VISUAL INTERNATIONAL HOLDINGS LIMITED

INTEGRATED ANNUAL REPORT

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VISUAL

CHAIRMAN'S STATEMENT

The results for the year represent the first year's results since Visual International Holdings results of the newly constituted group. The Group delivered disappointing but understandable financial results well behind the pre-listing forecasts for the twelve months ended 28 February 2015 due to three principle reasons, being the delay in transfer of properties, which delayed the listing, the shortfall in the capital raised and then the substantial delay in council approval of the development plans. However, this is often the nature of property developments.

MARKET CONDITIONS AND OPERATIONS
During the 2015 Financial Year, much time was devoted to the listing and getting plans approved following the transfer of properties into the group. The early part of the 2016 Financial Year has seen a move of "back to basics" by the management team, which approach has served them well over many years. Visual has also been investigating Real Estate Investment Trust (REIT) opportunities in the residential asset class, including establishing its own residential REIT, and it expects to focus its attention in this area going forward.

The Visual business model, provides for the implementation of developments on a phased basis. This allows for improved cash flow management and the efficient allocation of resources to deliver higher quality developments to the Group's valued clients. The fundamentals of the Group's flagship project at Stellendale have remained strong throughout the year and retention of some of the units contributes to the realisation of annuity income.

The number of clients interested in the development continues and the signing up of parties for pre-sales or expressions of interest in rentals continues to grow, despite marketing efforts not having officially commenced.

Due to this being a primary residence development for the middle market segment, investors or prospective tenants are affected only minimally by the tightening of monetary policy enforced by the Reserve Bank.

OUR PROPERTY PORTFOLIO
The Visual property portfolio comprises a number of quality assets that will contribute substantially towards the Group's future growth.

The Stellendale development, our flagship development, comprises 40 hectares, on the Stellenbosch arterial, which is a secure gated development on which over 500 homes and walk-up apartments have already been constructed.

BOARD OF DIRECTORS

During the period under review the board comprised well recognised and experienced independent non-executive directors, ensuring strong governance and expertise at board level in the listed environment and supporting the executive directors in achieving the goals for the Visual group.

LOOKING AHEAD

In conclusion, I would like to thank my fellow board members, our staff, suppliers and advisors for their contribution to, and support of Visual over the past year. I believe that the back to basics approach will provide a firm foundation for future growth which, underpinned by the quality assets in our property portfolio, together with the commitment of our team to delivering our developments epitomising lifestyle, security and a quality living experience for the middle income market, will see Visual going from strength to strength in the years ahead.

CEO'S REPORT

Visual International Holdings Limited ("Visual" or "the Group") listed on the JSE's Alternative Exchange (AltX) on Friday, 23 May 2014 as a property development company addressing the needs and aspirations of the middle income market.

The results for the year represent the second year's results of Visual and we report on the first year of operating as a listed company.

Although the year under review has presented challenges we foresee a strong and more focused future in the years ahead. South Africa's middle income market, the one on which we are primarily focused, remains stable and many successful, multi-million Rand developments targeting this slice of the market are currently underway across the country.

We are grateful to have a strong and experienced board of directors to assist in guiding and taking Visual forward to the next level and the listing process has led to valuable relationships, opportunities and interest, which remain to be explored in the years to come.

FINANCIAL RESULTS

The Group delivered disappointing results, well behind the pre-listing forecasts on a turnover level for the twelve months ended 28 February 2015. This was largely due to three main reasons, being:

- the initial delay in transfer of properties, which in turn delayed the listing of Visual;
- only one third of the desired capital being raised on listing; and
- the almost nine month delay in the approval of development plans for Stellendale 3, the lifestyle development.

This has led to management having to change its plans and intended development schedule as well as getting back to basics, which has served Visual well over the years. However, the Group has a tangible net asset value exceeding R73 million and is now seeking funding to commence the development of its property assets.

Initially, development profit will remain lumpy; the Group seeks to increase the portion of the homes and apartments owned and rented to tenants in order to steadily grow its annuity income. The Group will however continue to focus mainly on the more profitable development income.

OPERATING ENVIRONMENT

Whilst growth in property prices in the primary residential side of the market remains stable, the demand for quality, yet affordable homes continues to grow. Recently, the banks have also expanded their offerings of end user finance, which will bode well for Visual and its middle income target market.

FUTURE PROSPECTS

In the short term, the Group continues to focus on the development of its Stellendale lifestyle retirement project, on the development of homes in Stellendale 3 and on the development management of Stellendale 2 for Clidet, a company related to the Group. Furthermore, the Group is pursuing development funding to commence servicing and construction of other components of the bigger Stellendale node. Interest from investors, homeowners and potential tenants is high and the success of these projects is reasonably assured, albeit the timing of the revenue recognition may be delayed. Management is also exploring the recent residential REIT opportunities that exist and these involve both the establishment of the Group's own residential REIT and partnering with larger established partners.

Annuity revenue remains a small component of the Group's income and is expected to remain fairly constant for the year ending 28 February 2016 unless the rental properties owned are sold into a residential REIT, in which instance this disposal will be the first step in a longer term partnership.

I believe that with our strong management team and the commitment and expertise of our staff, board, business partners and advisors, the Group is well positioned to deliver solid growth and value to shareholders. I would like to thank my fellow board members, staff, suppliers and advisors for their on-going support of, and dedication to Visual. I look forward to the coming years, and to what is going to be an exciting chapter for all of us at Visual and for those associated with the Group.

CURRICULA VITAE OF THE DIRECTORS

Charles Kenneth Robertson
Chief Executive Officer
In 1992 Charles co-founded Visual International, and has been the Managing Director since. Under his leadership Visual International, now listed on the AltX of the JSE, has been established as a successful property development, holding and management company.

Charles was involved in the establishment/operation of Syfin, a 50/50 joint venture between Syfrets (Nedbank) and Fintrust (co-managed/co-owned by him). Syfin undertook the development of N1 City (retail/commercial precinct of ±220 000 m²), Western Province Park (light industrial node developed on ±25 hectares), Boschenmeer Golf Estate (27 hole golf course with villas in Paarl) and Academia (student village in Stellenbosch). He also partnered in the development of Myburgh Park in Langebaan, an estate for ±1 000 high net-worth families.

Charles, through Fintrust, invested in a few high-tech companies. Veratron Inc, a voice recognition company established in the USA, was co-founded by him and he served as Chairman of the Board. Other investments were two UK-based companies, Bistar Investments Ltd (focussing on low range radio signalling), and Id Corp Holdings Ltd (focussing on product identification technologies). He is a director of and has an indirect interest in Vict Systems (Pty) Ltd, a cloud computing and IT-related business.

Charles was a board member of Goeie Hoop Behuisingsmaatskappy, the organisation which owns the Dutch Reformed Church's institutions/homes for the aged. He was involved in the establishment of and serves on the Board of the Foundation for Church-led Restitution. And he co-founded and is a steering committee member of the South African Christian Leaders Initiative (SACLI). For five years Charles lectured in Business Science at the University of the Western Cape. He has written three books and he holds a PhD in education and a MCom in economics, both from the University of Stellenbosch.

Grant Noble (BCom)
Executive Financial Director
Grant has a B.Com Degree obtained from the University of Stellenbosch as well as a Computer Technology College Certificate obtained from Damelin.

Grant was employed as the Financial/IT Manager for Atlantic Trust Company Ltd from June 2000 to December 2003. In January 2004 Grant acted in the position of Financial Manager for West Coast Administrators (Pty) Ltd. Since January 2007 Grant has been in the position as Financial Director of Visual International assisting with financial structuring of property transactions; overseeing telecommunications and IT infrastructure; executing full project accounting and reporting function for Property development projects.

Peter Evert Grobbelaar (BSC Building and a BCom)
Project Director
Peter has a B.Sc. Building obtained from the University of Cape Town and a B. Com from the University of South Africa. Peter is a fellow member of the Chartered Institute of Building. Since completion of his studies at the University of Cape Town, Peter was contracts manager for various projects, while working for a number of companies. Examples are the Sun City Entertainment Centre for Murray & Roberts; a number of local and provincial government and private sector buildings for Cape Structures; various residential and commercial contracts for Aska Property Group; a few local and provincial government and private sector housing, commercial, retail and industrial building projects for Multi-Bou; a number of timber frame residential projects for Elgin Timbers.

Peter had the responsibility for the full company management, for Lumberloc in the timber frame construction sector. Thereafter he was appointed as senior project manager for various residential and retirement projects for Condev Cape. Peter has managed various residential, commercial, retail and industrial new and redevelopment projects and refurbishment and renovation contracts for Seeff Slot, Newport, Resnekov & Nielsen and Bruce Dundas.

In 1999 Peter joined V&A Waterfront Marina Company as their senior projects manager. He was a member of the design team, and he was responsible for the property and development management of the first 533 luxury sectional title waterfront apartments, including canal and related infrastructural developments. In June 2006 Peter joined Visual International as Project Director. With his project management skills and experience, and with his pro-active and positive leadership, he contributed largely towards establishing Visual International as a successful property group.

Dr Ruben Richards (PhD, MTh, BD, B.Soc.Sc., NTC 5)
Independent Non-Executive Director
Ruben has a wealth of experience in the public and private sector. He is an active company director and is currently the Chairperson of the Advisory Board of the - Entrepreneurship Department, Faculty of Business, Cape Peninsula University of Technology. In 2010 he was appointed as a Democratic Governance Consultant to the United Nations Development Program with assignments in various African countries. He also consults to the European Union on origin-based marketing. Between 2009 and 2011 he was Visiting Adjunct Professor at the University of the Graduate School of Public and Development Management, Witwatersrand, Johannesburg.

Ruben was a director at communiTgrow and was the chairman of the Board of Governors of Westerford High School – a school voted the best school in South Africa during his chairmanship.

Ruben served as Non-Executive Director, Africa Cellular Towers (an Alt-X listed company), from 2006 to 2009 and was also the Chief Executive Officer of Globe Engineering Works, Cape Town during this time.

Prior to this, Ruben was the Founding Deputy Director-General for the Directorate of Special Operations (Scorpions) and was the Executive Secretary of the Truth and Reconciliation Commission of South Africa (TRC).

Dr Elias Links ("Eltie") (Masters in Economics, PhD in Economics)
Independent Non-Executive Director
Eltie is a trained economist with undergraduate studies at the University of the Western Cape and the University of South Africa. His graduate degrees were completed at Stellenbosch University and the State University of New York at Binghamton, New York, with Masters Degrees and a PhD in Economics. During these years of study, and thereafter, he taught economics at both undergraduate and graduate level in South Africa. For the last seven years he has been teaching courses in International Business and Doing Business in Africa, at the University of Stellenbosch Business School.

Besides his academic career, Eltie also distinguished himself as a senior diplomat in the South African Foreign Service and the Treasury of the South African Government. In this capacity he has done work in a number of countries and especially the multilateral institutions, where negotiations became a big part of his skill set.

After completing his task in Washington in 1990, Eltie served as Consul General in Switzerland, for a period of three years, with the specific function of representing the Treasury of South Africa in the Private Financial Institutions of Europe. This was under the so-called Executive Transitional Council, during the interim administration, functioning in the period between the end of the Apartheid and the start of the Democracy, when financial support was in short supply to the government of South Africa. In 1996 the new president of South Africa, President Nelson Mandela, recognized the experience of Eltie by appointing him to the strategic position of Ambassador to the European Union.

Since retiring from public service, Eltie continues to play a role in the trade and economic arena, especially at the academic institutions. At present he is Professor at the University of Stellenbosch Business School in Cape Town where he supervises MBA and PHD Students in their research. Eltie has been serving on the President's Council for Broad Based Black Economic Empowerment, for the past three years.

Eltie is also past President of the Afrikaanse Handelsinstituut (AHI). His present directorships include Kansai Plascon SA, Juta's, Business Partners, Telesure Investment Holdings, Terrasan Group and Allianz AGCS.

Eltie has been appointed as an independent non-executive director of Visual and is a member of the combined Audit and Risk Committee.

Guy Jonathan Lundy (Masters in Futures Studies)
Independent Non-Executive Director
Guy Lundy is a principal in the Cape Town office of global executive search firm Odgers Berndtson. He is a director on the boards of several organisations, including the Cape Town International Convention Centre and Wesgro, where he is deputy chairman.

Until recently Guy was the CEO of Accelerate Cape Town, a business think-tank and stakeholder grouping representing 50 of the biggest companies in Cape Town. He has 15 years of experience in management consulting, including having run his own international corporate strategy consultancy. He has also worked for international firms such as Ernst & Young, Oracle, the London Stock Exchange and Dimension Data, during several years of living on four continents.

Guy completed his Bachelor of Commerce (Honours) in Economics at the University of Cape Town and his Masters in Futures Studies at Stellenbosch University. He is a well-known keynote speaker, focusing on the future of business in Africa, and the author of two books about South Africa and its future. In 2009 Guy was listed as one of the 'Top 100 Thinkers in South Africa' by the Business Day newspaper.

Guy has been appointed as an independent non-executive director of Visual International and is a member of the Audit committee.

Reuben Kadalie (Undergraduate and Postgraduate in Operations and Project Management, Business Administration, Financial Management, Strategic Leadership, Human Resources, Organisational Development, Marketing, Economics and Information Systems)
Independent Non-Executive Director
Reuben has undergraduate and postgraduate studies in Operations and Project Management, Business Administration, Financial Management, Strategic Leadership, Human Resources, Organisational Development, Marketing, Economics and Information Systems. He is currently studying for an MBA qualification.

He has been employed at the CSIR for the last 16 years holding various senior positions. He was one of a selected group of managers and researchers at the CSIR that completed an internationally recognised Advanced Leadership Programme. His present responsibilities include heading up the Regional Western Cape Office of the National Cleaner Production Centre (NCPC-SA) and fulfilling the position of the National Operations Manager of the (NCPC-SA), a DTI Industrial Sustainability Programme that is hosted by the CSIR. He is also part of the senior management team of the CSIR's Strategic Initiatives & Implementation Unit that is based in Pretoria.

In addition, he has over 20 years of experience as a senior manager in the manufacturing sector. Reuben has held numerous leadership positions on advisory committees and boards with a focus on industry competitiveness, capacity building, human capital development and strategic leadership.

Reuben has been appointed as an independent non-executive director of Visual International and is a member of the combined Audit and Risk Committee.

Pankaj Ranchod (Bachelor of Commerce, Bachelor of Accounting Science Honours, CA (SA), H.Dip Business Data Processing, Master of Business Leadership (Cum Laude), Graduate Diploma in Company Direction and Certified Director)
Pankaj has many qualifications obtained from various institutions in and around South Africa. Pankaj is an independent business/management consultant and professional independent non-executive director with interests and focus in the fields of corporate governance, asset management, property and executive coaching.

He has previously occupied the position of Executive Head: Insurance Services at Santam. Prior to this he was a Director in Strategy and Finance (Home Loans) at Standard Bank and an Acting Managing Director for the BOE Insurance Company. Mr Ranchod has also occupied leadership and senior management positions at Anglo Alpha, JCI (Angloplats), and Coopers and Lybrand.

Pankaj has extensive experience in strategic management, operational management, business process re-engineering, financial management (including audit & risk management), and investments.

Pankaj is the Non –Executive Chairman of the South African Bank of Athens Ltd and serves as an independent non-executive director on the following Boards:

- South African National Youth Orchestra.
- Professional Provident Society Holdings Trust and Professional Provident society Insurance Company Ltd (PPS).
- AIG South Africa Ltd and AIG Life South Africa Ltd.

Pankaj has been appointed as an independent non-executive director of Visual International and is the chairman of the combined Audit and Risk Committee.

Theo Vorster (B.Comm (Hons) Investment Management)
Theo is the Chief Executive Officer of Galileo Capital and has been in the financial services industry for 16 years. Theo has a thorough knowledge of the stock markets and of the companies trading on it; and he is intimately involved in the on-going investments for and on behalf of Galileo Capital's clients. Prior to establishing Galileo Capital, Theo was Managing Director of one of the largest private client stock broking firms in the country.

Theo has been appointed as an independent non-executive director of Visual International and is a member of the combined Audit and Risk Committee from 27 May 2015.

REPORT OF THE COMBINED AUDIT AND RISK COMMITTEE

Introduction

The Board of Directors has a combined audit and risk committee ("the Audit Committee" or "the Committee") due to the nature and current size of the Company

The report of the Audit Committee is presented as required by Section 61(8)(a)(iii) of the Companies Act, 2008 (No. 71 of 2008) ("the Act") and has been prepared in accordance with Section 94.7(f).

The Audit Committee is constituted as a statutory committee of Visual International Holdings Limited ("Visual" or "the Company") in respect of its statutory duties in terms of section 94.7 of the Act and a committee of the board in regard to all other duties assigned to it by the Board of Directors of the Company.

Composition

The Audit Committee consisted of the following independent non–executive Directors as at 28 February 2015:

Member	Date of appointment	Attendance for the year under review
P Ranchod (Chairman)	21 January 2014	100%
E Links	22 November 2013	100%
G Lundy	22 November 2013	100%
R Kadalie	22 November 2013	50%

Subsequent to the year end, Mr T Vorster has also been appointed as a member of the audit committee with effect from 27 May 2015.

The Board has approved the Audit Committee terms of reference and is satisfied that Audit Committee members have recent and relevant financial experience to carry out their duties and responsibilities.

In accordance with the JSE Listings Requirements, a representative of the designated advisor attends all Audit Committee meetings.

STATEMENT OF AUDIT COMMITTEE RESPONSIBILITIES FOR THE YEAR ENDED 28 FEBRUARY 2015

Role and work of the Audit Committee

The role of the Audit Committee is to assist the Board by performing an objective and independent review of the functioning of the organisation's finance and accounting control mechanisms. It exercises its functions through close liaison and communication with management and the external auditors.

The Committee met six times from 1 March 2014 to 28 February 2015 and has met twice since the year end to the date of this report.

The Audit Committee met with both the external auditor and advisors in private sessions, without executive management being present. The Chief Executive Officer, Financial Director and other members of management attend Audit Committee meetings as necessary, at the invitation of the Chairman of the Audit Committee. In addition, other non-executive directors are extended an invitation to attend the Audit and Risk Committee meetings.

Terms of reference
The committee is guided by its terms of reference, dealing with membership, structure and levels of authority and has the following responsibilities:

- ensuring compliance with applicable legislation and the requirements of regulatory authorities;
- nominating for appointment a registered auditor who, in the opinion of the Audit Committee, is independent of the Company;
- review of matters relating to financial accounting, accounting policies, reporting and disclosure;
- review/approval of external audit plans, findings, reports, fees and determination and approval of any non-audit services that the auditor may provide to the Company and group;
- review/consideration of expertise and experience of the financial director and the finance team;
- compliance with the Charter; and
- compliance with the Company's code of ethics.

Responsibilities and independence of external auditor
The Audit Committee addressed its responsibilities properly in terms of the Charter during the 2015 financial period. One of these responsibilities was the assessment of the independence of the auditor. The committee is satisfied that Baker Tilly Greenwoods Chartered Accountants, and DP Botha the designated partner, who is a registered auditor, is independent of the Company. It has further satisfied itself that the audit firm and designated auditor are accredited to appear on the Johannesburg Stock Exchange's List of Accredited Auditors.

Non-audit services policy
The Audit Committee has an established non-audit services policy as well as an approval process for non-audit services, where utilised. During the period under review, Baker Tilly Greenwoods Chartered Accountants was engaged to perform a factual findings review and to assist with certain taxation matters, which is not considered to compromise the independence of the auditors. Other than the above, no non-audit services were utilised.

Internal financial controls
The Committee is of the opinion that Visual International's system of internal financial controls is adequate and forms a basis for the preparation of reliable financial statements.

The Company has not appointed internal auditors based on the various considerations, including the nature of the business, the size of the business and the accounting and control environment. The committee continues to consider the requirement for internal audit as a standing agenda item. The committee is satisfied that it has complied with its legal, regulatory and other responsibilities.

Expertise and experience of the financial director
The Committee is also satisfied as to the expertise and experience of the financial director and the finance team in terms of section 3.84(h) of the JSE Listing Requirements. This is reviewed on an on-going basis.

Review of financial statements
Management has reviewed the financial statements with the Audit Committee, and the Audit Committee has reviewed them without management or external auditors being present. The quality of the accounting policies were discussed with the external auditors.

Approval of report
The Audit Committee confirms for the 2015 financial year that they have functioned in accordance with their terms of reference and as required by the Act and that the report has been approved by the Directors of the Board.

Approval of financial statements
The Audit Committee reviewed and recommended the financial statements for approval by the Board of Directors and considers the financial statements of Visual International Holdings Limited and its subsidiaries and joint venture to be a fair presentation of its financial position on 28 February 2015 and of the results of the operations, changes in equity and cash flows for the period then ended, in accordance with International Financial Reporting Standards, the Act and the JSE Listings Requirements. The Audit Committee refers shareholders to the going concern statements that are included in the Directors' Report.

On behalf of the Audit Committee
P Ranchod
Chairman

31 August 2015

SOCIAL AND ETHICS COMMITTEE REPORT

This committee is constituted as a statutory committee of the Company in respect of its statutory duties in terms of section 72(4) of the Companies Act, 2008, read with regulation 43 (2) of the Companies Regulations, 2011, which states that all listed public companies must establish a Social and Ethics Committee.

Composition
The social and ethics committee consisted of the following directors as at 28 February 2015 and was newly established ahead of the listing of the Company on 23 May 2014:

R Kadalie (Chairman – non-executive director)
CK Robertson
P Grobbelaar

In compliance with the Act, one non-executive director, is a member of this committee.

Role of the Social and Ethics Committee and execution of its mandate
The committee performs an oversight, monitoring and reporting role to ensure that the Group's business is conducted in an ethical and properly governed manner and to develop and review policies, governance structures and existing practices which guide the Company's approach to new and emerging challenges. In particular the committee focuses on matters relating to:

- Social and economic development
- Good corporate citizenship
- The environment, health and public safety
- Consumer relationships
- Labour and employment

Meetings and procedures
The committee has met once during the year under review and once after the year end. The committee has approved the terms of reference and the plan of work required to monitor the Group's activities so as to ensure the committee is able to fulfil its mandate.

Conclusion
Based on an initial assessment, the committee is of the view that the Group takes its environmental, social and governance responsibilities seriously. No substantive non-compliance with legislation and regulation or non–adherence with codes of best practice, relevant to the areas within the committee's mandate, has been brought to its attention. The committee has no reason to believe that any such non-compliance or non-adherence has occurred.

The committee recognises that management will be responding to the increased attention from stakeholders on social and economic development in a responsible, proactive and sustainable fashion

R Kadalie
Chairman of the Social and Ethics Committee

CORPORATE GOVERNANCE REPORT

The directors of Visual endorse the King Code and recognise their responsibility to conduct the affairs of Visual with integrity and accountability in accordance with generally accepted corporate practices. This includes timely, relevant and meaningful reporting to its shareholders and other stakeholders, providing a proper and objective perspective of Visual.

It should be noted that Visual has previously been a private company and has therefore not been obliged to comply with the King Code. However, in anticipation of listing, certain aspects of corporate governance have been introduced within the Group and the King Code will be applied throughout Visual and its subsidiaries going forward in accordance with the JSE Listings Requirements for companies listed on the AltX. The directors have, accordingly, established procedures and policies appropriate to Visual's business in keeping with its commitment to best practices in corporate governance. These procedures and policies will be reviewed by the directors from time to time.

The directors of Visual have adopted the principals of the code, being fairness, accountability, responsibility and transparency. The formal steps taken by the directors are as follows:

Directors

The Board

The board of directors meets regularly and discloses the number of meetings held each year in its annual report, together with the attendance at such meetings. Details of the board attendance for the year under review and to the date of this report are as follows:

Attendance at meetings	31/3/2014	21/5/2014	13/10/2014	4/2/2015
R Richards	√	√	√	√
CK Robertson	√	√	√	√
PE Grobbelaar	√	√	√	√
G Noble	√	√	√	√
R Kadalie	A	√	√	√
GJ Lundy	A	√	√	√
Dr E Links	A	√	√	√
P Ranchod	√	√	√	√
CT Vorster	√	√	√	√

√ = Present A = Apologies tendered

A formal record is kept of all conclusions reached by the board on matters referred to it for discussion. Should the board require independent professional advice, procedures have been put in place by the board for such advice to be sought at the Company's expense.

All directors have access to the advice and services of Arbor Capital Company Secretarial Proprietary Limited ("the company secretary"), which fulfils the role of company secretary on an arm's length basis. The board is of the opinion that the company secretary has the requisite attributes, experience and qualifications to fulfil its commitments effectively. This assessment is based on the experience and qualifications of the company secretary, as well as the fact that the company secretary is familiar with the Company and its recent restructuring. The appointment or dismissal of the company secretary shall be decided by the board as a whole and not one individual director.

Directors are expected to maintain their independence when deciding on matters relating to strategy, performance, resources and standards of conduct. On first appointment, all directors are expected to undergo appropriate training as to the Company's business, strategic plans and objectives, and other relevant laws and regulations. The first such session with all directors present was held on 20 May 2014. This will be performed on an on-going basis to ensure that directors remain abreast of changes in regulations and the commercial environment.

The board is responsible for relations with stakeholders, as well as being accountable to them for the performance of the Company, and reporting thereon in a timely and transparent manner.

In accordance with AltX Listings Requirements, the directors are required to attend a 4-day Directors Induction Programme ("DIP"). All but two directors have attended the course.

Chairman and Chief Executive Officer

The offices of Chairman and Chief Executive Officer are fulfilled by two different persons, in order to ensure a balance of power and authority so that no one person has unfettered decision making powers. The roles of chairperson and chief executive officer are therefore separated, with the chairperson being an independent non-executive director. Dr RR Richards is the Chairman of Visual while Mr CK Robertson is the Chief Executive Officer.

Board balance

The board includes both executive and non-executive directors in order to maintain a balance of power and ensure independent unbiased decisions and that no one individual has unfettered powers of decision-making. The board of directors of Visual consists of nine members, six of whom are independent non-executives.

Supply of information

The board will meet on a regular basis where possible, but at a minimum of every three months. The directors will be properly briefed in respect of special business prior to board meetings and information will be provided timeously to enable them to give full consideration to all the issues being dealt with.

Furthermore, management shall supply the board with the relevant information needed to fulfil its duties. Directors shall make further enquiries where necessary, and thus shall have unrestricted access to all Company information, records, documents and property. Not only will the board look at the quantitative performance of the Company, but also at issues such as customer satisfaction, market share, environmental performance and other relevant issues. The Chairman must ensure that all directors are adequately briefed prior to board meetings.

Delegation of duties
Directors have the authority to delegate certain of their duties, either externally or internally, in order that they perform their duties fully. The Chief Executive Officer shall review these delegations and report on this to the board.

Appointments to the Board
Any member of the board can nominate a new appointment to the board, which will be considered at a board meeting. The nominated director's expertise and experience will be considered by the board as well as any needs of the board in considering such appointment. In accordance with the AltX Listings Requirements a nomination committee is not required and the size of the Company does not warrant the establishment of a nomination committee. A general meeting of the directors shall have the power from time to time to appoint anyone as a director, either to fill a vacancy, or as an additional director. The Company's MOI does not provide a maximum number of directors. Any interim appointments will be subject to approval at the Company's next general or annual general meeting.

