



---

**adcorp**  
Connecting Potential

**Audited consolidated  
financial statements**

for the year ended 29 February 2020



---

# Contents

Commentary	2
Audited summarised consolidated statement of financial position	7
Audited summarised consolidated statement of profit or loss	8
Audited summarised consolidated statement of other comprehensive income	9
Audited summarised consolidated statement of cash flows	10
Audited summarised consolidated statement of changes in equity	12
Segment report	14
Notes to the audited summarised consolidated financial statements	18
Independent auditor's report	39
Corporate information	41

# Salient features

**Revenue** from continuing operations decreased by **10%** to **R13 billion** (2019: R14,5 billion restated\*)

**Operating profit from continuing operations** decreased by **49%** to **R195 million** (2019: R379 million restated\*)

**Cash generated by operations** decreased by **57%** to **R213 million** (2019: R500 million)

**Days Sales Outstanding (DSO)** decreased to **54 days** (2019: 52 days)

**Gearing ratio** increased to **58%** (2019: 27%)

**Earnings per share** decreased to **561 cents** loss per share (2019: 240 cents earnings per share)

**Headline earnings per share** decreased to a loss of **6,2 cents** (2019: 245 cents earnings per share)

**No dividend declared** for the year ended 29 February 2020 (2019: 96,1 cents)

\* Restated to classify Dare Holdings Proprietary Limited – Australia as an asset held for sale. Refer to note 4 (Discontinued operations).

# Commentary

## Financial overview

The year ended 29 February 2020 was a particularly challenging one for the Adcorp Group given a tough trading environment compounded by internal operational difficulties. In South Africa, the staffing industry continued to face challenges presented by a contracting economy and rising unemployment, while in Australia a series of natural disasters and political uncertainty depressed the demand for labour.

Adcorp's revenue from continuing operations decreased across all segments including Australia, which resulted in a consolidated Group revenue decline of 10% from R14,5 billion to R13 billion. The economic constraints experienced by clients in the Temporary Employment Services (TES) segment negatively impacted gross margin due to persistent price pressures.

The Group EBITDA from continuing operations for the year decreased by 26% to R341 million compared to R458 million in the prior year.

The new lease accounting standard IFRS 16 *Leases*, which requires the lessee to recognise all qualifying leased assets on the statement of financial position, has been adopted using the modified retrospective approach by the Group for the year ended 29 February 2020.

In light of the deterioration in financial performance, management undertook a review of the significant goodwill and intangible assets balance. The Group has impaired R558 million of goodwill in the resourcing-based cash-generating units in both South Africa and Australia given the significant slowdown in these businesses over the past year.

The drive to right-size the business and ensure an efficient operating structure and processes has continued to yield positive results. The implementation of Phase Two of the cost optimisation programme has delivered net savings of R144 million in operating expenses for FY2020 compared to FY2019.

The Group's effective tax rate for FY2020 was -16% largely driven by Employment Tax Incentive (ETI), learnership allowances and the recognition of certain assessed losses as deferred tax assets in line with growth expectations. Given the prevailing economic climate, the Group decreased its recognition of assessed losses to R343 million from R446 million in 2019. The unrecognised portion of the assessed loss is R680 million (2019: R313 million).

Cash generated by operating activities declined during the year from R500 million to R213 million, driven by lower EBITDA and a slight deterioration in the Group's days sales outstanding (DSO) from 52 days to 54 days.

## Operational review

### SOUTH AFRICA

#### Industrial Services

The Industrial Services division houses Adcorp's largest revenue generators, being TES and functional outsourcing of large workforces in industrial sectors.

Industrial Services revenue decreased by 7% due to reduced demand for labour and the final effects of the July 2018 Constitutional Court ruling on the "deeming" provision in the Labour Relations Act (LRA). The reduction in headcount volumes in Industrial Services has precipitated a review and restructure of the TES portfolio to prevent further erosion of margins.

The functional outsourcing business leverages the Group's competencies in workforce solutions to manage people-intensive processes on behalf of clients primarily in the retail and logistics sectors. This business continues to grow, albeit modestly, as clients revise their labour supply models and opt to outsource the management of their workforces and the associated risks.

#### Support Services

The Support Services division houses traditional temporary staffing solutions in office-based professions and contact centres operating under the *Kelly* and *Quest* brands. The division also includes the nursing placements' business, *Charisma*.

*Kelly* and *Quest* service clients primarily in the financial services, technology and telecommunications sectors and were severely impacted by the LRA ruling in 2015. The contact centre staffing part of this business has continued to experience immense headcount volume shrinkage as clients have opted to take staff permanent or augment their workforces with digital solutions. In FY2020, Support Services revenue decreased by 31% and EBITDA margin compressed significantly from 3,6% to 1,5%.

Going forward *Kelly*, *Quest* and *Charisma* will be managed within the Professional Services division given the client-led strategic alignment across these businesses.

#### Professional Services

Professional Services revenue decreased by 9% due to a reduction in demand for independent contractors and permanent placements as clients have reduced budgets in response to macroeconomic pressures.

The Professional Services division, which provides permanent resourcing solutions and independent contractors largely in the technology sector, has been negatively impacted by a slowdown in recruitment and delays in filling permanent placement roles. Finding the right skills in technology is increasingly becoming a challenge that is hampering the time it takes to place key roles within the IT resourcing business.

# Commentary (continued)

## Training

The Training division's revenue declined by 14% mainly due to the Group's strategic decision to focus on fit-for-purpose functional skills training in the engineering and construction sector, which yield higher margins. Therefore, despite a decline in revenue year-on-year, Training has seen a significant improvement in margins at a gross profit and EBITDA level, with the EBITDA margin improving to 16% in FY2020 from 3% in FY2019.

Adcorp's disability solutions company, *I Can*, continued to experience a demand for inclusive training solutions during the year and has retained its market leadership position. *Torque IT*, which is an IT certification business, also performed well as digital transformations within client environments drive demand for enhanced workforce skills.

## Financial Services

Trading has remained stable for the Financial Services division, which houses Fulfilment Services for the insurance sector, as well as affordable lifestyle benefit solutions customised for the Group's temporary assignee base. EBITDA increased 6% year-on-year, despite a 9% decrease in revenue, which is largely attributed to a reduction in the temporary assignee base. Financial Services is a non-core part of the Group and has post year-end been classified as an asset held for sale.

## AUSTRALIA

### Industrial and Professional Services

Revenue in the Australian business declined by 8% mainly due to drought conditions and flooding in the first half of the year, which materially impacted Labour Solutions Australia (LSA). LSA primarily provides staff to the agricultural sector.

Volumes were also lower in the remaining Australian businesses due to lower economic activity in the first half of the year as a result of the banking sector enquiry and national elections.

Although placement volumes stabilised in the second half of the year, this was insufficient to cover the revenue lost in H1. The fires that affected Australia in the second half of the year were a further contributing factor to the flat performance within that region.

### Cautionary announcement

The challenges faced in Australia in the year under review prompted a rigorous assessment of the Group's strategic position in this market, culminating in a decision by the Adcorp Board of Directors (the Board) to explore opportunities to exit this geography. Pursuant to this decision, shareholders are advised that Adcorp has entered into advanced negotiations regarding the disposal of Dare Australia, which if successfully concluded may have a material effect on the price of the Group's securities. Accordingly, shareholders are advised to exercise caution when dealing in Adcorp's securities until a full announcement is made.

### Events after the reporting period: Impact of COVID-19

Adcorp acted swiftly by implementing cost-saving and liquidity management interventions to mitigate the impact of reduced business activity resulting from the COVID-19 pandemic and lockdown. The Group has been working closely with all stakeholders to mitigate any risk to the business and maintain a healthy cash flow position.

Business continuity measures have been in place since the announcement of a national state of disaster in South Africa. These crisis management protocols which include staff temperature screening by Adcorp Group company *Charisma* and various initiatives run by a COVID-19 committee comprising the Adcorp Board and management, have been effective in ensuring that the parts of the Group that support clients in essential services remain operational throughout the lockdown.

Given the nature of the services the Group provides, the COVID-19 pandemic and lockdown has had a mixed impact on operations. The TES and functional outsourcing businesses provide staffing to essential services across the retail supply chain, health care, power supply and contact centres. *Charisma* also provides fit-for-work medical assessments to clients, which now include temperature screening. Therefore, the Industrial Services division in South Africa has continued operating throughout all levels of lockdown, albeit at reduced capacity.

The permanent placements business initially experienced a negative shock to the lockdown as clients reacted by implementing hiring freezes; however, this segment is slowly recovering.

