

NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2014

1. BASIS OF PREPARATION

The summarised consolidated financial statements have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) and its Interpretations adopted by the International Accounting Standards Board (IASB) in issue and effective for the group at 30 June 2014 and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council. The results are presented in accordance with IAS 34 – *Interim Financial Reporting* and comply with the Listings Requirements of the Johannesburg Stock Exchange Limited and the Companies Act of South Africa, 2008. These summarised consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements as at and for the year ended 30 June 2013.

These summarised consolidated financial statements have been prepared under the supervision of R Mumford, CA(SA) and were approved by the board of directors on 26 August 2014.

2. ACCOUNTING POLICIES

The accounting policies adopted and methods of computation used in the preparation of the summarised consolidated financial statements are in accordance with IFRS and are consistent with those of the annual financial statements for the year ended 30 June 2013 except where the group has adopted new or revised accounting standards, as per note 3 below.

3. CHANGES IN ACCOUNTING POLICIES

The group has adopted all the new, revised or amended accounting pronouncements as issued by the IASB which became effective to the group on 1 July 2013, including some of the more significant changes as listed below:

IFRS 10 Consolidated financial statements

The objective of IFRS 10 is to provide the framework on when an entity is controlled and must be consolidated.

IFRS 11 Joint arrangements

Where joint arrangements exist, the investor is required to assess whether the joint arrangement is a joint operation or a joint venture based on the legal structure of the investee and the investor's right to and obligation for the underlying assets and liabilities of the investee. IFRS 11 requires equity accounting for joint ventures and eliminates the proportionate consolidation option of accounting.

IFRS 12 Disclosure of interest in other entities

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and unconsolidated entities. In general, the disclosure requirements in IFRS 12 are more extensive.

IFRS 13 Fair value measurement

IFRS 13 improves consistency and reduces complexity by providing a single definition of fair value and a source of fair value measurement and disclosure requirements for use across all accounting standards.