GREYSTONE PARTNERS LIMITED

(Incorporated in Swaziland – Registration Number 74/2009)

Annual Financial Statements
for the year ended 31 March 2014

General information

Greystone Partners Limited

Country of incorporation and domicile	Kingdom of Swaziland
Company registration number	74 of 2009
Nature of business and principal activities	Investment Holding Company
Business Address	2nd Floor, Nedbank Centre
	Corner Dr Sishayi and Sozisa Roads
	PO Box 5727
	Mbabane
Fund Manager	African Alliance Swaziland Limited
Auditors	PriceWaterhouseCoopers (Swaziland)
	RHUS Office Park
	Karl Grant Street
	PO Box 569
	Mbabane
Bankers	Nedbank (Swaziland) Limited
	Swazi Plaza
	PO Box 70
	Mbabane
Functional currency	The financial statements are expressed in Emalangeni

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Greystone Partners Limited

The reports and statements set out below comprise the financial statements presented to the shareholders:

GREYSTONE PARTNERS

Directors' responsibilities and approval

Greystone Partners Limited

The directors are responsible for preparing the Directors' report and the financial statements in accordance with International Financial Reporting Standards and in the manner required the Swaziland Companies Act of 2009.

Company law requires the directors to prepare the company financial statements for each financial year, which meet the requirements of the Swaziland Companies Act of 2009. In addition, the directors, have elected to prepare the company financial statements in accordance with International Financial Reporting Standards.

The company financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for the period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with International Financial Reporting Standards; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that its financial statements comply with the Swaziland Companies Act no. 8 of 2009, International Financial Reporting Standards and the Swaziland Stock Exchange Listing Requirements. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The financial statements set out on pages 9 to 33, which have been prepared on the going concern basis, were approved by the board of directors on the 24th of July 2014 and were signed on its behalf by:

Director

Director

Independent Auditor's Report

to the shareholders and Board of Directors of Greystone Partners Limited

We have audited the annual financial statements of Greystone Partners Limited, which comprise the directors' report, the statement of financial position as at 31 March 2014, and the statement of comprehensive income, the statement of changes in equity, the cash flow statement for the year then ended and, a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 33.

Directors' Responsibility for the Financial Statements
The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Swaziland Companies Act 2009 and the Swaziland Stock Exchange Listing Requirements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as of 31 March 2014, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Swaziland Companies Act 2009.

PricewaterhouseCoopers

PricewaterhouseCoopers
Partner: Theo Mason
Chartered Accountant (Swaziland)
Mbabane
Date 11 August 2014.

Partner in charge J P E Lewis
Resident partners T Mason, M Fakudze
PricewaterhouseCoopers, MTN Office Park, Karl Grant Street, Mbabane, Swaziland
P O Box 569, Mbabane H100, Swaziland Telephone +268 2404 2861/3, Telephone or 2404 3143, Facsimile +268 2404 5015, www.pwc.com

Directors' report

Greystone Partners Limited

The directors submit their report for the year ended 31 March 2014.

Incorporation

The company was incorporated on 27 January 2009 and obtained its certificate to commence business on the same day.

Review of activities

Main business and operations

The principal object of the company is to carry on business as an investment holding company. The company shall invest primarily in emergent, unlisted businesses with sustainable growth potential. Although the company aims to invest predominantly in the Kingdom of Swaziland, where opportunities are unavailable, there may be a case for investing elsewhere within the Common Monetary Area.

It is envisaged that the average size of a specific equity investment would be in the order of E5 million and above, with a minimum size of approximately E 500,000. The company will endeavor to secure interests of between 5% and 50% in companies.

During the period the company continued its investments primarily in unlisted businesses with growth potential.

The operating results and state of affairs of the company are fully set out in the attached financial statements and do not in our opinion, require any further comment.

Net profit for the company was E 12,571,586 (2013 - E 4,974,663), after taxation of E 219,691 [2013 – (E 266,118)].

Investments

During the period under review the company acquired no further investments.

Post reporting date events

None.

Dividends paid

On 13 November 2013 a dividend of 10.79 cents per share was paid.

Directors' report

Greystone Partners Limited

Corporate governance

Sound corporate governance structures and processes are being applied at Greystone and are considered by the board to be pivotal to delivering sustainable growth in the interest of all stakeholders. Governance structures and processes are regularly reviewed and adapted to accommodate internal corporate developments and to reflect national and international best practice to the extent considered in the best interest of the company.