*Paracon*, which mainly places IT independent contractors, has been largely unaffected by the lockdown due to the critical nature of these skills and the ability of these professionals to work remotely.

In line with the national lockdown regulations on education, the training businesses, which are largely classroom-based, remain closed. Given that client training spend is unlikely to recover significantly in FY2021 following a protracted lockdown period, the Training division will be the most affected by COVID-19 although plans to virtualise *Torque IT* and *PMI* courses are under way.

The national reaction to the COVID-19 outbreak has been less severe in Australia. However, reduced earnings are anticipated in H1 of FY2021 due to business disruptions and temporary closures.

## Changes to the Board of Directors

During the year and post year-end, the following changes to the Board occurred:

- Appointment of P Roux as Chief Executive Officer effective 23 April 2020.
- Resignation of Cheryl-Jane Kujenga as Chief Financial Officer effective 31 May 2020.
- Appointment of C Smith as non-executive director effective 10 January 2020.
- Resignation of Innocent Dutiro as Chief Executive Officer effective 8 October 2019.
- Resignation of M Mthunzi as an independent non-executive director effective 6 June 2019.
- Resignation of P Moeketsi as a non-executive director effective 6 June 2019.

The Board would like to thank the outgoing directors for their valued contribution to the Group and wish them well in their future endeavours. We welcome the new members to the Board and look forward to transforming the Adcorp Group together.

During the year there were also changes to the Company Secretary as FluidRock Co Sec Proprietary Limited resigned and L Laporte was appointed as Company Secretary with effect from 4 May 2020.

# Commentary (continued)

## Outlook

The key focus for the Adcorp Group in the 2021 financial year will be internal stabilisation, pursuit of incremental profitable top-line growth, margin enhancement and cost vigilance. The extent of the impact of COVID-19 on the business and future financial results remains uncertain. The Group continues to manage liquidity judiciously and implement the necessary actions to ensure business continuity.

The TES sector has continued to grow in recent years albeit at a slower rate given the impact of the Constitutional Court ruling on the “deeming” provision in the Labour Relations Act (LRA). TES remains a pillar of job creation for the South African economy particularly for first time job seekers and the youth. In addition, flexibility and staffing solutions will be a key requirement for some industries as they look to maintain operational levels in the year ahead, while navigating the unprecedented challenges arising from the COVID-19 pandemic.

Despite the disappointing results and the uncertainty presented by COVID-19, the Board remains optimistic about the Group’s value proposition consequent to a rigorous strategic process that has been embarked upon under new leadership. Adcorp remains South Africa’s largest workplace solutions provider and continues to use its capabilities and market position to make a positive impact on society by increasing employability and connecting people with job opportunities.

On behalf of the Board

**GT Serobe**  
*Chairman*

**PM Roux**  
*Chief Executive Officer*

29 June 2020



# Audited summarised consolidated statement of financial position

as at 29 February 2020

	Notes	2020 R'000	2019 R'000
<b>Assets</b>			
<b>Non-current assets</b>		<b>1 532 497</b>	1 711 896
Property and equipment		72 212	57 647
Intangible assets		210 968	231 601
Right-of-use assets		414 917	–
Goodwill	10	635 609	1 188 811
Investment		17 620	15 247
Deferred taxation		181 171	218 590
<b>Current assets</b>		<b>2 358 770</b>	2 647 253
Trade receivables		1 924 851	2 086 490
Other receivables		91 849	103 712
Investment – amortised cost		4 431	2 992
Taxation prepaid		18 485	87 202
Cash and cash equivalents		319 154	366 857
		<b>3 891 267</b>	4 359 149
Non-current assets held for sale and assets of disposal groups	4	116 039	–
<b>Total assets</b>		<b>4 007 306</b>	4 359 149
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>		<b>1 175 747</b>	1 905 474
Share capital and share premium		1 740 858	1 740 858
Treasury shares		(68 083)	(38 233)
Reserves		(497 028)	202 849
<b>Interest-bearing liabilities</b>	6	<b>1 499 344</b>	892 189
<b>Non-current liabilities</b>		<b>404 021</b>	697 126
Long-term loans		–	690 466
Lease liability		404 021	–
Provisions		–	6 660
<b>Current liabilities</b>		<b>1 095 323</b>	195 063
Short-term portion of long-term loans	6	1 001 684	194 836
Lease liability		93 457	–
Bank overdraft		182	227
<b>Non-interest-bearing liabilities</b>		<b>1 293 356</b>	1 561 486
<b>Non-current liabilities</b>		<b>85 655</b>	104 077
Deferred taxation		85 655	104 077
<b>Current liabilities</b>		<b>1 207 701</b>	1 457 409
Trade payables and other payables including IFRS 15 contract liabilities		1 010 646	1 111 233
Share-based payment liability		–	–
Provisions		162 429	286 663
Taxation		34 626	59 513
		<b>3 968 447</b>	4 359 149
Liabilities directly associated with assets classified as held for sale	4	38 859	–
<b>Total equity and liabilities</b>		<b>4 007 306</b>	4 359 149

# Audited summarised consolidated statement of profit or loss

for the year ended 29 February 2020

	Note	2020 R'000	Restated 2019 R'000
<b>Continuing operations</b>			
<b>Revenue</b>		<b>13 058 347</b>	14 526 509
Cost of sales		<b>(11 495 905)</b>	(12 530 028)
<b>Gross profit</b>		<b>1 562 442</b>	1 966 481
Other income		<b>28 302</b>	44 678
Operating expenses (excluding depreciation and amortisation)		<b>(1 250 157)</b>	(1 582 707)
Earnings before depreciation and amortisation		<b>340 587</b>	458 452
Depreciation and amortisation		<b>(145 305)</b>	(79 416)
<b>Operating profit</b>		<b>195 282</b>	379 036
Interest income		<b>22 592</b>	21 031
Interest expense		<b>(128 091)</b>	(104 728)
Impairment of intangible assets, goodwill and bonds		<b>(613 373)</b>	(6 821)
Profits from the sale of subsidiary and associate		<b>(715)</b>	574
<b>(Loss)/profit before taxation</b>		<b>(524 305)</b>	289 092
Taxation expense		<b>(84 226)</b>	(32 808)
<b>(Loss)/profit for the year from continuing operations</b>		<b>(608 531)</b>	256 284
<b>Discontinued operations</b>			
Profit for the year from discontinued operations	4	<b>4 781</b>	5 861
<b>(Loss)/profit for the year</b>		<b>(603 750)</b>	262 145
<b>(Loss)/profit attributable to:</b>			
Owners of the parent from continuing operations		<b>(608 845)</b>	255 811
Owners of the parent discontinued operations		<b>4 781</b>	5 861
Non-controlling interest		<b>314</b>	473
<b>Continuing operations</b>	5		
Basic (loss)/earnings per share (cents)		<b>(565,1)</b>	234,6
Diluted earnings/(loss) per share (cents)*		<b>(565,1)</b>	228,9
<b>Discontinued operations</b>	5		
Basic earnings per share (cents)		<b>4,4</b>	5,4
Diluted earnings per share (cents)*		<b>4,4</b>	5,2
<b>Total basic (loss)/earnings per share</b>	5		
Basic (loss)/earnings per share (cents)		<b>(560,7)</b>	240,0
Diluted (loss)/earnings per share (cents)*		<b>(560,7)</b>	234,1

\* FY2019 restated on the classification of Dare Holdings Proprietary Limited – Australia as a discontinued operation. Refer to note 4 Discontinued operations.

# Audited summarised consolidated statement of other comprehensive income

for the year ended 29 February 2020

	2020 R'000	Restated 2019 R'000
<b>Profit/(loss) for the year</b>	<b>(603 750)</b>	262 145
<b>Other comprehensive income/(loss)*</b>		
Exchange differences on translating foreign operations	<b>(4 109)</b>	3 975
Exchange differences arising on the net investment of a foreign operation	<b>6 582</b>	23 527
<b>Discontinued operations</b>		
Exchange differences on translating foreign operations	<b>1 282</b>	6 799
Other comprehensive income/(loss) for the year, net of tax	<b>3 755</b>	34 301
<b>Total comprehensive income/(loss) for the year</b>	<b>(599 995)</b>	296 446
<b>Total comprehensive income/(loss) attributable to:</b>		
Owners of the parent continuing operations	<b>(606 372)</b>	283 313
Owners of the parent discontinued operations	<b>6 063</b>	12 660
Non-controlling interest	<b>314</b>	473

\* All items included in other comprehensive income/(loss) will be reclassified to profit or loss upon derecognition.

