RECM AND CALIBRE

RECM AND CALIBRE LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2009/012403/06)
Preference share code: RACP
ISIN: ZAE000145041
(“RAC” or “the Company”)

ABRIDGED ANNUAL FINANCIAL STATEMENTS

for the year ended

31 March 2018

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Shareholders' letter

To our fellow shareholders

RECM and Calibre ("RAC") is a long-term investment vehicle that was set up in a specific way in order to achieve a high rate of growth in per share net asset value ("NAV") over time. As such, our long-term goal is to build an exceptional investment company. To our mind, an exceptional investment company implies a company that generates returns better than most investment alternatives, be they companies, funds or an index replicating a stock market.

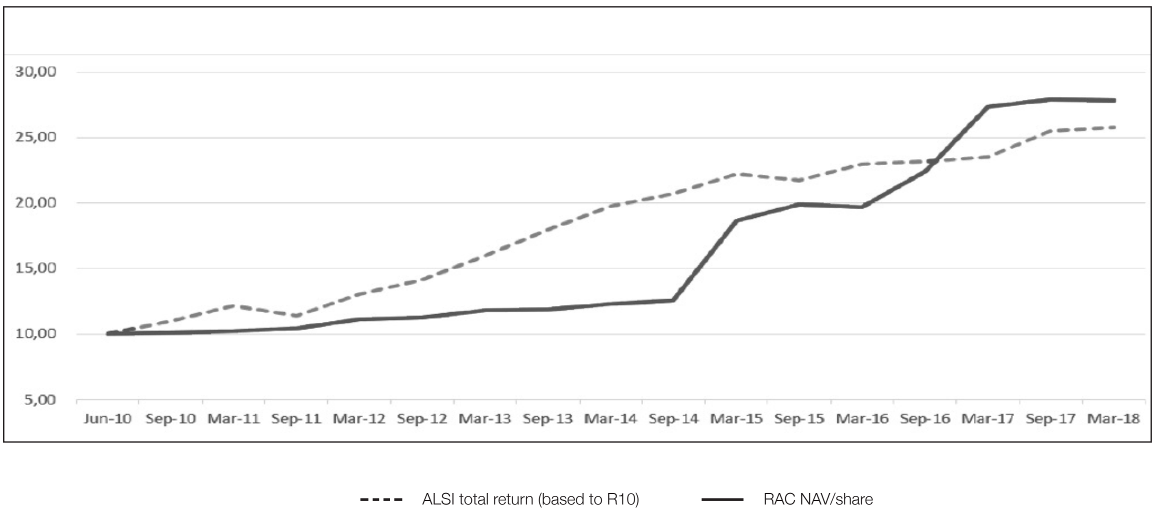
Our strategy to achieve our goal is to partner with companies – predominantly privately held – and provide them with capital and advice (in the required proportion) to fulfil their potential.

The past financial year has been one of investing for the future of our company, so our NAV per share growth was muted. As the management of the investee companies successfully implement their plans, we know that, as a group, the potential for further growth in their underlying intrinsic value increased. We expect to see this year's positive developments in our portfolio companies reflected in further future growth in profits.

Growth in per share NAV (our preferred method of measuring value creation) was 1,6% for the past 12 months. This compares to the All Share Index total return for the year of 9,6%.

To become recognized as an exceptional investment vehicle takes time, but we believe we are firmly on track. RAC has grown its NAV per share by 16,3% annually since inception, compared to the All Share Index (Total Return) growth rate of 15,1%. Over the same period, the Rand has depreciated by 5,8% annually. RAC has thus compounded its NAV by over 10% p.a. in US$ terms.

The following chart shows our progression against the JSE All Share Index, including dividends. R10 invested in RAC participating preference shares in June 2010 has grown to R27,77 in Net Asset Value after all fees and taxes. The same amount invested in the JSE All Share Index would have grown to R25,79, before taking any fees or possible taxes into account.



The NAV per share growth of 1,6% over the last year implies an increase of R21,9m. The composition of this increase on a look-through basis is as follows:

	2018 R	2017 R
Interest and dividends	**32 422 299**	339 583 909
Realised profits on sale of assets	**4 940 113**	30 027 593
Adjustments to fair value of assets	**66 718 843**	114 212 226
Share issue and buy back	**–**	24 502 250
Operating expenses	**(25 832 074)**	(20 752 921)
Financing expenses	**(34 262 759)**	(17 123 473)
Tax paid	**(9 146 238)**	(11 021 088)
Tax (provided for)/reversed	**(12 949 549)**	(43 740 480)
Net increase in NAV	**21 890 635**	415 688 016

This year, the largest component of return was in the form of revaluations. We did not exit very many investments, and our investment income is still low. As Goldrush, our largest investment, matures we anticipate a much stronger flow of dividends – which we expect to happen in the next few years.

Our main operating expense is the management fee we pay. This fee amounts to 1% (excluding VAT) of the portfolio. There are other small additional costs, such as external director's fees – but we work hard to keep the costs of managing the business as low as possible. Most listed businesses with a similar market value, have central costs well in excess of RAC's.

We explicitly provide for deferred capital gains tax (CGT), where applicable on our unrealised gains at the statutory rate.

OUR INVESTMENTS

Please refer to the table below for our portfolio of investments.

Our core investments, where we have a significant stake in the business, and associated influence, are grouped together. We expect to be long-term capital partners of these businesses and their management teams. At year-end, this made up 83% of our asset base. Our minority stakes are now grouped separately under the heading of Portfolio Investments and make up 10% of our asset base. There is a third group called Other Investments. This consists of interests in investments we are either in the process of exiting or acquiring. Either way, we do not think it is in our shareholders' best interest that we disclose any specifics of this group, as this could have the effect of jeopardising any transactions.

