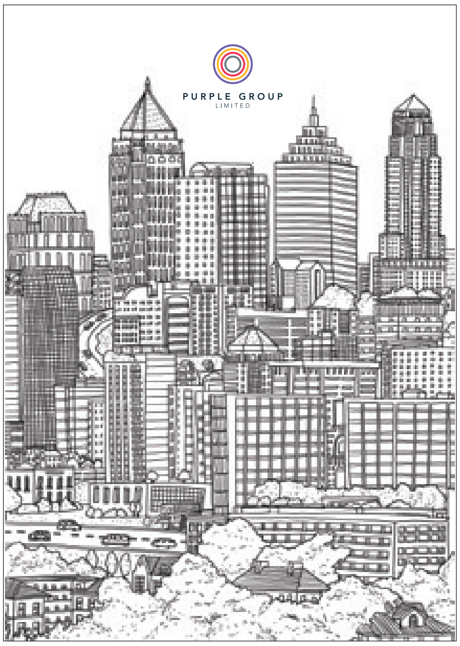
PURPLE GROUP
LIMITED



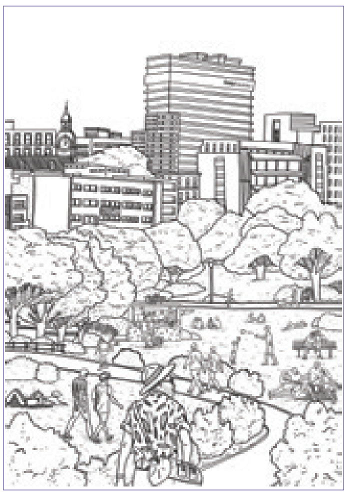
Your world.
Your way.
Your style.

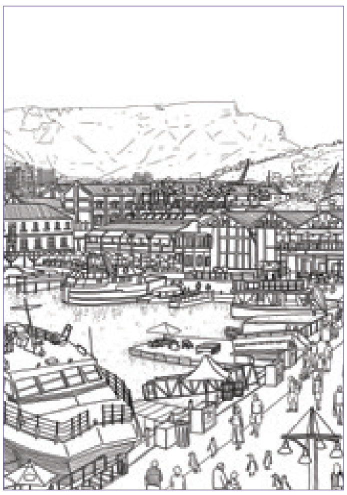
ABOUT THE COVER

Artwork: Colour outside the lines, created by miekevdmerwe@gmail.com

Many of you may find that this annual report design scribbles slightly outside of the lines. But we've come to believe that painting everything with the same brush isn't our thing; and that the canvas is really yours to colour in whatever style feels right for you, today.

This is your journey as much as it is ours, so explore our results and read through some reflections on the last financial year from our board members amid a kaleidescope of city scapes. They are yours to colour and shade as you wish.





CONTENTS

PURPLE GROUP
LIMITED

OUR PALETTE IS NOW EASY...

"The future of the Purple Group will largely be driven by the exciting growth prospects of EasyEquities, so we thought it just makes sense to link the Groups name more closely with this future" **Mark Barnes (Chairman)**

PURPLE GROUP
LIMITED

Purple Group Limited will be repositioned as Easy Investment Holdings Limited, (subject to shareholders approval) a proudly South African innovator that is facilitating affordable, accessible, and inclusive investing in South African and International markets

70%

EasyEquities

- EasyEquities provides low cost, accessible and inclusive investing for everyone, through its proprietary investment platform and technology stack;
- EasyEquities is 70% owned by Purple Group and 30% by Sanlam Investment Holdings Proprietary Limited;
- The EasyEquities product offering is offered directly to retail and institutional clients and indirectly through various partnerships with like-minded institutions.

50%

RISE

- RISE is a pension/provident fund administration and investment management company founded in partnership with NBC Fund Administration Services Proprietary Limited ("NBC");
- EasyEquities owns 50% of the RISE joint venture;
- In addition, EasyEquities is the execution service provider for RISE in respect of investment management services.

100%

<GT247.COM>

(to be renamed Easy Trader)

GT247.com provides a low-cost trading destination, with best of breed trading platform, for active derivative traders.

100%

EMPEROR
ASSET MANAGEMENT

(to be renamed Easy Investment Managers)

- Emperor provides managed portfolios to retail clients directly and through the EasyEquities platform;
- Emperor has further developed its offering to target institutional asset management mandates.

LETTER FROM THE BOARD

A LANDMARK YEAR

2018 has been a landmark financial year for the Group. Affordable, accessible, and inclusive investing is becoming a reality to a wider demographic in South Africa and gaining momentum each month through the EasyEquities channel.

Our rapidly growing customer base displays the maturity and wisdom required to take their future in to their own hands.

EasyEquities as a brand name is gaining recognition, creating products our customers relate to.

Off a proven platform, management focus is now devoted to the growth and development of the EasyEquities distribution channels.

A black empowerment consortium, led by Bonang Mohale, CEO of Business Leadership South Africa, invested R25 million into Purple Group. This allowed the Group to settle historic borrowing relating to the investment in Real People. The Group is privileged to have an enthusiastic investor and participant in the business that in time we hope will be a sizable broad-based BEE shareholder.

EasyEquities is an online, predominantly digital business, with a core of people that fulfill various roles, including innovating, managing, helping, and educating. Our expense base now reflects this reality. Harnessing social media as a tool means that we can do away with traditional and expensive marketing techniques; almost half of our new clients are referred by existing clients. We have moved in to new premises that suit our needs far better and which cost us materially less per month to rent. As we achieve our revenue hurdles, so the expense ratio reduces.

Delineated executive performance targets have been determined which are monitored regularly for delivery thereon. Individuals are accountable for what they have been tasked to achieve.

LETTER FROM THE BOARD

TOTAL GROUP COSTS ARE FLAT

GROUP LOSS PER SHARE AT 2.94 CENTS
▼54%
(FY 2017: LOSS 6.42C)

NET ASSET VALUE PER SHARE AT 32.51 CENTS
▲27%
(FY 2017: 25.54C)

R25 MILLION FUNDING RAISED FROM BLACK EMPOWERED CONSORTIUM

"Purple Group has contained its costs over the past year, reached final settlement terms with the IDC in respect of the joint and several guarantees provided by Purple Group along with the other Blockbuster shareholders, and restructured its debt profile through securing R25 million of funding from a Black Empowered consortium, led by businessman Bonang Mohale" **Gary van Dyk (CFOO)**

EasyEquities

EASYEQUITIES REVENUE INCREASED BY
▲68%

PLATFORM ASSETS INCREASED BY 144% TO
R3.5bn
(FY 2017: R1.4 BILLION)

FUNDED INVESTMENT ACCOUNTS INCREASED BY 77% TO
68 739
(FY 2017: 38 754)

TOTAL RETAIL DEPOSITS INCREASED BY 76% TO
R1.2bn
(FY 2017: R0.7 BILLION)

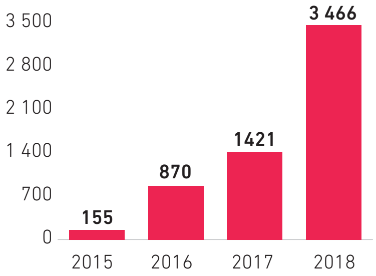
RISE SECURED ASSET MANAGEMENT MANDATES TOTALLING
R1.0bn
(FY 2017: ZERO)

RISE HAS SECURED PENSION ADMINISTRATION AND ASSET MANAGEMENT MANDATES TOTALLING **R2.0 BILLION AND 20 000 MEMBERS** POST YEAR END

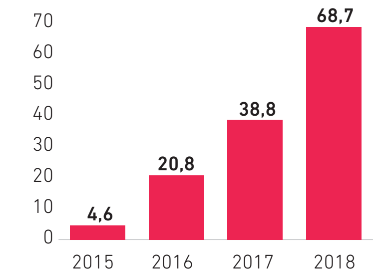
"The demographics of our customer base are truly representative of South Africa. Our low cost model gives customers easy access to a range of investment products and our brand recognition is gaining ground through multiple channels"
Charles Savage (CEO)

"RISE has been appointed as the fund administrator and investment manager of a retirement fund that will see it administering the retirement savings of some 20 000 members with assets under management in excess of R2 billion post year end"
Gary van Dyk (CFO)

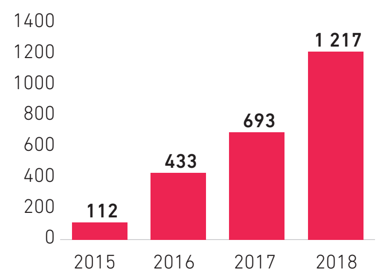
PLATFORM ASSETS (R'M)



FUNDED INVESTMENT ACCOUNTS ('000)



RETAIL DEPOSITS (R'm)



SANLAM INVESTMENTS INJECTED

R100m

INTO EASYEQUITIES (RING-FENCED CASH RESOURCES TO FUND EASYEQUITIES

"Sanlam is an engaged and supportive shareholder" **Charles Savage (CEO)**

<GT247.COM>

GT247.COM TRADING REVENUE INCREASED BY

13.9%

GT247.COM COSTS DECREASED BY

▼14.7%

PROFIT BEFORE TAX INCREASED BY BY 141% TO

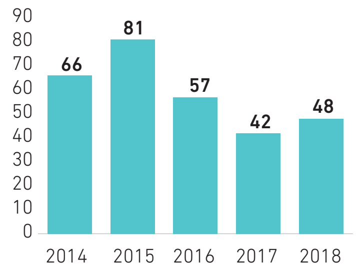
R10.2m

(FY 2017: R4.2 MILLION)

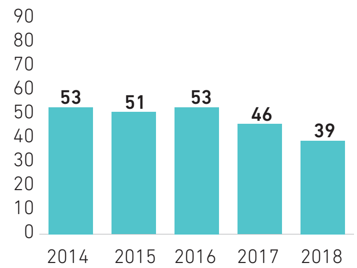
SUCCESSFUL MIGRATION TO **META TRADER 5** TRADING PLATFORM

"Offering the lowest cost trading destination and best of breed trading platform, GT247.com has an extremely competitive offering for the active trader. This coupled with a significantly reduced cost base has positioned this business well, even in the tough market conditions we are currently experiencing" **Gary van Dyk (CFOO)**

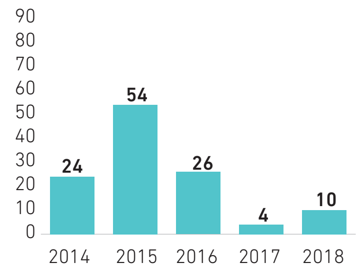
TRADING REVENUE (R'M)



TOTAL COSTS (R'M)



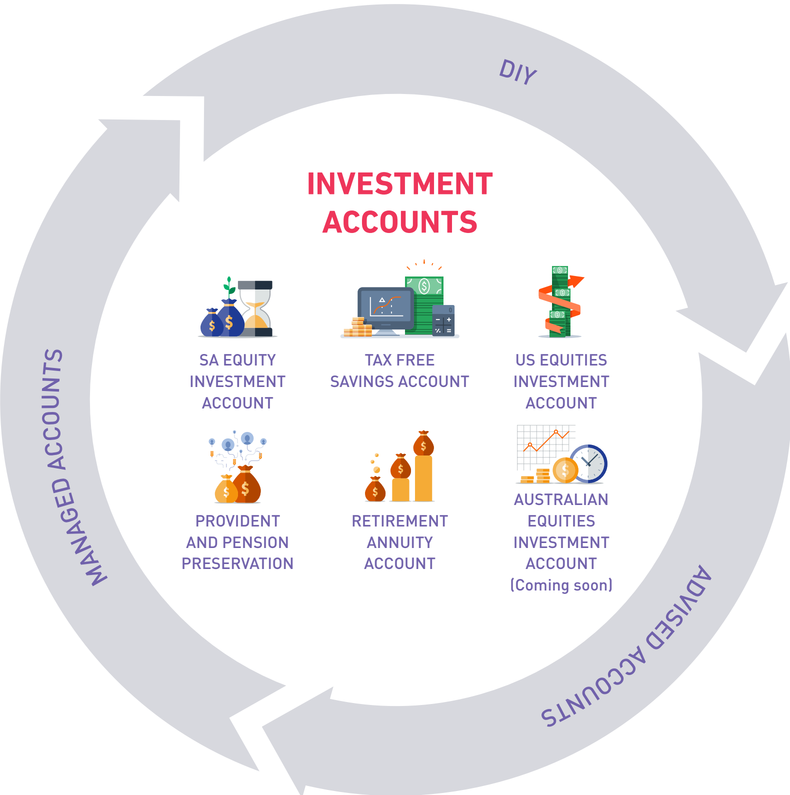
PROFIT BEFORE TAX (R'M)

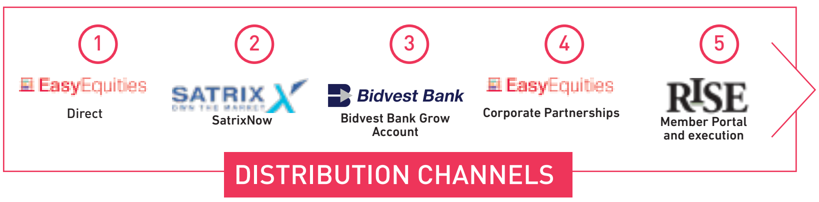


EXECUTING ON OUR STRATEGY

EasyEquities

EasyEquities leverages its innovative investment platform and technology stack through various distribution channels:





Core offering

Founded in South Africa in 2014, originally targeting the heavily under invested Millennial Generation, EasyEquities was built with the deep desire and purpose to democratize all things investing. Since then it's been a wonderful journey. A library of global awards and powerful partnerships gives credence to our success, having won everything from Best Fintech, Best Startup, Most Innovative Business and Top Online Stockbroker. But the real rewards come from our customers and the testimony they give to the difference we are making in changing their financial lives, and the incredible stories of every day South Africans taking up investing for the very first time.

EasyEquities solves three customer problem statements through a world first single platform:

- Customers that know what shares they want to buy. (DIY Investing)
- Customers that don't know what shares they want to buy and prefer to have their money managed by a market professional (Managed Portfolios)
- Customers who have financial goals but lack the confidence and understanding to match these goals with their risk tolerance, time horizon and capital constraints (Goal Based Investment Guide)

We built our loyalty program, Thrive, to drive and shape long term investor behavior rewarding them through zero brokerage benefits and other lifestyle experiences and enticing them to level up their education through our academy, build community through our referral and vouchering tools, and stay financially fit by putting their education into practice on the platform.

Distribution channels

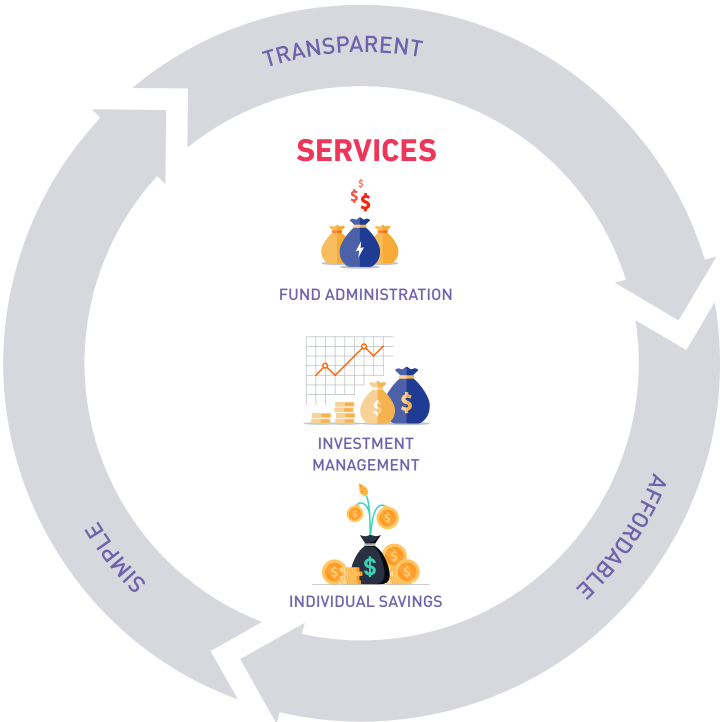
- Customers are acquired directly by EasyEquities through various marketing initiatives and more importantly through referrals from existing customers (40% of clients are acquired through referrals);
- EasyEquities has white labelled its core platform to SatrixNow, who utilises the platform to attract customers to invest in Satrix's ETFs and Unit Trusts.
- EasyEquities has provided customers of the recently launched Bidvest Bank Grow Account the opportunity to invest seamlessly through the Bidvest Bank Grow Account App, into the various investment products offered on the EasyEquities core platform.
- EasyEquities has been appointed by RISE to provide execution services in respect of investment mandates secured by RISE and offer members of funds administered by RISE various savings accounts as detailed above.


EasyEquities
Coffee

LETTER FROM THE BOARD CONTINUED

EXECUTING ON OUR STRATEGY CONTINUED

RISE
RETIREMENT INVESTMENTS AND SAVINGS FOR EVERYONE



1. FULLY INTEGRATED ADMINISTRATION, INVESTMENT MANAGEMENT & INDIVIDUAL SAVINGS
2. REAL-TIME, ONLINE ACCESS TO RETIREMENT SAVINGS
3. RETIREMENT SAVINGS AND DISCRETIONARY SAVINGS ALL ON ONE PLATFORM

ADMINISTRATION PLATFORM & MEMBER PORTAL

- A joint venture (50/50) with NBC Fund Administration Services, registered as Retirement Investments and Savings for Everyone (Pty) Ltd and trading as RISE, is a one-stop-shop integrated institutional administration and investment fund management business.
- Through its proprietary administration and investment management system, coupled with a first-of-its-kind member savings portal, RISE is equipped to reduce the cost of administration and provide unparalleled efficiency and transparency to all stakeholders.
- Contributions are seamlessly invested into selected portfolios and claims processed within 96 hours of submission.
- Members are provided with real-time, online access to view their retirement savings and the ability to complement their retirement savings through various investment accounts. This includes a Rand-based Investment Account, a USD Investment Account and a Tax-Free Savings Account with no minimum investment amounts or pre-scribed investment periods.