# Audited summarised consolidated statement of cash flows

for the year ended 29 February 2020

	2020 R'000	2019 R'000
<b>Operating activities</b>		
Profit/(loss) before taxation	(517 864)	297 723
From continuing operations	(524 305)	289 092
From discontinued operations	6 441	8 631
<b>Adjusted for:</b>		
Depreciation and amortisation	29 193	25 845
Depreciation: right-of-use assets	62 777	–
Foreign currency exchange gains	–	(25 236)
Interest income	6	(3 752)
Impairment of financial asset	16 589	25 407
Amortisation of intangibles	53 335	53 571
Impairment of intangible assets, goodwill and bonds	558 081	6 821
Impairment of right of use assets	38 703	–
Profit/(loss) on the sale of property and equipment	(209)	(803)
Share-based payments	5 020	24 464
Unrealised foreign exchange loss	(14 559)	(1 514)
Non-cash portion of operating lease rentals	–	(3 417)
Profit on the sale of associate	715	(574)
Net movement on assets held for sale	–	(18 811)
Fair value adjustment	(2 373)	(2 003)
Other non-cash items	12 065	(4 639)
Decrease in bad debt provision	(8 418)	(14 127)
Interest income	(22 592)	(21 031)
Interest expense	128 091	104 624
<b>Cash generated from operations before working capital changes</b>	<b>338 560</b>	<b>442 548</b>
Decrease in trade and other receivables	70 097	173 683
Decrease in trade and other payables including IFRS 15 contract liabilities	(62 862)	(113 797)
Decrease/(increase) in provisions	(130 894)	6 121
Other non-cash items	(1 837)	(8 541)
<b>Cash generated by operations</b>	<b>213 064</b>	<b>500 014</b>
Interest income	22 592	24 783
Interest expense	(90 832)	(104 624)
Interest expense on lease liability	(37 259)	–
Cash settlement of share options exercised	–	(8 133)
Taxation paid	(20 025)	(59 550)
Dividend paid	(105 666)	(2 234)
<b>Net cash generated (utilised) by operating activities</b>	<b>(18 126)</b>	<b>350 256</b>

	2020 R'000	2019 R'000
<b>Investing activities</b>		
Additions to property, equipment and intangible assets	<b>(101 104)</b>	(32 138)
Proceeds from sale of property and equipment	<b>26 014</b>	5 083
Proceeds from other financial assets	<b>2 378</b>	32 508
Net cash inflow on disposal of associate	–	1 000
Net cash inflow from disposal of subsidiary	–	10 250
<b>Net cash generated (utilised) from investing activities</b>	<b>(72 712)</b>	16 703
<b>Financing activities</b>		
Payment from the issue of treasury shares	<b>(29 850)</b>	(15 231)
Repayment of borrowings	<b>(1 122 930)</b>	(1 366 966)
Proceeds from borrowings	<b>1 235 298</b>	1 033 216
Repayment of lease liabilities	<b>(35 417)</b>	–
<b>Net cash utilised by financing activities</b>	<b>47 101</b>	(348 981)
Net increase (decrease) in cash and cash equivalents	<b>(43 737)</b>	17 978
Cash and cash equivalents at the beginning of period/year	<b>366 630</b>	348 652
<b>Cash and cash equivalents at the end of the year</b>	<b>322 893</b>	366 630

# Audited summarised consolidated statement of changes in equity

for the year ended 29 February 2020

	Share capital R'000	Share premium R'000	Treasury shares R'000
<b>Balance as at 28 February 2018</b>	2 749	1 738 109	(23 002)
Recognition of B-BBEE and staff share-based payments	–	–	–
Treasury shares acquired	–	–	(15 231)
Dividend distributions	–	–	–
Profit for the year	–	–	–
Other comprehensive income	–	–	–
Equity due to change in control	–	–	–
<b>Balance as at 28 February 2019</b>	2 749	1 738 109	(38 233)
Recognition of B-BBEE and staff share-based payments	–	–	–
Treasury shares acquired	–	–	<b>(29 850)</b>
Dividend distributions	–	–	–
Profit for the year	–	–	–
Other comprehensive income	–	–	–
Equity due to change in control	–	–	–
<b>Balance as at 29 February 2020</b>	<b>2 749</b>	<b>1 738 109</b>	<b>(68 083)</b>

Share-based payment reserve R'000	Foreign currency translation reserve R'000	Retained earnings R'000	Attributable to equity holders of the parent R'000	Non- controlling interest R'000	Employees' share option scheme reserve R'000	Total R'000
137 310	(26 388)	(230 773)	1 598 005	3 908	676	1 602 589
24 464	–	–	24 464	–	–	24 464
–	–	–	(15 231)	–	–	(15 231)
–	–	(2 234)	(2 234)	–	–	(2 234)
–	–	261 672	261 672	473	–	262 145
–	10 774	23 527	34 301	–	–	34 301
–	–	–	–	(560)	–	(560)
161 774	(15 614)	52 192	1 900 977	3 821	676	1 905 474
<b>5 020</b>	–	–	<b>5 020</b>	–	–	<b>5 020</b>
–	–	–	<b>(29 850)</b>	–	–	<b>(29 850)</b>
–	–	<b>(105 666)</b>	<b>(105 666)</b>	–	–	<b>(105 666)</b>
–	–	<b>(604 064)</b>	<b>(604 064)</b>	<b>314</b>	–	<b>(603 750)</b>
–	<b>(2 827)</b>	<b>6 582</b>	<b>3 755</b>	–	–	<b>3 755</b>
–	–	–	–	<b>764</b>	–	<b>764</b>
<b>166 794</b>	<b>(18 441)</b>	<b>(650 956)</b>	<b>1 170 172</b>	<b>4 899</b>	<b>676</b>	<b>1 175 747</b>

# Segment report

for the year ended 29 February 2020

Information reported to the Group's Chief Executive (the Chief Operating Decision Maker (CODM)) for the purposes of resource allocation and assessment of segment performance is focused on the different service offerings and geographical region of operations. The Group's reportable segments under IFRS 8 are therefore as follows:

## Industrial Services

This operating segment provides industrial staffing solutions in the "blue collar" and technical areas and places assignees such as engineers, project support staff, artisans, construction workers, logistics, manufacturing and warehousing staff.

## Support Services

This operating segment provides support staffing solutions in "white collar" areas, such as nursing, clerical, administration, office and call centre positions.

## Professional Services

This operating segment provides highly skilled IT and digitally focused professionals. It also delivers consulting, project and managed services in a number of specialist domains.

## Training

This operating segment facilitates training and provides solutions to external clients and support to other Adcorp service lines.

## Central

A Central Segment plays a pivotal support role in the execution and the handling of specialised operational services such as finance, human resources, payroll, IT, legal, risk, compliance and marketing. This segment acts as a service centre for all other operating segments in the Group in order to identify efficiencies that will reduce costs and create a higher degree of strategic flexibility and support.

The geographic segment report is disclosed as (a) International (being operations in Australia) and (b) South Africa.

Segment profit represents the profit earned by each segment without allocation of the share of profits of associates and joint ventures, central administration costs including directors' salaries, finance income, non-operating gains or losses in respect of financial instruments and finance costs, and income tax expense. This is the measure reported to the Group's Chief Executive for the purpose of resource allocation and assessment of segment performance. For the purposes of monitoring segment performance and allocating resources between segments the Group's Chief Executive monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments with the exception of investments in associates and joint ventures, other financial assets (except for trade and other receivables) and tax assets. Goodwill has been allocated to reportable segments as described in note 11. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

Transactions between segments follow the Group's accounting policies.

No single customer contributes more than 10% of the Group's revenue.

Goodwill impairments recognised during the year relate to the Industrial and Professional Services segments in both South Africa and Australia. Refer to note 7 for detailed disclosures.



## **Financial Services**

The operating segment offers affordable, pay-as-you-go financial service and lifestyle benefit solutions customised for the Group's assignee base as well as external clients.

