	**(27,986,740)**	**38,478,482**
Loss for the year	-	-	-	-	(6,377,254)	(6,377,254)
Other comprehensive income	-	-	-	(34,519,650)	-	(34,519,650)
Total comprehensive Loss for the year	**-**	**-**	**-**	**(34,519,650)**	**(6,377,254)**	**(40,896,904)**
Issue of shares	2,622,000	-	2,622,000	-	-	2,622,000
Total contributions by and distributions to owners of company recognised directly in equity	**2,622,000**	**-**	**2,622,000**	**-**	**-**	**2,622,000**
Balance at 01 March 2018	**5,433,104**	**29,134,468**	**34,567,572**	**-**	**(34,363,994)**	**203,578**
Loss for the year	-	-	-	-	(837,367)	(837,367)
Total comprehensive Loss for the year	**-**	**-**	**-**	**-**	**(837,367)**	**(837,367)**
Balance at 28 February 2019	**5,433,104**	**29,134,468**	**34,567,572**	**-**	**(35,201,361)**	**(633,789)**
Notes	9	9	9			
Company						
Balance at 01 March 2017	**2,811,104**	**29,134,468**	**31,945,572**	**-**	**(19,924,107)**	**12,021,465**
Loss for the year	-	-	-	-	(896,905)	(896,905)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive Loss for the year	**-**	**-**	**-**	**-**	**(896,905)**	**(896,905)**
Issue of shares	2,622,000	-	2,622,000	-	-	2,622,000
Total contributions by and distributions to owners of company recognised directly in equity	**2,622,000**	**-**	**2,622,000**	**-**	**-**	**2,622,000**
Balance at 01 March 2018	**5,433,104**	**29,134,468**	**34,567,572**	**-**	**(20,821,011)**	**13,746,561**
Loss for the year	-	-	-	-	(837,367)	(837,367)
Total comprehensive Loss for the year	**-**	**-**	**-**	**-**	**(837,367)**	**(837,367)**
Balance at 28 February 2019	**5,433,104**	**29,134,468**	**34,567,572**	**-**	**(21,658,378)**	**12,909,194**
Notes	9	9	9			

Statement of Cash Flows

		Group		Company	
Figures in Rand	Notes	2019	2018	2019	2018
Cash flows from operating activities					
Cash used in operations	17	(865,332)	(991,187)	(865,332)	(991,437)
Interest income		567	-	567	-
Net cash from operating activities		**(864,765)**	**(991,187)**	**(864,765)**	**(991,437)**
Cash flows from investing activities					
Sale of financial assets		-	-	-	250
Cash flows from financing activities					
Proceeds on share issue	9	-	2,622,000	-	2,622,000
Proceeds from / (Repayment of) other financial liabilities		880,000	(1,522,000)	880,000	(1,522,000)
Repayment of shareholders loan		-	(92,841)	-	(92,841)
Net cash from financing activities		**880,000**	**1,007,159**	**880,000**	**1,007,159**
Total cash movement for the year		**15,235**	**15,972**	**15,235**	**15,972**
Cash at the beginning of the year		58,072	42,100	57,972	42,000
Total cash at end of the year	7	**73,307**	**58,072**	**73,207**	**57,972**

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate group audited annual financial statements are set out below.

1.1 Basis of preparation

The consolidated and separate group audited annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these group audited annual financial statements and the Companies Act of South Africa No. 71 of 2008 of South Africa, as amended.

These group audited annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The group audited annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the group and company's functional currency.

1.2 Consolidation

Basis of consolidation

The consolidated group audited annual financial statements incorporate the group audited annual financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity.

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

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

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Significant judgements and sources of estimation uncertainty

The preparation of group audited annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Trade receivables and loans receivable

The group assesses its trade receivables, held to maturity investments 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, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Accounting Policies

1.4 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

1.5 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the group ,as applicable, are as follows:

Financial assets which are equity instruments:
- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:
- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:
- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 8 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

Accounting Policies

1.5 Financial instruments (continued)

Loans receivable at amortised cost

Classification

Loans to group companies (note 5) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 6).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item.

Accounting Policies

1.5 Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 10), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

1.6 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).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

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.

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.

Accounting Policies

1.7 Leases

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense (note 14) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the group has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the group is a lessee are presented in note Leases (group as lessee).

1.8 Leases (Comparatives under IAS 17)

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.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.9 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.
- tests goodwill acquired in a business combination for impairment annually.

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.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes, and is not larger than an operating segment as defined by paragraph 5 of IFRS 8 Operating Segments before aggregation.

Accounting Policies

1.9 Impairment of assets (continued)

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:
- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

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.

