JASCO
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ANNUAL FINANCIAL STATEMENTS 2017

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ANNUAL FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

TO THE SHAREHOLDERS OF JASCO ELECTRONICS HOLDINGS LIMITED

The directors are required in terms of the Companies Act, 2008 as amended, of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate 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 consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the South African Companies Act, 71 No. of 2008, as amended and the Listings Requirements of the JSE Limited. The accounting policies and methods of computation used in the preparation of this report are consistent with those of the previous year. The directors take full responsibility for the preparation of the consolidated and separate annual financial statements.

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 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 this risk by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Based on the information and explanations given by management, the directors are of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate 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 ensuing 12 months from the approval of these annual financial statements and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for auditing and reporting on the consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the group's external auditors and their report is presented on pages 2 to 4 in the annual financial statements, which are available on the website www.jasco.co.za.

The consolidated and separate annual financial statements set out on pages 5 to 55, which have been prepared under the supervision of WA Prinsloo CA(SA), on the going-concern basis, were approved by the Board and were signed on its behalf by:

Dr ATM Mokgokong
Non-executive chairman

AMF da Silva
Chief executive officer

WA Prinsloo
Chief financial officer
Midrand
13 September 2017

REPORT OF THE INDEPENDENT AUDITORS

TO THE SHAREHOLDERS OF JASCO ELECTRONICS HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of Jasco Electronics Holdings Limited (the group) set out on pages 10 to 54, which comprise the consolidated and separate statement of financial position as at 30 June 2017, and the consolidated and separate statement of comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group as at 30 June 2017, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)*, the International Federation of Accountants' *Code of Ethics for Professional Accountants (IFAC code)* and other independence requirements applicable to performing audit of the Group. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code, IFAC Code, and in accordance with other ethical requirements applicable to performing the audits of the group. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How this matter was addressed in our audit
Goodwill impairment assessment Goodwill comprises 13% of total assets in the statement of financial position and arises from separate acquisitions made by the Group. Management performs an annual impairment test on the recoverability of the goodwill as required by International Financial Reporting Standards which is subjective in nature due to judgements having to be made of future performance. As disclosed in note 9, the Group uses a discounted cash flow model to determine value in use for each cash generating unit, on the basis of the following key assumptions: • Revenue growth rate, • Gross margin and • Discount rate applied to the projected cash flows. Accordingly, the impairment tests of goodwill are considered to be a key audit matter due to the estimates and judgement involved in the above assumptions.	We focused our testing on the key assumptions made by management and our procedures included: • Evaluated the determination of the cash generating units; • We evaluated the model used in determining the value in use of the cash generating units, as well as assessing the discount rate used; • We compared the cash flow forecasts to approved budgets and other relevant market and economic information and tested the underlying calculations; • We involved EY internal valuation specialists to assist in evaluating management's key assumptions used in the impairment calculations; and • Performed a sensitivity analyses around the key assumptions used in the models.
Recoverability of deferred tax assets to assessed losses The Group has recognised deferred tax assets related to estimated and assessed losses within certain statutory entities, as disclosed in note 6. In order to recognise the deferred tax assets, management has made certain estimates in relation to the future taxable income of the entities, including taxation planning strategies, thereby concluding on the recoverability of those individual assets. These judgements and assumptions include growth in respect of new contracts and the entity's ability to execute on those plans. Accordingly, the assessments of the recoverability of deferred tax assets are considered to be a key audit matter.	Our procedures included among other: • Evaluated the assessments performed by management with regard to future taxable income, and the realisation of the deferred taxation, by comparing their assessment to evidence obtained, such as approved cash flow forecasts and business plans; • We performed a sensitivity analyses around the key assumptions used including growth assumptions.

<table>
<tr><th>Key audit matter</th><th>How this matter was addressed in our audit</th></tr>
<tr><td>Acquisition of Reflex Solutions Proprietary Limited
Jasco acquired 51% shareholding in Reflex Solutions Proprietary Limited for a purchase consideration of R39.78m as disclosed in note 3.

We focused on this area due to the material nature of the acquisition to the Group as well as the judgements and assumptions applied in determining the fair value of the intangible assets acquired. The valuation of the intangible assets is based on the following key assumptions:
• Revenue growth rate
• EBIT margin
• Decay factor
• Discount rate applied to the projected cash flows

Accordingly, the acquisition was considered to be a key audit matter due to the impact of the above assumptions, as disclosed in note 3.</td><td>Our audit procedures on the accounting for the transaction included among others:
• We inspected the purchase price which was paid and the contract clauses in the signed sale and purchase agreement;
• We evaluated the accounting treatment in regards to IFRS 3, "Business Combinations" requirements;
• We involved EY internal valuation specialists to assist in evaluating the assumptions used in the valuation of the acquisition;
• Evaluated the consolidation entries in connection with the acquisition including the treatment of the non-controlling interest; and
• We evaluated the related disclosure in note 3 of the financial statements to the requirements of the International Financial Reporting Standards.</td></tr>
<tr><td>Management override of internal controls in subsidiary
There were instances of management override of internal controls in the procurement process amounting to R1.06m at one of its subsidiaries.

The company engaged external advisors to investigate the fraud. Furthermore, the company determined the impact on the Financial Statements.

We focused on this area due to the risks involved and the nature of the occurrence.

Accordingly, the occurrence was considered to be a key audit matter as disclosed in note 5.1.</td><td>Our audit procedures included among others:
• Adopted a fully substantive audit approach in the related subsidiary
• We discussed the scope of the work by the advisors and reviewed the outcome of the work performed by them to date.
• We expanded the testing of manual journal entries processed.
• In addition to the already planned procedures, we expanded our procedures on creditor testing.
• The stock count procedures were expanded with a focus on Work in progress balances</td></tr>
</table>

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Annual Report, Corporate Governance Report, the Operational Review and the Remuneration Review which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate 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 consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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. When we read the Integrated Annual Report, Corporate Governance Report, the Operational Review, and the Remuneration Review, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's and company'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 company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 ISAs will always detect a material misstatement when it exists. Misstatements can

REPORT OF THE INDEPENDENT AUDITORS CONTINUED

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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 or company'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 or company'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 consolidated or separate 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 or company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. has been the auditor of Jasco Electronics Holdings Limited for 30 years.

Ernst & Young Inc.

Ernst & Young Inc.
Director – David Ian Cathrall
Registered Auditor (RA)
Chartered Accountant (SA)

102 Rivonia Road,
Sandton

13 September 2017

COMPANY SECRETARY'S CERTIFICATION

I, the Group Company Secretary as at 30 June 2017, certify that the company has lodged with the Registrar of Companies all such returns as are required of a public company, in terms of the Companies Act, No 71 of 2008, as amended, and that all such returns are true, correct and up to date.

WA Prinsloo
Acting Group Company Secretary at 30 June 2017
Midrand
13 September 2017

AUDIT AND RISK COMMITTEE REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Jasco's independent audit and risk committee ("the committee") is pleased to submit its report to the shareholders for the financial year ended 30 June 2017 in accordance with section 94(7)(f) of the South African Companies Act of 2008.

INTRODUCTION

The committee's duties and objectives are governed by a formal charter which is in line with the Companies Act and King III requirements. This independent statutory committee is appointed by Jasco's board of directors, which has delegated duties and responsibilities to the committee.

COMPOSITION, MEETING AND ASSESSMENTS

The committee consists of three independent non-executive directors who usually meet at least four times per year as per the committee's mandate and charter. Biographical details of the committee members are provided below and the fees paid to the committee members are outlined in note 27.

The group's chief executive officer, chief financial officer, group financial executive, outsourced internal auditors and independent external auditors attend meetings by invitation.

During the year under review, three meetings were held. The meeting scheduled for 22 November 2016 was not held, as the committee only consisted of one member at the time.

Name of member	9 September 2016	22 November 2016	31 January 2017	6 June 2017
Mr JC Farrant	Present	Cancelled	Present	Present
Ms T Zondi (appointed 1 January 2017)	N/A	N/A	Present	Present
Ms PF Radebe (appointed 1 January 2017)	N/A	N/A	Present	Present
Mr H Moolla (retired on 1 November 2016)	Present	N/A	N/A	N/A
Sir JA Sherry (retired on 13 September 2016)	Present	N/A	N/A	N/A

AUDIT AND RISK COMMITTEE MANDATE

The committee is governed by a formal charter adopted and approved by the board, which is reviewed annually. The board supports and endorses the committee, which operates independently of management and is free of any organisational influence. The provisions of the Companies Act together with the King III requirements and best practice are incorporated in the charter. The charter guides the committee in terms of its role, responsibilities and duties.

The committee has conducted its work in terms of its charter as per the corporate governance report, and has ensured that the respective roles and functions of external audit and internal audit are sufficiently clarified and that the combined assurance received is appropriate to address all significant risks.

The committee's charter prescribes that the effectiveness of the committee, its chairman and individual members are annually assessed and evaluated by the board chairman. No significant issues that require improvement were highlighted during the most recent evaluation conducted in 2016. The committee is satisfied that it has fulfilled all its statutory duties and duties assigned to it by the board during the financial year under review, as further detailed below.

The committee performed the following activities:

- Received and reviewed reports from both internal and external auditors concerning the effectiveness of the internal control environment, systems and processes;
- Considered the effectiveness of internal audit; the approval of the one year operational internal audit work plan and monitored adherence of internal audit to its annual plan;
- Reviewed the reports of both internal and external auditors detailing their findings arising out of their audits and requested appropriate responses from management;
- Made appropriate recommendations to the board of directors regarding the corrective actions to be taken as a consequence of audit findings;
- Reviewed the risk and opportunities register and categorised the level of each risk, probability and the monetary value and made appropriate recommendations to the board regarding the corrective actions needed;
- Reviewed the report prepared by internal audit regarding the risk management process in the group and the level of adoption of the group policies and procedures within each operating division;
- Nominated for appointment Ernst & Young Inc. and Mr Dave Cathrall as auditors of the company and the group for the current financial year and Mr Gerwin Weinreich for the next financial year;
- The committee considered the proposed external audit fees and approved the group audit fees in consultation with group management. The committee is responsible for determining the nature and extent of any non-audit services that the external auditors may provide to the group and pre-approve any proposed contract with the external auditors for the provision of non-audit services to the group;

- Considered the independence and objectivity of the external auditors and ensured that the scope of their additional services provided was not such that they could be seen to have impaired their independence.
- The committee is satisfied that the external auditors are independent of the group and are thereby able to conduct their audit functions without any influence from the group;
- The committee is responsible for reviewing any major breach of relevant legal and regulatory requirements. The committee is satisfied that there has been no material non-compliance with laws and regulations;
- The committee has satisfied itself that the group chief financial officer, Mr WA Prinsloo, has the appropriate expertise and experience to act in his capacity;
- The committee is responsible for considering and making recommendations to the board relating to the group's Integrated Annual Report, the financial statements and any other reports (with reference to the financial affairs of the group) for external distribution or publication, including those required by any regulatory or statutory authority. The Integrated Annual Report of the company for the year under review has been approved by the board upon the recommendation of the committee.

In addition, the committee discharges all audit and risk committee responsibilities of all subsidiary companies within the group. To help it discharge the responsibility, the committee reviews the results of all material operating subsidiary companies in detail with the external auditors and the management of respective subsidiaries.

JC Farrant
Audit and risk committee chairman
Midrand
13 September 2017

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30 JUNE 2017

The directors have pleasure in submitting their report on the activities of the group and the company for the year ended 30 June 2017.

NATURE OF THE BUSINESS

The trading activities of the group companies are divided into four main business units, namely Carrier, Enterprise, Intelligent Technologies and Electrical Manufacturers. Refer to the Integrated Annual Report for more information on what the nature of each business unit is.

FINANCIAL RESULTS

The results of the operations for the year are set out in the consolidated and separate annual financial statements.

GOING CONCERN

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

The board has considered all operational and financial related activity and forecasts for the ensuing 12 months from the approval of these annual financial statements.

PLANT AND EQUIPMENT

There were no material changes in the nature of the plant and equipment of the group or in the policy regarding their use.

CORPORATE ACTIONS

With effect from 1 May 2017, the group acquired 51% of the shares in Reflex Solutions Proprietary Limited (Reflex) for a maximum undiscounted purchase consideration of R39 780 000, subject to the achievement of a specific profit after tax for the year ending on 30 June 2018. Reflex provides IT managed services, IT infrastructure support, internet access, voice solutions, as well as cloud and infrastructure services and solutions.

With effect from 30 June 2017, Jasco sold its security installation service for R3 million under an enterprise development initiative, to Jasco Technical Services. As part of the agreement, Jasco retains a 25% interest in the business and has signed an outsourcing agreement with Jasco Technical Services (JTS), whereby JTS will be performing the security installations on behalf of Jasco.

SHARE CAPITAL

The authorised share capital is 750 000 000 ordinary shares and 29 884 633 redeemable preference shares.

For information on the Jasco ordinary shareholders' spread, refer to page 55.

SHARE INCENTIVE SCHEME

The Jasco Employee Share Incentive Trust was formed in 1993 to enable executives of the group to acquire shares in Jasco to provide them with incentives to advance the group's interests. The maximum number of shares and/or options that may be issued may not exceed 32 759 885 shares, being 15% of the issued share capital at the inception of the Trust and all subsequent capitalisation issues. The maximum number allowed for any one person is 8 735 969 of the issued share capital of the company. In terms of the scheme rules, 50% of shares issued and options granted may be exercised after two years, 75% after three years and 100% after four years. Further details relating to the Jasco Employee Share Incentive Trust are set out in note 18.1 to the financial statements.

The Spescom Limited Share Incentive Trust was formed in 1990 to enable all employees of the Spescom group to acquire options in Spescom to provide them with incentives to advance the group's interests. The options issued by this trust lapsed in February 2017, and the trust will be wound down.

DIRECTORS

Details of the present directorate of the company are set out on pages 6 to 7 of the Integrated Annual Report. In terms of the Memorandum of Incorporation of the company, Dr ATM Mokgokong and Mr JC Farrant retire at the forthcoming annual general meeting and are eligible for re-election.

SUBSIDIARY COMPANIES

Details are given on page 24.

BORROWINGS

In terms of the Memorandum of Incorporation, the directors of the company are permitted to borrow or raise such funds as they deem necessary for the operation of the group. At the close of business on 30 June 2017, the total borrowings less cash resources was R117 420 000 (2016: R117 279 000). At 30 June 2017, the group had approved general banking facilities of R150 000 000 (2016: R121 860 000).

SUBSEQUENT EVENTS

With effect from 1 September 2017, Jasco increased its investment in Jasco Datafusion to 51%. Refer to note 3 for more information. The directors are not aware of any other material changes of circumstances or fact that occurred between the accounting date and the date of this report, apart from the dividend declared.

SPECIAL RESOLUTIONS

The following special resolutions were passed at the previous annual general meeting:

- Non-executive directors' remuneration
- Financial assistance to a related or inter-related company or companies

DIVIDEND

Dividend number 22 of 2 cents per share was declared on 13 September 2016. The record date was 14 October 2016.