# Segment report (continued)

for the year ended 29 February 2020

	Industrial		South Africa – Support Services R'000	Professional Services		South Africa Training R'000
	South Africa R'000	Australia R'000		South Africa R'000	Australia R'000	
<b>Revenue</b>						
– 2020	<b>5 541 907</b>	<b>779 983</b>	<b>939 910</b>	<b>1 766 491</b>	<b>3 751 071</b>	<b>142 963</b>
– 2019	5 980 971	1 084 009	1 371 072	1 935 706	3 839 095	166 005
<b>Internal revenue</b>						
– 2020	<b>217 959</b>	<b>–</b>	<b>10 292</b>	<b>1 162</b>	<b>–</b>	<b>6 534</b>
– 2019	199 250	–	434 476	1 560	–	8 077
<b>Operating profit/(loss)</b>						
– 2020	<b>146 458</b>	<b>(5 851)</b>	<b>(49 211)</b>	<b>29 671</b>	<b>87 227</b>	<b>7 849</b>
– 2019	339 768	40 410	46 513	180 632	110 967	3 836
<b>EBITDA</b>						
– 2020	<b>301 861</b>	<b>(4 145)</b>	<b>14 001</b>	<b>125 201</b>	<b>91 463</b>	<b>22 413</b>
– 2019	344 005	42 416	49 387	188 552	116 142	5 806
<b>Depreciation and amortisation</b>						
– 2020	<b>12 376</b>	<b>1 705</b>	<b>2 733</b>	<b>38 822</b>	<b>17 033</b>	<b>4 588</b>
– 2019	4 243	2 007	2 877	23 707	5 175	1 970
<b>Interest income</b>						
– 2020	<b>(73 342)</b>	<b>(3)</b>	<b>(13 281)</b>	<b>(25 828)</b>	<b>–</b>	<b>(7)</b>
– 2019	76 191	110	13 281	27 217	7	190
<b>Interest expense</b>						
– 2020	<b>38 078</b>	<b>1</b>	<b>11 102</b>	<b>4 111</b>	<b>–</b>	<b>4 048</b>
– 2019	(48 406)	–	(9 988)	(4 755)	–	(4 401)
<b>Taxation expense/(income)</b>						
– 2020	<b>(30 660)</b>	<b>(2 082)</b>	<b>15 523</b>	<b>13 576</b>	<b>26 634</b>	<b>(1 956)</b>
– 2019	(68 452)	15 165	(17 461)	22 384	26 797	(11 621)
<b>Asset carrying value from continuing operations*</b>						
– 2020	<b>1 272 923</b>	<b>110 011</b>	<b>130 073</b>	<b>648 962</b>	<b>588 122</b>	<b>58 687</b>
– 2019	1 305 993	198 897	243 865	704 299	584 444	60 177
<b>Liabilities carrying value**</b>						
– 2020	<b>398 522</b>	<b>23 370</b>	<b>55 910</b>	<b>283 084</b>	<b>342 013</b>	<b>133 969</b>
– 2019	529 172	49 978	74 402	320 427	338 215	130 760

**2020**  
**R'000**

\* Reconciliation of assets carrying value to balance sheet.

Assets carrying value per the segment report

**3 891 267**

Other financial asset – relating to Dare

**116 039**

Total assets per balance sheet

**4 007 306**

\*\* Reconciliation of liabilities carrying value to balance sheet.

Liabilities carrying value per the segment report

**2 792 700**

Deferred taxation – relating to Dare

**38 859**

Total liabilities per balance sheet

**2 831 559**

South Africa Financial Services R'000	Subtotal R'000	Central		Total R'000	International R'000	South Africa R'000	Total R'000
		South Africa R'000	Australia R'000				
<b>136 021</b> 149 336	<b>13 058 347</b> 14 526 194	– 315	– –	– 315	<b>4 531 055</b> 4 923 104	<b>8 527 292</b> 9 603 405	<b>13 058 347</b> 14 526 509
– –	<b>235 947</b> 643 363	<b>16 523</b> 13 609	– –	<b>16 523</b> 13 609	– –	<b>252 470</b> 656 972	<b>252 470</b> 656 972
<b>53 410</b> 63 389	<b>269 554</b> 785 515	<b>(23 581)</b> (360 117)	<b>(50 691)</b> (46 363)	<b>(74 272)</b> (406 480)	<b>30 685</b> 105 014	<b>164 597</b> 274 021	<b>195 282</b> 379 035
<b>69 296</b> 65 189	<b>620 089</b> 811 497	<b>(264 712)</b> (329 762)	<b>(14 790)</b> (23 284)	<b>(279 501)</b> (353 046)	<b>72 528</b> 143 981	<b>268 059</b> 323 177	<b>340 588</b> 467 158
<b>3 308</b> 1 518	<b>80 565</b> 41 497	<b>41 383</b> 14 738	<b>23 358</b> 23 181	<b>64 740</b> 37 919	<b>42 096</b> 30 363	<b>103 209</b> 49 053	<b>145 305</b> 79 416
<b>(15 547)</b> 10 245	<b>(128 009)</b> 127 241	<b>106 076</b> (107 553)	<b>(659)</b> 1 343	<b>105 417</b> (106 210)	<b>(662)</b> 1 460	<b>(21 930)</b> 19 571	<b>(22 592)</b> 21 031
<b>7 311</b> (4 578)	<b>64 651</b> (72 128)	<b>49 196</b> (16 676)	<b>14 244</b> (15 820)	<b>63 440</b> (32 496)	<b>14 245</b> (15 820)	<b>113 846</b> (88 804)	<b>128 091</b> (104 624)
<b>12 253</b> 16 459	<b>33 287</b> (16 729)	<b>69 643</b> 63 727	<b>(18 704)</b> (11 420)	<b>50 939</b> 52 307	<b>5 847</b> 30 542	<b>78 378</b> 5 036	<b>84 226</b> 35 578
<b>29 809</b> 184 585	<b>2 838 588</b> 3 282 260	<b>600 733</b> 558 052	<b>451 630</b> 518 837	<b>1 058 009</b> 1 076 889	<b>1 149 764</b> 1 302 178	<b>2 746 833</b> 3 056 971	<b>3 896 598</b> 4 359 149
<b>17 041</b> 17 470	<b>1 253 908</b> 1 460 424	<b>1 288 129</b> 789 835	<b>252 616</b> 203 416	<b>1 534 139</b> 993 251	<b>622 652</b> 591 609	<b>2 170 048</b> 1 862 066	<b>2 792 700</b> 2 453 675

<b>2020</b>	<i>2019</i>
<b>R'000</b>	<i>R'000</i>

*Revenue*

<i>Continuing operations</i>	<b>13 058 347</b>	<i>14 526 509</i>
<i>Discontinued operations</i>	<b>480 552</b>	<i>538 932</i>
	<b>13 538 899</b>	<i>15 065 441</i>

*Operating profit/(loss)*

<i>Continuing operations</i>	<b>195 282</b>	<i>379 035</i>
<i>Discontinued operations</i>	<b>6 435</b>	<i>30 182</i>
	<b>201 717</b>	<i>409 217</i>

# Notes to the audited summarised consolidated financial statements

for the year ended 29 February 2020

## 1. Basis of preparation

The summarised consolidated financial statements are prepared in accordance with the JSE Listings Requirements and the requirements of the Companies Act, No 71 of 2008 of South Africa. The summarised consolidated financial statements are prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council, and must also, as a minimum contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of the summarised consolidated financial statements are in accordance with IFRS and, with the exception of the adoption of IFRS 16 *Leases*, are consistent with those applied in the preparation of the previous consolidated audited financial statements for the year ended 28 February 2019. The Group has adopted IFRS 16 *Leases*. The impact of the adoption of the accounting standard has been summarised in note 3.

These summarised consolidated financial statements were prepared by Rochelle Warriess CA(SA) under the supervision of Mr Thabiso Hermanus CA(SA), in his capacity as Group Finance Executive and have been audited by the Company's auditor.

## 2. Auditor's reports

These summarised consolidated financial statements for the year ended 29 February 2020 have been audited by Deloitte & Touche, who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the consolidated financial statements from which these summary consolidated financial statements were derived.

A copy of the auditor's report on the summarised consolidated financial statements and of the auditor's report on the consolidated financial statements are available for inspection during office hours 08:00 to 16:00, Monday to Friday, at the Company's registered office: Adcorp Place, 102 Western Service Road, Gallo Manor Ext 6, together with the financial statements identified in the respective auditor's reports.

The auditor's reports do not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain full understanding of the nature of the auditor's engagement, they should obtain a copy of that report together with the accompanying financial information from the Company's registered office.

Any forward-looking statements have not been reviewed or reported on by the Company's external auditor.

### 3. New standards adopted as at 1 March 2019

#### Application of IFRS 16 *Leases*

The Group primarily leases office buildings and information technology (IT) equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss and represent no change from the previous reporting period's accounting treatment.

Short-term leases have a term of 12 months or less and low-value assets comprise leases with a value below R75 000.

The Group elected to adopt IFRS 16 *Leases* prospectively from 1 March 2019 using the modified retrospective approach without restating comparative figures. IFRS 16 replaces the existing leases standard and the related interpretations.