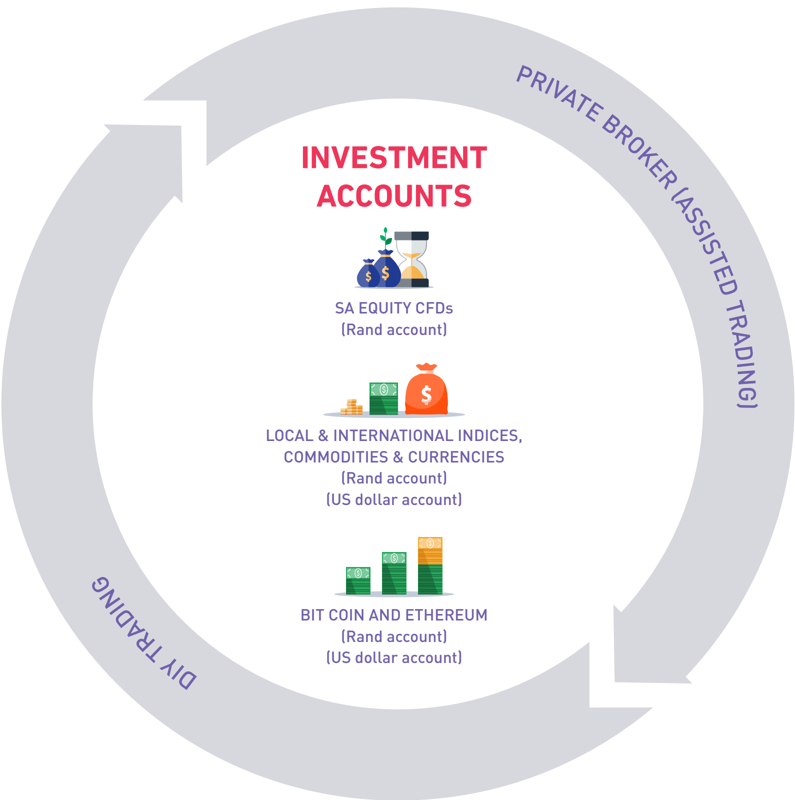
"RISE is a modern best-of-breed retirement fund administration and investment business that offers all individuals in formal employment the ability to consolidate their retirement and discretionary savings on a single platform. Competitive fees, real time transparency and a focus on data integrity and administrative efficiency enables RISE to present client funds and employers with a unique and cost effective opportunity to promote a culture of saving with every staff member, no matter what their financial circumstances"

Tony Mercer (Director: NBC Holdings)

"RISE offers a unique value proposition to retirement funds with a view to disrupt an industry encumbered with legacy administration, systems and high fees"

Deresh Lawangee (Executive Head Investment Consulting at NBC Holdings)

GT247.COM



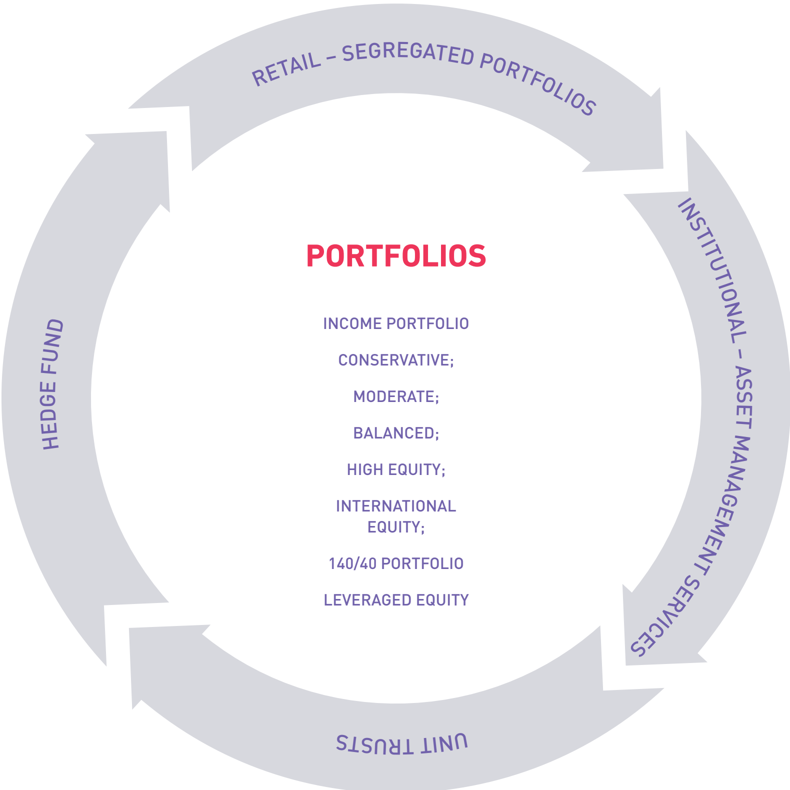
GT247.com is the trading destination for active derivative traders. GT247.com is an important complementary service for traders who require market leverage at competitive rates. The platform provides traders with access to trade equity CFDs (listed on the JSE) and derivatives in respect of over 60 currency pairs, all major international indices, commodities and cryptocurrencies using Rands.

GT247.com offers the lowest commission rates in the market for retail investors, being 10 basis points. This, coupled with the successful migration to the Meta Trader 5 Trading Platform during the past year, provides a compelling and competitive offering for our clients.

LETTER FROM THE BOARD CONTINUED

EXECUTING ON OUR STRATEGY CONTINUED

EMPEROR ASSET MANAGEMENT



1 QUANTITATIVE (BIG DATA, ALGORYTHMIC, RISK PREMIA INVESTING)

2 COMPETITIVE FEES

3 REAL-TIME ONLINE ACCESS

KEY DIFFERENTIATORS

The strategy for Emperor Asset Management is to broaden the offering and client base through offering managed portfolios on the EasyEquities platform and securing institutional asset management and consulting mandates.

Over the past year several new investment strategies were formulated and listed on the EasyEquities platform. The new offering now caters to a broad range of investor risk/return requirements.

Emperor Asset Management is currently providing investment consulting services to RISE and will be mandated as one of the investment managers appointed by RISE to manage a portion of the investment mandates secured by RISE.

FINANCIAL ANALYSIS CONTINUED

Consolidated

Consolidated Income Statements (R'000)

	Actual FY 2018	Actual FY 2017	Movement %
Revenue	70 216	74 518	(6%)
Commissions and research	(3 982)	(6 513)	(39%)
Operating expenses	(94 045)	(91 557)	2,7%
Net loss	(27 811)	(23 552)	18%
Other income	4 069	1 972	106%
Loss before interest, depreciation and amortisation	(23 742)	(21 580)	10%
Net interest (expense)/income	(4 316)	(3 456)	25%
Depreciation and amortisation	(8 500)	(4 837)	76%
Loss before share of net profit of joint venture, fair value impairment and guarantee adjustments	(36 558)	(29 873)	22%
Fair value impairments and guarantee adjustments	(6 540)	(44 109)	
Share of net loss of joint venture accounted for using the equity method	(483)	–	
Loss before tax	(43 581)	(73 982)	(41%)
Taxation	10 443	16 120	(35%)
Loss for the period	(33 138)	(57 862)	(43%)
Loss attributable to:			
Owners of the company	(26 667)	(57 862)	(54%)
Non-controlling interests	(6 471)	–	N/A
Loss per share			
Basic loss per share (cents)	(2,94)	(6,42)	(54%)
Headline loss per share			
Headline loss per share (cents)	(3,00)	(6,42)	(53%)

The Group recorded a loss for the period of R26.7 million compared with R57.9 million in the prior year. The basic loss of 2.94 cents per share and headline loss of 3.00 cents per share compares with a loss of 6.42 cents per share on both a basic and headline basis in the prior year.

FINANCIAL ANALYSIS

EasyEquities

EasyEquities Income Statements (R'000)

	Actual FY 2018	Actual FY 2017	Movement %
Revenue	15 880	9 476	68%
Commissions and research	(884)	(1 229)	(28%)
Operating expenses	(42 049)	(34 490)	22%
Net loss	(27 053)	(26 243)	3%
Other income	625	–	N/A
Loss before interest, depreciation and amortisation	(26 428)	(26 243)	1%
Net interest (expense)/income	2 492	(2 419)	(203%)
Depreciation and amortisation	(7 594)	(3 386)	124%
Loss before share of net profit of joint venture	(31 530)	(32 048)	(2%)
Share of net loss of joint venture accounted for using the equity method	(483)	–	
Loss before tax	(32 013)	(32 048)	0%

GT247.com Income Statements (R'000)

	Actual FY 2018	Actual FY 2017	Movement %
Asset management execution	2 601	10 506	(75%)
Trading revenue	47 969	42 116	13,9%
Revenue	50 570	52 622	(4%)
Commissions and research	(2 413)	(4 566)	(47%)
Operating expenses	(37 007)	(41 624)	(11%)
Net income	11 150	6 432	73%
Other income	–	–	N/A
Profit before interest, depreciation and amortisation	11 150	6 432	73%
Net interest expense	(113)	(830)	(86%)
Depreciation and amortisation	(843)	(1 378)	(39%)
Profit before tax	10 194	4 224	141%

- Trading Revenue is up 13.9% compared to the prior year, driven by several specific market events and a general increase in market volatility, both of which drove trading revenue.
- The revenue generated from asset management execution revenue was down 75%, driven by a decrease in client funds invested in leveraged portfolios.
- Total expenses are 14.7% lower due to various cost saving initiatives implemented over the past 18 months. Compared to FY 2016, total costs in respect of this business have decreased by 26.09% (R13.9 million p.a.).
- With average monthly trading revenue of R4.00 million generated during FY 2018 and a projected monthly total cost base of R2.7 million (projected for FY 2019), the business is well positioned to generate a reasonable profit.

- EasyEquities revenue was up 68%.
- Total expenses increased by 20.2% primarily due to higher professional fees and employment related costs. Professional fees incurred during the period mainly comprise audit fees in respect of the year-ended 31 August 2017 and legal consulting fees paid, associated with the USD Investment Account and the Retirement Annuity Account launched during the period. Additional staff resources were employed to support the new products launched and the increased volumes generated by the business.
- Management has implemented various initiatives over the past 12 months that would result in containment of several expenses and in some cases a decrease over the next 12 months.

FINANCIAL ANALYSIS CONTINUED

Emperor Asset Management

	Actual FY 2018	Actual FY 2017	Movement %
Revenue	**3 707**	**12 420**	(70%)
Commissions and research	**(453)**	**(718)**	(37%)
Operating expenses	**(5 995)**	**(5 775)**	4%
Net income	**(2 741)**	**5 927**	(146%)
Other income	**–**	**–**	N/A
Profit/(loss) before interest, depreciation and amortisation	**(2 741)**	**5 927**	(146%)
Net interest expense	**–**	**–**	N/A
Depreciation and amortisation	**(26)**	**–**	N/A
Profit/(loss) before tax	**(2 767)**	**5 927**	(147%)

- Revenue has decreased by 70% during the period, primarily due to a decrease in client funds invested in its leveraged strategies, which have not performed well over the past 3 years.
- With a relatively stable expense base, the focus over the next 12 months will be on building its distribution through the EasyEquities platform and targeting institutional asset management mandates with its range of new portfolios, which cater to the full risk/ reward spectrum.

Purple Group Limited and Investments (R'000)

	Actual FY 2018	Actual FY 2017	Movement %
Revenue	**59**	**–**	N/A
Commissions and research	**(232)**	**–**	N/A
Operating expenses	**(8 994)**	**(9 668)**	(7,0%)
Net income	**(9 167)**	**(9 668)**	(5%)
Other income	**3 444**	**1 972**	75%
Profit before interest, depreciation and amortisation	**(5 723)**	**(7 696)**	(26%)
Net interest expense	**(6 695)**	**(207)**	3 129%
Depreciation and amortisation	**(37)**	**(73)**	(49%)
Loss before fair value impairment and guarantee adjustments	**(12 455)**	**(7 976)**	56%
Fair value impairment and guarantee adjustments	**(6 540)**	**(44 109)**	
Loss before tax	**(18 995)**	**(52 085)**	(64%)

- Operating expenses have decreased by 7% primarily driven by additional costs being allocated to the operating subsidiaries, in line with services provided by Purple Group employed resources.
- Other income includes a profit of R3.4 million realised by Purple Group in respect of its investment in Misty Sea Trading, which was realised for a total consideration of R6.1 million during the year. This investment was carried at R2.7 million at 31 August 2017.
- At 31 August 2017, Purple Group provided for the estimated liability in respect of a joint and several guarantee to the Industrial Development Corporation of South Africa (IDC) in respect of the Group's indirect investment in Real People Investment Holdings Limited. During February 2018, Purple Group reached final agreement with the IDC in respect of the debt owed to the IDC. In the result, Purple Group was allocated a disproportionate share of this liability, an amount totalling R35 million (being an additional R8.1 million above the amount raised at 31 August 2017), for which Purple Group has reached payment terms. This write-down has been partially off-set by a slight upward valuation of the investment.

MAKING OUR MARK

Whether we are unwrapping opportunities for 5FM listeners to become first time investors, or educating South African youths in lecture halls and classrooms, or encouraging women to connect and take charge of their finances at the Johannesburg Stock Exchange at this year's inaugural #JSESheInvests, the EasyEquities brand continues to smudge and erase the barriers to share ownership.

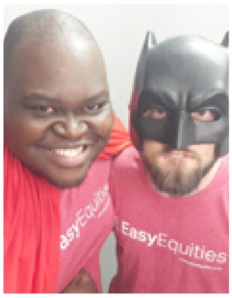
MAKING OUR MARK

Though our aspirations to make our mark on a global stage still reach higher than our new home on the 17th floor of the 'Metal Box' in the heart of Johannesburg, more than ever we are driven to keep shaping a new landscape for financial inclusion here in South Africa as everyone's stockbroker. The hues and highlights of this vision shine through in the stories we tell and the communities we empower.

#JSESHEInvests

Being able to start, or shine at whatever 'stage' you're at is something we saw play out at this years FEDA Festival of Excellence in Dramatic Arts. As the sponsor we were proud to support the creativity and voices of a new wave of South African drama students from schools across the country who lit up the Joburg Theatre at the 2018 festival.

FEDA FESTIVAL



We created a few stars of our own, or rather superheroes, in an initiative to raise awareness and education around Tax Free Savings Accounts which harnessed the power of our investor community and the incredible support of some of our partners. Three young EasyEquities users were given mentorship from Satrix, our Asset Manager Emperor and one of our bundle creators Advicement in creating their own share baskets in a comic book style campaign. The result was another record breaking spike in deposits and invaluable engagement around tax free savings in our third year of holding the SA Top Stockbroker #1 TFSA title, which as we recently discovered would roll on to a four-year winning streak.

TFSA CAMPAIGN

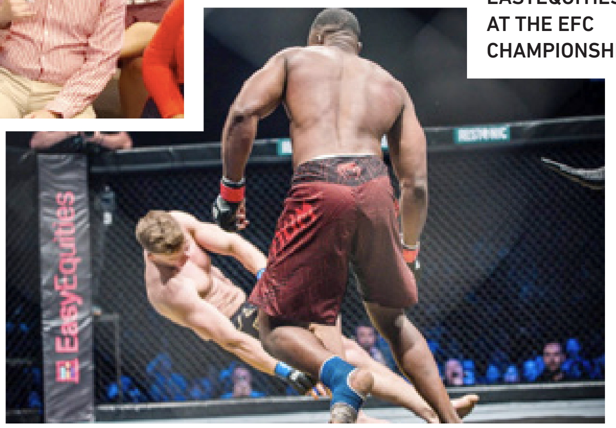
MAKING OUR MARK CONTINUED

Emperor, our pioneering penguin, continues to challenge old structures with new innovation and has trailblazed entry into managed portfolios for EasyEquities investors even further in the last year. Newly appointed fund manager Shaun Krom leads this expedition and has mapped out new routes to help investors summit their financial goals, whatever they may be. 2018 saw Emperor take on a new look and feel and renew its connection to the investment community across South Africa.

This year also brought about a palette of possibility for GT247.com, which with the move to MT5 and a revamped website, saw registrations triple. With a slick globally recognisable interface, traders have fallen back in love with our low cost, easy to use platform. With renewed energy GT247.com has made a massive impact over the last year, having partnered with the Monster Jam Poker Tour as well as making sure the crypto-obsessed out there are also able to get their fix in trading Bitcoin and Etherium. This momentum has continued into the new financial year where GT247.com featured alongside EasyEquities at the recent EFC championship in Cape Town and Durban; a campaign which packed a punch exposing the EasyEquities brand to over 4.5 million views when an image of what has been hailed as the 'Knock out of the year' went viral.

EMPEROR ASSET MANAGEMENT SEMINAR IN EAST LONDON

EASYEQUITIES AT THE EFC CHAMPIONSHIP



GT247.COM AT MONSTER JAM POKER TOUR

FINANCE INDABA 2017

TOP STOCKBROKER 2018

Across all of the brands under the Purple Group, there is art in what we are creating that goes beyond our award-winning service, our engaging and beautiful design and our platforms which touch each colour in the investing spectrum. Whether you are taking a punt on the Wall Street 40, creating a foundation in your kids Tax Free Accounts with some of the Emperor building blocks, or setting financial goals with our goal-based robo tool MrPHY, you are helping us paint a new picture for financial empowerment in South Africa.

This is a tapestry that is organically changing every day, and carving out a new artwork for the next generation to admire and build on.

PURPLISTAS MAKING THEIR MARK ON HERITAGE DAY

OUR LEADERSHIP

Mark Barnes – 62
Non-executive Chairman
@mark_barnes56

Mark Barnes graduated from UCT with a Business Science degree in Actuarial Science and attended a Management Programme at Harvard Business School. Mark is widely known as an investment banker in South Africa. He has 30 years of experience in financial services, holding positions of leadership at Standard Bank, Capital Alliance and Brait. Mark has had a wide exposure to financial markets previously as head of the biggest treasury operation in South Africa and as Chairman of the South African Futures Exchange. He is currently a significant shareholder in the Purple Group.
Mark is a frequent contributor in the South African media. As the current CEO of the South African Post Office, he is leading one of our most valuable national assets.
Mark joined the Board in October 2004.

Charles Savage – 45
Group CEO
@charleshsavage

Charles completed a BCom Accounting and Information Systems at the University of Cape Town in 1996. For nearly 20 years he has been active in financial markets with a strong focus on technology, business development and leadership. Charles was part of the team that pioneered CFD and spread trading in South Africa and in 2000 he led the development of the world's first fully automated online Spread Trading platform. He was elected to manage GT247.com's South African operations in 2003 where he was part of the Global Trader Executive. Charles is now responsible for strategically leading the operating business units of the Group.

Charles joined the Board in July 2009.

Gary van Dyk – 41
Group CFO
@gary_dyk

Gary completed his articles at KPMG at the end of 2002 at which time he qualified as a Chartered Accountant.

He then spent four years in the Transaction Advisory Division of KPMG prior to joining Purple Group in November 2006. Gary was Head of Corporate Finance until April 2013 at which time he was appointed as the Group's Chief Financial and Operations Officer.

Gary joined the Board in April 2013.

Ronnie Lubner – 84
Non-executive director

Ronnie is Chairman of the PG Group, South Africa's leading integrated glass business. He is also Chairman of the international Belron Group, the world's largest, dedicated vehicle glass repair and replacement company. Ronnie has a wide portfolio of interests locally and abroad.

Ronnie joined the Board in March 2006.

Craig Carter – 58
Independent non-executive director

Craig has over 30 years' experience, predominantly in technology and financial services, including treasury, corporate finance, venture capital, banking and mobile payments. Craig joined Purple Group at its inception as COO and was most recently COO for WIZZIT International.

He is currently COO of Luminous Banking.

Craig joined the Board in February 2005.

Dennis Alter – 76
Independent non-executive director

Dennis Alter served as the Chairman and Chief Executive Officer of Advanta Corporation for nearly 40 years.

At its peak, it employed more than 5 000 people and had seven million customers.

During his tenure, the company grew its assets, earnings and returns exponentially. Mr Alter also owned the country's largest dating company, pioneering dating as a business in the mid-nineties.

Dennis joined the Board in March 2006.

CORPORATE GOVERNANCE

The Group recognises that the shareholders own the business and that the Board is required to act in the best interests of the Company. The Board subscribes to the highest level of professionalism and integrity in conducting its business and in dealing with all its stakeholders. In adhering to its code of ethics, the Board will be guided by the following broad principles:

- Businesses should operate and compete in accordance with the principles of free enterprise;
- Free enterprise will be constrained by the observance of relevant legislation and generally accepted principles regarding ethical behaviour in business;
- Ethical behaviour is predicated on the concept of utmost good faith and characterised by integrity, reliability and a commitment to avoid harm;
- Business activities will benefit all participants through a fair exchange of value or satisfaction of needs; and
- Equivalent standards of ethical behaviour are expected from individuals and companies with whom business is conducted.

Role and function of the Board

The Board is responsible for the effective management and control of the Group and participates in the determination of the strategic direction and policy of the Group, discussions regarding transactions and disposals, approval of major capital expenditure, diverse financial and administrative activities and any other matters that may materially impact on the business of the Group.

The Board has delegated authority of the day-to-day management of the Group to the CEO and the executive teams of the businesses themselves. Management will supply the Board in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties.

The directors have unrestricted access to all Group information, records, documents and property, which they may require for the fulfilment of their duties.