Dividend number 23 of 1 cent per share was declared on 7 September 2017. The record date will be 6 October 2017.

DIRECTORS' INTERESTS IN SHARE CAPITAL

At the close of business on 30 June 2017, the interests of the directors in the issued share capital of the company amounted to:

	2017	2016
Direct Beneficial		
JC Farrant	150 000	150 000
H Moolla	N/A	14 918
JA Sherry	N/A	2 077 108
MSC Bawa	50 509	50 509
AMF Da Silva	8 491 106	8 491 106
WA Prinsloo	2 674 296	4 863 711
Indirect – Beneficial		
MJ Madungandaba	19 416 163	19 163 725
ATM Mokgokong	8 321 213	8 213 025
MSC Bawa	3 781 887	3 538 815
Indirect – Non – beneficial		
JC Farrant	5 500	5 500
Total	42 890 674	46 568 417

As announced on SENS on 5 May 2017 and 23 June 2017, WA Prinsloo sold shares back to the Share Incentive Trust: 562 500 shares at 106,8629 cents per share and 1 626 915 shares at 92,523 cents per share respectively.

As announced on SENS on 14 June 2016, AMF da Silva and WA Prinsloo were awarded 1 328 818 and 834 881 shares respectively at 81 cents per share on 13 June 2016 by the Jasco Employee Share Incentive Trust.

The company has not been informed of any material changes in these holdings up to the date of this report.

PRESCRIBED OFFICERS INTEREST IN SHARE CAPITAL

Options	2017	2016
Direct – Beneficial		
M Janse van Vuuren	2 394 488	2 394 488
TS Petje	465 702	–

As announced on 14 October, TS Petje was awarded 465 702 options at 93 cents per share on 3 October 2016 by the Jasco Employee Share Incentive Trust.

As announced on SENS on 30 June 2016, M Janse van Vuuren was awarded 735 546 options at 81 cents per share on 28 June 2016 by the Jasco Employee Share Incentive Trust.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

		GROUP		COMPANY	
	Notes	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Revenue	4	1 044 301	1 076 429	143 167	4 089
Turnover		1 037 315	1 070 033	–	–
Cost of sales		(721 651)	(759 558)	–	–
Profit before other income and expenses		315 664	310 475	–	–
Other income		27 894	12 746	8 032	8 604
Selling and distribution costs		(3 145)	(2 137)	–	–
Administrative expenses		(209 491)	(205 990)	(8 794)	(7 757)
Other expenses		(88 981)	(73 417)	(8 962)	(281)
Operating profit/(loss)		41 941	41 677	(9 724)	566
Finance income	5	6 986	6 396	143 167	4 089
Finance costs	5	(18 521)	(21 596)	(15 201)	(16 309)
Equity accounted share of loss from joint venture	11	(1 823)	–	–	–
Profit/(loss) before taxation	5	28 583	26 477	118 242	(11 654)
Taxation	6	(16 253)	(10 534)	(1 139)	261
Profit/(loss) for the year		12 330	15 943	117 103	(11 393)
Other comprehensive income		319	31	–	–
(this may subsequently be reclassified to profit or loss)					
Foreign currency translation reserve arising during the year		319	31	–	–
Total comprehensive income/(loss) for the year		12 649	15 974	117 103	(11 393)
Income/(loss) for the year attributable to:					
– non-controlling interests		4 202	1 765	–	–
– ordinary shareholders of the parent		8 128	14 178	117 103	(11 393)
		12 330	15 943	117 103	(11 393)
Total comprehensive income/(loss) attributable to:					
– non-controlling interests		4 202	1 765	–	–
– ordinary shareholders of the parent		8 447	14 209	117 103	(11 393)
		12 649	15 974	117 103	(11 393)
Earnings per ordinary share (cents) – basic	7	3,6	6,3		
– diluted	7.1	3,5	6,3		

STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2017

	Notes	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
ASSETS					
Non-current assets		251 663	223 974	100 069	147 842
Plant and equipment	8	78 936	61 082	–	–
Intangible assets	9	140 910	88 731	–	–
Investment in subsidiaries	10			92 747	112 738
Investment in joint venture	11	284	–	2 107	–
Deferred income tax	6	27 526	31 779	–	652
Other non-current assets	12	4 007	42 382	5 215	34 452
Current assets		479 598	408 686	262 314	64 225
Inventories	13	86 334	108 722	–	–
Trade and other receivables	14	274 747	261 689	170	174
Amounts owing by group companies	10			250 686	54 370
Foreign currency contracts		604	210	–	–
Taxation refundable		7 280	6 131	–	–
Short-term portion of other non-current assets	12	15 082	24 678	–	9 681
Cash and cash equivalents	15	95 551	7 256	11 458	–
Total assets		731 261	632 660	362 383	212 067
EQUITY AND LIABILITIES					
Shareholders' equity		249 401	231 849	168 939	56 422
Share capital	16.2	281 283	281 283	281 283	281 283
Treasury shares	17	(2 635)	(6 232)	–	–
Non-distributable reserves	18	6 427	6 599	14	14
Retained loss		(53 119)	(56 901)	(112 358)	(224 875)
Equity attributable to equity holders of the parent		231 956	224 749	168 939	56 422
Non-controlling interests		17 445	7 100	–	–
Non-current liabilities		168 504	110 747	152 286	87 065
Interest-bearing liabilities	19	162 598	104 717	152 266	87 065
Deferred maintenance revenue	20	331	2 721	–	–
Deferred income tax	6	5 575	3 309	20	–
Current liabilities		313 356	290 064	41 158	68 580
Trade and other payables	21	184 967	180 581	1 494	2 859
Provisions	22	19 581	22 597	800	446
Amounts owing to group companies	10			5 011	223
Foreign currency contracts		476	5 009	–	–
Taxation		2 626	1 656	467	–
Deferred maintenance revenue	20	55 333	60 403	–	–
Short-term borrowings	23	50 373	19 818	33 386	65 052
Total equity and liabilities		731 261	632 660	362 383	212 067

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Share capital R'000	Treasury shares R'000	Non-distri-butable reserves R'000	Retained earnings/ (loss) R'000	Total parent share-holders' equity R'000	Non-controlling interest R'000	Total equity R'000
GROUP								
Balance as at 30 June 2015		281 283	(6 912)	5 484	(72 087)	207 768	5 335	213 103
Treasury shares – Share Incentive Trust	17	–	680	–	–	680	–	680
Equity settled share-based payment	18.1	–	–	2 505	–	2 505	–	2 505
Recycling of equity settled share-based payment reserve	18	–	–	(1 008)	1 008	–	–	–
Utilisation of equity settled share-based payment reserve	18	–	–	(413)	–	(413)	–	(413)
Total comprehensive income		–	–	31	14 178	14 209	1 765	15 974
Profit for the year		–	–	–	14 178	14 178	1 765	15 943
Other comprehensive income		–	–	31	–	31	–	31
Balance as at 30 June 2016		281 283	(6 232)	6 599	(56 901)	224 749	7 100	231 849
Treasury shares – Share Incentive Trust	17	–	3 597	–	–	3 597	–	3 597
Equity settled share-based payment	18.1	–	–	3 162	–	3 162	–	3 162
Recycling of equity settled share-based payment reserve	18	–	–	(132)	132	–	–	–
Acquisition of companies	3	–	–	–	–	–	6 966	6 966
Dividend paid	33	–	–	–	(4 478)	(4 478)	–	(4 478)
Dividend paid to non-controlling shareholder		–	–	–	–	–	(826)	(826)
Utilisation of equity settled share-based payment reserve	18	–	–	(3 521)	–	(3 521)	–	(3 521)
Transactions with non-controlling shareholders		–	–	–	–	–	3	3
Total comprehensive income		–	–	319	8 128	8 447	4 202	12 649
Profit for the year		–	–	–	8 128	8 128	4 202	12 330
Other comprehensive income		–	–	319	–	319	–	319
Balance as at 30 June 2017		281 283	(2 635)	6 427	(53 119)	231 956	17 445	249 401
COMPANY								
Balance as at 30 June 2015		281 283	–	14	(213 482)	67 815	–	67 815
Total comprehensive income		–	–	–	(11 393)	(11 393)	–	(11 393)
Loss for the year		–	–	–	(11 393)	(11 393)	–	(11 393)
Other comprehensive income		–	–	–	–	–	–	–
Balance as at 30 June 2016		281 283	–	14	(224 875)	56 422	–	56 422
Dividend paid	33	–	–	–	(4 587)	(4 587)	–	(4 587)
Total comprehensive income		–	–	–	117 104	117 104	–	117 104
Profit for the year		–	–	–	117 104	117 104	–	117 104
Other comprehensive income		–	–	–	–	–	–	–
Balance as at 30 June 2017		281 283	–	14	(112 358)	168 939	–	168 939

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

		GROUP		COMPANY	
	Notes	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Cash flows from operating activities		32 068	54 513	117 545	(9 612)
Cash receipts from customers		1 078 938	1 235 888	1 271	12 365
Cash paid to suppliers and employees		(1 013 088)	(1 156 533)	(7 105)	(9 409)
Cash generated from/(utilised in) operations	24.1	65 850	79 355	(5 834)	2 956
Interest received		6 986	5 662	10 638	3 741
Interest paid		(18 521)	(21 596)	(15 201)	(16 309)
Taxation paid	24.2	(16 943)	(8 908)	–	–
Dividend received		–		132 529	–
Dividend paid		(4 478)	–	(4 587)	–
Dividend paid to non-controlling shareholder		(826)	–	–	–
Cash flows from investing activities		14 544	7 266	(100 774)	23 978
Proceeds on disposal of associate (M-Tec)	24.3	–	17 745	–	–
Acquisition of subsidiary, net of cash acquired	24.4	5 616	–	(25)	–
Disposal of business operation, net of cash acquired	24.5	–	–	–	–
Additions to intangibles		(15 097)	(12 152)	–	–
Investment in joint venture		(2 186)	–	(2 186)	–
Receipt of deferred proceeds (M-Tec)		40 734	–	40 734	–
(Increase)/decrease in group company loan accounts		–	–	(138 162)	24 693
Receipts from finance lease asset		10 237	15 132	–	–
Increase in the loan to the Jasco Employee Share Incentive Trust				(1 135)	(715)
Purchase of plant and equipment		(25 377)	(14 538)	–	–
Replacement of plant and equipment	24.6	(2 818)	(2 918)	–	–
Additions to plant and equipment	24.7	(22 559)	(11 620)	–	–
Proceeds on disposal of plant and equipment		617	1 079	–	–
Cash flows from financing activities		41 878	(23 081)	59 739	(8 240)
Cash flows from treasury shares		89	(262)	–	–
Non-current loans raised		105 000	–	105 000	–
Non-current loans repaid		(63 214)	(22 819)	(45 212)	(8 150)
Transactions with non-controlling shareholders		3	–	–	–
Decrease in loan amounts owing to group companies				(49)	(90)
Net increase in cash and cash equivalents		88 490	38 698	76 510	6 126
Cash and cash equivalents at beginning of year		7 256	(31 140)	(65 052)	(71 178)
Revaluation of foreign cash balances		(195)	(302)	–	–
Net cash and cash equivalents at end of year		95 551	7 256	11 458	(65 052)
Cash and cash equivalents	15	95 551	7 256	11 458	–
Bank overdrafts	23	–	–	–	(65 052)
Net cash and cash equivalents at end of year		95 551	7 256	11 458	(65 052)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1. CORPORATE INFORMATION

The consolidated and separate annual financial statements of Jasco Electronics Holdings Limited for the year ended 30 June 2017 were authorised for issue in accordance with a resolution of the directors. Jasco Electronics Holdings Limited is a company incorporated in the Republic of South Africa. The company's shares are publicly traded.

2. ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated and separate annual financial statements set out on pages 5 to 55 have been prepared on a historical cost basis, unless otherwise stated. The consolidated and separate annual financial statements are presented in Rand, which is also the group's functional currency, and are rounded to the nearest thousand, except where otherwise indicated.

2.2 Statement of compliance

The consolidated and separate annual financial statements of Jasco Electronics Holdings Limited and all its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the South African Companies Act of 2008.

2.3 Basis of consolidation

The consolidated annual financial statements include those of the company and its subsidiaries.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances and transactions, including income, expenses and dividends, are eliminated in full.

A change in ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Losses are attributed to the non-controlling interest even if that results in a deficit balance.

If the group loses control over a subsidiary, it derecognises the assets, including goodwill, and liabilities of the subsidiary and the carrying amount of any non-controlling interest while recognising the fair value of the consideration received and the fair value of any investment retained. Any surplus or deficit is recognised in profit and loss and the holding company's share of components previously recognised in other comprehensive income is reclassified to profit or loss.

2.3.1 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed.

If a business combination is achieved in stages, the acquisition date fair value of the previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit and loss.

Any contingent consideration to be transferred will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost, being the excess of the consideration transferred over the group's net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit, and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2. ACCOUNTING POLICIES CONTINUED

2.3 Basis of consolidation continued

2.3.2 Investments in subsidiaries, joint ventures and associates in the separate annual financial statements

Investments in subsidiaries are recognised from the date of acquisition, being the date on which the company obtains control, and continue to be recognised until the date that such control ceases.

Investments in subsidiaries, joint ventures and associates are carried at cost, being the consideration transferred, less any impairment in value. Acquisition costs are expensed.

Any contingent consideration to be transferred will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

2.3.3 Investment in joint venture

The group's investment in an joint venture is accounted for under the equity method of accounting. This is an entity in which the group has joint control. The investment is carried in the statement of financial position at cost plus post-acquisition changes in the group's share of net assets of the joint venture, less any impairment in value.

The statement of comprehensive income reflects the group's share of the results of operations of the joint venture. This is the profit attributable to the group and therefore is profit after tax. Unrealised gains and losses resulting from transactions between the group and the joint venture are eliminated to the extent of the interest in the joint venture.

Upon loss of joint venture, and provided the former joint venture does not become a subsidiary or associate, the group measures and recognises its remaining investment at its fair value. Any difference between the carrying amount of the former joint venture and the fair value of the remaining investment and proceeds from disposal is recognised in profit or loss.

2.3.4 Treasury shares

Shares in Jasco Electronics Holdings Limited held by the Jasco Employee Share Incentive Trust and the Spescom Limited Share Trust that are not allocated to employees, are classified in shareholders' funds as treasury shares. These shares are treated as a deduction from the issued and weighted number of shares and the cost price of the shares is deducted from the shareholders' equity in the statement of financial position.

Dividends received on treasury shares are eliminated on consolidation.

2.4 Segmental information

For management purposes, the group is organised into business units based on their products and services and has four reportable operating segments. The group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured on an aggregate basis and reconciled back to the profit or loss in the consolidated statement of comprehensive income.

Segmental revenue includes sales to third parties, as well as arm's length inter-segmental revenue recorded at fair value.

Segmental operating profits exclude interest paid or received, except for interest income on finance lease receivables, and are stated before inter-segmental charges for interest and administration services between group companies.

2.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, value-added tax or duties. The following specific recognition criteria must also be met before revenue is recognised:

Revenue from the sale of goods is recognised when the significant risk and rewards of ownership have passed to the buyer, usually on delivery of the goods.