The board meets regularly, retains control over the company and monitors executive management. The board reserves to itself a range of key decisions to ensure that it retains proper direction and control of the company. The roles of the Chairperson and the Chief Executive Officer do not vest in the same person and the Chairperson is a non-executive director. The Chairperson provides leadership and guidance to the company's board, encourages proper deliberation of all matters requiring the board's attention, obtains optimum input from the other directors and ensures all decisions of the board are clearly worded and are likely to advance the company's interests.

The board retains control over its operations and has established an Investment Committee. The Investment Committee is an advisory committee and not an executive committee and as such will not perform any management functions or assume any management responsibilities, but will rather primarily make investment recommendations to the board for its approval and final decision.

Directors

The Board of Directors for the period and at the date of this report is as follows:

Name	Nationality
Antonio M B de Castro	Swazi (appointed 15 October 2013)
Alfred T Dlamini (Chairperson)	Swazi
Mandla L Dlamini	Swazi
Doctor Hlongwane	Swazi
Nelsiwe K Mabuza (Chief Executive Officer)	Swazi
Desmond T Mahony	South African (resigned 14 October 2013)

Investment Committee

The Investment Committee for the period and at the date of this report is as follows:

Name	Nationality
Dumisani Dlamini	Swazi
Mduduzi M Dlamini	Swazi
Sizakele P Dlamini	Swazi
Zakithi B Dlamini	Swazi
Desmond T Mahony	South African (resigned 30 June 2014)

Directors' report

Greystone Partners Limited

Secretary

The secretary of the company is L da Camara at 4th Floor, 23 Melrose Boulevard, Melrose Arch, 2196, South Africa and Suite 231, Private Bag X1, Melrose Arch, 2076.

Auditors

PriceWaterhouseCoopers (Swaziland) have indicated their willingness to continue in office in accordance with the Companies Act.
The financial statements set out on pages 9 to 33, were approved by the board of directors on the 24th of July 2014 and were signed on its behalf by:

Director

Director

Statement of financial position as at 31 March 2014

Greystone Partners Limited

Figures in Emalangeni	Note	31 March 2014	31 March 2013
Assets			
Non-current assets			
Fair value through profit or loss:			
Investments	2	48,982,478	54,749,978
		48,982,478	**54,749,978**
Current assets			
Cash and cash equivalents	4	31,422 710	37,920,811
Loans and receivables	2	11,604,426	-
Trade and other receivables		19 380	-
Tax asset	9	304,866	524,557
		43,351,382	**38,445,368**
Total assets		**92,333,860**	**93,195,346**
Equity and liabilities			
Equity			
Share capital	5	850,000	850,000
Share premium	5	82,515,897	82,515,897
Share based payment reserve	7	1,341,560	5,593,130
Retained profit		7,626,403	4,226,319
Total equity		**92,333,860**	**93,185,346**
Liabilities			
Current liabilities			
Other payables	10	-	10,000
		-	**10,000**
Total liabilities		**-**	**10,000**
Total equity and liabilities		**92,333,860**	**93,195,346**

The notes on pages 20 to 33 form part of the financial statements.

Accounting policies as at 31 March 2014

Greystone Partners Limited

Figures in Emalangeni	Note	31 March 2014	31 March 2013
Funds derived from:			
Tax asset		304,866	524,557
Decrease in working capital		5,974,525	36,193,399
Net income		8,558,778	-
		14,838,169	**36,717,956**
Funds applied to:			
Net loss		-	1,745,894
Share buy back		5,666,667	-
Acquisition of investment		-	34,972,062
Dividend paid		9,171,502	-
		14,838,169	**36,717,956**

The notes on pages 20 to 33 form part of the financial statements.

Statement of comprehensive income as at 31 March 2014

Greystone Partners Limited

Figures in Emalangeni	Note	For the 12 months ending 31 March 2014	For the 12 months ending 31 March 2013
Interest income		3,493,728	2,749,399
Dividends Received		9,175,000	-
Operating expenses		(4,109,950)	(4,495,293)
Operating profit/(loss)	12	**8,558,778**	**(1,745,894)**
Unrealised gain on revaluation of investments		4,232,499	6,454,439
Profit before taxation		**12,791,277**	**4,708,545**
Taxation	14	(219,691)	266,118
Total comprehensive profit		**12,571,586**	**4,974,663**
Earnings per share	15	**0.148**	**0.059**

The notes on pages 20 to 33 form part of the financial statements.

