CARTRACK

PUTTING YOU IN CONTROL

CONSOLIDATED FINANCIAL STATEMENTS 2015

for the year ending 28 February

(Registration number 2005/036316/06)

Grant Thornton Chartered Accountants (SA)

Registered Auditors

These consolidated financial statements have been audited in compliance with the applicable requirements of the Companies Act No 71 of 2008.

Published 25 May 2015

With
more
than
430 000
subscribers
worldwide and
a highly scalable
technology platform,
Cartrack is a global
leader and highly respected
company in its field.

CONTENTS

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

LEVEL OF ASSURANCE

These consolidated financial statements have been audited in compliance with the applicable requirements of the Companies Act No 71 of 2008.

PREPARER

F Hassim CA(SA)
Group Reporting Accountant

PUBLISHED

25 May 2015

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	A holding company with the principal activities of the design and development of telematics equipment and software, and the provision of fleet management and mobile asset solutions and vehicle recovery services
Directors	IJ Calisto (Executive) JR Edmeston (Executive) DJ Brown (Non-executive) AT Ikalafeng (Non-executive) K White (Non-executive)
Registered office	Cartrack Corner Corner Jan Smuts and 7th Avenue Rosebank, Johannesburg South Africa, 2196
Business address	Cartrack Corner Corner Jan Smuts and 7th Avenue Rosebank, Johannesburg South Africa, 2196
Postal address	PO Box 4709 Rivonia, 2128
Holding company	Onecell Holdings Proprietary Limited incorporated in South Africa
Bankers	First National Bank – a division of FirstRand Bank Limited Standard Bank Limited, Nedbank Limited, Mercantile Bank Limited
Auditors	Grant Thornton Chartered Accountants (SA) Registered Auditors A South African member firm of Grant Thornton International
Secretary	A de Villiers
Company registration number	2005/036316/06

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act No 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated 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 year then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated financial statements.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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 consolidated financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The external auditors are responsible for independently auditing and reporting on the group's consolidated financial statements. The consolidated financial statements have been examined by the group's external auditors and their report is presented on page 4.

The consolidated financial statements set out on pages 5 to 44 which have been prepared on the going-concern basis, were approved by the board on 25 May 2015 and were signed on its behalf by:

IJ Calisto (Executive)

JR Edmeston (Executive)

Rosebank
25 May 2015

INDEPENDENT AUDITOR'S REPORT

Grant Thornton
An instinct for growth™

To the shareholders of

Cartrack Holdings Limited

We have audited the consolidated financial statements of Cartrack Holdings Limited, set out on pages 8 to 44, which comprise the consolidated statement of financial position as at 28 February 2015, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The company's directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated 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 about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated statement of financial position of Cartrack Holdings Limited at 28 February 2015, and its consolidated statement of financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated financial statements for the year ended 28 February 2015, we have read the directors' report, for the purpose of identifying whether there are material inconsistencies between this report and the audited consolidated financial statements. This report is the responsibility of the respective preparers. Based on reading this report we have not identified material inconsistencies between this report and the audited consolidated financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

Grant Thornton

GRANT THORNTON
Chartered Accountants (SA)
Registered auditors

MZ Sadek
Partner Chartered Accountant (SA)
Registered auditor

25 May 2015

52 Corlett Drive
Wanderers Office Park
Illovo, 2196

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the consolidated financial statements of Cartrack Holdings Limited for the year ended 28 February 2015.

Nature of business

Cartrack Holdings Limited is a holding company incorporated in South Africa and listed under the short code 'CTK' in the Business Support Services sector on the Johannesburg Stock Exchange (JSE). The group's activities are focused on the design, development and installation of telematics technology; data collection and analysis and the delivery of fleet and mobile asset management solutions delivered as Software-as-a-service ('Saas') and the tracking and recovery of vehicles. The group operates in various countries across a number of continents.

There have been no material changes to the nature of the group's business from the prior year.

Review of financial results and activities

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act No 71 of 2008. The accounting policies have been applied consistently compared to the prior year, except for the change of accounting policy as per IAS 16 Property, plant and equipment and IAS 8 Accounting policies, changes in estimates, errors as set out in note 2.

Full details of the financial position, results of operations and cash flows of the group are set out in these consolidated financial statements.

Share capital

	2015	2014	2013
Authorised number of shares			
Ordinary par value shares		1 000	1 000
No par value shares	**1 000 000 000**		
	1 000 000 000	1 000	1 000
Issued number of shares			
Ordinary par value shares		142	100
No par value shares	**3 000 000 000**		
	3 000 000 000	142	100

During the year under review and in anticipation of its listing on the JSE, the authorised 1 000 ordinary par value shares were converted to no par value shares and the authorised share capital was increased to 1 000 000 000 no par value shares.

The group issued 299 999 858 no par value shares at a nominal value of R300. The group was listed on the JSE on 19 December 2014.

Dividends

The group's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion the board may consider a special dividend, depending on the need to retain funds for expansion or operating purposes.

Dividends paid to shareholders of the group during the year under review amounts to R48 000 000. Subsequent to the financial year end 28 February 2015, a dividend has been declared in the amount of 30 cents per share which is payable by 22 June 2015.

Acquisitions and new operations

During the year, the group acquired a number of Cartrack licensees in Africa and Europe. New operations were opened in various countries in Asia and the Middle East.

Directorate

The board of directors of the Group ('the Board') comprises:

Directors

J Calisto (Executive)	Global Chief Executive Officer	
JR Edmeston (Executive)	Global Chief Financial Officer	Appointed 19 August 2014
DJ Brown (Non-executive)	Independent Chairperson	Appointed 13 October 2014
AT Ikalafeng (Non-executive)	Independent	Appointed 13 October 2014
K White (Non-executive)	Independent	Appointed 13 October 2014
L Madeira (Non-executive)	Non-Independent	Resigned 1 March 2014
C Sanderson (Executive)	Financial Director	Resigned 13 October 2014
J Marais (Executive)	Sales Director	Resigned 13 October 2014

Directors' interests in shares

The director's interests in shares are set out below:

Shareholders (Indirect shareholding)	%	Number of shares
IJ Calisto (Executive)	68.00	203 980 424
J Marais (Director of associated company)	12.00	36 019 576
	80.00	**240 000 000**

The register of interests of directors and others in shares of the company is available to the shareholders on request.

Related party transactions

The details of related party transactions are set out in note 23 of the group financial statements.

Holding company and shareholding

The company's holding company is Onecell Holdings Proprietary Limited which holds 80% (2014: 100%) of the company's equity. Onecell Holdings Proprietary Limited is incorporated in South Africa. Prior to the listing, the company repurchased 60 million shares from Onecell Holdings Proprietary Limited. The company issued 60 million no par value shares to the public when the company listed on the JSE.

Shareholding

The following table lists the shareholders of the group:

Shareholders	%	Number of shares
Onecell Holdings Proprietary Limited	80.00	240 000 000
LMA Madeira	5.80	17 438 766
Other shareholders below 5%	14.20	42 561 234
	100.00	**300 000 000**

Events after the reporting period

Onecell Manufacturing Proprietary Limited, a related party to the group, was acquired in March 2015.

There are no contingent liabilities at year-end.

Litigation statement

As at the date of this report, the directors are not aware of any existing, pending or threatened litigation proceedings which may have a material effect on the financial position of the group or any subsidiary.

Going concern

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated financial statements have been prepared on a going-concern basis. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

Auditors

Grant Thornton continued in office as auditors for the group for 2015.

At the AGM, the shareholders will be requested to reappoint Grant Thornton as the independent external auditors of the company and to confirm Mr MZ Sadek as the designated lead audit partner for the 2016 financial year.

Secretary

The company secretary is A de Villiers.