Revenue from the rendering of services is recognised in the accounting period in which the services are rendered, by reference to the stage of completion of the specific transaction. The stage of completion is measured by reference to the expenses incurred to date as a percentage of total estimated expenses for each contract.

Rental income is derived from operating leases and is recognised on a straight-line basis over the period of each lease.

Contracting revenue comprises the value of work done, based on the stage of completion. The stage of completion is measured by reference to the expenses incurred to date as a percentage of total estimated expenses for each contract. Expected contract losses are recognised in the statement of comprehensive income when identified.

Interest income is recognised as the interest accrues using the effective interest method (that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset). Interest income is included in finance income in the statement of comprehensive income.

Dividend income is recognised when the right to receive the dividend has been established.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2017

2. ACCOUNTING POLICIES CONTINUED

2.6 Foreign currency translation

2.6.1 Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the rates of exchange ruling at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date. Foreign currency gains and losses are charged to the statement of comprehensive income.

2.6.2 Foreign subsidiaries

The group has investments in foreign subsidiary companies that are classified as foreign entities. The financial statements of these subsidiaries are translated for incorporation into the consolidated financial statements on the following bases:

- Assets and liabilities at the rate ruling at the reporting date
- Income and expenses at a weighted average rate for the period
- Exchange differences arising on translation are recognised in other comprehensive income
- Goodwill and fair value adjustments arising in the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the rate ruling at the reporting date.

On the disposal of a part or all of the foreign investment, the proportionate share of the related cumulative gains and losses previously recognised in other comprehensive income, is recognised in the profit or loss for the year.

2.7 Taxation

2.7.1 Tax expenses

Current and deferred taxes are recognised as income or expenses and are included in the statement of comprehensive income, except to the extent that it relates to items charged or credited in other comprehensive income or directly to equity. The current tax expense/(income) is based on taxable profit. Taxable profit differs from profit reported in the statement of comprehensive income when there are items of income or expense that are taxable or deductible in other years and it also excludes items that are never taxable or deductible under existing tax legislation. Current tax expenses/(income) 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 at the reporting date.

2.7.2 Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a tax payable in the statement of financial position. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as a tax receivable in the statement of financial position.

2.7.3 Deferred tax assets and liabilities

Deferred taxation is provided, using the liability method, on temporary differences at the reporting date between the carrying amounts for financial reporting purposes and their tax bases.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit/(loss) nor taxable profit/(loss); and/or
- in respect of taxable temporary differences relating to investments in subsidiaries, associates or joint ventures, where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, except:

- when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit/(loss) nor taxable profit/(loss); or
- in respect of taxable deductible differences relating to investments in subsidiaries, associates or joint ventures, where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets in the statement of financial position are reviewed annually and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred income tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

2. ACCOUNTING POLICIES CONTINUED

2.7 Taxation continued

2.7.3 Deferred tax assets and liabilities continued

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 laws, that have been enacted or substantively enacted at the reporting date. The measurement of the deferred tax assets and liabilities reflect the tax consequences that would follow from the manner in which the group expects to recover or settle the carrying amounts of its assets and liabilities at the reporting date. The effect on deferred taxation of any changes in taxation rates is charged to the statement of comprehensive income, except to the extent that it relates to items previously charged or credited to other comprehensive income directly to equity.

Deferred tax assets and liabilities are offset for presentation in the statement of financial position where the group has a legally enforceable right to do so and the income taxes relate to the same tax authority.

2.7.4 Value-added taxation

Revenues, expenses and assets are recognised net of the amount of value-added taxation, except:

- where the value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognised as part of the cost of acquisition of the asset or as a part of the expense item as applicable; and
- where receivables and payable are stated with the amount of value-added tax included.

The net amount of value-added tax recoverable from, or payable to, the taxation authority is included as part of the other receivables and payables in the statement of financial position.

2.8 Employee benefits

2.8.1 Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

The provisions for employee entitlements to wages, salaries and annual leave represent the amount that the group has a present obligation to pay as a result of employees' services provided up to the reporting date. The provisions have been calculated at undiscounted amounts based on current wage and salary rates.

2.8.2 Retirement benefits

The group contributes to defined contribution funds.

A defined contribution plan is a pension scheme under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in current and prior periods. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future contribution payments is available.

Contributions to defined contribution funds are charged against income when the related services are rendered.

2.8.3 Share-based compensation

The group operates an equity-settled and a cash-settled share-based compensation plan.

Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they were granted. The fair value of the employee services received in exchange for the shares or options granted is recognised as an expense and a corresponding entry to equity over the period in which the vesting conditions are fulfilled. The cumulative expense recognised for the transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of comprehensive income represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognised in the employee benefits expense.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2017

2. ACCOUNTING POLICIES CONTINUED

2.9 Provisions, contingent liabilities and commitments

Provisions are recognised when the group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

Transactions arising from past events are classified as contingent liabilities where the group has a possible obligation whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group, or the group has a present obligation but is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount cannot be measured with sufficient reliability.

Items are classified as commitments where the group commits itself to future transactions or if the items will result in the acquisition of assets.

2.10 Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment in value. Initial and subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

All plant and equipment is depreciated from the date it is available for use, on a straight-line basis, to write down their cost to their residual value over their estimated useful life. Depreciation ceases at the earlier of either the date the asset is classified as held for sale or the date the asset is derecognised.

Residual values, useful lives and the depreciation method of assets are reviewed, and adjusted prospectively if appropriate, on an annual basis.

Average rates used	
Plant and machinery	10% to 20%
Motor vehicles	25%
Leased furniture and office equipment	10% to 33,3%
Hi sites	5% to 20%
Leasehold improvements	20%
Furniture and office equipment	10% to 33,3%
Computer and manufacturing equipment	10% to 20%

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses on derecognition are determined by comparing the proceeds with the carrying amount. These are included in the statement of comprehensive income.

When a decision is taken to dispose of an asset and the requirements of IFRS 5 have been met, the asset is carried at the lower of its carrying amount and fair value less costs to sell. Depreciation on that asset ceases until it is sold. These assets are disclosed separately on the face of the statement of financial position. Any impairment is recognised directly in profit and loss.

2.11 Impairment of non-financial assets

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The group bases its value in use calculation on detailed budgets and forecast calculations which are prepared separately for each of the group's cash generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

If such indication exists, the group estimates the asset's or cash-generating unit's recoverable amount.

2. ACCOUNTING POLICIES CONTINUED

2.11 Impairment of non-financial assets continued

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase in other comprehensive income.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised.

Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

2.12 Inventories

Inventories, being components, finished goods and merchandise, are valued at the lower of cost, determined on the weighted average basis, and net realisable value. The cost of finished goods includes a proportion of overhead expenses as well as direct costs.

Allowance is made for slow-moving and obsolete inventories.

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

2.13 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

2.13.1 Group as a lessee

Finance leases which transfer to the group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of comprehensive income.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term.

2.13.2 Group as a lessor

Leases in which the group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Where the group enters into a service agreement as a supplier or a customer that depends on the use of a specific asset, and conveys the right to control the use of the specific asset, the arrangement is assessed to determine whether it contains a lease. Once it has been concluded that an arrangement contains a lease, it is assessed against the criteria in IAS 17 to determine if the arrangement should be recognised as a finance lease or operating lease. Assets held under a finance lease are recognised in the statement of financial position and presented as a receivable at an amount equal to the net investment in the lease. The recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the net investment in the finance lease.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2017

2. ACCOUNTING POLICIES CONTINUED

2.14 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally-generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible assets.

The amortisation rate applied to the various categories of intangible assets is as follows:

Technology developments	33,3%
Customer-related intangibles	10% – 20%
Trade names	6,7 – 10%
Computer software	14,3%

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred.

Development expenditures, on an individual project, are recognised as an intangible asset when the group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in profit or loss. During the period of development, the asset is tested for impairment annually.

2.15 Financial instruments

2.15.1 Initial recognition and classification

Financial instruments within the scope of IAS 39 are classified as financial instruments at fair value through profit or loss, loans and receivables or borrowings, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The group determines the classification of its financial instruments at initial recognition.

All financial instruments are recognised initially at fair value plus, in the case of instruments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the group commits to purchase or sell the asset.

The group's financial instruments include cash and short-term deposits, trade and other receivables, loans and other receivables, trade and other payables, bank overdrafts, loans and borrowings, financial guarantee contracts, quoted and unquoted financial instruments and derivative financial instruments.

2. ACCOUNTING POLICIES CONTINUED

2.15 Financial instruments continued

2.15.2 Subsequent measurement

Subsequent to initial recognition, these instruments are measured as set out below:

Trade and other receivables

Trade receivables, which generally have 30 to 90-day terms, are recognised and carried at amortised cost, using the effective interest rate method, less any impairment. An estimate of any impairment is made to an allowance account on individual debtors when there is an indication (such as the probability of insolvency or significant difficulties of the debtor) that the collection of the full amount under the original terms of the invoice is no longer probable. Impaired debts are derecognised when they are assessed as uncollectible. Trade receivables whose terms have been renegotiated are recalculated as a change in estimate.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits together with any highly liquid investments readily convertible to known amounts of cash. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Cash and cash equivalents are carried at amortised cost.

Loans receivable

These are non-derivative financial assets, recognised at amortised cost, using the effective interest rate method, less any impairment. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Available-for-sale financial assets

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or determined to be impaired, at which time the cumulative loss is reclassified to profit or loss in finance costs and removed from the available-for-sale reserve.

Loans payable and trade and other payables

These are non-derivative financial liabilities, recognised at amortised cost, comprising original debt less principal repayments, using the effective interest rate method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Derivative instruments

Derivative instruments comprise foreign currency contracts and foreign currency option contracts and are used by the group to economically hedge its risks associated with currency fluctuations.

Derivative financial instruments are held for trading and carried at fair value through profit and loss.

The fair value of foreign currency contracts and option contracts is calculated through reference to the current forward exchange contracts and option contracts with similar maturity profiles. Any gains or losses arising from the change in fair value, calculated as the difference between the instrument's forward value and the forward value of a current instrument with a similar maturity profile, are taken directly to the statement of comprehensive income.

Offset

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when the group has a legally enforceable right to set-off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.15.3 Derecognition

The derecognition of a financial instrument occurs when the group no longer controls the contractual rights to receive cash flows from the asset or the obligation has been extinguished, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party. Any profit or loss on derecognition is recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2017

2. ACCOUNTING POLICIES CONTINUED

2.16 Significant accounting judgement and estimates

The preparation of the group's consolidated and separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the group's accounting policies, management has made the following judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the consolidated and separate financial statements:

2.16.1 Plant and equipment

The useful lives of assets are based on management's estimation. Management considers the impact of changes in technology, customer service requirements, availability of capital funding and required return on assets and equity to determine the optimum useful life expectation of each individual item of plant and equipment. The estimation of residual values of assets is based on management's judgement of whether the assets will be sold and what their condition will be at that time.

2.16.2 Impairment of non-financial assets

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

Where impairment indicators exist, the determination of the recoverable amount requires management to make assumptions to determine the fair value less costs to sell or value in use. Key assumptions on which management has based its determination of value in use include projected revenues, gross margins, average revenue per unit, earnings multiple, capital expenditure, expected customer bases and market share. The judgements, assumptions and methodologies used can have a material impact on the fair value and ultimately the amount of any impairment.

2.16.3 Impairment of financial assets

At each reporting date, management assesses whether there are indicators of impairment of financial assets. If such evidence exists, the estimated present value of the future cash flows of that asset is determined. Management's judgement is required when determining the expected future cash flows.

An impairment of trade receivables is raised for management's estimates of losses on trade receivables that are deemed to contain a collection risk.

The impairment is based on an assessment of the extent to which customers have defaulted on payments already due and an assessment of their ability to make payments based on creditworthiness and historical write-offs experienced. Should the financial condition of the customers change, actual write-offs could differ significantly from the impairment.

2.16.4 Taxation

Management's judgement is exercised when determining the probability of future taxable profits, which will determine whether deferred tax assets should be recognised or derecognised. The utilisation of deferred tax assets will depend on whether it is possible to generate sufficient taxable income, taking into account any legal restrictions on the length and nature of the taxation asset. When deciding whether to recognise unutilised taxation credits, management needs to determine the extent to which future payments are likely to be available for set-off. In the event that the assessment of future payments and future utilisation changes, the change in the recognised deferred taxation is recognised in profit or loss.

2.16.5 Employee benefits

The group operates an equity-settled share-based compensation plan. The related expense and reserve are determined through an actuarial valuation, which relies heavily on assumptions as disclosed in note 18.1. The factors that influence the valuation include employee turnover percentages, the expected life of the share option, volatility and dividend yield.

2.16.6 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.17 Standards and interpretations issued and not yet effective

The following Standards and Interpretations or amendments thereto have been issued and are not yet effective at the time of this report. Only those that may be expected to affect these financial statements have been detailed below:

Number	Name	Details of amendment	Effective Date
IAS 7	Statement of Cash flows	Disclosure Initiative: Amendments requiring entities to disclosure information about changes in their financing liabilities. The additional disclosures will help investors to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes (such as foreign exchange gains or losses).	01 January 2017
IAS 12	Income Taxes	Recognition of deferred Tax Assets for unrealised losses (Amendments to IAS 12): Narrow-scope amendment to clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.	01 January 2017
IFRS 12	Disclosure of Interests in Other Entities	Annual Improvements 2014-2016 Cycle: Clarification of the scope of IFRS 12 with respect to interests in entities classified as held for sale in accordance with IFRS 5 Non-current assets held for sale and discontinued operations.	01 January 2017
IFRS 9	Financial Instruments	A final version of IFRS 9 has been issued which replaces IAS 39 and applies to the classification and measurement of financial assets and financial liabilities, as well as hedge accounting. A low impact is expected on the treatment of instruments.	01 January 2018
IFRS 15	Revenue from Contracts with Customers	IFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard will supersede all current revenue recognition requirements under IFRS. The transitional impact is only considered for revenue recognition for Service-Level Agreeements (SLA's) longer than 12 months, however the current revenue recognition policy under IAS 18 is based on the stage of completion method which is consistent to the output methods under IFRS 15.B15.	01 January 2018
IFRIC 22	Foreign currency transactions and advance consideration	This interpretation addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency.	01 January 2018
IFRS 2	Share-based payment	The amendments address: the effects of vesting conditions on the measurement of a cash-settled share-based payment (SBP); the accounting requirements for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled; and classification of share-based payment transactions with net settlement features. There's no impact expected as Jasco's share-based payments awards are equity-settled.	01 January 2018
IFRS 16	Leases	New standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. The new lease standard will supersede all current revenue recognition requirements under IFRS.	01 January 2019
IFRS 10 and IAS 28	Consolidated Financial Statements (IFRS 10) and Investments in Associates and Joint Ventures (IAS 28)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.	The effective date of this amendment has been deferred indefinitely until further notice.