Directors' remuneration

Remuneration policy
Visual currently does not have a remuneration committee as this is not an AltX requirement. The remuneration policy provides for the payment of market related salaries as well as providing for the executive directors to participate in a discretionary 13th cheque, subject to performance incentives. No performance incentives have been set yet. However, the process to review the remuneration policy of the group as well as consideration of incentives has commenced. Going forward, executive directors' remuneration will be determined by a disinterested quorum of directors.

Service contracts and compensation
Visual has entered into normal service contracts with all of its executive directors. All non-executive directors are subject to retirement by rotation and re-election by Visual shareholders at least once every three years in accordance with the Memorandum of Incorporation.

Accountability and audit

Incorporation
The Company is duly incorporated in South Africa and operates in conformity with its MOI and all laws of South Africa.

Financial reporting
The board is responsible for the group's systems of internal financial and operational control, as well as for maintaining an appropriate relationship with the Company's auditors. The board is responsible for presenting a balanced and understandable assessment of the Company's financial position with respect to all financial and price sensitive reports on the Company.

Internal control
The directors shall conduct an annual review of the Company's internal controls, and report their findings to shareholders. This review will cover financial, operational and compliance controls, as well as a review of the risk management policies and procedures of the Company.

Audit and Risk committee

A combined audit and risk committee has been established, whose primary objective is to provide the board with additional assurance regarding the efficacy and reliability of the financial information used by the directors, to assist them in discharging their duties. The committee is required to provide comfort to the board that adequate and appropriate financial and operating controls are in place, that significant business, financial and other risks have been identified and are being suitably managed, that the financial director has the appropriate expertise and experience and that satisfactory standards of governance, reporting and compliance are in operation. The committee has set the principles for recommending the use of the external auditors for non-audit services.

The following independent non-executive directors constitute the combined Visual audit and risk committee:

P Ranchod (Chairman)
E Links
GJ Lundy
R Kadalie
CT Vorster (appointed 27 May 2015)

The Chairman of the board is not a member of the audit and risk committee.

The audit and risk committee has considered and confirmed the experience and expertise of the financial director. The audit and risk committee has met 6 times from date of formation to the date of this report as detailed below.

Attendance at meetings	31/3/2014	21/5/2014	28/5/2014	13/10/2014	26/11/2014	4/2/2015
P Ranchod	√	√	√	√	√	√
R Kadalie	A	√	A	√	A	√
GJ Lundy	√	√	√	√	√	√
Dr E Links	√	√	√	√	√	√

√ = Present A = Apologies tendered

The Designated Advisor attends all combined audit and risk committee meetings in accordance with the AltX Listings Requirements.

External auditors

The auditors of the Group are Baker Tilly Greenwoods and it has performed an independent and objective audit of the Group's annual financial statements for the period ended 28 February 2015. The annual financial statements are prepared in accordance with the International Financial Reporting Standards ("IFRS") the Act and the JSE Listings Requirements. Interim reports were not audited.

Code of ethics

Visual subscribes to the highest ethical standards and behaviour in the conduct of its business and related activities.

Social and Ethics Committee

The following directors have been appointed to the social and ethics committee:

R Kadalie (Chairman)
CK Robertson
P Grobbelaar

In compliance with the Act, one non-executive director, namely R Kadalie, is a member of this committee.

The social and ethics committee has met once from date of formation to the date of this report as detailed below.

Attendance at meetings	20/8/2014
R Kadalie	√
CK Robertson	√
P Grobbelaar	√

√ = Present

Relations with shareholders
It is the plan of Visual to meet with its shareholders and investment analysts, and to provide presentations on the Company and its performance.

The board shall ensure that shareholders are supplied with all the necessary information in order that they may make considered use of their votes, and assess the corporate governance of the Company.

Dealing in securities
The board has established procedures regarding the legislation which regulates insider trading, whereby there is a closed period from the date of the financial year end to the earliest publication of the preliminary report, the abridged report or the provisional report in the case of results for a full period and from the date of the interim period end to the date of the publication of the first and second interim results as the case may be, which periods are known as closed periods. No director or the company secretary shall deal in the securities of the Company during a closed or prohibited period as well as whilst the Company is trading under a cautionary.

The company secretary or such person as may be nominated by him from time to time shall keep a record of all dealings by directors in the securities of the Company.

Company Secretary
The Company has appointed Arbor Capital Company Secretarial Proprietary Limited to act as the Company Secretary. An independent and arm's-length relationship exists due to the fact that Arbor Capital Company Secretarial Proprietary Limited provides outsourced company secretarial services and is not a director or shareholder in Visual. The professionalism and independence of Arbor Capital Company Secretarial Proprietary Limited will thus be maintained.

The board of directors has considered and satisfied itself on the competence, qualifications and experience of the company secretary. In considering this assessment, the board of directors considered the experience and qualifications of the employees of the company secretary. The directors will assess the on-going competency of the company secretary on an annual basis and in compliance with section 3.84(i) of the JSE Listings Requirements.

Financial Director
The financial director is appointed as a full time executive director.

The combined audit and risk committee has considered and satisfied itself on the competence, qualifications and experience of the financial director. In considering this assessment, the board of directors considered the experience and qualifications of the financial director. The combined audit and risk committee will assess the on-going competency of the financial director on an annual basis and in compliance with section 3.84(h) of the JSE Listings Requirements.

King III Checklist

Principles contained in King III not complied with and the reasons for non-compliance
The board endorses the principles contained in the King III report on corporate governance and confirms its commitment to those principles where, in the view of the board, they apply to the business. Compliance is monitored regularly and the board has undertaken an internal review process in determining compliance. Where areas of non-compliance or partial compliance have been identified these have been listed below, together with the reasons therefore, as is required by King III. It should be noted that compliance with King III was not a requirement of a private company and thus many of the principles are only now being introduced.

King III Ref	King III Principle	Comply/ Partially Comply/Do Not comply	Commentary
CHAPTER 1 - ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP			
Principle 1.1	The Board of Directors of the Company (the Board) provides effective leadership based on an ethical foundation.	Comply	In accordance with the Board Charter the board is the guardian of the values and ethics of the group.
Principle 1.2	The Board ensures that the Company is and is seen to be a responsible corporate citizen.	Comply	The social, ethics and transformation committee which will report to the board and shareholders will reflect Visual's commitment to responsible corporate citizenship.
Principle 1.3	The Board ensures that the Company's ethics are managed effectively.	Comply	The Board is responsible for ensuring that the Company protects, enhances and contributes to the wellbeing of the economy, society and natural environment.
CHAPTER 2 - BOARDS AND DIRECTORS			
Principle 2.1	The Board acts as the focal point for and custodian of corporate governance.	Comply	The Board will ensure that the Company applies the governance principles contained in King III and continues to further entrench and strengthen recommended practices through the Group's governance structures, systems, processes and procedures.

Principle 2.2	The Board appreciates that strategy, risk, performance and sustainability are inseparable.	Comply	The Board, as a whole and through its Committees, will approve and monitor the implementation of the strategy and business plan of the Company, will set objectives, review key risks and will evaluate performance against the background of economic, environmental and social issues relevant to the Company and global economic conditions.
Principle 2.3	The Board provides effective leadership based on an ethical foundation.	Comply	See 1.1 above
Principle 2.4	The Board ensures that the Company is and is seen to be as a responsible corporate citizen.	Comply	See 1.2 above
Principle 2.5	The Board ensures that the Company's ethics are managed effectively	Comply	See 1.3 above
Principle 2.6	The Board has ensured that the Company has an effective and independent audit committee.	Comply	See Chapter 3 below
Principle 2.7	The Board is responsible for the governance of risk.	Comply	See Chapter 4 below
Principle 2.8	The Board is responsible for information technology (IT) governance.	Partially comply	See Chapter 5 below

Principle 2.9	The Board ensures that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	Comply	See Chapter 6 below
Principle 2.10	The Board should ensure that there is an effective risk-based internal audit.	Do not comply	See Chapter 7 below
Principle 2.11	The Board should appreciate that stakeholder' perceptions affect a Company's reputation.	Comply	See Chapter 8 below
Principle 2.12	The Board should ensure the integrity of the Company's integrated report.	Comply	See Chapter 9 below
Principle 2.13	The Board reports on the effectiveness of the Company's internal controls.	Comply	See Chapter 7 and 9 below
Principle 2.14	The Board and its directors should act in the best interests of the Company.	Comply	Directors are mindful of their fiduciary duties and their duty to act in accordance with applicable legislation. Records of Directors' financial interests are kept and updated on an on-going basis. The Board as a whole acts as a steward of the Company and each Director acts with independence of mind in the best interests of the Company and its stakeholders. In its deliberations, decisions and actions, the Board is sensitive to the legitimate interests and expectations of the Company's stakeholders.

Principle 2.15	The Board will/has consider/ed business rescue proceedings or other turnaround mechanisms as soon as the Company has been/may be financially distressed as defined in the Companies Act, 71 of 2008.	Comply	The Board is aware of the requirements of the Companies Act regarding business rescue. The Company will establish a risk management process that will continuously evaluate controllable and non-controllable risks, threats and opportunities to ensure that the Company is operating optimally and is not in distress. In connection with the issuance of the Interim and Provisional Results management has been requested to table a solvency and liquidity memorandum whose content will be regularly considered and confirmed by the Board.
Principle 2.16	The Board has elected a chairman of the board who is an independent non-executive director. The CEO of the Company does not also fulfil the role of chairman of the Board.	Comply	The Chairman of Visual is an independent non-executive director. The roles of the Chairman and Chief Executive Officer are separate and clearly defined.
Principle 2.17	The Board has appointed the Chief Executive Officer and has established a framework for the delegation of authority.	Partially comply	While retaining overall accountability and subject to matters reserved to itself, the Board has delegated authority to the Chief Executive Officer and other Executive Directors to run the day-to-day affairs of the Company. An approval framework is yet to be agreed. Mr CK Robertson is appointed as CEO. A delegation of authority document is to be prepared and will be reviewed and approved by the audit committee in due course.

Principle 2.18	The Board comprises a balance of power, with a majority of non-executive directors. The majority of non-executive directors are independent.	Comply	The board has a majority of independent non-executive directors. There are six independent non-executive directors and three executive directors.
Principle 2.19	Directors are appointed through a formal process.	Comply	To ensure a transparent process, any new appointment of a Director is considered by the Board as a whole. The selection process involves considering the existing balance of skills and experience on the Board and a continual process of assessing the needs of the Company. Directors are appointed in terms of the Company's Memorandum of Incorporation and these interim appointments are confirmed at the next Annual General Meeting.
Principle 2.20	The induction of and on-going training, as well as the development of directors is conducted through a formal process.	Comply	New appointees to the board are appropriately familiarised with the Company through an induction programme and on-going training will be provided when needed.
Principle 2.21	The Board is assisted by a competent, suitably qualified and experienced company secretary.	Comply	The Company Secretary is duly appointed by the Board in accordance with the Companies Act and the JSE Listings Requirements and is evaluated annually. The Board is satisfied that the Company Secretary, including consideration of its employees, is independent and is properly qualified and experienced to competently carry out the duties and responsibilities of Company Secretary.
Principle 2.22	The evaluation of the Board, its committees and individual directors is performed every year.	Do not comply	The performance of the Board as a whole and the Board Committees individually is currently not evaluated annually. This will be considered in due course.

Principle 2.23	The Board delegates certain functions to well-structured committees without abdicating its own responsibilities.	Comply	The board has delegated certain functions without abdicating its own responsibilities to the following committees: • Audit and Risk committee; and • Social, ethics and transformation committee.
Principle 2.24	A governance framework has been agreed between the Company and its subsidiaries' boards.	Comply	The governance framework between the Company and each of its subsidiaries that is not wholly-owned is set out in shareholders' agreements, where applicable, and related agreements. The governance of wholly-owned subsidiaries is handled by Board and Board Committee resolutions.
Principle 2.25	The Company remunerates its directors and executives fairly and responsibly.	Partially comply	The Board will oversee the remuneration of Directors and Senior Executives and will make the determination taking into account market conditions, expert advice from remuneration specialists and in accordance with the Remuneration policy. Non-executive Directors' fees will be submitted annually to shareholders for approval at the Annual General Meeting.
Principle 2.26	The Company has disclosed the remuneration of each individual director and prescribed officer	Comply	The remuneration of Directors and Prescribed Officers will be included in the Directors' report of the Integrated Annual Report.
Principle 2.27	The shareholders have approved the Company's remuneration policy.	Comply	The Company's Remuneration Policy, approved by the Board, will be tabled for a non-binding advisory vote at each Annual General Meeting of shareholders.

CHAPTER 3 - AUDIT COMMITTEES			
Principle 3.1	The Board has ensured that the Company has an effective and independent audit committee.	Comply	The Board has recently appointed an Audit and Risk Committee ahead of its listing and it is in the process of establishing Charters and Audit and Risk Committee Terms of Reference. The board considers that it has an effective and independent audit and risk committee. The effectiveness of the Committee will be evaluated annually by the Directors. The group has an audit committee comprising four independent non-executive directors.
Principle 3.2	Audit committee members are suitably skilled and experienced independent non-executive directors.	Comply	All members of the Audit and Risk Committee are independent non-executive directors. The Board will consider the independence (in terms of King III), skills and experience of the Committee members annually.
Principle 3.3	The audit committee is chaired by an independent non-executive director.	Comply	The Board has appointed a suitably qualified Independent Non-executive Director to chair the Audit and Risk Committee.
Principle 3.4	The audit committee oversees integrated reporting.	Comply	The Audit and Risk Committee will have oversight over the preparation of the Integrated Annual Report including the annual financial statements and sustainability information, and will recommend the approval of the Integrated Annual Report to the Board.
Principle 3.5	The audit committee has ensured that a combined assurance model has been applied which provides a coordinated approach to all assurance activities.	Partially comply	Where necessary or relevant, the Company is committed to appointing service providers to provide independent assurance on both the financial and non-financial aspects of the business based upon their specific expertise and experience. The audit committee will oversee the assurance activities to ensure that they are constructed in a co-ordinated manner.

Principle 3.6	The audit committee is satisfied with the expertise, resources and experience of the Company's finance function.	Comply	The Audit and Risk Committee has evaluated the expertise and experience of the Financial Director and the Company's finance function and will review this annually. The Committee will disclose its satisfaction with the expertise and experience of the Financial Director and the finance function annually in the Integrated Annual Report.
Principle 3.7	The audit committee should be responsible for overseeing the internal audit process.	Comply	The Audit and Risk Committee will be responsible for overseeing the internal audit function. The requirement for internal audit is considered on an on-going basis throughout the year and will be a standard agenda item, although at present, due to the size and nature of the business, a formal internal audit function has not been established.
Principle 3.8	The audit committee is an integral component of the risk management process.	Comply	The Audit and Risk Committee will be responsible for overseeing risk management.
Principle 3.9	The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.	Comply	Annually, the Audit and Risk Committee will oversee the external audit process, approve audit fees and non-audit fees above prescribed levels, will review the independence of the external auditor including the professional suitability of the lead auditor and recommend their re-appointment to the Board and shareholders for the forthcoming financial year.
Principle 3.10	The audit committee has reported to the board and the shareholders as to how it has discharged its duties.	Comply	The Audit and Risk Committee will report to the Board at each Board meeting. A report to shareholders on how the Committee discharged its duties will be included in the Report of the Audit and Risk Committee in the Integrated Annual Report, noting that this was not previously a requirement as Visual was a private company.

CHAPTER 4 - THE GOVERNANCE OF RISK			
Principle 4.1	The Board is responsible for the governance of risk.	Comply	The Board is responsible for the governance of risk and the Audit and Risk Committee will assist the Board with this responsibility.
Principle 4.2	The Board has determined the levels of risk tolerance.	Do not comply	The Board, through the Audit and Risk Committee, will monitor the controls and residual risk profile of the principal risks of the Group against set criteria/tolerance levels and will periodically review the levels of risk tolerance. A risk register will be established in the forthcoming year.
Principle 4.3	The risk committee and/or audit committee has assisted the Board in carrying out its risk responsibilities.	Do not comply	The Board is responsible for the governance of risk and the Audit and Risk Committee will assist the Board with this responsibility. This was not done historically as a private company.
Principle 4.4	The Board has delegated to management the responsibility to design, implement and monitor the risk management plan.	Partially comply	The board has delegated the day-to-day responsibility for risk management to management. A risk management plan has not been established.
Principle 4.5	The Board has ensured that risk assessments are performed on a continual basis.	Don not comply	The Audit and Risk committee will actively monitor the group's key risks as part of its standard agenda.
Principle 4.6	The Board has ensured that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.	Do not comply	All risks are to be identified and steps to mitigate these will be outlined, including reasonably unpredictable risks. This has not been done in the past.

Principle 4.7	The Board has ensured that management has considered and has implemented appropriate risk responses.	Do not comply	The implementation of controls is monitored by management on an on-going basis. This has not been done in the past.
Principle 4.8	The Board has ensured continual risk monitoring by management.	Do not comply	Responsibility for identified risks will be assigned to an appropriate member of the group's senior management team, who is required to report to the board on the steps being taken to manage or mitigate such risks. This has not been done in the past.
Principle 4.9	The Board has received assurance regarding the effectiveness of the risk management process.	Do not comply	The Audit and Risk Committee will report to the Board regarding the efficacy of the risk management process. This has not been done in the past.
Principle 4.10	The Board has ensured that there are processes in place which enable complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.	Do not comply	Risk disclosure will be made annually in the Integrated Annual Report. The Board intends to disclose the top risks faced by the Company and will confirm its satisfaction with the management of the risk management processes.
CHAPTER 5 - THE GOVERNANCE OF INFORMATION TECHNOLOGY			
Principle 5.1	The Board is responsible for IT governance.	Do not comply	An IT Governance Framework, including processes, procedures and structures, has not been adopted by the Board. This will be considered in due course.
Principle 5.2	IT has been aligned with the performance and sustainability objectives of the Company.	Comply	The IT strategy and procedures are considered to be aligned with the performance and sustainability of the Company, bearing in mind its size and nature as a property developer.

Principle 5.3	The Board has delegated to management the responsibility for the implementation of an IT governance framework.	Do not comply	The chief financial officer will take responsibility for the implementation of an IT governance framework in due course. This is not identified as a key risk at present due to the size and nature of the business.
Principle 5.4	The Board monitors and evaluates significant IT investments and expenditure.	Do not comply	An IT Governance Framework has not yet been adopted by the Board. It is anticipated that a capital approval process will be put in place as part of the budgeting process. Any unbudgeted spend would require a specific approval process.
Principle 5.5	IT is an integral part of the Company's risk management plan.	Do not comply	See 5.4 above
Principle 5.6	The Board ensured that information assets are managed effectively.	Do not comply	The Board is responsible for the management of information assets and expenditure, although due to the nature and size of the business, this is regarded as a low risk area.
Principle 5.7	A risk committee and audit committee assists the Board in carrying out its IT responsibilities.	Do not comply	The Audit and Risk Committee will assist the Board with this function.
CHAPTER 6 - COMPLIANCE WITH LAWS, CODES, RULES AND STANDARDS			
Principle 6.1	The Board ensures that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	Comply	The Audit and Risk committee, together with the Social and Ethics Committee and Company Secretary, will review the adequacy and effectiveness of the group's procedures on an on-going basis to ensure compliance with legal and regulatory responsibilities.

CHAPTER 6 - COMPLIANCE WITH LAWS, CODES, RULES AND STANDARDS			
Principle 6.1	The Board ensures that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	Comply	The Audit and Risk committee, together with the Social and Ethics Committee and Company Secretary, will review the adequacy and effectiveness of the group's procedures on an on-going basis to ensure compliance with legal and regulatory responsibilities.
Principle 6.2	The Board and each individual director have a working understanding of the effect of applicable laws, rules, codes and standards on the Company and its business.	Comply	The directors and the board understand the appropriate applicable laws, rules, codes of standards required by the Company and its business.
Principle 6.3	Compliance risk should form an integral part of the Company's risk management process.	Partially comply	Compliance risk will be considered by the Audit and Risk Committee and the Social and Ethics Committee going forward.
Principle 6.4	The Board should delegate to management the implementation of an effective compliance framework and related processes.	Do not comply	This function will be delegated to management in due course.
CHAPTER 7 - INTERNAL AUDIT			
Principle 7.1	The Board should ensure that there is an effective risk based internal audit.	Do not comply	The Company currently does not have an internal audit function as it is not deemed necessary by the Audit and Risk Committee due to the size of the Company. The need for this function will be reviewed by the Audit and Risk Committee at every meeting.
Principle 7.2	Internal Audit should follow a risk based approach to its plan.	Do not comply	See 7.1 above.

Principle 7.3	Internal Audit should provide a written assessment of the effectiveness of the Company's system of internal controls and risk management.	Do not comply	See 7.1 above.
Principle 7.4	The audit committee should be responsible for overseeing the internal audit process.	Do not comply	See 7.1 above.
Principle 7.5	Internal audit should be strategically positioned to achieve its objectives.	Do not comply	See 7.1 above.
CHAPTER 8 - GOVERNING STAKEHOLDER RELATIONSHIPS			
Principle 8.1	The Board should appreciate that stakeholder' perceptions affect a company's reputation.	Comply	The Company engages its stakeholders on multiple levels and this allows the Company to manage issues effectively and timeously and reduces the likelihood of reputational risks.
Principle 8.2	The Board should delegate to management the authority to proactively deal with stakeholder relationships.	Comply	Management is responsible for maintaining stakeholder relationships.
Principle 8.3	The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the Company.	Comply	The appropriate balance is assessed on a continuous basis.

Principle 8.4	Companies should ensure the equitable treatment of shareholders.	Comply	The Company will act in accordance with the requirements of the Companies Act and the JSE Listings Requirements regarding the treatment of shareholders.
Principle 8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.	Comply	The Board is committed to a communication policy to ensure that timely, relevant, accurate and honest information is provided to all stakeholders.
Principle 8.6	The Board should ensure that disputes are resolved effectively and as expeditiously as possible.	Comply	The board ensures that disputes are resolved effectively as is possible.
CHAPTER 9 – INTEGRATED REPORTING AND DISCLOSURE			
Principle 9.1	The Board should ensure the integrity of the Company's integrated report.	Partially comply	The board will be responsible for the integrity of the integrated report. This was not previously a requirement as a private company.
Principle 9.2	Sustainability reporting and disclosure should be integrated with the Company's financial reporting.	Do not comply	The company's vision and mission statements, strategic objectives and value system will be integrated into all policies, procedures, decision-making and operations, with sustainability as the ultimate objective.
Principle 9.3	Sustainability reporting and disclosure should be independently assured.	Do not comply	At present the Company does not obtain independent assurance. This will be considered in future.

The above table covers all 75 principles as set out in King III as required by the JSE Listings Requirements.

VISUAL INTERNATIONAL HOLDINGS LIMITED AND ITS SUBSIDIARIES AND JOINT VENTURES

INTEGRATED ANNUAL REPORT

(Registration number 2006/030975/06)

Annual Financial Statements

for the year ended 28 February 2015

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Property holding and development
Directors	CK Robertson PE Grobbelaar G Noble E Links R Kadalie GJ Lundy R Richards T Vorster P Ranchod
Registered office	23 Kleinplaas Hohenhort Street Stellenberg 7550
Business address	23 Kleinplaas Hohenhort Street Stellenberg 7550
Postal address	PO Box 3163 Tyger Valley 7536
Ultimate holding company **Auditors**	Visual International Holdings Limited incorporated in South Africa Baker Tilly Greenwoods Chartered Accountants
Company registration number	2006/030975/06
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008, as amended.
Preparer	The annual financial statements were internally compiled under the supervision of G Noble, Financial Director, B.Comm.
Published	31 August 2015

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Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 71 of 2008, as amended, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included inthis report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards ("IFRS") and the Companies Act 71 of 2008, as amended. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS and the Johannesburg Stock Exchange Listings Requirements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the group's system of internal financial control. These controls are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the year and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's annual financial statements. The annual financial statements have been examined by the group's external auditors and their report is presented on pages 40 to 41.

The annual financial statements set out on pages 58 to 170, which have been prepared on the going concern basis, were approved by the board on 31 August 2015 and were signed on their behalf by:

Director **Director**

Declaration by Company Secretary

In terms of section 88(2)(e) of the Companies Act, 2008 (No. 71 of 2008) ("the Act"), we certify that to the best of our knowledge and belief the Company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Act, in respect of the financial period ended 28 February 2015, and that all such returns are true, correct and up to date.

Arbor Capital Company Secretarial Proprietary Limited
Company Secretary
31 August 2015

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South Africa

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Independent Auditor's Report

To the shareholders of Visual International Holdings Limited and its Subsidiaries and Joint Ventures

We have audited the accompanying group annual financial statements of Visual International Holdings Limited and its Subsidiaries and Joint Ventures, which comprise the separate and consolidated statement of financial position as at 28 February 2015, the separate and consolidated statement of comprehensive income, the separate and consolidated statement of changes in equity and the separate and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 58 to 170.

Directors' Responsibility for the Consolidated and Separate Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these group annual financial statements in accordance with International Financial Reporting Standards, the JSE Listings Requirements and the requirements of the Companies Act 71 of 2008, as amended, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these group annual 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 group annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the group annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the group annual 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 group annual 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 annual 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 group annual financial statements present fairly, in all material respects, the separate and consolidated financial position of the company and the group as at 28 February 2015, and of its separate and consolidated financial performance and its separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, the JSE Listing Requirements, and the requirements of the Companies Act 71 of 2008, as amended.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 44 of the group annual financial statements, which indicates that the group incurred a net loss of R7,748,803 for the year ended 28 February 2015, but that the group's total assets exceeded its total liabilities by R73,268,729 as at 28 February 2015. Note 44 also indicates that this net loss, along with other matters, indicate the existence of material uncertainties which may cast significant doubt on the group's ability to continue as a going concern.

Other Reports Required by the Companies Act

As part of our audit of the group annual financial statements for the year ended 28 February 2015, we have read the Audit and Risk Committee Report, Statement by the Company Secretary and Directors' Report for the purpose of identifying whether there are material inconsistencies between these reports and the audited group annual financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited group annual financial statements. However, we have not audited these reports and accordingly do not express an opinion thereon.

Baker Tilly Greenwood

Baker Tilly Greenwoods
Partner: CP Lakhani
Registered Auditor

31 August 2015
Cape Town

DIRECTORS' REPORT

BACKGROUND, INCORPORATION AND NATURE OF BUSINESS

Visual International Holdings Limited ("Visual") was incorporated as a private company on 5 October 2006 under the name Presto Financing Proprietary Limited. The company's name was changed, and it was converted to a public company, by way of special resolutions on 3 October 2013, which special resolutions were registered by CIPC on 23 December 2013. Presto Financing Proprietary Limited was a dormant subsidiary of Visual International Proprietary Limited ("Visual International") until it was decided to use this group company as the new holding company for the purposes of the listing on the Alternative Exchange of the Johannesburg Stock Exchange. Visual then acquired the controlling interest in Visual International from CKR Investment Trust with effect from 1 March 2012 and became the holding company of the various subsidiaries of Visual. Thus Visual, with its wholly owned subsidiary Visual International, commenced operating as a group for the year ended 28 February 2013.