Business address
Cartrack Corner
Corner Jan Smuts and 7th Avenue
Rosebank, Johannesburg
South Africa, 2196

Date of authorisation for issue of financial statements

The consolidated financial statements have been authorised for issue by the directors on 25 May 2015. No authority was given to anyone to amend the consolidated financial statements after the date of issue.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 28 February 2015

Figures in Rand	Note(s)	2015	Restated 2014	Restated 2013
Assets				
Non-current assets				
Property, plant and equipment	4	150 530 171	104 489 706	67 895 641
Goodwill	5	144 269 346	99 433 144	82 255 688
Deferred tax	8	8 910 024	5 047 768	4 869 468
		303 709 541	**208 970 618**	**155 020 797**
Current assets				
Inventories	9	62 532 373	32 740 048	21 435 807
Loans to related parties	7	5 262 651	35 040 191	130 178 048
Current tax receivable		449 025	351 665	163 140
Trade and other receivables	10	68 177 211	45 080 451	11 111 183
Cash and cash equivalents	11	110 047 934	41 656 645	12 825 828
		246 469 194	**154 869 000**	**175 714 006**
Total assets		**550 178 735**	**363 839 618**	**330 734 803**
Equity and liabilities				
Equity				
Equity attributable to equity holders of parent				
Share capital	12	42 487 600	42 487 300	100
Reserves		32 317 272	21 003 526	11 451 638
Retained income		300 414 544	157 306 237	204 587 246
		375 219 416	220 797 063	216 038 984
Non-controlling interest		24 081 808	33 712 854	32 079 534
		399 301 224	**254 509 917**	**248 118 518**
Liabilities				
Non-current liabilities				
Finance lease obligation	13	5 618 255	4 169 494	3 481 516
Deferred tax	8	235 692	1 351	2 011
		5 853 947	**4 170 845**	**3 483 527**
Current liabilities				
Loans from related parties	7	1 235 487	737 623	
Current tax payable		36 321 297	27 142 914	15 088 725
Finance lease obligation	13	6 218 117	3 526 932	3 530 721
Trade and other payables	14	101 134 758	73 751 387	51 576 332
Dividend payable				8 936 980
Bank overdraft	11	113 905		
		145 023 564	**105 158 856**	**79 132 758**
Total liabilities		**150 877 511**	**109 329 701**	**82 616 285**
Total equity and liabilities		**550 178 735**	**363 839 618**	**330 734 803**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 28 February 2015

Figures in Rand	Note(s)	2015	Restated 2014	Restated 2013
Revenue	15	843 700 543	637 020 292	495 811 748
Cost of sales		(174 991 528)	(123 425 601)	(91 624 419)
Gross profit		**668 709 015**	**513 594 691**	**404 187 329**
Other income		7 284 614	11 946 375	7 489 829
Operating expenses		(377 083 598)	(267 414 703)	(200 753 557)
Operating profit	16	**298 910 031**	**258 126 363**	**210 923 601**
Investment revenue	17	4 532 683	1 742 023	4 778 721
Finance costs	18	(924 075)	(1 211 071)	(292 263)
Profit before taxation		**302 518 639**	**258 657 315**	**215 410 059**
Taxation	19	(88 441 756)	(74 130 054)	(61 553 584)
Profit for the year		**214 076 883**	**184 527 261**	**153 856 475**
Other comprehensive income:				
Items that may be reclassified to profit or loss:				
Exchange differences on translating foreign operations		(7 291 984)	18 339 903	(7 902 438)
Other comprehensive income for the year net of taxation		**(7 291 984)**	**18 339 903**	**(7 902 438)**
Total comprehensive income for the year		**206 784 899**	**202 867 164**	**145 954 037**
Total comprehensive income attributable to:				
Equity holders of the parent		190 488 352	181 144 005	129 311 082
Non-controlling interest		16 296 547	21 723 159	16 642 955
		206 784 899	**202 867 164**	**145 954 037**
Profit attributable to:				
Equity holders of the parent		195 242 597	171 592 117	137 213 520
Non-controlling interest		18 834 286	12 935 144	16 642 955
		214 076 883	**184 527 261**	**153 856 475**
Basic earnings per share	26	**0.65**	**0.59**	**0.65**
Headline earnings per share	27	**0.65**	**0.58**	**0.65**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2015

Figures in Rand	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Retained income	Total attributable to equity holders of the group/company	Non-controlling interest	Total equity
Opening balance as previously reported	100	–	100	11 451 638	188 419 815	199 871 553	32 079 534	231 951 087
Adjustments		–						
Change in accounting policy	–	–	–	–	16 167 431	16 167 431	–	16 167 431
Balance at 1 March 2013 as restated	**100**	**–**	**100**	**11 451 638**	**204 587 246**	**216 038 984**	**32 079 534**	**248 118 518**
Profit for the year	–	–	–	–	171 592 117	171 592 117	12 935 144	184 527 261
Other comprehensive income	–	–	–	9 551 888	–	9 551 888	8 788 015	18 339 903
Total comprehensive income for the year	**–**	**–**	**–**	**9 551 888**	**171 592 117**	**181 144 005**	**21 723 159**	**202 867 164**
Issue of shares	42	42 487 158	42 487 200	–	–	42 487 200	–	42 487 200
Acquisition of subsidiaries	–	–	–	–	(2 831 301)	(2 831 301)	3 083 588	252 287
Dividends	–	–	–	–	(184 909 000)	(184 909 000)	(11 819 012)	(196 728 012)
Increase in interest in subsidiary	–	–	–	–	(31 132 825)	(31 132 825)	(11 354 415)	(42 487 240)
Total contributions by and distributions to owners of company recognised directly in equity	**42**	**42 487 158**	**42 487 200**	**–**	**(218 873 126)**	**(176 385 926)**	**(20 089 839)**	**(196 475 765)**
Balance at 1 March 2014	**142**	**42 487 158**	**42 487 300**	**21 003 526**	**157 306 237**	**220 797 063**	**33 712 854**	**254 509 917**
Profit for the year	–	–	–	–	195 242 597	195 242 597	18 834 286	214 076 883
Other comprehensive income	–	–	–	(4 703 543)	-	(4 703 543)	(2 588 441)	(7 291 984)
Total comprehensive income for the year	**–**	**–**	**–**	**(4 703 543)**	**195 242 597**	**190 539 054**	**16 245 845**	**206 784 899**
Foreign currency translation movements within equity	–	–	–	16 017 289	–	16 017 289	(16 017 289)	–
Acquisition of subsidiaries with NCI portion	–	–	–	–	–	–	1 837 843	1 837 843
Share issue	42 487 458	(42 487 158)	300	–	–	300	–	300
Dividends	–	–	–	–	(48 000 000)	(48 000 000)	(10 831 735)	(58 831 735)
Increase in interest of subsidiary	–	–	–	–	(4 134 290)	(4 134 290)	(865 710)	(5 000 000)
Total contributions by and distributions to owners of company recognised directly in equity	**42 487 458**	**(42 487 158)**	**300**	**16 017 289**	**(52 134 290)**	**(36 116 701)**	**(25 876 891)**	**(61 993 592)**
Balance at 28 February 2015	**42 487 600**	**–**	**42 487 600**	**32 317 272**	**300 414 544**	**375 219 416**	**24 081 808**	**399 301 224**
Note(s)	12	12	12					

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 28 February 2015

Figures in Rand	Note(s)	2015	Restated 2014	Restated 2013
Cash flows from operating activities				
Cash generated from operations	20	343 831 659	276 325 668	224 670 591
Interest income		4 532 683	1 742 023	4 778 721
Finance costs	18	(924 075)	(1 211 071)	(292 263)
Tax paid	21	(81 491 477)	(62 410 879)	(66 197 357)
Net cash from operating activities		**265 948 790**	**214 445 741**	**162 959 692**
Cash flows from investing activities				
Purchase of property, plant and equipment	4	(119 698 020)	(80 469 435)	(56 926 553)
Proceeds of property, plant and equipment		4 650 724	3 170 180	2 133 862
Acquisitions of subsidiaries	22	(53 428 030)	2 366 846	–
Acquisitions of increase in control of subsidiary		(5 000 000)	–	–
Net cash from investing activities		**(173 475 326)**	**(74 932 409)**	**(54 792 691)**
Cash flows from financing activities				
Proceeds on share issue	12	300	–	–
Finance lease receipts		4 139 946	684 189	3 263 338
Dividends paid		(58 831 735)	(205 664 992)	(23 983 833)
Increase in loans from related parties		497 864	–	(124 037 009)
Proceeds from related parties		29 777 540	95 875 480	–
Net cash from financing activities		**(24 416 085)**	**(109 105 323)**	**(144 757 504)**
Total cash movement for the year		**68 057 379**	**30 408 009**	**(36 590 503)**
Cash at the beginning of the year		41 656 645	12 825 828	49 341 361
Effect of exchange rate movement on cash balances		220 005	(1 577 192)	74 970
Total cash at end of the year	11	**109 934 029**	**41 656 645**	**12 825 828**

ACCOUNTING POLICIES

1. Presentation of consolidated financial statements

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the requirements of the South African Companies Act No 71 of 2008. The financial statements are presented in South African Rand (ZAR), the functional currency of the group and are prepared on the historical cost basis, except where indicated.