** *Annual periods beginning on or after, unless otherwise indicated*

The group is investigating the impact of these pronouncements and intends to apply them as they become effective, if applicable. For the most part, unless indicated above, the effect of these Standards and Interpretations are not expected to be significant.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2017

	Issued share capital	Effective ownership 2017 %	Effective ownership 2016 %
3. SUBSIDIARY COMPANIES INCLUDED IN THESE RESULTS			
Trading companies			
Direct			
Jasco Trading (Pty) Limited	4 180	100	100
Jasco Carrier Solutions (Pty) Limited	4 000	100	100
Jasco Energy and Industry Solutions (Pty) Limited	6 406 859	100	100
Jasco Networks (Pty) Limited	13 400	100	100
Jasco East Africa	100	99	99
Jasco Enterprise (Pty) Limited	100	100	100
Jasco Systems (Pty) Limited	100	100	100
Jasco Distributors (Pty) Limited *(formerly: Jasco Managed Solutions (Pty) Limited)*	11 500	70	100
Jasco IOT Solutions (Pty) Limited	510	100	–
Jasco Property Solutions (Pty) Limited	100	100	–
Reflex Solutions (Pty) Limited	1 000	51	–
Indirect			
Ferro Resonant Technologies (Pty) Limited*	1 000	100	100
Maringo Communications (Pty) Ltd#	228	100	100
MV Fire Protection (Pty) Limited$	297	51	51
NewTelco South Africa (Pty) Limited$	100	67	67
Jasco Services (Pty) Limited$	100	82	82
Dormant			
Jasco Cables Investments (Pty) Limited	543 780	100	100
Jasco Converged Solutions (Pty) Limited&	1 001	100	100
Jasco Infrastructure Company (Pty) Limited$ *(formerly: Jasco Properties (Pty) Limited)*	100	100	100
Telesto Communications (Pty) Limited@	1 000	100	100
Webb Industries (Pty) Limited%	1 000	100	100
Network (Pty) Limited	400	100	100

With the exception of Jasco East Africa all the subsidiary companies are registered in South Africa.

* *Shares owned by Jasco Trading (Pty) Limited.*
\# *Shares owned by Jasco Carrier Solutions (Pty) Limited.*
$ *Shares owned by Jasco Energy and Industry Solutions (Pty) Limited.*
@ *Shares owned by Jasco Enterprise (Pty) Limited*
% *Shares owned by Webb Masts and Towers (Pty) Limited*
& *Shares owned by Jasco Networks (Pty) Limited*

	2017 R'000	2016 R'000
Aggregate profits of subsidiaries	141 035	58 034
Aggregate losses of subsidiaries	(11 949)	(2 851)
	129 086	55 183

3. SUBSIDIARY COMPANIES INCLUDED IN THESE RESULTS CONTINUED

Non-controlling interest

	Opening NCI	NCI: At acquisition	Dividends	Transactions with NCI:	NCI: Current profit/loss	Closing NCI
2017						
Reflex Solutions (Pty) Limited	–	6 966	–	–	1 590	8 556
MV Fire Protection (Pty) Limited	4 325	–	(826)	–	1 278	4 777
NewTelco South Africa (Pty) Limited	4 713	–	–	–	1 334	6 047
Other non-significant NCI	(1 938)	–	–	3	–	(1 935)
	7 100	6 966	(826)	3	4 202	17 445
2016						
MV Fire Protection (Pty) Limited	3 335	–	–	–	990	4 325
NewTelco South Africa (Pty) Limited	3 937	–	–	–	776	4 713
Other non-significant NCI	(1 938)	–	–	–	–	(1 938)
	5 334	–	–	–	1 766	7 100

	Reflex		MV Fire		NTSA	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Summarised statement of profit or loss						
Revenue	28 418	–	31 619	26 068	27 650	37 399
Cost of sales	(17 568)	–	(20 203)	(16 530)	(14 874)	(23 520)
Operating expenses (incl. other income)	(6 225)	–	(7 107)	(6 214)	(5 449)	(7 027)
Finance costs	(118)	–	(335)	(438)	(1 647)	(3 567)
Profit before tax	4 507	–	3 974	2 886	5 680	3 285
Income tax expense	(1 262)	–	(1 366)	(864)	(1 636)	(935)
Total comprehensive income	3 245	–	2 608	2 022	4 044	2 350
Attributable to non-controlling interests	1 590	–	1 278	990	1 334	776
Summarised statement of financial position						
Current assets	19 151	–	14 269	9 678	27 782	41 161
Non-current assets	6 986	–	1 746	1 699	2 363	14 098
Total Assets	26 137	–	16 015	11 377	30 145	55 259
Equity	9 300	–	6 945	6 024	12 209	8 166
Current liabilities	12 688	–	5 350	3 000	16 624	24 338
Non-current liabilities	4 149	–	3 720	2 353	1 312	22 755
Total Equity and Liabilities	26 137	–	16 015	11 377	30 145	55 259
Summarised statement of cash flow						
Operating	2 243	–	(2 824)	3 329	2 888	9 047
Investing	4 339	–	(180)	(300)	14 944	15 046
Financing	(4 525)	–	986	(971)	(19 938)	(15 933)
Net movement in cash and cash equivalents	2 057	–	(2 018)	2 058	(2 106)	8 160

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2017

3. SUBSIDIARY COMPANIES INCLUDED IN THESE RESULTS CONTINUED

Acquisitions in 2016

The group acquired no businesses or subsidiaries during the year.

Acquisitions in 2017

With effect from 1 May 2017, the group acquired 51% of the shares in Reflex Solutions (Pty) Limited for a maximum undiscounted purchase consideration of R39 780 000, subject to the achievement of a specific profit after tax for the year ending on 30 June 2018. Reflex is a comprehensive IT solutions provider, offering services ranging from network infrastructure and data centres to voice and data connectivity and a variety of customer support services.

Included in the consideration is a contingent consideration amount of R9 780 000 subject to a audited net profit after tax target being met in 2018. The target is expected to be met. R30 million was settled on 5 July 2017.

The purchase consideration was discounted using an assumed discount rate of 10,5%.

The fair values of the customer-related intangibles for Reflex were determined using a discounted cash flows technique. The significant unobservable inputs (level 3 inputs) used were as follows:

– an assumed discount rate of 16, 55%
– an EBIT margin of 15%
– a growth rate of 6%

From the date of acquisition, Reflex contributed R28 337 032 of revenue and R4 506 172 to profit before tax of the group. If the combination had taken place at the beginning of the year, the revenue contribution would have been R87 610 646 and the profit before tax contribution would have been R15 394 524.

Subsequent events

With effect from 1 September 2017, Jasco increased its investment in Jasco Datafusion from 10% to 51% for a maximum undiscounted amount of R3 million. The entity specialises in connectivity and data transmission related value added services to small and medium businesses. The initial investment was carried at cost and the fair value at acquisition cannot be measured reliably yet.

The group elected to measure the non-controlling interest in the acquiree at the non-controlling shareholders' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

The fair values of the assets and liabilities of the acquired subsidiaries as at date of acquisition were as follows:

	Reflex R'000	DataFusion* R'000
Assets		
Plant and equipment	6 131	7 730
Cash and cash equivalents	5 641	1 280
Trade and other receivables	26 470	–
Inventories	2 639	890
Customer related intangibles	11 334	–
	52 215	9 900
Liabilities		
Trade and other payables	22 667	4 585
Deferred tax liability	3 487	–
Non-current loans	8 300	4 495
Taxation payable	3 544	–
	37 998	9 080
Total identifiable net assets at fair value	14 217	820
Non-controlling interest	(6 966)	(1 477)
Goodwill arising on acquistion	30 475	3 657
Purchase consideration (note 24.4)	37 726	3 000

** Provisional amounts.*

	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
4. REVENUE				
Finance income (note 5)	6 986	6 396	143 167	4 089
Turnover	1 037 315	1 070 033	–	–
Sale of goods	704 872	702 016	–	–
Rendering of services	304 788	343 004	–	–
Rental income	27 655	25 013	–	–
Total revenue	1 044 301	1 076 429	143 167	4 089
Turnover represents the net invoiced value of local and export sales, services and rental income, but excludes value-added tax and inter-company sales.				
5. PROFIT/(LOSS) BEFORE TAXATION				
The operating profit/(loss) is stated after allowing for the following:				
Income				
Administration, managerial and secretarial fees received from subsidiaries			7 351	7 491
Foreign exchange gains arising from financial instruments at fair value through profit and loss	13 697	10 163	–	–
– realised	9 989	7 668	–	–
– unrealised arising from change in fair value	3 708	2 495	–	–
• Finance income	6 986	6 396	143 167	4 089
– Finance income from loans and receivables	4 269	2 442	10 638	4 089
– amounts owing by subsidiaries			9 040	3 741
– bank interest	1 418	968	–	–
– other loans	2 759	1 401	1 584	348
– other	92	73	14	–
• Dividend income	–	–	132 529	–
• Finance income from finance lease agreements	2 717	3 954	–	–
Profit on disposal of plant and equipment	242	456	–	–
Profit on disposal of security installation business	3 403	–	–	–
Reversal of impairment of loan to the Jasco Employee Share Incentive Trust			681	979
Expenditure				
Administration, managerial and secretarial fees paid to subsidiaries			4 463	3 719
Administration, managerial and secretarial fees paid to others	–	6	–	–
Amortisation of intangible assets (refer note 9)	4 738	3 312	–	–
Auditors' remuneration	5 241	4 281	650	297
– audit fees (current year)	4 534	4 233	650	446
– audit fees (prior year)	(1)	(124)	–	(149)
– consulting and taxation services	708	172	–	–

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2017

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
5. PROFIT/(LOSS) BEFORE TAXATION CONTINUED				
Expenditure continued				
Depreciation of plant and equipment (refer note 8)	12 960	12 098	–	–
Finance costs of other financial liabilities	18 521	21 596	15 201	16 309
• Finance costs	17 212	21 178	15 201	16 309
– amounts owing to subsidiaries	–	–	3	15
– bank loans and overdrafts	5 532	5 550	5 177	4 667
– corporate bond	9 364	11 627	9 364	11 627
– other loans	1 461	3 570	–	–
– other	855	431	657	–
• Finance charges	1 309	418	–	–
– finance lease agreements	224	323	–	–
– instalment sale agreements	1 085	95	–	–
Foreign exchange losses arising from financial instruments at fair value through profit and loss	22 324	15 512	85	11
– realised	20 537	9 619	5	11
– unrealised arising from change in fair value	1 787	5 893	80	–
Loss on deregistration of subsidiary	–	–	6 351	–
Loss on disposal of plant and equipment	321	154	–	–
Loss on fair value adjustment	239	–	239	–
Loss on disposal of associate held for sale	–	255	–	–
Operating lease charges	18 872	18 389	–	–
– rental premises	17 465	17 035	–	–
– equipment	276	305	–	–
– motor vehicles	1 131	1 049	–	–
Research and development costs	356	315	–	–
Royalties paid	349	408	–	–
Staff costs	270 815	273 014	2 011	2 014
• Short-term benefits	245 231	245 750	2 011	2 014
– non-executive directors*	1 988	1 984	1 988	1 984
– executive directors*	6 285	4 846	–	–
– executive management	17 045	15 187	–	–
– other staff (including other benefits)	219 913	223 733	23	30
• Equity settled share-based payment (refer note 18.1)	3 162	2 505	–	–
– executive directors*	2 578	2 186	–	–
– executive management	525	305	–	–
– other staff	59	14	–	–
• Post-employment benefits – total amounts contributed to defined contribution funds	21 816	23 936	–	–
– executive directors*	1 011	952	–	–
– executive management	1 767	1 768	–	–
– other staff	19 038	21 216	–	–
• Other short-term benefits	606	823	–	–
– executive directors*	421	407	–	–
– executive management	185	416	–	–

** Refer to note 27*

5. PROFIT/(LOSS) BEFORE TAXATION CONTINUED

5.1 Loss arising due to fraudulent transactions in Enterprise

In late March 2017 the group became aware of suspicious transactions by the Enterprise Financial Director (FD). Jasco's leadership immediately commenced with a preliminary investigation, with the results leading to the appointment of an external fraud investigation and dispute services team to conduct a forensic investigation. The Enterprise FD was suspended and he has made an admission of guilt and signed an acknowledgement of debt for transactions totalling R1,065,583.62.

		GROUP		COMPANY	
		2017 R'000	2016 R'000	2017 R'000	2016 R'000
6. TAXATION					
South African normal taxation					
Current		13 012	5 151	467	–
– current year charge		12 813	5 153	467	–
– prior year over provision		199	(2)	–	–
Deferred		3 033	4 557	672	(261)
– relating to origination and reversal of temporary differences		3 033	7 344	672	(261)
– prior year (over)/under provision*		–	(2 787)	–	–
Foreign taxes paid		198	826	–	–
Total normal tax		16 243	10 534	1 139	(261)
Dividends withholding tax		10	–	–	–
Total taxation		16 253	10 534	1 139	(261)
The reconciliation of the effective rate of the tax charge to the company tax rate is as follows:					
Standard taxation rate	(%)	28,0	28,0	28,0	28,0
Prior year over/under provision	(%)	0,7	5,0	–	–
Non-deductible expenses&	(%)	20,4	20,4	4,5	(28,1)
Non-taxable income	(%)	(3,3)	(0,2)	(31,5)	2,3
(Utilisation)/raising of unused tax credit	(%)	8,2	(13,5)	–	–
Differences in corporate tax rates	(%)	2,9	0,1	–	–
Effective taxation rate	(%)	56,9	39,8	1	2,2
Deferred income tax asset/(liability)					
Beginning of year		28 470	33 027	652	391
Acquisition of subsidiary		(3 486)	–	–	–
Income statement movement		(3 033)	(4 557)	(672)	261
End of year		21 951	28 470	(20)	652
Deferred tax asset		27 526	31 779	–	652
Deferred tax liability		(5 575)	(3 309)	(20)	–
Net deferred tax asset		21 951	28 470	(20)	652

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2017

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Made up as follows:				
– taxation losses	21 364	29 443	–	675
– provisions	4 352	5 479	–	–
– capitalised costs	45	24	–	–
– amortisation of intangibles	(3 882)	(2 345)	–	–
– impairment of receivables	451	403	–	–
– prepayments	(5 865)	(6 579)	(20)	(23)
– retentions	(947)	(269)	–	–
– section 24C allowance	(5 924)	(7 088)	–	–
– loans waived	–	(6 332)	–	–
– income received in advance	15 623	17 513	–	–
– deferred gains and losses on foreign currency contracts	(30)	1 344	–	–
– deferred lease payments and income	3 235	2 822	–	–
– finance lease agreements	(1 700)	(2 602)	–	–
– accelerated depreciation	(4 771)	(3 343)	–	–
	21 951	28 470	(20)	652
Estimated taxation losses available for set off against future taxable profits	77 321	105 323	–	2 412
Estimated taxation losses recognised as an asset	76 300	105 154	–	2 412
Effective recognition (%)	98,7	99,8	–	100,0
Unused tax losses	8 529	318	–	–

This relates to the recognition of previously unrecognised tax losses, resulting from the improved profitabilities of subsidiaries.
& *This consists mainly of the interest on the corporate bond.*

7. EARNINGS PER ORDINARY SHARE

The earnings per share of 3,6 cents (2016: 6,3 cents) is based on earnings of R8 127 532 (2016: R14 177 530) and 226 911 957 (2016: 224 615 505) shares, being the weighted average number of shares in issue during the year, less the treasury shares.