Shareholders' letter

continued

Here are the companies and management teams in which we have placed our confidence

	% Owner-ship	% of total assets	Directors Fair Value at 31 March (R'm)		
			2018	2017	2016
Core investments		**83**	**1 682,0**	**1 290,6**	**793,9**
Goldrush	51	46	941,1	816,4	446,8
Astoria	28	19	386,4	95,0	–
JB Private Equity (UCP)	90	5	106,1	100,9	60,9
Transhex	32	6	114,4	110,0	94,6
West Coast Resources	–	–	–	53,3	112,4
Outdoor Investment holdings	29	4	82,5	59,9	56,9
College SA	88	3	51,5	55,1	22,3
Portfolio investments		**10**	**203,7**	**175,4**	**337,9**
DAWN	17	4	78,5	–	–
LA Concorde	5	2	43,9	42,3	19,3
RECM Hedge Fund	–	2	42,4	–	–
Conduit Capital	2	2	38,9	46,2	44,6
Excellerate	–	–	–	34,0	26,3
ELB Group	–	–	–	21,2	13,2
Sovereign Food	–	–	–	18,4	57,5
KLK Landbou	–	–	–	13,3	9,4
Fledge Holdings	50	–	–	–	167,6
Other investments		1	**22,2**	50,3	22,3
Cash and receivables		6	**123,1**	178,9	3,3
Total Assets			**2 031,0**	1 695,2	1 157,4
CGT and other liabilities		(7)	**(132,4)**	(146,3)	(124,3)
Bank funding		(24)	**(477,9)**	(150,1)	(50,0)
Net Assets			**1 420,7**	1 398,8	983,1
Net Asset Value per Share ("R")			**27,77**	27,35	19,66

Some notes on our valuation methodology

IFRS requires RAC, as an investment entity, to place a fair value on all its assets. We have not changed our valuation methodology. Where possible, we use market prices, either listed or over the counter. For assets where there is no visible market price, we perform a valuation exercise, which culminates in a range of fair values, as required by IFRS. Due to the inherent uncertainty of valuing large stakes in unlisted, untraded assets, this range is necessarily quite wide. For some of our unlisted investments, this range includes the original cost price. In select circumstances, we have provided debt to some of our investee companies. In these rare instances, our valuations above include both equity and debt.

Our Investments

1. Goldrush

Goldrush is entrenching its position as the largest alternative gaming group in the country. At year end, Goldrush operated 24 Bingo sites, up from 14 last year. The group operated 1 671 Limited Payout Machines (1 537 last year) out of a total licensed opportunity of 4 200 (4 200 last year). The group operated 28 sports betting shops (23 last year), out of a potential opportunity of 36 licenses (36 last year).

Goldrush operates in all 9 provinces of the country, as well as in Lesotho and Tanzania. The group employs more than 2 500 staff throughout its operations. Its customers are served under the Goldrush (Bingo, LPM), Bingo Royale (Bingo), Crazy Slots (LPM), G-bets (Sports betting and Online betting) brands.

During the last year, the transaction to acquire the Boss Gaming Group, an operator of Bingo and LPMs in the Eastern Cape and KZN regions became unconditional. This has so far turned out to be a very good transaction for Goldrush as Boss contributed significantly to this year's earnings, especially when compared to the price we paid.

With the exception of two of our Pretoria Bingo properties and one Johannesburg Bingo property, our existing operations experienced strong organic growth in all areas – Bingo, LPM's and Sports Betting. The relocation of the Sun International Casino license from the Morula complex to Times Square, Menlyn Maine, impacted the Atterbury and Kolonnade Bingo properties severely. We have not seen any recovery from this impact as yet. We mitigated some of the impact on a third Pretoria property, by relocating the license from Centurion to the vacated Morula complex. This relocation however meant that this license was not trading optimally for some time during the year.

During September 2017, the KZN legislature formally approved the legalisation of Electronic Bingo as a form of Bingo that is allowed in the province. We can now roll out our Bingo properties in the province.

As an operator in a highly regulated industry, the primary value of our business derives from the exclusive ownership of its licenses. Without the entrenched rights to operate these licenses, our business would be much less valuable. As Goldrush matures and improves the scale of its operations, the group has become more successful at:

- acquiring licenses, both through a very competitive bidding process for new licenses and through acquisition of existing licenses from other operators; and
- rolling out existing licenses.

The table below shows our progress in terms of the number of licenses across all segments over time.

Summary of gaming licenses in the group

		Mar 2015	Mar 2016	Mar 2017	**Mar 2018**
Bingo	Licenses Owned	11	14	18	**32**
	Licenses Rolled out	11	14	14	**24**
LPM *	Route/ISO Licenses Owned	4	6	9	**9**
	Machines Approved	1 900	2 520	4 200	**4 200**
	Machines Rolled out	1 042	1 360	1 537	**1 671**
Sports Betting	Licenses Owned	19	30	36	**36**
	Licenses Rolled out	15	18	23	**28**

* *A 1 000 machine Route license is the subject of a review process, and is therefore excluded from these numbers*

In the past financial year, group revenue exceeded R1bn for the first time, after an increase of 42,7% from the prior year. This includes the contribution from acquired businesses. Sustainable EBITDAR (the measure we use to evaluate the progress of the business) increased by 30,8%. Net financial indebtedness increased this year to fund acquisitions and developments.

Selected financial information for the Goldrush Group

	Mar 2015 (R'm)	Mar 2016 (R'm)	Mar 2017 (R'm)	**Mar 2018 (R'm)**
Total Revenue	517,4	627,1	747,2	**1 038,1**
Sustainable EBITDAR	151,2	181,3	229,5	**300,0**
Net Financial Indebtedness	101,0	96,1	112,8	**436,5**

Our valuation for Goldrush is based on an earnings multiple for the existing operations (as reflected in sustainable EBITDAR) and an adjustment for the balance sheet structure. This includes financial indebtedness as reflected above, plus market-related valuations for non-operational licenses.

The multiple used for our valuation increased slightly over the last year from 6,5 to 7 to reflect the increased quality of the business due to scale and to acknowledge positive developments in the regulatory environment, especially in KZN.

We remain cautious in our valuations, as a number of regulatory hurdles remain. As an example, the South African Government recently published for comment the Control Of Tobacco Products And Electronic Delivery Systems Bill, which seems to include potentially severe restrictions on the use of tobacco products in all public areas. This could have a detrimental impact on Goldrush operations.

Goldrush is an example of the potential outcome of a good management team in charge of a good business. Due to its nature, and despite significant recent growth, Goldrush still has a long growth path ahead of it as existing operations mature and new operations are initiated. The entire KZN opportunity has only just opened up. As the business grew and the team expanded our reach during the year, Goldrush spent in excess of R75m in development costs, compared to R34m last year. We expect 2018 to have been the heaviest year of development spend and anticipate strong but measured roll-outs going forward.

2. *Astoria Investments*

Astoria is a Mauritian domiciled investment company which has its shares listed in South Africa (JSE), Mauritius (SEM) and Namibia (NSX). It holds a portfolio consisting mainly of small minority stakes in global blue-chip companies. Despite also holding a smattering of private equity and other investments, Astoria's portfolio has tracked the MSCI World Index with uncanny accuracy since its listing in November 2015.