Visual is essentially a property developer that acquires land, rezones the land, installs the relevant services and then constructs houses and apartments on the land for sale to homeowners or investors. Visual has developed more than 485 homes within Stellendale and has retained 27 units to date. Visual is in the process of establishing its own REIT (Real Estate Investment Trust) to hold the 27 homes, which it rents out to families and intends to grow this area going forward together with partners.

Visual focuses on the development of entire suburbs which comprise houses, apartments, lifestyle and retirement accommodation, retail facilities, schools, offices and recreation as well as other related facilities. With this focus Visual is able to ensure the overall quality and integrity of the suburb. It enables Visual to supply quality residences and other facilities at affordable prices. Furthermore, providing these combinations in a single suburb leads to job creation – which is important to the owners and occupants.

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND BASIS OF PREPARATION

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards, the Johannesburg Stock Exchange ("JSE") Listings Requirements and the requirements of the Companies Act 71 of 2008, as amended. The accounting policies have been applied consistently compared to the prior year, except for the adoption of new or revised accounting standards and interpretations that became effective during the current year. Refer to note 2 - New standards and interpretations.

FINANCIAL RESULTS

Shareholders are reminded that the group was effectively brought together during the prior year through various inter-related transactions and that the results up to 28 February 2014 will not be comparable to the results of the current year.

Revenue was in line with the prior year, but significantly lower than budgeted and projected. This was due to the fact that less than the anticipated capital was raised during the listing of the group, which resulted in cash flow shortfalls and the Company not being able to fund the planned developments which were included in the projected statement of comprehensive income.

Operating expenses were slightly higher than expected due to costs associated with the listing on the JSE. These higher listing costs are once off costs and not expected to recur.

Taxation decreased during the financial year due to a decrease in the provision for deferred taxation based on the calculated tax losses which originated in the group during the current financial year. The taxation balance decreased significantly as the income tax liability was settled during the year. The balance of the liability pertains to dividend withholding tax still outstanding. Deferred taxation has been provided at the capital gains tax rate for investment properties acquired and at the normal tax rate for properties classified as inventories.

On the balance sheet, investment properties increased only with a fair value adjustment and inventories remained constant as no properties were acquired or disposed of during the year under review. Stated capital increased by 22.00% compared to the prior year as a result of the shares issued during the listing of the holding company on the AltX of the JSE on 23 May 2014. Other financial liabilities increased due to an additional loan received from Granite Special Opportunities (Proprietary) Limited and a loan from Transflora Properties (Proprietary) Limited which were received to help bridge the shortfall in cash flow during the year.

Visual reports that the profit performance of the Group was not in line with expectations due to the lumpy nature of revenue from property development, the delay in listing and subsequent delay in commencement of development work due to town council approval only being received during 2015, some nine months later than expected. Shareholders are reminded that the Group was effectively brought together during the year ended 28 February 2014 and thus the results for the year ended 28 February 2014 will not be comparable to 28 February 2015 and to the results of the group going forward.

Other income is substantially lower than the prior year as Visual International used to be a beneficiary of RAL Trust and My Place Trust and received distributions of profits from these trusts, which was recognised in "Other Income". A large portion of the Other Income in the prior year arose as a result of a capital distribution received as part of the restructuring of and acquisition of properties from inter-related parties ahead of the listing.

The executive team is currently in negotiations with a large contractor to finance a large portion of development work planned for 2016 and all indications are that development funding will be in place for the year ending 29 February 2016. Management is in the process of procuring funding against assets held and have also started to sell off non-core assets to facilitate development work in the absence of funding.

Operating expenses for the year ended 28 February 2015 were mostly in line with those of the correlating prior period, with the exception of listing expenses, employee costs, the newly appointed non-executive directors' fees, legal fees, sponsor fees and auditors fees which were higher than the prior year following the listing of the Company on the Johannesburg Stock Exchange in May 2014.

Investment revenue was higher due to interest received on funds raised in connection with the listing, whilst finance charges were higher due to higher levels of borrowings associated with the funding of the Group some of which were at bridging finance rates.

On the balance sheet, investment property and inventories remained in line with the prior year as development work could not commence until planning approvals were received from the relevant authorities. Other financial liabilities increased due to the securing of interim funding whilst development funding and partners are secured.

Current liabilities also include a portion of a withholding tax liability due to SARS, which arose during the restructure of the group ahead of the listing. Whilst R700 000 of this obligation has been settled, approximately R1.1 million remains owing due to the current cash flow constraints. The Company has made a formal arrangement with SARS to settle the remaining obligation over the next six months, commencing 1 June 2015.

ACQUISITIONS AND DISPOSALS

The Company has acquired immovable property from inter-related parties ahead of its listing, with the properties being transferred through the Deeds Office to the group ahead of its listing on 23 May 2014.

Other than as part of the inter-related acquisitions, during the past three years, the Company has not disposed of, and does not propose to dispose of any immovable property or fixed assets to third parties other than in the ordinary course of business, that being as inventory due to the Company being classified as a property developer.

DIRECTOR CHANGES

The board of directors is constituted as follows:

Executive	**Date appointed**
Charles Kenneth Robertson - *Chief Executive Officer*	1 May 1992
Peter Grobbelaar – *Projects Director*	1 July 2006
Grant Noble – *Financial Director*	1 February 2007

Non-Executive	**Date appointed**
(Prof) Eltie Links – *Independent*	23 October 2013
Guy Lundy – *Independent*	23 October 2013
Reuben Kadalie – *Independent*	23 October 2013
Ruben Richards – *Independent Chairman*	21 January 2014
Theo Vorster - *Independent*	21 January 2014
Pankaj Ranchod – *Independent / Audit Committee Chairman*	21 January 2014

INTERESTS OF DIRECTORS

At 28 February 2015, the aggregate direct and indirect interests of the directors of Visual in the issued share capital of the Company are indicated below:

Director	**Direct beneficial**	**Indirect beneficial**	**Total**	**Percentage of total issued share capital**
CK Robertson	-	158,530,220	158,530,220	73.60%
P Grobbelaar	4,736,469	-	4,736,469	2.20%
G Noble	4,736,469	-	4,736,469	2.20%
E Links	-	588,235	588,235	0.27%
GJ Lundy	200,000	-	200,000	0.09%
R Kadalie	200,000		200,000	0.09%
RR Richards	-	200,000	200,000	0.09%
CT Vorster	100,000	-	100,000	0.05%
P Ranchod	200,000	1,000,000	1,200,000	0.56%
TOTAL	**10,172,938**	**160,318,455**	**170,491,393**	**79.15%**

There has been no change in the above interests from the year end until the date of approval of the Annual Financial Statements, being 31 August 2015.

At 28 February 2014, the aggregate direct and indirect interests of the directors of Visual in the issued share capital of the Company are indicated below:

Director	Direct beneficial	Indirect beneficial	Total	Percentage of total issued share capital
CK Robertson	-	162,050,220	162,050,220	85.53%
P Grobbelaar	4,736,469	-	4,736,469	2.50%
G Noble	4,736,469	-	4,736,469	2.50%
E Links	-	588,235	588,235	0.31%
GJ Lundy	-	-	-	0.00%
R Kadalie	-		-	0.00%
RR Richards	-	-	-	0.00%
CT Vorster	-	-	-	0.00%
P Ranchod	-	1,000,000	1,000,000	0.53%
TOTAL	**9,472,938**	**163,638,455**	**173,111,393**	**91.37%**

The CKR Investment Trust and RAL Trust are trusts associated with CK Robertson, which together held 73.60% of the issued shares in the Company at 28 February 2015 (2014: 85.53%). These shareholdings are reflected under the indirect beneficial shareholding of CK Robertson above.

In accordance with the provisions of the JSE Listings Requirements, 50% of the shares held by directors and the above two trusts will be held in trust with the Company's attorney until the publication of the audited results of Visual for the year ended 28 February 2016 and the remaining 25% the following year. The relevant securities may only be released after notifying the JSE of the intention to so release.

DIRECTORS' INTERESTS IN CONTRACTS

No directors had any interests in contracts of the group during the current year. During the prior financial year, Stellendale Village (Proprietary) Limited, a 99.08% subsidiary of Visual International Holdings Limited, have in anticipation of the listing of the Company, entered into an agreement involving a director of the Company as follows:

- Stellendale Village (Proprietary) Limited sold 13 row housing units and 75 retirement suites to CK Robertson for a total amount of R46,944,000 (inclusive of value added taxation) subject to CK Robertson obtaining a 100.00% bond and that Stellendale Village North Bank 1 Project will not commence until CK Robertson has furnished adequate security for the total contract sum. The bond and security was not obtained and as such the contract was terminated.

SHAREHOLDERS' ANALYSIS AS AT 28 FEBRUARY 2015

Shareholders holding more than 5%

Shareholder	Number of Shares	Percentage Holding
Shareholders holding more than 5% of total issued capital		
CKR Investment Trust	81 202 011	37.70%
RAL Trust	77 328 209	35.90%
Total shareholders	**158 530 220**	**73.60%**

CATEGORIES OF SHAREHOLDERS

	Number of Shareholders 28 February 2015	Number of Shareholders 28 February 2014	28 February 2015	28 February 2014
Public	811	277	44 892 007	16 347 382
Non-public				
Shareholders holding more than 10% of total issued capital	2	2	158 530 220	162 050 220
Directors	9	4	11 961 173	11 061 173
Associates	-	-	-	-
Total shareholders	**822**	**283**	**215 383 400**	**189 458 775**

Shareholders analysis and information

	Number of Shareholders	Number of Shares	Percentage Holding
Individuals	736	39 823 670	18.49%
Nominees	-	-	-
Close Corporations	8	400 000	0.19%
Companies, Financial Institutions, Trusts	78	175 159 730	81.32%
Total Shareholders	**822**	**215 383 400**	**100.00%**

Size of Shareholding	Number of Shareholders	Number of Shares	Percentage Holding
1 – 10 000	456	3 794 483	1.76%
10 001 – 25 000	137	2 501 050	1.16%
25 001 – 100 000	154	8 887 209	4.13%
100 001 – 500 000	53	11 770 444	5.46%
500 001 and over	22	188 430 214	87.49%
Total Shareholders	**822**	**215 383 400**	**100.00%**

Public vs. non-public as at 28 February 2015

	Number of Shares	Percentage Holding
Non Public		
Shareholders holding more than 10% of total issued capital	158 530 220	73.60%
Directors and Associates of the Company	11 961 173	5.55%
Public	44 892 007	20.84%
	215 383 400	**100.00%**

INTEREST IN SUBSIDIARIES AND JOINT ARRANGEMENTS

Details of material interests in subsidiary companies and joint arrangements are presented in the consolidated group annual financial statements in notes 6 and 7.

The interest of the group in the profits and losses of its subsidiaries and joint arrangements for the year ended 28 February 2015 are as follows:

Subsidiaries	28 February 2015 (R)	28 February 2014 (R)
Total profits before income tax	26,887	24,665,128
Total profits after income tax	21,697	16,731,075
Total losses before income tax	(7,400,319)	(568,185)
Total losses after income tax	(6,138,327)	(2,612,923)

Joint arrangements	28 February 2015 (R)	28 February 2014 (R)
Total profit before income tax	801,974	-
Total profit after income tax	697,331	-
Total losses before income tax	-	(1,528,289)
Total losses after income tax	-	(1,242,495)

There were no significant acquisitions or divestitures during the periods ended 28 February 2015 and 2014.

BORROWING POWERS

Subject to the provisions of the Memorandum of Incorporation of the Company, the directors may from time to time:

- borrow for the purposes of the Company such sums as they think fit; and
- secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of securities, mortgage or charge upon all or any of the property or assets of the Company.

The directors shall procure (but as regards subsidiaries of the Company only insofar as by the exercise of voting and other rights or powers of control exercisable by the Company they can so procure) that the aggregate principal amount at any one time outstanding in respect of moneys so borrowed or raised by:

- the Company; and
- all the subsidiaries for the time being of the Company (excluding monies borrowed or raised by any of such companies from any other of such companies but including the principal amount secured by any outstanding guarantees or suretyships given by the Company or any of its subsidiaries for the time being for the indebtedness of any other company or companies whatsoever and not already included in the aggregate amount of the moneys so borrowed or raised), shall not exceed, to the extent applicable, the aggregate amount at that time authorised to be borrowed or secured by the Company or the subsidiaries for the time being of the Company (as the case may be).

PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND INVENTORIES

There were no changes in the nature of the property, plant and equipment, investment properties and inventories of the group or in the policy regarding their use.

At 28 February 2015 the group's investment in property, plant and equipment amounted to R919 279 (2014: R1 047 980), of which R109 258 (2014: R1 207 339) was added in the current year through additions.

Refer to note 4 of these annual financial statements for further details regarding additions and disposals made during the year.

Other than as part of the inter-related acquisitions, during the past three years, the Company has not disposed of, and does not propose to dispose of any immovable property or fixed assets to third parties other than in the ordinary course of business, that being as inventory due to the Company being a property developer.

Visual International, the main subsidiary and previously held 100% directly by the CKR Investment Trust, was established in 1991 and has been involved in a number of premier property development projects in South Africa over the past 15 years. In addition, a number of property developments were undertaken by entities associated with CK Robertson and Visual International, namely RAL Trust and My Place Trust, which properties have been acquired in the 2014 financial year by the Visual group by way of a restructure in accordance with Section 42 of the Income Tax Act, known as the inter-related acquisitions.

The Visual group, through Visual International and through the CKR Investment Trust, the RAL Trust and My Place Trust prior to the Section 42 restructure, has a long profit history and together has built up a property portfolio with an asset value of over R100m. Visual International used to be a beneficiary of RAL Trust and My Place Trust and used to receive a distribution of profits from these trusts, which was recognised in "Other Income". The revenue and cost of sales were recognised within the trusts. Due to the complex nature of the previous inter- related parties, all of which were managed by CK Robertson and the Visual International management team, a decision was taken to simplify the structure and bring the relevant properties under Visual International, as the main operating subsidiary and previous beneficiary of the RAL Trust and My Place Trust.

It should be noted that the executive directors that managed Visual International and also assisted with the property development of the properties held by the RAL Trust and My Place Trust as a team over the past eight years, remain in place and will continue to manage the Visual group going forward. The executive directors have many years' experience in property development and property management (including leasing, repairs and maintenance of the properties, running the home owners association and sales).

The majority of the revenue and profits of the group arise from residential property development of houses and apartments for sale to individuals or property investors.

Historically, approximately 485 homes have been developed by Visual International at Stellendale for the various trusts and Clidet, with a further 51 units under construction within Clidet.

Going forward, most of the property development projects take place in Visual International, whilst Stellendale Village houses the Stellendale Lifestyle Retirement development, which marketing has commenced with 88 units sold of the planned approximately 840 units and the contractors having been appointed to install the services for construction of units at Northbank 1 and Northbank 2.

The management team also looks to proceed with the first phase of Stellendale 3. The proposed phase consists 83 single residential units that will be developed on a plot-and-plan basis.

The Visual Property Club will be jointly operated as a 50:50 division under Visual International with Van Der Merwe & Robertson Bonds Proprietary Limited and provides comprehensive services to investors that wish to become property developers and holds a registered patent under ZA Patent Number 2012/03640 for the process to qualify an investor as a property developer in accordance with the Income Tax Act, that it has successfully developed over the past four years, although it does not generate any income or direct benefit for the group. The Visual Property Club was dormant during the current and previous financial periods.

COMPANY SECRETARY

Arbor Capital Company Secretarial Proprietary Limited was appointed as company secretary with effect from 07 January 2014. Refer to inside back cover for the details of the company secretary.

The directors all have unlimited access to the company secretary who, *inter alia*, advises the board and its committees on issues relating to compliance, the JSE Listings Requirements and the King III report on corporate governance. Directors are furthermore, with the prior knowledge of the chief executive officer, entitled to ask any questions of any personnel and enjoy unrestricted access to all company documentation, information and property.

AUDITORS

Baker Tilly Greenwoods Chartered Accountants are the appointed auditors and will continue in office in accordance with Section 90 of the Act.

TRANSFER SECRETARY

Link Market Services South Africa Proprietary Limited is appointed as the transfer secretary. Refer to the inside back cover for the details of the transfer secretary.

SHARE CAPITAL

The authorised and issued share capital of the Company at year end is as follows:

2015	**R**
Authorised share capital	
1 000 000 000 ordinary shares of no par value	
Issued stated share capital	
215 383 400 ordinary shares of no par value (stated capital)	68 365 080

2014	**R**
Authorised share capital	
1 000 000 000 ordinary shares of no par value	
Issued stated share capital	
189 458 775 ordinary shares of no par value (stated capital)	56 264 571

Refer to note 16 of the group annual financial statements for detail of the movement in the issued share capital.

The authorised and unissued shares are under the control of the directors of the Company, subject to the provisions of the Memorandum of Incorporation ("MOI"), the Act and the JSE Listings Requirements.

There are no treasury shares held as at the last practicable date.

SPECIAL RESOLUTIONS, SHARE CAPITAL AND ISSUE/ REPURCHASE OF SHARES

No special resolutions were passed during the year under review other than the following special resolutions which were passed at the Annual General Meeting:

- Approval of non-executive directors' fees.
- Approval of the general authority to enter into funding agreements, provide loans or other financial assistance.

No special resolutions were passed at a subsidiary level during the year but subsequent to year end the following special resolutions were passed on Data Centre One Investments Proprietary Limited:

- Change from a private company to a public company.
- Change of name of company from Data Centre One Investments Proprietary Limited to Visual Reit Number 1 Limited.
- Conversion of par value shares into no par value shares.
- The adoption of a new MOI.
- Increase of authorised share capital.

Visual listed on the AltX of the Johannesburg Stock Exchange on 23 May 2014. The Company issued 22 301 021 shares at R0.50 per share raising R11 150 510.50.

In addition, on 18 June 2014, 1 123 604 shares were issued at 50 cents under the Company's general authority, amounting to R561,802 and on 17 October 2015, 2 500 000 shares were issued to the public at an issue price of R0.3279584 per share.

During the year under review, the Company did not repurchase any shares.

DIVIDEND

The Company has not declared a dividend for the year ended 28 February 2015 (2014: Nil).

LITIGATION

There are no legal or arbitration proceedings, including any proceedings that are pending or threatened, of which the Company and group is aware that may have or have had in the last 12 months, a material effect on the Company's or the Group's financial position.

GOING CONCERN

The Group experienced cash flow constraints during the year, partly due to the nature of the business, which it addressed by borrowing from a lending institution at higher interest rates. The cash flow constraints resulted from the following events:

- The holding company of the group listed on the AltX of the JSE in May 2014. The full subscription in the Company's shares was not received, with only a third of the expected capital being raised. As a result of the desired amount of capital not being raised, the Company was unable to fully implement its business plan and to undertake its planned development projects. Furthermore, an agreement with a BBBEE group for the placement of 32 million shares at 50 cents per share, which subscription was dependent on the entity obtaining finance for the majority of the subscription amount, did not materialise as the entity was not granted funding.
- Delays in being able to generate revenue from property development sales were also experienced due to a nine month delay in approval of zonings and plan approvals from the local authorities, substantially delaying the start of construction on Northbank 1.

The directors have considered the operational budget and cash flow forecasts for the ensuing year which are based on the current expected economic and market conditions and the happening of all (or at least a significant number) of the following events:

- A large foreign engineering and construction company wishes to establish itself in the construction and building fields in South Africa and elsewhere in Southern Africa. Various methods of working together are being explored from being a construction partner to Visual, to being a development partner including financing.

- Visual is negotiating with various recognised property and investment funds about the establishment with Visual of one or more middle income residential property investment funds. Negotiations have been progressing well through the various approval levels and management expects to move to heads of agreement before the end of December 2015. In the interim Visual has established a 100% subsidiary as a REIT (Visual Residential REIT Number 1) which entity will be utilised as the holding company for residential rental stock. It is expected that Visual will develop some of its property projects for the above fund or funds, hold a minority share in each of these underlying REITs, and undertake the management of the underlying properties. In certain instances these REITs will acquire properties held by other developers, in which case Visual will receive commission and management fees.
- Currently Visual has zoning rights to develop approximately 250 houses on Erf 18358 and the remainder of farm 1286. Subject to funding being received, Visual will undertake the building thereof, otherwise Visual plans to sell, develop and bridge fund these houses on a plot and plan basis during the next calendar year.
- In addition to the above, management's funding plans include:

  i. Securing funding from normal banking sources for property development, which has been the normal source of development funding of the group historically.
  ii. The placement of additional shares in the market or with strategic partners, as funding for expansion becomes necessary; management is currently negotiating with four parties about subscribing for the approximately 70 million shares.
  iii. The sale of undeveloped serviced with a current market value of R34 million.
  iv. The possibility of entering into a strategic relationship to fast track the development of Visual and/or other properties.
  v. The extension of the repayment terms of the Granite facility as detailed in note 20 – Other financial liabilities, a portion of which was due for repayment on 31 August 2015. The group has approached Granite to extend the repayment terms of the amounts due on 31 August 2015 and has received an indication from them that the repayment terms will be extended and the interest capitalised, subject to the finalisation of the negotiations relating to the terms, conditions and further securities to be provided to Granite. The negotiations are currently at an advanced stage.

These events and the underlying assumptions relating thereto represent material uncertainties that may cast doubt on the Group's ability to continue as a going concern. However, the directors believe that some or all of the above mentioned transactions will materialise and that the Group will have adequate financial resources to continue as a going concern. Accordingly, the directors have adopted the going concern basis in the preparation of the annual financial statements.

It is noted that the group has more than R70 million in tangible net asset value and discussions with local agents indicate that the property valuations reflected in the reported results are conservative.

COMPARISON WITH PROFIT FORECAST

In accordance with the JSE Listings Requirements, Visual has set out a comparison between the profit forecast as contained in the Company's prospectus dated 3 March 2014 and the results for the year ended 28 February 2015 below:

	Actual 28 February 2015	Forecast 28 February 2015
	R	**R**
Revenue	2 771 299	134 214 499
Cost of sales	(428 575)	(71 383 917)
Gross profit	**2 342 724**	**62 830 582**
Other income	325 581	223 110
Expenses	(11 319 437)	(12 077 241)
Operating (loss)/profit	**(8 651 132)**	**50 976 451**
Investment revenue	2 974 926	2 213 048
Fair value adjustments	720 252	-
Income from equity accounted investments	641 198	-
Finance costs	(4 642 288)	(6 162 741)
Loss before taxation	**(8 957 044)**	**47 026 758**
Taxation	1 208 241	(13 167 492)
Loss for the year	**(7 748 803)**	**33 859 266**
Other comprehensive income	**-**	**-**
Total comprehensive loss for the year	**(7 748 803)**	**33 859 266**
(Loss)/profit attributable to		
Owners of parent	**(7 718 807)**	33 447 048
Non-controlling interest	**(29 996)**	412 218)
	(7 748 803)	33 859 266
Earnings per share (cents)	(3.71)	13.09
Headline earnings per share (cents)	(3.97)	13.09
Weighted average shares in issue (assumed fully diluted in the prospectus)	208,237,178	124,816,627

The main reason for the Company not achieving its profit forecast was the delay in transfer of various properties into Visual ahead of the listing and the Company not raising the full amount of capital expected. In addition, the development plan approvals took nine months longer than expected to be approved, with approval only coming through in the first quarter of 2015. These factors caused the revenue line to not be achieved, which impacted throughout the results.

The Company has had to amend its plans accordingly and has elected to go back to basics for the foreseeable future, which has worked well for the Company in the past.

EVENTS AFTER THE REPORTING PERIOD

A joint venture of the group, Dream Weaver Trading Proprietary Limited, sold all its assets as a going concern on 27 March 2015 for R5 350 000. Visual is a 50% shareholder in this joint venture.

In addition, refer to notes 20, 44 and the Going concern paragraph above for events subsequent to year end that might impact on the ability of the group to continue as a going concern.

There are no other material events that require reporting after the year end, other than in the normal course of business.

FUTURE PROSPECTS

Going forward, most of the property development projects take place in Visual International, whilst Stellendale Village houses the planned Stellendale Lifestyle Retirement development of approximately 825 units.

The Stellendale 3 project was redesigned to enable a faster roll-out of approximately 250 single residential houses on a plot and plan basis.

Hoeksteen Projects and Richland respectively hold land for future development at Machadadorp and Richwood, although no development is planned or forecast on these two properties for the year ending 28 February 2016. Mystic Pearl similarly holds two pieces of land for future development in Hagley, with a joint venture partner. Due to the change in focus to larger developments as detailed in subsequent events below, the Company may consider disposing of some of its smaller properties during 2016.

Visual International has sold its 50% interest in Dream Weaver which owns under cover and open parking bays at three buildings from which income is generated through leasing of parking bays, with joint venture partners. The Company regarded this asset as non-core as previously announced.

Due to the delay in one of the property transfers and the consequent delay in listing and receipt of the proceeds raised, lodging of plans and commencement of construction of top structures was delayed, which in turn has caused most of the planned sales and cost of sales to move into the years ending 28 February 2016 or 28 February 2017. On the positive side, the listing process has led to increased interest in Visual, including certain of its larger projects as well as its data and contact centre potential, which could lead to strategic partnerships being formed.

Visual has a positive net tangible asset value in excess of R70 million and the board will be considering the size and nature of properties held in order to optimise the balance sheet for its key development initiatives and ensure that it has sufficient cash and funding resources to grow the group.