Headline earnings per ordinary share

The headline earnings per share of 2,5 cents (2016: 6,3 cents) is based on headline earnings of R5 408 756 (2016: R14 130 679) and 226 911 957 (2016: 224 615 505) shares, being the weighted average number of shares in issue during the year, less the treasury shares.

	GROUP	
	2017 R'000	2016 R'000
Reconciliation of headline earnings		
Net profit attributable to ordinary shareholders	8 128	14 178
Adjusted for	(2 562)	(47)
– net loss/(profit) on disposal of plant and equipment	79	(302)
– loss on disposal of associate held for sale – M-TEC	–	255
– profit on disposal of business operation	(2 641)	–
Headline earnings	5 566	14 131

7.1 Diluted earnings and diluted headline earnings per ordinary share

The same earnings and headline earnings as per note 7 were used to calculate the diluted earnings per share of 3,5 cents (2016: 6,3 cents) and headline earnings per share of 2,4 cents (2016: 6,3 cents). The shares and options issued by the Share Incentive Trusts impacted the weighted average number of shares used in the calculation as follows:

	2017	2016
Weighted average number of shares	226 911 957	224 615 505
Dilutive shares or options	2 450 738	104 559
	229 362 695	224 720 064

8. PLANT AND EQUIPMENT

GROUP	Leasehold improvements R'000	Plant and machinery R'000	Hi sites R'000	Furniture fixtures and office equipment R'000	Motor vehicles R'000	Computer and manufacturing equipment R'000	Leased furniture and office equipment R'000	Total plant and equipment R'000
2017								
Net book value								
– beginning of year	2 744	26 804	3 200	17 007	1 276	8 287	1 764	61 082
– cost	5 859	54 233	12 790	33 104	3 889	18 199	2 300	130 374
– accumulated depreciation	(3 115)	(27 429)	(9 590)	(16 097)	(2 613)	(9 912)	(536)	(69 292)
Current year movements	1 513	7 149	(181)	5 045	(42)	4 786	(416)	17 854
– additions	2 331	11 481	130	8 978	–	2 377	80	25 377
– net book value of disposals	–	(164)	–	(85)	(137)	(235)	(75)	(696)
– foreign currency translation reserve adjustment	–	–	–	–	–	2	–	2
– net acquisition of subsidiary	–	–	–	230	533	5 368	–	6 131
– depreciation	(818)	(4 168)	(311)	(4 078)	(438)	(2 726)	(421)	(12 960)
End of year	4 257	33 953	3 019	22 052	1 234	13 073	1 348	78 936
Made up as follows:								
– cost	8 195	64 469	12 920	42 542	4 906	30 418	2 279	165 729
– accumulated depreciation	(3 938)	(30 516)	(9 901)	(20 490)	(3 672)	(17 345)	(931)	(86 793)
Net book value	4 257	33 953	3 019	22 052	1 234	13 073	1 348	78 936
2016								
Net book value								
– beginning of year	2 266	26 810	2 800	18 909	1 188	7 101	345	59 419
– cost	4 978	51 337	12 144	41 043	3 683	16 601	1 119	130 905
– accumulated depreciation	(2 712)	(24 527)	(9 344)	(22 134)	(2 495)	(9 500)	(774)	(71 486)
Current year movements	478	(6)	400	(1 902)	88	1 186	1 419	1 663
– additions	1 081	3 772	655	2 502	587	4 009	1 932	14 538
– net book value of disposals	–	(152)	(8)	(426)	(2)	–	(189)	(777)
– depreciation	(603)	(3 626)	(247)	(3 978)	(497)	(2 823)	(324)	(12 098)
End of year	2 744	26 804	3 200	17 007	1 276	8 287	1 764	61 082
Made up as follows:								
– cost	5 859	54 233	12 790	33 104	3 889	18 199	2 300	130 374
– accumulated depreciation	(3 115)	(27 429)	(9 590)	(16 097)	(2 613)	(9 912)	(536)	(69 292)
Net book value	2 744	26 804	3 200	17 007	1 276	8 287	1 764	61 082

Pledged as security

Certain motor vehicles and equipment are secured as per note 19.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2017

	GROUP					
	Goodwill R'000	Trade names R'000	Voice transaction management applications R'000	Computer software R'000	Customer related intangible assets R'000	Total intangible assets R'000
9. INTANGIBLE ASSETS						
2017						
Net book value – beginning of year	65 841	2 430	9 206	4 084	7 170	88 731
– cost	65 841	4 002	9 524	4 654	13 802	97 823
– accumulated amortisation	–	(1 572)	(318)	(570)	(6 632)	(9 092)
Current year movements	30 486	1 478	11 438	1 339	7 438	52 179
– additions	–	–	12 898	2 199	–	15 097
– acquisition of subsidiary	30 486	1 826	–	–	9 508	41 820
– amortisation	–	(348)	(1 460)	(860)	(2 070)	(4 738)
End of year	96 327	3 908	20 644	5 423	14 608	140 910
Made up as follows:						
– cost	96 327	5 828	22 422	6 854	23 310	154 741
– accumulated amortisation	–	(1 920)	(1 778)	(1 431)	(8 702)	(13 831)
Net book value	96 327	3 908	20 644	5 423	14 608	140 910
2016						
Net book value – beginning of year	65 841	2 835	–	1 975	9 240	79 891
– cost	65 841	16 465	24 822	2 027	13 827	122 982
– accumulated amortisation	–	(13 630)	(24 822)	(52)	(4 587)	(43 091)
Current year movements	–	(405)	9 206	2 109	(2 070)	8 840
– additions	–	–	9 524	2 628	–	12 152
– amortisation	–	(405)	(318)	(519)	(2 070)	(3 312)
End of year	65 841	2 430	9 206	4 084	7 170	88 731
Made up as follows:						
– cost	65 841	4 002	9 524	4 654	13 802	97 823
– accumulated amortisation	–	(1 572)	(318)	(570)	(6 632)	(9 092)
Net book value	65 841	2 430	9 206	4 084	7 170	88 731

The voice transaction management applications consist of costs capitalised during the development of various voice transaction management applications. These intangibles have finite useful lives and are amortised over a period of three years.

The customer-related intangible assets relate to the customer contracts and relationships acquired in the Telesto, MV Fire and Spescom acquisition.

The customer-related and trade name intangible assets acquired in the current year relate to the customer contracts and relationships and the brand acquired in the Reflex Solutions acquisition.

	Carrying value		Impairment	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
9. INTANGIBLE ASSETS CONTINUED				
Goodwill				
The goodwill relating to each reporting segment is as follows:				
Carrier	33 879	33 879	–	–
Enterprise	58 777	28 302	–	–
Intelligent Technologies	3 060	3 049	–	–
Electrical Manufacturers	611	611	–	–
	96 327	65 841	–	–

As at the reporting date, the goodwill was tested for impairment. The cash flow projections from financial budgets approved by the board of directors, covering a one-year period, are discounted to the present value, using discount rates appropriate to the cash-generating unit the asset belongs to, of 12,51% (2016: 14,56%). Revenue growth assumptions after the first year was based on an inflationery increase. A long-term growth rate of 0,8% was assumed into perpetuity.

Sensitivity analysis

Management has performed a sensitivity analysis for the material goodwill balances, being the goodwill relating to the investments in the Jasco Carrier Solutions cash-generating unit (CGU) and the Enterprises CGU.

With regard to the assessment of the value-in-use of the investment, management believes that the most notable possible change in any of the above key assumptions would result from a change to the discount rate. The second most sensitive assumption is the long-term growth rate and the third assumption is a change to the free cash flow projections.

A reasonable possible change in any of the key assumptions would not result in the carrying amount of any of the CGUs exceeding their recoverable amounts.

Key assumptions

The calculation of value-in-use is most sensitive to gross margin, profit before tax, discount rates and growth rates used to extrapolate cash flows beyond the financial forecast period. Gross margins and profit before tax are based on the forecasted margin after the new acquisition for the year. These are increased over the budget period for anticipated efficiency improvement and therefore based on financial forecasts. Discount rates reflect management's estimate of the risks specific to each CGU. Growth rate estimates are conservatively applied to each unit having considered industry expected growth rates and internal targets. The group and company are not expecting to exceed the long-term average growth rates of the industry.

Conclusion

Based on the result of the valuation, no impairment of the goodwill is required for the current year.

	COMPANY	
	2017 R'000	2016 R'000
10. INVESTMENT IN SUBSIDIARIES		
Unlisted shares at cost less amounts written off		
– Jasco Cables Investment (Pty) Limited*	–	–
– Jasco Carrier Solutions (Pty) Limited	38 891	38 891
– Jasco East Africa Limited	14	–
– Jasco Energy and Industry Solutions (Pty) Limited#	5 823	55 823
– Jasco Enterprise (Pty) Limited	6 645	6 645
– Jasco Managed Solutions (Pty) Limited (Previously Jasco Telecommunications (Pty) Limited)	2 623	3 995
– Jasco Networks (Pty) Limited	136	136
– Jasco Infrastructure (Pty) Limited (Previously Jasco Properties (Pty) Limited)*	–	–
– Jasco Trading (Pty) Limited	877	877
– Jasco Systems (Pty) Limited*	–	–
– Jasco Property Solutions (Pty) Limited	11	–
– Jasco IOT Solutions (Pty) Limited	1	–
– Reflex Solutions (Pty) Limited	37 726	–
– Spescom Electronics Holdings (Pty) Limited$	–	6 371
– Webb Masts and Towers (Pty) Limited*	–	–
	92 747	112 738

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2017

	COMPANY 2017 R'000	COMPANY 2016 R'000
10. INVESTMENT IN SUBSIDIARIES CONTINUED		
Amounts owing by group companies on current account		
– Jasco Trading (Pty) Limited	247 903	51 298
– Jasco Cables Investment (Pty) Limited	7	–
– Jasco Carrier Solutions (Pty) Limited	1 099	1 379
– Ferro Resonant Technologies (Pty) Limited	294	467
– Jasco Networks (Pty) Limited	513	455
– Jasco Systems (Pty) Limited	759	771
– Jasco Property Solutions (Pty) Limited	1	–
– Jasco Services (Pty) Limited	110	–
	250 686	54 370
Amounts owing to group companies on current account		
– Jasco Trading (Pty) Limited	(4 521)	(223)
– Jasco Enterprise (Pty) Limited	(490)	–
	(5 011)	(223)

The loans to/from subsidiaries attract interest at a rate which is agreed upon between both parties on an annual basis and have no fixed repayment terms.

The investment in Jasco Cables Investment (Pty) Limited of R131 378 382 and the current amount advanced to them of R87 123 526 (2016: R87 123 526) was impaired, to decrease the carrying amount to its recoverable amount, which is based on a value-in-use calculation.

** The carrying value of these investments are less than R1 000 each.*
$ Jasco deregistered the following dormant entities:
– Jasco Transmission and Distribution (Pty) Ltd (formely Special Cables (Pty) Limited
– Spescom Electronics Holdings (Pty) Limited
 # The reduction in the investment relates to a share capital redemption.

11. INVESTMENT IN JOINT VENTURE

Jasco Middle East DMCC

The group acquired a 40% interest in Jasco Middle East DMCC with effect from1 January 2017. Jasco Middle East is an entity incorporated in Middle East (Dubai) and operates in the ICT sector.

The group's interest in the joint venture's net assets and liabilities at 30 June 2017 and the income and expenses for the year then ended, was as follows:

	2017 R'000
Financial position	1 846
– current assets	468
– non-current assets	1 378
	(1 562)
– current liabilities	(926)
– non-current liabilities	(636)
Investment in joint venture	284
Income and expenses	
Administrative expenses	(1 812)
Finance costs	(11)
Loss before taxation	(1 823)
Taxation	–
Loss for the year	(1 823)

The acquisition of Jasco Middle East DMCC coincides with the formation thereof and accordingly, no pre-acquisition profit or loss and no at-acquisition assets and liabilities will be disclosed.

	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
12. OTHER NON-CURRENT ASSETS				
12.1 Loan to the Jasco Employee Share Incentive Trust			5 215	3 399
Loan			10 897	9 762
Allowance for impairment			(5 682)	(6 363)
The loan attracts interest at a rate which is agreed upon between the parties on an annual basis and has no fixed terms of repayment.				
The directors are of the opinion that after the allowance for impairment, the loan is fairly stated. The impairment provision is calculated as the difference between the fair value of the Trust's net assets and the loan. The decrease of R680 911 (2016: R978 975) relates to an increase in the fair value of the Trust's net assets.				
12.2 Deferred proceeds				
12.2.1 Deferred proceeds on disposal of M-TEC	–	31 053	–	31 053
Loan	–	40 734	–	40 734
Current portion transferred to current assets	–	(9 681)	–	(9 681)
The loan attracts interest at prime, and is repayable in equal monthly instalments of R1 521 772 from 30 November 2016 until 30 April 2019. This loan was repaid by 31 May 2017.				
The loan is secured by a pledge of the shares in M-TEC and a pledge of CIH's shareholding in Jasco.				
12.2.2 Deferred proceeds on disposal of Security business operation	2 850	–	–	–
Consideration	3 000	–	–	–
Current portion transferred to current assets Jasco sold its security installation service for R3 million under an enterprise development initiative, to Jasco Technical Services. The outstanding purchase price bears interest at prime and has fixed terms of payment.	(150)	–	–	–
12.3 Finance lease receivable	1 157	11 329	–	–
Total	16 089	26 326	–	–
– future minimum rentals under the finance lease receivables	16 814	28 943	–	–
– unearned finance income	(725)	(2 617)	–	–
Current portion transferred to current assets	(14 932)	(14 997)	–	–
The finance lease receivable relates to the leasing of points of presence (POPs) for a period of five years. The effective rate of interest is 12,25% and the lease is repayable in equal monthly instalments by 1 February 2018. Jasco entered into a lease relating to broadcasting equipment for 2 years. The effective interest rate is 12% and the lease is repayable in fixed monthly instalments by 1 October 2018				
Total	4 007	42 382	5 215	34 452

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2017

	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
13. INVENTORIES				
Raw materials	31 398	26 807	–	–
Work in progress	4 315	14 992	–	–
Finished goods and merchandise	50 621	66 923	–	–
– at cost	57 745	72 320	–	–
– provision for obsolete stock	(7 124)	(5 397)	–	–
	86 334	108 722	–	–
Inventory expensed, included in cost of sales	590 417	623 498	–	–
– inventory expensed during the year	590 800	623 771	–	–
– inventory provision reversed during the year	(383)	(273)	–	–

	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
14. TRADE AND OTHER RECEIVABLES				
Trade receivables	206 948	186 004	–	2
– trade receivables	209 097	187 923	–	2
– impairment	(2 149)	(1 919)	–	–
Prepayments	43 862	55 194	170	–
Retentions	3 383	962	–	–
Other	20 554	19 529	–	172
	274 747	261 689	170	174

Trade receivables are non-interest-bearing and generally between 30 to 90-day terms. Trade receivables have been ceded as security for the group's working capital loan.