In applying IFRS 16 for the first time, the Group made use of the practical expedients permitted by the standard. One such expedient allowed by the standard is the use of a single discount rate for leases with reasonably similar characteristics. The liability was measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate (IBR) at 1 March 2019. The weighted average incremental borrowing rate applied to the lease liability on 1 March 2019 was 10,3% for South Africa and 3,7% for Australia.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. This fundamentally changes how the Group will recognise operating leases where the Group is the lessee. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group will recognise a right-to-use asset and a lease liability for its operating lease of property. The nature of the expense related to this lease will now change from an operating lease charge to a depreciation charge for the right-of-use asset and interest expense for the lease liability.

#### Practical expedients applied

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review. There were no onerous contracts as at 1 March 2019.
- Accounting for operating leases with a remaining lease term of less than 12 months as at 1 March 2019 as short-term leases.
- Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application.

The Group also elected not to reassess whether a contract is, or contains, a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and IFRIC 4 *Determining Whether an Arrangement Contains a Lease*.

# Notes to the audited summarised consolidated financial statements (continued)

for the year ended 29 February 2020

## 3. New standards adopted as at 1 March 2019 (continued)

### Measurement of right-of-use assets

The right-of-use assets were measured at the amount equal to the lease liability. The right-of-use assets are subsequently measured at cost less any accumulated depreciation and impairment losses. The right-of-use assets are depreciated over the shorter of the assets' useful lives and the lease term on a straight-line basis. Lease payments were previously disclosed as operating expenses. Under the right-of-use model, depreciation and interest expense are now disclosed in the summary consolidated income statement. Right-of-use assets are presented as a separate line item on the summary consolidated statement of financial position.

### Measurement of lease liabilities

Lease liabilities are initially measured at the present value of the lease payments and subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Lease liabilities are presented as a separate line item on the summary consolidated statement of financial position.

The financial statements for the financial year ending 29 February 2019 disclosed lease commitments (in terms of the superseded IAS 17). A reconciliation of the disclosed commitments is provided to the present value of the lease liabilities on the date of adoption.

	<b>2020</b>
	<b>R'000</b>
Operating lease commitments disclosed as at 28 February 2019	<b>142 627</b>
Discounted using the lessee's incremental borrowing rate of at the date of initial application	<b>159 118</b>
(Less): short-term and low-value leases not recognised as a liability	<b>(19 593)</b>
(Add): commitments not disclosed at 28 February 2019	<b>27 061</b>
<b>Lease liability recognised as at 1 March 2019</b>	<b>166 586</b>

The lease liability recognised on 1 March 2019 is classified according to the following payment profiles:

	<b>2020</b>
	<b>R'000</b>
Current	<b>65 195</b>
Non-current	<b>101 391</b>
<b>Total lease liability recognised as at 1 March 2019</b>	<b>166 586</b>

Impact of the adoption of IFRS 16 *Leases*, on the consolidated statement of financial position (increase/(decrease)):

	<b>2020</b> <b>R'000</b>
Right-of-use asset	<b>166 586</b>
Lease liability	<b>166 586</b>
Equity impact – 1 March 2019	<b>–</b>

At 29 February 2020, the adoption of IFRS 16 *Leases* had a material impact across the financial statements of the Group. The full year impact of the adoption of the standard is summarised below (with detailed disclosures provided in the individual notes in the notes to the financial statements).

Impact on the summary consolidated statement of financial position (increase/(decrease)):

	<b>2020</b> <b>impact</b>
Right-of-use assets	<b>414 917</b>
Lease liability	<b>497 478</b>
Retained earnings impact – 29 February 2020	<b>(82 561)</b>

Impact on the summary consolidated statement of financial position ((increase)/decrease):

	<b>2020</b> <b>impact</b>
Operating expenses	<b>56 178</b>
<b>Earnings before interest, depreciation and amortisation</b>	<b>56 178</b>
Depreciation	<b>(62 777)</b>
<b>Operating profit</b>	<b>(6 599)</b>
Impairment of assets	<b>(38 703)</b>
Interest expense	<b>(37 259)</b>
<b>(Loss)/profit before tax</b>	<b>(82 561)</b>

# Notes to the audited summarised consolidated financial statements (continued)

for the year ended 29 February 2020

## 4. Discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

### Dare Holdings Proprietary Limited – Australia

During December 2019 the Board resolved to dispose of the Group's investment in Dare Holdings Proprietary Limited and negotiations with several interested parties have taken place. The disposal is consistent with the Group's long-term policy to focus its activities on the Group's other businesses.

The Group entered into a sale agreement to dispose of Dare Holdings Proprietary Limited, subject to regulatory conditions. All of these conditions are expected to be settled within 12 months and therefore the subsidiary has been classified as a disposal group held for sale and presented separately in the statement of financial position. The proceeds of disposal are expected to substantially exceed the carrying amount of the related net assets and accordingly no impairment losses have been recognised on the classification of these operations as held for sale.

### Rest of Africa operations

The Group disposed of its Rest of Africa operations which were disclosed as discontinued operations in 2018. The disposal transaction has been completed and the costs incurred in the current year relate to costs of winding up the operations (including closure of dormant entities).

The financial performance and cash flow information presented below relate to Dare Holdings Proprietary Limited in FY2019 and FY2020 and for the Africa Operations in FY2019.



## Financial services division

In the period after 29 February 2020, but prior to the issuance of the annual financial statements, the Group's management and Board of Directors approved the sale of the Financial services division. Adcorp Financial Services is housed within Adcorp Support Services Proprietary Limited, a subsidiary of Adcorp Holdings Proprietary Limited. A programme to market the asset was launched and numerous negotiations took place with potential buyers subsequent to the reporting period. The disposal is consistent with the Group's long-term strategy to focus its activities on its core capabilities and to utilise the proceeds from the sale of assets to reduce the Group's gearing.

As at 29 February 2020 Financial Services did not meet the requirements of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* for disclosure purposes.

The operating profit included in profit or loss for the year relating to Financial Services was R53m.

# Notes to the audited summarised consolidated financial statements (continued)

for the year ended 29 February 2020

## 4. Discontinued operations (continued)

	2020 R'000	Restated 2019 R'000
<b>Profit and loss</b>		
Revenue	480 552	538 932
Cost of sales	(440 612)	(502 766)
Gross profit/(loss)	39 940	36 166
Other income	–	8 203
Foreign currency exchange gains	–	25 236
Operating expenses	(33 505)	(39 423)
Operating profit/(loss)	6 435	30 182
Interest income	6	3 856
Impairments	–	(25 407)
Net loss before tax	6 441	8 631
Taxation	(1 660)	(2 770)
<b>Net loss after tax</b>	<b>4 781</b>	<b>5 861</b>
Other comprehensive income		
Exchange differences arising on translating foreign operations	1 282	6 799
<b>Total comprehensive income</b>	<b>6 063</b>	<b>12 660</b>
Attributable to:		
Dare – Australia	6 063	11 798
Rest of Africa	–	862
	<b>6 063</b>	<b>12 660</b>
The impairments relate to other financial assets, cash and trade receivables on which impairment losses were provided against. The assets are restricted in Angola.		
<b>Assets</b>		
<b>Non-current assets held for sale</b>	<b>295</b>	–
Property and equipment	295	–
<b>Current assets held for sale</b>	<b>115 744</b>	–
Trade and other receivables	111 823	–
Cash	3 921	–
<b>Total</b>	<b>116 039</b>	–
<b>Non-current liabilities associated with assets classified as held for sale</b>		
Trade and other payables	37 725	–
Tax payable	1 134	–
<b>Total</b>	<b>38 859</b>	–

The net cash flows incurred by Dare Holdings Proprietary Limited are, as follows:

	<b>2020</b>	2019
	<b>R'000</b>	R'000
<b>Cash flow from discontinued operations</b>		
Net cash outflow from operating activities	<b>(24 956)</b>	40 338
Net cash outflow from financing activities	<b>(147)</b>	(217)
<b>Net cash (outflow)/inflow</b>	<b>(25 103)</b>	40 121

## 5. Earnings per share

The calculation of earnings per share on continuing operations attributable to the ordinary equity holders of the parent is based on losses of R608 845 053 (2019: earnings R255 811 000), profit from discontinued operations of R4 780 767 (2019: R5 861 000), and ordinary shares of 107 732 131 (2019: 109 043 422), being the weighted average number of shares relative to the above earnings.