These accounting policies are consistent with the previous period, except for the changes set out in note 2 Changes in accounting policy.

1.1 Consolidation

Basis of consolidation

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

The group has control of investees when it has power over the investees; it is exposed to or has rights to variable returns from involvement with the investees; and it has the ability to use its power over the investees to affect the amount of the investor's returns.

The results of subsidiaries are included in the consolidated financial statements from the effective date of control to the date control is lost.

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

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.

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.

Goodwill is determined as the consideration paid plus the fair value of any shareholding held prior to obtaining control, plus non controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the consolidated financial statements in conformity with International Financial Reporting Standards, management is required to make estimates and assumptions that affect the application of accounting policies and the amounts represented in the consolidated 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 consolidated financial statements.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed below:

Trade receivables, and loans and receivables

The group assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss. Trade receivables which are specifically identified as doubtful are impaired irrespective of their ageing. The group will make judgement whether trade receivables older than three months should be impaired.

Inventories

The group assesses its inventory at the end of each reporting period. In identifying which, if any, inventory items should be impaired, estimates and judgements are applied and taken into account, the age and condition of inventory and the marketability of items.

Impairment testing

The group tests annually whether goodwill should be impaired in accordance with accounting policy 1.8.

Taxation

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

The 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. 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.

Property, plant and equipment

The group may use estimates and judgements in certain cases to determine the value of capital rental units and the realisable value of other capital assets at the end of useful life.

Warranty claims

The group generally offers stolen vehicle warranties of up to R150,000 in the event of non-recovery of a vehicle, subject to various terms and conditions. Management estimates the related provision for future warranty claims based on the average recovery rate and the probability of theft.

1.3 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

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

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
Buildings	20 – 50 years
Plant and machinery	5 years
Furniture and fixtures	5 years
Motor vehicles	4 years
Office equipment	5 years
IT equipment	3 years
Computer software	3 years
Leasehold improvements	3 years
Security equipment	5 years
Other fixed assets	5 years
Capital rental units	3 years

The residual value, useful life and depreciation method of each class of asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for in terms of IAS 8.

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

The acquisition costs of capital rental units are capitalised as property, plant and equipment. The group depreciates these units over the terms of their contracts. The related amortisation expense is recorded as part of cost of sales in the income statement. Where a contract is cancelled before the expiry of its contract term, the future unamortised cost of the contract is recognised immediately.

Refer to note 2.

1.4 Financial instruments

Initial recognition and measurement

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.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

1.4 Financial instruments continued

Loans to (from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs. These loans are subsequently measured at amortised cost.

These loans are classified as loans and receivables.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the estimated future recoverable amounts.

Trade and other payables

Trade payables are initially measured at fair value and are subsequently measured at fair value.

Cash and cash equivalents

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

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. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

Offsetting financial instruments

When there is a legally enforceable right to offset recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously, then financial assets and liabilities are offset and the net amount reported in the statement of financial position.

1.5 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.

1.5 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 an asset or liability in a transaction which, 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 to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, which neither affects accounting profit nor taxable profit (tax loss).

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.

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, to other comprehensive income, or
- a business combination.

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

1.6 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.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the consolidated statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases – lessee

Operating lease payments and accruals are recognised in the period in which they are incurred.

1.7 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in first-out basis.

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.

1.8 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired.

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.

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.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes, and is not larger than an operating segment as defined by paragraph 5 of IFRS 8 Operating segments before aggregation.

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.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill 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 other than goodwill 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 other than goodwill is recognised immediately in profit or loss.

1.9 Share capital and equity

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

1.10 Employee benefits – Defined contribution plans

The group has a defined contribution plan. A defined contribution plan is where the group pays a fixed portion of employees' remuneration into a separate fund. Payments to defined contribution benefit plans are charged as an expense as they fall due.

1.11 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. Provision for estimated liability on the warranty provision is based on the expected recovery rate.

Contingent assets and contingent liabilities are not recognised, but contingencies are disclosed.

1.12 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction 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.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and subscription services provided in the normal course of business, net of value added tax and intercompany eliminations.

1.12 Revenue continued

Revenue includes amounts earned on the sale and installation of hardware units and on subscription services. Interest is recognised, in profit or loss, using the effective interest rate method.

Royalties are recognised on the accrual basis in accordance with the substance of the relevant agreements. Dividends are recognised, in profit or loss, when the group's right to receive payment has been established.

1.13 Borrowing costs

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

1.14 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated financial statements, are recognised in profit or loss in the period in which they arise.

Investments in subsidiaries

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- income and expenses for each item of profit or loss are translated at average daily exchange rates; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

1.15 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

2. Changes in accounting policy

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with prior years except for the change in accounting policy described below.

IAS 16 Property, plant and equipment and IAS 8 Accounting policies, changes in accounting estimates and errors

During the year the group changed its accounting policy with respect to the treatment of capital rental units. The capital rental units meet the definition of property, plant and equipment in terms of IAS 16, and thus have been reclassified to property, plant and equipment as capital rental units. These were previously accounted for as a prepayment asset.

Acquisition costs which are directly related to vehicle tracking contracts are now being capitalised to the capital rental units and depreciated over the period of the contracts. The typical duration of a rental contract is 36 months. These costs were previously expensed when incurred. This policy was adopted as management believes this policy will provide more relevant information and will more closely match acquisition costs to revenue generation.

The aggregate effect of the changes in accounting policy on the consolidated financial statements for the year ended 28 February 2014 is as follows:

Consolidated statement of financial position

	2015	2014	2013
Net deferred tax (liability)/asset			
Previously stated		(3 689 341)	(1 134 885)
Adjustment		8 735 758	6 002 342
		5 046 417	**4 867 457**
Property, plant and equipment			
Previously stated		31 308 379	21 506 282
Adjustment		73 181 327	46 389 359
		104 489 706	**67 895 641**
Retained earnings			
Previously stated		(124 619 058)	(188 419 815)
Adjustment		(32 687 179)	(16 167 431)
		(157 306 237)	**(204 587 246)**
Net Income tax asset (liability)			
Previously stated		(10 505 882)	(3 821 502)
Adjustment		(16 285 367)	(11 104 083)
		(26 791 249)	**(14 925 585)**
Prepayment – long-term portion			
Previously stated		14 607 994	9 775 743
Adjustment		(14 607 994)	(9 775 743)
Prepayment – short-term portion			
Previously stated		18 336 545	15 344 444
Adjustment		(18 336 545)	(15 344 444)

2. Changes in accounting policy continued

Figures in Rand	2015	2014	2013
Profit or loss			
Cost of sales			
Previously stated		128 578 810	97 018 648
Adjustment		(5 153 209)	(5 394 229)
		123 425 601	**91 624 419**
Operating expenses			
Previously stated		281 229 107	216 628 498
Adjustment		(13 814 404)	(15 874 941)
		267 414 703	**200 753 557**
Tax			
Previously stated		71 682 188	56 451 843
Adjustment		2 447 866	5 101 741
		74 130 054	**61 553 584**
Earnings per share			
Previously stated		0.53	0.57
Adjustment		0.06	0.08
		0.59	**0.65**

3. New Standards and Interpretations

At the date of approval of these consolidated financial statements, certain new accounting standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the entity.

Management anticipates that all of the pronouncements will be adopted in the entity's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the entity's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the entity's financial statements.