	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
The movements in the allowance for impairment of the trade receivables were as follows:				
At the beginning of the year	1 919	2 472	–	–
Charge for the year	584	894	–	–
Amounts written off	(648)	(341)	–	–
Acquisition of subsidiary	360	–	–	–
Unused amounts reversed	(66)	(1 106)	–	–
At the end of the year	2 149	1 919	–	–
As at year-end the analysis of trade receivables past due but not impaired is as follows:				
Overdue 30 to 60 days not impaired	33 201	37 183	–	–
Overdue 60 to 90 days not impaired	3 781	9 023	–	–
Overdue 90 to 120 days not impaired	4 689	5 196	–	–
Overdue 120 and longer days not impaired	6 434	16 859	–	–
	48 105	68 261	–	–
Net carrying value of impaired trade receivables	4 286	5 988	–	–
Neither past due nor impaired	154 557	111 755	–	2
Net trade receivables	206 948	186 004	–	2

	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
15. CASH AND CASH EQUIVALENTS				
Current accounts	94 827	5 811	11 458	–
Call accounts	672	1 382	–	–
Cash on hand	52	63	–	–
	95 551	7 256	11 458	–
Cash at banks earn interest at floating rates based on daily bank deposit rates.				
The fair value of the cash and cash equivalents approximates the carrying value.				
16. SHARE CAPITAL				
16.1 Authorised				
750 000 000 ordinary shares with no par value				
29 884 633 redeemable preference shares with no par value				
16.2 Issued				
229 319 191 ordinary shares				
Beginning of year	281 283	281 283	281 283	281 283
End of year	281 283	281 283	281 283	281 283
17. TREASURY SHARES				
The Jasco Employee Share Incentive Trust owns 2 407 234 (2016: 2 541 562) unallocated ordinary shares	2 635	3 112		
The Spescom Limited Share Trust owns nil (2016: 2 162 124) unallocated ordinary shares	–	3 120		
Treasury shares at cost	2 635	6 232		
18. NON-DISTRIBUTABLE RESERVES				
Equity settled share-based payment reserve (note 18.1)	6 077	6 568	14	14
– beginning of year	6 568	5 484	14	14
– recycled to retained earnings	(132)	(1 008)	–	–
– utilised during the year	(3 521)	(413)	–	–
– arising during year	3 162	2 505	–	–
Foreign currency translation reserve	350	31	–	–
– beginning of year	31	–	–	–
– arising during the year	319	31	–	–
	6 427	6 599	14	14

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2017

18. NON-DISTRIBUTABLE RESERVES CONTINUED

18.1 Equity settled share-based payments

Jasco Employee Share Incentive Trust

The Jasco Employee Share Incentive Trust was formed in 1993 to enable executives of the group to acquire shares in Jasco to provide them with incentives to advance the group's interests. The maximum number of shares and/or options that may be issued may not exceed 32 759 885 shares, being 15% of the issued share capital at the inception of the Trust and all subsequent capitalisation and rights issues. The maximum number of shares and/or options allowed for any one person is 8 735 969 (2016: 8 735 969). In terms of the scheme rules, 50% of the shares/options issued may be traded after two years, 75% after three years and 100% after four years. The shares/options vest at the beginning of the trading period. The options lapse after five years.

	2017	2016
Number of ordinary shares reserved	32 759 885	32 759 885
Total number of shares allocated	10 590 402	12 972 617
– beginning of year	12 972 617	10 808 918
– allocation of shares to employees during the year	–	2 163 699
– net disposal of shares by employees during the year	(2 382 215)	–
Total number of unforfeited options granted	4 774 517	4 308 815
– beginning of year	4 308 815	5 406 527
– allocation of options to employees during the year	465 702	1 996 142
– net forfeiture of options during the year	–	(3 093 854)
Number of shares in respect of which options and shares have not been granted	17 394 966	15 478 453

Summary of shares/options issued

				Number allocated not yet traded		Number of unvested shares/options	
Date issued	Date lapsing	Number	Price per share (cents)	2017	2016	2017	2016
Shares							
13 Jun 2016	N/A	2 163 699	81	2 163 699	2 163 699	2 163 699	2 163 699
2 Jun 2015	N/A	9 146 118	55	7 519 203	9 146 118	4 573 059	9 146 118
5 Feb 2014	N/A	1 470 000	72	907 500	1 470 000	367 500	735 000
6 May 2004	N/A	417 000	70	–	54 000	–	–
1 Mar 2002	N/A	736 300	60	–	25 500	–	–
1 Jun 2001	N/A	2 742 800	27	–	113 300	–	–
		16 675 917		10 590 402	12 972 617	7 104 258	12 044 817
Options							
3 Oct 2016	3 Oct 2021	465 702	93	465 702	–	465 702	–
28 Jun 2016	28 Jun 2021	1 206 071	81	1 206 071	1 206 071	1 206 071	1 206 071
4 Jan 2016	4 Jan 2021	790 071	60	790 071	790 071	790 071	790 071
2 Jun 2015	2 Jun 2020	2 322 534	55	1 675 673	1 675 673	837 837	1 675 673
5 Feb 2014	5 Feb 2019	1 040 000	72	637 000	637 000	159 250	318 500
		5 824 378		4 774 517	4 308 815	3 458 931	3 990 315

Reconciliation of number of outstanding, unvested shares and options

	Shares		Options	
	2017	2016	2017	2016
Beginning of year	12 044 817	10 616 118	3 990 315	3 362 534
Allocated during the year	–	2 163 699	465 702	1 996 142
Shares/options lapsing	–	–	–	(1 049 861)
Shares/options vested by rules of scheme	(4 940 559)	(735 000)	(997 087)	(318 500)
End of year	7 104 258	12 044 817	3 458 931	3 990 315

18. NON-DISTRIBUTABLE RESERVES CONTINUED

18.1 Equity settled share-based payments continued

Spescom Employee Share Incentive Trust

Summary of options issued (Jasco equivalent)

Date issued	Date lapsing	Number	Price per share (cents)	Number allocated not yet traded 2017	Number allocated not yet traded 2016	Number of unvested shares/options 2017	Number of unvested shares/options 2016
21 Feb 2007	21 Feb2017	462 046	82	–	44 838	–	–
15 Dec 2006	15 Dec 2016	1 328 300	68	–	560 601	–	–
		1 790 346		–	605 439	–	–

Expense

Equity settled share-based payment transactions are valued at grant date, with the expense being recognised over the vesting period.

Fair values for the Jasco Employee Share Incentive Trust are calculated at the date of the grant using the Binomial Model. To test the reasonableness of these results, the Black-Scholes-Merton formula has also been applied.

The key assumptions used in the calculations are detailed below:

		2017 %	2016 %
Maximum term of grant	(years)	5	5
Exercise multiple	(unit)	1,5	1,5
Volatility			
– two years vesting		76,01 to 81,79	72,12
– three years vesting		74,59 to 80,42	65,92
– four years vesting		72,66 to 77,63	66,52
Dividend yield		0,00 to 0,05	0,00
Risk-free rate			
– two years vesting		7,79 to 9,05	7,49
– three years vesting		7,82 to 9,10	7,73
– four years vesting		7,88 to 9,13	7,91
Forfeiture rate		10	10
Performance expectation		100	100

The statement of comprehensive income charge for equity settled share-based payments is as follows (refer to note 5):

	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
Equity settled share-based payment	3 162	2 505	–	–

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2017

	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
19. INTEREST-BEARING LIABILITIES				
Secured	161 558	92 955	147 269	87 065
Corporate bond	44 571	87 065	44 571	87 065
Working capital loan: Bank of China	102 698	–	102 698	–
Principal amounts owing in respect of finance lease agreements on furniture and office equipment	1 474	1 822	–	–
– gross minimum lease payments	1 989	2 480	–	–
– finance charges	(515)	(658)	–	–
Principal amounts owing in respect of instalment sale agreements	12 815	4 068	–	–
– gross minimum lease payments	13 913	4 476	–	–
– finance charges	(1 098)	(408)	–	–
Unsecured	50 854	30 940	38 383	–
Vendor financing (Cisco)	9 925	25 926	–	–
Term loan: Nedbank Limited	–	2 268	–	–
Deferred purchase consideration (Reflex)	38 383	–	38 383	–
Loans from non-controlling shareholders	2 546	2 746	–	–
Total	212 412	123 895	185 652	87 065
Current portion transferred to short-term borrowings (refer note 23)	(49 814)	(19 178)	(33 386)	–
– finance lease agreements	(2 251)	(332)	–	–
– instalment sale agreements	(4 252)	(1 797)	–	–
– vendor loan	(9 925)	(16 001)	–	–
– corporate bond	(834)	–	(834)	–
– term loan	–	(1 048)	–	–
– deferred purchase consideration (Reflex)	(32 552)	–	(32 552)	–
	162 598	104 717	152 266	87 065

Particulars

The listed corporate bond was issued on 30 January 2015, bears interest at the three-month JIBAR plus 3,25%. Interest is repaid quarterly and the capital is repayable by 30 January 2019.

The loan from the Bank of China was raised on 11 May 2017, is secured by a session of the debtors of the major subsidiaries, bears interest at the three-month JIBAR plus 330 basis points, which is payable on a quarterly basis. The capital is repayable by 27 February 2019.

The finance lease agreements bear interest at the prime overdraft interest rate, and are repayable in equal instalments over periods between one to three years. These liabilities are secured over furniture and equipment with a net book value of R1 347 850 (2016: R1 763 697).

The instalment sale agreements bear interest at the prime overdraft rate, and are repayable in equal instalments over periods between one to three years. These liabilities are secured over motor vehicles and equipment with a net book value of R11 152 529 (2016: R3 003 113).

The Cisco Systems Capital term loan entered into in January 2013 by New Telco South Africa (Pty) Limited constituted a R70,6 million loan. It is unsecured, repayable by 11 January 2018 in 59 monthly payments and bears interest at 7,8%. Jasco Electronics Holdings Limited and New Telco GmbH have provided guarantees for the loan.

The loans from non-controlling shareholders are unsecured, attracted interest between 5% and the prime overdraft interest rate and repayment have been settled during the year.

	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
20. DEFERRED MAINTENANCE REVENUE				
Service level agreements are provided as a separate service in addition to the sale of the products.				
Revenue arising from maintenance contracts is recognised on the accrual basis over the period for which services are rendered.				
Within the next 12 months	55 333	60 403	–	–
Thereafter	331	2 721	–	–
	55 664	63 124	–	–
21. TRADE AND OTHER PAYABLES				
Trade payables	134 228	130 928	199	43
Deferred lease payments	11 554	10 079	–	–
Other payables	39 185	39 574	1 295	2 816
	184 967	180 581	1 494	2 859
Trade payables are non-interest-bearing and are normally settled on 30 to 90-day terms.				
22. PROVISIONS				
Audit fees				
Beginning of year	4 364	3 497	446	673
Arising during year	5 240	3 747	650	446
Utilised during year	(4 099)	(2 657)	(296)	(524)
Unused amount reversed	(40)	(223)	–	(149)
End of year	5 465	4 364	800	446
Bonus				
Beginning of year	6 547	7 812	–	–
Arising during year	2 239	7 418	–	–
Utilised during year	(8 426)	(8 547)	–	–
Unused amount reversed	(360)	(136)	–	–
End of year	–	6 547	–	–
Leave pay				
Beginning of year	11 416	11 976	–	–
Arising during year	(8 080)	6 122	–	–
Utilised during year	(7 461)	(6 145)	–	–
Acquisition of subsidiary	441	–	–	–
Disposal of business operations	(403)	–	–	–
Unused amount reversed	–	(537)	–	–
End of year	12 073	11 416	–	–
Warranties				
Beginning of year	260	150	–	–
Arising during year	53	110	–	–
End of year	313	260	–	–

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2017

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
22. PROVISIONS CONTINUED				
Other				
Beginning of year	10	1	–	–
Arising during year	1 730	10	–	–
Utilised during year	(10)	–	–	–
Unused amount reversed	–	(1)	–	–
End of year	1 730	10	–	–
Total provisions				
Beginning of year	22 597	23 436	446	673
Arising during year	17 342	17 407	650	446
Utilised during year	(19 996)	(17 349)	(296)	(524)
Acquisition of subsidiary	441	–	–	–
Disposal of business operations	(403)	–	–	–
Unused amount reversed	(400)	(897)	–	(149)
End of year	19 581	22 597	800	446

The warranty provision is for product warranties given to customers on the sale of certain products. Other provisions include provisions for contractual future service obligations.

The utilisation of these provisions are expected to occur within a year.

	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
23. SHORT-TERM BORROWINGS				
Short-term borrowings comprise:				
– current portion of non-current interest-bearing liabilities (refer note 19)	49 814	19 178	33 386	–
– insurance payment plan	559	640	–	–
– bank overdrafts	–	–	–	65 052
	50 373	19 818	33 386	65 052

The bank overdrafts are secured by a cession over trade receivables of the group.

This cession was terminated on 17 July 2017.