	<b>2020</b>	Restated 2019
	<b>R'000</b>	R'000
<b>Continuing operations</b>		
Basic (loss)/earnings per share (cents)	<b>(565,1)</b>	234,6
Diluted (loss)/earnings per share	<b>(565,1)</b>	228,9
<b>Discontinuing operations</b>		
Basic earnings per share (cents)	<b>4,4</b>	5,4
Diluted earnings per share	<b>4,4</b>	5,2
<b>Total basic loss per share (cents)</b>		
Basic (loss)/earnings per share (cents)	<b>(560,7)</b>	240,0
Diluted (loss)/earnings per share	<b>(560,7)</b>	234,1
111 754 773 (2017: 108 946 470) weighted diluted number of shares are determined as follows:		
<b>Reconciliation of diluted number of shares</b>		
Ordinary shares	<b>107 732 131</b>	109 043 442
Adcorp employee share schemes – dilution*	<b>1 975 659</b>	2 711 331
Adcorp employee share schemes – anti-dilutive shares excluded***	<b>(1 975 659)</b>	–
<b>Diluted number of shares</b>	<b>107 732 131</b>	111 754 773
<b>Reconciliation of headline (loss)/earnings from continuing operations**</b>		
(Loss)/profit for the year	<b>(608 845)</b>	255 811
Profit on sale of property and equipment	<b>(209)</b>	(803)
Taxation recovered on the sale of property and equipment	<b>58</b>	–

# Notes to the audited summarised consolidated financial statements (continued)

for the year ended 29 February 2020

## 5. Earnings per share (continued)

	2020 R'000	Restated 2019 R'000
Impairment of intangible assets, goodwill and bonds	<b>596 784</b>	6 821
Profits from the sale of businesses	<b>715</b>	(574)
Headline (loss)/earnings	<b>(11 497)</b>	261 255
Headline (loss)/earnings per share (cents)	<b>(10,7)</b>	239,6
Diluted headline (loss)/earnings per share (cents)	<b>(10,7)</b>	233,8
<b>Reconciliation of headline earnings from discontinued operations**</b>		
Profit for the year	<b>4 781</b>	5 861
Impairment of investments, goodwill and loans	<b>–</b>	–
Headline earnings	<b>4 781</b>	5 861
Headline earnings per share (cents)	<b>4,4</b>	5,4
Diluted headline earnings per share (cents)	<b>4,4</b>	5,2
<b>Reconciliation of headline (loss)/earnings from total operations</b>		
(Loss)/profit for the year	<b>(604 064)</b>	261 672
Impairment of investments, goodwill and loans	<b>596 784</b>	6 821
Profit on sale of property and equipment	<b>(209)</b>	(803)
Taxation recovered on sale of property and equipment	<b>58</b>	
Profits from the sale of businesses	<b>715</b>	(574)
Headline (loss)/earnings	<b>(6 716)</b>	267 116
Headline (loss)/earnings per share (cents)	<b>(6,2)</b>	245,0
Diluted headline (loss)/earnings per share (cents)	<b>(6,2)</b>	239,0

\* The dilution of shares results from the potential exercise of options in the employee share scheme.

\*\* Headline (loss)/earnings per share is based on earnings adjusted for (profit)/loss on sale of assets, impairment of investments and goodwill.

## 6. Interest-bearing liabilities

### 6.1 Long-term portion

	Interest rate	Maturity	2020 R'000	2019 R'000
Long-term loans – non-current portion		Six equal instalments on the last of each of the five months prior to 30 November 2020	–	690 466
Amortising term loan	JIBAR +340		–	200 000
Amortising revolving loan	JIBAR +340		–	450 000
Amortising revolving loan	2,9% – 3,15%	Equal semi-annual instalments due August 2020 and February 2021	–	40 466

### 6.2 Short-term portion

	Interest rate	Maturity	2020 R'000	2019 R'000
Long-term loans – current portion		Six equal instalments on the last of each of the five months prior to 30 November 2020	<b>1 001 684</b>	194 836
Amortising term loan	JIBAR +340		<b>570 000</b>	–
Amortising revolving loan	JIBAR +340		<b>200 000</b>	–
Amortising revolving loan	2,9% – 3,15%	Equal semi-annual instalments due August 2020 and February 2021	<b>231 684</b>	194 836

Trade receivables are used as security to secure funding relating to the revolving loan facilities. According to the facilities term sheet, the eligible receivables are defined as those with outstanding invoices aged up to 90 days. Under the terms agreed to, the Group is restricted from invoice discounting and any other factoring arrangements on the eligible receivables trade receivables are used as security to secure funding relating to the revolving loan facilities.

As security for the South Africa loan facility granted to the Group, a shared security agreement was entered into that holds a cession over the trade receivables between the following operating subsidiaries of the Adcorp Group:

- All About Project Management Proprietary Limited
- Adcorp Staffing Solutions Proprietary Limited
- Adcorp Fulfilment Services Proprietary Limited
- Adcorp Management Services Proprietary Limited
- Adcorp Support Services Proprietary Limited
- Quest Staffing Solutions Proprietary Limited
- Paracon SA Proprietary Limited
- Mondial IT Solutions Proprietary Limited
- Production Management Institute of Southern Africa Proprietary Limited

# Notes to the audited summarised consolidated financial statements (continued)

for the year ended 29 February 2020

## 6. Interest-bearing liabilities (continued)

- Adcorp Workforce Solutions Proprietary Limited
- Adcorp Workforce Management Solutions Proprietary Limited
- Comsel Eighteen Proprietary Limited
- Talentcru Proprietary Limited
- Tiger Tail Digital Proprietary Limited
- Torque Technical Computer Training Proprietary Limited
- Adcorp Contracting Proprietary Limited
- Adcorp Technical Training Proprietary Limited
- Adfusion Contract Management Services Proprietary Limited
- Adcorp Advantage Proprietary Limited
- M Squared Consulting MSP Proprietary Limited

## 7. Revenue

Revenue is measured based on the consideration to which the group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when performance obligations are met.

The group has the following streams of revenue

- Permanent placements recognised at a point in time R136 507 (2019:R176 097)
- Temporary placements recognised over time R10 611 482 (2019:R13 263 491)
- Training recognised over time R310 466 (2019: R300 671)
- Outsourced based solutions recognised at a point in time R1 999 892 (2019: 786 250)

The group does not enter into arrangements with deferred payment terms that exceed 12 months, therefore there is no significant financing component accounted for.

## 8. Subsequent events

### Impact of COVID-19

COVID-19 is an unprecedented humanitarian crisis that existed at the end of Adcorp's 2020 reporting period, and on 11 March 2020, the World Health Organization declared COVID-19 as a pandemic.

A national state of disaster was declared in South Africa on 15 March 2020, followed by a nationwide lockdown taking effect from 26 March 2020. The lockdown was initially set at a duration of 21 days in South Africa, and subsequently extended indefinitely under risk-adjusted levels of economic restrictions.

Australia locked down its borders on 20 March 2020 in response to the COVID-19 pandemic.

Adcorp management has concluded that the declaration of a national state of disaster in South Africa, and the ensuing nationwide lockdowns in South Africa and Australia, in response to the COVID-19 pandemic, are non-adjusting events after reporting period. As a result, the impact of COVID-19 on the accounting standards that require the use of forward-looking information (expected credit losses, deferred tax asset and goodwill impairment) were assessed based on information available as at 29 February 2020.

As the pandemic increases in both magnitude and duration, entities are experiencing conditions often associated with a general economic downturn. This includes but is not limited to financial

market volatility as well as margin erosion, credit deterioration and liquidity concerns. COVID-19 has spread rapidly, infecting millions worldwide and bringing the global economy to a near standstill as countries have imposed tight restrictions on movement to slow the rates of infection.

At the date of this report the effects of COVID-19 continue to create a situation that remains uncertain and volatile impacted by inter alia continuing changes in government policy and evolving business and customer reactions thereto. These circumstances indicate that the financial impact on business remains significant. Therefore, Adcorp management acknowledges that the economic effects arising from the COVID-19 outbreak are highly likely to negatively impact the consolidated results of the Group for the first half and full year of 2020. The continuation of these circumstances could result in a prolonged negative impact on the financial results of the Group.

#### **Adcorp Covid-19 response plan**

Adcorp management acted swiftly in response to the announcement of a national state of disaster in South Africa and the ensuing lockdowns in South Africa and Australia. This response was primarily intended to mitigate the impact of reduced business activity resulting from the COVID-19 pandemic and lockdown. The actions included implementation of various cost-saving and liquidity management interventions as well as business continuity measures to ensure that staff remained equipped to support clients in essential services. Adcorp's COVID-19 response plan also included the following cash management elements:

- **Cash flow management:** The Group's legal department proactively sought rental concessions with the landlords of occupied buildings. The concessions included measures to defer rental payments through the first three to six months of the national lockdown. Similar arrangements were sought with other suppliers who provide goods and services to the Group.
- **Reduction of non-essential spend:** The Group immediately sought to reduce all non-essential expenditure that could either be deferred into the second half of the year or avoided all together.
- **Salary sacrifices:** The Group's staffing requirements were considered in the immediate term following the announcement of the lockdown. Personnel were placed on immediate salary sacrifices ranging between 20% and 100% of their cost to company (dependent on the extent to which the personnel supported the services delivered by the Group to the essential service industry clients). The Group sought government financial relief to assist affected employees.