Directors will furthermore have the ability to delegate certain functions, either internally or externally, in order to assist them in the performance of their duties and the decision-making process.

THE BOARD OF DIRECTORS

Composition

The Board currently consists of two executive and four non-executive directors (two of whom are independent).

The Board is satisfied that it has the requisite number of directors with the skills, knowledge and resources to conduct the business of the Group. Details of the directors, together with a brief *curriculum vitae* of each director, can be found on page 18.

Executive directors have standard employment contracts, requiring no more than three months' notice of termination.

Non-executive directors have standard letters of appointment and are subject to retirement by rotation and re-election by shareholders in accordance with the Memorandum of Incorporation.

To address the lack of diversity that currently exists, the Board have set a target of appointing two black non-executive directors between the date of this report and the end of the reporting period. In addition the Board will consider adopting a formal policy for race and gender diversity between the date of this report and the end of the reporting period.

Chairman

The chairman of the Board, Mark Barnes, is a non-executive director.

The roles of chairman and CEO are separate, each with clearly defined responsibilities.

Independence and performance

It is the intention of the Board to maintain a majority of non-executive directors to provide independent and objective input into the decision-making process.

The Board reviews the independence of directors annually at a minimum, taking into consideration the principles as set out in the King IV code and the Companies Act.

Executive directors' performance is assessed in relation to key performance indicators as agreed annually in accordance with the Company's standard performance assessment process.

Due to the small size of the Board and the fact that all directors participate actively, the Board has not found it necessary to conduct formal assessments of the individual non-executive directors.

Process for appointment and removal of directors

Due to the small size of the Group and the Board no Nominations Committee has been formed. As a result, directors are appointed and/or removed by the full Board directly, based on the suitability of available candidates and the requirements of the Group.

New directors will be inducted into the Group through interactions with various Exco members across the business, providing them with the necessary understanding of the Group structure and fiduciary responsibilities.

Appointment and re-election of the Board

One-third of all non-executive directors retire by rotation annually, and any director appointed by the Board is subject to election by the shareholders at the first AGM held after their initial appointment.

In accordance with the Company's Memorandum of Incorporation and the King code, Ronnie Lubner and Dennis Alter will retire by rotation and will stand for re-election by shareholders at the next AGM.

BOARD COMMITTEES

The Board has established a number of statutory and other committees to assist it in fulfilling its duties and responsibilities more effectively.

Members of the Board are appointed to committees based on their areas of expertise and experience. One of the members is appointed as chair of that committee.

Each committee operates within specific written terms of reference under which certain functions of the Board are delegated with defined purposes, duties and reporting procedures. These terms of reference are reviewed regularly.

The following table records meetings attended by each member of the Board during the period under review:

	Board	Audit Committee	Social and Ethics Committee	Risk Committee
Mark Barnes	2/2	2/2		2/2 (Chairman)
Ronnie Lubner	2/2			
Craig Carter	2/2	2/2 (Chairman)	2/2 (Chairman)	
Dennis Alter*	0/2	0/2		
Charles Savage	2/2			2/2
Gary van Dyk	2/2		2/2	2/2

* *Dennis Alter was not able to attend the meetings due to time zone complications, however, he has been actively involved in providing input throughout the year.*

** *The remuneration committee did not meet during the year as no changes were proposed for Executive Remuneration or to the Group's Remuneration Policy.*

Remuneration Committee

The Board of Directors has established a remuneration committee which will make recommendations to the Board within agreed terms of reference, on the Group's framework of executive remuneration and its costs. The remuneration committee will ensure that levels of remuneration are sufficient to attract and retain directors and executives needed to run the Group successfully. The remuneration committee will meet as required and comprises of Craig Carter (who chairs the committee), Ronnie Lubner and Mark Barnes.

The remuneration committee has developed a performance-orientated remuneration philosophy which fairly rewards executives and employees for their respective contributions to achieving the Group's strategic, financial and operational objectives. The remuneration structures are to encourage sustainable, long-term wealth creation. The following factors regarding the remuneration structures are highlighted:

- The remuneration philosophy is supportive of the Group's strategy;
- The cost of employment is managed while, at the same time, employees are rewarded in order to retain and motivate talented, skilled and high-calibre executives and employees;
- The Group promotes a performance-based culture; and
- The Group strives to align executive rewards with the interests of stakeholders.

The remuneration committee acknowledges the importance of motivating individual and team performances and therefore applies the remuneration policy equitably, fairly and consistently in relation to job responsibilities, the markets in which the Group operates and personal performance.

The Group rewards executive directors and employees as follows:

- Market-related, fair annual packages (base salary and benefits), which are competitive owing to the portability of skills;
- Market information is sourced from industry and executive remuneration surveys to benchmark executive remuneration in comparable positions;
- Annual performance bonuses related to specific company and personal objectives; and
- Participation in the employee share option scheme.

For non-executive directors' fees, the remuneration committee takes cognisance of market norms and practices as well as the additional responsibilities placed on Board members by new legislation and corporate governance rules. Non-executive director remuneration is fee-based and not linked to the share price of Purple Group. Purple Group non-executive directors do not receive bonuses or share options to ensure actual and perceived independence, except for Mark Barnes, the non-executive Chairman who has share options from his time as an executive. It was approved at a general meeting of shareholders that these could be retained.

Audit Committee

The Board of Directors has established an audit committee whose primary objective is to provide the Board with additional assurance regarding the efficiency and reliability of the financial information used by the directors, and assurance that the regulatory structures are maintained in compliance with the applicable legislative frameworks.

The audit committee will meet at least twice a year and comprises Craig Carter (who chairs the committee), Mark Barnes and Dennis Alter. The Financial Director and representatives of external audit attend audit committee meetings by invitation.

Due to the small size of Purple Group Limited and the relatively small size of the Board, only two of the three members are independent non-executive directors and the third is a non-executive director.

Other functions of the audit committee include:

- Nomination of the external auditor for appointment;
- Approval of the terms and remuneration of the external auditor;
- Approval of non-audit services by the external auditor;
- Communication with shareholders regarding the external auditors;
- Overseeing integrated reporting; and
- Satisfying itself that the finance function is appropriately staffed.
- Considering the competence and independence of the external auditor by, amongst others, receiving and reviewing the documentation as detailed in paragraph 22.15(h) of the Listings Requirements of the JSE.

As required by the JSE, the company has a Financial Director. The position is currently held by Gary van Dyk, who is an executive director and is deemed competent by the committee.

The committee is satisfied that the external audit function and designated auditor are accredited and have acted with unimpaired independence and free from any scope restriction. Details of fees paid are disclosed on page 47 of the financial statements.

Social and Ethics Committee

The Group's Social and Ethics Committee functions in line with the requirements of the Companies Act (No. 71 of 2008). The members of the committee are Craig Carter (who Chairs the committee), Bradley Leather and Gary van Dyk (Committee Secretary). A formal charter has been adopted that governs the objective of the committee and how its business shall be conducted.

Risk Committee

The Group has formed a Risk Management Committee that is responsible for the governance of risk and to set levels of risk tolerance and risk appetite. The committee comprises Mark Barnes (Chairman), Charles Savage (CEO), Gary van Dyk (Chief Financial and Operations Officer) and Mark Wilkes (VP of Risk), and meets when the risk position of the various companies warrants it, but at a minimum two times a year, to review the risk policies.

This committee has as its responsibility to:

- Design, implement and monitor the risk management plan;
- Ensure risk is assessed on a continual basis;
- Ensure that there are appropriate risk responses implemented; and
- Ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure.

The Board is of the view that the risk management process is effective in managing the risks that the business is faced with and in responding to unusual or abnormal risks.

GROUP SECRETARY

All directors have access to the advice and services of the Group Secretary.

The Group Secretary acts in a support capacity to the directors and Chairman and provides the Board with guidance and advice regarding the directors' responsibilities, duties and powers and to ensure that the Board is aware of all the legislation relevant to or affecting the affairs of the Group.

The Group Secretary is required to ensure that the Group complies with all applicable legislation regarding its affairs including the necessary recording of meetings of the Board or shareholders.

The Board was satisfied that the Group Secretary is suitably qualified, competent, experienced and independent. The Company Secretary is a third party entity in which none of the directors or Exco members have an interest, and as a result the Board believes that an arms-length relationship exists between the Group and the Company Secretary .

GOVERNANCE OF IT

IT forms an integral part of the three business units, namely GT247.com, EasyEquities and Emperor Asset Management.

IT governance, therefore, forms an integral part of the Group's risk management to ensure that the systems are able to support our clients' needs and our own internal control systems, whilst at the same time being aligned to the Group's strategic objectives

While the Board is ultimately responsible for the governance of IT, this has been delegated to Paul Jansen van Vuuren (Group Chief Technology Officer), who is a member of Exco, and who is responsible for the implementation of an IT governance framework and for monitoring and evaluating significant IT expenditure.

As part of this framework the Group identifies any new and innovative technology that can be incorporated into its strategy and processes. Security, disaster recovery and data management are also essential focuses of the IT department.

COMPLIANCE WITH RELEVANT LAWS, RULES, CODES AND STANDARDS

The Board is responsible for ensuring the Group complies with all applicable laws that affect the different business units. This is achieved through effective delegation to management and the Group compliance function that monitors the Group's compliance with the relevant rules and laws.

A Regulatory Committee was formed to monitor the Group's compliance with the acts relevant to its various businesses, most importantly FICA and FAIS. The committee comprises Charles Savage (CEO) and Gary van Dyk (Chief Financial and Operations Officer) and meetings are attended by the Group's VP of Compliance, VP of Legal, VP of Operations and VP of Risk. In addition, the Group has appointed an external Compliance Officer, with whom regular meetings are held.

GOVERNING STAKEHOLDER RELATIONSHIPS

The Board is responsible for ensuring that all the Group's stakeholders are dealt with in an equitable manner and that there is transparent and effective communication with them. The Board has identified the important stakeholders in the Group and strives to achieve a balance between their various expectations. There were no requests for information lodged with the Company in terms of the Promotion of Access to Information Act, No 2 of 2000 that were denied during the year.

The main stakeholders in Purple Group and the primary channels of communication with each of them, are as follows:

COMMUNICATION CHANNELS

Employees	HR function, performance management systems, management structures, team and staff meetings.
Customers	Website, emails, seminars, training, social media and sales team.
Shareholders	Integrated report, Annual General Meeting, one-on-one meetings, circulars and announcements.
Partners	Introducer programme, referrer reporting and meetings.
Regulators	Submission of integrated annual reports and returns, audits and compliance with the rules and regulations of the individual regulatory bodies (JSE, FSB).
Media	Interviews, providing content to TV shows and magazines.

KING REPORTS ON CORPORATE GOVERNANCE

The Group remains committed to managing its operations in accordance with the highest ethical standards. It supports the values of corporate governance advocated in the King Reports on Corporate Governance and substantially complies with the principles contained in the Code of Corporate Practices forming part of King III and King IV.

A register in terms of King IV, as well as a register in terms of King IV with King III evidence, can be found on the website at www.purplegroup.co.za.

FINANCIAL STATEMENTS

These consolidated annual financial statements have been prepared under the supervision of Gary van Dyk CA(SA).


QUAY FOUR
CAPE UNION MART
EasyInvestmentManagers
BOAT RIDE

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The directors are responsible for the preparation and fair presentation of the consolidated annual financial statements of Purple Group Limited, comprising the consolidated statement of financial position at 31 August 2018, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, in conformity with International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act of South Africa and the Listings Requirements of the JSE Limited.

The directors' responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management. The directors have made an assessment of the Group's ability to continue as a going concern and have no reason to believe the business will not be a going concern for the next 12 months from the date of approval. The external auditors are engaged to express an independent opinion on the financial statements.

The consolidated annual financial statements set out on pages 28 to 78 of Purple Group Limited, as identified in the first paragraph, were approved by the Board of Directors on 26 November 2018 and are signed on their behalf by:

Mark Barnes
Non-executive Chairman

Gary van Dyk
Chief Financial and Operations Officer

GROUP SECRETARY'S REPORT

TO THE SHAREHOLDERS OF PURPLE GROUP LIMITED

We have conducted the duties of the Company Secretary for Purple Group Limited and its subsidiaries. The secretarial matters are the responsibility of the Group's directors. Our responsibility is providing the directors collectively and individually with guidance as to their duties, responsibilities and powers.

In terms of section 88(2)(e)/33(1) of the Companies Act of South Africa, I certify that to the best of my knowledge and belief the Company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Companies Act of South Africa, in respect of the financial period ended 31 August 2018, and that all such returns are true, correct and up to date.

4 Africa Exchange Registry Proprietary Limited
Company Secretary

Bryanston
26 November 2018

DIRECTORS' REPORT

for the year-ended 31 August 2018

The directors submit their annual report on the activities of Purple Group Limited (the Company) and its subsidiaries (Purple Group or the Group) for the year-ended 31 August 2018.

BUSINESS OPERATIONS

Purple Group Limited, registered and incorporated in the Republic of South Africa, is a financial services company listed on the "Financials – General Financial" sector of the JSE. It has subsidiaries that operate in trading, investing and asset management.

FINANCIAL REVIEW

The Group recorded an attributable loss of 26.7 million (2017: loss of R57.9 million) for the 2018 financial year. Shareholders' funds have increased from R238.3 million in 2017 to 268.4 million in 2018. The Segmental Analysis is shown on page 41.

SHARE CAPITAL

The total authorised share capital is 1 200 000 000 ordinary shares of R0.01 each and the total number of ordinary shares in issue net of treasury shares is 905 971 519 (2017: 933 176 518).

At 31 August the directors' interests in the issued share capital of the Company were as follows:

	2018				2017			
	Beneficial		**Non-beneficial**		Beneficial		Non-beneficial	
	Direct	**Indirect**	**Direct**	**Indirect**	Direct	Indirect	Direct	Indirect
Mark Barnes	**46 852 718**	**166 080 851**	**–**	**–**	44 852 718	166 080 851	–	–
Craig Carter	**1 932 366**	**–**	**–**	**–**	1 932 366	–	–	–
Ronnie Lubner	**–**	**–**	**–**	**227 100 267**	–	–	–	227 100 267
Dennis Alter	**7 200 000**	**–**	**–**	**–**	7 200 000	–	–	–
Charles Savage	**20 835 591**	**58 928**	**–**	**–**	20 814 011	–	–	4 540 000
Gary van Dyk	**18 518 500**	**–**	**–**	**–**	18 518 500	–	–	–
	95 339 175	**166 139 779**	**–**	**227 100 267**	93 317 595	166 080 851	–	231 640 267

At the date of this report, none of the directors of the Group had traded any of the shares held by them as at 31 August 2018.

During the year, Charles Savage sold 4 540 000 shares and acquired 80 508 shares, of which 58 928 were in an indirect beneficial capacity, and Mark Barnes acquired 2 000 000 shares.

EVENTS AFTER THE REPORTING DATE

The directors are not aware of any other matter or circumstance arising since the reporting date to the date of this report, not otherwise dealt with in this report. Refer to note 25 of the financial statements.

DIRECTORS

The directors of the Group during the reporting period and up to the date of this report were as follows:

Mark Barnes (Chairman)*
Dennis Alter (American)*#
Charles Savage (CEO)
Gary van Dyk (CFOO)
Craig Carter*#
Ronnie Lubner (British)*

** Non-executive*   *# Independent*

SHARE INCENTIVE SCHEME

The Company's Employee Share Option Scheme has issued 133.5 million (2017: 144.8 million) options in total to the directors and staff of Purple Group. Details of the options in issue are disclosed in note 17 to the financial statements.

BORROWINGS

In terms of the Memorandum of Incorporation of the Company, the directors may exercise all powers of the Company to borrow money, as they consider appropriate.

SHAREHOLDER SPREAD

Details of the Company's shareholder spread are provided on page 78.

SUBSIDIARIES

Please refer to note 24 for the names of the company's subsidiaries.

CORPORATE GOVERNANCE AND SUSTAINABILITY

The corporate governance and sustainability report is set out on pages 19 to 23.

GOING CONCERN

The consolidated annual financial statements have been prepared on a going-concern basis. Despite the Group having accumulated losses, the current assets are in excess of current liabilities and the Group has net equity of R268.4 million, and the directors are confident that the Group will continue trading as a going concern into the foreseeable future.

The losses incurred during the period were generated in respect of the Group's investment in its EasyEquities business as GT247.com generated a reasonable profit.

The Group's investment in EasyEquities during the current period was funded through the transaction with Sanlam which resulted in EasyEquities being capitalised with sufficient capital to fund its operations. The remaining profitable businesses in the Group will no longer be required to fund the EasyEquities operations. These cash flows will be utilised to fund the operations of the remaining businesses as well as to reduce the debt facilities of the Group.

SECRETARY

The Company changed its secretary during the period from Trifecta Capital Services Proprietary Limited t/a Trifecta Statutory and Governance Services to 4 Africa Exchange Registry Proprietary Limited. Per the JSE Listings Requirements, the Board of Directors has, during the period under review, considered and satisfied itself of the competency, qualifications and experience of the Company Secretary. The Board of Directors confirms that there is an arm's length relationship with the Company Secretary.

Business and postal address of the Company Secretary:

Cedarwood house
Ballywoods Office Park
33 Ballyclare Drive
Bryanston
2121

RESOLUTIONS

At a general meeting of the shareholders on 8 December 2017, the following resolutions were passed:

Ordinary resolutions

- Adoption of annual financial statements for the year-ended 31 August 2017
- Remuneration of auditors
- Appointment of auditors
- Ratification of re-election of Mark Barnes and Craig Carter
- To place the unissued shares of the Company under the control of the directors
- To authorise the Company to issue shares and to sell treasury shares for cash under a general authority
- To authorise the directors as signatories
- Non-binding advisory vote on remuneration policy

Special resolutions

- Awarding of shares and provision of financial assistance in connection therewith
- Approval of directors' remuneration to 31 August 2018

AUDITORS

BDO South Africa Incorporated

REPORT OF THE AUDIT COMMITTEE

The audit committee is appointed by the Shareholders. It assists the Board by advising and making recommendations on financial reporting, risk management and internal controls, external and internal audit functions and statutory and regulatory compliance of the Group, but retains no executive powers or responsibility. Dennis Alter, Mark Barnes and Craig Carter (audit committee Chairman) continued as members.

The audit committee met twice during the period. The first meeting was on 6 November 2017 to approve the 2017 annual financial statements and again on 30 August 2018 to deal with the matters below and planning for the 31 August 2018 audit. The Chief Financial and Operating Officer of the Group and representatives from the external auditors attend the committee meetings by invitation.

The external auditors have unrestricted access to the audit committee and are able to meet separately with the Chairman of the audit committee during the period if considered necessary.

In execution of its duties during the past reporting period, the audit committee has:

- nominated for appointment as auditor of the Group a registered auditor who, in the opinion of the audit committee, was independent of the Group;
- determined the fees to be paid to the auditor and the auditor's terms of engagement;
- ensured that the appointment of the auditor complies with the Companies Act and any other legislation relating to the appointment of auditors;
- performed an assessment of the competence of the auditor to perform it's duties by, amongst others, receiving and reviewing the documentation as detailed in paragraph 22.15(h) of the Listings Requirements of the JSE;
- determined the nature and extent of any non-audit services which the auditor may provide to the Group;
- received and dealt appropriately with any complaints relating to the accounting practices of the Group or to the content or auditing of its financial statements, or to any related matter;
- considered the JSE Proactive Monitoring report of 2017 and has taken appropriate action to apply the findings where applicable; and
- performed other functions as determined by the Board.

The audit committee is of the view that the size of the Group does not warrant the formation of an internal audit department. This will be reviewed on an ongoing basis to determine whether one will be required in the future.