1.10 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 recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the group in which they are declared.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Amendments to IFRS 1: Annual Improvements to IFRS 2014 - 2016 cycle

The amendment to IFRS 1 First Time Adoption of International Financial Reporting Standards deleted certain short term exemptions concerning disclosures of financial assets, employee benefits and investment entities from IFRS 1.

The effective date of the amendment is for years beginning on or after 01 January 2018.

The group has adopted the amendment for the first time in the 2019 group audited annual financial statements.

The impact of the amendment is not material.

Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers

The amendment provides clarification and further guidance regarding certain issues in IFRS 15. These items include guidance in assessing whether promises to transfer goods or services are separately identifiable; guidance regarding agent versus principal considerations; and guidance regarding licenses and royalties.

The effective date of the amendment is for years beginning on or after 01 January 2018.

The group has adopted the amendment for the first time in the 2019 group audited annual financial statements.

The impact of the amendment is not material.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurements of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a)impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on outstanding principal, are measured at FVTOCI. All other debt and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability is presented in other comprehensive income, unless the recognition of the effect of the changes of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Under IAS 39, the entire amount of the change in fair value of a financial liability designated as at fair value through profit or loss is presented in profit or loss.

Notes to the Group Audited Annual Financial Statements

2. New Standards and Interpretations (continued)

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is therefore no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principal of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The effective date of the standard is for years beginning on or after 01 January 2018.

The group has adopted the standard for the first time in the 2019 group audited annual financial statements.

The impact of the standard is not material.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the construction of Real Estate; IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue - Barter Transactions Involving Advertising Services.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes extensive new disclosure requirements.

The effective date of the standard is for years beginning on or after 01 January 2018.

The group has adopted the standard for the first time in the 2019 group audited annual financial statements.

The impact of the standard is not material.

2.2 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 March 2019 or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

Notes to the Group Audited Annual Financial Statements

2. New Standards and Interpretations (continued)

It is unlikely that the amendment will have a material impact on the group's group audited annual financial statements.

Definition of a business - Amendments to IFRS 3

The amendment:

- confirmed that a business must include inputs and a processes, and clarified that the process must be substantive and that the inputs and process must together significantly contribute to creating outputs.
- narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and
- added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

The effective date of the amendment is for years beginning on or after 01 January 2020.

The group expects to adopt the amendment for the first time in the 2021 group audited annual financial statements.

It is unlikely that the amendment will have a material impact on the group's group audited annual financial statements.

Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative

The amendment clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The effective date of the amendment is for years beginning on or after 01 January 2020.

The group expects to adopt the amendment for the first time in the 2021 group audited annual financial statements.

It is unlikely that the amendment will have a material impact on the group's group audited annual financial statements.

Amendments to IFRS 3 Business Combinations: Annual Improvements to IFRS 2015 - 2017 cycle

The amendment clarifies that when a party to a joint arrangement obtains control of a business that is a joint operation, and had rights to the assets and obligations for the liabilities relating to that joint operation immediately before the acquisition date, the transaction is a business combination achieved in stages. The acquirer shall therefore apply the requirements for a business combination achieved in stages.

The effective date of the amendment is for years beginning on or after 01 January 2019.

It is unlikely that the amendment will have a material impact on the group's group audited annual financial statements.

Amendments to IFRS 11 Joint Arrangements: Annual Improvements to IFRS 2015 - 2017 cycle

The amendment clarifies that if a party participates in, but does not have joint control of, a joint operation and subsequently obtains joint control of the joint operation (which constitutes a business as defined in IFRS 3) that, in such cases, previously held interests in the joint operation are not remeasured.

The effective date of the amendment is for years beginning on or after 01 January 2019.

It is unlikely that the amendment will have a material impact on the group's group audited annual financial statements.

Amendments to IAS 12 Income Taxes: Annual Improvements to IFRS 2015 - 2017 cycle

The amendment specifies that the income tax consequences on dividends are recognised in profit or loss, other comprehensive income or equity according to where the entity originally recognised the events or transactions which generated the distributable reserves.

The effective date of the amendment is for years beginning on or after 01 January 2019.

It is unlikely that the amendment will have a material impact on the group's group audited annual financial statements.

Notes to the Group Audited Annual Financial Statements

2. New Standards and Interpretations (continued)

IFRS 16 Leases

IFRS 16 Leases is a new standard which replaces IAS 17 Leases, and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the group are as follows:

Group as lessee:

- Lessees are required to recognise a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.
- The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.
- The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.
- The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability. However, right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right-of-use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.
- The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications.
- Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.
- The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
- The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.
- Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.
- Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

The effective date of the standard is for years beginning on or after 01 January 2019.