3.1 Standards and interpretations not yet effective

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

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 the 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
- 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 new hedging provisions align hedge accounting more closely with actual risk management approach
- Certain non-derivative financial instruments are now allowed as hedging instruments
- Additional exposures are allowed as hedged items. These exposures include risk components of non-financial items, net positions and layer components of items, aggregated exposures combining derivative and non-derivative exposures and equity instruments at fair value through other comprehensive income
- The hedge effectiveness criteria have been amended, including the removal of 80%-125% 'bright line test' to qualify for hedge accounting
- The concept of rebalancing has been introduced when the hedging relationship is ineffective because the hedge ratio is no longer appropriate. When rebalancing is required, and provided the risk management objective remains the same, the hedge ratio is adjusted rather than discontinuing the hedging relationship
- Additional disclosure requirements have been introduced for hedging
- IFRS 9 Financial instruments (2014) replaces IAS 39 Financial instruments: Recognition and Measurement

The effective date of the standard has not yet been established as the project is currently incomplete. The IASB has communicated that the effective date will not be before years beginning on or after 1 January 2015. IFRS 9 may be early adopted and the new hedging requirements may be excluded until the effective date. The group expects to adopt the standard for the first time in the first annual financial period after the effective date.

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

Amendments to IFRS 11: Accounting for acquisitions in joint operations

The amendments apply to the acquisitions of interest in joint operations. When an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes business, as defined in IFRS 3 it shall apply, to the extent of its share, all of the principles on business combinations accounting in IFRS 3, and other IFRSs that do not conflict with the guidance in this IFRS and disclose the information that is required in those IFRSs in relation to business combinations. This applies to the acquisition of both the initial interests in a joint operation in which the activity of the joint operation constitutes a business.

The effective date of the amendments is for years beginning on or after 1 January 2016.

3. New Standards and Interpretations continued

The group does not expect to adopt this standard until such time it becomes applicable to the group's operations. It is unlikely that the amendment will have a material impact on the consolidated financial statements.

Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation

The amendment clarifies that a depreciation or amortisation method that is based on revenue that is generated by an activity that includes the use of the asset is not an appropriate method. This requirement can be rebutted for intangible assets in very specific circumstances as set out in the amendments to IAS 38.

The effective date of the amendment is for years beginning on or after 1 January 2016.

The group does not expect to adopt this standard until such time it becomes applicable to the group's operations. It is unlikely that this standard will have a material impact on the group's consolidated financial statements.

Amendment to IFRS 8: Operating segments: Annual improvements project

Management are now required to disclose the judgments made in applying the aggregation criteria. This includes a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

Annual improvements 2010 – 2012 Cycle: amendments to some disclosure requirements regarding the judgments made by management in applying the aggregation criteria, as well as those to certain reconciliations.

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.

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

IFRS 15: Revenue from contracts from customers

The standard requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

This core principle is achieved through a five step methodology that is required to be applied to all contracts with customers. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple arrangements. The new standard will supersede IAS11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31.

The effective date of the amendment is for years beginning on or after 1 January 2017. The IASB is currently considering moving the date to 1 January 2018.

It is unlikely that this amendment will have a material impact on the group financial statements.

4. Property, plant and equipment

Figures in Rand	2015 Cost	2015 Accumulated depreciation	2015 Carrying value	2014 Cost	2014 Accumulated depreciation	2014 Carrying value	2013 Cost	2013 Accumulated depreciation	2013 Carrying value
Buildings	4 961 274	(211 987)	4 749 287	5 125 611	(81 689)	5 043 922	2 511 812		2 511 812
Plant and equipment	1 391 302	(1 003 759)	387 543	1 199 716	(1 043 797)	155 919	828 453	(775 696)	52 757
Furniture and fixtures	5 058 800	(1 751 393)	3 307 407	3 631 232	(1 505 809)	2 125 423	1314 264	(1 047 324)	266 940
Motor vehicles	40 865 325	(20 987 633)	19 877 692	32 889 311	(16 893 280)	15 996 031	30 240 750	(14 689 660)	15 551 090
Office equipment	3 293 501	(1 906 936)	1386 565	3 295 737	(1 181 440)	2 114 297	1 869 209	(511 406)	1 357 803
IT equipment	14 219 593	(9 205 985)	5 013 608	9 200 346	(6 794 726)	2 405 620	6 520 306	(5 175 082)	1 345 224
Computer software	814 028	(405 520)	408 508	505 038	(213 806)	291 232	41 905	(41 905)	
Leasehold improvements	722 438	(665 610)	56 828	722 438	(540 894)	181 544	722 438	(367 361)	355 077
Capital rental units	174 569 891	(59 402 935)	115 166 956	147 135 313	(73 953 986)	73 181 327	86 850 361	(40 461 002)	46 389 359
Security equipment	459 152	(283 375)	175 777	305 799	(237 647)	68 152	258 957	(193 378)	65 579
Other fixed assets				5 070 725	(2 144 486)	2 926 239			
Total	**246 355 304**	**(95 825 133)**	**150 530 171**	**209 081 266**	**(104 591 560)**	**104 489 706**	**131 158 455**	**(63 262 814)**	**67 895 641**

Reconciliation of property, plant and equipment – 28 February 2015

Figures in Rand	Opening balance	Additions	Additions through business combinations	Disposals	Transfers and reclassi-fication	Translation adjustments	Depreciation	Total
Buildings	5 043 922	–	–	–	–	(104 181)	(190 454)	4 749 287
Plant and equipment	155 919	63 860	8 102	–	124 716	88 389	(53 443)	387 543
Furniture and fixtures	2 125 429	1 819 507	517 698	(222 634)	–	(175 327)	(757 260)	3 307 407
Motor vehicles	15 996 031	9 676 126	426 045	(2 309 568)	–	1 820 887	(5 731 829)	19 877 692
Office equipment	2 114 297	1 765 638	47 295	(1 250 685)	–	(592 719)	(697 261)	1 386 565
IT equipment	2 405 620	2 857 122	1 664 703	(130 119)	–	843 546	(2 627 264)	5 013 608
Computer software	291 232	144 500	201 030	–	–	(27 436)	(200 818)	408 508
Leasehold improvements	181 544	–	–	–	(124 716)	–	–	56 828
Capital rental units	73 181 327	100 353 041	–	–	2 926 239	–	(61 293 651)	115 166 956
Security equipment	68 152	153 353	–	–	–	–	(45 728)	175 777
Other fixed assets	2 926 239	–	–	–	(2 926 239)	–	–	–
	104 489 706	**116 833 147**	**2 864 873**	**(3 913 006)**		**1 853 159**	**(71 597 708)**	**150 530 171**

4. Property, plant and equipment continued

Reconciliation of property, plant and equipment – 28 February 2014

Figures in Rand	Opening balance	Additions	Additions through business combinations	Disposals	Translation adjustments	Depreciation	Total
Buildings	2 511 812	2 112 197	–	–	444 130	(24 217)	5 043 922
Plant and equipment	52 757	166 261	–	–	(2 726)	(60 373)	155 919
Furniture and fixtures	266 940	1 034 518	1 274 765	(24 826)	(2 788)	(423 186)	2 125 423
Motor vehicles	15 551 090	5 840 622	–	(833 303)	92 038	(4 654 416)	15 996 031
Office equipment	1 357 803	965 037	–	–	227 752	(436 295)	2 114 297
IT equipment	1 345 224	–	2 660 753	–	(22 553)	(1 577 804)	2 405 620
Computer software	–	310 451	–	–	(140)	(19 043)	291 232
Leasehold improvements	355 077	–	–	–	–	(173 533)	181 544
Capital rental units	46 389 359	61 764 464	–	(1 479 512)	–	(33 492 984)	73 181 327
Security equipment	65 579	46 842	–	–	–	(44 269)	68 152
Other fixed assets	–	–	4 293 561	–	(143 144)	(1 224 178)	2 926 239
	67 895 641	**72 240 356**	**8 229 079**	**(2 337 641)**	**592 569**	**(42 130 298)**	**104 489 706**