We think there is a better way of investing the capital of the business. It seems as if many Astoria shareholders (definitely many ex-shareholders) agree with us, as we have been able to build an ownership stake of almost 30% in the business at a significant discount to NAV over the last 18 months.

Investing in an offshore index will not help us generate the sort of returns we aim for, so for the time being we have hedged out a substantial portion of this exposure. RAC is effectively long of the (wide) discount to NAV.

Subsequent to year end, we have announced our intention to make an offer designed to acquire control of Astoria. If enough of the remaining Astoria shareholders accept our offer, they will receive R13,50 of value per Astoria share, of which all or a substantial portion could be in cash, depending on the take-up. There is however a chance that more shareholders accept our offer than what we are willing to pay for with cash. RAC will then issue RAC participating preference shares in addition to the cash component, with each Astoria share being sold to us for a value of R13,50, with payment made up partly of cash and partly in participating preference shares.

The best outcome for us is if we can pay all (in the case of a 30% take-up from remaining shareholders) or the majority with cash as issuing RAC participating preference shares at current NAV per share is in our opinion a very expensive form of finance.

Be that as it may, in the event that we manage to gain control of Astoria, both Astoria and RAC shareholders stand to benefit from the transaction. Beyond the commercial benefits, a reconstituted Astoria board can then pursue investments in good businesses, with good management, purchased at good prices. We suspect that these investments could generate returns as good as RAC's existing group, mainly because they are found in places where we have competence, i.e. places where many investors are loath to look.

In addition, the transaction will improve our shareholder spread and have some liquidity benefits for RAC shareholders.

Astoria shareholders who accept the offer, will receive a payment which is substantially higher than any price at which they would have been able to sell their shares in the recent past, that allows them to invest their cash proceeds in a low-cost tracker, or their favourite investment manager's fund, neither of which would trade at a discount and both of which would have much better liquidity than is currently the case in Astoria.

3. JB Private Equity Partnership

RAC owns 90% of JB Private Equity ("JB") an entity that has as its only investment a 37% stake in Unicorn Capital Partners ("UCP"), a company listed on the JSE. RAC initially invested in UCP in April 2015. In October of that year we appointed Jacques Badenhorst as CEO. It has taken him almost three years to get the business where there seems to be light at the end of the tunnel. We have learned some valuable lessons in this process. For more on this, see our discussion of DAWN, below.

During the 2018 financial year Unicorn was able to start reaping the benefits of the investments made in Ritchie Crane Hire and Jef Drill and Blast. Both companies delivered attractive growth in earnings. Geosearch's performance continued to improve while we were also able to exit our remaining contract mining activities. The re-opening of our Nkomati Anthracite underground mine, the expansion of our open pit mine as well as the commissioning of our new wash plant are on track. Group overhead expenses continue to decline while the ring-fencing of operating entities has been completed.

Going forward, Unicorns' strategy is to invest in businesses that have good investment characteristics and yield attractive returns on capital. Investments are managed on a standalone, ring-fenced, basis with Unicorn providing support to these investments through capital allocation, investment decisions and strategy.

We value the partnership based on its holding of UCP, which in turn, is valued at its listed price.

More information on UCP can be found at www.unicorncapital.co.za.

4. Transhex

Transhex has had a torrid year. Its operations in the Lower Orange River ("LOR") reached the end of their life and were mothballed. Unfortunately, this had the consequence of large scale retrenchments, at great cost to the company. West Coast Resources started to overcome its teething problems but was still loss making for the year. The Angolan business performed in line with expectations, but it remains difficult to repatriate cash profits to South Africa out of Angola.

All of the above meant that Transhex produced a significant loss for the year. Their full set of results can be accessed at www.transhex.co.za.

We are very disappointed by this outcome. As these circumstances currently dictate, we have stepped in as a member of the controlling shareholder grouping of Transhex. Together with our partners and management, we are proactively acting to recover value. Head office costs have been cut significantly, disposals are being sought, and additional resources are being evaluated. Subsequent to year end, the mothballed LOR operations have been sold for an effective R70m in cash. The buyer has also taken over the full environmental rehabilitation liability.

Our investment in TSX is carried at the market price, which has declined by 58% over the past year.

During the course of the year, RAC exchanged its direct holding of West Coast Resources ("WCR") (a subsidiary of Transhex) for additional shares in Transhex. As such, our shareholding increased to 31,2%. Transhex now owns 67,2% of WCR.

5. Outdoor Investment Holdings

Outdoor Investment Holdings is primarily focused on the outdoor and sport shooting industry. It serves the market through the national retailer Safari & Outdoor as well as wholesalers Inyathi Sporting Supplies and Formalito. As a retailer which is effectively exposed to discretionary spending in the local economy, OIH performed well for the year ended 28 February 2018. Turnover grew 13% to R674m and operating margin remained constant around 9% and NAV increased to R170m.

2018 will see the retail arm, Safari & Outdoor, open a 5th store towards the third quarter. The industry remains under pressure due to currency fluctuations and excessive industry stock levels as international brands all compete for larger stakes in the South African market.

6. ***College SA***

College SA houses our education-focused assets. This tertiary education group serves students under three brands, namely "College SA", "Tabaldi Online Accounting Classroom" and "IASeminars". Through these three brands, the business served almost 5 400 active students last year, compared to 5 000 the year before.

At College SA, the Technical and Vocational Education and Training college, sales fell by 29.6% during the year, which is contrary to what one would have expected given the fantastic opportunity created by a combination of government's continuous under-spending on all areas related to education, and the growing demand for education. The narrative around "Free Tertiary Education" and #Feesmustfall has certainly also played its part in encouraging students to delay enrolments, cancel existing courses or simply just stop paying. Ironically, the increased tax burden on consumers to pay for so-called free education has contributed to creating such tough economic circumstances for the average South African, that their ability to pay for many necessities, including education, has been impacted.

IASeminars experienced decent sales growth, topping the previous year by 33,5%. This was driven by a combination of repeat-customers, together with a pick-up in the roll-out of IPSAS, the accounting standard for non-public institutions.

At Tabaldi the team delivered its first product to the market in time for enrolment season 2018. The program supports CTA students through UNISA and students from other universities requiring higher levels of support. In the meantime, the team is developing further products as we increase the range of qualifications we support, facilitate and eventually will offer.

Our valuation for the College SA group reflects the reduced profitability of College SA and our conservative approach in valuing the qualifications we are busy developing, but from which we are yet to receive any revenue. The valuation for IASeminars was impacted by a strengthening of the Rand over the last year.