#### **Financial impact of COVID-19 from year-end to date of this report**

To date, actual revenue achieved has exceeded initial COVID-19 forecasts. The implementation of the cost-saving and liquidity management interventions have also delivered better outcomes than anticipated.

Management has performed a sensitivity analysis regarding the measurement of the key judgment assets to assess if there were any possible write-offs post year-end. Based on actual experience, there have been no additional write-offs of any receivables post year end and there has been an improvement in cash flow as a result of a focused approach on the collections process.

A preliminary assessment of the deferred tax assets recognised on tax losses, goodwill and indefinite life intangible assets indicated that there are currently no additional impairments and adjustment to these items as of the date of this report.

# Notes to the audited summarised consolidated financial statements (continued)

for the year ended 29 February 2020

## 8. Subsequent events (continued)

### Operational impact of COVID-19 from year-end to date of this report

Given the nature of the services the Group provides, the COVID-19 pandemic and lockdown has had a mixed impact on operations.

Adcorp's Training division delivers most of its services through a "face-to-face" learning delivery model. Consequently, the training businesses were largely unable to deliver learning to clients during level 5 and level 4 of the country-wide lockdown. The businesses continue to be affected and remain closed for trading in line with the lockdown regulations governing education despite the phased re-opening of the economy. The Group (through the technology transformation project under way) had already begun to shift its training offerings to online delivery methods. Management considers this transformation project as one of the key responses to returning the segment to normal trading levels in the medium term and a key growth strategy in the long term. However, given that client training spend is unlikely to recover significantly in FY2021 following a protracted lockdown period, the Training division will be the most affected by COVID-19.

The TES and functional outsourcing businesses provide staffing to essential services including across the retail supply chain, health care, power supply and contact centres. Charisma also provides fit-for-work medical assessments to clients, which now include temperature screening. Therefore, the Industrial Services division in South Africa has continued operating throughout all levels of lockdown, albeit at reduced capacity.

The permanent placements business initially experienced a negative shock to the lockdown as clients reacted by implementing hiring freezes; however, this segment is slowly recovering.

The IT resourcing business, which mainly places IT independent contractors, has been largely unaffected by the lockdown due to the criticality of these skills and the ability of these professionals to work remotely.

### Debt extension and restructure

The Group has concluded the South African operations facility extension and restructure in June 2020. The facility has been restructured to R850 million from the previous R1.15 billion facility and the period has been extended to May 2022. Two bullet payments are required to be made by 1 July 2021 to reduce the debt to R400 million. The current assessment of future cash flows indicates that this is achievable.

### Disposal of non-core assets

Management has identified the Financial Services division as a non-core asset which will be disposed of to assist with decreasing overall debt levels. The Group has commenced with the disposal process for this asset. Refer to note 4 (Discontinued operations) for further disclosure.



## 9. Going concern

In preparing the consolidated Group financial statements, the directors are responsible for evaluating the Group's ability to continue as a going concern. The directors have assessed the economic environment, current financial position and the Group's cash flow position for the next 12 months. The liquidity and solvency position has also be reviewed as part of this assessment.

### Solvency

We draw attention to the fact that at 29 February 2020, the Group had accumulated losses of R651 million and that the Group's total assets exceed its liabilities by R1 175 747.

### Liquidity

In assessing the liquidity position, a cash flow forecast was prepared up until 30 June 2021, which took into consideration the restructuring initiatives, the disposal of non-core assets and the debt extension and reduction of the Group. Collectively, these indicate that the Group will have sufficient cash resources for the period under review. Furthermore, the cash position is monitored on a daily basis by management. In evaluating the cash flow forecast for the period under review, some assumptions were made and are listed below:

- The reduction of debt through the sales of non-core assets
- Positive results from the restructuring initiatives to turn around the underlying business

### Debt reduction

The Group has committed to reducing its South African debt levels by R600m either through the sales of non-core assets and/or equity capital raise. The Board and management are committed to achieving the agreed milestones.

The Board is focused and committed to the restructuring initiatives and debt reduction of the Group. The directors are also of the view that there are no material uncertainties that cast doubt on the Group's ability to operate. The directors are also satisfied that the Group has sufficient resources, or access to resources, to continue with all operating activities for the foreseeable future. Based on this assessment, the directors have no reason to believe that the Group will not be a going concern for the foreseeable future.

### Going Concern Conclusion

The Board is focused and committed to the restructuring initiatives and debt reduction of the Group. The directors are also of the view that there are no material uncertainties that cast doubt on the Group's ability to operate. The directors are also satisfied that the Group has sufficient resources, or access to resources, to continue with all operating activities for the foreseeable future. Based on this assessment, the directors have no reason to believe that the Group will not be a going concern for the foreseeable future.

# Notes to the audited summarised consolidated financial statements (continued)

for the year ended 29 February 2020

## 10. Financial instruments

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, cash and cash equivalents disclosed and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings and the statement of changes in equity.

An Investment Committee was constituted during FY2018. This committee has considered the cost of capital and the risks associated with each class of capital. The current gearing ratio is 58% (FY2019: 27%). The committee has worked on the determination of an appropriate capital framework and target gearing for the Group. The Group historically had a target gearing ratio of 37%. Going forward, the committee believes that the appropriate leverage ratio for the nature of the business is the debt-to-EBITDA ratio and has a target of 1,5x. This will be reviewed on an ongoing basis as the strategic transformation progresses.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument, are disclosed in the accounting policies in the annual financial statements.

### 10.1 Categories for financial instruments

	2020 R'000	2019 R'000
<b>Financial assets</b>		
Investments – fair value through profit or loss	17 620	15 247
Receivables (excluding cash resources) – amortised cost	1 924 851	2 086 490
Cash	319 152	366 857
Investment – amortised cost	4 431	2 992
<b>Financial liabilities</b>		
Amortised cost (excluding bank overdraft)	1 743 386	1 775 987
Finance lease obligations	497 478	–
Bank overdraft	182	227
<b>The following table details the Group's remaining contractual maturity for its financial liabilities:</b>		
Within one year	1 796 572	1 085 521
Later than one year and not later than five years	444 292	690 466

## 10.2 Financial risk management objectives

The Group's executive and head office treasury function provides services to the business, coordinates access to domestic financial markets and monitors and manages the financial risks relating to the operations of the Group. These risks include market risk, credit risk, liquidity risk and cash flow interest rate risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The head office treasury function reports quarterly to the Board, which monitors risks and policies implemented to mitigate risk exposures.

## 10.3 Interest risk management

The Group is exposed to interest rate risk because it has borrowings that attract interest at floating rate.

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting year. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's loss for the year after tax would increase/decrease by R10,5 million (2019: decrease/increase by R11,7 million).

## 10.4 Financial risk management

### Liquidity risk

Liquidity risk is the risk that the Group will not be able to repay its financial obligations as they fall due. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

### Credit risk

Credit risk with respect to trade accounts receivable is limited due to the blue-chip nature of the Group's client base. Credit assessments are done and continually updated on all the Group's clients.

	On demand R'000	Less than 3 months R'000	3 – 12 months R'000	1 – 5 years R'000	More than 5 years R'000	Total R'000
Interest-bearing loans – South Africa	–	–	770 000	–	–	770 000
Interest-bearing loans – Australia	–	–	231 684	–	–	231 684
Trade and other payables	–	741 702	–	–	–	741 702
Lease liabilities	–	231	52 955	103 172	341 121	497 478
Interest	–	9 011	16 731	116 978	133 385	276 105
<b>Total</b>	<b>–</b>	<b>750 944</b>	<b>1 071 370</b>	<b>220 150</b>	<b>474 506</b>	<b>2 516 970</b>

# Notes to the audited summarised consolidated financial statements (continued)

for the year ended 29 February 2020

## 10. Financial instruments (continued)

### 10.4 Financial risk management (continued)

#### Foreign currency

The Company undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuations arise.

The sensitivity analysis below represents the extent to which the Company has monetary assets and liabilities other than the Company's functional currency. Based on the net exposure below it is estimated that a 10% change in the Australian dollar foreign exchange rate against the functional currency will impact the fair value of the net asset value as well as the Group's profit to the extent of R25 million (2019: R24 million).