Reconciliation of property, plant and equipment – 28 February 2013

Figures in Rand	Opening balance	Additions	Disposals	Translation adjustments	Depreciation	Total
Buildings	–	2 511 812	–	–	–	2 511 812
Plant and equipment	78 668	17 104	–	–	(43 015)	52 757
Furniture and fixtures	365 152	88 800	–	–	(187 012)	266 940
Motor vehicles	11 585 255	6 429 952	(231 995)	(43 105)	(2 189 017)	15 551 090
Office equipment	511 444	1 079 877	–	(26 170)	(207 348)	1 357 803
IT equipment	1 102 207	1 439 774	(153 250)	–	(1 043 507)	1 345 224
Computer software	4	–	–	–	(4)	–
Leasehold improvements	172 766	359 437	–	–	(177 126)	355 077
Capital rental units	22 029 072	44 964 997	(1 216 845)	–	(19 387 865)	46 389 359
Security equipment	81 251	34 800	(4 800)	–	(45 672)	65 579
	35 925 819	**56 926 553**	**(1 606 890)**	**(69 275)**	**(23 280 566)**	**67 895 641**

4. Property, plant and equipment continued

Assets subject to finance lease (net carrying amount)

The carrying value of assets leased by means of finance lease agreements are as follows:

	2015	2014	2013
Terms and conditions			
Motor vehicles	**7 171 563**	**8 137 801**	**7 366 287**

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. Goodwill

	South Africa	Africa – Other	Europe	Asia and Middle East	Total
Balance 1 March 2012	1 499 495	86 895 385			88 394 880
Translation adjustments		(6 139 192)			(6 139 192)
28 February 2013	1 499 495	80 756 193			82 255 688
Additions		1 762 813		899 179	2 661 992
Translation adjustments		14 399 869		115 595	14 515 464
28 February 2014	1 499 495	96 918 875		1 014 774	99 433 144
Additions		382 620	45 040 694	471 357	45 894 671
Translation adjustments		1 954 610	(3 390 466)	377 387	(1 058 469)
Total	**1 499 495**	**99 256 105**	**41 650 228**	**1 863 518**	**144 269 346**

Goodwill is allocated to identified CGUs within their operating segments.

The recoverable amount of all CGUs is determined based on value-in-use calculations, which use pre-tax cashflow projections based on approved financial budgets for the forthcoming financial year plus estimates covering a further four – year period. Five years is considered a reasonable period for management to exercise its insight and make properly considered projections with respect to the cash generation capability of a CGU.

Cashflow projections are based on macro and micro economic factors, present and expected, in the environment in which a CGU operates. At the end of the projected five-year period a terminal value is included which, together with the annual projected cash generated by a CGU, is then discounted to present value using rates that reflects the risks related to the relevant CGU. A growth rate of between 5% and 10% was applied depending on the operating environment of each CGU. The discount rate used for the value-in-use calculations was 20%, calculated on pre-tax cash flow projections.

Goodwill sensitivity

The calculation of a CGU's discounted net present value requires extensive use of estimates and assumptions about discount rates and forecast cashflows. To assess the margins for variations in projections that can be incurred without necessarily resulting in the impairment of goodwill, the growth rate applied was reduced by between 3% and 5%, which still left sufficient headroom above the recorded goodwill value.

6. Interests in subsidiaries

The following table lists the entities which are controlled directly by the company.

Name of company	Held by	% voting power and holding 2015	% voting power and holding 2014	% voting power and holding 2013
Cartrack (Pty) Ltd	Cartrack Holdings Ltd	100.00	100.00	95.00
Cartrack Tanzania Ltd	Cartrack Holdings Ltd	60.00	60.00	–
Retriever Ltd	Cartrack Holdings Ltd	85.00	85.00	–
Retriever Rwanda Ltd	Cartrack Holdings Ltd	60.00	–	–
Cartrack Engineering Technologies Ltd	Cartrack Holdings Ltd	99.9	–	–
Cartrack Namibia (Pty) Ltd	Cartrack Holdings Ltd	100.00	100.00	–
Cartrack Technologies (Pty) Ltd	Cartrack Holdings Ltd	100.00	–	–
Cartrack Technologies Asia Pte. Ltd	Cartrack Holdings Ltd	100.00	100.00	–
Cartrack – Sistema de Controlo e Identificacoa de Veiculos. S.A.	Cartrack Europe SGPS, S.A	100.00	–	–
Cartrack Capital SGPS, S.A.	Cartrack Investment UK Ltd	100.00	–	–
Cartrack Espana. S.L.	Cartrack Investment UK Ltd	100.00	–	–
Cartrack Fleet Management (Pty) Ltd	Cartrack (Pty) Ltd	74.00	74.00	74.00
PT. Cartrack Technologies Indonesia	Cartrack Technologies Asia Pte. Ltd	65.00	–	–
Cartrack Europe SGPS, S.A	Cartrack Investment UK Ltd	100.00	–	–
Cartrack Investment UK Ltd	Cartrack Technologies Asia Pte. Ltd	100.00	–	–
Cartrack Limitada	Cartrack (Pty) Ltd	50.00	50.00	50.00
Cartrack Malaysia SDN.BHD	Cartrack Technologies Asia Pte. Ltd	100.00	–	–
Cartrack North East (Pty) Ltd	Cartrack (Pty) Ltd	75.50	50.50	50.50
Cartrack Polska.SP.ZO.O	Cartrack (Pty) Ltd	90.91	100.00	–
Cartrack Technologies (China) Ltd	Cartrack Technologies Asia Pte. Ltd	90.00	–	–
Cartrack Technologies LLC	Cartrack Technologies Asia Pte.Ltd	100.00	–	–
Cartrack Technologies PHL.INC	Cartrack Technologies Asia Pte. Ltd	51.00	–	–
Cartrack Technologies South East Asia Pte.Ltd	Cartrack Technologies Asia Pte. Ltd	100.00	100.00	–
Cartrack Technologies (Thailand) Company Ltd	Cartrack Technologies Asia Pte. Ltd	100.00	–	–
Combined Telematic Services (Pty) Ltd (Dormant)	Cartrack (Pty) Ltd	49.00	100.00	100.00
Plexique (Pty) Ltd	Cartrack (Pty) Ltd	100.00	100.00	100.00
Zonke Bonke Telecoms (Pty) Ltd (Dormant)	Cartrack (Pty) Ltd	100.00	100.00	100.00

7. Loans to (from) related parties

Figures in Rand	2015	2014	2013
Holding company			
Onecell Holdings (Pty) Ltd	(29 471)	40	114 400 000
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
Fellow subsidiaries and sub subsidiaries			
Onecell Community Phones (Pty) Ltd		(7 365)	
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
Onecell (Pty) Ltd			2 452 633
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
Cartrack Polska.SP.ZO.O		5 655 850	
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
Onecell Community Services (Pty) Ltd	2 066 319	2 066 319	2 066 319
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
Cartrack Technologies Asia PTE		(730 258)	1 423 488
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
Onecell Manufacturing (Pty) Ltd			414 734
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
Cartrack Engineering Technologies		943 154	
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
Bonito Recruitment Services (Pty) Ltd			299 216
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
	2 066 319	**7 927 700**	**6 656 390**

Figures in Rand	2015	2014	2013
Loans to (from) related parties continued			
Related parties			
Retriever Rwanda Limited		182 644	
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
B. Benjamin	(949)		
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
J. Marais	267		
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
A.H. Nyimbo	(959 604)		
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
P. Lim	(245 463)		
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
S.M. Machel Jr.		3 811 434	7 094 208
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
Pro-Fit Fitment Centre (Pty) Ltd	1 622 715	5 400	
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
Garoca Management Services (Pty) Ltd		20 300 000	
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
Cartrack Education Fund (non-profit company)	1 573 350	2 075 350	2 027 450
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
	1 990 316	**26 374 828**	**9 121 658**
Current assets	5 262 651	35 040 191	130 178 048
Current liabilities	(1 235 487)	(737 623)	–
	4 027 164	**34 302 568**	**130 178 048**