Per the Companies Act requirements, the committee has considered the independence of the external auditors and has concluded that the external auditor has been independent of the Group throughout the period taking into account all other non-audit services performed if applicable and circumstances known to the committee.

Per the JSE Listings Requirements, the committee must consider and be satisfied, on an annual basis, with the appropriateness of the expertise and experience of the Financial Director and the Group must confirm this by reporting to the shareholders in its annual report that the audit committee has executed this responsibility. In this respect, we believe that Gary van Dyk, the Chief Financial and Operating Officer, possesses the appropriate expertise and experience to meet his responsibilities in that position. In addition, the finance function is adequately staffed and resourced, is able to fulfil its function adequately and has in place appropriate financial reporting procedures that are applied and operational.

FINANCIAL STATEMENTS

Following our review of the consolidated annual financial statements for the year-ended 31 August 2018, we are of the opinion that, in all material respects, they comply with International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and in the manner required by the Companies Act of South Africa and the Listings Requirements of the JSE Limited, and that they fairly present the financial position at 31 August 2018 for Purple Group Limited and the results of operations and cash flows for the period then ended.

On behalf of the audit committee

Craig Carter

26 November 2018

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF PURPLE GROUP LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Purple Group Limited and its subsidiaries (the group) set out on pages 35 to 77, which comprise the consolidated statement of financial position as at 31 August 2018, and the consolidated statement of profit or loss and consolidated other comprehensive income, consolidated statement of changes in funds and reserves and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the consolidated financial statements present fairly, in all material respects the consolidated financial position of the group as at 31 August 2018, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section* of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Key audit matter	*Audit response*
Refer also to note 1 (page 55) A significant part of the Group's financial processes are heavily reliant on Information Technology (IT) systems, with automated processes and controls over the capturing, valuing and recording of transactions. This is a key part of our audit because of the: • Complex IT environment supporting diverse business processes which are continuously expanded and new functionality added • Mix of manual and automated controls but with the majority of the control environment automated • Complexity of the billing systems used to recognise revenue. • Revenue consisting of high volume of low value transactions which are generated automatically by the system when clients execute transactions • Revenue transactions are electronically generated by the group's trading platforms with no physical supporting documents These factors complicate the auditing of the existence and accuracy of revenue and obtaining the required assurance over revenue recognition, which result in significant audit time and focus and as a result is considered to be a key audit matter.	Our audit procedures included, amongst others: • IT assurance services were employed to perform a comprehensive IT General Control environment review for the year and document all processes and controls in operation over the IT Environment. • IT assurance services tested the automated controls in the system by means of test data and computer assisted auditing techniques. • The operational systems and databases were reconciled to the financial systems in order to ensure the functioning of the interfaces between the systems. • We obtained access to the transactional data for the period under review and identified exceptions within the underlying data when compared to our expectations. These exceptions were identified using computer assisted auditing techniques and tested to supporting evidence. • In addition to the computer assisted audit techniques we also performed substantive detail tests to obtain assurance on the existence, and accuracy of transactions within the system on a sample basis by vouching transactions to supporting evidence. • Where counterparties are used revenue, transactions were confirmed to external supporting evidence. • Where revenue stream are homogenous and recurring we used predictive analytical procedures to test the existence and accuracy of revenue. • Assessed whether the revenue was recorded within the correct periods with relevance to terms and conditions of the services and agreements with customers.

INDEPENDENT AUDITOR'S REPORT CONTINUED

2. Third party funds

Key audit matter	*Audit response*
Refer also to note 14 (page 64) The Group holds R621.1 million (2017: R315.6 million) of client funds which are not reflected on the statement of financial position. According to regulation these accounts have to be treated and accounted for as restricted funds held on trust and are not available for use by the Group. Also included in Group cash and cash equivalents are client funds held in margin whose use are restricted to hedging activities. A related liability for these client funds on margin are accounted for in the client funds liability. The Group manages significant amounts of client funds in a fiduciary capacity. Accordingly, significant audit emphasis was placed on ensuring the appropriate accounting treatment of the funds held in trust, that adequate safeguards are in place over these funds and that their administration is strictly in accordance with client mandates. As a result this area is regarded as a key audit matter.	Our audit procedures included, amongst others: • Technical experts were consulted on the appropriateness of the accounting treatment of the funds held in trust (not on margin) and whether these should be recognised as an asset with a corresponding liability in the statement of financial position compared to the Group's policy of not including these funds in cash and other equivalents. • Reconciled the database of clients' transactions across all trading products with the clients' funds balances at year-end and reconciled these in turn to the accounting records. • Confirmed client funds held in trust and margin accounts with external third parties. • Confirmed that the Group operates a separate trust account for these funds and that the balances have been reconciled to the accounting records. • Reconciled the clients' funds liability with the client's funds on margin per the trading database. • Confirmed by way of a reconciliation that the Group has enough cash resources on hand at year-end to meet the client funds held in trust and on margin liabilities. • Assessed the transactions to ensure they were valid trust account transactions by vouching trust account balances to the trading database and instructions from clients.

3. Impairment of investments and goodwill

Key audit matter	*Audit response*
Refer also to notes 8 and 9 (pages 58 to 60) The company has various investments. The investments comprise both listed and unlisted entities. The related goodwill is measured at cost less accumulated impairment losses and not amortised under International Financial Reporting Standards. The directors' annual impairment review in accordance with *IAS 36: Impairment of Assets*, involves valuations utilising different valuation techniques including free cash flow models, which are complex and require significant judgement. Goodwill on the acquisition of the GT247 business represents by far the most significant asset in the statement of financial position. This business has a recent history of incurring trading losses. The assessment of the carrying value of goodwill involves significant estimates of future cash flows based on assumptions about the future made by management. In addition, the estimate of the recoverable amount of goodwill is sensitive to the discount rate applied to the cash forecast, and arriving at an appropriate discount rate in itself involves a high degree of estimation. Therefore the impairment testing of investments and goodwill was regarded as a key audit matter and audit emphasis was placed thereon.	Our audit procedures included, amongst others: • Assessed the key inputs and assumptions used in the valuation and impairment models, including specifically the operating cash flow projections, discount rates, and long-term growth rates to external sources where appropriate and our knowledge of the industry and business. The key assumptions used for estimating cash flow projections in the Group's impairment testing are those relating to growth in assets under management, revenue and operating margin. • Technical experts were consulted to review and assess the valuation models and related inputs and assumptions for reasonability, and to assess whether the methods applied are consistent with International Financial Reporting Standards and industry norms. • Tested the integrity and mathematical accuracy of the impairment and valuation models by re-performing the calculations. • Assessed the sensitivity of the impairment testing model to changes in key assumptions. • Considered the adequacy of the Group's disclosures in respect of its goodwill impairment testing and valuation of investments and whether disclosures about the sensitivity of the outcome of the impairment and valuation assessment to reasonably possible changes in key assumptions properly reflected the risks inherent in such assumptions. • Assessed whether disclosures relating to goodwill impairment and valuation of investments was in accordance with International Financial Reporting Standards.

4. Going concern and recognition of deferred tax asset

Key audit matter	*Audit response*
Refer also to notes 12 and 27 (page 62 and 77) When preparing annual financial statements, the directors are required to make an assessment of the group's ability to continue as a going concern into the foreseeable future. This basis assumes that the group will continue in operation for the foreseeable future, and that the group has adequate access to capital and borrowings to meet its obligations as they fall due. In making this assessment the directors take into account all available information about the future which is at least, but not limited to, 12 months from the date of approval of the financial statements. During the current and prior year, the group incurred losses before and after taxation and the group reflects an accumulated deficit of R 234.1 million (2017: R273.5 million) at financial year-end. In addition, the group has borrowings and bank overdrafts. The going concern assessment by management necessarily involves making significant judgements and estimates about the future and the going concern assumption underpins the recognition and measurement of the entire financial statements. The deferred tax asset is recognised in the financial statements to the extent that it is probable that future taxable profits will be available against which the tax losses can be utilised. The going concern and related recognition of deferred tax asset was therefore noted as a key audit matter.	Our audit procedures included, amongst others: • Discussed with management their assessment of the group's ability to continue as a going concern, cash forecasts prepared, the availability of financing facilities and access to capital, and whether all information that is reasonably available had been taken into account and also obtained formal management representation in this regard. • Evaluated the reliability of underlying data used to prepare the medium-term forecast by comparing the projected cash flows, including the assumptions relating to revenue growth rates, operating margins, and growth in assets under management to historical performance. • Inspected supporting evidence for the assumptions underlying the forecasts and where possible compared the assumptions used to external market factors. • Reviewed the availability of financing facilities and access to capital to external support where possible. • Assessed the key ratios for further indicators of going concern problems and compared the groups actual working capital requirements to managements forecasts. • Compared managements forecast working capital requirements to available funds and committed credit facilities. • Based on the procedures above we assessed whether there would be future taxable profits in order to recognise the deferred tax asset.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, and the Annual Integrated Report, which we obtained prior to the date of this auditor's report. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors' for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Purple Group Limited for 8 years.

BDO South Africa Inc.

BDO South Africa Incorporated
Director: D Botha
Registered Auditor

30 November 2018

22 Wellington Road, Parktown, 2193

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year-ended 31 August 2018

	Notes	2018 R'000	2017 R'000
Revenue	1	**70 216**	74 518
Commissions and research expenses	2	**(3 982)**	(6 513)
Operating expenses	2	**(94 045)**	(91 557)
Net loss		**(27 811)**	(23 552)
Other income	3	**4 069**	1 972
Deficit before interest, depreciation and amortisation		**(23 742)**	(21 580)
Interest income	4	**2 687**	–
Finance costs	4	**(7 003)**	(3 456)
Depreciation and amortisation	2	**(8 500)**	(4 837)
Loss before fair value, impairment adjustments and tax		**(36 558)**	(29 873)
Fair value, impairments and guarantee adjustments	5	**(6 540)**	(44 109)
Share of net loss of equity-accounted investee		**(483)**	–
Loss before tax		**(43 581)**	(73 982)
Income tax benefit	6	**10 443**	16 120
Loss for the period		**(33 138)**	(57 862)
Loss attributable to:			
Owners of the Company		**(26 667)**	(57 862)
Non-controlling interest		**(6 471)**	–
		(33 138)	(57 862)
Earnings per share			
Basic loss per share (cents)	16	**(2.94)**	(6.42)
Headline loss per share (cents)	16	**(3.00)**	(6.42)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year-ended 31 August 2018

	Notes	2018 R'000	2017 R'000
Loss for the period		**(33 138)**	(57 862)
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation reserve	15	**(411)**	507
Total comprehensive loss		**(33 549)**	(57 355)
Total comprehensive loss attributable to:			
Owners of the Company		**(27 078)**	(57 355)
Non-controlling interest		**(6 471)**	–
		(33 549)	(57 355)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 August 2018

	Notes	2018 R'000	2017 R'000
ASSETS			
Equipment	7	**3 944**	3 168
Intangible assets	8	**44 270**	29 300
Goodwill	8	**204 568**	204 568
Investments	9	**13 781**	12 208
Investment in Joint Venture	10	**631**	–
Receivables	11	**2 824**	1 004
Deferred tax assets	12	**56 289**	45 845
Total non-current assets		**326 307**	296 093
Trade and other receivables	13	**23 645**	5 587
Current tax receivable		**2 983**	2 763
Investments	9	**3 942**	5 862
Receivables	11	**742**	1 886
Cash and cash equivalents	14	**107 333**	140 792
Total current assets		**138 645**	156 890
Total assets		**464 952**	452 983
EQUITY AND LIABILITIES			
Share capital and premium	15	**464 023**	483 321
Accumulated loss		**(232 717)**	(273 506)
Equity component of a compound instrument	19	**3 496**	–
Other reserves	15	**33 614**	28 497
Equity attributable to owners		**268 416**	238 312
Non-controlling interest		**26 073**	–
Total equity		**294 489**	238 312
Borrowings	19	**40 284**	–
Financial guarantee	9	**–**	26 887
Total non-current liabilities		**40 284**	26 887
Bank overdraft	14	**4 080**	13 614
Trade and other payables	18	**22 061**	13 618
Client position liability	18	**79 716**	140 552
Borrowings	19	**24 322**	20 000
Total current liabilities		**130 179**	187 784
Total equity and liabilities		**464 952**	452 983

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year-ended 31 August 2018

	Notes	Share capital R'000	Share premium R'000	Accumu-lated loss R'000	Foreign currency trans-lation reserve R'000	Share-based payment reserve R'000	Equity compo-nent of a compound instru-ment R'000	Total R'000	Non-con-trolling interest R'000	Total equity R'000
Balance 1 September 2016		8 814	447 855	(215 644)	(4 473)	26 831	–	263 383	–	263 383
Total comprehensive loss for the period										
Comprehensive loss for the period	15	–	–	(57 862)	507	–	–	(57 355)	–	(57 355)
Contributions by and distributions to owners										
Shares issued	15	518	26 134	–	–	(72)	–	26 580	–	26 580
Share-based payment expense	15/17	–	–	–	–	5 704	–	5 704	–	5 704
Balance 1 September 2017		9 332	473 989	(273 506)	(3 966)	32 463	–	238 312	–	238 312
Total comprehensive loss for the period										
Comprehensive loss for the period	15	**–**	**–**	**(26 667)**	**(411)**	**–**	**–**	**(27 078)**	**(6 471)**	**(33 549)**
Contributions by and distributions to owners										
Sale of non-controlling interest in subsidiary		**–**	**–**	**67 456**	**–**	**–**	**–**	**67 456**	**32 544**	**100 000**
Treasury shares acquired		**(351)**	**(18 947)**	**–**	**–**	**–**	**–**	**(19 298)**	**–**	**(19 298)**
Share-based payment expense	15/17	**–**	**–**	**–**	**–**	**5 528**	**–**	**5 528**	**–**	**5 528**
Borrowings raised with option to convert to shares		**–**	**–**	**–**	**–**	**–**	**3 496**	**3 496**	**–**	**3 496**
Balance at 31 August 2018		**8 981**	**455 042**	**(232 717)**	**(4 377)**	**37 991**	**3 496**	**268 416**	**26 073**	**294 489**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year-ended 31 August 2018

	Notes	2018 R'000	2017 R'000
Cash flows utilised in operating activities			
Cash utilised in operations		**(77 888)**	(26 114)
Tax paid		**(220)**	(273)
Interest income	15	**2 687**	–
Finance costs	4	**(1 889)**	(3 456)
Cash flows utilised in operating activities		**(77 310)**	(29 843)
Cash flows from investing activities			
Acquisition of equipment and intangible assets		**(24 247)**	(15 798)
Acquisition of joint venture	10	**(1 114)**	–
Proceeds from sale of investment		**6 143**	–
Rental deposit		**(628)**	–
Cash flows utilised in investing activities		**(19 846)**	(15 798)
Cash flows from financing activities			
Proceeds from the issue of share capital	15	**–**	20 645
Acquisition of treasury shares		**(19 298)**	–
Change in ownership interest in subsidiary		**100 000**	–
Proceeds from loan		**10 000**	20 000
Repayments of borrowings		**(17 060)**	–
Cash flows generated by financing activities		**73 642**	40 645
Net decrease in cash and cash equivalents		**(23 514)**	(4 996)
Effect of foreign exchange on cash	15	**(411)**	507
Cash and cash equivalents at beginning of period		**127 178**	131 667
Cash and cash equivalents at the end of the period	14	**103 253**	127 178

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

for the year-ended 31 August 2018

RECONCILIATION OF CASH UTILISED IN OPERATIONS

	Notes	2018 R'000	2017 R'000
Loss before tax, interest income and finance costs		**(39 265)**	(70 526)
Adjustments for:			
– Depreciation and amortisation	2	**8 500**	4 837
– Fair value losses on investments	5	**6 540**	48 356
– Fair value adjustment – Group asset management division		**(779)**	–
– Share of net loss of equity-accounted investee		**483**	–
– Financial guarantee liability	5	**–**	(4 171)
– Scrip dividend received	3	**–**	(903)
– Share-based payment expense	2	**5 528**	5 704
– Profit on sale of investment	15	**(3 444)**	–
Movement in working capital		**(22 437)**	(16 703)
Receivables	11	**–**	(187)
Trade and other receivables		**(3 058)**	1 675
Trade and other payables		**8 443**	(802)
Client position liability		**(60 836)**	(10 097)
		(77 888)	(26 114)

ACQUISITION OF EQUIPMENT AND INTANGIBLE ASSETS

	Notes	2018 R'000	2017 R'000
Additions to equipment to maintain operations	7	**(3 008)**	(429)
Additions to intangible assets	8	**(21 239)**	(15 369)
		(24 247)	(15 798)

TAX PAID

Balance at beginning of period		**2 763**	2 490
Current tax	6	**–**	–
Balance at end of period		**(2 983)**	(2 763)
Tax paid		**(220)**	(273)

SEGMENTAL ANALYSIS

for the year-ended 31 August 2018

OPERATING SEGMENTS

The operating segments are distinguished by the type of business and the management team responsible for the business unit. The Group comprises the following operating segments:

- GT247.com, and Emperor Asset Management (EAM): represent the derivatives trading and asset management operations of the Group. These two businesses operate largely off the same centralised resource base of the Group and GT247.com generates a significant portion of its revenue for services performed for Emperor clients.
- EasyEquities is the web-based investment platform of the Group.
- Investments represent fees and dividends earned on investments and fair value adjustments made against them.

	GT247.com and EAM R'000	EasyEquities R'000	Purple Group Ltd and Investments R'000	Total R'000
2018				
Segment asset				
Non-current assets	13 178	45 190	267 939	326 307
Current assets	70 468	52 764	15 413	138 645
Total assets	**83 646**	**97 954**	**283 352**	**464 952**
Segment liabilities				
Non-current liabilities	–	–	40 284	40 284
Current liabilities	65 430	33 384	31 365	130 179
Total liabilities	**65 430**	**33 384**	**71 649**	**170 463**

	GT247.com and EAM R'000	EasyEquities R'000	Purple Group Ltd and Investments R'000	Total R'000
2018				
Revenue	54 277	15 880	59	70 216
Commissions and research expenses	(2 866)	(884)	(232)	(3 982)
Operating expenses	(43 002)	(42 049)	(8 994)	(94 045)
Net profit/(loss)	8 409	(27 053)	(9 167)	(27 811)
Other income	–	625	3 444	4 069
Profit/(Loss) before interest, depreciation and amortisation	8 409	(26 428)	(5 723)	(23 742)
Interest income	–	2 687	–	2 687
Finance costs	(113)	(195)	(6 695)	(7 003)
Depreciation and amortisation	(869)	(7 594)	(37)	(8 500)
Profit/(Loss) before fair value, impairment adjustments and tax	7 427	(31 530)	(12 455)	(36 558)

** Share-based payment expense of R5 528 252 is included in operating expenses. The split per segment is as follows:*

- *GT247.com, EAM: R1 490 058.*
- *EasyEquities: R1 382 748.*
- *Head office and Investments: R2 655 446.*

SEGMENTAL ANALYSIS CONTINUED

for the year-ended 31 August 2018

	GT247.com and EAM R'000	EasyEquities R'000	Head office and Investments R'000	Total R'000
2017				
Revenue	65 042	9 476	–	74 518
Commissions and research expenses	(5 284)	(1 229)	–	(6 513)
Operating expenses	(47 399)	(34 490)	(9 668)	(91 557)
Net profit/(loss)	12 359	(26 243)	(9 668)	(23 552)
Other income	–	–	1 972	1 972
Profit/(Loss) before interest, depreciation and amortisation	12 359	(26 243)	(7 696)	(21 580)
Finance costs	(830)	(2 419)	(207)	(3 456)
Depreciation and amortisation	(1 378)	(3 386)	(73)	(4 837)
Profit/(Loss) before fair value, impairment adjustments and tax	10 151	(32 048)	(7 976)	(29 873)

** Share-based payment expense of R5 703 650 is included in operating expenses. The split per segment is as follows:*

- *GT247.com and EAM: R2 439 909.*
- *EasyEquities: R2 483 263.*
- *Head office and Investments: R780 478.*

ACCOUNTING POLICIES

Reporting entity

Purple Group Limited (the Company) is a company domiciled in South Africa. The address of the Company's registered office is 16th Floor, 25 Owl Street, Braamfontein Werf, Johannesburg, 2092. The consolidated financial statements of the Group as at and for the year-ended 31 August 2018 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities). The Group is primarily involved in financial services.