Statement of Financial Position as at 28 February 2015

		Group		Company	
Figures in Rand	Note	2015	2014	2015	2014
Assets					
Non-Current Assets					
Investment property	3	41,908,820	41,368,820	-	-
Property, plant and equipment	4	919,279	1,047,980	-	-
Intangible assets	5	47,868	6,446	-	-
Investments in subsidiaries	6	-	-	35,581,082	31,796,581
Investment in joint ventures	7	1,352,449	711,251	-	-
Loans to group companies	8	-	958,291	40,913,526	34,835,780
Loans to shareholders	9	42,532,616	44,266,991	-	-
Other financial assets	10	425,782	479,282	-	-
		87,186,814	**88,839,061**	**76,494,608**	**66,632,361**
Current Assets					
Inventories	13	40,246,180	40,246,180	-	-
Loans to group companies	8	871,802	-	-	-
Loans to shareholders	9	-	1,330,000	-	-
Current tax receivable		256,331	-	-	-
Other receivables	14	443,881	294,730	-	-
Cash and cash equivalents	15	877,920	257,864	-	-
		42,696,114	**42,128,774**	**-**	**-**
Total Assets		**129,882,928**	**130,967,835**	**76,494,608**	**66,632,361**
Equity and Liabilities					
Equity					
Share capital	16	68,365,080	56,264,571	68,364,960	56,264,451
Retained income/(loss)		5,359,867	13,078,667	(5,764,915)	(3,120,213)
		73,724,947	69,343,238	62,600,045	53,144,238
Non-controlling interest		(456,218)	(426,222)	-	-
		73,268,729	**68,917,016**	**62,600,045**	**53,144,238**
Liabilities					
Non-Current Liabilities					
Loans from shareholders	9	14,353,931	17,168,364	12,737,335	11,407,995
Other financial liabilities	20	20,157,628	11,986,853	-	-
Operating lease liability		19,091	25,476	-	-
Deferred tax	12	8,517,304	10,562,142	-	-
		43,047,954	**39,742,835**	**12,737,335**	**11,407,995**

Current Liabilities					
Loans from shareholders	9	4,945,210	5,822,724		-
Other financial liabilities	20	5,362,913	8,638,590	-	-
Current tax payable		1,157,367	4,029,335	1,156,830	1,856,830
Trade and other payables	22	1,114,925	2,380,461	398	120,399
Provisions	21	-	977,731	-	102,899
Bank overdraft	15	985,830	459,143	-	-
		13,566,245	**22,307,984**	**1,157,228**	**2,080,128**
Total Liabilities		**56,614,199**	**62,050,819**	**13,894,563**	**13,488,123**
Total Equity and Liabilities		**129,882,928**	**130,967,835**	**76,494,608**	**66,632,361**

Statement of Comprehensive Income

		Group		Company	
Figures in Rand	Note	2015	2014	2015	2014
Revenue	24	2,771,299	2,768,340	-	-
Cost of sales	25	(428,575)	(351,756)	-	-
Gross profit		**2,342,724**	**2,416,584**	**-**	**-**
Other income	26	325,581	32,497,005	102,899	-
Operating expenses		(11,319,437)	(9,894,324)	(1,418,261)	(2,234,247)
Operating (loss)/profit	27	**(8,651,132)**	**25,019,265**	**(1,315,362)**	**(2,234,247)**
Investment revenue	28	2,974,926	1,629,365	-	-
Fair value adjustments	29	720,252	335,000	-	-
Income/(loss) from equity accounted investments	7	641,198	(545,959)	-	-
Finance costs	30	(4,642,288)	(2,994,849)	(1,329,340)	(885,966)
(Loss)/profit before taxation		**(8,957,044)**	**23,442,822**	**(2,644,702)**	**(3,120,213)**
Taxation	31	1,208,241	(9,978,791)	-	-
(Loss)/profit for the year/period		**(7,748,803)**	**13,464,031**	**(2,644,702)**	**(3,120,213)**
Other comprehensive income		-	-	-	-
Total comprehensive (loss)/income for the year		**(7,748,803)**	**13,464,031**	**(2,644,702)**	**(3,120,213)**
Total comprehensive (loss)/income attributable to:					
Owners of the parent		(7,748,803)	13,464,031	(2,644,702)	(3,120,213)
(Loss)/profit attributable to :					
Owners of the parent		(7,718,807)	13,607,563	(2,644,702)	(3,120,213)
Non-controlling interest		(29,996)	(143,532)	-	-
		(7,748,803)	**13,464,031**	**(2,644,702)**	**(3,120,213)**

Earnings per share (refer to note 18)		
Basic (loss)/earnings per share	(3.71)	10.90
Diluted (loss)/earnings per share	(3.71)	10.90
Headline loss per share	(3.92)	(10.95)
Diluted headline loss per share	(3.92)	(10.95)

Statement of Changes in Equity

Figures in Rands	Share Capital	Share Premium	Total share Capital	Retained income/ (loss)	Total attributable to equity holders of the Group	Non-controlling interest	Total equity
Group							
Balance at 1 March 2013	**645**	**31,795,936**	**31,796,581**	**(7,192,405)**	**24,604,176**	**(282,690)**	**24,321,486**
Profit for the year	-	-	-	13,607,563	13,607,563	(143,532)	13,464,031
Other comprehensive income	-	-	-	-	-	-	-
Conversion to no par value shares	31,795,936	(31,795,936)	-	-	-	-	-
Issue of shares	25,609,908	-	25,609,908	-	25,609,908	-	25,609,908
Capitalised costs on equity raising	(1,141,918)	-	(1,141,918)	-	(1,141,918)	-	(1,141,918)
Gain on dilution of majority shareholder interest	-	-	-	6,743,219	6,743,219	-	6,743,219
Other movements	-	-	-	23,007	23,007	-	23,007
Total contributions by and distributions to owners of group recognised directly in equity	**56,263,926**	**(31,795,936)**	**24,467,990**	**6,766,226**	**31,234,216**	**-**	**31,234,216**
Opening balance as previously reported	56,264,571	-	56,264,571	13,181,385	69,445,956	(426,222)	69,019,734
Adjustments							
Prior year adjustments (refer to note 40)	-	-	-	(102,718)	(102,718)	-	(102,718)

Balance at 1 March 2014	**56,264,571**	**-**	**56,264,571**	**13,078,667**	**69,343,238**	**(426,222)**	**68,917,016**
Loss for the year	-	-	-	(7,718,807)	(7,718,807)	(29,996)	(7,748,803)
Other comprehensive income	-	-	-	-	-	-	-
Issue of shares	12,401,891	-	12,401,891	-	12,401,891	-	12,401,891
Capitalised costs on equity raising	(301,382)	-	(301,382)	-	(301,382)	-	(301,382)
Total contributions by and distributions to owners of group recognised directly in equity	**12,100,509**	**-**	**12,100,509**	**-**	**12,100,509**	**-**	**12,100,509**
Balance at 28 February 2015	**68,365,080**	**-**	**68,365,080**	**5,359,867**	**73,724,947**	**(456,218)**	**73,268,729**
Note	16	16	16				

Figures in Rands	Share Capital	Total share Capital	Retained income/ (loss)	Total attributable to equity holders of the Company	Total equity
Company					
Balance at 1 March 2013	**525**	**525**	**-**	**525**	**525**
Loss for the year	-	-	(3,120,213)	(3,120,213)	(3,120,213)
Other comprehensive income	-	-	-	-	-
Issue of shares	57,406,369	57,406,369	-	57,406,369	57,406,369
Capitalised costs on equity raising	(1,141,918)	(1,141,918)	-	(1,141,918)	(1,141,918)
Total contributions by and distributions to owners of company recognised directly in equity	**56,264,451**	**56,264,451**	**-**	**56,264,451**	**56,264,451**

Balance at 1 March 2014	**56,264,451**	**56,264,451**	**(3,120,213)**	**53,144,238**	**53,144,238**
Loss for the year	-	-	(2,644,702)	(2,644,702)	(2,644,702)
Other comprehensive income	-	-	-	-	-
Issue of shares	12,401,891	12,401,891	-	12,401,891	12,401,891
Capitalised costs on equity raising	(301,382)	(301,382)	-	(301,382)	(301,382)
Total contributions by and distributions to owners of company recognised directly in equity	**12,100,509**	**12,100,509**	**-**	**12,100,509**	**12,100,509**
Balance at 28 February 2015	**68,364,960**	**68,364,960**	**(5,764,915)**	**62,600,045**	**62,600,045**
Note	16	16			

Statement of Cash Flows

	Note	Group 2015	Group 2014	Company 2015	Company 2014
Cash flows from operating activities					
Cash used in operations	33	(10,742,678)	(3,789,414)	-	-
Interest income		1,876	114	-	-
Finance costs		(2,901,911)	(1,107,823)	-	-
Tax paid	34	(3,964,896)	(61,976)	-	-
Net cash used in operating activities		**(17,607,609)**	**(4,959,099)**	**-**	**-**
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(109,258)	(124,147)	-	-
Purchase of intangible assets	5	(55,123)	-	-	-
Loans to joint venture repaid		220,000	45,000	-	-
Loans advanced to joint venture		(70,000)	(52,010)	-	-
Advances on loans included in other financial assets		(132,324)	(4,905,604)	-	-
Proceeds from loans included in other financial assets		185,824	6,121,688	-	-
Net cash from investing activities		**39,119**	**1,084,927**	**-**	**-**
Cash flows from financing activities					
Proceeds on share issue	16	12,016,404	-		
Proceeds from other financial liabilities		6,886,983	1,179,812	-	-
Repayment of other financial liabilities		(2,951,720)	(2,085,769)	-	-
Proceeds from shareholders loan		4,114,000	5,780,766	-	-
Repayment of shareholders loan		(2,403,808)	(1,236,840)	-	-
Net cash from financing activities		**17,661,859**	**3,637,969**	**-**	**-**
Total cash movement for the year		**93,369**	**(236,203)**	-	-
Cash at the beginning of the year		(201,279)	34,924	-	-
Total cash at end of the year	15	**(107,910)**	**(201,279)**	**-**	**-**

Accounting Policies

1. Presentation of Annual Financial Statements

The group annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the JSE Listings Requirements and the Companies Act 71 of 2008, as amended. The group annual financial statements have been prepared on the historical cost basis, except for the measurement of investment properties and certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in SouthAfrican Rands.

These accounting policies are consistent with the previous period.

1.1 Consolidation

Basis of consolidation
The consolidated group annual financial statements incorporate the group annual financial statements of the group and all investees which are controlled by the group.

The group has control of an investee when it has power over the investee; it is exposed to or has rights to variable returns from involvement with the investee; and it has the ability to use its power over the investee to affect the amount of the investor's returns, whether through voting or similar rights or through contractual arrangements.

The results of subsidiaries are included in the consolidated group annual financial statements from the effective date of acquisition to the effective date of disposal. During the current year there were no acquisitions or disposals of subsidiaries.

All the subsidiaries within the group prepare their annual financial statements in accordance with IFRS. Therefore no adjustments were made to the financial statements of the subsidiaries as the accounting policies are in line with those of the consolidated annual financial statements.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

1.1 Consolidation (continued)

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions which result in changes in ownership levels, where the group has control of the subsidiary both before and after the transactions are regarded as equity transactions and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Business combinations

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the assets, liabilities or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

1.1 Consolidation (continued)

On acquisition, the group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests arising from a business combination, which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, are measured either at the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS's.

Joint arrangements
A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture.

Joint ventures
The interests in joint ventures are accounted for using the equity method. Under the equity method, interests in joint ventures are carried in the consolidated statement of financial position at cost adjusted for post acquisition changes in the group's share of net assets of the joint venture, less any impairment losses. Profits or losses on transactions between the Company and joint ventures are eliminated to the extent of the Company's interest therein.

On acquisition of the investment, any difference between the cost of the investment and the investor's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as follows:

(a) goodwill relating to a joint venture is included in the carrying amount of the investment. Amortisation of that goodwill is not permitted.

1.1 Consolidation (continued)

(b) any excess of the investor's share of the net fair value of the joint venture's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the investor's share of the joint venture's profit or loss in the period in which the investment is acquired.

When the group loses joint control, the group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investmentremains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

1.2 Significant judgments and sources of estimation uncertainty

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

Classification between inventories and investment properties
Management uses the criteria as set out by IAS 2 (Inventories) and IAS 40 (Investment Properties) for the initial recognition and classification of inventories and investment properties.

Transfers to or from investment property shall be made when, and only when, there is a change in use, evidenced by:

(a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
(b) commencement of development with a view to sale, for a transfer from investment property to inventories;
(c) end of owner-occupation, for a transfer from owner-occupied property to investment property; or
(d) commencement of an operating lease to another party, for a transfer from inventories to investment property.

1.2 Significant judgments and sources of estimation uncertainty (continued)

When the group decides to dispose of an investment property without development, it continues to treat the property as an investment property until it is derecognised and does not treat it as inventory.

Management identified the portions of the properties, specifically the areas (square meters), required for intended development and sale projects and classified these portions of the properties as inventory as it is the intention of the group to develop these properties for later sale. Development and sale is the primary business of the group. The remaining portion of the properties were further considered for development and sale projects, and thereafter the portions that will be developed for generating rental income and capable of being sold separately were identified and classified as investment properties. Only two erven contains both inventory and investment property portions. Refer to note 3 for detail of the portions allocated to inventories and investment properties on these two erven.

Fair value estimation
At each reporting date the group assesses whether there is any objective evidence that the carrying value of investment property has increased/decreased.

Independent valuations are obtained on a yearly basis for the purpose of determining the fair value of investment property. In respect of the current financial year, market research was performed by the independent valuer which included the re- assessments of the variables used in the detailed valuations performed by them on 30 August 2013. The comparable sales valuation method was used to determine the fair value of the properties. This method uses the recent selling values of properties in a similar location, condition and size, adjusted in certain instances for unit density, usability and access.

Taxation
The group 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 group 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.

1.2 Significant judgments and sources of estimation uncertainty (continued)

To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Classification of joint arrangements
The company has joint control over Dream Weaver Trading 170 (Proprietary) Limited and The Visual Property Club (Proprietary) Limited because the contractual arrangements set out that decisions relating to relevant activities can only be taken by unanimous consent of all parties to the arrangements. The directors have concluded that the arrangements are joint ventures, because Dream Weaver Trading 170 (Proprietary) Limited and The Visual Property Club (Proprietary) Limited are separate vehicles and the Company has limited liability towards the separate entities.

Impairment testing
The group reviews and tests the carrying value of assets, including loans receivable, when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows and fair values less cost to sell for each asset. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, including the entities' solvency, liquidity and projected profitability together with economic factors such as interest rates. The value of intangible and tangible assets pledged and encumbered as security are also taken into consideration. Refer to note 6 for details of impairment tests performed during the current financial year.

Net realisable values of properties held as inventories
The net realisable value of properties held as inventory is calculated as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Based on management's intention, properties which are going to be developed are classified as inventories. The properties will be developed after which they are expected to be sold at or above the cost thereof.

1.2 Significant judgments and sources of estimation uncertainty (continued)

Independent valuations are performed on a regular basis for the purpose of determining the net realisable value of the properties included in inventory. As part of the preparation of the current year annual financial statements, market research was performed by an independent valuer, which included the re-assessment of the variables used in the detailed valuations performed on 30 August 2013. The comparable sales valuation method was used to determine the fair value of the properties, this method uses the recent selling values of properties in a similar location, condition and size adjusted in certain instances for unit density, usability and access.

Determining the levels of fair value measurement
Management classifies the fair value measurement of relevant assets and liabilities based on the observability of inputs used in determining the fair values of those assets and liabilities.

Determining whether control existed
At the prior year end, certain subsidiaries were beneficiaries of shareholding trusts and received distributions in the ordinary course of their involvement with said trusts, which were landowners and the subsidiaries developers. After the application of IFRS 10, the directors concluded that the group does not have power over the trusts, due to the fact that unanimous consent isrequired for the trustees' actions. Furthermore, the group was not exposed or had rights to variable returns, nor did it have the ability to affect the amount of the returns. The group merely received compensation by virtue of a development agreement with the trusts.

Determining whether items included in other income form part of headline earnings
Management considered the requirements of IAS 33 - Earnings per Share and the Headline Earnings circular issued by the South African Institute of Chartered Accountants (SAICA), and applied judgment in determining whether or not the income received from the termination of the beneficiary right and the management agreement referred to in note 26 - Other income, formed part of headline earnings of the group during the previous year.

1.3 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value
Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

1.4 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is depreciated on the straight line basis over their expected useful lives to their estimated residual value.

1.4 Property, plant and equipment (continued)

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Computer equipment	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Water heating equipment	6 years

The residual value, useful life and depreciation method of each asset is reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.5 Intangible assets

An intangible asset is recognised when:
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. Amortisation is provided on a straight line basis over the useful lives of the intangible assets.

1.5 Intangible assets (continued)

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	3 years

1.6 Interests in subsidiaries

In the Company's separate annual financial statements, the investment in the subsidiary is carried at cost less any accumulated impairment.

The cost of the investment in the subsidiary is the aggregate of:
- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company; plus
- any costs directly attributable to the purchase of the subsidiary.

1.7 Financial information

Classification

The group classifies financial assets and financial liabilities into the following categories:
- Loans and receivables.
- Available-for-sale financial assets.
- Financial liabilities measured at amortised cost.

Classification depends on the purpose for and the terms under which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

A financial asset classified as available-for-sale that would have met the definition of loans and receivables may be reclassified to loans and receivables if the entity has the intention and ability to hold the asset for the foreseeable future or until maturity.

1.7 Financial information (continued)

Initial recognition and measurement
Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments.

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value. Transaction costs are included in the initial measurement of the financial instruments.

Regular way purchases of financial assets are accounted for at settlement date.

Subsequent measurement
Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss as part of other income.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition
Financial assets are derecognised when the rights to receive cash flows from the instruments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Impairment of financial assets
At each reporting date the group assesses all financial assets to determine whether there is objective evidence that a financial asset or a group of financial assets has been impaired.

1.7 Financial information (continued)

For amounts due to the group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss.

Loans to group companies
These include loans to a joint venture of the group and a subsidiary of the Company and are recognised initially at fair value plus direct transaction costs.

The loans to the joint venture is classified as an available-for-sale financial asset and measured at fair value. The loan to the subsidiary of the Company is classified as a loan and receivable (available-for-sale during the previous year – refer to note 8 for details of the reclassification during the current financial year) and measured at amortised cost.

1.7 Financial information (continued)

Loans to/(from) shareholders
This includes loans to and from shareholders of the group.

The loans from shareholders are classified as other financial liabilities and are measured at amortised cost and loans to shareholders are classified as available-for-sale financial assets and are measured at fair value.

Other receivables
Other receivables are classified as available-for-sale financial assets and are measured at fair value.

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

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently measured at amortised cost.

Bank overdraft and borrowings
Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

1.8 Tax

Current tax assets and liabilities
Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities/(assets) for the current and prior periods are measured at the amount expected to be paid to/(recovered from) the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

1.8 Tax (continued)

Deferred tax assets and liabilities
A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
  - is not a business combination; and
  - at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries and joint ventures, except to the extent that both of the following conditions are satisfied:

- the parent, investor or venturer is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences arising from investments in subsidiaries and interests in joint ventures, to the extent that it is probable that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

1.8 Tax (continued)

Tax expenses
Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:
- a transaction or event which is recognised, in the same or a different period, in other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessor
Operating lease income is recognised as income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

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

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

1.10 Inventories

Inventories consist of properties held for development and sale and are measured at the lower of cost and net realisable value. Inventories are measured on the weighted average cost basis.

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

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.11 Impairment of assets

The group assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

1.11 Impairment of assets

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

The group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss.

1.12 Share capital and equity

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

1.13 Share based payments

Goods or services received or acquired in a share-based payment transaction are recognised when the goods (or as the services) are received. A corresponding increase in equity is recognised if the goods or services were received in an equity- settled share-based payment transaction or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

1.13 Share based payments (continued)

When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions the goods or services received and the corresponding increase in equity are measured, directly, at the fair value of the goods or services received provided that the fair value can be estimated reliably.

If the fair value of the goods or services received cannot be estimated reliably, their value and the corresponding increase in equity, are measured, indirectly, by reference to the fair value of the equity instruments granted.

Vesting conditions which are not market related (ie service conditions and non-market related performance conditions) are not taken into consideration when determining the fair value of the equity instruments granted. Instead, vesting conditions which are not market related shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Market conditions, such as a target share price, are taken into account when estimating the fair value of the equity instruments granted. The number of equity instruments are not adjusted to reflect equity instruments which are not expected to vest or do not vest because the market condition is not achieved.

1.14 Employee benefits

Short-term employee benefits
The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.14 Employee benefits (continued)

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.15 Provisions and contingencies

Provisions are recognised when:
- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses. Contingent assets and contingent liabilities are not recognised.

1.16 Levels of fair value measurement

The group assesses, on the date of a change in circumstances and at the end of each reporting period, whether or not there have been changes in the levels of fair value measurements of relevant assets and liabilities based on changes in the inputs used in determining the fair values of those assets and liabilities.

1.17 Revenue

Revenue consists of management fees received for property services rendered and rental income received from the letting of investment properties. When the outcome of the transactions involving the rendering of these services can be estimated reliably, revenue associated with these transactions is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of the transactions can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of property and rental services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business, net of trade discounts and volume rebates, and value added taxation.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.18 Other income

Other income in the prior year comprised of termination benefits received from a related party, distributions received from related parties, raising fees and other recoveries. During the current year there were no termination benefits or distributions received. Other income is recognised, in profit or loss, at the fair value of the consideration received or receivable, when the Company's right to receive payment has been established.

1.19 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.20 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the group on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

1.20 Borrowing costs (continued)

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.21 Segment reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components.

All operating segments' operating results are reviewed regularly by the group's CEO to make decisions about the resources to be allocated to the segment and to assess its performance and for which discrete information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision- maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that make strategic decisions.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

IAS 36 - Recoverable Amount Disclosures for Non-Financial Assets
The amendment brings the disclosures for impaired assets whose recoverable amount is fair value less costs to sell in line with the disclosure requirements of IFRS 13 Fair Value Measurements.

The effective date of the amendment is for years beginning on or after 1 January 2014.

The group has adopted the amendment for the first time in the 2015 group annual financial statements. The impact of the amendment is not material.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
Clarification of certain aspects concerning the requirements for offsetting financial assets and financial liabilities.

The effective date of the amendment is for years beginning on or after 1 January 2014.

The group has adopted the amendment for the first time in the 2015 group annual financial statements.

The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 1 March 2015 or later periods:

2. New Standards and Interpretations (continued)

IFRS 9 Financial Instruments

This new standard is the first phase of a three phase project to replace IAS 39 Financial Instruments: Recognition and Measurement. To date, the standard includes chapters for classification, measurement and derecognition of financial assets and liabilities. The following are main changes from IAS 39:

- Financial assets will be categorised as those subsequently measured at fair value or at amortised cost.
- Financial assets at amortised cost are those financial assets where the business model for managing the assets is to hold the assets to collect contractual cash flows (where the contractual cash flows represent payments of principal and interest only). All other financial assets are to be subsequently measured at fair value.
- Under certain circumstances, financial assets may be designated as at fair value.
- For hybrid contracts, where the host contract is an asset within the scope of IFRS 9, then the whole instrument is classified in accordance with IFRS 9, without separation of the embedded derivative. In other circumstances, the provisions of IAS 39 still apply.
- Voluntary reclassification of financial assets is prohibited. Financial assets shall be reclassified if the entity changes its business model for the management of financial assets. In such circumstances, reclassification takes place prospectively from the beginning of the first reporting period after the date of change of the business model.
- Financial liabilities shall not be reclassified.
- Investments in equity instruments may be measured at fair value through other comprehensive income. When such an election is made, it may not subsequently be revoked, and gains or losses accumulated in equity are not recycled to profit or loss on derecognition of the investment. The election may be made per individual investment.
- IFRS 9 does not allow for investments in equity instruments to be measured at cost.

2. New Standards and Interpretations (continued)

- The classification categories for financial liabilities remains unchanged. However, where a financial liability is designated as at fair value through profit or loss, the change in fair value attributable to changes in the liabilities credit risk shall be presented in other comprehensive income. This excludes situations where such presentation will create or enlarge an accounting mismatch, in which case, the full fair value adjustment shall be recognised in profit or loss.

The effective date of the standard is for years beginning on or after 1 January 2018.

The group expects to adopt the standard for the first time in the 2019 group annual financial statements.

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

Annual Improvements for 2010 - 2012 cycle

The International Accounting Standards Board (IASB) has issued the Annual Improvements to IFRS which is an omnibus of amendments to its Standards on 12 December 2013.

It is unlikely that the amendments will have a material impact on the Company's annual financial statements, and the adoption thereof will result in minor revisions of accounting policies and disclosures.

IFRS 3 Business Combinations
This amendment clarifies that contingent consideration in a business combination that is classified as an asset or a liability, shall be measured at fair value at each reporting date.

The effective date of the amendment is for years beginning on or after 1 July 2014.

The group expects to adopt the amendment for the first time in the 2016 annual financial statements. The standard is not expected to have a material impact on the annual financial statements.

2. New Standards and Interpretations (continued)

IFRS 8 Operating Segments
This amendment requires an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments.

Furthermore, the amendment provides guidance on the reconciliation of the total of the reportable segments' assets to the entity's assets, and clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly.

The effective date of the amendment is for years beginning on or after 1 July 2014.

The group expects to adopt the amendment for the first time in the 2016 annual financial statements. The standard is not expected to have a material impact on the annual financial statements.

IFRS 13 Fair Value Measurement
The amendment was made to the basis of conclusions only.

Short-term receivables and payables
This amendment clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short- term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial.

The effective date of the amendment is for years beginning on or after 1 July 2014.

The group expects to adopt the amendment for the first time in the 2016 annual financial statements. The standard is not expected to have a material impact on the annual financial statements.

2 New Standards and Interpretations (continued)

IAS 24 Related parties
Key management personnel

This amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

The effective date of the amendment is for years beginning on or after 1 July 2014.

The group expects to adopt the amendment for the first time in the 2016 annual financial statements. The standard is not expected to have a material impact on the annual financial statements.

2.3 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the group's accounting periods beginning on or after 1 March 2015 or later periods but are not relevant to its operations:

IFRS 2 Share-based Payment
This amendment was made to the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition').

The effective date of the amendment is for years beginning on or after 1 July 2014.

The group expects to adopt the amendment for the first time in the 2016 annual financial statements. The standard is not expected to have a material impact on the annual financial statements.

IAS 16 Property, Plant and Equipment
Revaluation method - proportionate restatement of accumulated depreciation.

This amendment clarifies that when an item of property, plant and equipment is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

2 New Standards and Interpretations (continued)

The effective date of the amendment is for years beginning on or after 1 July 2014.

The group expects to adopt the amendment for the first time in the 2016 annual financial statements. The standard is not expected to have a material impact on the annual financial statements.

IAS 38 Intangible Assets
Revaluation method - proportionate restatement of accumulated amortisation
This amendment clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

The effective date of the amendment is for years beginning on or after 1 July 2014.

The group expects to adopt the amendment for the first time in the 2016 annual financial statements. The standard is not expected to have a material impact on the annual financial statements.

3. Investment property

	2015		2014	
	Valuation	Carrying value	Valuation	Carrying value
Investment property	41,908,820	41,908,820	41,368,820	41,368,820

Reconciliation of investment property – Group - 2015

	Opening balance	Additions	Fair value Adjustments	Total
Investment property	41,368,820	-	540,000	41,908,820

3. Investment property (continued)

Reconciliation of investment property – Group - 2014

	Opening balance	Additions	Fair value Adjustments	Total
Investment property	22,930,000	18,103,820	335,000	41,368,820

Encumbered as security

Carrying value of investment properties encumbered as security:

Investment property: Hagley	3,500,000	3,500,000	-	-
Investment properties with a fair value of R3,500,000 (2014: R3,500,000) are encumbered as security as detailed in note 20.				
Investment property: Machadadorp	1,200,000	1,200,000	-	-
Investment properties with a fair value of R1,200,000 (2014: R1,200,000) are encumbered as security as detailed in note 20.				
Investment property: La Retreat	850,000	835,000	-	-
Investment property with a fair value of R850,000 (2014: R835,000) is encumbered as security as detailed in note 20.				

3. Investment property (continued)

	Group 2015	Group 2014	Company 2015	Company 2014
Investment property: Kuils River (Stellendale houses)	17,000,000	16,500,000	-	-
Investment properties with a fair value of R17,000,000 (2014: R16,500,000) are encumbered as security as detailed in note 20.				
Investment property: Kuils River (Erf 18363)	11,103,820	11,103,820	-	-
Investment properties with a fair value of R11,103,820 (2014: R11,103,820) are encumbered as security for a loan of R9,997,545 (2014: R6,500,000) from Granite Special Opportunities (Proprietary) Limited made to Stellendale Village (Proprietary) Limited, a 99.08% subsidiary of Visual International (Proprietary) Limited as detailed in note 20.				
	33,653,820	**33,138,820**	**-**	**-**

Details of properties
Imperial Bank Terraces
Being Erf No's 6179 and 6176 situated in the municipality of Kuils River, Cape Town, held under Title Deed No's ST22609/2005 and ST4408/2007.