8. Deferred tax

Figures in Rand	2015	2014	2013
Deferred tax liability			
Deferred tax	8 674 332	5 046 417	4 867 457
Deferred tax liability	(235 692)	(1 351)	(2 011)
Deferred tax asset	8 910 024	5 047 768	4 869 468
Total net deferred tax asset	**8 674 332**	**5 046 417**	**4 867 457**

Figures in Rand	2015	2014	2013

8. Deferred tax continued

Reconciliation of deferred tax asset/(liability)

	2015	2014	2013
At beginning of year	5 046 417	4 867 457	(1 490 760)
Increases in valuation allowance and income received in advance	465 481	503 447	169 884
Taxable/(deductible) temporary difference movement on tangible fixed assets	364 917	(217 361)	5 036 380
Taxable temporary movement on provision for doubtful debts	107 953	60 047	(105 000)
Taxable temporary movement on provision for leave pay	165 826	124 657	136 395
Taxable/(deductible) temporary movement on other provisions	1 099 639	(291 830)	1 120 558
Unutilised assessed loss	1 424 099		
	8 674 332	**5 046 417**	**4 867 457**

9. Inventories

	2015	2014	2013
Finished goods and accessories	60 984 115	31 561 748	20 853 089
Consumables	1 942 260	1 178 300	582 718
	62 926 375	**32 740 048**	**21 435 807**
Inventories (write-downs)	(394 002)		
	62 532 373	**32 740 048**	**21 435 807**

The group has identified inventory which has been impaired and this has been written off to cost of sales.

10. Trade and other receivables

	2015	2014	2013
Trade receivables	53 108 575	25 996 935	8 469 272
Prepayments	7 836 053	14 082 449	(3 529 908)
Deposits	827 279	621 275	279 159
VAT	724 620	12 430	28 388
Sundry debtors	5 680 684	4 367 362	5 864 272
	68 177 211	**45 080 451**	**11 111 183**

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to historical information. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

Trade and other receivables past due but not impaired

Trade and other receivables which are past due are not considered to be totally impaired. At 28 February 2015, R17 597 587 (2014: R7 212 241; 2013: R3 594 101) were net amounts past due but not impaired,these have not been impaired as management believes that these amounts are recoverable from debtors based on analysis and past history.

10. Trade and other receivables continued

The ageing of amounts past due but not impaired is as follows:

Figures in Rand	2015	2014	2013
Not past due	35 510 986	18 784 694	4 875 170
1 month past due	6 539 693	1 242 206	507 918
2 months past due	3 976 698	970 107	719 765
3 months or more past due	7 081 198	4 999 928	2 366 419
Total	**53 108 575**	**25 996 935**	**8 469 272**
The carrying amount of trade and other receivables are denominated in the following currencies:			
Rand	39 352 229	35 037 151	14 079 568
Singapore dollar	3 379 765	2 232 544	
Mozambique Metical	18 155 661	2 371 841	934 646
Euro	8 791 899		
Other	15 944 470	12 794 154	360 223
Intercompany eliminations	(17 446 814)	(7 355 239)	(4 263 254)
Total	**68 177 211**	**45 080 451**	**11 111 183**
Reconciliation of provision for impairment of trade and other receivables			
Opening balance	(4 551 761)	(4 218 719)	(4 765 515)
Provision for impairment	(2 097 133)	(333 042)	
Unused amounts reversed			546 796
	(6 648 894)	**(4 551 761)**	**(4 218 719)**

The creation and release of provisions for impaired receivables have been included in operating expenses. The trade receivables disclosed above are net of the impairment.

11. Cash and cash equivalents

Cash and cash equivalents consist of:	2015	2014	2013
Cash on hand	91 878	312 463	134 715
Bank balances	46 698 645	23 387 941	11 118 560
Short-term deposits	63 257 411	17 956 241	1572 553
Bank overdraft	(113 905)		
	109 934 029	**41 656 645**	**12 825 828**
Current assets	110 047 934	41 656 645	12 825 828
Current liabilities	(113 905)		
	109 934 029	**41 656 645**	**12 825 828**

Figures in Rand	2015	2014	2013
12. Share capital			
Authorised	1 000 000 000		
1 000 000 000 ordinary shares of no par value			
1 000 ordinary shares of R1 each at par value		1 000	1 000
	1 000 000 000	**1 000**	**1 000**
Cartrack Holdings Limited converted its par value shares and issued no par value shares in November due to the anticipation of its listing on the JSE. A nominal value was paid for this. The company was listed on the JSE on 19 December 2014.			
Reconciliation of number of shares issued:			
Reported as at 1 March 2014	142	100	100
Issue of par value shares – ordinary shares		42	
Issue of no par value	299 999 858		
	300 000 000	**142**	**100**
700 000 000 unissued ordinary shares are under the control of the directors in terms of a resolution of members passed in anticipation of the listing. This authority remains in force until the next annual general meeting.			
Issued			
142 ordinary shares of par value		142	100
300 000 000 ordinary shares of no par value	42 487 600		
Share premium		42 487 158	
	42 487 600	**42 487 300**	**100**
13. Finance lease obligation			
Minimum lease payments due			
– within one year	6 218 117	3 526 932	3 530 721
– in second to fifth year inclusive	6 680 453	4 863 828	4 146 309
	12 898 570	8 390 760	7 677 030
Less: Future finance charges	(1 062 198)	(694 334)	(664 793)
Present value of minimum lease payments	**11 836 372**	**7 696 426**	**7 012 237**
Non-current liabilities	5 618 255	4 169 494	3 481 516
Current liabilities	6 218 117	3 526 932	3 530 721
	11 836 372	**7 696 426**	**7 012 237**

It is group policy to lease certain motor vehicles under finance leases.

The average lease term was three years and leases bear interest at prime-linked interest rates.

The group's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer to note 4.

Figures in Rand	2015	2014	2013
14. Trade and other payables			
Trade payables	40 048 515	13 059 665	13 670 693
Amounts received in advance	20 831 317	18 587 792	13 858 791
VAT	8 767 752	6 036 256	4 425 708
Dividends withholding tax payable			302 285
Payroll accruals	9 168 435	6 500 859	6 125 159
Accrued expenses	5 865 028	12 558 017	9 044 437
Sundry creditors	16 453 711	17 008 798	4 149 259
	101 134 758	**73 751 387**	**51 576 332**
15. Revenue			
Sale of hardware	130 685 008	160 542 425	112 854 190
Subscription revenue	711 173 222	471 657 518	378 730 875
Royalty income			468 891
Rental income		10 500	10 500
Sundry sales	1 842 313	4 809 849	3 747 292
	843 700 543	**637 020 292**	**495 811 748**
16. Operating profit			
Operating profit for the year is stated after accounting for the following:			
Operating lease charges			
Premises			
• Lease charges	15 006 526	8 610 302	6 573 445
Motor vehicles			
• Lease charges	2 912 509	2 685 996	998 639
Equipment			
• Lease charges	14 160	2 188	
	17 933 195	**11 298 486**	**7 572 084**
Profit on sale of property, plant and equipment	737 718	832 539	526 972
Depreciation on property, plant and equipment	71 597 708	42 130 298	23 280 566
Employee costs	209 118 745	148 347 773	116 343 096

Figures in Rand	2015	2014	2013

17. Investment revenue

Interest revenue			
Bank	4 532 683	1 742 023	4 778 721

18. Finance costs

Finance leases	563 799	472 113	285 999
Bank	360 276	738 958	6 264
	924 075	**1 211 071**	**292 263**

19. Taxation

Major components of the tax expense			
Current			
Local income tax – current period	90 572 501	74 276 543	67 425 470
STC			230 000
	90 572 501	**74 276 543**	**67 655 470**
Deferred			
Originating and reversing temporary differences	(2 130 745)	(146 489)	(6 097 895)
Arising from prior period adjustments			(3 991)
	(2 130 745)	**(146 489)**	**(6 101 886)**
	88 441 756	**74 130 054**	**61 553 584**
Reconciliation of the tax expense			
Reconciliation between accounting profit and tax expense			
Accounting profit	302 518 639	258 657 315	215 410 059
Tax at the applicable tax rate of 28% (2014: 28%)	84 705 219	72 424 048	60 314 817
Tax effect of adjustments on taxable income			
Unrecognised deferred asset on tax losses	3 160 226		
Foreign tax differential	2 357 834	1 357 852	1 059 381
Non taxable income	(3 222 719)	(297 916)	183 377
Prior year temporary adjustments			(3 991)
Non deductible expenses	1 441 196	646 070	
	88 441 756	**74 130 054**	**61 553 584**

The income tax rate for the subsidiaries in South Africa is 28% and the foreign owned subsidiaries are taxed at the tax rate applicable in their countries.