	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
24. NOTES TO THE STATEMENT OF CASH FLOWS				
24.1 Reconciliation of profit/(loss) before taxation to cash generated from/(utilised in) operations				
Profit/(loss) before taxation	28 583	26 477	118 242	(11 654)
Adjustments for:				
– amortisation of intangibles	4 738	3 312	–	–
– depreciation of plant and equipment	12 960	12 098	–	–
– equity-settled share-based payment	3 162	2 505	–	–
– impairment of Jasco Cables Investment and loan			–	(134)
– impairment of loan to the Jasco Share Incentive Trust			(681)	(979)
– unrealised foreign exchange gains	(3 708)	(2 495)	–	–
– unrealised foreign exchange losses	1 787	5 893	80	–
– net loss/(profit) on sale of plant and equipment	78	(302)	–	–
– net loss on disposal of associate held for sale	–	255	–	–
– net loss on fair value adjustment	239	–	239	–
– net (profit)/loss on disposal of business operation	(3 403)	–	6 351	–
– impairment of receivables	996	–	–	–
– equity accounted loss from associate joint venture	1 823	–	–	–
– net interest and dividend paid/(received)	11 535	15 200	(127 966)	12 220
Cash flows from operations before working capital changes	58 790	62 943	(3 735)	(547)
Working capital changes	7 060	16 412	(2 099)	3 503
– decrease/(increase) in inventories	25 026	(9 421)	–	–
– decrease/(increase) in trade and other receivables	13 730	107 545	4	(22)
– (increase)/decrease in amounts owing by subsidiaries			(6 764)	3 784
– decrease in trade and other payables, provisions and current portion of long-term liabilities	(31 696)	(81 712)	(176)	(259)
– increase in amounts owing to subsidiaries			4 837	–
Cash generated from/(utilised in) operations	65 850	79 355	(5 834)	2 956
24.2 Taxation paid				
Net taxation refundable at beginning of year	4 475	1 544	–	–
Acquisition of subsidiary	(3 544)	–	–	–
Amounts charged per statement of comprehensive income, excluding deferred taxation	(13 220)	(5 977)	(467)	–
Net taxation (refundable)/payable at end of year	(4 654)	(4 475)	467	–
Cash amounts paid	(16 943)	(8 908)	–	–
24.3 Disposal of associate (M-TEC)				
Investment in associate held for sale at carrying value	–	58 000	–	–
Loss on disposal	–	(255)	–	–
Total purchase price	–	57 745	–	–
Less: Deferred payments	–	(40 000)	–	–
Cash flow on disposal	–	17 745	–	–

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2017

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
24. NOTES TO THE STATEMENT OF CASH FLOWS CONTINUED				
24.4 Acquisition of subsidiary				
Investment in subsidiary, at cost			(37 751)	–
Equity	6 952	–	–	–
Plant and equipment	(6 131)	–	–	–
Intangible Assets	(41 820)	–	–	–
Inventories	(2 639)	–	–	–
Accounts receivable	(26 470)	–	–	–
Accounts payable	22 667	–	–	–
Current taxation	3 544	–	–	–
Deferred taxation	3 487	–	–	–
Interest-bearing liabilities	8 300	–	–	–
Net cash and cash equivalents	(5 641)	–	–	–
Total disposal consideration	(37 751)	–	(37 751)	–
Exclude: Net cash and cash equivalents acquired	5 641	–	–	–
Exclude: Deferred proceeds (Note 3)	37 726	–	37 726	–
Cash flow on acquisition, net of cash acquired	5 616	–	(25)	–
24.5 Disposal of business operations				
Accounts payable	(403)	–		
Profit on disposal of business operation	3 403	–		
Total disposal consideration	3 000	–	–	–
Exclude: Deferred proceeds (Note 12.2.2.)	(3 000)	–		
Cash flow on disposal	–	–	–	–
24.6 Replacement of plant and equipment				
Plant and machinery	(1 494)	(88)	–	–
Furniture and office equipment	(915)	(1 017)	–	–
Motor vehicle	–	(186)	–	–
Computer and manufacturing equipment	(15)	(4)	–	–
Leasehold improvements	(394)	(195)	–	–
Leased furniture and office equipment	–	(1 428)	–	–
Total replacement	(2 818)	(2 918)	–	–
24.7 Additions to plant and equipment				
Plant and machinery	(9 988)	(3 684)	–	–
Hi sites	(130)	(655)	–	–
Furniture and office equipment	(8 063)	(1 485)	–	–
Motor vehicles	–	(401)	–	–
Computer and manufacturing equipment	(2 362)	(886)	–	–
Leasehold improvements	(1 936)	(4 005)	–	–
Leased furniture and office equipment	(80)	(504)	–	–
Total additions	(22 559)	(11 620)	–	–

	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
25. OPERATING LEASES				
25.1 Operating lease commitments				
Future minimum rentals for premises and office equipment under non-cancellable leases payable within:				
– one year	22 056	19 861	–	–
– after one year, within five years	66 196	54 723	–	–
– after five years	26 414	49 923	–	–
Total	114 666	124 507	–	–
25.2 Operating lease income				
Future minimum rentals under non-cancellable leases receivable within:				
– one year	28 464	26 109	–	–
– after one year, within five years	11 818	19 431	–	–
– after five years	440	971	–	–
Total	40 722	46 511	–	–

The operating lease income is derived from rental agreements with customers utilising the group's network of Hi sites.

	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
26. BANKING FACILITIES				
Bank overdrafts of the group, excluding FerroTech, MV Fire and Telesto are cross-guaranteed by the group companies. The net overdrafts of subsidiaries as at 30 June 2017 amounted to Rnil (2016: Rnil).				
The details of the facilities are as follows:				
Sharing cross guarantees	23 900	62 900	23 900	61 900
– Standard Bank	–	39 000	–	38 000
– First National Bank	23 900	23 900	23 900	23 900
Separate facility of Ferro Resonant Technologies (Pty) Limited				
– Nedbank	–	1 500	–	–
Separate facility of MV Fire Protection Services (Pty) Limited				
– Absa	–	1 000	–	–
Separate group facility for Telesto Communications (Pty) Limited				
– Nedbank	–	860	–	–
Total overdraft facility	23 900	66 260	23 900	61 900
Other general banking facilities	150 000	55 600	150 000	49 600
– Standard Bank	–	26 000	–	26 000
– First National Bank	–	23 600	–	23 600
– Nedbank	–	6 000	–	–
– Bank of China	150 000	–	150 000	–
Total general banking facilities	173 900	121 860	173 900	111 500

In May 2017 the group obtained a R150 million working capital medium term loan from the Bank of China (refer to note 19). This was utilised to settle the overdraft and other general banking facilities at Standard Bank, Nedbank and ABSA Bank and these facilities were cancelled by 30 June 2017. The First National Bank facility was cancelled in July 2017.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2017

27. DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS

	Short-term benefits		
	Fees for services as a director R	Basic salary R	Bonuses and performance-related payments R
2017			
Non-executive *(paid by Jasco Electronics Holdings Limited)*			
ATM Mokgokong	435 459	–	–
MJ Madungandaba	422 802	–	–
JC Farrant	334 364	–	–
MS Bawa	328 156	–	–
P Radebe (from 1 January 2017)	168 857	–	–
T Zondi (from 1 January 2017)	130 706	–	–
JA Sherry (retired on 13 September 2016)	61 654	–	–
H Moolla (retired on 1 November 2016)	106 199	–	–
	1 988 197	–	–
Executive *(paid by Jasco Trading (Pty) Limited)*			
AMF Da Silva	–	3 328 377	–
WA Prinsloo	–	2 293 860	637 945
	–	5 622 237	637 945
Total directors	1 988 197	5 622 237	637 945
Prescribed officers			
(paid by Jasco Trading (Pty) Limited)			
M Janse van Vuuren	–	2 299 258	–
T Petje	–	1 599 701	–
(paid by Jasco Enterprise (Pty) Limited)			
MMS Ebrahim	–	1 269 109	–
Total prescribed officers	–	5 168 068	–
Total directors and prescribed officers	1 988 197	10 790 305	637 945
2016			
Non-executive *(paid by Jasco Electronics Holdings Limited)*			
ATM Mokgokong	410 810	–	–
MJ Madungandaba	398 870	–	–
JC Farrant	315 432	–	–
JA Sherry	239 636	–	–
H Moolla	309 581	–	–
MS Bawa	309 581	–	–
	1 983 910	–	–
Executive *(paid by Jasco Trading (Pty) Limited)*			
AMF Da Silva	–	2 859 976	–
WA Prinsloo	–	1 960 392	–
	–	4 820 368	–
Total directors	1 983 910	4 820 368	–
Prescribed officers			
(paid by Jasco Trading (Pty) Limited)			
M Janse van Vuuren	–	2 064 920	169 953
T Petje	–	1 490 635	3 390
(paid by Jasco Enterprise (Pty) Limited)			
MMS Ebrahim	–	864 705	–
Total prescribed officers	–	4 420 260	173 343
Total directors and prescribed officers	1 983 910	9 240 628	173 343

Short-term benefits					
Sums paid by way of expense allowance R	Contributions under any other benefit scheme R	Total short-term benefits R	Contributions to defined contribution funds R	Share-based payments R	Total R
–	–	435 459	–	–	435 459
–	–	422 802	–	–	422 802
–	–	334 364	–	–	334 364
–	–	328 156	–	–	328 156
–	–	168 857	–	–	168 857
–	–	130 706	–	–	130 706
–	–	61 654	–	–	61 654
–	–	106 199	–	–	106 199
–	–	1 988 197	–	–	1 988 197
12 600	382 753	3 723 730	723 989	1 597 205	6 044 924
12 600	38 569	2 982 974	286 920	981 093	4 250 987
25 200	421 322	6 706 704	1 010 909	2 578 298	10 295 911
25 200	421 322	8 694 901	1 010 909	2 578 298	12 284 108
12 600	24 413	2 336 271	298 669	319 040	2 953 980
12 600	17 567	1 629 868	232 684	54 527	1 917 079
6 300	14 476	1 289 885	121 391	–	1 411 276
31 500	56 456	5 256 024	652 744	373 567	6 282 335
56 700	477 778	13 950 925	1 663 653	2 951 865	18 566 443
–	–	410 810	–	–	410 810
–	–	398 870	–	–	398 870
–	–	315 432	–	–	315 432
–	–	239 636	–	–	239 636
–	–	309 581	–	–	309 581
–	–	309 581	–	–	309 581
–	–	1 983 910	–	–	1 983 910
12 600	254 300	3 126 876	674 292	1 331 376	5 132 544
12 600	152 508	2 125 500	277 989	854 911	3 258 400
25 200	406 808	5 252 376	952 281	2 186 287	8 390 944
25 200	406 808	7 236 286	952 281	2 186 287	10 374 854
12 600	24 066	2 271 539	298 800	233 961	2 804 300
12 600	16 724	1 523 349	240 746	–	1 764 095
2 085	10 072	876 862	87 210	–	964 072
27 285	50 862	4 671 750	626 756	233 961	5 532 467
52 485	457 670	11 908 036	1 579 037	2 420 248	15 907 321

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2017

	COMPANY 2017 R'000	COMPANY 2016 R'000
28. CONTINGENT LIABILITIES		
Jasco issues guarantees and suretyships for strategic and business purposes to facilitate other business transactions.		
– Guarantee for loan to New Telco South Africa (Pty) Limited from Cisco Capital	9 925	25 926
– Guarantee received from New Telco GmbH for New Telco South Africa (Pty) Limited loan from Cisco Capital	(3 308)	(8 642)
– Guarantee for standalone facility for Ferro Resonant Technologies (Pty) Limited to Nedbank	7 500	7 500
– Guarantee for loan to Telesto Communications (Pty) Limited to Nedbank	–	2 268
– Guarantees provided to group companies	167 083	95 734
	181 200	133 786

29. BORROWINGS

The group's borrowings are not limited by its memorandum of incorporation and are at the directors' discretion, subject to existing loan covenants.

30. RETIREMENT BENEFITS

All employees of the group, other than those required by legislation to be members of an industrial fund, are members of a comprehensive pension and/or provident fund, which provides comparable retirement, death and disability benefits. The funds are registered with, and are governed by, the Pension Funds Act, 1956. Because they are defined contribution funds, whereby the benefits are determined solely by the contributions thereto, together with resultant investment earnings on those contributions, the funds are independent of the finances of the group and there is no responsibility for any future unfunded obligations arising therefrom. Refer to note 5 for the company contributions made.

31. RELATED PARTIES

The subsidiaries of the group are identified in note 3.

All purchasing and selling transactions with related parties are concluded at arm's length. Outstanding balances at year-end are unsecured, bear interest at 5,75% (2016: 5,5%) and settlement occurs in cash.

Interest on inter-group balances are disclosed in note 5.

Details of inter-group revenue are disclosed in the segmental report on page 54.

Amounts owing between subsidiaries are set out in note 10.

Amounts owing to non-controlling shareholders are set out in note 19.

Directors' emoluments are disclosed in note 27.

Administration, managerial and secretarial fees between related parties are disclosed in note 5.

No other transactions were entered into between the holding company and its subsidiaries.

Key management personnel comprises directors, prescribed officers and executive management. Refer to notes 5 and 27 for the required disclosures.

32. FINANCIAL INSTRUMENTS

The group's principal financial instruments, other than foreign currency contracts, comprise loans, redeemable preference shares, short-term borrowings, bank balances and cash. The main purpose of these financial instruments is to raise finance for the group's operations and capital projects. The group has various other financial instruments, such as trade receivables and trade payables, which arise directly from its operations.

The group also enters into foreign currency contracts and foreign currency option contracts. The purpose is to manage the currency risk arising from the group's operations and its sources of finance.

The main risks arising from the group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The board reviews and agrees policies for managing each of these risks, which are summarised below.

No changes were made to the objectives, policies or processes during the years ended 30 June 2017 and 2016.

32. FINANCIAL INSTRUMENTS CONTINUED

32.1 Capital management

The primary objective of the group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The group manages its capital structure and makes adjustments to it, in light of changing economic conditions. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The group's capital consists of its equity and the non-current loans between the group companies for capital management purposes.

Management believes the group has met its capital management objectives for the year under review.

32.2 Fair values

The fair values of the recognised financial instruments are not materially different from the carrying amounts reflected in the statement of financial position.

The fair value of financial instruments, excluding foreign currency contracts and option contracts, has been calculated by discounting the expected future cash flows at prevailing interest rates. The fair value of foreign currency contracts and option contracts has been determined using valuation techniques with market observable inputs. The most frequently applied valuation techniques include forward pricing models using present value calculations. The model incorporate various inputs including the foreign exchange spot and forward rates, forward rate curves of currency basis spreads between the respective currencies, and forward rate curves of the underlying commodity.

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

At 30 June 2017 and 2016, the group's only financial instruments carried at fair value were foreign currency contracts. These were classified as level 2.

32.3 Foreign currency risk

The group incurs currency risk as a result of transactions which are denominated in a currency other than the group entities' functional currency. The currencies, giving rise to currency risk, in which the group primarily deals, are Pound sterling, US dollar, Euro, Australian dollar and the United Arab Emirates Dirham.

The group entities hedge trade payables and trade receivables, denominated in foreign currencies, by entering into foreign currency contracts or foreign currency option contracts. It is the group's policy not to enter into foreign currency contracts or option contracts until a firm commitment is in place. The forward currency contract or option contract must be in the same currency as the hedged item.

It is the group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged items to maximise hedge effectiveness. The group does not apply hedge accounting as per IAS 39.

Foreign currency contracts and option contracts open at year-end, related to the following specific statement of financial position items:

GROUP

	Foreign amount		Rand amount	
	2017 '000	2016 '000	2017 R'000	2016 R'000
Trade and other receivables			42 443	33 279
Foreign currency:				
– Pound sterling	1	5	12	101
– US dollar	1 050	839	14 392	12 391
– Euro	1 739	1 280	26 021	20 787
– AED	572	–	2 018	20 787
Trade and other payables			66 508	76 119
Foreign currency:				
– Pound sterling	5	18	89	350
– US dollar	2 244	3 214	29 403	47 189
– Euro	2 468	1 755	36 923	28 499
– Australian dollar	9	7	93	81

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2017

32. FINANCIAL INSTRUMENTS CONTINUED

32.3 Foreign currency risk continued

The following table demonstrates the sensitivity of the group's profit before tax to a reasonable possible change in exchange rates based on management's most recent expectations, with all other variables held constant:

	Increase/ (decrease) in basis points	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
– Pound sterling	+10c	–	(1)	–	–
	−10c	–	1	–	–
– US dollar	+10c	(421)	(681)	–	–
	−10c	421	681	–	–
– Euro	+10c	(216)	(148)	–	–
	−10c	216	148	–	–
– AED	+10c	57	–	–	–
	−10c	(57)	–	–	–

Foreign companies

The group has investments in foreign companies which are classified as foreign entities. The rates used in translating the statements of financial position and comprehensive income are as follows:

	2017		2016	
	Average rate	Closing rate	Average rate	Closing rate
– Kenyan shilling	0,1259	0,1260	0,1561	0,1464

32.4 Interest rate risk

The group's exposure to market risk for changes in interest rates relates to the group's long-term and short-term debt.