Statement of changes in equity as at 31 March 2014

Greystone Partners Limited

Figures in Emalangeni	Share capital	Share premium	Total share capital	Share Based Payment reserve (restated)	Retained Income /(loss)	Total equity
Balance at 31 March 2012	**850,000**	**82,515,897**	**83,365,897**	**3,669,581**	**(748,344)**	**86,287,134**
Movement in share based payments	-	-	-	1,923,549	-	1,923,549
Total comprehensive profit for the period	-	-	-	-	4,974,663	4,974,663
Balance at 31 March 2013	**850,000**	**82,515,897**	**83,365,897**	**5,593,130**	**4,226,319**	**93,185,346**
Dividend Payment					(9,171,502)	**(9,171,502)**
Issue of shares	41,975	5,624,692	5,666,667			**5,666,667**
Share buy back	(41,975)	(5,624,692)	(5,666,667)		-	**(5,666,667)**
Movement in share based payments	-	-	-	(4,251,570)	-	**(4,251,570)**
Total comprehensive profit for the period	-	-	-	-	12,571,586	12,571,586
Balance at 31 March 2014	**850,000**	**82,515,897**	**83,365,897**	**1,341,560**	**7,626,403**	**92,333,860**

The notes on pages 20 to 33 form part of the financial statements.

Accounting policies as at 31 March 2014

Greystone Partners Limited

Figures in Emalangeni	Note	For the 12 months ending 31 March 2014	For the 12 months ending 31 March 2013
Cash flows from operating activities			
Cash generated by operations	16	8,340 068	90,159
Purchase of investments	2	-	(34,972,062)
Income tax paid	9	-	(1,237,558)
Net cash inflow/(outflow) from operating activities		**8,340 068**	**(36,119,461)**
Cash flows from financing activities			
Dividend paid		(9,171,502)	-
Share buy back		(5,666,667)	-
Net cash outflow from financing activities		**(14,838,169)**	**-**
Total cash and cash equivalents at the beginning of the period		37,920,811	74,040,272
Total cash and cash equivalents at the end of the period	4	**31,422,710**	**37,920,811**

The notes on pages 20 to 33 form part of the financial statements.

Accounting policies as at 31 March 2014

Greystone Partners Limited

1. General Information

The principal object of the company is to carry on business as an investment holding company. The company invests primarily in emergent, unlisted businesses with sustainable growth potential.

The company is a public limited company, which is listed on the Swaziland Stock Exchange and incorporated and domiciled in Swaziland.

1.2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.2.1 Summary of significant accounting policies

The financial statements of Greystone Partners Limited have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these financial statements are disclosed in policy 1.3.

1.2.1.1 Changes in accounting policy and disclosure

a) New and amended standards adopted by the Group

The following standards have been adopted by the group for the first time for the financial year beginning on or after 1 January 2013 and do not have a material impact on the group:

- Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

- 'Amendment to IFRS 7, 'Financial instruments: Disclosures', on asset and liability offsetting. This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP

- IFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

- IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

b) New standards and interpretations not yet adopted by the Group

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing this consolidated financial statement. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The group is yet to assess IFRS 9's full impact. The Group will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the group.

1.3 Critical accounting estimates and judgments

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

a) Loans and receivables

The company assesses its loans and receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in profit and loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

b) Fair value estimation

The fair value of investments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the company is the current bid price. In valuing unlisted investments, the company follows the principles recommended in the International Private Equity and Venture Capital Valuation Guidelines. Given the inherent uncertainties in estimating the value of unlisted investments, the company has in good faith and with due caution used a variety of assumptions, including estimates of market conditions and risks at that time.

However, because of the inherent uncertainty of valuation, these estimated values may differ significantly from the values that would have been used had a ready market for the investment existed, and the difference could be material.

The company applies a number of methodologies to determine and assess the reasonableness of the fair value as determined. These methodologies may include earnings multiples, recent transaction prices and net asset value.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

c) Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the reporting date could be impacted.

1.4 Financial assets and liabilities

1.4.1 Classification

The company classifies its investments in debt and equity securities, as financial assets or financial liabilities at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets and liabilities at fair value through profit or loss

The fair value through profit or loss category has two sub-categories: financial assets or financial liabilities held for trading; and those designated at fair value through profit or loss at inception.