The group expects to adopt the standard for the first time in the 2020 group audited annual financial statements.

It is unlikely that the standard will have a material impact on the group's group audited annual financial statements.

Notes to the Group Audited Annual Financial Statements

3. Investments in subsidiaries

The following table lists all of the associates in the group:

Group

Name of company	Held by	% ownership interest 2019	% ownership interest 2018	% Voting power 2019	% Voting power 2018
Ubambo Telecommunications (Proprietary) Limited	Ubambo Investment Holdings Limited	100.00 %	100.00 %	100.00%	100.00%
Isivuno Investments (Proprietary) Limited	Ubambo Telecommunications (Proprietary) Limited	100.00 %	100.00 %	100.00%	100.00%
African Genesis Investment Holdings (Proprietary) Limited	Ubambo Telecommunications (Proprietary) Limited	100.00 %	100.00 %	100.00%	100.00%
Sanco Leisure (Proprietary) Limited	Ubambo Investment Holdings Limited	100.00 %	100.00 %	100.00%	100.00%
				-	-

4. Other financial assets

At fair value through profit or loss				
Cellsaf (Proprietary) Limited	1	1	-	-
Ubambo Telecommunications (Proprietary) Limited has approximately 13.4% interest in Cellsaf (Proprietary) Limited. Directors are of the opinion that this value fairly represents the value of the investment as at the end of the year.				
At fair value through profit or loss				
Equity Alliance Company (Proprietary) Limited	100,000	100,000	100,000	100,000
The company has 2.5% shareholding in Equity Alliance Company (Proprietary) Limited.				
	100,000	100,000	100,000	100,000
At fair value through profit or loss (impairments)	(100,000)	(100,000)	(100,000)	(100,000)
	-	**-**	**-**	**-**
Non-current assets				
Designated as at fair value through profit or loss	1	1	-	-

During 2018 the directors noted that there had been a significant restructuring and recapitalization process at Cell C. The dilutionary effects of the injection of new capital into Cell C had resulted in an effective dilution of Cellsaf's indirect holding in Cell C to approximately 8%. Additionally the historical debt in Cell C and 3C Telecommunications has been restructured in a manner that further reduces Cellsaf's interest in Cell C via 3C Telecommunications.

In light of this and uncertainties around the capital and debt structure of Cell C, the directors had decided to be conservative and accept the audit partners view that the interest in Cell C be impaired to R1.

Notes to the Group Audited Annual Financial Statements

5. Loans to group companies

Subsidiaries

Ubambo Telecommunications (Proprietary) Limited	-	-	13,529,879	13,529,879

The loan is unsecured, interest-free and has no fixed terms of repayment.

The carrying value of the loan to group companies approximates the fair value thereof.

6. Trade and other receivables

Other receivables	100	100	-	-
VAT	274,010	254,047	274,010	254,047
Total trade and other receivables	**274,110**	**254,147**	**274,010**	**254,047**

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	15,206	15,206	15,106	15,106
Bank balances	58,101	42,866	58,101	42,866
	73,307	**58,072**	**73,207**	**57,972**

8. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2019

	Notes	Fair value through profit or loss - Designated	Loans and receivables	Total
Trade and other receivables	6	-	274,110	274,110
Cash and cash equivalents	7	-	73,307	73,307
Other financial assets		1	-	1
		1	**347,417**	**347,418**

Group - 2018

	Notes	Fair value through profit or loss - Designated	Loans and receivables	Total
Trade and other receivables	6	-	254,147	254,147
Cash and cash equivalents	7	-	58,072	58,072
Other financial assets		1	-	1
		1	**312,219**	**312,220**

Notes to the Group Audited Annual Financial Statements

	Group		Group	
Figures in Rand	2019	2018	2019	2018

8. Financial instruments and risk management (continued)

Company - 2019

	Notes	At cost	Loans and receivables	Total
Investments in subsidiaries		100	-	100
Loans to group companies	5	-	13,529,879	13,529,879
Trade and other receivables	6	-	274,010	274,010
Cash and cash equivalents	7	-	73,207	73,207
		100	**13,877,096**	**13,877,196**

Company - 2018

	Note(s)	At cost	Loans and receivables	Total
Investments in subsidiaries		100	-	100
Loans to group companies	5	-	13,529,879	13,529,879
Trade and other receivables	6	-	254,047	254,047
Cash and cash equivalents	7	-	57,972	57,972
		100	**13,841,898**	**13,841,998**