	Group 2015	Group 2014	Company 2015	Company 2014
Imperial Bank Terraces are storerooms held to generate rental income and for capital appreciation.				
- Purchase Price	255,000	255,000	-	-

3. Investment property (continued)

	Group 2015	Group 2014	Company 2015	Company 2014
Kuils River				
Being Erf No's 18577, 18578, 18582, 18583, 18596, 18597, 18604, 18606, 18618, 18619, 18621,18625,18626, 18641, 18642, 18674, 18675, 18680, 18681, 18688, 18649, 18650, 18654, 18676, 18708, 18611 and 18660 situated in the municipality of Kuils River, Cape Town, held under Title Deed No's: T2290/2008, T2291/2008, T2292/2008, T2293/2008, T2294/2008, T2295/2008, T2296/2008, T2297/2008, T2298/2008, T2299/2008, T2300/2008, T2301/2008, T2302/2008, T2303/2008, T2304/2008, T2305/2008, T2306/2008, T2307/2008, T2308/2008, T2309/2008, T2436/2009, T2437/2009, T2438/2009, T2439/2009, T2440/2009, T60157/2009 and T601158/2009.				
The Kuils River properties are houses situated in Stellendale Village that are held to generate rental income and for capital appreciation				
- Purchase price	16,000,000	16,000,000	-	-
- Capitalised expenditure	200,000	200,000	-	-
- Fair value adjustment: 2014	300,000	300,000	-	-
- Fair value adjustment: 2015	500,000	-	-	-
	17,000,000	**16,500,000**	**-**	**-**

3. Investment property (continued)

	Group 2015	Group 2014	Company 2015	Company 2014
La Retreat				
Being Erf No 15920, unit 12, scheme number 277/2009 situated in the municipality of Cape Town, held under Title Deed No ST10481/2009.				
LaRetreat consists of a house that is held to generate rental income and for capital appreciation.				
- Purchase price	800,000	800,000	-	-
- Capitalised expenditure	25,000	25,000	-	-
- Fair value adjustment: 2014	10,000	10,000	-	-
- Fair value adjustment: 2015	15,000	-	-	-
	850,000	**835,000**	-	-
Richmond Park				
Being Erf No's 1114, 1192, 1059, 1154, 955, 1036, 1150, 1137, 909, 1037, 1473, 1471, 1470, 1477, 1469, 1468, 1478, 1341, 1308 and 1233 situated in the municipality of Cape Town, held under Title Deed No's: T28694 / 1985, T4434 / 1985, T55891 / 1984, T4433 / 1985, T34324 / 1984, T37595 / 1984, T4432 / 1985, T27729 / 1984, T37597 / 1984, T44638 / 1987, T47330 / 1985, T60371 / 1984, T60372 / 1984 and T8975 / 1985.				
Richmond Park consists of vacant land that is held for capital appreciation.				
- Purchase price	950,000	950,000	-	-
- Fair value adjustment: 2014	25,000	25,000	-	-
- Fair value adjustment: 2015	25,000	-	-	-
	1,000,000	**975,000**	**-**	**-**

3. Investment property (continued)

	Group		Company	
	2015	2014	2015	2014
Machadadorp				
Being Erf No's 197 and 238 situated in the Emakhazeni local municipality, held under Title Deed No T17083/2006.				
Machadadorp consists of vacant land is held for capital appreciation.				
- Purchase price	1,000,000	1,000,000	-	-
- Fair value adjustment: 2011	200,000	200,000	-	-
	1,200,000	**1,200,000**	**-**	**-**
Hagley				
Being Erf No's 1317 and 1319, situated in the municipality of Cape Town, held under Title Deed No T99942/2007.				
Hagley consists of vacant land that is held for capital appreciation.				
- Purchase price	2,900,000	2,900,000	-	-
- Fair value adjustment: 2011	250,000	250,000	-	-
- Fair value adjustment: 2012	150,000	150,000	-	-
- Fair value adjustment: 2013	200,000	200,000	-	-
	3,500,000	**3,500,000**	**-**	**-**

3. Investment property (continued)

	Group 2015	Group 2014	Company 2015	Company 2014
Kuils River 2 Being Erf No 18358 and the remainder of farm 1286 situated in the municipality of Kuils River, Cape Town, held under Title Deed No T14144/2014, of which a portion will be held as investment property, and the remainder will be developed and sold and was included in inventories as further detailed in note 13.				
- Purchase price	**7,000,000**	**7,000,000**	**-**	**-**
Kuils River 3 Being Erf No 18363 situated in the municipality of Kuils River, Cape Town, held under Title Deed No T14146/2014, of which a portion will be held as investment property and the remainder will be developed and sold and was included in inventories as further detailed in note 13.				
- Purchase price	**11,103,820**	**11,103,820**	**-**	**-**

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the Company.

3. Investment property (continued)

	Group		Company	
	2015	2014	2015	2014

Details of valuations

Detailed valuations were performed by an independent valuer on 30 August 2013 as part of the listing of the Group on the AltX of the JSE and for the purpose of measuring the properties at fair value for inclusion in the 2014 annual financial statements. As part of the preparation of the current year annual financial statements, market research was performed by an independent valuer, which included the re-assessment of the variables used in the detailed valuations performed on 30 August 2013. The effective date of the market research was 28 February 2015. The detailed valuations, as well as the updated market research, were performed by an independent valuer, Mr JF Cilliers, a professional valuer (Act 47 of 2000), of Adval Valuation Centre CC. Adval Valuation Centre CC is not connected to the group and has recent experience in the location and category of the investment properties being valued. The comparable sales valuation method was used to determine the fair value of the properties. This method uses the recent selling values of properties in a similar location, condition and size adjusted in certain instances for unit density, usability and access.

Criteria for classification as investment properties

Management identified the portions of the properties, specifically the area (square meters), required for intended development and sale projects and classified these portions of the properties as inventory as it is the intention of the Company to develop these properties for later sale. Development and sale is the primary business of the Company. The remaining portion of the properties were further considered for development and sale projects, and thereafter the portions that will be developed for generating rental income in the future were identified and classified as investment properties.

3. Investment property (continued)

	Group 2015	Group 2014	Company 2015	Company 2014

There are only two properties that consist of a combination of investment properties and inventories which are summarised as follows:

Description	Zoning	Investment properties (m²)	Inventories (m²)	Total area (m²)
Kuils River 2	Residential and agricultural	32,050	62,050	94,100
Kuils River 3	General business	7,959	16,411	24,370

Amounts recognised in profit and loss for the year

	Group 2015	Group 2014	Company 2015	Company 2014
Rental income from investment properties	1,745,565	1,732,844	-	-
Direct operating expenses from rental generating properties	(881,538)	(779,344)	-	-
Direct operating expenses from non-rental generating properties	(3,991,629)	(3,494,825)	-	-
	(3,127,602)	**(2,541,325)**	**-**	**-**

Refer to note 36 for details of the contractual obligation of the group to acquire an investment property.

4. Property, plant and equipment

	2015 Cost	2015 Accumulated depreciation	2015 Carrying value	2014 Cost	2014 Accumulated depreciation	2014 Carrying value
Computer equipment	151,217	(64,803)	86,414	114,788	(18,306)	96,482
Furniture and fixtures	72,829	(6,904)	65,925	-	-	-
Office equipment	14,273	(4,245)	10,028	14,273	(1,398)	12,875
Water heating equipment	1,090,049	(333,137)	756,912	1,090,049	(151,426)	938,623
Total	**1,328,368**	**(409,089)**	**919,279**	**1,219,110**	**(171,130)**	**1,047,980**

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment – 2015

	Opening Balance	Additions	Depreciation	Total
Computer equipment	96,482	36,429	(46,497)	86,414
Furniture and fixtures	-	72,829	(6,904)	65,925
Office equipment	12,875	-	(2,847)	10,028
Water heating equipment	938,623	-	(181,711)	756,912
	1,047,980	**109,258**	**(237,959)**	**919,279**

Reconciliation of property, plant and equipment - 2014

	Opening Balance	Additions	Depreciation	Total
Computer equipment	8,772	103,017	(15,307)	96,482
Office equipment	-	14,273	(1,398)	12,875
Water heating equipment	-	1,090,049	(151,426)	938,623
	8,772	**1,207,339**	**(168,131)**	**1,047,980**

Additions to water heating equipment in the previous year were made via a loan account, thus resulting in a non-cash acquisition.

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the Company.

5. Intangible assets

	2015			2014		
	Cost	Accumulated Amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	**61,569**	**(13,701)**	**47,868**	**6,766**	**(320)**	**6,446**

5. Intangible assets (continued)

Reconciliation of intangible assets – 2015

	Opening Balance	Additions	Depreciation	Total
Computer software	**6,446**	**55,123**	**(13,701)**	**47,868**

Reconciliation of intangible assets – 2014

	Opening Balance	Additions	Depreciation	Total
Computer software	**-**	**6,766**	**(320)**	**6,446**

6. Interests in subsidiaries

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

Group

Name of company (indirectly held via Visual International Proprietary Limited)	% voting Power 2015	% voting Power 2014	% holding 2015	% holding 2014
Hoeksteen Projects (Proprietary) Limited	100.00%	100.00%	100.00%	100.00%
Richland (Proprietary) Limited	100.00%	100.00%	100.00%	100.00%
Stellendale Village (Proprietary) Limited	99.08%	99.08%	99.08%	99.08%
Data Centre One Investments (Proprietary) Limited	100.00%	100.00%	100.00%	100.00%
Mystic Pearl 129 (Proprietary) Limited	66.67%	66.67%	50.00%	50.00%

6. Interests in subsidiaries (continued)

The following table lists the entity which is controlled directly by the Company, and the carrying amount of the investment in the Company's separate financial statements.

Company Name of company (directly held)	% voting power 2015	% voting power 2014	% holding 2015	% Holding 2014	Carrying amount 2015	Carrying amount 2014
Visual International (Proprietary) Limited	100.00%	100.00%	100.00%	100.00%	35,581,082	31,796,581

The recoverability of the investment was assessed by comparison to the recoverable amount of the underlying properties of Visual International (Proprietary) Limited and its subsidiaries as at 28 February 2015 and up to the date of publishing these group annual financial statements. The recoverable amount was calculated by reference to the fair value less costs of disposal, which exceeded the value in use, of the underlying properties. The recoverable amount exceeded the carrying value of the investment, therefore no impairment was recognised against the investment (2014: Rnil).

The fair value less costs of disposal of the underlying properties included in Visual International (Proprietary) Limited and its subsidiaries was calculated by the independent valuer referred to in notes 3 and 43 and was based on market related comparable sales of similar properties sold in the same area as the underlying properties of Visual International (Proprietary) Limited and its subsidiaries.

An investment in Mystic Pearl 129 (Proprietary) Limited (indirectly held) is included in the consolidated financial statements as a subsidiary, as Visual International (Proprietary) Limited has the right to appoint 66.67% of the directors of this company, and as such has the power to govern the financial and operating policies of the entity so as to obtain benefit from its activities

6. Interests in subsidiaries (continued)

Details of subsidiaries' operations

Visual International (Proprietary) Limited is primarily engaged in the development of properties for sale. The company also renders property letting services and management services on ongoing property development projects.

Richland (Proprietary) Limited is engaged in the acquisition, development and selling of immovable property.

Stellendale Village (Proprietary) Limited is engaged in property holding and development.

Hoeksteen Projects (Proprietary) Limited is engaged in trading in all aspects, with investment in immovable property being the main business.

Data Centre One Investments (Proprietary) Limited was dormant during the year under review.

Mystic Pearl 129 (Proprietary) Limited is engaged in various investments and general trading as principal.

All subsidiaries are incorporated in South Africa.

Changes in ownership interest which did not result in loss of control

The following schedule represents the impact of changes in ownership interest of subsidiaries where control was not lost, on the equity attributable to owners of the group:

Gain on dilution of majority shareholder interest reflected in statement of changes in equity	-	**6,743,219**

7. Joint arrangements

Joint ventures

The following table lists all of the joint ventures in the group:

Group Name of company Held by Visual International (Proprietary) Limited	% ownership interest 2015	% ownership interest 2014	Carrying amount 2015	Carrying amount 2015
Dream Weaver Trading 170 (Proprietary) Limited	50.00%	50.00%	1,352,389	711,191
The Visual Property Club (Proprietary) Limited	50.00%	50.00%	60	60
			1,352,449	**711,251**

The group's percentage ownership interest is equal to the percentage voting rights.

The companies are incorporated in South Africa, which is also its principle place of business.

Dream Weaver Trading 170 (Proprietary) Limited is engaged in various long term property investments, which is in line with the activities of the group. The majority of the assets in this company were sold on 27 March 2015. A pledge of all the shares held in Dream Weaver Trading 170 (Proprietary) Limited by Visual International (Proprietary) Limited was made as security for a loan from Granite Special Opportunities (Proprietary) Limited to Stellendale Village (Proprietary) Limited, as further detailed in note 20.

The Visual Property Club (Proprietary) Limited was dormant during the year under review.

7. Joint arrangements (continued)

Material joint venture

The following joint venture is material to the group:

	Country of Incorporation	Method	% ownership interest 2015	% ownership interest 2014
Dream Weaver Trading 170 (Proprietary) Limited	South Africa	Equity	50%	50%

Summarised financial information of the material joint venture

Summarised Statement of Comprehensive Income	**Dream Weaver Trading 170 (Proprietary) Limited**	
	2015	**2014**
Revenue	220,596	357,852
Fair value adjustments	1,767,745)	(1,519,745)
Other income and expenses	(192,088)	(193,575)
Finance costs	(192,306)	(209,517)
Profit/(loss) before taxation	1,603,947	(1,564,985)
Taxation	(209,285)	285,794
Profit/(loss) from discontinued operations	1,394,662	(1,279,191)
Total comprehensive income	1,394,662	(1,279,191)

7. Joint arrangements (continued)

Summarised Statement of Financial Position	Dream Weaver Trading 170 (Proprietary) Limited	
	2015	2014
Assets		
Non-current	-	-
Investment property	-	4,180,255
Non-current assets of disposal group	5,488,000	-
Deferred tax	80,846	-
Operating lease asset	5,214	10,981
Total non-current assets	5,574,060	4,191,236
Current		
Cash and cash equivalents	24,190	45,361
Trade and other receivables	59,200	109,554
Total current assets	83,390	154,915
Liabilities		
Non-current		
Non-current financial liabilities	-	2,638,740
Deferred tax	-	263,342
Liabilities of disposal group	553,473	-
Total non-current liabilities	553,473	2,902,082
Current		
Current financial liabilities	2,481,705	216,580
Trade and other payables	46,286	46,165
Total current liabilities	2,527,991	262,745
Total net assets	2,575,986	1,181,324

7. Joint arrangements (continued)

Reconciliation of net assets to equity accounted investments in joint ventures		
Interest in joint venture at percentage ownership	1,287,993	590,662
Elimination of the group's cumulative portion of intergroup transactions	64,396	120,529
Carrying value of investment in joint venture	1,352,389	711,191
Investment at beginning of period	711,191	1,257,150
Share of profit/(loss)	641,198	(545,959)
Investment at end of period	1,352,389	711,191

The summarised information presented above reflects the annual financial statements of the joint venture. The group's share of profit/(loss) is calculated after elimination of the group's portion of upstream or downstream transactions between the group and the joint venture.

8. Loans to group companies

Subsidiary

	Group		Company	
	2015	2014	2015	2014
	R	R	R	R
Visual International (Proprietary) Limited	-	-	40,913,526	34,835,780

This unsecured loan is interest free (2014: interest free) and has a 12 month notice period (no fixed terms of repayment during the previous year). During the previous financial year the loan did not have fixed repayment terms and was therefore classified as available-for-sale. With effect from the end of the current financial year, the loan is repayable with 12 months' notice and has accordingly been reclassified to loans and receivables. Although the loan is interest free, an appropriate adjustment has been made to correctly reflect the carrying value of the loan in terms of the amortised cost measurement criteria.

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R

8. Loans to group companies (continued)

Joint Venture

Dream Weaver Trading 170 (Proprietary) Limited	871,802	958,291	-	-

This unsecured loan bears interest at 7.75% (2014: 7.50%) per annum and is repayable within twelve months after year end.

In 2014, management did not expect the settlement of the loan within twelve months after year end. Subsequent to the current year end, this company sold the majority of its assets for an amount of R5,350,000. Therefore, the loan is expected to realise within 12 months after the current year end.

Non-current assets	-	958,291	40,913,526	34,835,780
Current assets	871,802	-	-	-
	871,802	**958,291**	**40,913,526**	**34,835,780**

Credit quality of loans to group companies
The credit quality of loans to group companies is assessed with reference to the financial position of the relevant company, past experience and other factors.

The financial position of the companies were determined by assessing the companies' solvency, liquidity and profitability. Visual International (Proprietary) Limited incurred a net loss during the year under review, but is solvent and liquid at year end and the date of these annual financial statements.

The recoverable amounts of the loans to the group companies exceed the carrying value of the loans and accordingly the loans were not impaired.

Fair value of loans to group companies
The carrying amount of the loan to the joint venture approximates the fair value thereof as it is receivable within 12 months after year end.

	Group		Company	
	2015	2014	2015	2014
	R	R	R	R

9. Loans to / (from) shareholders

CKR Investment Trust	(12,737,335)	(11,407,995)	(12,737,335)	(11,407,995)
This unsecured loan bears interest at the prime overdraft lending rate plus 2.00% per annum calculated quarterly, prime being 9.25% (2014: 9.00%) at year end.				
The group has a right to defer payment for a period of twelve months after year end.				
RAL Trust (Granite Special Opportunities)	-	(4,797,815)	-	-
This unsecured loan accrued interest at the prime overdraft lending rate plus 10.00% per annum, prime being 9.00% at the 2014 year end.				
During the current year RAL Trust agreed to cede its loan claim against Visual International (Proprietary) Limited, amounting to R6,598,023, to Stellendale Village (Proprietary) Limited in order to reflect the intended settlement basis of the group. Stellendale Village (Proprietary) Limited will settle the loan from Granite Special Opportunities (Proprietary) Limited from the proceeds received from Visual International (Proprietary) Limited.				

	Group		Company	
	2015	2014	2015	2014
	R	R	R	R

9. Loans to / (from) shareholders (continued)

RAL Trust (Stellendale bond)	(1,616,596)	(962,554)	–	–
This unsecured loan bears interest at 6.75% (2014: 6.50%) per annum.				
The group has the right to defer payment for a period of twelve months after year end.				
RAL Trust (Granite Capital Opportunities)	822,197	5,491,606	-	-
This unsecured loan bears interest at the prime overdraft lending rate plus 10.00% per annum, prime being 9.25% (2014: 9.00%) at year end and has no fixed terms of repayment. During the current year Stellendale Village (Proprietary) Limited agreed to cede R6,598,023 of its loan claims against RAL Trust to Visual International (Proprietary) Limited, for the reason mentioned above.				
Management does not expect the settlement of this loan within the twelve months after year end.				

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R

9. Loans to / (from) shareholders (continued)

RAL Trust	41,710,419	38,775,385	-	-

This loan bears interest at 6.75% (2014: 6.50%) per annum and is secured by a cession of 74,000,000 no par value shares held by RAL Trust in Visual International Holdings Limited.

The group has entered into an agreement in terms of which erf 18362, Kuils River, will be acquired from RAL Trust at the fair value of the said property (the purchase price) to be determined once the property has been rezoned for its intended use (refer to note 36 – Commitments).

This transaction will result in the simultaneous settlement of the majority of the loan receivable from the RAL Trust and the purchase price payable to RAL Trust for the acquisition of the property on the transfer of the property to the group.

Management does not expect the settlement of this loan within the twelve months after year end.

	Group		Company	
	2015	2014	2015	2014
	R	R	R	R

9. Loans to / (from) shareholders (continued)

RAL Trust (Stellendale bond)	(4,945,210)	(5,822,724)	-	-
This loan bears interest at 6.75% (2014: 6.50%) per annum and is secured by investment property and inventory with a combined carrying amount of R17,000,000 (Erf 18358) as further detailed in notes 3 and 13 and has no fixed terms of repayment.				
RAL Trust (Funds in trust)	-	1,330,000	-	-
This unsecured loan accrued interest at 12.00% per annum and was settled during the year.				
	23,233,475	**22,605,903**	**(12,737,335)**	**(11,407,995)**
Non-current assets	42,532,616	44,266,991	-	-
Current assets	-	1,330,000	-	-
Non-current liabilities	(14,353,931)	(17,168,364)	(12,737,335)	(11,407,995)
Current liabilities	(4,945,210)	(5,822,724)	-	-
	23,233,475	**22,605,903**	**(12,737,335)**	**(11,407,995)**

9. Loans to / (from) shareholders (continued)

Credit quality of loans to shareholder

The credit quality of loans to the shareholder is assessed with reference to the financial position of the relevant entity, past experience and other factors.

During the reporting period, there has not been a significant change in the financial position of the shareholder. The financial position of the shareholder was determined by assessing the entity's solvency in the context of and the manner in which the loan will be recovered.

In order to assess the ability of the shareholder to repay its loans, the financial position of the shareholder and its ability to settle the loans were considered, as well as the value of the shares pledged as security.

Accordingly, the recoverable amount of the loan exceeds the carrying value of the loan and the loan to the shareholder was not impaired.

Fair value of loans to/ (from) shareholders

The carrying amount of the loans to/(from) the shareholders approximates the fair values thereof.

The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above. The group holds collateral as security in the form of shares.

Notes to the Annual Financial Statements

10. Other financial assets

	Group 2015	Group 2014	Company 2015	Company 2014
Available-for-sale				
Other loans to related parties	1,362,402	1,415,902	-	-
These unsecured loans bear interest as agreed by the parties from time to time and have no fixed terms of repayment.				
Management does not expect the settlement on these loans within the twelve months after year end.				
CC Trust	1,041,110	1,041,110	-	-
This unsecured loan bears interest as agreed by the parties from time to time and has no fixed terms of repayment.				
	2,403,512	2,457,012	-	-
Available-for-sale (impairments)	(1,977,730)	(1,977,730)	-	-
	425,782	**479,282**	-	-
Non-current assets				
Available-for-sale	425,782	479,282	-	-

Fair value information

Available-for-sale financial assets are recognised at fair value which approximates the carrying value thereof.

10. Other financial assets (continued)

	Group		Company	
	2015	2014	2015	2014
Reconciliation of provision for impairment of available-for-sale financial assets				
Loans to related parties				
Opening balance	1,977,730	1,972,605	-	-
Provision for impairment	-	5,125	-	-
	1,977,730	**1,977,730**	**-**	**-**

The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above. The group does not hold any collateral as security.

Credit quality of other financial assets
The credit quality of financial assets are assessed with reference to the financial position of the relevant companies, past experience and other factors.

During the reporting period under review, there has not been a significant change in the financial position of the companies. The financial position of the companies were determined by assessing the companies' solvency, liquidity and profitability.

11. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

Group – 2015

	Loans and receivables	Available for sale	Total
Loan to group company	871,802	-	871,802
Loans to shareholder	41,710,419	822,197	42,532,616
Other financial assets	-	425,782	425,782
Cash and cash equivalents	877,920	-	877,920
	43,460,141	**1,247,979**	**44,708,120**

Group – 2014

	Loans and receivables	Available for sale	Total
Loan to group company	-	958,291	958,291
Loans to shareholder	40,105,385	5,491,606	45,596,991
Other financial assets	-	479,282	479,282
Trade and other receivables	100,775	-	100,775
Cash and cash equivalents	257,864	-	257,864
	40,464,024	**6,929,179**	**47,393,203**

Company – 2015

	Loans and receivables	Available for sale	Total
Loan to group company	40,913,526	-	40,913,526

11. Financial assets by category (continued)

Company – 2014

	Loans and receivables	Available for Sale	Total
Loan to group company	-	34,835,780	34,835,780

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R

12. Deferred Tax

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
Deferred tax liability				
Operating lease liability	5,345	7,133	-	-
Temporary difference on inventories	(8,102,124)	(8,102,124)	-	-
Temporary difference on prepayments	(28,056)	(14,734)	-	-
Temporary difference on property, plant and equipment and intangible assets	(36,998)	(5,383)	-	-
Temporary difference on provisions	-	28,812	-	-
Temporary difference on revaluation of investment properties	(3,198,507)	(3,040,228)	-	-
Tax losses and other deferred tax assets available for set off against future taxable income	4,459,739	1,440,083	1,074,308	1,333
Temporary difference on tax losses not recognized as a deferred tax asset	(1,616,703)	(864,455)	(1,074,308)	(1,333)
Other deferred tax liability	-	(11,246)	-	-
	(8,517,304)	**(10,562,142)**	-	-

Notes to the Annual Financial Statements

12. Deferred Tax (continued)

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
Reconciliation of deferred tax liability				
At beginning of year	(10,562,142)	(578,532)	-	-
Originating/(reversing) temporary difference on operating lease liability	(1,788)	710	-	-
Originating temporary difference on tax losses not recognised as a deferred tax asset	(752,248)	(337,900)	(1,072,975)	(1,333)
Originating temporary differences on inventories	-	(8,102,124)	-	-
Originating temporary differences on prepayments	(13,322)	(14,892)	-	-
Originating temporary differences on property, plant and equipment and intangible assets	(31,615)	(5,383)	-	-
Originating/(reversing) temporary difference on provisions	(28,812)	28,812	-	-
Originating temporary differences on revaluation of investment properties	(158,280)	(2,280,887)	-	-
Originating temporary differences on tax losses available for set off against future taxable income	3,030,903	728,054	1,072,975	1,333
	(8,517,304)	**(10,562,142)**	**-**	**-**

12. Deferred Tax (continued)

Recognition of deferred tax asset

Unused tax losses and temporary differences not recognised as deferred tax assets are detailed in note 31. The deferred tax asset which relates to assessed losses amounts to R4,459,739 (2014: R1,440,083).

The asset is recognised to the extent that sufficient taxable temporary differences are available which will result in taxable amounts against which the unused tax losses can be utilised.

The unrecognised deferred tax asset amounts to R1,616,703 (2014: R864,455) and could be recognised again when trading conditions improve, which will make it more probable that future taxable income will allow the tax losses to be utilised.

Use and sales rate

The deferred tax rate applied to the fair value adjustments of investment properties is determined by the expected manner of recovery. Where the expected recovery of the investment property is through sale the effective capital gains tax rate of 18.65% (2014: 18.65%) is used. If the expected manner of recovery is through indefinite use the normal tax rate of 28.00% (2014: 28.00%) is applied.

If the manner of recovery is partly through use and partly through sale, a combination of the capital gains rate and normal tax rate is used.

The deferred tax on properties comprises of:

Investment properties: R3,198,507 (2014: R3,040,228) at the capital gains tax rate as the expected manner of recovery of investment properties is deemed to be through sale as it was remeasured to fair value.