Basis of preparation

The consolidated financial statements have been prepared in conformity with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act of South Africa and the Listings Requirements of the JSE Limited.

The consolidated financial statements were authorised for issue by the Board of Directors on 26 November 2018.

The accounting policies set out below have been applied consistently to all the periods presented in these consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost-basis except for the following:

- Derivative financial instruments are measured at fair value; and
- Financial instruments at fair value through profit or loss.

The methods used to measure fair value are discussed further on page 51.

These consolidated financial statements are presented in South African Rand, which is the Company's functional currency. All financial information presented in South African Rand has been rounded to the nearest thousand, unless specified otherwise.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Use of estimates

Information on significant areas of estimation uncertainty can be found in the following sections/notes: determination of fair values, note 8 (intangible assets and goodwill), note 9 (investments and financial guarantee), note 12 (deferred tax assets and liabilities), note 17 (share-based payments) and note 19 (derivative instrument in borrowings).

Useful life of intangibles

The useful life of developed software is assessed at each reporting date based on information and data obtained from the Chief Technical Officer, Chief Financial Officer and Chief Executive Officer. Judgement is applied in determining the appropriate useful life based on previous technical experience with products of this nature and similar platforms in the industry.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Valuation of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument;

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data; and

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

Fair values of financial assets and liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Group determines fair values using valuation techniques (see note 4).

The Group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and over the counter derivatives. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values.

Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments, the Group uses proprietary valuation models, which are usually developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and prepayments and selection of appropriate discount rates.

The table below analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Notes	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
31 August 2018					
Investments (at fair value through profit or loss)	**9**	**–**	**3 942**	**104**	**4 046**
31 August 2017					
Investments (at fair value through profit or loss)	9	–	3 162	8 821	11 983

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Non-controlling interest

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Investment in joint venture

A joint venture is a joint arrangement whereby the parties have joint control of the arrangement and have rights to the net assets of the joint arrangement. The Group's interests in joint ventures are accounted for using the equity method. On initial recognition the investment in associate is recognised at cost and subsequently the carrying amount is increased or decreased to recognise the Group's share of the net assets of the associate after date of acquisition. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The Group's share of the joint venture's profit or loss is recognised in profit or loss, outside of operating profit and represents profit or loss after tax of the joint venture. Where there has been a change recognised directly in other comprehensive income or equity of the joint venture, the Group recognises its share of any changes and discloses this, where applicable, in the Group statement of other comprehensive income or Group statement of changes in equity. Distributions received from the joint venture reduce the carrying amount of the investment.

Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture.

After application of the equity method the Group determines whether it is necessary to recognise any additional impairment loss with respect to its net investment in the joint venture. The Group determines at each reporting date whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence the Group calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and then recognises the loss in profit or loss.

The Company carries its investments in joint ventures at cost less accumulated impairment in its separate financial statements.

Foreign currency

Foreign currency transactions

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recognised at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised in profit or loss.

Foreign operations

On consolidation, the results of foreign operations are translated into South African Rand at rates approximating those ruling when the transactions took place. All assets and liabilities of foreign operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of foreign operations at actual rate are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (FCTR).

Exchange differences recognised in profit or loss in Group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to other comprehensive income and accumulated in the FCTR on consolidation.

Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Financial instruments at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's investment strategy. Upon initial recognition the attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Compound financial instrument

The proceeds received from loans issued with an option to convert the loan to shares are allocated into their liability and equity components. The amount initially attributed to the loan component equals the discounted cash flows using a market rate of interest that would be payable on a similar loan that does not include an option to convert. Subsequently, the loan component is accounted for as a financial liability measured at amortised cost until extinguished on conversion or repayment. The remainder of the proceeds are allocated to the conversion option and is recognised in the "Equity component of a compound instrument" within shareholders' equity, net of income tax effects.

Other

Other non-derivative financial assets include trade and other receivables, loans receivable and deposits.

These financial assets are classified as loans and receivables measured at amortised cost using the effective interest method, less any impairment losses.

Other non-derivative financial liabilities include client funds on call, bank overdraft and trade and other payables. These financial liabilities are measured at amortised cost using the effective interest method.

Derivative financial instruments

Derivatives are recognised initially at fair value and attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Trading instruments

Derivative financial instruments comprise spread trading and contracts for difference (CFDs) on fixed income, equity, commodity and currency markets.

Trading instruments are classified as held for trading and are measured at fair value at the reporting date. Fair value is based on market prices, having regard to liquidity and any other special factors relating to the position. Realised and unrealised changes in fair value are recognised in profit or loss as part of revenue.

Trading revenue consists of the realised and unrealised profit or loss with respect to the Group acting as the counterparty to client transactions, and the realised and unrealised profit or loss on the Group's hedging transactions. These are charged to profit or loss. The hedge accounting provisions of IAS 39 have not been applied.

Impairment of trade receivables

An impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation and default or delinquency in payments are considered indicators that the trade receivables are impaired.

The carrying amount of the trade receivable is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to profit or loss.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Repurchase of share capital (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and presented in the treasury reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

Transfer between the share-based payment reserve and share capital

Share options exercised result in a transfer of reserves from the share-based payment reserve to share capital at the original fair value determined when the option was granted.

Equipment

Recognition and measurement

Equipment is measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment, and are recognised in profit or loss.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis, over the estimated useful life of each asset to its residual value. The estimated useful lives for the current and comparative periods are as follows:

Computer equipment	3 years
Fixtures, fittings and improvements	6 years
Office equipment	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date, and adjusted if required.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

ACCOUNTING POLICIES CONTINUED

Intangible assets

Goodwill

Goodwill that arises on the acquisition of a business is measured at cost less accumulated impairment losses.

Goodwill is not amortised and is assessed for impairment annually.

Contracts

Contracts that arise from the acquisition of client contracts are measured at cost less accumulated impairment losses.

Contracts have an indefinite useful life and is assessed for impairment annually.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in profit or loss when incurred.

Development activities (specifically software development) involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

The expenditure capitalised includes the cost of professional services and direct labour that are directly attributable to preparing the asset for its intended use. Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Purchased software

Purchased software that is acquired by the Group, which has a finite useful life, is measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis, over the estimated useful lives of intangible assets to its residual values from the date that they are available for use. Indefinite life intangible assets and goodwill are not amortised.

The estimated useful lives for the current and comparative periods are as follows:

Capitalised software development costs	7 years
Purchased software	3 years

The amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if required.

Impairment

Financial assets

A financial asset (that is not measured at fair value through profit or loss) is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. For investments in equity instruments, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Individually significant financial assets are tested for impairment on an individual basis. All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. impairment losses are recognised in profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Employee benefits

Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment transactions

The share option programme (equity-settled share-based payment arrangement) allows selected Group employees to acquire shares of the Group. The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

Revenue

Revenue is recognised net of VAT (where applicable), to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably.

Derivatives trading revenue

Trading revenue is recognised on execution of the trades.

Asset management fees

Management and performance fees are recognised monthly for the month under review.

Equity brokerage fees

Brokerage and related fees on equity trades are recognised on execution of the trades.

Interest income

Interest income comprises income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Other income

Other income includes net unrealised gains, dividends arising from investments, net profit on sale of investments, and proceeds from insurance claims received.

Leases

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. All leases are operating leases.

Finance costs

Finance costs comprise finance costs on borrowings and are recognised in profit or loss using the effective interest method.

Income tax

Income tax expense/benefit comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable/receivable on the estimated taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable/receivable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Earnings per share and headline earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Appropriate adjustments in terms of Circular 4/2018, issued by the South African Institute of Chartered Accountants, are made in calculating headline earnings per share.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares that comprise share options granted to employees and for convertible loans.

Operating segment reporting

Operating segments are distinguishable components of the Group that the Chief Executive Officer, as the chief operating decision-maker in the Group, reviews operating and financial reporting for on a regular basis to assess performance and to allocate resources.

Operating segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Investments

These investments are designated as fair value through profit or loss.

Unlisted investments and investments held as venture capital investments are measured at their estimated fair value as determined by the Board at the reporting date.

Fair value is the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In estimating fair value, the directors use a methodology which is appropriate in light of the nature, facts and circumstances of the investment. Due to the inherent uncertainties in estimating the value of unlisted investments, the directors exercise due caution in applying the various methodologies.

The principal methodologies applied in valuing unlisted investments are as follows:

- Discounted cash flow or earnings (of the underlying business); and
- Available market prices and multiples.

Where the discounted cash flow methodology is applied, the directors discount the projected cash flows of the underlying business at an appropriate weighted average cost of capital.

Where an active market does not exist for illiquid quoted investments, estimation techniques are used to determine fair value.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. Due to the short-term nature of these receivables the fair value approximates the carrying values.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Share-based payment transactions

The fair value of employee share options is measured using a Black-Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments (see note 25):

- Credit risk;
- Liquidity risk; and
- Market risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and has delegated this responsibility to the Risk Management Committee. The management of the various Group companies are responsible for implementing the risk policies.

Different units of the business require different approaches to risk management to be developed.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, trading counterparties and investments.

Trading counterparties

The Derivatives Business has various trading counterparties and mitigates the risk of default through using multiple counterparties and evaluating the counterparty credit-worthiness on an ongoing basis.

Credit risk is dispersed through a wide range of individual investors. The Group establishes an allowance for credit losses that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

Other investments

Purple Group monitors the credit risk of its various investments on an ongoing basis and will liaise with management to resolve any problems that may arise before they cause credit problems.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Derivatives Business and Asset Management Business buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Board and the Risk Committee.

Currency risk

The Group is exposed to currency risk on expenses that are denominated in a currency other than the respective functional currencies of Group entities, primarily the South African Rand.

Interest on bank overdrafts is denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily South African Rand.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Interest rate risk

The Group is exposed to interest rate risk on its cash and cash equivalents, bank overdraft and investments that are linked to prime interest rates. The Group does not hedge these presently but would do so if it felt that it was necessary.

Purple Group's investments are subject to variable interest rates and are exposed to a risk of change in cash flows due to changes in interest rates. Equity investments and trade receivables and payables are not exposed to interest rate risks.

Other market price risk

Equity price risk has an impact on the fair value of Purple Group's investments. Material investments are constantly monitored and buy and sell decisions approved by the Board.

The Derivatives Business operations are subject to equity, commodity, indices and currency price movements. Detailed value-at-risk analysis is performed on a continual basis to ensure the Derivatives Business limits are not breached and appropriate hedges are in place.

Exposure to these risks is also mitigated through the buying and selling of derivative instruments.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Board considers its equity as its capital and manages this to ensure the Group is adequately funded to continue its growth and fund its investments. There were no changes in the Group's approach to capital management during the period.

Standards and interpretations effective and adopted in current year

None of the standards, amendments and interpretations that came into effect in the current period had a material effect on the Group.

New standards and interpretations

At the date of authorisation of the financial statements for the year-ended 31 August 2018, the following Standards and Interpretations were in issue but not yet effective that are applicable to the activities of the Group:

	Standard/Interpretation	Annual periods beginning on or after
IFRS 9	**Financial instruments** A finalised version of IFRS 9 has been issued which replaces IAS 39 Financial Instruments: Recognition and Measurement. The completed standard comprises guidance on Classification and Measurement, Impairment, Hedge Accounting and Derecognition: • IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics. A new business model was introduced which does allow certain financial assets to be categorised as "fair value through other comprehensive income" in certain circumstances. The requirements for financial liabilities are mostly carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk. • The new model introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets. • IFRS 9 carries forward the derecognition requirements of financial assets and liabilities from IAS 39.	1 January 2018
IFRS 15	**Revenue from contracts with customers** • New standard that 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-element arrangements.	1 January 2018
IFRS 16	**Leases** • New standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion in the statement of cash flows. • IFRS 16 contains expanded disclosure requirements for lessees. Lessees will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee.	1 January 2019

The Group does not intend to early adopt any of the standards. Management have assessed the impact of the new standards and the impact is expected to be as follows for each standard:

IFRS 9: The classification of financial assets and liabilities are expected to remain largely the same as under IAS 39. The Group will be required to provide for expected credit losses on certain financial assets which includes investments, staff loans and rental deposits. The investments are already credit impaired and for the remainder of the assets the probability of default is insignificant and therefore not expected to be material.

IFRS 15: An assessment of the requirements of IFRS 15 indicates that the recognition of revenue under IFRS 15 is expected to remain unchanged from the current method of recognition under IAS 18 for the current revenue streams.

IFRS 16: The Directors have assessed the impact of the implementation of IFRS 16 and have determined that it would have the following material impact as at 31 August 2020 (i.e. initial application of the standard) on the financial statements:

Statement of financial position

	R'000
ASSETS	
Right of use asset	5 893
Accumulated depreciation	(1 571)
	4 322
LIABILITIES	
Lease liability	
Opening balance	5 893
Finance costs	1 213
Lease payments	(1 802)
	5 304
PROFIT AND LOSS	
Operating expenses	
Depreciation	1 571
Finance costs	
Lease liability – Finance costs	1 213
	2 784

For comparison purposes using the current leasing standard IAS 17: Leases the profit and loss impact on the implementation date would be R1.9 million.

Statement of cash flows

Contractual lease payments	(1 802)

The adoption of the other standards and amendments not specifically disclosed will not have a significant effect, other than additional disclosure.

The Group expects to adopt the standards for the first time in the 2019 and 2020 consolidated Annual Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year-ended 31 August 2018

1. Revenue

	Notes	2018 R'000	2017 R'000
Equity investing fees		**15 880**	9 476
Asset management execution		**2 601**	10 506
Derivatives trading		**47 969**	42 116
Asset management		**3 766**	12 420
Total revenue		**70 216**	74 518

2. Trading and operating expenses

	2018 R'000	2017 R'000
Commissions and research expenses	**3 982**	6 513
Introducing broker commission	**861**	1 615
Sales commission	**1 408**	2 535
Research costs	**1 713**	2 363
Employee benefit expenses	**50 756**	47 023
Short-term employee benefits	**45 228**	41 319
Share-based payment expense	**5 528**	5 704
Listing expenses	**227**	394
Lease rentals	**5 066**	5 132
Premises	**4 888**	4 655
Equipment	**178**	477
Fees paid for services	**7 506**	3 698
Compliance	**543**	1 349
Company secretarial services	**330**	–
Corporate advisory	**1 668**	–
Legal consulting	**1 437**	1 973
Professional services	**2 551**	–
Ad hoc consulting	**977**	376
Depreciation	**2 231**	1 264
Computer equipment	**331**	383
Furniture and fittings	**1 838**	839
Office equipment	**62**	42
Amortisation of intangible assets	**6 269**	3 573

3. Other income

	2018 R'000	2017 R'000
Dividend received	**–**	903
Profit on sale of investment	**3 444**	–
Insurance proceeds	**481**	–
Other income	**144**	1069
Total other income	**4 069**	1 972

4. Net finance costs

	2018 R'000	2017 R'000
Recognised in profit or loss		
Interest income on bank deposits	**2 534**	–
Interest income from Tax Receivable	**153**	–
Total interest income	**2 687**	–
Interest on borrowings	**5 162**	–
Interest on bank overdraft	**1 841**	3 456
Total finance costs	**7 003**	3 456
Net finance costs	**(4 316)**	(3 456)

5. Fair value, impairments and guarantee adjustments

	Notes	2018 R'000	2017 R'000
Reversal of impairments – Real People Investment Holdings Limited	9	**1 573**	(47 113)
Adjustment to financial guarantee liability – Blockbuster Trading 3 (Pty) Ltd	9	**(8 113)**	4 171
M Maile loan impaired*		**–**	(1 167)
		(6 540)	(44 109)

** The Group funded a black asset manager's working capital requirements. The loan was assessed as irrecoverable.*

Please refer to note 9 for further information regarding the write-down of investments and the financial guarantee liability. Fair values of investments were reassessed in 2018, the fair value of Real People Investment Holdings Limited was adjusted.

6. Income tax

	Notes	2018 R'000	2017 R'000
Recognised in profit or loss			
Current tax expense		**–**	–
		–	–
Deferred tax expense			
Origination and reversal of temporary differences		**(185)**	(10 151)
Recognition of tax loss	12	**(10 258)**	(5 969)
Total deferred tax		**(10 443)**	(16 120)
Total current and deferred tax		**(10 443)**	(16 120)
Reconciliation of effective tax rate:		**%**	%
Income tax recognised in profit or loss		**24.0**	21.8
Tax exempt income		**(0.3)**	(0.7)
Non-deductible expenses		**6.7**	3.2
Assessed losses not recognised		**–**	2.6
Available for sale		**(0.1)**	(0.1)
Capital loss non-deductible		**–**	1.2
Capital inclusion rate		**(2.3)**	–
Domestic tax rate		**28.0**	28.0

7. Equipment

	Notes	Computer equipment R'000	Fixtures, fittings and improvements R'000	Office equipment R'000	Total R'000
Cost					
Balance at 31 August 2016		2 020	8 478	250	10 748
Additions		274	111	44	429
Balance at 31 August 2017		2 294	8 589	294	11 177
Additions		317	2 289	402	3 008
Disposals*		(103)	(1 926)	(26)	(2 055)
Scrapping of assets**		–	(3 476)	–	(3 476)
Balance at 31 August 2018		**2 508**	**5 476**	**670**	**8 654**
Accumulated depreciation and impairment losses					
Balance at 31 August 2016		1 331	5 252	162	6 745
Depreciation for the period		383	839	42	1 264
Balance at 31 August 2017		1 714	6 091	204	8 009
Depreciation for the period	2	331	1 839	62	2 232
Disposals*		(103)	(1 926)	(26)	(2 055)
Scrapping of assets**		–	(3 476)	–	(3 476)
Balance at 31 August 2018		**1 942**	**2 528**	**240**	**4 710**
Carrying amounts					
At 31 August 2016		689	3 226	88	4 003
At 31 August 2017		580	2 498	90	3 168
At 31 August 2018		**566**	**2 948**	**430**	**3 944**

** Assets disposed of by First World Trade Proprietary Limited to GT247 Proprietary Limited, at book value, were recorded as such in the register.*

*** The leasehold improvements carrying value linked to the old Hyde Park offices was reduced to nil and removed from the register as it is no longer in use.*

There are no restrictions on title, and equipment has not been pledged as security for liabilities.

No capital commitments have been entered into for the acquisition of property, plant and equipment.

8. Intangible assets and goodwill

	Notes	Goodwill R'000	Contracts R'000	Software development R'000	Purchased software R'000	Total intangible assets R'000	Total R'000
Cost							
Balance at 31 August 2016		212 999	–	30 790	2 519	33 309	246 308
Additions		–	7 914	11 116	2 274	21 304	21 304
Balance at 31 August 2017		212 999	7 914	41 906	4 793	54 613	267 612
Additions		–	–	18 957	2 282	21 239	21 239
Disposals*		–	–	(900)	–	(900)	(900)
Balance at 31 August 2018		**212 999**	**7 914**	**59 963**	**7 075**	**74 952**	**287 951**
Accumulated amortisation and impairment losses							
Balance at 31 August 2016		8 431	–	21 374	366	21 740	30 171
Amortisation for the period		–	–	2 403	1 170	3 573	3 573
Balance at 31 August 2017		8 431	–	23 777	1 536	25 313	33 744
Amortisation for the period	2	–	–	4 292	1 977	6 269	6 269
Disposals*		–	–	(900)	–	(900)	(900)
Balance at 31 August 2018		**8 431**	**–**	**27 169**	**3 513**	**30 682**	**39 113**
Carrying amounts							
At 31 August 2016		204 568	–	9 416	2 153	11 569	216 137
At 31 August 2017		204 568	7 914	18 129	3 257	29 300	233 868
At 31 August 2018		**204 568**	**7 914**	**32 794**	**3 562**	**44 270**	**248 838**

** Assets disposed of by First World Trade Proprietary Limited to GT247 Proprietary Limited, at book value, were recorded as such in the register.*

The goodwill was acquired as part of the First World Trader Proprietary Limited purchase in November 2007 and was valued at the date of acquisition.