7. ***DAWN***

RAC owns 16,8% of DAWN, a building supplies business. We first invested into DAWN just over a year ago, when we supported an emergency rights issue at (what we thought was) a deeply discounted price. We were of the opinion that our patient and supportive shareholding would help the business buy time to execute a turnaround strategy, as our experience with turnarounds has been that it typically takes longer than expected. Unfortunately, DAWN appears to be no exception. We are putting a lot of time and energy into assisting management with the turnaround. We trust that our combined effort will bear fruit in time to come.

With UCP (previously Sentula) we learnt some lessons about turnarounds:

- The price you pay for most investments is key to the investment outcome. For turnarounds, price is even more important. Unfortunately, we got this horribly wrong with DAWN.
- It is key to have a strong hand on the tiller, who is working for shareholders. Acting in the best interests of shareholders means that hard decisions get taken. We have seen too many struggling businesses being run mainly for the benefit of management, leading to short-term "easy" decisions being made. Ultimately these decisions lead to the complete downfall of the business.
- Before the business finally turns around there are many times that it looks more likely to fall over. You need to have management and shareholders fully aligned and working together to prevent this from happening. And even this is no guarantee of success.
- Even if you can get alignment between the different stakeholders, you still need the cycle to turn positive (or at least not decline further).
- And finally, you need that important ingredient in most business success stories, good luck.

8. La Concorde

RAC owns 5,1% of La Concorde, an unlisted company. HCI, the ultimate controlling shareholder, has been actively unlocking value over the past few years. Initially, they sold the operational assets for a cash amount more than double the value implied by the market price of La Concorde at the time. Two special dividends totaling R4,62 per share were then paid. A new business was injected into the shell, and unbundled to LC shareholders. Additionally, we are still left with the stub of remaining assets (mainly property and art) which is worth at least R2,50 per share. We have had an offer at this level, which we declined.

9. RECM Flexible Value Hedge Fund

We are firm believers in learning from one's experiences. As discussed in some of our previous letters to you, our experience in RAC has pointed us in the direction of having larger investments in private companies that we understand and where we have significant influence. Not because we have any superior skills at 'controlling' companies, but mostly because this kind of set-up changes the dynamics between us, our fellow investors and the management teams of the businesses. A working relationship like we have at Goldrush, Outdoor Investment Holdings, College SA or UCP is just not attainable with small holdings in public listed securities, despite our best efforts.

However, by the time we had come to this decision, we still had investments in a number of such positions which we acquired during the earlier part of our journey. These investments still offered significant return potential and we did not want to dispose of them straight away. So, when our sister company, RECM, launched their deep value hedge fund, we were day-1 investors through the contribution of our holdings in ELB, KLK, Putprop and York in exchange for units in the fund. The fund utilises a Collective investment Scheme structure that has many benefits to investors such as RAC – long-term orientated, tax sensitive, patient and the pursuit of exceptional – albeit volatile – returns. RECM has since raised further capital for the fund. And we have to complement them on the caliber of investors they have managed to attract as our co-investors in the fund. The share register of any fund, but even more so for this fund, is as important as the asset register.

This fund recently celebrated its one-year anniversary. In the context of the it's objective, this is a very short time period. However, we are pleased that the fund has outperformed the JSE All Share Index during that period. Even better than this was the way in which these returns have been achieved. The investments in the fund could be classified under the labels of "Investor Disgust", "Neglect", "Illiquid", "Complicated", "Net Asset Plays", "Opportunistic", "Unlisted" and even in a few cases as "Overvalued" or "Over Levered", but for the most – completely outside the ambit of any Exchange Traded Fund or index tracker. For the proverbial enterprising investor from Ben Graham's book The Intelligent Investor, the South African markets have dished up a wonderful investment landscape for this particular mandate.

10. Conduit Capital

RAC owns 2,3% of Conduit Capital, a listed specialist insurance and investment business. We have a high regard for management and their business and investment strategy. Our shareholding has remained unchanged, and we value Conduit at its listed price. More information can be found at www.conduit.co.za.

11. Exits

During the course of the year we sold out of Sovereign Holdings, a listed producer of poultry products. Our gain was in excess of 70% over the holding period.

We also sold our entire holding in Excellerate as an opportunity presented itself in the form of a private buyer. We originally paid R1,23 per share for our stake in 2012. When the company delisted from the JSE our structure allowed us to stay invested while many other investors were prohibited from following the investment private in their mandates and funds. Our latest carrying value of Excellerate was R2,80 per share, the price of the last trade we could identify. The stake was sold for R5,40 per share in March of this year. This represents growth of 24% p.a. for the duration of the investment. Excellerate represents yet another investment that was held at the lower end of the fair value range, and that we were able to exit at a price well above our carrying value because we could act at the right time.

Events subsequent to year-end

- RAC made an offer to acquire up to 100% of Astoria. As described above, a successful conclusion of this transaction could unlock significant value in RAC.
- RAC concluded agreements to become a 49% shareholder of ISA Carstens Holdings, a private tertiary education institution which provides tuition in the health and wellness industry. ISA Carstens has campuses, including boarding facilities for students, in Stellenbosch and Pretoria. Through the transaction, we become partners with the founding family that built the business over the last 40 years.
- La Concorde unbundled its shareholding of HPLR (Hosken Passenger and Rail, the owners of, amongst others, Golden Arrow Bus Services), in the ratio of 2 HPLR shares for every LC share.

Our Strategy

To become an exceptional investment business is simple but not easy. To do so requires consistent execution on a sensible strategy. We are proud to have grown our NAV per share at above market rates, even including our missteps in execution. We can't blame the weather, politicians or the economy – our mistakes are our own, to live with forever. But by applying our strategy ruthlessly, we can minimize the effect of these (inevitable) errors of judgement.

Our strategy consists of controlling:

a. ***What we buy and what price we pay***

   We prefer capital-light businesses that are scalable. We also prefer honest politicians. Unfortunately, both are scarce. So far, we have invested over 80% of our capital in our preferred type of businesses. But, having a "grand strategy" generally does not sit well with us. We prefer to be flexible in our thinking, and opportunistic in execution.

   Given the current condition of the economy (poor), we are finding opportunities in capital-intensive businesses and turnarounds, due to the prices at which these type of businesses are becoming available (low).

   Regardless of the type of business we invest in, we think the price we pay will be an important determinant of whether the investment turns out successfully. We cannot avoid risk, we can only manage it, and the best risk management tool is still the price one pays for an asset.