Inventories: R8,102,124 (2014: R8,102,124) at the normal tax rate

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R

13. Inventories

Properties held for development	40,246,180	40,246,180	-	-

Inventory encumbered as security

Inventory encumbered as security	32,896,180	32,896,180	-	-

Erf No 18363 situated in the municipality of Kuils River, Cape Town, held under Title Deed No T14146/2014 is encumbered as security for a loan of R9,997,545 from Granite Special Opportunities (Proprietary) Limited made to Stellendale Village (Proprietary) Limited, a 99.08% subsidiary of Visual International (Proprietary) Limited. Erf No 18358 and the remainder of farm 1286 situated in the municipality of Kuils River, Cape Town, held under Title Deed No T14144/2014 is encumbered as security for a loan of R4,945,210 from RAL Trust.

14. Other receivables

Accrued income	-	97,302	-	-
Deposits	-	3,473	-	-
Prepayments	100,200	52,621	-	-
Value added taxation	343,681	141,334	-	-
	443,881	**294,730**		

Credit quality of trade and other receivables
The credit quality of trade and other receivables can be assessed by reference to historical information.

Fair value of trade and other receivables
The carrying value of other receivables approximates the fair value thereof as other receivables are short-term in nature.

15. Cash and cash equivalents

	Group		Company	
	2015	2014	2015	2014
Cash and cash equivalents consist of:				
Cash on hand	109	109	-	-
Bank balances	877,811	257,755	-	-
Bank overdraft	(985,830)	(459,143)	-	-
	(107,910)	**(201,279)**	-	-
Current assets	877,920	257,864	-	-
Current liabilities	(985,830)	(459,143)	-	-
	(107,910)	**(201,279)**	-	-

The overdraft balances indicated above are secured as follows:

- Cession in the amount of R20,000 in favour of the bank by Richland (Proprietary) Limited of credit balances held at the bank.

- Registration of a General Composite Bond in favour of the bank by RAL Trust, Visual International (Proprietary) Limited and Richland (Proprietary) Limited in the amount of R9,500,000 and with the ranking as indicated over the fixed properties as listed below, together with a cession of short term insurance for an adequate amount of cover over the said properties and noting of the bank's interest with the insurer.

Ranking: 1st, for the amount of R7,500,000 over Erven 1286; 18358 and 18362 situated in the municipality of Kuils River; 2nd,for the amount of R2,000,000 over Erven 1286; 18358 and 18362 situated in the municipality of Kuils River.

- Limited surety for R1,000,000 by Mr CK Robertson.
- Limited surety for R1,000,000 by The Diepwater Trust.
- Limited surety by Mr CK Robertson for R 723,647.
- Limited surety for R723,647 by The CKR Investment Trust.

The total amount of undrawn facilities available for future operating activities and commitments	14,170	540,857	-	-

Notes to the Annual Financial Statements

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R

16. Share capital

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
Authorised				
1,000,000,000 Ordinary no par value shares				

During the prior year the alterations to the share capital of the Company consisted of the conversion of the share capital of the Company from shares of a par value of R1 per share to shares of no par value on 3 October 2013. In addition, on 4 October 2013, the issued shares were sub-divided from 645 par value shares to 90,704,949 no par value shares ahead of the listing of Visual. Other than the sub-division and conversion of share capital, there have been no other changes to the share capital from the date of incorporation of the Company.

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
Issued				
215,383,400 (2014: 189,458,775) Ordinary no par value shares	68,365,080	56,264,571	68,364,960	56,264,451

Shareholders have approved a general authority to issue shares for cash, limited to a maximum of 50.00% of the issued share capital of the Company on the day of listing of the Company, in anticipation of listing on the JSE, which provides for the issue of shares at a maximum discount of 10.00% to the 30 day volume-weighted average share price traded on the JSE.

Reconciliation of number of shares issued:	Group 2015	Group 2014	Company 2015	Company 2014
Opening balance	189,458,775	645	189,458,775	645
Sub-division of shares	-	90,704,949	-	90,704,949
Issue of shares – ordinary shares	25,924,625	98,753,181	25,924,625	98,753,181
	215,383,400	**189,458,775**	**215,383,400**	**189,458,775**

16. Share capital (continued)

During 2015, the Company issued the following shares:

- 22,301,021 shares were issued to the public as a result of the listing of Visual International Holdings Limited on the AltX of the JSE on 23 May 2014;
- 400,000 shares were issued to PHAB Properties Limited on 26 June 2014;
- 123,604 shares were issued to PSG Clearwater clients and in settlement of liabilities on 26 June 2014;
- 600,000 shares were issued to Prescient Wealth Management (Proprietary) Limited on 26 June 2014; and
- 2,500,000 shares were issued to Mr A Woodcock on 27 October 2014.

The shares were issued in exchange for cash, except for shares that were issued to settle outstanding liabilities to the amount of R84,105 that was due to PSG Clearwater.

17. Share based payments

Equity settled share based payments	Number	Weighted exercise price	Total value
2014 - Granted to: Highbury Community	2,500,000	30.63	765,630
2014 - Granted to: Arcay Moela Sponsors and Prescient Wealth Management	4,673,970	8.02	375,000

Weighted average share price at exercise date was R0.1663.

Information on equity settled share based payments granted during the year
Total expenses of R84,105 (2014: R1,140,630) related to equity-settled share based payments transactions were recognised in 2015.

Fair value of goods and services received
The fair value of goods or services received during the year was measured at a market price for those services.

17. Share based payments (continued)

Highbury Community

Visual International Holdings Limited issued shares to 230 members of the Highbury Foundation on 24 January 2014 in order to create goodwill in the immediate surrounding community at Stellendale, in line with the group's social responsibility initiatives. No terms or conditions were attached to these shares. The fair value of the equity instruments granted, being 30.63c per share, was determined by using the net asset value of the group (with assets and liabilities fairly valued) divided by the number of shares in issue before this share grant.

The rights to the shares vested on grant date.

Settlement occurred via the issue of shares to the members as detailed above on 24 January 2014.

Arcay Moela Sponsors and Prescient Wealth Management:

Arcay Moela Sponsors and Prescient Wealth Management have been issued 2,336,985 shares each totalling 4,673,970 shares on 24 January 2014 in accordance with the signed appointment letter and as approved by the board of directors. The fair value of the shares is the market price of services rendered, being 8c per share. This is a discount to market value and an IFRS 2 charge (share based payments) of R375,000 (excluding VAT) was raised.

The rights to the shares vested on grant date.

Settlement occurred via the issue of shares to the companies as detailed above on 24 January 2014.

18. Earnings per share

Basic earnings per share

The calculation of basic and diluted earnings per share at 28 February 2014 and 2015 was based on profit/(loss) for the periods attributable to ordinary shareholders of Visual International Holdings Limited, divided by the weighted average number of ordinary shares issued. There are no instruments with a potential dilutive effect on earnings per share, therefore basic and diluted earnings per share are equal.

	Gross 2015	Net 2015	Gross 2014	Net 2014
(Loss)/profit attributable to equity holders of Visual International Holdings Limited	(7,718,807)	(7,718,807)	13,607,563	13,607,563
Weighted number of ordinary shares in issue	208,237,178	208,327,178	124,816,627	124,816,627
(Loss)/earnings per ordinary share (cents)	(3.71)	(3.71)	10.90	10.90

18. Earnings per share (continued)

Headline and diluted headline earnings per share
Headline and diluted headline earnings per share are calculated on the basis of adjusted profit/(loss) attributable to the ordinary shareholders divided by the weighted number of ordinary shares in issue during 2014 and 2015 as follows:

Reconciliation of headline earnings per share	Gross 2015	Net 2015	Gross 2014	Net 2014
(Loss)/profit attributable to equity holders of Visual International Holdings Limited	(7,718,807)	(7,718,807)	13,607,564	13,607,564
Fair value adjustments on investment properties	(540,000)	(439,560)	(335,000)	(272,690)
Capital distribution received from trust	-	-	(27,000,000)	(27,000,000)
Headline and diluted headline earnings attributable to ordinary shareholders	(8,258,807)	(8,158,367)	(13,727,436)	(13,665,126)
Weighted number of ordinary shares in issue	208,237,178	208,327,178	124,816,627	124,816,627
Headline and diluted headline loss per share (cents)	(3.97)	(3.92)	(11.00)	(10.95)

The capital distribution received from a trust in the prior year was not considered to be part of the headline earnings of the group. Refer to the significant judgements disclosure included in accounting policies for more information on the judgement applied by management in determining which items of other income was excluded from the calculation of headline earnings per share.

19. Capital disclosures

The group's major objective of capital management is to increase shareholder value. This is achieved inter alia through budget setting predominantly on the current and anticipated building projects and continuous monitoring of results against these. Debt levels are monitored closely and managed in relation to the covenants that the group has with external lenders.

20. Other financial liabilities

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
Held at amortised cost				
Bond – Standard Bank (Kuils River)	7,221,470	6,987,700	-	-
This loan bears interest at the prime overdraft lending rate less 2.05% per annum, prime being 9.25% (2014: 9.00%) at year end. The loan is repayable in monthly instalments of R117,595 (2014: R68,372) and is secured by investment properties included in investment property with a fair value of R17,000,000 (2014: R16,500,0000) as further detailed in note 3.				
Bond - Standard Bank (La Retreat)	849,490	877,068	-	-
This loan bears interest at the prime overdraft lending rate per annum, prime being 9.25% (2014: 9.00%) at year end. The loan is repayable in monthly instalments of R9,070 (2014: R8,671) and is secured by investment property with a fair value of R850,000 (2014: R835,000) as further detailed in note 3.				

20. Other financial liabilities (continued)

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
Bond - First National Bank (Erf 1317 and 1319)	805,592	1,666,035	-	-
This loan bears interest at the prime overdraft lending rate plus 2.00% per annum, prime being 9.25% (2014: 9.00%) at year end. The loan is repayable in monthly instalments of R7,258 (2014: R25,641) with the final date of repayment being 30 June 2015.				
The loan is secured by investment properties with a fair value of R3,500,000 (2014: R3,500,000), as well as limited suretyship for R889,836 given by Visual International (Proprietary) Limited, AP Jooste, CK Robertson, IA Jooste and Oupossie Trust as further detailed in note 3.				
Bond - ABSA Limited (Erf 18650)	511,490	530,996	-	-
This loan bears interest at the prime overdraft lending rate less 1.35% per annum, prime being 9.25% (2014: 9.00%) at year end. The loan is repayable in monthly instalments of R5,228 (2014: R5,146) and is secured by investment property with a fair value of R608,642 (2014: R590,741) as further detailed in note 3.				

20. Other financial liabilities (continued)

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
Bond - ABSA Limited (Erf 18649)	511,467	530,972	-	-
This loan bears interest at the prime overdraft lending rate less 1.35% per annum, prime being 9.25% (2014: 9.00%) at year end. The loan is repayable in monthly instalments of R5,228 (2014: R5,146) and is secured by investment property with a fair value of R608,642 (2014: R590,741) as further detailed in note 3.				
Bond - ABSA Limited (Erf 18654)	511,865	531,370	-	-
This loan bears interest at the prime overdraft lending rate less 1.35% per annum, prime being 9.25% (2014: 9.00%) at year end. The loan is repayable in monthly instalments of R5,265 (2014: R5,183) and is secured by investment property with a fair value of R608,642 (2014: R590,741) as further detailed in note 3.				

20. Other financial liabilities (continued)

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
Bond - ABSA Limited (Erf 18708)	511,865	531,370	-	-
This loan bears interest at the prime overdraft lending rate less 1.35% per annum, prime being 9.25% (2014: 9.00%) at year end. The loan is repayable in monthly instalments of R5,265 (2014: R5,183) and is secured by investment property with a fair value of R608,642 (2014: R590,741) as further detailed in note 3.				
Bond - ABSA Limited (Erf 18676)	447,419	464,483	-	-
This loan bears interest at the prime overdraft lending rate less 1.35% per annum, prime being 9.25% (2014: 9.00%) at year end. The loan is repayable in monthly instalments of R4,596 (2014: R4,523) and is secured by investment property with a fair value of R577,160 (2014: R560,185) as further detailed in note 3.				

20. Other financial liabilities (continued)

	Group		Company	
	2015	2014	2015	2014
	R	R	R	R
Bond - Nedbank (Erf 18611)	295,261	304,451	-	-
This loan bears interest at the prime overdraft lending rate less 0.30% per annum, prime being 9.25% (2014: 9.00%) at year end. The loan is repayable in monthly instalments of R3,308 (2014: R3,242) and is secured by a first covering mortgage bond of R335,000 over Erf 18660, Stellendale Village, Kuils River, short term insurance in respect of Erf 18611 and a general deed of suretyship (including cession of loan funds) limited to R670,000 provided by CK Robertson as further detailed in note 3.				
Bond - Nedbank (Erf 18660)	295,261	304,452	-	-
This loan bears interest at the prime overdraft lending rate less 0.30% per annum, prime being 9.25% (2014: 9.00%) at year end.				

20. Other financial liabilities (continued)

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
The loan is repayable in monthly instalments of R3,309 (2014: R3,242) and is secured by a first covering mortgage bond of R335,000 over Erf 18660, Stellendale Village, Kuils River, short term insurance in respect of Erf 18660 and a general deed of suretyship (including cession of loan funds) limited to R670,000 provided by CK Robertson as further detailed in note 3.				
Oupossie Trust	1,948,669	1,241,105	-	-
This loan is unsecured and interest free (2014: 6.5% per annum). No capital payments are required within the next twelve months as the entity has the right to defer payments for twelve months.				
Other loans	-	1,010	-	-
These unsecured loans are interest free and have no fixed terms of repayment.				

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20. Other financial liabilities (continued)

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
Granite Special Opportunities (Proprietary) Limited	9,997,545	6,500,000	-	-

This loan bears interest at the prime overdraft lending rate plus 15.00% per annum, changing from prime plus 10.00% per annum in October 2014, prime being 9.25% at year end (2014: prime plus 10.00% per annum, prime being 9.00% at year end). A portion of this loan, being R2,000,000 is repayable on the earlier of 31 August 2015 and the sale/transfer by Dream Weaver Trading 170 (Proprietary) Limited (a joint venture of the group) of several parking lots to a purchaser. A further R1,500,000 is repayable on 31 August 2015. The balance of the loan is repayable between 30 November 2015 and 1 March 2016, with a notice period of 1 calendar month. The group has approached Granite to extend the repayment terms of the amounts due on 31 August 2015 and has received an indication from them that the repayment terms will be extended and the interest capitalised, subject to the finalisation of the negotiations relating to the terms, conditions and further securities to be provided to Granite. Refer to note 44.

20. Other financial liabilities (continued)

	Group		Company	
	2015	2014	2015	2014
	R	R	R	R
This loan is secured by the following: a cession and pledge of all the shares in Dream Weaver Trading 170 (Proprietary) Limited, - a notarial deed of restraint of alienation in respect of Erf 18363, Kuils River, - a joint and several suretyship in the standard form employed by the lender by Visual International (Proprietary) Limited, CK Robertson, Spanish Ice Properties 45 (Proprietary) Limited and the RAL Trust - a mortgage bond granted by RAL Trust in the amount of R6,500,000 plus an additional R2,600,000 to be registered over Erf 18362, Kuils River, - a second mortgage bond granted by Visual International (Proprietary) Limited in the amount of R10,000,000 registered over Erf 18363, Kuils River, - an unconditional and irrevocable binding by RAL Trust as surety and co-principal debtor with Stellendale Village (Proprietary) Limited, for payment of an amount of R10,000,000, as well as an additional sum of R4,900,000, in favour of Granite Special Opportunities (Proprietary) Limited, for the due and punctual performance by Stellendale Village (Proprietary) Limited.				

20. Other financial liabilities (continued)

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
Bond - Standard Bank (Erf 197 and 238)	148,437	154,431	-	-
This loan bears interest at the prime overdraft lending rate less 0.20% per annum, prime being 9.25% (2014: 9.00%) at year end. The loan is repayable in monthly instalments of R1,634 (2014: R1,618) and is secured by investment properties with a net book value of R1,200,000 as further detailed in note 3.				
Transflora Properties (Proprietary) Limited	1,464,710	-	-	-
This unsecured loan bears interest at the prime overdraft lending rate plus 10.00% per annum, prime being 9.25% at year end.				
The group has the right to defer payment for a period of twelve months after year end.				
	25,520,541	**20,625,443**	-	-
Non-current liabilities			-	-
At amortised cost	20,157,628	11,986,853		
Current liabilities			-	-
At amortised cost	5,362,913	8,638,590		
	25,520,541	**20,625,443**	-	-

20. Other financial liabilities (continued)

The carrying amounts of the other financial liabilities at amortised cost approximates the fair value thereof.

21. Provisions

Reconciliation of provisions – Group – 2015

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
Penalties and interest	977,731	-	(768,679)	(209,052)	-

Reconciliation of provisions – Group – 2014

	Opening balance	Additions	Total
Penalties and interest	720,725	257,006	977,731

Reconciliation of provisions – Company – 2015

	Opening balance	Additions	Total
Penalties and interest	102,899	(102,899)	-

21. Provisions

Reconciliation of provisions – Company – 2014

	Opening balance	Additions	Total
Penalties and interest	-	102,899	102,899

Provision had been made for possible interest and penalties on the late payment of taxation.

22. Trade and other payables

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
Accrual for non-executive directors' remuneration	-	67,500	-	67,500
Amounts received in advance	26,664	-	-	-
Accrued expenses	539,819	591,049	398	399
Trade payables	542,875	1,706,619	-	52,500
Value added taxation	5,567	15,293	-	-
	1,114,925	**2,380,461**	**398**	**120,399**

Fair value of trade and other payables
The carrying amount of trade and other payables approximates the fair value thereof.

23. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

Group – 2015	Financial liabilities at amortised cost	Total
Loans from shareholders	19,299,141	19,299,141
Other financial liabilities	25,520,540	25,520,540
Trade and other payables	1,109,357	1,109,357
Bank overdraft	985,830	985,830
	46,914,868	**46,914,868**

Group – 2014	Financial liabilities at amortised cost	Total
Loans from shareholders	22,991,088	22,991,088
Other financial liabilities	20,625,443	20,625,443
Trade and other payables	2,365,168	2,365,168
Bank overdraft	459,143	459,143
	46,440,842	**46,440,842**

Company - 2015	Financial liabilities at amortised cost	Total
Loans from shareholder	**12,737,335**	**12,737,335**

23. Financial liabilities by category (continued)

Company - 2014

	Financial liabilities at amortised cost	Total
Loans from shareholder	11,407,995	11,407,995
Trade and other payables	120,399	120,399
	11,528,394	**11,528,394**

24. Revenue

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
Rendering of services	1,025,734	1,035,496	-	-
Rental income	1,745,565	1,732,844	-	-
	2,771,299	**2,768,340**	**-**	**-**

25. Costs of sales

Rendering of services				
Cost of services rendered	428,575	351,756	**-**	**-**

26. Other income

Reversal of provisions not utilised	209,052	-	102,899	-
Fees earned	-	70,000	-	-
Other income	30,789	22,299	-	-
Raising fees	-	325,000	-	-
Recoveries	85,740	79,706	-	-
Termination of beneficiary rights	-	27,000,000	-	-
Termination of management agreement	-	5,000,000	-	-
	325,581	**32,497,005**	**102,899**	**-**

26. Other income (continued)

Due to changed circumstances in the operations of the RAL Trust in the 2014 financial year, this resulted in the trust no longer requiring Visual International (Proprietary) Limited to undertake the development of properties for and on behalf of RAL Trust, and Visual International (Proprietary) Limited no longer receiving development profits or distributions from RAL Trust. Visual International (Proprietary) Limited therefore entered into the cancellation agreement dated 29 November 2013 with RAL Trust in the prior year, pursuant to the acquisitions by Visual International (Proprietary) Limited from RAL Trust, terminating the former development agreement resulting in a payment to Visual International (Proprietary) Limited consisting of R5 million for the development agreement and R27 million being the accounting gain arising in the RAL Trust from the section 42 transaction detailed above which included, inter alia, the termination of any beneficiary right.

27. Operating (loss)/profit

Operating (loss)/profit for the year is stated after accounting for the following:

	Group		Company	
	2015 R	2014 R	2015 R	2014 R
Operating lease charges				
Premises				
- Contractual amounts	128,491	232,720	-	-
Amortisation of intangible assets	13,701	-	-	-
Depreciation on property, plant and equipment	237,959	168,483	-	-
Employee costs	518,918	843,614	-	-
Non-executive directors' remuneration	1,025,000	67,500	1,025,000	67,500
Executive directors' remuneration	3,733,512	2,367,229	-	-
Employee costs: reversal of provision for directors' bonuses	(333,210)	-	-	-
Employee costs: reversal of provision for employee bonuses	(33,000)	-	-	-

	Group		Company	
	2015	2014	2015	2014
	R	R	R	R

28. Investment revenue

Interest revenue				
Joint ventures	62,705	66,914	-	-
Shareholders	2,910,345	1,562,337	-	-
Bank	1,876	114	-	-
	2,974,926	**1,629,365**	**-**	**-**

Interest income on available-for-sale financial assets amounted to R2,973,050 (2014: R1,629,251). Interest amounting to R2,973,050 (2014: R1,629,251) was not received in cash and was therefore excluded from the interest received in the cash flow statement.

29. Fair value adjustments

Investment property (fair value model)	540,000	335,000	-	-
Remeasurement of other financial liabilities	180,252	-	-	-
	720,252	**335,000**	**-**	**-**

30. Finance costs

Group companies	-	80,228	-	-
Shareholders	1,689,665	885,966	1,329,340	885,966
Other financial liabilities	2,907,564	2,024,673	-	-
Overdraft bank balance	45,059	3,982	-	-
	4,642,288	**2,994,849**	**1,329,340**	**885,966**

Total interest expense, calculated using the effective interest rate, on other financial liabilities and loans from shareholders, amounted to R4,642,288 (2014: R2,994,849), company: R1,329,340 (2014: R885,966). Finance costs amounting to R1,740,377 (2014: R1,887,026) were accrued on loan accounts and were therefore not paid in cash.

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R

31. Taxation

Major components of the tax expense

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
Current				
Local income tax – current period	685	-	-	-
Local income tax – recognised in current tax for prior periods	835,912	-	-	-
	836,597	**-**	**-**	**-**
Deferred				
Originating and reversing temporary differences (refer to note 12)	(2,044,838)	9,978,791	-	-
	(1,208,241)	**9,978,791**	**-**	**-**

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

	Group 2015	Group 2014	Company 2015	Company 2014
Applicable tax rate	28.00%	28.00%	28.00%	28.00%
Exempt income	1.24%	(38.60)%	-%	-%
Assessed loss not recognised as a deferred tax asset	(8.40)%	0.26%	(28.00)%	(0.04)%
Capital gains tax	-%	3.98%	-%	-%
Assessed loss not recognised due to section 42 assets	-%	(0.26)%	-%	-%
Prior year income tax included in current year	(9.33)%	-%	-%	-%
Disallowable charges	(0.36)%	4.60%	-%	(27.96)%
Permanent difference on capital assets - deferred tax provided at the effective capital gains tax	0.30%	9.20%	-%	-%
Penalties on late payment of tax	-%	0.18%	-%	-%
Permanent difference in inventory - deferred tax provided at the applicable tax rate of 28.00%	-%	34.56%	-%	-%
Income from equity accounted investment	2.04%	0.65%	-%	-%
	13.49%	**42.57%**	**-%**	**-%**

31. Taxation

No provision has been made for 2015 tax as the group has no taxable income. The estimated tax loss available to the group for set off against future taxable income is R15,927,639 (2014: R5,143,154).

Tax loss available to the Company for set-off against future taxable income is R3,836,814 (2014: R890,728).

	Group		Company	
	2015	2014	2015	2014
	R	R	R	R

32. Auditor's remuneration

Statutory audit	585,124	696,953	34,200	-
Tax and secretarial services	31,860	-	3,505	-
	616,984	**696,953**	**37,705**	**-**

33. Cash used in operations

Profit/(loss) before taxation	(8,957,044)	23,442,822	(2,644,702)	(3,120,213)
Adjustments for:				
Depreciation and amortisation	251,340	168,483	-	-
(Income)/loss from equity accounted investments	(641,198)	545,959	-	-
Interest income	(2,974,926)	(1,629,365)	-	-
Finance costs	4,642,288	2,994,849	1,329,340	885,966
Fair value adjustments	(720,252)	(335,000)	-	-
Movements in operating lease assets and accruals	(6,385)	2,536	-	-
Reversal of provision	209,052	257,006	102,899	102,899
IFRS 2 share issues	-	1,193,130	-	1,193,130
Expenses paid by subsidiary on behalf of company	-	-	1,332,464	817,819
Expenses paid by issue of shares	84,105	-	-	-
Non-cash movements on loan accounts	(237,240)	461,394	-	-
Termination benefits received	-	(32,000,000)	-	-

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R

33. Cash used in operations (continued)

Changes in working capital:				
Other receivables	(2,149,151)	(67,472)	-	-
Trade and other payables	(1,265,536)	1,176,244	(120,001)	120,399
Movement in provisions	(768,679)	-	-	-
	(10,742,678)	**(3,789,414)**	**-**	**-**

34. Tax paid

Balance at beginning of the year	(4,029,335)	(4,091,311)	(1,856,830)	-
Dividend withholding tax expense	-	-	-	(1,856,830)
Current tax relating to prior period	(836,597)	-	-	-
Tax paid by subsidiary on behalf of holding company	-	-	700,000	-
Balance at end of the year	901,036	4,029,335	1,156,830	1,856,830
	(3,964,896)	**(61,976)**	**-**	**-**

35. Segmental information

The composition of reportable segments is consistent with the previous year. The measurement of segment profit/loss and segment assets and liabilities has been revised during the current year due to changes in the amounts that are regularly provided to the chief operating decision maker. The effect of these changes on the previously reported profit or loss and assets and liabilities has been disclosed in this note.

Segment revenue and expenses
Revenue and expenses that are directly attributable to segments are allocated to those segments. Those that are not directly attributable to segments are allocated on a reasonable basis. Interest income and expenses on shareholder loan accounts are not directly or indirectly related to specific segments and income tax is not included in the results of the segments when reviewed by the CEO.

Segment assets and liabilities
Segment assets and liabilities comprise those operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets exclude loans to shareholders, other financial assets, tax assets, bank balances, deposits and cash. Segment liabilities exclude certain loans from shareholders, bank overdraft and current and deferred tax liabilities. Capital expenditure represents the local costs incurred during the period to acquire segment assets that are expected to be used during more than one period, namely, property, plant and equipment, investment property and intangible assets. During the current year capital expenditure amounted to R164,381 and was attributable to the Property Investment segment.

35. Segmental information (continued)

The group currently has three reportable segments, as described below, which are the group's strategic business units. The strategic business units offer different services and are reviewed by management. For each of the strategic business units, thegroup's CEO reviews internal management reports on at least a monthly basis. The following summary describes the operations of each of the group's reportable segments for the years ended 28 February 2015 and 28 February 2014:

- Property Services segment – Rendering of management, administration and consulting services on development projects.
- Property Investment segment – Letting of residential properties held by the group.
- Property Development segment – Development of residential properties held by the group or sold to third parties.