9. Share capital

Authorised				
300 000 000 ordinary shares of R0.01 each	3,000,000	3,000,000	3,000,000	3,000,000
Reconciliation of number of shares issued:				
Reported as at the beginning of the year	139,548,949	139,548,949	139,548,949	139,548,949
Reported as at the end of the year	**139,548,949**	**139,548,949**	**139,548,949**	**139,548,949**
Value of issued share capital				
Ordinary - 139 548 949 shares	5,433,104	5,433,104	5,433,104	5,433,104
Share premium	29,134,468	29,134,468	29,134,468	29,134,468
	34,567,572	**34,567,572**	**34,567,572**	**34,567,572**

10. Trade and other payables

Financial instruments:				
Trade payables	13,207	13,206	2	2
Accrued expenses	-	7,436	-	7,436
	13,207	**20,642**	**2**	**7,438**

11. Other financial liabilities

Held at amortised cost				
Iyanga Trading 489 (Proprietary) Limited	968,000	88,000	968,000	88,000

The loan is unsecured, interest-free and has no fixed terms of repayment.

Notes to the Group Audited Annual Financial Statements

		Group		Group	
Figures in Rand		2019	2018	2019	2018

12. Other operating income

Other income		7,436	-	7,436	-

Other income relates to a current year reversal of prior year accrued expenditure.

13. Other operating gains (losses)

Impairment losses					
Other financial assets	4	-	(2,480,475)	-	-

14. Operating profit (loss)

Operating loss for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external				
Audit fees	35,465	-	35,465	-
Remuneration, other than to employees				
Administrative and managerial services	446,551	439,230	446,551	439,230
Consulting and professional services - accounting	2,088	10,477	2,088	10,477
	448,639	**449,707**	**448,639**	**449,707**
Leases				
Operating lease charges				
Premises	235,663	210,978	235,663	210,978

15. Investment income

Interest income				
Investments in financial assets:				
Bank and other cash	567	-	567	-

16. Taxation

Major components of the tax expense

No provision has been made for 2019 tax as the group has no taxable income. The estimated tax loss available for set off against future taxable income is R 837 367.00 (2018: R40 896 904.00).

17. Cash used in operations

Loss before taxation	(837,367)	(6,377,254)	(837,367)	(896,905)
Adjustments for:				
Interest income	(567)	-	(567)	-
Impairment losses	-	5,480,349	-	-
Other non-cash items	-	250	-	-
Changes in working capital:				
Trade and other receivables	(19,962)	(39,984)	(19,962)	(39,984)
Trade and other payables	(7,436)	(54,548)	(7,436)	(54,548)
	(865,332)	**(991,187)**	**(865,332)**	**(991,437)**

18. Related parties

Relationships	
Subsidiaries	Ubambo Telecommunications (Proprietary) Limited
	Isivuno Investments (Proprietary) Limited
	African Genesis Investment Holdings (Proprietary) Limited
	Sanco Leisure (Proprietary) Limited
Directors	M.S.C. Bawa
	S.P. Simelane
	G.D. Harlow
	O.F.E. Moola

Related party balances

Loan accounts - Owing by related parties	**Group 2019**	**Group 2018**	**Company 2019**	**Company 2018**
Ubambo Telecommunications (Proprietary) Limited	-	-	13,529,879	13,529,879

19. Directors' emoluments

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

Detailed Income Statement

		Group		Company	
Figures in Rand	Note(s)	2019	2018	2019	2018
Other operating income					
Other income		7,436	-	7,436	-
Other operating expenses					
Administration and management fees		(446,551)	(439,230)	(446,551)	(439,230)
Auditors remuneration - external auditors	14	(35,465)	-	(35,465)	-
Bank charges		(1,562)	(1,152)	(1,562)	(1,152)
Consulting and professional fees - accounting		(2,088)	(10,477)	(2,088)	(10,477)
Entertainment		-	(6,825)	-	(6,825)
Impairment		-	(5,480,349)	-	-
Lease rentals on operating lease		(235,663)	(210,978)	(235,663)	(210,978)
Loss on disposal of financial assets		-	(250)	-	(250)
Printing and stationery		-	(124,800)	-	(124,800)
Service fees		(121,734)	(97,551)	(121,734)	(97,551)
Travel - local		(2,307)	(5,642)	(2,307)	(5,642)
		(845,370)	**(6,377,254)**	**(845,370)**	**(896,905)**
Operating loss	14	**(837,934)**	**(6,377,254)**	**(837,934)**	**(896,905)**
Investment income	15	567	-	567	-
Loss for the year		**(837,367)**	**(6,377,254)**	**(837,367)**	**(896,905)**

The supplementary information presented does not form part of the group audited annual financial statements and is unaudited