The group generally adopts a policy of ensuring that its exposure to changes in interest rates is on a variable rate basis.

The following table sets out the carrying amount, by maturity, of the group's financial instruments that are exposed to interest rate risk:

	Total R'000	Within 1 year R'000	1 to 2 years R'000	2 to 3 years R'000	After 3 years R'000
GROUP					
2017					
Variable rate					
Corporate bond	(44 571)	(834)	(43 737)	–	–
Interest-bearing liabilities	(120 092)	(4 510)	(114 299)	(1 283)	–
Net cash and cash equivalents	95 551	95 551	–	–	–
2016					
Variable rate					
Corporate bond	(87 065)	–	(87 065)	–	–
Interest-bearing liabilities	(11 544)	(3 817)	(6 655)	(425)	(647)
Proceeds on disposal of M-TEC	40 734	9 681	15 170	15 883	–
Net cash and cash equivalents	7 256	7 256	–	–	–

32. FINANCIAL INSTRUMENTS CONTINUED

32.4 Interest rate risk continued

	Total R'000	Within one year R'000	One to two years R'000	Two to three years R'000	After three years R'000
COMPANY					
2017					
Variable rate					
Amounts owing by subsidiaries	250 686	250 686	–	–	–
Loan to Jasco Employee Share Incentive Trust	5 215	–	5 215	–	–
Net cash and cash equivalents	11 458	11 458	–	–	–
Working capital loan	(102 698)	–	(102 698)	–	–
Corporate bond	(44 571)	(834)	(43 737)	–	–
Amounts owing to subsidiaries	(5 011)	(5 011)	–	–	–
2016					
Variable rate					
Amounts owing by subsidiaries	54 370	54 370	–	–	–
Loan to Jasco Employee Share Incentive Trust	3 399	–	3 399	–	–
Proceeds on disposal of MTEC	40 734	9 681	15 170	15 883	–
Corporate bond	(87 065)	–	(87 065)	–	–
Amounts owing to subsidiaries	(223)	(223)	–	–	–
Net cash and cash equivalents	(65 052)	(65 052)	–	–	–

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the group's profit before tax through the impact on variable rate borrowings and no other impact on equity:

		GROUP		COMPANY	
	Increase/ (decrease) in basis points	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Profit before tax	+0,5%	(346)	(253)	575	(269)
	– 0,5%	346	253	(575)	269

32.5 Credit risk management

The group's main exposure to credit risk arises from the group's normal credit sales to customers and certain financing activities.

The group has a credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Ownership of goods only passes on receipt of payment.

In addition, receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant.

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial position. At year-end, management considered that it had sufficient provisions to cover any significant risk exposure in relation to trade receivables. There is no significant concentration of credit risk, due to the spread of the trade receivables.

Apart from certain trade receivables (note 14), no financial assets are past due, but not impaired.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2017

32. FINANCIAL INSTRUMENTS CONTINUED

32.6 Liquidity management

The group is exposed to liquidity risk as a result of incurring liabilities, giving rise to the risk of becoming unable to settle obligations as they become due. The group manages this risk through the management of working capital and cash flows.

The cash flows from trade receivables and trade payables are reasonably well matched in that payments are made to suppliers on the same terms and conditions given to customers. It is anticipated that the year-end position will be settled within a 45 to 60 day timeframe.

The table below summarises the maturity profile of the group's financial instruments at year-end:

	Net balance R'000	Future interest R'000	Total cash flow R'000	On demand R'000	Less than three months R'000	Three to 12 months R'000	Thereafter R'000
GROUP							
2017							
Finance lease receivable	16 089	(725)	16 814	–	6 116	9 722	976
Trade and other receivables	274 748	–	274 748	52 391	222 357	–	–
Net cash and cash equivalents	95 551	–	95 551	94 879	672	–	–
Interest-bearing loans and borrowings	(168 400)	23 997	(192 397)	–	(12 802)	(38 406)	(141 189)
Corporate bond	(44 571)	9 030	(53 601)	–	(1 432)	(3 565)	(48 604)
Trade and other payables	(173 413)	–	(173 413)	–	(173 413)	–	–
Derivative financial instruments	128	–	128	–	128	–	–
	132	32 302	(32 170)	174 270	41 626	(32 249)	(188 817)
2016							
Finance lease receivable	26 326	(2 617)	28 943	–	4 341	13 024	11 578
Proceeds on disposal of M-TEC	40 734	(7 075)	47 809	–	–	14 339	33 470
Trade and other receivables	206 496	–	206 496	74 249	132 247	–	–
Net cash and cash equivalents	7 256	–	7 256	5 874	1 382	–	–
Interest-bearing loans and borrowings	(37 470)	2 785	(40 255)	–	(5 636)	(16 244)	(18 375)
Corporate bond	(87 065)	22 428	(109 493)	–	(2 601)	(8 196)	(98 696)
Trade and other payables	(170 502)	–	(170 502)	–	(170 502)	–	–
Derivative financial instruments	(4 799)	–	(4 799)	–	(4 799)	–	–
	(19 024)	15 521	(34 545)	80 123	(45 568)	2 923	(72 023)

32. FINANCIAL INSTRUMENTS CONTINUED

32.6 Liquidity management continued

	Net balance R'000	Future interest R'000	Total cash flow R'000	On demand R'000	Less than three months R'000	Three to 12 months R'000	Thereafter R'000
COMPANY							
2017							
Loan to Jasco Employee Share Incentive Trust	5 215	(404)	5 619	–	–	–	5 619
Trade and other receivables	170	–	170	–	170	–	–
Amounts owing by subsidiaries	250 686	–	250 686	–	250 686	–	–
Cash and cash equivalents	11 458	–	11 458	11 458	–	–	–
Corporate bond	(44 571)	9 030	(53 601)	–	(1 432)	(3 565)	(48 604)
Working capital loan	(102 698)	22 385	(125 083)	–	(2 449)	(8 358)	(114 276)
Deferred purchase consideration	(38 383)	1 397	(39 780)	–	(32 552)	–	(7 228)
Trade and other payables	(1 494)	–	(1 494)	–	(1 494)	–	–
Amounts owing to subsidiaries	(5 011)	–	(5 011)	–	(5 011)	–	–
Net guarantees given	(181 200)	260	(181 460)	–	(1 057)	(180 403)	–
	(105 828)	32 668	(138 496)	11 458	206 861	(192 326)	(164 489)
2016							
Proceeds on disposal of M-TEC	40 734	(7 075)	47 809	–	–	14 339	33 470
Trade and other receivables	174	–	174	–	174	–	–
Amounts owing by subsidiaries	54 370	–	54 370	–	54 370	–	–
Loan to Jasco Employee Share Incentive Trust	3 399	(217)	3 616	–	–	–	3 616
Corporate bond	(87 065)	22 428	(109 493)	–	(2 601)	(8 196)	(98 696)
Bank overdraft	(65 052)	–	(65 052)	(65 052)	–	–	–
Trade and other payables	(2 859)	–	(2 859)	–	(2 859)	–	–
Amounts owing to subsidiaries	(223)	–	(223)	–	(223)	–	–
Net guarantees given	(122 786)	1 147	(123 933)	–	(3 172)	(112 750)	(8 011)
	(179 308)	16 283	(195 591)	(65 052)	45 689	(106 607)	(69 621)

	GROUP		COMPANY	
	2017 R'000	**2016 R'000**	**2017 R'000**	**2016 R'000**
33. EVENTS AFTER THE REPORTING PERIOD				
Dividend per share				
Final dividend number 22 of 2 cents per share declared after year-end relating to income for the 2016 year	–	4 492	–	4 586
Final dividend number 23 of 1 cent per share declared after year-end relating to income for the 2017 year	2 269	–	2 293	–

SEGMENTAL REPORT

AT 30 JUNE 2017

INTRODUCTION

For management purposes, the group is organised into business units based on their products and services. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

The trading activities of the group companies are divided into four main business segments, namely Carrier, Enterprise, Intelligent Technologies and Electrical Manufacturers.

Enterprise

The enterprise business unit delivers end-to-end solutions, including contact centres, unified communication, IT infrastructure and security and fire solutions to corporates in Southern and East Africa

Carrier

The Carrier business unit delivers telecommunications products and services across the value chain, from design and planning of networks to configuration, integration and support. As a system integrator and distributor, our proven solutions focus on access, transmission and operational support systems for telecommunications networks across the African continent.

Intelligent Technologies

Intelligent Technologies comprises broadcast solutions, smart buildings, data centres, water management, power solutions and renewable energy solutions.

Electrical Manufacturers

The electrical manufacturers business unit is a component manufacturer of plastic products, wire harnesses and metal pressings, with a special focus on the large and small home appliances market in South Africa.

	Income and expenses						Financial position		
	Revenue			Net forex profit/(loss) and other income	Operating expenses	Operating profit/(loss)†			
	External R'000	Inter-group R'000	Total R'000	R'000	R'000	R'000	Assets R'000	Liabilities R'000	Capital ex-penditure R'000
2017									
Carrier	385 595	251	385 846	(2 845)	(71 259)	51 032	150 705	38 191	1 896
Enterprise	303 577	12 075	315 652	1 921	(99 977)	(3 446)	152 772	88 623	15 364
Intelligent Technologies	161 147	4 147	165 294	(60)	(37 607)	22 094	75 254	32 824	1 334
Electrical Manufacturers	189 212	1 583	190 795	(491)	(30 798)	13 275	89 445	19 776	10 165
Sub-total operating division	1 039 531	18 056	1 057 587	(1 475)	(239 641)	82 955	468 176	179 414	28 759
Other non-operating divisions	4 770	–	4 770	54 601	(90 711)	(36 887)	170 685	302 827	14 297
Adjustments	–	(18 056)	(18 056)	(47 555)	51 058	(4 127)	92 400	(381)	(2 581)
Total	1 044 301	–	1 044 301	5 571	(279 294)	41 941	731 261	481 860	40 475
2016									
Carrier	413 833	320	414 153	1 339	(77 851)	47 778	151 209	40 307	1 783
Enterprise	308 251	9 709	317 960	25 184	(96 142)	3 736	147 783	94 507	12 088
Intelligent Technologies	186 993	3 704	190 697	(626)	(41 231)	17 549	84 428	50 935	262
Electrical Manufacturers	164 910	852	165 762	(352)	(22 793)	12 600	84 301	23 382	4 374
Sub-total operating division	1 073 987	14 585	1 088 572	25 545	(238 017)	81 663	467 721	209 131	18 507
Other non-operating divisions	2 442	–	2 442	40 810	(70 864)	(36 786)	100 213	191 875	9 612
Adjustments	–	(14 585)	(14 585)	(68 951)	42 679	(3 200)	64 726	(195)	(1 429)
Total	1 076 429	–	1 076 429	(2 596)	(266 202)	41 677	632 660	400 811	26 690

† Segmental revenue and operating profit of the operating divisions includes the interest received and paid relating to the finance lease receivables, but excludes all other interest paid or received and is stated before making adjustment for inter-group administration fees.

The group has one customer that contributed more than 10% to group revenue, in the Electrical Manufacturers segment.

No secondary information is disclosed as the group mainly operated in one geographical segment during the year.

ORDINARY SHARE PERFORMANCE AND SHAREHOLDING

STATISTICAL HIGHLIGHTS FOR THE SIX YEARS ENDED 30 JUNE 2017

		2017	2016	2015	2014	2013	2012
Jasco share price							
Lowest share price	(cents)	70	38	47	58	85	90
Highest share price	(cents)	120	87	125	114	175	150
Closing share price	(cents)	82	84	56	90	99	150
Analysis of Jasco share transactions							
Total number of transactions recorded on JSE		1 472	1 241	1 717	1 684	3 151	2 390
Total number of shares traded	(000)	16 935	23 220	15 696	20 246	24 594	24 365
Total number of shares traded as a percentage of weighted average issued shares	(%)	7,5	10,8	5,5	11,6	16,8	16,6
Total value of shares traded	(R000)	16 152	14 018	12 035	16 564	35 213	27 870

ANALYSIS OF JASCO SHAREHOLDING AT 30 JUNE 2017

	Number of shareholders	Percentage of total	Number of shares	Percentage of total
Size of shareholding				
1 – 1 000	1 606	50,97	524 762	0,23
1 001 – 5 000	679	21,55	1 857 909	0,81
5 001 – 10 000	274	8,70	2 188 672	0,95
10 001 – 100 000	482	15,30	15 607 089	6,81
100 001 and over	110	3,49	209 140 759	91,20
	3 151	100,00	229 319 191	100,00
Analysis of shareholders				
Class				
– individuals	2 863	90,86	46 651 918	20,34
– financial institutions and corporate bodies	288	9,14	182 667 273	79,66
	3 151	100,00	229 319 191	100,00
Major shareholders (5% or more of shares in issue)				
– Goldsol II (Pty) Limited			50 000 000	21,80
– AfroCentric Investment Corporation Limited			44 263 793	19,30
– Community Investment Holdings (Pty) Limited (CIH)*			27 376 750	12,10
– TMM Holdings (Pty) Limited			23 564 619	10,32
Analysis of Jasco shareholder's spread at 30 June 2017				
Non-public				
– BEE partners	6	0,19	129 423 570	56,44
– Jasco directors†	5	0,16	8 339 282	3,64
– Associates of Jasco directors	1	0,03	5 500	0,00
– Jasco Employee Share Incentive Trust	1	0,03	5 893 378	2,57
	13	0,41	143 661 730	62,65
Public	3 138	99,59	85 657 461	37,35
	3 151	100,00	229 319 191	100,00

† *Refer to the directors' report on page 9 for detailed information of the directors' interest in share capital.*

* *CIH's shares are held by Malesela Holdings No 1 (Pty) Limited and the Inkonkoni Trust.*

CORPORATE INFORMATION

GROUP COMPANY SECRETARY

Neo Modisakeng

REGISTERED ADDRESS

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Telephone: +27 11 266 1500

AUDITORS

Ernst & Young Inc.
Registered Auditor
102 Rivonia Road
Sandton, 2196

COMMERCIAL BANKERS

The Bank of China Limited

Johannesburg Branch
Alice Lane Towers, 15 Alice Lane
Sandton, 2146

The Standard Bank of South Africa Limited

Corporate and Investment Banking
3 Simmonds Street
Johannesburg, 2001

First National Bank of Southern Africa Limited

RMB Corporate
Corner Pritchard and Simmonds Streets
Johannesburg, 2001

TRANSFER SECRETARIES

Link Market Services South Africa (Pty) Limited
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein, 2001
(PO Box 4844, Johannesburg, 2000)

SPONSOR

Grindrod Bank Limited
Fourth Floor Grindrod Towers
8A Protea Place
Sandton, 2196

SHAREHOLDERS' DIARY

Annual general meeting	1 November 2017
Reports	
Interim for half-year to 31 December 2016	Published 9 February 2017
Audited results for the year to 30 June 2017	Published 29 September 2017
Integrated annual report posting date	29 September 2017