(i) Financial assets and liabilities held for trading

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

(ii) Financial assets and liabilities designated at fair value through profit or loss at inception

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the company's documented investment strategy.

The company's policy requires the Investment Manager and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

(b) **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The company's loans and receivables comprise 'cash and cash equivalents' in the balance sheet (note 4)

1.4.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the company commits to purchase or sell the asset. Financial assets and financial liabilities are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within unrealised gains on revaluation of investments in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

1.5 Impairment of financial assets

Assets carried at amortised cost

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

1.6 Trade payables

Trade payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded and measured at fair value.

1.8 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.9 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting of its liabilities.

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

1.10 Share based payments

The company has issued a compound financial instrument to the Fund Manager under which the entity receives services from the Fund Manager as consideration for the equity instrument (options) of the company. The management agreement between the Fund Manager and the company states that the Fund Manager will by means of a convertible preference share be entitled to participate in the gains achieved by ordinary shareholders. The preference shares shall vest when the manager performs its duties over the period of the seven year contract and the internal rate of return linked to market capitalisation must exceed 12.5% on the 30th of April each year for the entity to qualify for the shares. The company has essentially issued seven awards simultaneously which represent a staged vesting.

On initial measurement, the company has measured the fair value of the services obtained indirectly by reference to the fair value of the equity granted as consideration. To measure the compound instruments the company has valued the debt and equity components separately, taking into account the fact that the counterparty must forfeit its right to receive cash in order to receive the equity instrument. The debt component has been accounted for as cash settled share based payment transaction, while the equity component has been accounted for as an equity settled share based payment.

Subsequent to that, the company has estimated the fair value of the equity instrument using a valuation technique to estimate what the price of those equity instruments would have been on measurement date in an arm's length transaction between knowledgeable willing parties. The valuation technique used is consistent with generally accepted valuation methodologies for pricing financial instruments and has incorporated all assumptions and factors that knowledgeable, willing market participants would consider in setting the price, taking into account all vesting and non vesting conditions. The grant fair value of the instrument has and will be expensed over the vesting periods and a corresponding increase in equity. The grant date fair value will not be re-measured subsequently.

For cash settled options, the company re- measures the fair value of the liability at each reporting date and at the date of settlement. The measurement reflects the impact of all conditions and all possible outcomes on a weighted average basis. Any changes in the fair value of the cash settled portion are recognised in the profit or loss for the period.

1.11 Interest income

Interest income is recognised on a time-proportionate basis using the effective rate method. It includes interest income from cash and cash equivalents.

1.12 Dividend income

Dividend income is recognised when the right to receive payment is established.

1.13 Offsetting of financial instruments

Financial assets and liabilities are set off and the net amount presented in the Statement of financial position when, and only when, the company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.14 Consolidation

The company is an investment entity as it has obtained funds from several investors for the purpose of providing those investors with investment management services and invests the funds solely for returns from capital appreciation and investment income. The company measures and evaluates the performance of all of its investments on a fair value basis. Inba Holdings Limited, incorporated in Swaziland, a 100% subsidiary of the company has therefore not been consolidated.

Figures in Emalangeni

2. Investments

31 March 2014	Company	Type of shares	% Holding	No. of shares	Cost of shares	Valuation	Notes
Investment Non-Current:							
Fair value through profit or loss:							
Listed Investments	Swazispa Holdings Limited	Ordinary	0.05%	3,499	29,779	20,994	a
					29,779	**20,994**	
Unlisted Investments	Orchard Insurance Limited	Ordinary	10%	200,000	200,000	200,000	b
	SBC Limited	Ordinary	3.44%	3,320,000	12,028,984	13,011,484	a
	SRIC	Ordinary	6.5%	260,000	24,972,062	35,750,000	c,d
					37,201,046	**48,961,484**	
					37,230,825	**48,982,478**	
Investment Current:							
Loans and receivables:							
Unlisted Investment	Swazi Mahewu (Pty) Ltd	Ordinary	n/a	n/a	10,000,000	11,604,426	e
					10,000,000	**11,604,426**	
Total					**47,230,825**	**60,586,904**	

a - The shares were valued at the listed market price.
b - The directors' have valued the investment at cost which is estimated to be the fair value of the investment.
c - The directors' have valued the investment at fair value.
d - The investment in SRIC is held through Inba Holdings (Pty) Ltd, a 100% subsidiary of the company.
e- The directors' have valued the investment at amortized cost.