No capital commitments have been entered into for the acquisition of intangible assets.

No intangible assets have restrictions to their titles and none of them have been pledged as security for liabilities.

IMPAIRMENT TESTING FOR CASH-GENERATING UNITS CONTAINING GOODWILL

The value-in-use method was used to assess the impairment of goodwill.

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which goodwill is monitored for internal management purposes. The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	2018 R'000	2017 R'000
GT247.com	**204 568**	204 568
	204 568	204 568

8. Intangible assets and goodwill continued

The values assigned to the key assumptions in the discounted cash flow model represent management's assessment of future trends in the online trading and asset management sectors and are based on both external sources and internal sources (historical data). The main drivers of the model are the assumptions around income growth and expenses that have been based on past trends and management's view of future prospects. The valuation technique is consistent with prior years.

Key variables	2018	2017
GT247 Proprietary Limited		
Discount period	**10 years**	9 years
Terminal growth rate (%)	**3**	3
Discount rate (%)	**21.3**	23.2

The discount period was changed to take into account the longer period that the cash-generating unit will contribute to the carrying amount. The lower discount rate applied during the current year reflects the lower levels of uncertainty with regards to market conditions at the date of valuation.

The various sensitivity analyses performed by changing each of the different key variables by 3.5% in the calculation resulted in the recoverable amount exceeding the carrying amounts in all instances.

9. Investments and financial guarantee

	2018 R'000 Cost	2018 R'000 Fair Value	2017 R'000 Cost	2017 R'000 Fair Value
The Group had the following unlisted investments:				
Investments – recognised at fair value through profit or loss				
Real People Investment Holdings Limited	**25 916**	**104**	47 114	6 121
Misty Sea Trading 131 Proprietary Limited	**–**	**–**	2 700	2 700
Investment accounts in Group's Asset Management Division	**3 000**	**3 942**	3 000	3 162
Loans and receivables at amortised cost				
Real People Investment Holdings Limited#	**33 406**	**13 677**	12 208	6 087
Total investments	**62 322**	**17 723**	65 022	18 070
Financial guarantee liability– Blockbuster Trading 3 Proprietary Limited	**–**	**–**	–	(26 887)
Net value	**62 322**	**17 723**	65 022	(8 817)

 # The Group's exposure to credit risk in respect of these redeemable preference shares is disclosed in note 20.

Fair values of investments were reassessed at the reporting date.

	2018 R'000	2017 R'000
Non-current assets – investments	**13 781**	12 208
Current assets – investments	**3 942**	5 862
Non-current liabilities – financial guarantee	**–**	(26 887)
Net value	**17 723**	(8 817)

9. Investments and financial guarantee continued

	2018 R'000	2017 R'000
Balance 1 September	**(8 817)**	33 298
Fair value and guarantee adjustments	**29 240**	(43 018)
Sale of investment	**(2 700)**	–
Scrip dividend	**–**	903
Balance 31 August	**17 723**	(8 817)

Investment in Real People Investment Holdings and financial guarantee

Purple Group holds a direct investment in Real People Investment Holdings Limited ("RPIH"). The RPIH restructuring was concluded in 2018. In the result the instruments held by Purple Group in RPIH were largely cancelled and replaced by the following instruments:

- 506 793 ordinary shares;
- 968 C2 preference shares; and
- 9 325 B preference shares.

In addition, Purple Group holds an indirect investment in RPIH through Blockbuster Trading 3 Proprietary Limited ("BBT"), of which Purple Group owns a 37.5% shareholding. This investment is held at a fair value of zero.

The guarantee adjustments of R8.1 million (shown in note 5) relates to Purple Group's investment in BBT. Although Purple Group's investment in BBT was written off, the shareholders of BBT, at the inception of this deal, during September 2007, granted the Industrial Development Corporation ("IDC"), (which funded the transaction) a put option, on a joint and several basis, whereby the IDC may put any unredeemed preference shares to the shareholders of BBT at the subscription price. At 31 August 2017, Purple Group provided for the estimated liability in respect of this guarantee, an amount of R26.9 million. Subsequent to year-end, the shareholders of BBT reached final agreement with the IDC in respect of the debt owed to the IDC. In the result, Purple Group was allocated a disproportionate share of this liability, an amount totalling R35 million (being an additional R8.1 million above the amount raised of R26.9 million), for which Purple Group has reached payment terms with the IDC, and as such this liability has been moved to Borrowings (see note 19).

Other investments

Purple Group held preference shares in Misty Sea Trading 131 Proprietary Limited that held shares in a BEE Consortium that acquired shares in Cipla Medpro Limited and subsequently sold such shares around three years ago. The BEE consortium paid an amount in excess of R120 million to the IDC as there was a dispute around the tax applicable on the proceeds. The tax issue was resolved to all parties satisfaction and the BEE Consortium obtained a refund from the IDC, who in turn obtained a refund from SARS. The carrying amount of R2.7 million was Purple Group's share of the amount to be refunded. The total amount that was refunded to the BEE Consortium was higher than anticipated, and as a result Purple Group received an amount of R6.1 million as its share of the refund.

ASSUMPTIONS APPLIED IN DETERMINING FAIR VALUE

The fair value in respect of the Group's direct and indirect investment in RPIH and resultant financial guarantee liability, was calculated using a combination of a discounted cash flow model, Price: Earnings valuation and Price: Total Assets valuation in order to arrive at an indicative valuation for the business. The valuation arrived at was then allocated across the various instruments that would be in issue post the restructuring, in accordance with the cash flow waterfall agreed with the creditors.

The values assigned to the key assumptions in the discounted cash flow model represent management's assessment of future trends and are based on both external sources and internal sources (historical data). The main drivers of the model are the assumptions around income growth and net yields that have been based on past trends and managements view of the future prospects. The fair value measurement technique would result in Level 3 fair value in the fair value hierarchy (see page 44).

9. Investments and financial guarantee continued

Key assumptions used – Real People Investment Holdings Limited/Blockbuster Trading 3 Proprietary Limited

	2018	2017
Discount period	**3 years**	3 years
Three-year PE multiple (%)	**8.84**	8.98
Discount rate (%)	**7.95**	7.41

The various sensitivity analyses performed by changing key variables by 1% in the calculation resulted in the recoverable amount exceeding the carrying amount in all instances. The projected cash flows of the business as well as the discount rate applied are deemed to be conservative in the opinion of the Board, as such, a higher level of sensitivity was not deemed appropriate.

The value of the other investments (including the preference shares in Misty Sea Trading 131 Proprietary Limited and investment accounts held by the Group with its asset management division) has been determined with reference to quoted market prices (unadjusted) in an active market for identical instruments.

10. Investment in joint venture

The group entered into a joint venture, Retirement Investments and Savings for Everyone Proprietary Limited trading as RISE, with NBC Fund Administration Services.

The Group's interest in RISE is accounted for using the equity method in the consolidated financial statements.

The following amounts represent the assets and liabilities, income and expenses of the associate:

	2018 R'000	2017 R'000
Effective rate of interest held in joint venture (%)	**50.0**	–
Reconciliation between proportionate investment and current investment value:		
Investment at cost	**–**	–
Loan to joint venture	**1 114**	–
Investment in joint venture	**1 114**	–
Share of losses for the period	**(483)**	–
Carrying value in joint venture	**631**	–
Assets		
Non-current assets	**34**	–
Current assets	**2 259**	–
Liabilities		
Current liabilities	**(3 260)**	–
Equity	**(967)**	–
Summarised statement of comprehensive income		
Income	**1 606**	–
Expenses	**(2 948)**	–
Loss before tax	**(1 342)**	–
Income tax benefit	**376**	–
Loss for the period	**(966)**	–
Total comprehensive loss for the period	**(966)**	–
Group's proportionate share of the loss for the period	**(483)**	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year-ended 31 August 2018

11. Receivables

	2018 R'000	2017 R'000
Rental deposits*	**1 510**	882
Loan receivable	**2 056**	2 008
	3 566	2 890

** The rental deposits are repayable upon termination of the leases. Refer to note 21.*

Loans were provided to staff members, other than directors and prescribed officers, for the purchase of shares in the Purple Group.

Terms of the loan:

- loans were issued at Prime rate;
- there are no fixed terms of repayment; and
- shares purchased are held as security.

For more information regarding the Group's exposure to interest rate and credit risk please refer to note 20.

	2018 R'000	2017 R'000
Non-current receivable	**2 824**	1 004
Current receivable	**742**	1 886
	3 566	2 890

12. Deferred tax assets

	2018 R'000	2017 R'000
Recognised deferred tax assets and liabilities		
Balance at the beginning of the period	**45 845**	29 725
Investments at fair value	**2 029**	11 190
Payables and accruals	**24**	(246)
Receivables and prepayments	**(123)**	100
Tax loss	**10 258**	5 969
Intangible assets	**(1 744)**	(893)
Balance at the end of the period	**56 289**	45 845
Deferred tax comprises the following:		
Receivables and prepayments	**(315)**	(192)
Intangible assets	**(3 085)**	(1 341)
Deferred tax liability	**(3 400)**	(1 533)
Financial assets at fair value	**28 486**	26 457
Payables and accruals	**1 440**	1 416
Tax loss	**29 763**	19 505
Deferred tax asset	**59 689**	47 378
Net deferred tax assets	**56 289**	45 845

The group will start:

a) earning a significant share of the asset management fees in respect of the IP it owns and

b) generate risk advisory revenue from the GT247.com operations

which will enable the Group to take advantage of the deferred tax assets as at 31 August 2018 over the next 3 to 5 years. No deferred tax was provided on capital losses amounting to R4.1 million (2017: R62.6 million). The Group has accumulated losses of R106.1 million (2017: R69.7 million)

13. Trade and other receivables

	2018 R'000	2017 R'000
Trade receivables#	**1 097**	1 996
Prepayments	**1 647**	1 645
Vat	**5 348**	973
Receivable in terms of Serialong loan	**15 000**	–
Other receivables#	**553**	973
	23 645	5 587

 # The Group's exposure to credit and currency risks and credit losses related to trade and other receivables is disclosed in note 20.

All of the above amounts fall under current assets.

2018	Current R'000	30 days R'000	60 days R'000	90 days R'000	›90 days R'000	Total R'000
Debtors ageing						
Trade receivables	**748**	**46**	**42**	**43**	**787**	**1 666**
Allowance for credit losses*	**–**	**–**	**–**	**–**	**(569)**	**(569)**
Total	**748**	**46**	**42**	**43**	**218**	**1 097**

** None of the recoverables are being held as collateral and no terms of payment were renegotiated.*

2017	Current R'000	30 days R'000	60 days R'000	90 days R'000	›90 days R'000	Total R'000
Debtors ageing						
Trade receivables	1 101	392	–	–	1 495	2 988
Allowance for credit losses*	–	–	–	–	(992)	(992)
Total	1 101	392	–	–	503	1 996

** The ›90 days balance not impaired is deemed recoverable and mainly relates to income accrued but still to be received. None of the recoverables are being held as collateral and no terms of payment were renegotiated.*
** 76% of this balance is greater than two years overdue.*

Movement in allowance for credit losses

	2018 R'000	2017 R'000
Opening balance	**992**	1 054
Utilised	**(423)**	(62)
Closing balance	**569**	992

14. Cash and cash equivalents

	2018 R'000	2017 R'000
Bank deposit	**14 727**	9 066
Trading margin with brokers	**92 606**	131 726
Cash and cash equivalents	**107 333**	140 792
Bank overdraft	**(4 080)**	(13 614)
Cash and cash equivalents in the statement of cash flows	**103 253**	127 178

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 20. The Group holds R621.1 million (2017: R315.6 million) of client funds which are not reflected on the statement of financial position. These are restricted funds held on trust and are not available for use by the Group. Included in Group cash and cash equivalents are client funds held to settle client trades and as margin for risk exposure. The related liability is included under current liabilities as client position liability (see note 18.2).

R1.6 million (2017: R1.5 million) of the cash and cash equivalent balance is held in foreign bank and broker accounts and are denominated in US$ and GBP.

The Group has an overdraft facility totalling R14.5 million with Mercantile Bank. The overdraft is secured by an unlimited pledge and cession over the Group's investment in Blockbuster Trading 3 Proprietary Limited, Real People Investment Holdings Limited and First World Trader Proprietary Limited.

15. Capital and reserves

	Number of shares	Number of shares
The number of shares in issue is as follows:		
Ordinary share capital		
Ordinary share capital in issue at 1 September	**935 476 518**	883 674 397
New shares issued (2 September 2016)*	**–**	2 000 000
New shares issued (28 February 2017)**	**–**	35 087 720
New shares issued (24 August 2017)***	**–**	14 130 583
Share options exercised (24 August 2017)	**–**	583 818
In issue at 31 August – fully paid up	**935 476 518**	935 476 518
Less: Treasury shares#	**(37 387 720)**	(2 300 000)
In issue at reporting date	**898 088 798**	933 176 518

2 300 000 (2017: 2 300 000) shares (acquired at an average price of 16 cents) and 35 087 720 (2017: 0) shares (acquired at an average price of 55 cents) in Purple Group are held by GT247.com and First World Trader respectively and are eliminated on consolidation.

* *The directors of the Company issued 2 000 000 shares at a price of 61 cents to public shareholders under the general authority granted by shareholders to issue shares for cash.*

** *The directors of the Company issued 35 087 720 shares at a price of 55 cents to public shareholders under the general authority granted by shareholders to issue shares for cash.*

*** *The directors of the Company issued 14 130 583 shares at a price of 42 cents to Tom De Lange as part compensation for his economic interests in the management and performance fees of Emperor Asset Management.*

15. Capital and reserves continued

The movement in share capital and share premium is as follows:

Group	Share capital R'000	Share premium R'000	Total R'000
Balance at 31 August 2016	8 814	447 855	456 669
Shares issued*	518	26 134	26 652
Balance at 31 August 2017	**9 332**	**473 989**	**483 321**
Treasury shares acquired**	(351)	(18 947)	(19 298)
Balance at 31 August 2018	**8 981**	**455 042**	**464 023**

* *R0.12 million of the share premium related to the subscription price in respect of options exercised and R0.07 million was a related transfer from the share-based payment reserve. R20.1 million of the share premium related to new shares issued for cash, and R5.8 million related to new shares issued as part payment for Tom De Lange's economic interest in the management and performance fees of Emperor Asset Management (refer note 14).*

** *This related to the repurchase by First World Trader Proprietary Limited of 35 087 720 shares from Sanlam at 55 cents per share as per the agreement of sale of 30% of First World Trader Proprietary Limited.*

At 31 August 2018 the authorised share capital comprised 1 200 000 000 ordinary shares of R0.01 each (2017: 1 200 000 000).

The unissued shares were placed under the control and authority of the directors until the next Annual General Meeting, and they have been empowered to allot, issue or otherwise dispose of the shares as they may in their discretion deem fit, subject to the provisions of the Companies Act of South Africa and the Listings Requirements of the JSE Limited. The Group has also issued share options to key management and staff (see note 17).

OTHER RESERVES

	2018 R'000	2017 R'000
Foreign currency translation reserve	**(4 377)**	(3 966)
Share-based payment reserve	**37 991**	32 463
Balance 31 August	**33 614**	28 497
Reconciliation of foreign currency translation reserve		
Balance as at 31 August of prior year	**(3 966)**	(4 473)
Translation of foreign operations	**(411)**	507
Balance as at 31 August	**(4 377)**	(3 966)
Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.		
Reconciliation of share-based payment reserves		
Balance as at 31 August of prior year	**32 463**	26 831
Share options exercised	**–**	(72)
Share-based payment expense	**5 528**	5 704
Balance as at 31 August	**37 991**	32 463

The above relates to share options granted by the Company to its employees under its employee share option scheme. For further information please refer to note 17.

16. Earnings per share

	2018 R'000	2017 R'000
Basic earnings per share		
The calculation of basic and headline earnings per share at 31 August 2018 was based on a Group loss attributable to ordinary shareholders of R26.7 million (2017: loss of R57.9 million), a headline loss of R27.1 million (2017: loss of R57.9 million) and a weighted average number of ordinary shares outstanding during the year-ended 31 August 2018 of 905 971 519 (2017: 901 333 688), calculated as follows:		
Loss attributable to ordinary shareholders	**(26 667)**	(57 862)
Headline loss for the period	**(27 148)**	(57 862)
Weighted average number of ordinary shares		
Issued ordinary shares at 31 August*	**933 176 518**	881 374 397
Effect of treasury shares	**(27 204 999)**	–
Effect of shares issued for cash	**–**	19 959 291
Weighted average number of ordinary shares at 31 August	**905 971 519**	901 333 688
** Number of ordinary shares is stated after taking into account treasury shares owned at the beginning of the reporting period.*		
Basic loss per share (cents)	**(2.94)**	(6.42)
Headline loss per share (cents)	**(3.00)**	(6.42)
Headline loss has been computed as follows:		
Loss attributable to ordinary shareholders	**(26 667)**	(57 862)
Insurance proceeds	**(481)**	–
Headline loss	**(27 148)**	(57 862)
Diluted earnings per share		
The calculation of diluted earnings and diluted headline earnings per share as at 31 August 2018 was based on a Group loss attributable to ordinary shareholders of R26.7 million (2017: loss of R57.9 million), a headline loss of R27.1 million (2017: loss of R57.9 million) and a diluted weighted average number of ordinary shares outstanding during the year ended 31 August 2018 of 905 971 519 (2017: 901 333 688), calculated as follows:		
Loss attributable to ordinary shareholders (diluted)	**(26 667)**	(57 862)
Weighted average number of ordinary shares (diluted)		
Weighted average number of ordinary shares at 31 August	**905 971 519**	901 333 688
Effect of share options in issue	**–**	–
Weighted average number of ordinary shares (diluted) at 31 August	**905 971 519**	901 333 688
Diluted loss per share (cents)	**(2.94)**	(6.42)
Diluted headline loss per share (cents)	**(3.00)**	(6.42)

There are currently 133.5 million (2017: 144.8 million) share options in issue in terms of the Group's share incentive scheme (see note 22) of which 89.5 million are exercisable.

None of the options are considered dilutive as they reduce the loss per share.