   Many transactions are consummated in a competitive auction-based environment. The winner ends up paying the highest price, often a price that destroys value for the buyer. A good way of thinking about the winner in a competitive process is as the bidder who is happy to receive the least for every single unit of their money. We try hard not to be that person.

b. ***Who we choose to partner with***

   We think the people we choose to partner with in our companies, are as important as the price we pay. Sometimes it turns out to be even more important. Over the long-term, a person's character has a strong positive correlation with success. Character also informs how people choose to deal with adversity, of which any business will face its fair share over time.

   The deal is simple: we leave our managers alone to manage their businesses as best they see fit. In return, our structure provides a long-term home for them, safe from the vagaries and short-term demands of the stock market. To execute on this simple strategy successfully requires a high level of mutual trust. In building trust, character is key.

c. ***The leakages in the system – fees, costs, taxes***

   When we examine why investment companies tend to trade at discount to NAV it ultimately boils down to leakages from the system. As such we work hard to minimize leakages.

   RAC's main cost is its contractual management fee.

   It is also useful to look at many other listed businesses through our lens – that of an investment holding company. Many listed so-called operational businesses are actually more akin to investment companies such as RAC. They own a fairly diverse set of businesses with no apparent synergies. They would generally be better off doing away with their head office (staff and building!), devolving control down to the operating entities and instituting a monitoring fee to pay the costs of a small team of capital allocators at the top. Of course, given the incentives at play, that is an unlikely outcome. At RAC, we recognise that our different investee companies are unashamedly unrelated, and there would be no synergies if we were to merge them. As such, it would be ridiculous to create a "head office" to manage them. Our "head office" is represented by our 1% management fee. We think this fee actually represents a good deal for our shareholders. If RAC were to do away with the contractual fee, and institute variable costs in line with the costs at similarly sized "operational" companies, shareholders would be worse off. Of course, at a certain size this argument will not hold. At that time, we will review our position.

The second leakage – tax – is unavoidable. But it is possible to delay the actual payment thereof. Deferred taxes allow us to retain capital temporarily, and in so doing, compound more capital at our (hopefully) high internal rate. So, although we deduct full CGT in calculating our NAV – which is a more conservative practice than at many other investment companies – we get to use the capital until we actually have to pay the tax, generally when we exit the investment. So far, most of our exits have been executed in ways that ultimately led to less tax being paid than we had provided for. This represents another layer of conservatism in our stated NAV.

We have a good track record in controlling these leakages, and will continue to focus on these "controllables" relentlessly.

Our Structure

Our investment strategy has played, and will continue to play an important role in our success. But our structure also has an important role to play. At year-end, control of the Company vests with the two of us, through our holding in the ordinary shares of the company. Theunis remains our partner in a non-executive capacity. He also remains a significant shareholder in the business.

As a group, we continued to increase our shareholding in the business. When we interrogate our shareholders register, it appears that there is only one other investor (an institution on behalf of its clients) which holds a bigger economic interest in RAC than the three of us. We have skin in this game. If you ever wonder about which way potential conflicts between the management fee and the NAV per share in this business get resolved, we would refer you back to this section of our letter.

The three of us all have a very long investment horizon. We plan to remain invested in, and managing the affairs of RAC for a very, very long time. Most investment partnerships do not last a long time, as the partners have different views on important issues. Our partnership disagrees on many things, but not the important ones mentioned above in the strategy section.

We do not intend to pay dividends, given that the tax on dividends is roughly the same as CGT for most investors. If you need income, you can sell some of your shares when it suits you. This way you have much more flexibility and control over how and when you want to create a tax liability.

The Future

We believe our intrinsic value is growing at a rate well in excess of our accounting NAV. We are loath to mark our assets up too far, as the proof of value only really comes out in transactions. Accounting "fair value" is based on observed market prices, which in turn are driven by the exchange of small amounts of shares between minority shareholders. It is only when an informed buyer buys a significant stake in a business from an informed seller that true "fair value" can be established.

Last year, we had a perfect example of such a situation. Our investment in Dischem was realized at an amount of R187m in excess of our prior carrying value, or a good R3,61 per RAC share. This year, we had a similar, albeit smaller, realisation. We sold our stake in Excellerate for R64,5m, or R5,40 per share. Prior to the transaction we were carrying it at an accounting fair value of R34,6m, or R2,80 per share, which was the last observed traded price. The transaction added around 60 cps to our NAV.

We expect similar realisations to occur in future – we just don't know the timing or magnitude thereof. In fact, subsequent to year end, La Concorde's controlling shareholder, HCI, has set about crystallising the intrinsic value of that business. RAC had been carrying La Concorde at a fair value of R12,50 per share, and had accrued around R1 per La Concorde share of capital gains tax ("CGT") liabilities. Through HCI's efforts, we have so far received around R19,00 per La Concorde share in value, and we think there might be more to come. On top of that, HCI has executed the transaction in a tax efficient manner, relieving us of any CGT liability. In total, the realisation of La Concorde adds around 50cps to our stated year end NAV already.

As we said last year, negative economic environments increase the odds of RAC being able to buy good companies run by good people at a good price. This is exactly what has happened – we are now (more than) fully invested. The Astoria transaction – if successful – will provide us with more firepower to add to our portfolio of businesses, without diluting our existing shareholders.

Despite all the negative sentiment around South Africa, we are optimistic about the future. We spend almost no time thinking about the economy, as our managers are more than smart and tenacious enough to deal with the economic challenges and opportunities they face. All we know is that as with all cycles, this negative one will also come to an end.

Please bear in mind – if you are involved in any business that meets our investment criteria and that needs capital or a responsible owner with a long-term orientation, please give one of us a call. We can't promise you a deal, but we can promise you a quick answer.

We are intensely aware of the lopsided relationship between the responsibility our non-executive directors assume these days and the reward they receive for this. You can never pay Gerhard, Zanele and Trent enough for the sterling job they do of providing sounding boards and guidance. We would like to thank them for this and so should you.

We appreciate the people in charge of our investee companies. Not only do we enjoy working with them, but with their various teams, they do all the heavy lifting, allowing us to get on with the fun job of exploring investment opportunities.

Finally, to all our shareholders – thank you for entrusting your capital to us. The lack of liquidity in our shares shows that you have turned out to be a loyal bunch. In every allegation about illiquidity in our shares, we read a complement to you. As we see it, liquidity is a prerequisite only for someone that wants to move pieces of paper around. The lack of liquidity in our shares is a testament to the quality of the investors on our shareholders register.

However, we do understand that there are some valid reasons why an investor would need to sell shares, and low liquidity might prevent them from getting a fair price. Our endeavors to provide an environment in which RAC shares trade around fair value include consistent communication, fair dealing with all shareholders and generating a good track record. Despite success on all three fronts, the current share price suggests that we have failed in this specific endeavor. We have no doubt that liquidity will improve in future.