31 March 2013	Company	Type of shares	% Holding	No. of shares	Cost of shares	Valuation	Notes
Fair value through profit or loss:							
Listed Investments	Swazispa Holdings Limited	Ordinary	0.05%	3,499	29,779	20,994	a
					29,779	**20,994**	
Unlisted Investments	Orchard Insurance Limited	Ordinary	10%	200,000	200,000	200,000	b
	SBC Limited	Ordinary	3.32%	3,320,000	12,028,984	12,028,984	b
	Swazi Mahewu (Pty) Ltd	Ordinary	25%	n/a	10,000,000	10,000,000	b
	SRIC	Ordinary	6.5%	260,000	24,972,062	32,500,000	c,d
					47,201,046	**54,728,984**	
					47,230,825	**54,749,978**	

a - The shares were valued at the listed market price of E 6 per share.
b - The directors' have valued the investment at cost which is estimated to be the fair value of the investment.
c - The directors' have valued the investment at fair value.
d - The investment in SRIC is held through Inba Holdings (Pty) Ltd, a 100% subsidiary of the company.

Figures in Emalangeni

3. Financial assets by category

31 March 2014	Loans and receivables	Fair Value Through profit or loss - held for trading	Fair value Through profit or loss - designated	Held to Maturity Investments	Available for sale	Total
Investments	-	-	48,982,478	-	-	48,982,478
Loans and receivables	11,623,806	-	-	-	-	11,623,806
Cash and cash equivalents	31,422,710	-	-	-	-	31,422,710
	43,046,516		**48 982 478**			**92,028,994**

31 March 2013	Loans and receivables	Fair Value Through profit or loss - held for trading	Fair value Through profit or loss - designated	Held to Maturity Investments	Available for sale	Total
Investments	-	-	54,749,978	-	-	54,749,978
Cash and cash equivalents	37,920,811	-	-	-	-	37,920,811
	37,920,811		**54,749,978**			**92,670,789**

Figures in Emalangeni	31 March 2014	31 March 2013

4. Cash and cash equivalents

Bank balances	26,949	24,292
African Alliance Swaziland Lilangeni Fund	31,395,761	37,896,519
	31,422,710	**37,920,811**

Cash at bank and short term deposits, excluding cash on hand

Financial institution		
African Alliance Swaziland Lilangeni Fund	31,395,761	37,896,519
Nedbank Swaziland Limited	26,949	24,292
	31,422,710	**37,920,811**

Figures in Emalangeni	31 March 2014	31 March 2013

5. Share capital and premium

Authorised		
150,000,000 ordinary shares of 1 cent each	**1,500,000**	**1,500,000**
Issued		
85,000,007 ordinary shares of 1 cent each (2013 – 85,000,007 ordinary shares of 1 cent each)	850,000	850,000
Share premium	82,515,897	82,515,897
	83,365,897	**83,365,897**

Reconciliation of shares issued in the current year	**Nominal value**	**Share premium**	**Total**
Shares in issue at 31 March 2013	850,000	82,515,897	83,365,897
Shares issued during the year	41,975	5,624,692	5,666,667
Share buy back	(41,975)	(5,624,692)	(5,666,667)
Shares in issue at 31 March 2014	**850,000**	**82,515,897**	**83,365,897**

The company converted 28,333,335 redeemable convertible preference shares issued to the Fund Manager into 4,197,531 ordinary shares in 9 October 2013. The 4,197,531 ordinary shares to the Fund Manager were repurchased at a price of E1.35 per share with effect from 1 October 2013.

6. Preference Shares

Authorized		
28,333,335 preference shares of 1 cent each	**-**	**283,333**
Issued		
28,333,335 preference shares of 1 cent each	-	283,333
	-	**283,333**

Figures in Emalangeni	31 March 2014	31 March 2013
7. Share-based payments		
Total share-based payments reserve – Equity settled	**1,341,560**	**5,593,130**
Reconciliation of the reserve		
Opening balance	5,593,130	3,669,581
Exercised	(5,666,667)	-
Expense recognised in the statement of comprehensive income	1,415,097	1,923,549
Closing balance	**1,341,560**	**5,593,130**

Description of the Scheme

Share options were granted to the Fund Manager according to a management agreement signed on the 25th of October 2010. The management contract stipulates that as an incentive bonus, The Fund Manager will by means of a convertible Preference Shares, be entitled to participate in the gains achieved by ordinary shareholders.