17. Share-based payments

SHARE-BASED PAYMENT EXPENSES

On 1 February 2005, an employee share option scheme was introduced by approval at the general meeting of the Company. The terms and conditions of the options, as well as details of the options granted, are as follows:

Options granted to key management and staff	Number of options
Total at 31 August 2013	76 313 500
Issued 23 December 2013	55 600 000
Expired 31 July 2014	(1 905 000)
Forfeiture 31 August 2014	(3 800 000)
Total at 31 August 2014	126 208 500
Issued 12 November 2014	14 499 985
Issued 15 January 2015	3 500 000
Exercised 19 February 2015	(42 230 000)
Exercised 27 March 2015	(2 540 000)
Issued 1 April 2015	3 000 000
Issued 27 August 2015	15 662 025
Total at 31 August 2015	118 100 510
Exercised 1 September 2015	(1 968 500)
Issued 10 December 2015	29 000 000
Exercised 15 January 2016	(137 129)
Exercised 20 January 2016	(922 371)
Exercised 18 February 2016	(898 485)
Exercised 23 August 2016	(45 000)
Forfeiture 31 August 2016	(18 932 196)
Total at 31 August 2016	124 196 829
Issued 4 November 2016	22 692 868
Exercised 24 August 2017	(583 818)
Forfeiture 31 August 2016	(1 499 974)
Total at 31 August 2017	144 805 905
Expired 9 October 2017	(6 500 000)
Forfeiture 31 August 2018	(4 762 382)
Total at 31 August 2018	133 543 523

17. Share-based payments continued

The options granted to directors are:

	Number of options 2018	Number of options 2017
Mark Barnes	**17 160 000**	17 160 000
Charles Savage	**22 000 000**	26 000 000
Gary van Dyk	**20 750 000**	21 250 000
	59 910 000	64 410 000

	2018		2017	
	Weighted average exercise price (cents)	**Number of options**	Weighted average exercise price (cents)	Number of options
Outstanding at the beginning of the period	**41**	**144 805 905**	38	124 196 829
Granted during the period	**–**	**–**	56	22 692 868
Exercised during the period	**–**	**–**	22	(583 818)
Expired during the period	**18**	**(6 500 000)**	–	–
Forfeited during the period	**53**	**(4 762 382)**	47	(1 499 974)
Outstanding at the end of the period	**42**	**133 543 523**	41	144 805 905
Exercisable at the end of the period	**35**	**89 548 710**	29	73 246 862

The options outstanding at 31 August 2018 have been issued in a price range from 22 cents to 76 cents and have a weighted average exercise price of 42 cents (2017: 41 cents) and a weighted average contractual life of 3.64 years (2017: 4.12 years).

Share-based payment expenses of R5.5 million (2017: R5.7 million) were accounted for in profit or loss.

No additional options were granted and accepted during the period. The estimate of the fair value of the options granted was measured on a Black-Scholes model. The contractual life of the option (seven years) is used as an input into this model. Expectations of early exercise are not incorporated.

		2018	2017
Key management personnel			
Fair value at issue date	(R'000)	**–**	5 467
Assumptions			
Weighted average share price	(cents)	**–**	56
Weighted average exercise price	(cents)	**–**	56
Expected volatility (expressed as weighted average volatility used under the Black-Scholes model)	(%)	**–**	40.0
Option life	(years)	**–**	7
Risk-free rate	(%)	**–**	8.14
Expected dividends	(%)	**–**	2.60

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

Share options are granted under a service condition. This condition is not taken into account in the grant date fair value measurement of the services received. There are no market conditions associated with the share option grants.

The vesting conditions of all the options granted to date are:

- Up to 25% on or after the first anniversary date of acceptance of the options;
- Up to 50% on or after the second anniversary of the acceptance date;
- Up to 75% on or after the third anniversary date; and
- Up to 100% on or after the fourth anniversary date.

The contractual life of all options is seven years from date of grant.

The aggregate number of share options granted under the scheme is limited to 164 million shares (2017: 164.0 million shares).

18. Trade and other payables and client position liability

18.1

	Notes	2018 R'000	2017 R'000
Trade payables		**14 532**	7 537
Accrued expenses		**1 783**	441
Corporate credit cards		**212**	213
Vouchers redeemable		**47**	187
Introducer fee payable		**134**	314
Lease liability		**107**	–
Employee-related accruals		**5 246**	4 926
		22 061	13 618

18.2

	Notes	2018 R'000	2017 R'000
Client position liability	14	**79 716**	140 552
		79 716	140 552

The Group's exposure to currency and liquidity risk related to trade and other payables and client position liability is disclosed in note 20.

19. Borrowings

	Notes	2018 R'000	2017 R'000
Industrial Development Corporation of South Africa Limited*		**39 045**	–
Serialong Consortium**		**21 504**	–
Gajoder Investments Proprietary Limited Term Loan***		**4 057**	5 000
Sanlam Investment Holdings Term Loan****		**–**	15 000
		64 606	20 000

* *The loan bears interest at prime +1% per annum, compounded monthly and is repayable in monthly instalments, with a final balloon payment of R15 million due on 29 February 2020. A payment of R15.5 million of this balance was made in October 2018 to cover payments due at that date.*

** *The loan bears interest at 11.5% fixed per annum compounded monthly, of which 30% is payable monthly and 70% is capitalised. The loan has a conversion option embodied into the agreement giving the Lender the right at any time until the final repayment date, to call upon Purple Group to allot and issue Purple Group shares to cover the outstanding loan balance at that time. The conversion price fixed in terms of the agreement is 22.87 cents per share. The final repayment date is set at 31 August 2021. The conversion option makes this loan a compound financial instrument, and as such the liability is split between equity and liabilities as follows:*

Equity component	*21 504*	–
Liability component	*3 496*	–
Total loan	*25 000*	–

*** *The loan was to be payable on 28 February 2018 but an extension was granted with no fixed repayment date. Interest is accrued daily at JIBAR plus 10% and is compounded monthly in arrears.*

**** *Interest is accrued daily at JIBAR plus 2% nominal, annual, compounded monthly. The loan was repaid on 17 November 2017, using a portion of the amount received for the sale of 30% of First World Trader Proprietary Limited.*

	Notes	2018 R'000	2017 R'000
Non-current payable		**40 284**	–
Current payable		**24 322**	20 000
		64 606	20 000

20. Financial instruments

CREDIT RISK

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was:

	Notes	**2018 R'000**	2017 R'000
Receivables	11	**3 566**	2 890
Investments	9	**13 677**	6 087
Trade and other receivables	13	**16 650**	2 969
Cash and cash equivalents	14	**107 333**	140 792
		141 226	152 738

The exposure to credit risk for loans and receivables at the reporting date was in South Africa. Purple Group's receivables are predominantly with a few large corporates whom management deems to be credit worthy. In respect of the staff loans the value of the shares held as security exceeds the loan amount thereby reducing the credit risk on these receivables.

In the Group's credit risk is the risk of financial loss if the counterparty fails to meet its contractual obligations. These consist principally of unsettled trades with broking counterparties and customers. Financial assets which potentially subject the Group to concentrations of credit risk consist principally of amounts owing due to unsettled trades with broking counterparties and are limited to high credit quality financial institutions. The maximum credit risk exposure is represented by the carrying amount of the assets, except where otherwise stated. At reporting date no amounts are past due. All trades are settled daily through the mark-to-market process.

The Group's credit policy is set by the Board on advice from the Risk Management Committee, which is responsible for:

- formulating the principles and guidelines on setting counterparty and product limits, approving transactions with credit risk, cash equity trading and prime broking exposures. The purpose of these policies is to articulate the minimum standard for credit across the firm and to define the roles and responsibilities necessary for the management of credit on a timely, accurate and complete basis; and
- setting cash equity trading policy, which addresses the risk of cash trading with a settlement cycle of T+3.

20. Financial instruments continued

LIQUIDITY RISK

The following are the contractual undiscounted maturities of financial liabilities, including estimated interest payments as at 31 August 2018:

	Notes	Carrying amount R'000	Contractual cash flows R'000	Less than one year R'000	One to two years R'000	Two to five years R'000	Total R'000
Trade and other payables	18.1	**22 061**	**22 061**	**22 061**	**–**	**–**	**22 061**
Client position liability	18.2	**79 716**	**79 716**	**79 716**	**–**	**–**	**79 716**
Borrowings	19	**64 606**	**64 606**	**24 322**	**18 780**	**21 504**	**64 606**
Overdraft	14	**4 080**	**4 080**	**4 080**	**–**	**–**	**4 080**
		170 463	**170 463**	**130 179**	**18 780**	**21 504**	**170 463**

The following were the contractual undiscounted maturities of financial liabilities including estimated interest payments as at 31 August 2017:

	Notes	Carrying amount R'000	Contractual cash flows R'000	Less than one year R'000	One to two years R'000	Two to five years R'000	Total R'000
Trade and other payables	18.1	13 618	13 618	13 618	–	–	13 618
Client position liability	18.2	140 552	140 552	140 552	–	–	140 552
Borrowings	19	20 000	20 000	20 000	–	–	20 000
Overdraft	14	13 614	13 614	13 614	–	–	13 614
Financial guarantee	9	26 887	26 887	–	–	26 887	26 887
		214 671	214 671	187 784	–	26 887	214 671

CURRENCY RISK

Exposure to currency risk

All of the Group's products based on off-shore underlying instruments are Rand-settled. There is no foreign exchange risk on trading of foreign instruments.

The only currency risk for the Group relates to foreign currency held at its subsidiary One World Trader (OWT) in Mauritius, which is used for off-shore hedging purposes as well as foreign currency held by First World Trader in its New York bank account. At the reporting date the amount of foreign currency held was R1.6 million (2017: R1.5 million).

For foreign currency held, the impact on profit or loss after tax of a 5% change in the exchange rate at the reporting date would have the following impact:

	2018 Profit or loss		2017 Profit or loss	
	5% increase R'000	**5% decrease R'000**	5% increase R'000	5% decrease R'000
Foreign currency held	**58**	**(58)**	54	(54)

20. Financial instruments continued

INTEREST RATE RISK

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Notes	Interest rates applicable	Carrying amount 2018 R'000	Carrying amount 2017 R'000
Variable rate instruments				
Other financial assets	11	Prime	**3 566**	2 890
Cash and cash equivalents	14	Daily call rate	**107 333**	140 792
Overdraft	14	Prime	**(4 080)**	(13 614)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss after tax by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2017.

	2018 Profit or loss		2017 Profit or loss	
	100 bp increase R'000	**100 bp decrease R'000**	100 bp increase R'000	100 bp decrease R'000
Variable rate instruments				
Financial assets	**802**	**(802)**	1 039	(1 039)
Financial liabilities	**(30)**	**30**	(98)	98
	772	**(772)**	941	(941)

PRICE RISK

First World Trader purchases and sells derivatives in the ordinary course of business and incurs financial liabilities in order to manage market risks. All such transactions are carried out within the guidelines set by the Risk Management Committee.

Management of price risk

The principal tool used to measure and control market risk exposure within the Group's trading portfolios is value at risk (VaR). The VaR of a portfolio is the maximum loss that could arise on a given confidence level. The VaR model used by the Group is based on a 95% confidence level and assumes a 21-day holding period. The VaR model is based on historical simulation using market data from the last 250 trading days with a maximum time lag of one month.

Although VaR is an important tool for measuring and managing the Group's exposure to market risk, there are certain limitations due to the assumptions on which the model is based.

This includes the use of historical data as a basis for determining the possible range of future outcomes that may not always cover all possible scenarios, especially those of an exceptional nature.

The Group uses VaR analysis for the measurement and management of market risk. The VaR limits are determined at a management level and are subject to review and approval by the Risk Management Committee. VaR limits are allocated to each trading portfolio and are measured and monitored on an intra-day basis. Daily VaR reports are submitted to senior management for review.

Although VaR is a primary indicator of risk, the intra-day risk is monitored in real-time by the Risk Committee and the risk tolerance for the day is assessed and monitored, taking into account market conditions. All risk on our book is capable of being extinguished intra-day due to the liquidity available in the instruments that we offer our clients.

for the year-ended 31 August 2018

20. Financial instruments continued

PRICE RISK continued

A summary of the VaR position of the Company's trading portfolio at 31 August and during the period is as follows:

	At 31 August R'000	Average R'000	Maximum R'000	Minimum R'000
2018				
Other price risk	**1 396**	**3 855**	**10 851**	**327**
2017				
Other price risk	12 064	8 423	13 075	3 325

Sensitivity analysis – equity price risk of unlisted investments shown at fair value through profit or loss.

For investments classified as fair value through profit or loss, the impact on profit or loss after tax of a 5% increase in the price of the equities at the reporting date of the Group's unlisted investments would be an increase of R3.5 million (2017: R3.6 million).

CLASSES OF FINANCIAL ASSETS AND LIABILITIES

The table below sets out the classification of each class of financial assets and liabilities, and their fair values:

	Notes	2018 R'000	2017 R'000
Financial assets			
Loans and receivables			
– Trade and other receivables	13	**16 650**	2 969
– Other financial assets	11	**3 566**	2 890
– Investments	9	**13 677**	6 087
– Cash and cash equivalents	14	**107 333**	140 792
		141 226	152 738
Investments at fair value through profit or loss			
– Investments	9	**4 046**	11 983
		4 046	11 983
Financial liabilities			
Held at amortised cost			
– Trade and other payables	18.1	**(22 061)**	(13 618)
– Client position liability	18.2	**(79 716)**	(140 552)
– Borrowings	19	**(64 606)**	(20 000)
– Bank overdraft	14	**(4 080)**	(13 614)
		(170 463)	(187 784)
Liabilities at fair value through profit or loss			
– Financial guarantee	9	**–**	(26 887)
		–	(26 887)

21. Operating lease commitment

LEASES AS LESSEE

Non-cancellable operating lease rentals are payable as follows on the rental agreements for office premises and equipment:

	2018 **R'000**	2017 R'000
Future minimum lease payments		
Office equipment		
Less than one year	**178**	258
Between one and five years	**104**	253
Office premises		
Less than one year	**1 684**	3 438
Between one and five years	**7 421**	327
	9 387	4 276

The Group leases one office under an operating lease. The lease runs for five years till 31 May 2023, with an option to renew the lease after that date. The lease escalates at 7%. The premises are in Braamfontein Werf.

Office equipment is a 36-month lease for printers and telephone systems, with no annual escalation.

During the period ended 31 August 2018, R5.0 million (2017: R5.1 million) was recognised as an expense in profit or loss in respect of operating leases.

22. Contingencies

There are no contingencies at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year-ended 31 August 2018

23. Related parties

IDENTITY OF RELATED PARTIES

The Group has related party relationships with its subsidiaries (note 24) and its directors (directors' report).

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The key management personnel compensation is as follows and is included in employee benefit expense (see note 2):

	2018 R'000	2017 R'000
Employee benefits		
Non-executive directors		
Mark Barnes		
– fees	**2 697**	2 697
– statutory contributions	**28**	28
– share option expenses	**541**	661
Craig Carter – fees	**275**	259
Ronnie Lubner – fees	**76**	89
	3 617	3 734
Employee benefits		
Executive directors		
Charles Savage		
– salary	**3 921**	3 834
– share option expenses	**986**	1 126
Gary van Dyk		
– salary	**2 956**	2 847
– share option expenses	**986**	1 126
	8 849	8 933

The three highest paid employees earned salaries of R2.7 million, R2.4 million and R1.6million, respectively. At 31 August the directors' interests in the issued share capital of the Company were as follows:

	2018				2017			
	Beneficial		**Non-beneficial**		Beneficial		Non-beneficial	
	Direct	**Indirect**	**Direct**	**Indirect**	Direct	Indirect	Direct	Indirect
Mark Barnes	**46 852 718**	**166 080 851**	**–**	**–**	44 852 718	166 080 851	–	–
Craig Carter	**1 932 366**	**–**	**–**	**–**	1 932 366	–	–	–
Ronnie Lubner	**–**	**–**	**–**	**227 100 267**	–	–	–	227 100 267
Dennis Alter	**7 200 000**	**–**	**–**	**–**	7 200 000	–	–	–
Charles Savage	**20 835 591**	**58 928**	**–**	**–**	20 814 011	–	–	4 540 000
Gary van Dyk	**18 518 500**	**–**	**–**	**–**	18 518 500	–	–	–
	95 339 175	**166 139 779**	**–**	**227 100 267**	93 317 595	166 080 851	–	231 640 267

24. List of subsidiaries

Subsidiaries Name	Country	Ownership interest 2018 %	2017 %
First World Trader Proprietary Limited*	South Africa	**70**	100
First World Trader Nominees (RF) Proprietary Limited (Subsidiary of First World Trader Proprietary Limited)	South Africa	**100**	100
GT247 Proprietary Limited**	South Africa	**100**	–
One World Trader Proprietary Limited (Subsidiary of GT247 Proprietary Limited)	Mauritius	**100**	100
Emperor Asset Management Proprietary Limited	South Africa	**100**	100
Emperor Asset Management Nominees (RF) Proprietary Limited (Subsidiary of Emperor Asset Management Proprietary Limited)	South Africa	**100**	100
Emperor Asset Management GP 1 (RF) Proprietary Limited (Subsidiary of Emperor Asset Management Proprietary Limited)	South Africa	**100**	100
Global Trader Europe Limited ***	United Kingdom	**100**	100

* *Includes the operations of EasyEquities. The decrease in shareholding is due to the sale of 30% shareholding to Sanlam Investment Holdings Proprietary Limited effective 17 November 2017.*

** *Includes the operations of GT247.com*

*** *Placed into liquidation in 2008 and still ongoing.*

25. Events after the reporting date

The directors are not aware of any other matter or circumstance arising since reporting date up to the date of this report, not otherwise dealt with in this report.

26. Net asset value per share

The Group net asset value is 32.51 (2017: 25.54) cents per share and is based on the number of ordinary shares in issue net of treasury shares at reporting date of 905 971 519 (2017: 933 176 518) and net assets of R294.5 million (2017: 238.3 million).

27. Going concern

The consolidated annual financial statements have been prepared on a going-concern basis. Despite the Group having accumulated losses, the current assets are in excess of current liabilities and the Group has net equity of R268.4 million, and the directors are confident that the Group will continue trading as a going concern into the foreseeable future.

The losses incurred during the period were generated in respect of the Group's investment in its EasyEquities business as GT247.com generated a reasonable profit.

The Group's investment in EasyEquities during the current period was funded through the transaction with Sanlam which resulted in EasyEquities being capitalised with sufficient capital to fund its operations. The remaining profitable businesses in the Group will no longer be required to fund the EasyEquities operations. These cash flows will be utilised to fund the operations of the remaining businesses as well as to reduce the debt facilities of the Group.

SHAREHOLDERS ANALYSIS

	Number of shareholders	% of total shareholders	Number of shares	% of total issued share capital
Analysis of shareholdings				
1 – 999	1 946	48.94	477 988	0.05
1 000 – 9999	1 132	28.47	3 821 951	0.41
10 000 – 99 999	631	15.87	18 957 991	2.03
100 000 and over	267	6.72	912 218 588	97.51
Total	3 976	100.00	935 476 518	100.00
Distribution of shareholders				
Banks	3	0.07	151 952 910	16.24
Brokers	5	0.13	460	0.00
Close corporations	15	0.38	576 482	0.06
Individuals	3 827	96.25	228 024 994	24.38
Investment companies	14	0.35	36 925 374	3.95
Nominees and trusts	56	1.41	132 291 701	14.14
Other corporations	8	0.20	8 834 253	0.94
Private companies	48	1.21	376 870 344	40.29
Total	3 976	100.00	935 476 518	100.00
Shareholder spread				
Non-public	37	0.93	561 589 908	60.04
Directors*	9	0.23	76 143 170	8.14
Employees	24	0.60	15 897 316	1.70
Treasury shares	2	0.05	37 387 720	4.00
10% of issued capital or more	2	0.05	432 161 702	46.20
Public	3 939	99.07	373 886 610	39.96
Total	3 976	100.00	935 476 518	100.00
Beneficial shareholding of 3% or more				
Business Venture Investments No 184			332 161 702	35.51
Erasmus Family Trust (CGIM)			56 164 103	6.00
First World Trader (Pty) Ltd			35 087 720	3.75
Foreign custodians holding 3% or more				
Banque Lombard Ocker & Cie SA			51 932 910	5.55
JP Morgan Chase Bank Omnibus Clients Onshore			100 000 000	10.69
Country				
South Africa	3 957	99.52	771 249 867	82.45
Namibia	3	0.08	189 634	0.02
Australia	1	0.02	93	0.00
United States	4	0.10	8 239 114	0.88
Swaziland	3	0.08	31 873	0.00
Belgium	1	0.02	48 000	0.01
United Kingdom	5	0.13	103 027 027	11.01
Switzerland	2	0.05	52 690 910	5.63
Total	3 976	100.00	935 476 518	100.00
Dematerialised	3 767	94.74	929 355 529	99.35
Certificated	209	5.26	6 120 989	0.65
Total	3 976	100.00	935 476 518	100.00

* *9 086 506 shares held by Ronnie Lubner in a non-beneficial indirect capacity have been included under Directors holdings for a more accurate split between public and non-public holdings.*


EasyTrader

PURPLE GROUP
LIMITED

NOTICE OF ANNUAL GENERAL MEETING

This document is important and requires your immediate attention. If you are in any doubt as to the action you should take, please consult your stockbroker, accountant, attorney, banker or other independent professional adviser immediately.