SHAREHOLDERS' MEETING WITH EXECUTIVE DIRECTORS

We will hold our annual meeting for all shareholders, immediately after the conclusion of the Annual General Meeting of RAC Shareholders. This Annual General Meeting is scheduled to take place on Wednesday, 25 July 2018 at the Southern Sun Hotel in Newlands, Cape Town, at 11:00. At the meeting, we look forward to discussing our investment operations, and answering as many questions as you have. Some of our CEOs will also be present, if you wish to speak to them about their businesses. There is an invitation enclosed with this annual report, and we would appreciate it if you would let us know whether you will be attending.

Piet Viljoen
Executive Chairman

Jan van Niekerk
Executive Financial Director

Cape Town
18 June 2018

Statement of financial position

at 31 March 2018

	Notes	2018 R	2017 R
ASSETS			
Non-current assets		**1 420 152 165**	1 396 876 924
Investments	5	**1 420 152 165**	1 396 876 924
Current assets		**1 350 670**	2 681 458
Investments	5	**1 094 061**	2 409 514
Current tax receivable		**221 365**	223 307
Cash and cash equivalents		**35 244**	48 637
Total assets		**1 421 502 835**	1 399 558 382
EQUITY AND LIABILITIES			
Equity		**1 420 679 967**	1 398 789 332
Share capital – ordinary shareholders		**18 206 250**	18 206 250
Share capital – preference shareholders		**506 296 000**	506 296 000
Retained income		**896 177 717**	874 287 082
Liabilities			
Current liabilities		**822 868**	769 050
Trade and other payables		**822 868**	769 050
Total equity and liabilities		**1 421 502 835**	1 399 558 382
Net asset value			
Net asset value attributable to ordinary shareholders		**104 155 423**	102 550 538
Net asset value attributable to preference shareholders		**1 316 524 544**	1 296 238 794
Net asset value per ordinary share (cents)		**2 777**	2 735
Net asset value per preference share (cents)		**2 777**	2 735

Statement of comprehensive income

for the year ended 31 March 2018

	Notes	2018 R	2017 R
Revenue		**110 219**	30 163 291
Operating expenses		**(1 463 996)**	(1 517 457)
Operating profit		**(1 353 777)**	28 645 834
Fair value gains on subsidiary		**23 275 241**	362 590 140
Profit before taxation		**21 921 464**	391 235 974
Taxation		**(30 829)**	(50 208)
Profit for the year		**21 890 635**	391 185 766
Other comprehensive income for the year net of taxation		**–**	–
Total comprehensive income		**21 890 635**	391 185 766
Earnings and headline earnings per share			
Per share information (ordinary and preference)			
Basic and diluted earnings per share (cents)	6	**43**	765
Basic and diluted headline earnings per share (cents)	6	**43**	765

Statement of changes in equity

for the year ended 31 March 2018

	Preference share capital R	Ordinary share capital R	Retained income R	Total share-holders' equity R
Balance at 31 March 2016	450 000 000	50 000 000	483 101 316	983 101 316
Profit for the year	–	–	391 185 766	391 185 766
Share issues	56 296 000	–	–	56 296 000
Share buy back	–	(31 793 750)	–	(31 793 750)
Balance at 31 March 2017	**506 296 000**	**18 206 250**	**874 287 082**	**1 398 789 332**
Profit for the year	**–**	**–**	**21 890 635**	**21 890 635**
Balance at 31 March 2018	**506 296 000**	**18 206 250**	**896 177 717**	**1 420 679 967**

Statement of cash flows

for the year ended 31 March 2018

	2018 R	2017 R
Cash flows from operating activities		
Cash utilised in operations	**(1 410 178)**	(2 252 759)
Interest income	**672**	169 541
Dividends received	**–**	3 500 000
Tax paid	**(28 887)**	(339 784)
Net cash (outflow)/inflow from operating activities	**(1 438 393)**	1 076 998
Cash flows from investing activities		
Sale/(purchase) of investments	**1 425 000**	(2 409 514)
Net cash outflow from investing activities	**1 425 000**	(2 409 514)
Net movement in cash and cash equivalents	**(13 393)**	(1 332 516)
Cash and cash equivalents at the beginning of the year	**48 637**	1 381 153
Cash and cash equivalents at the end of year	**35 244**	48 637

Selected notes to the abridged annual financial statements

1. BASIS OF PREPARATION

The summary financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the financial statements, from which the summary financial statements were derived, are in terms of International Financial Reporting Standards and are consistent with the accounting policies applied in the preparation of the previous annual financial statements.

These abridged annual financial statements do not contain as much detailed information and disclosures as the audited annual financial statements and should therefore not be considered as a substitute for reading the audited financial statements.

2. GROUP STRUCTURE

RECM and Calibre Limited ("RAC") was established in 2009 as a closed-end investment entity that makes long-term investments, with the objective of generating high real returns from capital appreciation, investment income or both. Investments can be listed or unlisted, public or private, and there are no limits as to the geographic location.

Given that the investment infrastructure of RAC has been set up to facilitate investments and funding in the most efficient manner, investments are made either through a fully owned subsidiary incorporated in South Africa, RAC Investment Holdings (Pty) Ltd, ("RIH") or directly.

Given that the majority of investments are held through RIH, RAC has provided the fair value disclosure in two parts in note 5. Notes 5.1 and 5.3 disclose the investment in RIH as required by IFRS and notes 5.2 and 5.4 provide additional disclosures that the directors deem useful by looking through RIH and RIH's wholly owned subsidiary Livingstone Investments (Pty) Ltd ("Livingstone") to the underlying investments. All fair value movements on the investment in RIH are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES

Assessment as investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at fair value rather than consolidate them. The criteria which define an investment entity are, as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both;
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis (refer to note 5 for additional disclosures relating to fair value).

Based on the above, the Company is considered to meet all three conditions of the definition and, hence, qualifies as an investment entity. Consolidated Financial Statements are therefore not prepared.

Selected notes to the abridged annual financial statements

In line with RAC carrying its investment in RIH at fair value, RAC has also applied the exemption in IAS 28 to carry any interests in associates and joint ventures at fair value through profit or loss. Such application is applied consistently due to the fact that the Company is an investment entity and evaluates its investments on a fair value basis. The Company reports to its investors via annual and semi-annual results and to its management, via internal management reports, on a fair value basis. All investments are reported at fair value to the extent allowed by IFRS in the Company's annual report.