The terms of the participation mechanism are as follows:

- On 1 May of each year the Board of Directors shall issue convertible preference shares ("The Preference Shares") to the Fund Manager if the company's Internal Rate of Return ("IRR") linked to market capitalisation exceeds 12.5% after taking into account the effect of any new share issues, and adding back dividends and other distributions on 30 April of that year.
- The company shall issue Preference Shares numbering one third of the ordinary shares as at 1 May of each year
- Thereafter the Preference Shares shall be available for conversion to ordinary shares at the option of the holder 11 months after the date of initial issue of the Preference Shares but no later than 14 months after the initial date of issue.
- In the event that the Preference Shares are not converted within the prescribed period, the holder will be deemed to have waived the option to convert the Preference Shares and, in turn, elected to redeem the Preference Shares for par value (1 cent).
- The holders of the Preference Shares shall not be entitled to receive any dividends nor vote at any meeting.
- The total issued Preference Shares shall always be equal to 33% of the total issued ordinary share capital of the company, unless otherwise resolved by more than 75% of the shareholders.
- The Preference Shares shall convert to a variable number of ordinary shares and the number of shares is dependent on the price of the company's shares during the year after the initial issue date.

Valuation Methodology

The scheme is equity settled and is therefore not reprised at each reporting date. A Monte Carlo simulation method was applied whereby the share price was simulated through time using risk neutral principles.

Inputs and Assumptions

- The total ordinary shares in issue on valuation date (29 October 2010) were 70 000 007. The share price on valuation date was E1.00 and the grant date was 25 October 2010.

- For volatility, an equally weighted volatility calculated over the historical period leading up to the valuation date equal in the duration to the vesting dates was applied. Since the company shares do not trade very often on the Swaziland Stock Exchange, Johannesburg Stock Exchange listed Brait S.A's share price volatility was applied as proxy for the company. Brait S.A's volatility was calculated as 29.76% over the period 28 April 2004 to 29 October 2010.

- The risk free rates were independently sourced from the bond exchange of South Africa (a subsidiary of the JSE). The South African Rand zero coupon swap curve as at valuation date was used as a proxy for the Emalangeni risk free curve.

- No dividend yield was assumed as the agreement stipulated that the holder of the preference shares will not confer the right to receive any dividends out of the profits of the company.

- Performance period – for the first allocation, a performance period of 6 months was applied. For all subsequent allocations, a performance period of 1 year was applied.

Figures in Emalangeni	31 March 2014	31 March 2013

8. Deferred income tax

At the beginning of the year	-	319,414
Charged to statement of comprehensive income (Note 14)	-	(319,414)
At the end of the year	**-**	**-**

Deferred income taxes are calculated in full on temporary differences under the liability method using the principal tax rate of 27.5% (2013 - 30%)

9. Tax asset

The movement in the current income tax account is as follows:

At the beginning of the year	(524,557)	659,705
Paid in the current year	-	(1,237,558)
Charged to statement of comprehensive income – (Note 14)	219,691	53,296
At the end of the year	**(304,866)**	**(524,557)**

10. Other payables

Swaziland Stock Exchange Fees	-	10,000
	-	**10,000**

11. Financial liabilities by category

31 March 2014	Financial liabilities at amortised cost	Fair value through profit or loss - held for trading	Fair value for profit or loss - designated	Total
Other payables	-	-	-	-
	-	**-**	**-**	**-**

31 March 2013	Financial liabilities at amortised cost	Fair value through profit or loss - held for trading	Fair value for profit or loss - designated	Total
Other payables	10,000	-	-	10,000
	10,000	**-**	**-**	**10,000**

Notes to the financial statements as at 31 March 2014

Greystone Partners Limited

Figures in Emalangeni	31 March 2014	31 March 2013
12. Operating profit/(loss)		
Operating profit for the period is stated after accounting for the following:		
Management fees	2,291,062	2,290,171
Directors' fees – for services rendered to the company	24,000	5,500
Share based payment expense (refer to note 7)	1,415,097	1,923,549
Investment committee fees	10,500	12,500
Bank charges	1,496	1,569
13. Auditor's remuneration		
Audit fees	281,793	153,549
14. Taxation		
Swaziland normal taxation		
Tax debit charged to the statement of comprehensive income	**219,691**	**(266,118)**
Comprising:		
Current tax – normal tax	219,691	53,296
Deferred tax - Reversal of prior year deferred tax	-	(319,414)
Tax expense for the year	**219,691**	**(266,118)**
Tax reconciliation		
Profit before tax	**12,791,277**	**4,708,545**
Tax calculated at 27.5 % (2013: 30%)of accounting profit	3,517,601	1,412,564
Permanent differences	(3,297,910)	(827,032)
Reversal of prior year deferred tax	-	(319,414)
	219,691	**(266,118)**