Primary segment report – 2015	Property Services	Property Investment	Property Development	Total
SEGMENT RESULTS				
Total revenue	1,025,734	1,745,565	-	2,771,299
Inter segmental results	-	-	-	-
Total external revenue	**1,025,734**	**1,745,565**	**-**	**2,771,299**
Other income	43,131	73,398	-	116,529
Income from equity accounted investments	-	641,198	-	641,198
Fair value adjustments	-	720,252	-	720,252
Finance income	-	62,705	-	62,705
Cost of sales	(428,575)	-	-	(428,575)
Finance costs	-	(2,544,712)	(362,852)	(2,907,564)
Employee costs	(921,503)	(1,266,427)	(1,773,352)	(3,961,282)
Depreciation	(16,431)	(234,909)	-	(251,340)
Other operating expenses	(2,208,720)	(4,528,349)	(369,745)	(7,106,814)
Segment results before taxation	**(2,506,364)**	**(5,331,279)**	**(2,505,949)**	**(10,343,592)**

35. Segmental information (continued)

Primary segment report – 2015	Property Services	Property Investment	Property Development	Total
Interest income on shareholder loans				2,910,345
Finance costs accrued on shareholder loans				(1,689,665)
Other income				209,051
Taxation				1,208,241
Interest income on cash and cash equivalents				1,876
Finance costs on bank overdraft				(45,059)
Net loss per statement of comprehensive income				**(7,748,803)**
SEGMENT ASSETS AND LIABILITIES				
Investment in joint venture	-	1,352,449	-	1,352,449
Other reportable segment assets	77,814	44,113,836	40,246,180	84,437,830
Total reportable segment assets	**77,814**	**45,466,285**	**40,26,180**	**85,790,279**
Loans to shareholders				42,532,616
Other financial assets				425,782
Current tax				256,331
Cash and cash equivalents				877,920
Total assets per statement of financial position				**129,882,928**
Total reportable segment liabilities	**26,664**	**26,627,893**	**6,561,806**	**33,216,363**

35. Segmental information (continued)

Primary segment report – 2015	Property Services	Property Investment	Property Development	Total
Current tax				1,157,367
Deferred tax				8,517,304
Loans from shareholders				12,737,335
Bank overdraft				985,830
Total liabilities per statement of financial position				**56,614,199**

Primary segment report – 2014	Property Services	Property Investment	Property Development	Total
SEGMENT RESULTS				
Total revenue	1,035,496	1,732,844	-	2,768,340
Inter segmental revenue	-	-	-	-
Total external revenue	**1,035,496**	**1,732,844**	**-**	**2,768,340**
Other income	5,149,706	27,347,299	-	32,497,005
Income from equity accounted investments	-	(545,859)	-	(545,859)
Fair value adjustments	-	335,000	-	335,000
Finance income	-	66,914	-	66,914
Cost of sales	(351,756)	-	-	(351,756)
Finance costs	-	(1,603,531)	-	(1,603,531)
Employee costs	(761,729)	(1,154,501)	(1,362,112)	(3,278,342)
Depreciation	(63,021)	(105,462)	-	(168,483)
Other operating expenses	(2,088,404)	(4,102,188)	-	(6,190,592)
Segment results before taxation	**2,920,292**	**21,970,516**	**(1,362,112)**	**23,528,696**
Segment results – previously reported	**(166,422)**	**13,630,454**	**-**	**13,464,032**
Decrease in interest income	(609,463)	(952,989)	-	(1,562,452)
Increase/(decrease) in other income	(245,294)	245,294	-	-
Decrease in finance costs	-	1,391,318	-	1,391,318
(Increase)/decrease in employee costs	464,533	897,579	(1,362,112)	-
Decrease in taxation	3,732,561	6,246,230	-	9,978,791
Decrease in provision for penalties	96,133	160,874	-	257,007

35. Segmental information (continued)

Primary segment report – 2014	Property Services	Property Investment	Property Development	Total
Segment results before taxation - restated	**3,272,048**	**21,618,760**	**(1,362,112)**	**23,528,696**
Interest received from shareholder				1,562,337
Finance costs accrued to shareholder				(1,391,319)
Provision for penalties and interest				(257,007)
Taxation				(9,978,791)
Interest income on cash and cash equivalents				115
Net profit per statement of comprehensive income				**13,464,031**
SEGMENT ASSETS AND LIABILITIES				
Investment in joint venture	-	711,251	-	711,251
Other reportable segment assets	670,985	43,484,564	40,246,180	84,401,729
Total reportable segment assets - restated	**670,985**	**44,195,815**	**40,246,180**	**85,112,980**
Loans to shareholders				45,596,991
Cash and cash equivalents				257,864
Total assets per statement of financial position				**130,967,835**
Total reportable segment liabilities	**-**	**23,031,380**	**-**	**23,031,380**
Total reportable segment liabilities – previously reported	**9,490,214**	**36,532,103**	**-**	**46,022,317**
Increase/(decrease) in trade and other payables	(890,410)	890,410	-	-
Decrease in loans from shareholders	(8,599,804)	(14,391,285)	-	(22,991,089)
Increase in operating lease liability	-	152	-	152
Total reportable segment liabilities - restated	**-**	**23,031,380**	**-**	**23,031,380**

35. Segmental information (continued)

Primary segment report – 2014	Property Services	Property Investment	Property Development	Total
Current tax				4,029,335
Deferred tax				10,562,142
Provisions				977,731
Loans from shareholders				22,991,088
Bank overdraft				459,143
Total liabilities per statement of financial position				**62,050,819**

Revenue from one customer amounted to R1,024,234 (2014: R1,015,496), arising from services rendered by the Property Services segment.

Geographic information

The group's revenue is derived from operations and property holding only in South Africa. The group's non-current assets are also located in South Africa.

36. Commitments

Investment properties

The group has entered into an agreement in terms of which it is required to purchase an investment property, consisting of Erf 18362 ('the property') from RAL Trust, subject to the successful rezoning of the property from agricultural to general business. The purchase price will be equal to the fair value of the property on the date that the property has been rezoned.

Operating leases – as lessee (expense)

Minimum lease payments due

	Group		Company	
	2015	2014	2015	2014
	R	R	R	R
- within one year	138,770	128,491	-	-
- in second to fifth year inclusive	-	138,770	-	-
	138,770	**267,261**	**-**	**-**

36. Commitments

Operating lease payments represent rentals payable by the group for certain of its office properties. Leases are negotiated for an average term of five years and rentals escalate by 8.00% yearly. No contingent rent is payable.

Operating leases – as lessor (income)

Minimum lease payments due

- within one year	-	32,659	-	-

37. Contingencies

There are no legal or arbitration proceedings, including any proceedings that are pending or threatened, of which the Company and group is aware that may have or have had in the last 12 months, a material effect on the Company's or the group's financial position.

38. Related parties

Relationships	
Ultimate holding company	Visual International Holdings Limited
Subsidiaries	Refer to note 6
Joint ventures	Refer to note 7
Trusts of directors	The Video Bible Trust
	Diepwater Trust
	The Kleinplaas Trust
	Glentana Trust
	Oupossie Trust
Companies controlled by directors	Richland Developers (Proprietary) Limited
	Spanish Ice Properties 45 (Proprietary) Limited
	Finland Eiendomsdienste (Proprietary) Limited
	Transflora (Proprietary) Limited
	Transflora Properties (Proprietary) Limited
	Vict Systems (Proprietary) Limited
	Tutuni Investments 41 (Proprietary) Limited
	ISA Management (Proprietary) Limited

38. Related parties (continued)

	Final Agri Mining (Proprietary) Limited
	Visual Energy (Proprietary) Limited
	Wonderdeals 56 (Proprietary) Limited
	Buylines 105 (Proprietary) Limited
	Agriliving (Proprietary) Limited
	Meadow Star Investments 29 (Proprietary) Limited
	Midnight Feast Properties 36 (Proprietary) Limited
	Winskor 125 (Proprietary) Limited
	Rapivest 92 (Proprietary) Limited
	Clidet No. 946 (Proprietary) Limited
	Little Swift Investments 533 (Proprietary) Limited
Close family members/ Companies controlled by close Family member of director	HM Robertson
	Van der Merwe and Robertson Incorporated
	Van der Merwe and Robertson Properties
CC of director	Signal Hill Country Lodge CC
Non-executive directors	Prof E Links
	R Kadalie
	R Richards
	GJ Lundy
	P Ranchod
	T Vorster
Executive directors	CK Robertson
	PE Grobbelaar
	G Noble
Trusts of close family member of director/shareholders	My Place Trust
	CKR Investment Trust
	RAL Trust
	CC Trust
Shareholders of subsidiaries	Oupossie Trust
	Granite Special Opportunities (Proprietary) Limited

38. Related parties (continued)

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
Related party balances				
Loan accounts – owing (to)/by related parties				
Shareholders	(19,299,141)	(22,991,088)	(12,737,335)	(11,407,995)
Shareholder	42,532,616	45,596,991	-	-
Joint venture	871,802	958,291	-	-
Subsidiary	-	-	40,913,526	34,835,780
Companies controlled by directors	1,362,402	1,415,902	-	-
Shareholder of subsidiary	(11,946,214)	(7,741,105)	-	-
Trusts of close family member of director/shareholders	1,041,110	1,041,110	-	-
	14,562,575	**18,280,101**	**31,960,692**	**23,427,785**
Investment in joint venture				
Dream Weaver Trading 170 (Proprietary) Limited	1,352,389	711,191	-	-
The Visual Property Club (Proprietary) Limited	60	60	-	-
	1,352,449	**711,251**	**-**	**-**
Investment in subsidiary				
Visual International (Proprietary) Limited	-	-	35,581,082	31,796,581
	-	**-**	**35,581,082**	**31,796,581**
Related party balances included in trade and other payables				
Non-executive directors	-	67,500	-	67,500
	-	**67,500**	**-**	**67,500**

38. Related parties (continued)

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
Related party transactions				
Interest paid to/(received from) related parties				
Shareholders	1,689,665	1,301,445	1,329,340	885,966
Shareholder	(2,910,345)	(1,562,338)	-	-
Trust of close family member of director	-	415,479	-	-
Company controlled by director	50,710	-	-	-
Joint venture	(62,705)	(66,913)	-	-
Director	138,102	-	-	-
Close family member of director	22,500	-	-	-
Shareholders of subsidiaries	1,534,787	585,581	-	-
	462,714	**673,254**	**1,329,340**	**885,966**
Raising fees paid to/(received from) related parties				
Shareholder of subsidiary	105,000	325,000	-	-
Trust of close family member	-	(325,000)	-	-
	105,000	**-**	**-**	**-**
Rent paid to related party				
Trust of a director	128,491	118,973	-	-
	128,491	**118,973**	**-**	**-**
Salary paid to related party				
Close family member of director	60,000	60,000	-	-
	60,000	**60,000**	**-**	**-**
Legal fees paid to related party				
Companies controlled by close family member of director	475,260	50,500	-	-
	475,260	**50,500**	**-**	**-**

38. Related parties (continued)

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
Management fees paid to/(received from) related parties				
Companies controlled by directors	(1,024,234)	(1,035,496)	-	-
Shareholder of subsidiary	-	70,000	-	-
	(1,024,234)	**(965,496)**	**-**	**-**
Termination benefits received from related party				
Shareholder	-	32,000,000	-	-
	-	**32,000,000**	**-**	**-**
Consulting fees paid to/(received from) related party				
Company controlled by director	329,924	(20,000)	-	-
	329,924	**(20,000)**	**-**	**-**

39. Directors' emoluments

Executive 2015	Emolument	Other benefits*	Total
CK Robertson	1,425,000	-	1,425,000
PE Grobbelaar	1,467,112	-	1,467,112
G Noble	841,400	-	841,400
	3,733,512	**-**	**3,733,512**

2014	Emolument	Other benefits*	Total
CK Robertson	535,495	-	535,495
PE Grobbelaar	1,104,449	79,165	1,183,614
G Noble	648,120	-	648,120
	2,288,064	**79,165**	**2,367,229**

* Other benefits comprise an annual bonus paid out to the director. No bonuses were declared or paid in the 2015 financial year.

Non-executive 2015	Directors' fees	Total
E Links	160,000	160,000
R Kadalie	160,000	160,000
GJ Lundy	160,000	160,000
R Richards	195,000	195,000
T Vorster	160,000	160,000
P Ranchod	190,000	190,000
	1,025,000	**1,025,000**

39. Directors' emoluments (continued)

2014	Directors' fees	Total
E Links	10,000	10,000
R Kadalie	15,000	15,000
GJ Lundy	10,000	10,000
R Richards	10,000	10,000
T Vorster	10,000	10,000
P Ranchod	12,500	12,500
	67,500	**67,500**

40. Prior period adjustment

A difference arose between the calculated and assessed tax losses of Richland (Proprietary) Limited, a 100% subsidiary of Visual International (Proprietary) Limited as certain losses incurred were deemed to be of capital nature and could therefore not be utilised against taxable income. This resulted in an understatement of the deferred tax liability.

The correction of the difference results in adjustments as follows:

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
Statement of Financial Position				
Deferred tax liability	-	(102,718)	-	-
Profit or Loss				
Deferred taxation	-	102,718	-	-

41. Comparative figures

The previous reporting period was for 13 months, therefore comparative amounts are not comparable to the current balances.

42. Risk management

Liquidity risk
The group's risk to liquidity is a result of the funds available to cover future commitments. Due to the current liquidity constraints of the group resulting from less than expected capital raised during the listing process, which resulted in planned development projects needing to be postponed (refer to note 44 Going concern for further detail), the group renegotiated payment terms on certain other financial liabilities. Furthermore, the group manages liquidity risk through an ongoing review of future commitments and credit facilities, and communication with creditors about repayment terms.

Cash flow forecasts are prepared and adequate borrowing facilities are monitored.

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Group

At 28 February 2015	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Other financial liabilities	5,362,913	11,650,236	6,533,803	6,297,337
Loans from shareholders	4,945,210	13,784,382	-	-
Trade and other payables	1,109,357	-	-	-
Bank overdraft	985,830	-	-	-
Current tax payable	1,157,368	-	-	-

42. Risk management (continued)

At 28 February 2014	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Other financial liabilities	3,035,418	1,323,791	3,971,373	11,876,632
Loan from shareholder	7,239,700	19,162,702	-	-
Trade and other payables	2,437,980	-	-	-
Bank overdraft	459,143	-	-	-
Loan from shareholder of subsidiaries	7,426,250	-	-	-

Company

At 28 February 2015	Less than 1 year	Between 1 and 2 years
Loan from shareholder	-	12,737,335
Trade and other payables	398	-

At 28 February 2014	Less than 1 year	Between 1 and 2 years
Loan from shareholder	-	11,407,995
Trade and other payables	120,399	-

Interest rate risk

The group's interest rate risk at the statement of financial position date arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk.

42. Risk management (continued)

Sensitivity analysis
The sensitivity analysis below presents the interest rate risks in accordance with IFRS 7. It has been determined based on the exposure to interest rates for financial instruments at the balance sheet date and shows the effects of changes in market interest rates on interest payments. For variable rate liabilities, the analysis is prepared assuming the average liability was outstanding for the whole year. A 100 basis point increase or decrease represents management's assessment of the reasonable possible change in interest rate.

At 28 February 2014, if interest rates on Rand-denominated borrowings had been 1.00% higher/lower with all other variables held constant, post-tax profit for the year would have been R38,665 (2014: R79,696) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

Cash flow interest rate risk

Financial Instrument	Current interest rate	Due in less than a year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due after 5 years
Other financial liabilities	7.20%	855,017	918,651	987,021	1,060,479	3,400,303
Other financial liabilities	9.25%	29,071	31,877	34,954	38,328	715,259
Other financial liabilities	7.90%	112,581	121,485	130,840	140,962	1,998,238
Other financial liabilities	8.95%	19,797	21,643	23,662	25,869	499,550
Other financial liabilities	9.05%	6,361	6,961	7,618	8,336	119,349
Other financial liabilities	11.25%	805,592	-	-	-	-
Loan from shareholder	6.75%	-	12,737,335	-	-	-
Loan from shareholder	6.75%	4,945,210	1,616,596	-	-	-
Other financial liabilities	24.25%	3,500,000	6,497,545	-	-	-

42. Risk management (continued)

Financial Instrument	Current interest rate	Due in less than a year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due after 5 years
Loan from shareholder of subsidiary	9.25%	-	1,948,669	-	-	-
Trade and other payables	18.00%	968,582	-	-	-	-
Bank overdraft	9.25%	985,830	-	-	-	-
Other financial liabilities	19.25%	-	1,464,710	-	-	-

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and loans receivable. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Management evaluated credit risk relating to loan parties on an ongoing basis. Management assesses the credit quality of the borrower, taking into account its financial position, past experience and other factors including assets presented as security.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	Group 2015	Group 2014	Company 2015	Company 2014
Loan to group company	871,802	958,291	40,913,526	34,835,780
Other financial assets	425,782	479,282	-	-
Cash and cash equivalents	877,920	257,864	-	-
Loans to shareholders	42,532,616	44,266,991	-	-

43. Fair value information

	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Level 2
Recurring fair value measurements

Assets	Note	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
Financial assets at amortised cost	8&9&15				
Cash and cash equivalents		877,920	257,864	-	-
Trade and other receivables		-	100,775	-	-
Loan to shareholder		41,710,419	40,105,385	-	-
Loan to group company		-	-	40,916,523	
Loan to joint venture		871,802	-	-	-
Total financial assets at amortised cost		**43,460,141**	**40,464,024**	**40,916,523**	**-**

43. Fair value information (continued)

		Group		Company	
		2015	2014	2015	2014
		R	R	R	R
Available for sale financial assets	10				
Loan to joint venture		-	958,291	-	-
Other financial assets		425,782	479,282	-	-
Loans to shareholders		822,197	5,491,606	-	-
Loan to group company		-	-	-	34,835,780
Total available for sale financial assets		**1,247,979**	**6,929,179**	**-**	**34,835,780**
Financial liabilities at amortised cost	9&15 20&22				
Loans from shareholders		19,299,141	22,991,088	12,737,335	11,407,995
Other financial liabilities		25,520,540	20,625,443	-	-
Bank overdraft		985,830	459,143	-	-
Trade and other payables		1,109,357	2,365,168	399	67,899
Total financial liabilities at amortised cost		**46,914,868**	**46,440,842**	**12,737,734**	**11,475,894**
Total		**91,622,988**	**135,202,865**	**57,435,762**	**78,108,255**

43. Fair value information (continued)

	Note	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R

Level 2

Recurring fair value measurements

	Note	Group 2015 R	Group 2014 R	Company 2015 R	Company 2014 R
Assets					
Investment property	3				
Parking bays		255,000	255,000	-	-
Residential units		17,850,000	17,335,000	-	-
Land held for capital appreciation		23,803,830	23,778,820	-	-
Total investment property		**41,908,820**	**41,368,820**	**-**	**-**

Transfers of assets and liabilities within levels of the fair value hierarchy
Investment properties were transferred from level 2 to level 3 in 2015 (and retrospectively in 2014) as judgement is used by the expert to derive the fair values of the properties, and thus there are no observable inputs. The transfer is consistent with the policy of the group to regularly assess the classification of assets into the applicable fair value levels of measurement.

Valuation techniques used to derive level 2 fair values
The group used the following techniques to determine the fair value measurements categorized in level 2:

The carrying values of the financial assets and liabilities measured at amortised cost approximates the fair values thereof as they are either current or in the event that they are classified as non-current, the instrument bears interest at market related interest rates.

The carrying value of available-for-sale financial assets approximates the fair values thereof as they are either current assets, or in the event that they are classified as non-current, the instrument bears interest at market related interest rates.

43. Fair value information (continued)

Valuation techniques used to derive level 3 fair values Investment property
Detailed valuations were performed by an independent valuer on 30 August 2013 as part of the listing of the Group on the AltX of the JSE and for the purpose of measuring the properties at fair value for inclusion in the 2014 annual financial statements. As part of the preparation of the current year annual financial statements, market research was performed by an independent valuer, which included the re-assessment of the variables used in the detailed valuations performed on 30 August 2013. The effective date of the market research was 28 February 2015. The detailed valuations, as well as the updated market research, were performed by an independent valuer, Mr JF Cilliers, a professional valuer (Act 47 of 2000), of Adval Valuation Centre CC. Adval Valuation Centre CC is not connected to the group and has recent experience in the location and category of the investment properties being valued. The comparable sales valuation method was used to determine the fair value of the properties, this method uses the recent selling values of properties in a similar location, condition and size adjusted in certain instances for unit density, usability and access. The remeasurement amount recognised in profit or loss for the period amounted to R540,000 (2014: R335,000).

The fair values of investment properties are influenced by comparable sales of properties in the same area and with similar characteristics as the investment properties of the group. Therefore the fair values of the group's investment properties would have increased if there was an increase in the market values of similar properties disposed of. Similarly a decrease in the market values of similar properties disposed of in the same area would have resulted in a decrease in the fair value of the investment properties.

44. Going concern

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

The Group experienced cash flow constraints during the year, partly due to the nature of the business, which it addressed by borrowing from a lending institution at higher interest rates. The cash flow constraints resulted from the following events:

- The holding company of the group listed on the AltX of the JSE in May 2014. The full subscription in the Company's shares was not received, with only a third of the expected capital being raised. As a result of the desired amount of capital not being raised, the group was unable to fully implement its business plan and to undertake its planned development projects. Furthermore, an agreement with a BBBEE group for the placement of 32 million shares at 50 cents per share, which subscription was dependent on the entity obtaining finance for the majority of the subscription amount, did not materialise as the entity was not granted funding.
- Delays in being able to generate revenue from property development sales were also experienced due to a nine month delay in approval of zonings and plan approvals from the local authorities, substantially delaying the start of construction on Northbank 1.

44. Going concern (continued)

The directors have considered the operational budget and cash flow forecasts for the ensuing year which are based on the current expected economic and market conditions and the happening of all (or at least a significant number) of the following events:

a) A large foreign engineering and construction company wishes to establish itself in the construction and building fields in South Africa and elsewhere in Southern Africa. Various methods of working together are being explored from being a construction partner to Visual to being a development partner including financing.

b) Visual is negotiating with various recognised property and investment funds about the establishment with Visual of one or more middle income residential property investment funds. Negotiations have been progressing well through the various approval levels and management expects to move to heads of agreement before the end of December 2015. In the interim Visual has established a 100% subsidiary as a REIT (Visual Residential REIT Number 1) which entity will be utilised as the holding company for residential rental stock. It is expected that will develop some of its property projects for the above fund or funds, hold a minority share in each of these underlying REITs, and undertake the management of the underlying properties. In certain instances these REITs will acquire properties held by other developers, in which case Visual will receive commission and management fees.

44. Going concern (continued)

c) Currently Visual has zoning rights to develop approximately 250 houses on Erf 18358 and the remainder of farm 1286. Subject to funding being received, Visual will undertake the building thereof, otherwise Visual plans to sell, develop and bridge fund these houses on a plot and plan basis during the next calendar year.

d) In addition to the above, management's funding plans include:
   - i) Securing funding from normal banking sources for property development, which has been the normal source of development funding of the group historically.
   - ii) The placement of additional shares in the market or with strategic partners, as funding for expansion becomes necessary; management is currently negotiating with four parties about subscribing for the approximately 70 million shares.
   - iii) The sale of undeveloped serviced land with a current market value of R34 million.
   - iv) The possibility of entering into a strategic relationship to fast track the development of Visual and/or other properties.
   - v) The extension of the repayment terms of the Granite facility as detailed in note 20 – Other financial liabilities, a portion of which was due for repayment on 31 August 2015. The group has approached Granite to extend the repayment terms of the amounts due on 31 August 2015 and has received an indication from them that the repayment terms will be extended and the interest capitalised, subject to the finalisation of the negotiations relating to the terms, conditions and further securities to be provided to Granite. The negotiations are currently at an advanced stage.

These events and the underlying assumptions relating thereto represent material uncertainties that may cast doubt on the Group's ability to continue as a going concern. However, the directors believe that some or all of the above mentioned transactions will materialise and that the Group will have adequate financial resources to continue as a going concern. Accordingly, the directors have adopted the going concern basis in the preparation of the annual financial statements.

It is noted that the group has more than R70 million in tangible net asset value and discussions with local agents indicate that the property valuations reflected in the reported results are conservative.

45. Events after the reporting period

A joint venture of the group, Dream Weaver Trading 170 (Proprietary) Limited, sold the majority of its assets as a going concern on 27 March 2015 for R5,350,000 (inclusive of value added taxation calculated at 0.00%). It is expected that transfer will be given and taken and registered by the appointed conveyancers in due course. This sale is not subject to any suspensive conditions.

Visual International (Proprietary) Limited is negotiating with Dipula Income Fund to purchase the 27 completed units within Visual International as well as the remainder of Stellendale 2, should Old Mutual decline the proposal made in March 2015.

In addition, refer to note 20 – Other financial liabilities and note 44 - Going concern for events subsequent to year end that might impact on the ability of the group to continue as a going concern.

VISUAL INTERNATIONAL HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2006/030975/06)
("Visual" or "the Company")

Directors
R Richards (Chairman)*#
CK Robertson(Chief Executive Officer)
G Noble(Financial Director)
PE Grobbelaar (Projects Director)
R Kadalie*#
Prof E Links*#
G Lundy*#
P Ranchod*#
CT Vorster*#
**Non-executive, #Independent*

NOTICE OF ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY

Notice is hereby given that the Annual General Meeting ("AGM") of shareholders of the Company will be held at 10:00 on Tuesday, 6 October 2015 at Evertsdal Guest House, 1 Gillian Street, Evertsdal, Durbanville, Cape Town to consider, and if deemed fit, to pass, with or without modifications, the resolutions set out below.

Record Date to Attend and Vote at the AGM
The board of directors of the Company has determined that the record date for the purpose of determining which shareholders of the Company are entitled to receive notice of this annual general meeting is Friday, 28 August 2015 and the record date for purposes of determining which shareholders of the Company are entitled to participate in and vote at the AGM is Tuesday, 6 October 2015. Accordingly, only shareholders who are registered in the register of members of the Company Tuesday, 6 October 2015 will be entitled to participate in and vote at the annual general meeting.

Who May Attend
1. If you are the registered holder of certificated shares or you hold dematerialised shares with "own name" registration:
   a. you may attend the AGM in person; or
   b. you may appoint a proxy to represent you at the AGM by completing the attached form of proxy in accordance with the instructions contained therein and by returning it to the transfer secretaries to be received no later than 10:00 on Friday, 2 October 2015.
   A proxy need not be a shareholder of the Company.

Proxy forms must be forwarded to reach the Company's transfer secretaries, Link Market Services South Africa Proprietary Limited, Rennie House, 13th Floor, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001, or posted to the transfer secretaries at PO Box 4844, Johannesburg, 2000, to be received by them by no later than 10:00 on Friday, 2 October 2015. Proxy forms must only be completed by shareholders who have not dematerialised their shares or who have dematerialised their shares and registered them in their own name.

2. If you hold dematerialised shares which are not registered in your name:
   a. and you wish to attend the AGM in person, you must obtain the necessary letter of representation from your Central Securities Depository Participant (CSDP) or broker or nominee (as the case may be); or
   b. if you do not wish to attend the AGM but would like your vote to be recorded at the meeting, you should contact your CSDP or broker or nominee (as the case may be) and furnish them with your voting instructions; and
   c. you must not complete the attached proxy form.