The Board has also concluded that the Company meets the additional characteristics of an investment entity, in that it has exposure, directly or indirectly, to more than one investment; the investments are predominantly in the form of equities and similar securities; and its investors are not related parties. These conclusions will be reassessed on an annual basis, if any of these criteria or characteristics change.

4. AUDIT OPINION

This abridged report is extracted from audited information, but is not itself audited. The annual financial statements, which exclude the shareholders' letter, were audited by Ernst & Young Inc., who expressed an unmodified opinion thereon. The audited annual financial statements and the auditor's report thereon are available for inspection at the company's registered office. The directors take full responsibility for the preparation of the abridged report and that the financial information has been correctly extracted from the underlying annual financial statements.

The audited financial statements, which were prepared under the supervision of the FD, Jan van Niekerk, are available for inspection at the Company's registered office and will be included in the Integrated Annual Report 2018 available for download from www.racltd.co.za.

Selected notes to the abridged annual financial statements

continued

	2018 R	2017 R
5. INVESTMENTS		
Fair value hierarchy of financial assets		
Level 2		
Class 4 – Money market fund	**1 094 061**	2 409 514
	1 094 061	2 409 514
Level 3		
Class 5 – Unlisted shares – Unquoted – fair value through profit or loss	**1 420 152 165**	1 396 876 924
	1 420 152 165	1 396 876 924
Total financial assets at fair value	**1 421 246 226**	1 399 286 438
Total assets at fair value through profit or loss	**1 421 246 226**	1 399 286 438
Non-current assets - fair value through profit or loss	**1 420 152 165**	1 396 876 924
Current assets - fair value through profit or loss	**1 094 061**	2 409 514
Total investments	**1 421 246 226**	1 399 286 438
Management classifies money market fund as current and other investments as non-current.		
Level 3 reconciliation		
Opening balance	**1 396 876 924**	983 290 784
Purchases	**–**	50 996 000
Gains on investments recognised in profit or loss	**23 275 241**	362 590 140
Closing balance	**1 420 152 165**	1 396 876 924

Level 1

Class 1 financial assets are valued at the listed price per the exchange on which they trade.

Class 2 financial assets are valued at the quoted price based on the latest over the counter trades.

Level 2

Class 3 financial assets are valued based on the price of the underlying assets.

Class 4 financial assets are valued by taking the following market observable data into account and applying them to the holdings:

- credit spread of the institution at which the funds are held
- any difference in the interest rate earned and what is available in the market

Class 6 financial assets are unlisted shares valued at the last traded price between third parties if the transaction occurred within the last 6 months.

Level 3

Class 5 unlisted unquoted shares are valued using a number of valuation techniques based on the following unobservable market data for each investment as applicable:

- Net profit of investee
- Equity and net debt of investee
- Return on capital
- Price/Earnings ratio
- Expected cash flows
- NAV of the investee if it recognises its assets and liabilities at fair value

Selected notes to the abridged annual financial statements

continued

5. **INVESTMENTS** (continued)

Management uses the above information in multiple valuation techniques as applicable by comparing the investee information to similar type entities in the listed market. The nature of the fair value calculations means that fair values range greatly and are sensitive to indirect and direct quantifiable and unquantifiable inputs.

There have been no significant changes to the inputs to the fair valuation calculations of the investments to which RAC is exposed. RIH has continued to be valued based on its NAV which is driven by the valuation of the underlying investments. Management are responsible for preparing the valuations which are reviewed by the Audit and Risk Committee and approved by the Board.

In terms of IFRS, RAC is an Investment Entity, and therefore no consolidated results are required to be prepared. IFRS requires the fair value disclosure to be prepared at the Unit of Account Level (i.e.: at the level of shares that RAC owns and those are shown above). The Board of Directors has decided to provide the following voluntary disclosures looking through the 100% held investment entity subsidiaries, RIH and Livingstone, to its underlying investments. In addition, a summary of the NAV of RIH as well as the underlying valuation techniques and sensitivities have been provided.

	2018 **R**	2017 R
Fair value hierarchy of financial assets held by RAC Investment Holdings (Pty) Ltd and Livingstone Investments (Pty) Ltd		
Level 1		
Class 1 – Listed shares – Quoted	**565 781 986**	205 119 811
Class 2 – Unlisted shares – Quoted	**43 874 788**	55 550 183
	609 656 774	260 669 994
Level 2		
Class 3 – Derivative instruments	**–**	130 879 183
Class 3 – Hedge fund	**42 401 775**	–
Class 4 – Money market fund	**72 433 269**	158 886 872
Class 6 – Unlisted shares – Last traded price – available for sale	**–**	34 031 981
Class 6 – Unlisted shares – Last traded price – fair value through profit or loss	**–**	49 736 932
	114 835 044	373 534 968
Level 3		
Class 5 – Unlisted shares – Unquoted – available-for-sale	**4 597 611**	4 038 769
Class 5 – Unlisted shares – Unquoted – fair value through profit or loss	**1 165 762 769**	993 249 079
	1 170 360 380	997 287 848
Total financial assets at fair value	**1 894 852 198**	1 631 492 810
Non-current assets	**1 822 418 929**	1 472 605 938
Current assets	**72 433 269**	158 886 872
Total investments	**1 894 852 198**	1 631 492 810
Summary of Net Asset Value of RIH and Livingstone		
Total investments from above	**1 894 852 198**	1 631 492 810
Loans and receivables	**68 016 765**	56 749 640
Cash and cash equivalents	**49 047 493**	4 665 742
Deferred tax	**(126 589 276)**	(117 389 895)
Contingent consideration and options	**16 209 881**	(22 123 176)
Loans and payables	**(131 044 118)**	(6 518 197)
Preference shares	**(350 340 778)**	(150 000 000)
Net Asset Value of RIH and Livingstone	**1 420 152 165**	1 396 876 924

Selected notes to the abridged annual financial statements

continued

5. INVESTMENTS (continued)

31 March 2018

5.1 Description of significant unobservable inputs and their sensitivities of RAC (level 3 investments).

	Valuation technique	Fair value Rm	Significant unobservable inputs	Input value	Sensitivity
RAC Investment Holdings ("RIH")	NAV	1 420	Earnings and multiple of the underlying investments (refer to breakdown below)	N/A	A change in the valuation techniques as documented below would result in an increase in fair value of R177,8m or decrease in fair value of 184,9m.

5.2 The below table shows the sensitivities per underlying investment held by RIH as if these were held directly by RAC (level 3 investments).