The applicable tax rate is the Swaziland company rate which is 27.5% (2013: 30%)

15. Earnings per share

Basic and diluted earnings per share are based on total comprehensive profit of E 12,571,586 (2013 - E 4,974,663) and a weighted average number of shares of 85,000,007 (2013 – 82,500,007).

Figures in Emalangeni	31 March 2014	31 March 2013

16. Cash generated by operations

Profit before taxation	12,791,277	4,708,545
	12,791,277	4,708,545
Adjustment for:		
Unrealized gain on revaluation of investments	(4,232,500)	(6,454,439)
Interest accrued	(1,604,426)	-
Share based payments	1,415,097	1,923,549
Changes in working capital		
Decrease in other payables	(10,000)	(87,496)
Increase in trade and other receivables	(19,380)	-
	8,340,068	**90,159**

17. Related parties

17.1 Management Fees

The company appointed African Alliance Swaziland Limited, an investment management company incorporated in Swaziland, to implement the investment strategy as specified in the Management Agreement dated 25 October 2010. Under the Management Agreement, the management fee shall be paid quarterly in advance and shall be equal to 2% per annum of the market capitalization of the company on the Swaziland Stock Exchange as of the first day of the period in respect of which the management fee is then being paid. The management fees paid during the year amounted to E 2,291,062 (2013 – E 2,290,171).

17.2 Share based payments

As an incentive bonus, the Manager is entitled, by means of a convertible preference share mechanism, to participate in the gains achieved by the ordinary shareholders of the company in excess of 12.5% per annum of the company’s market capitalisation, after taking into account the effect of any new share issues, and adding back dividends and other distributions. This is to be achieved through the issue by the Board of Directors of the company to the Manager, on 1 May of each year, including the financial year beginning 1 May 2010, of convertible preference shares in the company numbering one third of the number of ordinary shares in issue at that time. As at 1 May 2014 E nil (2013– nil) convertible preference shares are due to be issued to the Manager. The value of the options was E 1,341,560 (2013- 5,593,130).

17.3 Related party balances

African Alliance Swaziland Lilangeni Fund	31,395,761	37,896,519
	31,395,761	**37,896,519**

17.4 Related party transactions

Interest income – African Alliance Swaziland Lilangeni Fund	1,837,784	2,738,201
	1,837,784	**2,738,201**

Figures in Emalangeni	31 March 2013	31 March 2012

18. Financial Risks

18.1 Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, cash flow interest risk and price risk), credit risk and liquidity risk.

The company's overall risk management programme seeks to maximize the returns derived for the level of risk to which the company is exposed and seeks to minimize potential adverse effects on the company's financial performance.

All security investments present a risk of loss of capital. The maximum loss of capital on purchased equities is limited to the fair value at financial reporting date.

The management of these risks is carried out by the Fund Manager under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and the investment of excess liquidity.

The company uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below:

18.1.1 Market risk

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The company continuously assesses the market expectations of Swaziland interest rate environments.

The following financial instruments will be directly impacted by changes in market interest rates: loans and receivables and cash and cash equivalents.

Cash and cash equivalents	31,422,710	37,920,811
Loans and receivables	11,604,426	-
	43,027,136	**37,920,811**

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2013:

	Profit or loss		Equity	
	2014	2013	2014	2013
	E	E	E	E
Increase of 50 basis points	215,136	189,604	215,136	189,604
Decrease of 50 basis points	(215,136)	(189,604)	(215,136)	(189,604)

Figures in Emalangeni	31 March 2014	31 March 2013

(ii) Price risk

Price risk includes equity price risk.

Equity price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

At 31 March 2014 the company's overall exposure to price risk was as follows:

Equity securities held at fair value through profit or loss	**48,982,478**	**54,749,978**

All equity investments held by the company are with counterparties in Swaziland. The prices of shares listed in the Swaziland Stock Exchange (SSE) change less frequently. Assuming the same behavior of listed investments, a 2% percent increase in the SSE All Share Index at the reporting date, with all other variables held constant, would have increased profit or loss by E 979,650 (2013: E 1,135,000); an equal change in the opposite direction would have decreased profit or loss E 979,650(2013: E 1,135,000). The analysis is performed on the same basis for 2013.