### 10.5 Financial instruments

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used):

Financial assets/ financial liabilities	2020 R'000	2019 R'000	Valuation technique(s) and key inputs	Fair value hierarchy	Significant observable input(s)	Relationship of unobservable inputs to fair value
Investment – fair value through profit and loss	17 620	15 247	Fair value – market valuation	Level 2	Aggregated publicly traded unit trusts at fair market value	A significant increase in the fair value of invested unit trusts would result in a significant increase in fair value

## 11. Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Goodwill and other indefinite useful-life intangible assets are assessed annually for impairment.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that are expected to benefit from the synergies of the combination.

A cash-generating unit (CGU) to which goodwill has been allocated is tested for impairment annually, or more frequently, when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata, based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The estimated future cash flows and discount rates used are pre-tax based on an assessment of the current risks applicable to the specific CGU.

The weighted average cost of capital rate is derived from taking into account market risks as well as the cost of debt. The variables used in the model are established on the basis of management judgement and current market conditions.

The variables used in the model are established on the basis of management judgement and current market conditions. Management judgement is also applied in estimating the future cash flows of the CGUs.

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value-in-use calculation is based on a discounted cash flow (DCF) model. Impairment losses recognised in the current year were based on the value in use of the relevant CGUs.

The cash flow inputs to the DCF were derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. In certain instances the budgets have been revised to take into account the business risks.

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for the terminal-value calculation. The key assumptions used to determine the recoverable amount for the different CGUs are discussed further in this note.

# Notes to the audited summarised consolidated financial statements (continued)

for the year ended 29 February 2020

## 11. Goodwill (continued)

### Key estimates and assumptions

Key assumptions include the discount rate and cash flows used to determine the value in use. Future cash flows are estimated based on the most recent budgets and forecasts approved by management covering periods between three to five years and are extrapolated over the useful life of the asset to reflect the long-term plans for the Group using the estimated growth rate for the specific business.

Following observable decline in business results, the Group performed an impairment assessment at 31 August 2019 (on release of the Group's interim financial results). The impairment test performed at 31 August 2019 was followed by the annual impairment test at 29 February 2020. The impairment tests resulted in total impairment of R558 million for the full year.

### Sensitivity analysis

The impairment calculations are most sensitive to the following assumptions:

- Anticipated earnings growth
- Discount rates
- Terminal growth rates

**Anticipated earnings** – Directors recognise the ongoing uncertainty with regard to certain aspects of the legislative environment within which the Industrial Services segment CGUs operate. The continued positive engagement with clients provides management with confidence that the inputs to the DCF calculation are appropriate.

**Discount rates** – Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate

## Reconciliation of beginning and ending balance

	2020 R'000	2019 R'000
<b>Cost</b>		
Opening balance	1 586 297	1 552 675
Additional amounts recognised from business combinations during the year (refer to note 33)	-	-
Foreign currency adjustment	4 879	33 622
<b>Closing balance</b>	<b>1 591 176</b>	1 586 297
<b>Impairment</b>		
Opening balance	(397 486)	(390 665)
Impairment of goodwill during the year*	(558 081)	(6 821)
<b>Closing balance</b>	<b>(955 567)</b>	(397 486)
<b>Carrying amount at the end of the year</b>	<b>635 609</b>	1 188 811
After recognition of impairment losses, the carrying amount of goodwill is attributable to the following material CGUs:		
<b>Industrial Services</b>	<b>142 307</b>	478 818
<b>South Africa</b>	<b>83 109</b>	288 657
Adcorp BLU, a division of Adcorp Workforce Solutions Proprietary Limited	83 109	209 348
Staff U Need, a division of Adcorp Staffing Solutions Proprietary Limited	-	79 309
<b>Australia</b>	<b>59 198</b>	190 161
Labour Solutions Australia Group of Companies	59 198	190 161
<b>Financial Services</b>	<b>148 656</b>	148 656
FMS, a division of Adcorp Support Services Proprietary Limited	148 656	148 656
<b>Professional Services</b>	<b>344 646</b>	561 337
<b>South Africa</b>	<b>128 612</b>	348 331
Adcorp Workforce Management Solutions Proprietary Limited	128 612	341 061
DAV Professional Placement Group, a division of Adcorp Fulfilment Services Proprietary Limited	-	7 270
<b>Australia</b>	<b>216 034</b>	213 006
Paxus Holdings Pte	207 600	204 041
TalentCru Proprietary Limited	8 434	8 965
Razzbri Proprietary Limited	-	-
<b>Total</b>	<b>635 609</b>	1 188 811

# Notes to the audited summarised consolidated financial statements (continued)

for the year ended 29 February 2020

## 11. Goodwill (continued)

	2020 R'000	2019 R'000
As a result of the annual impairment review, the Group impaired the goodwill in the following CGUs:		
<b>Industrial Services</b>		
<b>South Africa</b>		
Staff U Need, a division of Adcorp Staffing Solutions Proprietary Limited	(79 309)	–
Adcorp BLU, a division of Adcorp Workforce Solutions Proprietary Limited	(126 239)	–
<b>Australia</b>		
Razzbri Proprietary Limited	–	(6 821)
Labour Solutions Australia Group of Companies	(132 813)	–
<b>Professional Services</b>		
Adcorp Workforce Management Solutions Proprietary Limited	(212 449)	–
DAV Professional Placement Group, a division of Adcorp Fulfilment Services Proprietary Limited	(7 271)	–
<b>Total</b>	<b>(558 081)</b>	<b>(6 821)</b>



# Independent auditor's report on summarised consolidated financial statements

## To the shareholders of Adcorp Holdings Limited

### Opinion

The summarised consolidated financial statements of Adcorp Holdings Limited, which comprise the summarised consolidated statement of financial position as at 29 February 2020, the summarised consolidated statement of profit or loss and summarised consolidated statement of other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Adcorp Holdings Limited for the year ended 29 February 2020.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Adcorp Holdings Limited, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in note 1 to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

### Other matter

We have not audited future financial performance and expectations by management included in the accompanying summarised consolidated financial statements and accordingly do not express any opinion thereon.

### Summarised consolidated financial statements

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Adcorp Holdings Limited and the auditor's report thereon.

### The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 29 June 2020. That report also includes the communication of key audit matters as reported in the auditor's report of the audited financial statements.

# Independent auditor's report on summarised consolidated financial statements (continued)

## Directors' responsibility for the summarised consolidated financial statements

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in note 1 to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting

Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

## Auditor's responsibility

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the consolidated audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

**Deloitte & Touche**  
Registered Auditor  
Per: MLE Tshabalala  
Partner

29 June 2020

5 Magwa Crescent  
Midrand  
2066  
South Africa

# Corporate information

## Adcorp Holdings Limited

Registration number 1974/001804/06  
Listed 1987  
Share code: ADR  
ISIN: ZAE000000139  
Website: [www.adcorpgroup.com](http://www.adcorpgroup.com)

## Registered office

Adcorp Holdings Limited  
Adcorp Place  
102 Western Service Road  
Gallo Manor Ext 6, 2191  
PO Box 70635, Bryanston, 2021  
Tel: 010 800 0000  
Email: [info@adcorpgroup.com](mailto:info@adcorpgroup.com)

## Company Secretary

Lisa Laporte  
Adcorp Place  
102 Western Service Road  
Gallo Manor Ext 6, 2191  
PO Box 70635, Bryanston, 2021  
Tel: 010 800 0000  
Direct: 010 800 0786  
Email: [lisa.laporte@adcorpgroup.com](mailto:lisa.laporte@adcorpgroup.com)

## Investor relations

Nomonde Xulu  
Tel: 011 800 0000  
Direct: 010 800 0209  
Email: [nomonde.xulu@adcorpgroup.com](mailto:nomonde.xulu@adcorpgroup.com)

## Auditor

Deloitte & Touche  
5 Magwa Crescent  
Midrand  
2066  
South Africa

## Legal advisers

Eversheds Sutherland SA  
3rd Floor, 54 Melrose Boulevard  
Melrose Arch, Melrose North  
Johannesburg, 2196  
PO Box 782244, Sandton City, 2146  
Tel: 087 358 9857

## Transfer secretaries

4 Africa Exchange Registry Proprietary Limited  
Cedar Woods House  
Ballywoods Office Park  
33 Ballyclare Drive  
Bryanston, 2191  
Tel: 011 100 8352  
Email: [admin@4aregistry.co.za](mailto:admin@4aregistry.co.za)

## Sponsors

Nedbank Corporate & Investment Banking,  
a division of Nedbank Limited  
3rd Floor, Block F  
135 Rivonia Road  
Sandown, Sandton, 2196  
Tel: 011 2958525  
Email: [doristh@nedbank.co.za](mailto:doristh@nedbank.co.za)