Retail: Safari and Outdoor; (excluding non-equity invest-ments)	Multiple	82,5	PBIT	6	A change in multiple by 1 would result in a change in fair value of approximately R17,8m.
Goldrush Group	Multiple	941,1	EBITDAR	7	An increase or decrease in the EBITDAR multiple by 1 would result in a change in fair value of approximately R152,6m.
JB Private Equity Investors Partnership	NAV	94,3	N/A	N/A	The NAV of the JB Private Equity Investors Partnership is directly linked to the underlying investment in Unicorn Capital Partners Limited (which is listed on the JSE) and it is not currently significantly impacted by any fair value adjustment to trade and other payables and therefore NAV of the JB Private Equity Investors Partnership is considered to be fair value. A 10% upward movement in the Unicorn Capital Partners share price would have a R2,3m impact on the Partnership NAV, whereas as a 10% downward movement in the share price would have a R9,4m impact on NAV.
Education: SA College (excluding non-equity invest-ments)	Multiples	47,9	Sales	0,8 – 1	A change in multiple by 10% would result in a change in fair value of approximately R4,4m.
	NAV		N/A	N/A	A change in 10% of the underlying bussinesses would have a fair value impact of R0,7m
Other level 3 investments		4,6			
Total		1 170,40			

Selected notes to the abridged annual financial statements

continued

5. INVESTMENTS (continued)

31 March 2017

5.3 Description of significant unobservable inputs and their sensitivities of RAC (level 3 investments).

	Valuation technique	Fair value Rm	Significant unobservable inputs	Input value	Sensitivity
RAC Investment Holdings ("RIH")	NAV	1 397	Earnings and multiple of the underlying investments (refer to breakdown below)	N/A	A change in the multiple of the underlying investments by 1 would result in a change in value of R106m.

5.4 The below table shows the sensitivities per underlying investment held by RIH as if these were held directly by RAC (level 3 investments).

Retail: Safari and Outdoor; (excluding non-equity invest-ments)	Multiples	49,9	EBITDA, Sales, PE	4 – 8	A change in multiple by 1 would result in an increase in fair value of approximately R14m.
Goldrush Group	Multiples	816,4	EBITDAR	5 – 7	An increase or decrease in the EBITDAR multiple by 1 would result in a change in fair value of our investment of approximately R122m.
JB Private Equity Investors Partnership	NAV	100,9	N/A	N/A	The NAV of the JB Private Equity Investors Partnership is directly linked to the underlying investment in Sentula Mining Limited which is listed on the JSE and is not currently significantly impacted by any fair value adjustment to trade and other payables and therefore NAV of the JB Private Equity Investors Partnership is considered to be fair value. A 10% movement in the Sentula share price would have a R8,7m impact on the Partnership NAV.
Mining: West Coast Resources (excluding non-equity invest-ments)	NAV	26,1	Valuation of mining rights	19% discount rate	A multi-period excess earnings method was used to calculate the mining rights in WCR. A change in the value of the mining rights by 10% would result in a R24,7m change in the NAV of WCR.
Other level 3 investments		4,0			
Total		997,3			

Factors that were taken into account by management in all valuations include the current market conditions, the invested market segment and interest rate certainty. The market for these instruments often has significant barriers to entry, making the comparison pool of similar entities very shallow. Specifically the hunting equipment industry has few market entrants with little reliable comparative data. The nature of the fair value calculations means that the calculated fair values could range greatly and are sensitive to indirect and direct quantifiable and unquantifiable inputs. Where we have influence over our investee companies we plan to play an active role in the long term strategy of the Company, ensuring that our interests are aligned.

Selected notes to the abridged annual financial statements

continued

	2018 R	2017 R
6. EARNINGS AND HEADLINE EARNINGS PER SHARE		
Earnings and headline earnings per shares are based on the profit attributable to ordinary and preference shareholders in issue during the year.		
Number of shares in issue at year-end		
Ordinary shares	**3 750 000**	3 750 000
Preference shares	**47 400 000**	47 400 000
Reconciliation of issued shares to weighted average number of shares		
Ordinary shares		
Opening balance	**3 750 000**	5 000 000
Share buy back	**–**	(393 836)
Weighted average number of ordinary shares	**3 750 000**	4 606 164
Preference shares		
Opening balance	**47 400 000**	45 000 000
Share issues	**–**	1 534 795
Weighted average number of preference shares	**47 400 000**	46 534 795
Total weighted average number of shares	**51 150 000**	51 140 959
Earnings		
Net profit after tax	**21 890 635**	391 185 766
Headline earnings	**21 890 635**	391 185 766
Basic and diluted earnings per ordinary and preference shares (cents)	**43**	765
Basic and diluted headline earnings per ordinary and preference shares (cents)	**43**	765

7. SUBSEQUENT EVENTS

Subsequent to year-end the following significant transactions have occurred:

- RAC through its 100% held subsidiary, Livingstone Investments (Pty) Ltd, announced its intention to make an offer to acquire up to 87 643 353 shares in Astoria Investments Limited in terms of a voluntary offer. As at the time of signing the annual financial statements, the offer is subject to regulatory approval.
- Agreements were concluded for RIH fo become a 49% shareholder of ISA Carstens Holdings (Pty) Ltd for a consideration of R35m.
- La Concorde unbundled its shareholding of HPLR (Hosken Passenger and Rail, the owners of, amongst others, Golden Arrow Bus Services), in the ratio of 2 HPLR shares for every La Concorde share held resulting in RIH receiving 5,5m shares in HPLR.

Corporate information

RECM AND CALIBRE LIMITED
("RAC" or "the Company")

COUNTRY OF INCORPORATION AND DOMICILE
South Africa

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES
Investments as principal activities

COMPANY REGISTRATION NUMBER
2009/012403/06

PREFERENCE SHARE CODE
RACP

ISIN
ZAE000145041

DIRECTORS
T de Bruyn (*Non-Executive Director)*
Z Matlala (*Independent Non-Executive Director)*
T Rossini (*Independent Non-Executive Director)*
JG Swiegers (*Independent Non-Executive Director)*
JC van Niekerk (*Executive Financial Director)*
PG Viljoen (*Executive Chairman)*

COMPANY SECRETARY
G Simpson

FINANCIAL STATEMENTS INTERNALLY COMPILED BY
D Schweizer – Chartered Accountant (S.A.)

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Link Market Services South Africa (Pty) Ltd
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Braamfontein, 2004
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BANKERS
The Standard Bank of South Africa Ltd
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Cnr Hendrik Verwoerd & Embankment Street
Centurion
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ATTORNEYS
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GRAPHICULTURE