

## 8. Change of control in investment in TTCS continued

Figures in Rand thousand

	2019
Loss after tax contribution to trading results for the period	(9 557)
Contribution had the effective date of obtaining control been 1 August 2018	(16 155)

There were no acquisition-related costs during the period included in operating expenses in the statement of profit or loss.

The contribution to the trading results of the TTCS Group have been accounted for from the effective date of the business combination. The accounting of these subsidiaries is based on best estimates and fair values.

### Loss of control

A Sale of Shares Agreement (SSA) was entered into between the Group and the previous shareholder, whereby the Group sold its entire 49% shareholding to the previous shareholder, with the risk and benefit of the 49% shareholding passing with effect from 1 May 2019. From 1 May 2019, the Group no longer has any board representation at TTCS and does not have the ability to appoint any board members. The Group effectively lost control over TTCS on 1 May 2019.

The SSA contained three suspensive conditions for the sale and purchase to be completed and as at 31 July 2019, one of the suspensive conditions, being the relevant exchange control approval from the Reserve Bank of Zimbabwe, was not received. As the sale was not yet concluded at the reporting date, the retained investment was classified as held for sale (refer to note 15).

The Group accounts for the investment retained in TTCS upon loss of control, as an investment in associate under IAS 28.

According to IFRS 10, when a parent loses control of a subsidiary, it must recognise any investment retained in the former subsidiary at its fair value at the date when control is lost. The fair value of the retained investment is Rnil.

The results of TTCS for the current period as well as the prior period are shown as discontinued operations (refer to note 16).

The Group realised an accounting profit on loss of control of R125 million. Loans owing by TTCS to the Group were waived and the Group has an SAP settlement liability of R46 million on behalf of the TTCS Group.

## 9. Other financial assets

Figures in Rand thousand

	2019	Restated 2018
<b>Financial assets at fair value through profit or loss</b>	<b>28 332</b>	138 788
Listed equity linked investments	–	89 020
Other financial instruments	28 332	49 768
<b>Debt instruments at amortised cost</b>	<b>59 996</b>	565 944
Amounts receivable from sale of the GCT Group	–	299 962
Equity accounted investment receivables	42 413	100 326
Enterprise development loan receivables	4 520	76 733
Other loans and receivables	13 063	88 923
<b>Total financial assets</b>	<b>88 328</b>	704 732
Non-current other financial assets	11 610	499 040
Current other financial assets	76 718	205 692
	<b>88 328</b>	704 732

### Impairment allowance

At 31 July 2019, a total impairment allowance of R519 million (2018: R202 million) has been raised against debt instruments carried at amortised cost.

An impairment allowance of R414 million (2018: R124 million) has been raised for amounts receivable from the sale of the GCT Group. The allowance was raised based on the general approach and considers their current probability of default and collateral provided as security for the loan. The directors are actively engaged in the recovery of the receivables.

The balance of the impairment allowance is related to the other debt instruments and has been shown as a net amount. The allowances raised are based on the general approach, considering the probability of default and collateral (if any).

Refer to note 2.1 for further information regarding the transition to IFRS 9 and note 3 for further information regarding the prior year restatement.

Refer to note 44 for the disclosure on the expected credit losses.

# Notes to the consolidated Annual Financial Statements (continued)

for the year ended 31 July 2019

## 9. Other financial assets continued

Reconciliation of movements of debt instruments measured at amortised cost

<i>Figures in Rand thousand</i>	2019	Restated* 2018
Opening balance	565 944	236 847
Equity adjustment relating to IFRS 9	–	(35 521)
Net cash paid/(received)	(574 069)	83 187
Disposal of businesses	523 547	459 163
Movement in provision for debt instruments	(433 455)	(186 322)
Classified as held for sale (note 15)	(7 289)	–
Other movements	(14 682)	8 590
<b>Closing balance</b>	<b>59 996</b>	<b>565 944</b>

## 10. Deferred taxation

<i>Figures in Rand thousand</i>	2019	2018
<b>The balance comprises</b>		
Aggregate of deferred taxation assets	272 493	327 270
Aggregate of deferred taxation liabilities	(391 989)	(388 042)
	(119 496)	(60 772)
Aggregate of deferred taxation assets	272 493	327 270
Assets held for sale (note 15)	(27 215)	–
	245 278	327 270
Aggregate of deferred taxation liabilities	(391 989)	(388 042)
Liabilities directly associated with the assets held for sale (note 15)	2 573	–
	(389 416)	(388 042)
<b>Analysis of deferred taxation balances</b>		
Deferred cost	(144 689)	(122 723)
Prepaid expenses	(11 815)	(37 260)
Leases	(6 159)	(32 922)
Intangibles	(183 688)	(209 748)
Property, plant and equipment	(14 887)	(19 183)
Valuation allowances	234 742	30 841
Payroll accruals	143 835	167 712
Deferred income	158 649	130 877
Assessed losses	–	109 778
Unrecognised deductible temporary differences	(200 666)	–
Fair value adjustments	(94 818)	(78 144)
	(119 496)	(60 772)
<b>Deferred taxation movement</b>		
Balance at the beginning of the year	(60 772)	(209 368)
Acquired in business combinations	–	(36 389)
Disposal/discontinued operations	9 064	90 239
Movement through profit or loss	(54 372)	91 730
Foreign currency translation	(13 416)	3 016
Balance at the end of the year	(119 496)	(60 772)