Figures in Rand	2015	2014	2013
20. Cash generated from operations			
Profit before taxation	302 518 639	258 657 315	215 410 059
Adjustments for:			
Depreciation	71 597 708	42 130 298	23 280 566
Profit on sale of assets	(737 718)	(832 539)	(526 972)
Profit on foreign exchange	(432 648)		
Interest received-investment	(4 532 683)	(1 742 023)	(4 778 721)
Finance costs	924 075	1 211 071	292 263
Changes in working capital:			
Inventories	(29 792 325)	(11 304 241)	(9 554 750)
Trade and other receivables	(23 096 760)	(33 969 268)	(4 630 330)
Trade and other payables	27 383 371	22 175 055	5 178 476
	343 831 659	**276 325 668**	**224 670 591**
21. Tax paid			
Balance at beginning of the year	(26 791 248)	(14 925 585)	(13 467 472)
Current tax for the year recognised in profit or loss	(90 572 501)	(74 276 543)	(67 425 470)
Secondary tax on companies			(230 000)
Balance at end of the year	35 872 272	26 791 249	14 925 585
	(81 491 477)	**(62 410 879)**	**(66 197 357)**
22. Acquistions of subsidiaries			
Fair value of assets acquired			
Property, plant and equipment	2 864 873	8 229 079	
Loans receivable	67 100 498	266 636	
Deferred tax assets/(liabilities)	207 310		
Investments in subsidiaries	12 640 570		
Goodwill	45 894 671	2 661 992	
Inventories	5 473 525		
Trade and other receivables	21 977 239	1 120 732	
Trade and other payables	(17 927 632)		
Tax liabilities	(831 633)	(415 116)	
Prepayments	702 539	182 049	
Borrowings	(82 399 682)	(5 808 465)	
Cash	1 803 794	4 077 210	
Deferred income	(436 405)	(2 167 235)	
Discount on bargain purchase		(3 352 930)	
Outside shareholders	(1 837 843)	(3 083 588)	
	55 231 824	**1 710 364**	

Figures in Rand	2015	2014	2013

22. Acquistions of subsidiaries continued

Consideration paid			
Cash	(55 231 824)	(1 710 364)	
Net cash outflow on acquisition			
Cash consideration paid	(55 231 824)	(1 710 364)	
Cash acquired	1 803 794	4 077 210	
	(53 428 030)	**2 366 846**	

The material acquisitions of the group were Cartrack – Sistema de Controlo e Identificacoa de Veiculos S.A (Portugal), Cartrack Capital SGPS S.A, Cartrack Europe SGPS S.A, Cartrack Espana S.L and Cartrack Investment UK Ltd during the 2015 year which resulted in the group obtaining control. Goodwill of R45 040 694 arose from this acquisition.

23. Related parties

Relationships

Ultimate holding company	Madeira Calisto Family Holdings (Pty) Ltd
Holding company	Onecell Holdings (Pty) Ltd
Fellow-subsidiary companies	Onecell Community Phones (Pty) Ltd
	Onecell Community Services (Pty) Ltd
	Onecell Data Solutions (Pty) Ltd
	Onecell Namibia (Pty) Ltd
	Purple Rain Properties No. 444 (Pty) Ltd
	Onecell (Pty) Ltd
	Onecell Manufacturing (Pty) Ltd
	Bonito Recruitment Services (Pty) Ltd
Subsidiary companies	Cartrack (Pty) Ltd
	Retriever Ltd
	Cartrack Tanzania Ltd
	Retriever Rwanda Ltd
	Cartrack Engineering Technologies Ltd
	Cartrack Namibia (Pty) Ltd
	Cartrack Technologies (Pty) Ltd
	Cartrack Technologies Asia Pte. Ltd
Sub-subsidiary companies	Cartrack North East (Pty) Ltd
	Cartrack Limitada
	Cartrack Polska.SP.ZO.O.
	Cartrack Fleet Management (Pty) Ltd
	Zonke Bonke Telecoms (Pty) Ltd
	Plexique (Pty) Ltd
	Combined Telematics Services (Pty) Ltd
	Cartrack Investment UK Ltd
	Cartrack Malaysia SON. BHD.
	Cartrack Technologies PHL. INC
	Cartrack Technologies South East Asia Pte. Ltd
	Cartrack Technologies (China) Ltd
	Cartrack Europe SGPS, S.A.
	Cartrack Capital SGPS, S.A.
	Cartrack Espana, S.L.
	Cartrack – Sistema de Controlo e Identificacao de Veiculos, S.A.
	PT. Cartrack Technologies Indonesia
	Cartrack Technologies (Thailand) Company Ltd
	Cartrack Technologies LLC
Related party by virtue of control	Pro-Fit Fitment Centre (Pty) Ltd
Members of key management	IJ Calisto
	JR Edmeston
	J Marais
	C Sanderson

Figures in Rand	2015	2014	2013
23. Related parties continued			
Related party balances			
Loan accounts – Owing (to) by related parties			
AH Nyimbo	(959 604)		
B Benjamin	(949)		
Bonito Recruitment Services (Pty) Ltd			299 216
Cartrack Education Fund	1 573 350	2 075 350	2 027 450
Cartrack Engineering Technologies Ltd		943 154	
Cartrack Polska.SP.ZO.O		5 655 850	
Cartrack Technologies Asia Pte. Ltd		(730 258)	1423 488
Garoca Management Services (Pty) Ltd		20 300 000	
J Marais	267		
Onecell (Pty) Ltd			2 452 633
Onecell Community Phones (Pty) Ltd		(7 365)	
Onecell Community Services (Pty) Ltd	2 066 319	2 066 319	2 066 319
Onecell Holdings (Pty) Ltd	(29 471)	40	114 400 000
Onecell Manufacturing (Pty) Ltd			414 734
P Lim	(245 463)		
Pro-Fit Fitment Centre (Pty) Ltd	1 622 715	5 400	
SM Machel Jr.		3 811 434	7 094 208
	4 027 164	**34 119 924**	**130 178 048**
Amounts included in trade receivable (trade payable) regarding related parties			
Cartrack Technologies (Pty) Ltd		638	354 289
Onecell (Pty) Ltd	852 014	27 615	28 433
Onecell Manufacturing (Pty) Ltd	1 692 485	7 745	209 578
Onecell Community Phones (Pty) Ltd			130
Onecell Data Solutions (Pty) Ltd	386 284		
Onecell Holdings (Pty) Ltd	(4 730 908)	(69 975)	(1 908 071)
Cartrack Technologies (Pty) Ltd		(1 120 638)	(1 767 664)
Onecell (Pty) Ltd	(35 024)	(30 128)	(12 171)
Onecell Manufacturing (Pty) Ltd	(14 179 059)	(408 906)	(119 899)
Onecell Community Phones (Pty) Ltd	(388 871)	(199 593)	(31 696)
Bonito Recruitment Services (Pty) Ltd	(3 294)	(35 158)	(652 080)
Onecell Data Solutions (Pty) Ltd	(262 999)	(628 938)	(60 805)
Acquistion of subsidiary from related party			
Cartrack Technologies (Pty) Ltd	200		

Cartrack Holdings Limited acquired Onecell Technologies (Pty) Ltd from Onecell Holdings (Pty) Ltd on 5 August 2014 for a nominal value of R200. Onecell Technologies changed its name to Cartrack Technologies (Pty) Ltd.