Electronic Participation at the AGM
In accordance with the provisions of section 61(10) of the Companies Act, the Company intends to make provision for shareholders and their proxies may participate in the AGM by way of telephone conference call. Shareholders wishing to do so:
- must contact the Company at +27 11 480 8686 by not later than 10:00 on Friday, 2 October 2015, to obtain a pin number and dial-in details for the conference call;
- will be required to provide reasonably satisfactory identification;
- will be billed separately by their own telephone service providers for the telephone call to participate in the meeting; and
- must submit their voting proxies to the transfer secretaries, Link Market Services South Africa Proprietary Limited, Rennie House, 13th Floor, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) ((011) 713 0800) by no later than 10:00 on Friday, 2 October 2015. No changes to voting instructions after this time and date can be accepted unless the Chairman of the meeting is satisfied as to the identification of the electronic participant.

Purpose of the Meeting
The purpose of the meeting is to present to the shareholders of the Company:
- the group audited financial statements for the year ended 28 February 2015;
- the directors' report;
- the report of the Audit Committee;
- the report of the Social & Ethics Committee; and
- to deal with any other business that may lawfully be dealt with at the AGM, and to consider and, if deemed fit, to pass, with or without modification, the resolutions set out below:

Ordinary Resolutions:

1. Ordinary resolution number 1 – Presentation and Acceptance of Annual financial statements

"**RESOLVED THAT** the consolidated annual financial statements for the year ended 28 February 2015, including the directors' report, the independent auditors' report and the audit and risk committee report thereon, be and are hereby received and accepted."

Explanatory Note:
Ordinary resolution 1 is proposed to receive and accept the group audited annual financial statements for the year ended 28 February 2015, including the directors' report, the independent auditors' report and the audit and risk committee report thereon.

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution is required.

2. Ordinary resolution number 2 – Director retirement and re-election – Dr E Links

"**RESOLVED THAT** Dr E Links, which director retires in terms of the Company's MOI and, being eligible, offers himself for re-election as a director of the Company be and is hereby approved."

Dr E Links' curriculum vitae is set out on page 7 of this integrated annual report.

3. Ordinary resolution number 3 – Director retirement and re-election – G J Lundy

"**RESOLVED THAT** Mr G J Lundy, which director retires in terms of the Company's MOI and, being eligible, offers himself for re-election as a director of the Company be and is hereby approved."

Mr Lundy's curriculum vitae is set out on page 8 of this integrated annual report.

4. Ordinary resolution number 4 – Director retirement and re-election – R Kadalie

"**RESOLVED THAT** Mr R Kadalie, which director retires in terms of the Company's MOI and, being eligible, offers himself for re-election as a director of the Company be and is hereby approved."

Mr Kadalie's curriculum vitae is set out on page 8 of this integrated annual report.

Explanatory note for ordinary resolutions 2 to 4:
In accordance with the MOI of the Company, one-third of the non-executive directors for the time being are required to retire at each meeting and may offer themselves for re-election.

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution is required.

5. Ordinary resolution number 5 – Re-appointment and remuneration of auditors

"**RESOLVED THAT** Baker Tilly Greenwoods be appointed as the external audit of the Company and of the group for the financial year ending 28 February 2016 and to remain in office until the conclusion of the next AGM and that its remuneration for the financial year ending 28 February 2015 be determined by the audit and risk committee."

Explanatory Note:
Ordinary resolution 5 is proposed to approve the appointment of Baker Tilly Greenwoods as the external auditor of the Company and the group for the financial year ending 28 February 2016 and to remain in office until the conclusion of the next AGM, and to authorise the audit and risk committee to determine its remuneration.

Subject to the passing of the resolution, Mr Chirag Lakhani will be the individual registered auditor who will undertake the audit for the financial year ending 28 February 2016.

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution is required.

6. Ordinary resolution number 6 – Appointment of Audit and Risk Committee member – P Ranchod

"RESOLVED THAT Mr P Ranchod be and is hereby re-elected as a member of the Audit and Risk Committee and to hold office until the next AGM in terms of section 94(2) of the Companies Act."

Mr Ranchod's curriculum vitae is set out on page 9 of this integrated annual report.

7. Ordinary resolution number 7 – Appointment of Audit and Risk Committee member – R Kadalie

"RESOLVED THAT Mr R Kadalie be and is hereby re-elected as a member of the Audit and Risk Committee and to hold office until the next AGM in terms of section 94(2) of the Companies Act."

Mr Kadalie's curriculum vitae is set out on page 8 of this integrated annual report.

8. Ordinary resolution number 8 – Appointment of Audit and Risk Committee member – G J Lundy

"RESOLVED THAT Mr G J Lundy be and is hereby re-elected as a member of the Audit and Risk Committee and to hold office until the next AGM in terms of section 94(2) of the Companies Act."

Mr Lundy's curriculum vitae is set out on page 8 of this integrated annual report.

9. Ordinary resolution number 9 – Appointment of Audit and Risk Committee member – Dr E Links

"RESOLVED THAT Dr E Links be and is hereby re-elected as a member of the Audit and Risk Committee and to hold office until the next AGM in terms of section 94(2) of the Companies Act."

Dr Links' curriculum vitae is set out on page 7 of this integrated annual report.

Explanatory Note for ordinary resolutions number 6 to9:
Ordinary resolutions 6 to 9 are proposed to elect an audit committee in terms of section 94(2) of the Companies Act and the King Report on Corporate Governance for South Africa ("King III").

Section 94 of the Companies Act requires that, at each AGM, shareholders of the Company must elect an audit committee comprising at least three members to perform the duties and responsibilities stipulated in section 94(7) of the Companies Act and in King III and to perform such other duties and responsibilities as may from time to time be delegated to it by the board.

The board is also satisfied that the proposed members meet the requirements of section 94(4) of the Companies Act and that they possess the required qualifications and experience as prescribed in Regulation 42 of the Companies Act Regulations, 2011, which requires that at least one third of the members of a company's audit committee at any particular time must have academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution is required.

10. Ordinary resolution number 10 – Approval of Remuneration Policy

"RESOLVED THAT the Remuneration Policy, a summary of which has been set out in the remuneration report in the integrated report, be and is hereby endorsed by way of a non-binding advisory vote."

Explanatory Note:
The board is responsible for determining the remuneration of executive directors in accordance with the remuneration policy of the Company. The remuneration committee assists the board in its responsibility for setting and administering remuneration policies in the Company's long-term interests. The remuneration committee considers and recommends remuneration for all levels in the Company, including the remuneration of senior executives and executive directors, and advises on the remuneration of non-executive directors. King III recommends that every year the Company's remuneration policy should be tabled to shareholders for a non-binding advisory vote at the AGM. This vote enables shareholders to express their views on the remuneration policies adopted and on their implementation. The remuneration committee prepared, and the board considered and accepted, the remuneration policy, as set out in the remuneration report in this integrated report, and shareholders are required to vote on it.

This ordinary resolution is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing arrangements. However the board will take the outcome of the vote into consideration when considering the Company's remuneration policy.

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution is required.

11. Ordinary resolution number 11 – General authority to allot and issue shares for cash

"**Resolved that**, subject to the provisions of the Companies Act, the Listings Requirements of the JSE and the Company's memorandum of incorporation, as a general authority valid until the next annual general meeting of the Company and provided that it shall not extend past 15 months from the date of this AGM, the authorised but unissued ordinary shares of the Company be and are hereby placed under the control of the directors who are hereby authorised to allot, issue, grant options over or otherwise deal with or dispose of these shares to such persons at such times and on such terms and conditions and for such consideration whether payable in cash or otherwise, as the directors may think fit, provided that:

- the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such equity securities or rights that are convertible into a class already in issue;
- this authority shall not endure beyond the next annual general meeting of the Company nor shall it endure beyond 15 months from the date of this meeting;
- the shares must be issued only to public shareholders (as defined in the Listings Requirements of the JSE) and not to related parties (as defined in the Listings Requirements of the JSE);
- upon any issue of shares which, together with prior issues during any financial year, will constitute 5% or more of the number of shares of the class in issue, the Company shall by way of an announcement on Stock Exchange News Service ("SENS"), give full details thereof, including the effect on the net asset value of the Company and earnings per share;
- the number of ordinary shares issued for cash shall not, in the current financial year, in aggregate, exceed 50% or 107 691 700 of the Company's issued ordinary shares (including securities which are compulsorily convertible into shares of that class); and
- the maximum discount at which shares may be issued is 10% of the weighted average traded price of the Company's shares over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors of the Company."

Explanatory Note:
Subject to the approval of the general authority proposed in terms of this ordinary resolution number 11, and in terms of the Listings Requirements, shareholders, by their approval of this resolution, grant a waiver of any pre-emptive rights to which ordinary shareholders may be entitled, in favour of the directors for the allotment and issue of ordinary shares in the share capital of the Company for cash other than in the normal course by way of a rights offer or claw-back offer or pursuant to the Company's s hare incentive scheme or acquisitions utilising such shares as currency to discharge the purchase consideration.

The proposed resolution to issue up to 107 691 700 (one hundred and seven million six hundred and ninety one thousand seven hundred) ordinary shares represents approximately 50% (fifty percent) of the issued share capital of the Company at the date of this notice.

In order for this resolution to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution is required.

Special Resolutions:

12. Special resolution number 1 – Non-Executive Directors' remuneration

"**RESOLVED THAT** that the fees payable to the non-executive directors for their services to the board and committees of the board for the year for a 12-month period beginning 1 March 2015 be approved as follows:

Office	**Per month**
Chairman of the Board	R17 500
Chairman of the Audit and Risk Committee	R17 500
Non-executive Directors	R12 500

Explanatory Note:
Section 66(8) (read with section 66(9)) of the Companies Act provides that, to the extent permitted in the Company's memorandum of incorporation, the Company may pay remuneration to its directors for their services as directors provided that such remuneration may only be paid in accordance with a special resolution approved by shareholders within the previous two years. The Company's memorandum of incorporation does not limit, restrict or qualify the power of the Company to pay remuneration to its directors for their service as directors in accordance with section 66(9) of the Companies Act. The remuneration committee has considered the remuneration for non-executive directors and the board has accepted the recommendations of the remuneration committee.

In order for this resolution to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution is required.

13. Special resolution number 2 – General authority to enter into funding agreements, provide loans or other financial assistance

"**RESOLVED that** the directors of the Company be and are hereby authorised, in accordance with section 45 of the Companies Act, to authorise the Company to provide direct or indirect financial assistance to any company, including a subsidiary of the Company incorporated in or outside the Republic of South Africa which is related or inter-related to the Company."

Explanatory Note:
Section 45 of the Companies Act provides, among other things, that, except to the extent that the memorandum of incorporation of a company provides otherwise, the board may authorise the Company to provide direct or indirect financial assistance (which includes lending money, guaranteeing a loan or other obligation and securing any debt or obligation) to a related or inter- related company or corporation, including a subsidiary of the Company incorporated in or outside of the Republic of South Africa, provided that such authorisation shall be made pursuant to a special resolution of the shareholders adopted within the previous two years, which approved such assistance either for the specific recipient or generally for a category of potential recipients and the specific recipient falls within that category.

In order for this resolution to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution is required.

14. Special resolution number 3 – Authority to issue shares, securities convertible into shares or rights that may exceed 30% of the voting power of the current issued share capital

"**Resolved that**: the authorised but unissued shares of the Company be and are hereby placed under the control of the directors (to the extent that this is necessary in terms of the Company's memorandum of incorporation) and the Directors be and are hereby authorised, to the extent required in terms of section 41(3) of the Companies Act, to allot and issue such number of shares in the authorised but unissued share capital of the Company as may be required for purposes of issuing shares, securities convertible into shares, or rights exercisable for shares in a transaction or series of integrated transactions notwithstanding the fact that such number of ordinary shares may have voting power equal to or in excess of 30% of the voting rights of all ordinary shares in issue immediately prior to such issue. This authority specifically includes the authority to allot and issue any ordinary shares in the authorised but unissued share capital of the Company to any underwriter(s) of a rights or claw-back offer (whether or not such underwriter is a related party to Visual (as defined for purposes of the Listings Requirements) and/or person falling within the ambit of section 41(1) of the Companies Act, being a director, future director, prescribed officer or future prescribed officer of the Company or a person related or inter-related to the Company or related or inter-related to a Director or prescribed officer of the Company or a nominee of any of the foregoing persons."

Reason for and effect of Special Resolution Number 3
The reason for special resolution number 3 is to:

a. obtain approval from the shareholders of the Company, in terms of the provisions of sections 41(1) and (3) of the Companies Act (to the extent required), to issue additional ordinary shares in the authorised but unissued share capital of the Company to enable the Company to issue shares, securities convertible into shares, or rights exercisable for shares in a transaction or series of integrated transactions notwithstanding the fact that such number of ordinary shares may have voting power equal to or in excess of 30% of the voting rights of all ordinary shares in issue immediately prior to such issue; and

b. to provide for the possibility of such shares being issued to persons and parties considered to be related and/or inter-related parties as defined in section 2 of the Companies Act, 2008 and the Listings Requirements of the Johannesburg Stock Exchange ("JSE"), which issue will be subject to the JSE Listings Requirements.

In order for this resolution to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution is required.

15. **Special resolution number 4: General authority to acquire (repurchase) shares**

"**RESOLVED THAT,** the Company and any subsidiary of the Company be and are hereby authorised, subject to the provisions of the Companies Act, the Listings Requirements of the JSE and the Company's memorandum of incorporation, to acquire ("repurchase"), as a general repurchase, up to 5% of the ordinary shares issued by the Company; provided that the Company and any subsidiary may only make such general repurchase subject to the following:

- any such acquisition of ordinary shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- authorisation thereto being given by the Company's memorandum of incorporation;
- the approval shall be valid only until the next AGM or for 15 months from the date of this resolution, whichever period is shorter;
- repurchases made not be made at a price greater than 10% above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the transaction is effected;
- at any point in time, the Company may only appoint one agent to effect any repurchase(s) on the Company's behalf;
- a resolution is passed by the board authorising the repurchase and confirming that the Company has passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Group;
- an announcement will be published as soon as the Company or any of its subsidiaries have acquired ordinary shares constituting, on a cumulative basis, 3% of the number of ordinary shares in issue and for each 3% in aggregate of the initial number acquired thereafter, in compliance with paragraph 11.27 of the JSE Listings Requirements;
- acquisitions of shares in aggregate in any one financial year may not exceed 5% of the Company's ordinary issued share capital, as the case may be, as at the date of passing of this special resolution;
- the Company and/or its subsidiaries may not acquire any shares during a prohibited period, as defined in the Listings Requirements of the JSE unless a repurchase programme is in place, where the dates and quantities of shares to be traded during the prohibited period are fixed and full details of the programme have been disclosed in an announcement over the SENS prior to the commencement of the prohibited period.

Explanatory Note:
Special resolution 4 is proposed to authorise the acquisition by the Company, and any subsidiary of the Company, of up to 5% of the ordinary shares issued by the Company.

The board's intention is for the shareholders to pass a special resolution granting the Company and its subsidiaries a general authority to acquire ordinary shares issued by the Company in order to enable the Company and its subsidiaries, subject to the requirements of the Companies Act, the Listings Requirements of the JSE and the Company's memorandum of incorporation, to acquire ordinary shares issued by the Company, should the board consider that it would be in the interest of the Company and/or its subsidiaries to acquire ordinary shares issued by the Company while the general authority subsists.

The board's intention is to request the shareholders to pass a special resolution granting the Company and its subsidiaries a general authority to acquire ordinary shares issued by the Company in order to enable the Company and its subsidiaries, subject to the requirements of the Companies Act, the Listings Requirements of the JSE and the Company's memorandum of incorporation to acquire shares issued by the Company should the opportunity present itself. The directors have no specific intention, at present, for the Company or any of its subsidiaries to acquire any of the Company's shares, but are of the opinion that it is in the best interest of the Company and its shareholders to have such a general authority in place so as to enable the Company or any of its subsidiaries to acquire shares issued by the Company should the market conditions, tax dispensation and price justify such an action.

In the event that shareholders grant the requested authority to repurchase shares, any decision by the directors to authorise the Company or any of its subsidiaries to use the general authority to acquire shares of the Company will be taken with regard to the prevailing market conditions and other factors and will be subject to the proviso that, after such acquisition, the directors are of the opinion that:

- the Company and the Group will be able, in the ordinary course of business, to pay their debts for a period of 12 months after the date of notice issued in respect of the AGM;
- the assets of the Company and the Group would be in excess of the liabilities of the Company and the Group. For this purpose, the assets and liabilities would be recognised and measured in accordance with the accounting policies used in the latest audited annual group annual financial statements;
- the ordinary capital and reserves of the Company and the Group will be adequate for a period of 12 months after the date of notice issued in respect of the annual general meeting; and
- the working capital of the Company and the Group will be adequate for a period of 12 months after the date of notice issue in respect of the AGM. The Company will ensure that its designated advisor will provide the necessary letter on the adequacy of the working capital in terms of the Listings Requirements of the JSE, prior to the commencement of any purchase of the Company's shares on the open market.

The JSE Listings Requirements require, in terms of section 11.26, the following disclosures, which appear in this annual report:

- Major shareholders – refer to page 47 of this annual report.
- Share capital of the Company – refer to page 52 of this annual report.

Directors' responsibility statement
The directors, whose names appear on page 35 of this annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statements false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this special resolution contains all information required by law and the JSE Listings Requirements.

Material changes

Other than the facts and developments reported on in this annual report, there have been no material changes in the financial or trading position of the Company and its subsidiaries since the date of signature of the audit report and up to the date of the notice of AGM.

In order for this resolution to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution is required.

Voting Rights

Each shareholder, whether present in person or represented by proxy, is entitled to attend and vote at the annual general meeting. On a show of hands every shareholder who is present in person or by proxy shall have one vote, and, on a poll, every shareholder present in person or by proxy shall have one vote for each share held by him/her.

By order of the Board

Arbor Capital Company Secretarial (Pty) Ltd
(Registration Number 1998/025284/07)
Company Secretary
31 August 2015

VISUAL INTERNATIONAL HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2008/014367/06)
("Visual" or "the Company")

FORM OF PROXY (for use by certificated and own name dematerialised shareholders only)

For use by certificated and "own name" registered dematerialised shareholders of the Company ("shareholders") at the Annual General Meeting of Visual to be held at 10:00 on Tuesday, 6 October 2015 at Evertsdal Guest House, 1 Gillian Street, Evertsdal, Durbanville, Cape Town ("the annual general meeting").

I/We (please print) ____

of (address) ____

being the holder/s of ____________________ ordinary shares of No Par Value in Visual, appoint (see note 1):

1. ____ or failing him,

2. ____ or failing him,

3. the chairperson of the annual general meeting,

as my/our proxy to act for me/us and on my/our behalf at the annual general meeting which will be held for the purpose of considering, and if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (see note2):

	Number of votes		
	For	**Against**	**Abstain**
Ordinary Resolution Number 1 – Presentation and acceptance of annual financial statements			
Ordinary Resolution Number -2 Director retirement and re-election – Dr E Links			
Ordinary Resolution Number -3 Director retirement and re-election – G J Lundy			
Ordinary Resolution Number -4 Director retirement and re-election – R Kadalie			
Ordinary Resolution Number 5 - Auditors' appointment and remuneration – Baker Tilly Greenwoods			

Ordinary Resolution Number 6 - Appointment of Audit and Risk Committee member – P Ranchod			
Ordinary Resolution Number 7 – Appointment of Audit and Risk Committee member – R Kadalie			
Ordinary Resolution Number 8 – Appointment of Audit and Risk Committee member – G J Lundy			
Ordinary Resolution Number 9 – Appointment of Audit and Risk Committee member – Dr E Links			
Ordinary Resolution Number 10 – Approval of Remuneration Policy			
Ordinary Resolution Number 11 – General authority to allot and issue shares for cash			
Special Resolution Number 1 – Non-Executive Directors' remuneration			
Special Resolution Number 2 – General authority to enter into funding agreements, provide loans or other financial assistance			
Special Resolution Number 3 – Authority to issue shares or rights that may exceed 30% of voting power			
Special Resolution Number 4 – General authority to acquire (repurchase) shares			

Signed at ______________________________ on ___________________________________ 2015

Signature ____

Assisted by me (where applicable) ____

Name ________________________________ Capacity ____________________________

Signature ____

1. **Certificated shareholders and dematerialised shareholders with "own name" registration**

If you are a certificated shareholder or have dematerialised your shares with "own name" registration and you are unable to attend the annual general meeting of Visual shareholders to be held on 10:00 on Tuesday, 6 October 2015 at Evertsdal Guest House, 1 Gillian Street, Evertsdal, Durbanville, Cape Town and wish to be represented thereat, you must complete and return this form of proxy in accordance with the instructions contained herein and lodge it with, or post it to, the transfer secretaries, namely Link Market Services South Africa Proprietary Limited at Rennie House, 13th Floor, 19 Ameshoff Street, Braamfontein, Johannesburg, 2000 (P O Box 4844, Johannesburg, 2000), so as to be received by them no later than 10:00 on Friday, 2 October 2015.

2. **Dematerialised shareholders other than those with "own name" registration**
If you hold dematerialised shares in Visual through a CSDP or broker other than with an "own name" registration, you must timeously advise your CSDP or broker of your intention to attend and vote at the annual general meeting or be represented by proxy thereat, in order for your CSDP or broker to provide you with the necessary authorisation to do so, or should you not wish to attend the annual general meeting in person, you must timeously provide your CSDP or broker with your voting instruction in order for the CSDP or broker to vote in accordance with your instruction at the annual general meeting.

NOTES

1. This form is for use by certificated shareholders and dematerialised shareholders with "own-name" registration whose shares are registered in their own names on the record date and who wish to appoint another person to represent them at the meeting. If duly authorised, companies and other corporate bodies who are shareholders having shares registered in their own names may appoint a proxy using this form, or may appoint a representative in accordance with the last paragraph below.

   Other shareholders should not use this form. All beneficial holders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker, and do not have their shares registered in their own name, must provide the CSDP or broker with their voting instructions. Alternatively, if they wish to attend the meeting in person, they should request the CSDP or broker to provide them with a letter of representation in terms of the custody agreement entered into between the beneficial owner and the CSDP or broker.

2. This proxy form will not be effective at the meeting unless received by the transfer secretaries of the Company, Link Market Services South Africa Proprietary Limited, Rennie House, 13th Floor, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000), not later than 10:00 on Friday, 2 October 2015.

3. This proxy shall apply to all the ordinary shares registered in the name of shareholders at the record date unless a lesser number of shares are inserted.

4. A shareholder may appoint one person as his proxy by inserting the name of such proxy in the space provided. Any such proxy need not be a shareholder of the Company. If the name of the proxy is not inserted, the chairman of the meeting will be appointed as proxy. If more than one name is inserted, then the person whose name appears first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of any persons whose names follow. The proxy appointed in this proxy form may delegate the authority given to him in this proxy by delivering to the Company, in the manner required by these instructions, a further proxy form which has been completed in a manner consistent with the authority given to the proxy of this proxy form.

5. Unless revoked, the appointment of proxy in terms of this proxy form remains valid until the end of the meeting even if the meeting or a part thereof is postponed or adjourned.

6. If
   6.1 a shareholder does not indicate on this instrument that the proxy is to vote in favour of or against or to abstain from voting on any resolution; or
   6.2 the shareholder gives contrary instructions in relation to any matter; or
   6.3 any additional resolution/s which are properly put before the meeting; or
   6.4 any resolution listed in the proxy form is modified or amended,

   the proxy shall be entitled to vote or abstain from voting, as he thinks fit, in relation to that resolution or matter. If, however, the shareholder has provided further written instructions which accompany this form and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in 6.1 to 6.4, then the proxy shall comply with those instructions.

7. If this proxy is signed by a person (signatory) on behalf of the shareholder, whether in terms of a power of attorney or otherwise, then this proxy form will not be effective unless:

   7.1 it is accompanied by a certified copy of the authority given by the shareholder to the signatory; or
   7.2 the Company has already received a certified copy of that authority.

8. The chairman of the meeting may, at his discretion, accept or reject any proxy form or other written appointment of a proxy which is received by the chairman prior to the time when the meeting deals with a resolution or matter to which the appointment of the proxy relates, even if that appointment of a proxy has not been completed and/or received in accordance with these instructions. However, the chairman shall not accept any such appointment of a proxy unless the chairman is satisfied that it reflects the intention of the shareholder appointing the proxy.

9. Any alterations made in this form of proxy must be initialled by the authorised signatory/ies.

10. This proxy form is revoked if the shareholder who granted the proxy:

    10.1 delivers a copy of the revocation instrument to the Company and to the proxy or proxies concerned, so that it is received by the Company by not later than 10:00 on Friday, 2 October 2015; or
    10.2 appoints a later, inconsistent appointment of proxy for the meeting; or
    10.3 attends the meeting in person.

11. If duly authorised, companies and other corporate bodies who are shareholders of the Company having shares registered in their own name may, instead of completing this proxy form, appoint a representative to represent them and exercise all of their rights at the meeting by giving written notice of the appointment of that representative. This notice will not be effective at the meeting unless it is accompanied by a duly certified copy of the resolution/s or other authorities in terms of which that representative is appointed and is received by the transfer secretaries of the Company, Link Market Services South Africa Proprietary Limited, Rennie House, 13th Floor, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000), not later than 10:00 on Friday, 2 October 2015.

Summary of rights established by section 58 of the Companies Act, 71 of 2008 ("Companies Act"), as required in terms of subsection 58(8)(b)(i)

1. A shareholder may at any time appoint any individual, including a non-shareholder of the Company, as a proxy to participate in, speak and vote at a shareholders' meeting on his or her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).

2. A proxy appointment must be in writing, dated and signed by the shareholder, and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 below (section 58(2)).

3. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder (section 58(3)(a)).

4. A proxy may delegate his or her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy ("proxy instrument") (section 58(3)(b)).

5. A copy of the proxy instrument must be delivered to the Company, or to any other person acting on behalf of the Company, before the proxy exercises any rights of the shareholder at a shareholders' meeting (section 58(3)(c)) and in terms of the memorandum of incorporation ("MOI") of the Company at least 48 hours before the meeting commences.

6. Irrespective of the form of instrument used to appoint a proxy:

   6.1 the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (section 58)4)(a));
   6.2 the appointment is revocable unless the proxy appointment expressly states otherwise (section 58(4)(b)); and
   6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company (section 58(4)(c)).

7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 above (section 58(5)).

8. If the proxy instrument has been delivered to a Company, as long as that appointment remains in effect, any notice required by the Companies Act or the Company's MOI to be delivered by the Company to the shareholder must be delivered by the Company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the Company to do so in writing and paid any reasonable fee charged by the Company for doing so (section 58(6)(b)).

9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).

10. If a Company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of proxy instrument:

    10.1 the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised (section 58(8)(a));

    10.2 the invitation or form of proxy instrument supplied by the Company must:

        10.1.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));

        10.1.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b)(ii)); and

        10.1.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting (section 58(8)(b)(iii));

    10.3 the Company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and

    10.4 the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to paragraph 7 above (section 58(8)(d)).

COMPANY INFORMATION

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Designated Advisor

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Transfer Secretaries

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Group Bankers

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Place and date of incorporation

Pretoria on 5 October 2006