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation and cause the company to incur a financial loss.

The main concentration to which the company is exposed arises from the company's cash and cash equivalents which are held mainly with African Alliance Swaziland Limited. The company is also exposed to counterparty credit risk on fair value through profit and loss securities.

The carrying amounts of financial assets represent the maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

Financial assets		
Investments	48,982,478	54,749,978
Loans and receivables	11,623,806	-
Cash and equivalents	31,422,710	37,920,811
	92,028,994	**92,670,789**

Investments and cash and cash equivalents are placed with reputable counterparties. There were no credit limits that were exceeded during the reporting period and management does not expect any losses from non-performance from counterparties. Cash and cash equivalents amounting to E 31,395,761 (2013: E 37,896,519), refer to note 4, was held with African Alliance Swaziland Limited.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired is assessed by reference to internal credit risk ratings. The entity's financial assets, grouped according to internal credit risk ratings, are as follows:

Financial assets	Loans and receivables	Financial assets at fair value through profit or loss	Total
31 March 2014	**E**	**E**	**E**
Counter parties without credit ratings:			
- Low risk	43,046,516	48,982,478	92,028,994
- High risk	-	-	-
	43,046,516	**48,982,478**	**92,028,994**

	Loans and receivables	Financial assets at fair value through profit or loss	Total
31 March 2013	**E**	**E**	**E**
Counter parties without credit ratings:			
- Low risk	37,920,811	54,749,978	92,670,789
- High risk	-	-	-
	37,920,811	**54,749,978**	**92,670,789**

The credit risk rating is based on the following:

Low risk - This category is utilized for fully performing accounts and all financial assets held with local reputable companies.

High risk - This category is for all high risk counterparties.

The table below shows the credit risk for financial instrument. These tables show the long and short term rating of the counterparties:

Country	Correspondence Bank/Investment Manager	Currency	Short Term Rating	Long Term Rating
Cash and cash equivalents				
Kingdom of Swaziland	African Alliance	Lilangeni	Not rated	Not rated

(c) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments.

The company's exposure to liquidity risk is considered low as its obligations are far less than the cash held.

The company manages liquidity risk by reviewing the contractual maturities of both its financial assets and financial liabilities. Refer to Liquidity analysis (below) for the detailed maturity analysis and the reconciliation to the financial statements.

Liquidity analysis

31 March 2014	Less than 1 month or available/ payable on demand E	More than 1 month but less than 1 year E	1 to 5 Years E	Over 5 years E	Total E
Financial assets					
Investments	-	11,604,426	-	48,982,478	60,586,904
Cash and cash equivalents	31,422,710	-	-	-	31,422,710
Total assets	**31,422,710**	**11,604,426**	**-**	**48,982,478**	**92,009,614**
Financial liabilities					
Other payables	-	-	-	-	-
Total liabilities	**-**	**-**	**-**	**-**	**-**

31 March 2013	Less than 1 month or available/ payable on demand E	More than 1 month but less than 1 year E	1 to 5 Years E	Over 5 years E	Total E
Financial assets					
Investments	-	-	-	54,749,978	54,749,978
Cash and cash equivalents	37,920,811	-	-	-	37,920,811
Total assets	**37,920,811**	**-**	**-**	**54,749,978**	**92,670,789**
Financial liabilities					
Other payables	-	10,000	-	-	10,000
Total liabilities	**-**	**10,000**	**-**	**-**	**10,000**

18.2 Capital risk management

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the company.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The company uses a variety of methods and makes assumptions that are based on market conditions existing at each year end date.

For instruments for which there is no active market, the company may use internally developed models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. Valuation models are used primarily to value unlisted equity and other debt instruments for which markets were or have been inactive during the financial year. Some of the inputs to these models may not be observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the position the company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

The fair value hierarchy has the following levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly and:

Level 3 inputs are unobservable inputs for assets or liability.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustments based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the company's assets and liabilities by class measured at fair value at 31 March 2014.

Financial assets at fair value through profit or loss	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity securities	13,032,478	35,950,000	-	**48,982,478**
Total liabilities	**13,032,478**	**35,950,000**	**-**	**48,982,478**