Figures in Rand	2015	2014	2013
23. Related parties continued			
Related party transactions			
Sales to related parties			
Onecell Holdings (Pty) Ltd	(349 813)	(25 234)	(40 504)
Cartrack Technologies (Pty) Ltd	(4 373 113)	(16 648)	(325 861)
Onecell (Pty) Ltd	(10 080 892)	(185 687)	(214 575)
Onecell Manufacturing (Pty) Ltd	(7 324 580)	(47 656)	(1 427 223)
Onecell Community Phones (Pty) Ltd		(185 687)	(7 961)
Bonito Recruitment Services (Pty) Ltd	(382)	(4 931)	(652 080)
Onecell Data Solutions (Pty) Ltd	(460 765)	(40 285)	(60 805)
Pro-Fit Fitment Centre (Pty) Ltd		(150 661)	
Purchases from related parties			
Onecell Holdings (Pty) Ltd	6 701 973	5 960 224	892 308
Cartrack Technologies (Pty) Ltd	4 373 113	11 708 945	6 986 933
Onecell (Pty) Ltd	467 339	401 022	34 613
Onecell Manufacturing (Pty) Ltd	109 219 423	88 240 166	59 838 792
Onecell Community Phones (Pty) Ltd			319 042
Bonito Recruitment Services (Pty) Ltd	26 326	624 369	323 257
Onecell Data Solutions (Pty) Ltd	230 701	3 914 445	572 000
Onecell Community Services (Pty) Ltd	1 371 988	1 684 872	
Pro-Fit Fitment Centre (Pty) Ltd	1 617 315	5 400	
Rent paid to (received from) related parties			
Purple Rain Properties No. 444 (Pty) Ltd	3 818 870	2 220 000	1 692 000
Administartion fees paid to (received from) related parties			
Onecell Holdings (Pty) Ltd	1 890 000	4 446 000	3 640 000

24. Risk management

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the group consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 7 and 13, cash and cash equivalents disclosed in note 11, and equity as disclosed in the consolidated statement of financial position.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There are no externally imposed capital requirements.

24. Risk management continued

Financial risk management

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

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

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

The table below analyses the group's financial liabilities and relevant maturity groupings based on the remaining period at the consolidated 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.

At 28 February 2015 Figures in Rand	Less than 1 year	Between 1 and 5 years
Finance lease obligation	6 218 117	5 618 255
Trade and other payables	101 134 758	
Loans from group companies	1 235 487	
Bank overdraft	113 905	
At 28 February 2014		
Finance lease obligation	3 526 932	4 169 494
Trade and other payables	73 751 388	
Loans from group companies	737 623	
At 28 February 2013		
Finance lease obligation	3 530 721	3 48 1 556
Trade and other payables	51 576 332	

Interest rate risk

As the group has no significant interest-bearing assets and liabilities, the group's income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

Credit risk is managed on a group basis.

Credit risk consists mainly of cash deposits, cash equivalents, and trade debtors. The group only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

24. Risk management continued

Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, Euro and the Singapore dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The group does not hedge foreign exchange fluctuations.

At 28 February 2015, the currency had remained fairly constant with the Singapore dollar. During the year the currency weakened against the US dollar by approximately 9% and by approximately 8% against the Euro.

The foreign currency exposure to trade payables is listed below. Foreign currency exposure to trade receivables is set out in note 10.

Major foreign currency exposure at the end of the reporting period

Figures in Rand	2015	2014	2013
Liabilities			
Trade payables EUR 28 February 2015	(485 789)		
Trade payables SGD 28 February 2015	(144 265)	(245 047)	

The group has performed a sensitivity analysis that measures the estimated change in profit or loss on the strengthening and weakening of functional currencies that are material to the group. The table below is an analysis for illustrative purposes only and all other variables remain constant.

Sensitivity analysis on net profit

Figures in Rand	Change in exchange rate	Increase/(decrease) in profit before/(loss) tax as result of weakening currency	Increase/(decrease) in profit/(loss) before tax as result of strengthening currency
Denominated currency:			
Functional currency			
EUR:ZAR	10%	(776 475)	776 475
SGD:ZAR	10%	536 283	(536 283)
MZN:ZAR	10%	(1 699 635)	1 699 635

25. Directors' emoluments/key management

Figures in Rand	Emoluments and bonuses	Other benefits	Directors' fees	Total
2015				
AT Ikalafeng (Non-executive)			189 000	189 000
C Sanderson (Executive)	1 228 400	52 640		1 281 040
DJ Brown (Non-executive)			319 000	319 000
IJ Calisto (Executive)	1 872 488			1 872 488
J Marais (Executive)	1 583 156	120 000		1 703 156
JR Edmeston (Executive)	3 144 701	96 000		3 240 701
K White (Non-executive)			168 000	168 000
	7 828 745	**268 640**	**676 000**	**8 773 385**

Figures in Rand	Emoluments and bonuses	Other benefits	Directors' fees	Total
2014				
C Sanderson (Executive)	766 667			766 667
J Marais (Executive)	1 476 748	120 000		1 596 748
JR Edmeston (Executive)	2 768 765	96 000		2 864 765
	5 012 180	**216 000**		**5 228 180**

25. Directors' emoluments/key management continued

26. Basic earnings per share

Figures in Rand	2015	2014	2013
Continuing earnings per share	0.65	0.59	0.65

The calculation of basic earnings per ordinary share is based on the profits attributable to equity holders of the parent and a weighted average number of shares in issue as per the table below.

The 300 000 000 shares in issue, weighted accordingly, were treated as a share split for earnings per share purposes. This provides the user with more comparable and relevant information.

Number of shares	2015	2014	2013
Weighted average number of ordinary shares			
Issued ordinary shares at 1 March	300 000 000	211 267 605	211 267 605
Effect of shares issued in April 2013		78 278 990	
	300 000 000	**289 546 595**	**211 267 605**
Profit attributable to ordinary shareholders			
Profit for the year attributable to the equity holders of the parent	195 242 597	171 592 117	137 213 520

27. Headline earnings per share

Figures in Rand	2015	2014	2013
Headline earnings per share	0.65	0.58	0.65
The calculation of headline earnings per share has been based on the following profit attributable to ordinary shareholders and the weighted average number of shares in issue as determined above.			
Weighted average number of ordinary shares			
Weighted average number of ordinary shares	300 000 000	289 546 595	211 267 605
Profit attributable to ordinary shareholders			
Profit for the period attributable to the equity holders of the parent	195 242 597	171 592 117	137 213 520
Adjusted for:			
Discount on bargain purchase		(3 352 930)	
Gains on disposal of assets	(737 718)	(832 539)	(526 972)
	194 504 879	**167 406 648**	**136 686 548**

28. Diluted earnings per share

There are no dilutive instruments and therefore diluted earnings per share is the same as basic earnings per share.

Figures in Rand	2015	2014	2013
29. Commitments			
Operating leases – as lessee (expense)			
Minimum lease payments due			
– within one year	11 838 444	8 177 050	8 087 762
– in second to fifth year inclusive	17 994 294	7 350 894	11 242 745
	29 832 738	**15 527 944**	**19 330 507**

Operating lease payments represent rentals payable by the group for certain of its office premises. Leases are negotiated for an average term of three to five years. No contingent rent is payable.

30. Segment reporting

The group is organised into geographical business units and has four reportable segments. The group monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with the consolidated financial statements.

Figures in Rand Segment report – 2015	South Africa	Africa – Other	Europe	Asia and Middle East	Total
Revenue	627 174 799	124 279 954	80 422 114	11 823 676	843 700 543
Intersegment elimination of revenue	34 973 730				34 973 730
Revenue before segment elimination	**662 148 529**	**124 279 954**	**80 422 114**	**11 823 676**	**878 674 273**
Profit before taxation includes the following items	236 985 044	56 776 144	15 836 286	(7 078 835)	302 518 639
Investment revenue	1 616 804	2 915 839	22	18	4 532 683
Finance costs	694 136	210 124	7 373	12 442	924 075
Depreciation	58 815 444	1 917 427	10 388 652	476 186	71 597 708
Total tangible assets	278 139 609	77 605 529	36 605 106	14 137 207	406 487 451
Total liabilities	**(108 039 132)**	**(25 042 409)**	**(13 097 400)**	**(5 276 632)**	**(151 455 573)**
Goodwill					144 269 346
Equity					399 301 224

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