Notice is hereby given that the Annual General Meeting of ordinary shareholders ("shareholders") of the Company will be held at 16th Floor, 25 Owl Street, Braamfontein Werf on Monday, 7 January 2019 at 10:00.

ATTENDANCE AND VOTING

In terms of section 59(1)(a) and (b) of the Companies Act, 2008 (Act 71 of 2008), as amended ("the Act"), the Board of Directors has set the record date for the purpose of determining which shareholders are entitled to:

- receive notice of the Annual General Meeting, i.e. the Notice Record Date (being the date on which a shareholder must be registered in the Company's share register in order to receive notice of Annual General Meeting) as Friday, 23 November 2018; and
- participate in and vote at the Annual General Meeting, i.e. the Meeting Record Date (being the date on which a shareholder must be registered in the Company's share register in order to participate in and vote at the Annual General Meeting) as Friday, 28 December 2018.

Please note that all participants at the Annual General Meeting will be required to provide reasonably satisfactory identification before being entitled to participate in or vote at the Annual General Meeting. Forms of identification that will be accepted include original and valid identity documents, driver's licences and passports.

ELECTRONIC ATTENDANCE

There will be no provision for electronic participation for attending and voting at the Annual General Meeting.

PURPOSE OF THE MEETING

The purpose of this meeting is for shareholders to consider and if deemed fit, pass the following ordinary resolutions.

1. To receive, consider and present the audited financial statements of the Company for the year-ended 31 August 2018, together with the reports of the auditors and directors;
2. To authorise the directors to fix the remuneration of the auditors for the past audit;
3. To authorise the directors to confirm the appointment of the auditors, BDO South Africa Incorporated, as auditors and Daniel Botha, as the registered auditor responsible for the audit, until the conclusion of the next Annual General Meeting and to fix their remuneration;
4. To re-elect directors for positions to the Board:

   4.1 in terms of the Articles of Association, the following directors retire by rotation, but being eligible, hereby offer themselves for re-election:

   - Ronnie Lubner; and
   - Dennis Alter

   (A brief *curriculum vitae* in respect of these directors is contained on page 86 of this Integrated Annual Report)

5. **Special business**

   Shareholders will be asked to consider and, if deemed fit, to pass the following resolutions with or without amendment:

   5.1 Ordinary resolution number 6 – Unissued shares to be placed under the control of the directors

   "Resolved that, all of the authorised but unissued ordinary shares of the Company be and are hereby placed under the control and authority of the directors of the Company and that the directors be and are hereby authorised and empowered to allot and issue all or any such ordinary shares to such person or persons on such terms and conditions and at such times as the directors may from time to time in their discretion deem fit, subject to the proviso that the aggregate number of shares allotted and issued in terms of this resolution shall be limited to 15% (fifteen percent) of the authorised share capital and subject to the provisions of the Act and the Listings Requirements of the JSE Limited ("JSE").

   5.2 Ordinary resolution number 7 – General authority to issue shares and to sell treasury shares for cash

   "Resolved that, subject to not less than 75% of the votes exercisable by ordinary shareholders in aggregate of the Company, present in person or by proxy or represented and entitled to vote at the Annual General Meeting at which this ordinary resolution is to be considered, being cast in favour thereof, the directors of the Company and/or any of its subsidiaries from time to time be and are hereby authorised by way of a general authority to allot and issue all or any of the authorised but unissued ordinary shares in the Company and/or sell or otherwise dispose of or transfer, or issue any options in respect of ordinary shares in the Company, for cash, to such person/s on such terms and conditions and at such times as the directors in their discretion deem fit, subject to the Act, the Articles of association of the Company and Listings Requirements of the JSE, which Listings Requirements currently provide, *inter alia*, that:

   - the equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
   - the equity securities must be issued to public shareholders, as defined by the Listings Requirements of the JSE, and not to related parties;
   - this general authority is valid and will extend to the date of the next Annual General Meeting of the

Company, provided that it will not extend beyond 15 (fifteen) months from the date of this Annual General Meeting;

- the number of ordinary shares issued for cash shall not in the aggregate in any one financial year of the Company exceed 15% (fifteen percent) or 140 321 478 shares of the Company's issued ordinary shares, including instruments which are convertible into ordinary shares. The number of ordinary shares which may be issued for cash shall be based on the number of ordinary shares in issue at the date of the application, less any ordinary shares issued by the Company during the current financial year, provided that any ordinary shares to be issued for cash pursuant to a rights issue (announced, irrevocable and fully underwritten) or acquisition (concluded up to the date of application) may be included as if they were ordinary shares in issue at the date of application;
- a press announcement giving full details, including the impact on net asset value, net tangible asset value, headline earnings and earnings per share, will be published at the time of any issue representing, on a cumulative basis within any 1 (one) financial year, 5% (five percent) or more of the number of ordinary shares in issue prior to such issue;
- in determining the price at which an issue of ordinary shares will be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on the JSE of such ordinary shares, as determined over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors of the Company; and
- whenever the Company wishes to use ordinary shares, held as treasury stock by a subsidiary of the company, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of ordinary shares.

5.3 Ordinary resolution number 8 – Authorised signatories

"Resolved that, any director of the Company or the Company Secretary be and is hereby authorised to do all such things and to sign all such documents issued by the Company to give effect to ordinary resolutions numbers 6 and 7 and special resolutions number 1 and 2."

5.4 Ordinary resolution number 9 – Non-binding advisory vote on remuneration policy

"To endorse by way of a non-binding advisory vote, the Company's remuneration policy, as set out in the integrated annual report (page 21).

In order for this resolution to be approved, it must be supported by more than 50% of the voting rights exercised on the resolution."

Reason for and effect of ordinary resolution number 9

The reason for ordinary resolution number 9 is that the King IV Report on Corporate Governance for South Africa, 2016 recommends and the JSE Listings Requirements in paragraph 3.84(k) stipulates that the Remuneration Policy of the Company be endorsed through separate non-binding advisory votes by shareholders.

Should resolution number 9 be voted against by 25% or more of the voting rights exercised, the Board will enter into an engagement process to ascertain the reasons for the dissenting votes and appropriately address legitimate and reasonable objections and concerns raised.

5.5 Special resolution no. 1: Awarding of shares and provision of financial assistance in connection therewith

Resolved that the Company be and is hereby authorised to implement a reward programme which shall entail the following, and be on the following basis:

- The Company may issue investment vouchers to selected employees of the Company or of Group companies (excluding Directors), on a monthly basis or such other basis, all as may be determined from time to time by the Company, such vouchers shall be utilised by the recipients to acquire ordinary shares in the Company on the open market (collectively "**Awards**");
- The Company may grant Awards to selected clients or potential clients of the Company or of Group companies, for loyalty, retention and/or marketing purposes;
- Such Awards may be free of charge and for no consideration payable by the employees or clients or potential clients, as the case may be, and accordingly the Company shall be entitled to provide any necessary financial assistance in implementing such Awards;
- The authority contained in this resolution shall endure until the next Annual General Meeting of the Company;
- The aggregate of Awards which may be Awarded to employees is a maximum of R75 000;
- The aggregate of Awards which may be Awarded to clients and potential clients is a maximum of R1 200 000.

and to the extent that the implementation of any Awards is to entail the provision of financial assistance by the Company as contemplated in section 45 of the Act (to directors or prescribed officers of the Company or of Group companies) and/or section 44 of the Act (for the purpose of or in connection with the acquisition of securities of the Company) and/or the relevant JSE Listing Requirements, such financial assistance be and is hereby authorised.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

Reason for and effect of the special resolution

The Company's Board is desirous of implementing a share awards program for purposes of incentivising its staff and clientele. To the extent that "financial assistance" is given by the Company in connection with the Awards, as regulated by the Act, the Board is obliged by the Act to pass resolutions pertaining to the solvency and liquidity of the Company and the fairness and reasonableness of the terms of the financial assistance. The Company shall not proceed to provide any such financial assistance unless such requirements are complied with. The authority contained herein constitutes specific authority for the issuance of ordinary shares of the Company as contemplated in the JSE Listings Requirements and, to the extent applicable, section 41(1) of the Act (if shares are to be issued to directors or prescribed officers), as well as authority for the financial assistance.

5.6 Special resolution no. 2 – Approval of non-executive directors' remuneration

"Resolved that unless otherwise determined by the Company in general meeting, the fees payable to non-executive directors for their services as directors, for the financial year-ending 31 August 2019, as set out below, be approved:

Non-executive Chairman

- Annual fee of – R2 858 438 per year

Independent non-executive directors

- Annual fee of – R274 752 per year

Non-executive directors

- Attendance fee per Board meeting – R37 778
- Attendance fee per sub-committee – R18 889

The minimum percentage of voting rights that is required for this resolution to be adopted is 75% of the voting rights to be cast on the resolution.

5.7 Special resolution no. 3 – Ratification of capital raising fee paid to non-executive chairman

Mark Barnes, the non-executive Chairman of the Group was instrumental in securing the R100 million investment, by Sanlam Investment Holdings Proprietary Limited, into EasyEquities. As a result the Board and the Remuneration Committee agreed to pay Mark Barnes a success fee equal to 2% of the transaction value, being a fee of R2 million.

"Resolved that unless otherwise determined by the Company in general meeting, that the capital raising fee paid to Mark Barnes, totalling R2 million, be approved"

SALIENT DATES

See the section titled Salient Dates and Times situated below after the resolutions.

Salient Dates and Times

Record date to receive notice of AGM	Friday, 23 November 2018
Notice of AGM to be posted to shareholders on	Friday, 30 November 2018
Last day to trade to be recorded in the register on the record date for participation in the AGM	Friday, 21 December 2018
Record date to participate in and vote at the AGM	Friday, 28 December 2018
Last day for lodging forms of proxy at 10:00 on	Thursday, 3 January 2019
AGM at 10:00 on	Monday, 7 January 2019
Results of AGM released on SENS on	Monday, 7 January 2019

Note: Any changes to the above dates will be announced on SENS subject to JSE approval.

In compliance with section 62(3)(c) of the Act and/or the Listings Requirements it is confirmed that a voting majority of 50% is required for the approval of ordinary resolutions number 1 to 8. For the special resolutions a 75% voting majority is required by law and the JSE Listings Requirements.

VOTING AND PROXIES

All shareholders will be entitled to attend and vote at the Annual General Meeting or any adjournment thereof, On a show of hands, every shareholder of the Company who, being an individual, is present or is present by proxy at the Annual General Meeting or which, being a company or body corporate, is represented thereat by a representative appointed, shall have one vote only and on a poll every shareholder of the Company (whether an individual or a company or a body corporate) or represented by a proxy at the Annual General Meeting shall have one vote for every ordinary share held by such shareholder.

Holders of dematerialised shares, other than with "own-name" registration intending to attend the Annual General Meeting, must inform their Central Securities Depository Participant ("CSDP") or broker of their intention and must obtain the necessary authorisation from their CSDP or broker to attend or, if unable to attend the Annual General Meeting in person, should provide their CSDP or broker with their voting instructions in terms of their agreement with the CSDP or broker in the manner and time stipulated therein.

The necessary form of proxy is attached for the convenience of certificated shareholders and dematerialised shareholders with "own-name" registration who cannot attend the Annual General Meeting but who wish to be represented thereat, Any shareholder entitled to attend and vote at the Annual General Meeting may appoint one or more persons to attend, speak and vote in place of such shareholder, A proxy so appointed need not be a shareholder of the Company, In order to be valid, duly completed proxy forms must be received by 4 Africa Exchange Registry, Cedarwood House, Ballywoods Office Park, 33 Ballyclare Drive, Bryanston, 2121 by no later than 10:00 on Thursday, 3 January 2019.

RECORD DATES

The posting record date, being the date that shareholders must be recorded in the register to be eligible to receive this notice of Annual General Meeting, is Friday, 23 November 2018.

The last day to trade in order to be eligible to vote at the Annual General Meeting is Friday, 21 December 2018.

The voting record date, being the date that shareholders must be recorded in the register to be eligible to speak and vote at the Annual General Meeting is Friday, 28 December 2018.

By order of the Board

4 Africa Exchange Registry Proprietary Limited

Company Secretary

26 November 2018

SHAREHOLDER RIGHTS

In terms of section 58 of the Companies Act, No. 71 of 2008 (as amended), shareholders have rights to be represented by proxy as herewith stated.

(1) At any time, a shareholder of the Company may appoint any individual, including an individual who is not a shareholder of the Company, as a proxy to:

  a) participate in, and speak and vote at, a shareholders meeting on behalf of the shareholder; or

  b) give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60.

Provided that the shareholder may appoint more than one proxy to exercise voting rights attached to different shares held by the shareholder.

(2) A proxy appointment:

  a) must be in writing, dated and signed by the shareholder; and

  b) remains valid for:

    (i) one year after the date on which it was signed; or

    (ii) any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in subsection (4)(c), or expires earlier as contemplated in subsection (8) (d).

(3) Except to the extent that the Memorandum of Incorporation of the company provides otherwise:

  a) a shareholder of the Company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder;

  b) a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and

  (c) a copy of the instrument appointing a proxy must be delivered to the Company, or to any other person on behalf of the Company, before the proxy exercises any rights of the shareholder at a shareholders meeting.

(4) Irrespective of the form of instrument used to appoint a proxy:

  a) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;

  b) the appointment is revocable unless the proxy appointment expressly states otherwise; and

  (c) if the appointment is revocable, a shareholder may revoke the proxy appointment by:

    (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and

    (ii) delivering a copy of the revocation instrument to the proxy, and to the Company.

(5) The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of:

  a) the date stated in the revocation instrument, if any; or

  b) the date on which the revocation instrument was delivered as required in subsection (4)(c)(ii).

(6) If the instrument appointing a proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by this Act or the Company's Memorandum of Incorporation to be delivered by the Company to the shareholder must be delivered by the Company to:

  a) the shareholder; or

  b) the proxy or proxies, if the shareholder has

    (i) directed the company to do so, in writing; and

    (ii) paid any reasonable fee charged by the company for doing so.

(7) A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy, provides otherwise.

(8) If the Company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of instrument for appointing a proxy:

  a) the invitation must be sent to every shareholder which is entitled to notice of the meeting at which the proxy is intended to be exercised;

  b) the invitation, or form of instrument supplied by the Company for the purpose of appointing a proxy, must:

    (i) bear a reasonably prominent summary of the rights established by this section;

    (ii) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by the shareholder; and

    (iii) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or is to abstain from voting;

  c) the Company must not require that the proxy appointment be made irrevocable; and

  d) the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to subsection (5).

(9) Subsection (8)(b) and (d) do not apply if the Company merely supplies a generally available standard form of proxy appointment on request by a shareholder.

BRIEF CURRICULUM VITAE OF DIRECTORS STANDING FOR RE-ELECTION

RONNIE LUBNER – 84

Non-executive director

Ronnie is Chairman of the PG Group, South Africa's leading integrated glass business. He is also Chairman of the international Belron Group, the world's largest, dedicated vehicle glass repair and replacement company. Ronnie has a wide portfolio of interests locally and abroad.

Ronnie joined the Board in March 2006.

DENNIS ALTER – 76

Independent non-executive director

Dennis Alter served as the Chairman and Chief Executive Officer of Advanta Corporation for nearly 40 years.

At its peak, it employed more than 5 000 people and had seven million customers.

During his tenure, the company grew its assets, earnings and returns exponentially. Mr Alter also owned the country's largest dating company, pioneering dating as a business in the mid-nineties.

Dennis joined the Board in March 2006.

PURPLE GROUP
LIMITED

(Incorporated in the Republic of South Africa) (Registration number 1998/013637/06)
Share code: PPE ISIN: ZAE 000185526
("Purple Group" or "the Company")

FORM OF PROXY

"OWN-NAME" REGISTRATION

For use at the Annual General Meeting of members to be held in the Boardroom, Purple Group Limited, 16th Floor, 25 Owl Street, Braamfontein Werf on Monday, 7 January 2019 at 10:00 (the "Annual General Meeting")

I/We ______________________________ (Name in block letters)

of (Address) ______________________________

being a member/s of Purple Group Limited, holding [ ] ordinary shares hereby appoint:

1. ______________________________ or, failing him/her,

2. ______________________________ or, failing him/her,

3. ______________________________ or, failing him/her,

4. the Chairman of the Annual General Meeting, as my proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 10:00 on Monday, 7 January 2019 and at any adjournment thereof and to speak and act for me/us and, on a poll, vote on my/our behalf,

My/Our proxy shall vote as follows:

	Number of ordinary shares		
	In favour of	Against	Abstain
Ordinary resolution number 1: Adoption of annual financial statements for the year-ended 31 August 2018			
Ordinary resolution number 2: Remuneration of auditors			
Ordinary resolution number 3: Appointment of auditors			
Ordinary resolution number 4: Ratification of re-election of Dennis Alter			
Ordinary resolution number 5: Ratification of re-election of Ronnie Lubner			
Ordinary resolution number 6: To place the unissued shares of the Company under the control of the directors			
Ordinary resolution number 7: To authorise the Company to issue shares and to sell treasury shares for cash under a general authority			
Ordinary resolution number 8: To authorise the directors as signatories			
Ordinary resolution number 9: Non-binding advisory vote on remuneration policy			
Special resolution number 1: Awarding of shares and provision of financial assistance in connection therewith			
Special resolution number 2: Non-executive directors' remuneration to 31 August 2019			
Special resolution number 3: Ratification of capital raising fee paid to non-executive chairman			

(Indicate instruction to proxy by way of a cross in space provided above)

Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed this ______________ day of ______________________________ 2018

Signature ______________________________

Please read the notes on the reverse side hereof.

NOTES TO THE FORM OF PROXY

1. Purple Group shareholders who have dematerialised their shares through a CSDP or broker must not complete this form of proxy but must provide their CSDP or broker with their voting instructions, except for Purple Group shareholders who have elected "own-name" registration in the sub-register through a CSDP or broker, It is these shareholders who must complete this form of proxy and lodge it with the transfer secretaries.

2. Holders of dematerialised Purple Group shares wishing to attend the Annual General Meeting must inform their CSDP or broker of such intention and request their CSDP or broker to issue them with the relevant authorisation to attend.

3. A member entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend, vote and speak in his/her/its stead at the Annual General Meeting, A proxy need not be a member of the Company.

4. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided, with or without deleting "the Chairman of the Annual General Meeting", but any such deletion must be initialled by the member, The person whose name stands first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.

5. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast, However, if you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of shares held in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she deems fit in respect of all the member's votes exercisable thereat. A member or his/her proxy is not obliged to use all the votes exercisable by the member or by his/her proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the member or by his/her proxy.

6. Holders of dematerialised shares, other than with "own- name" registration must inform their CSDP or broker of whether or not they intend to attend the Annual General Meeting and obtain the necessary authorisation from their CSDP or broker to attend the Annual General Meeting or provide their CSDP or broker with their voting instructions should they not be able to attend the Annual General Meeting in person.

7. Forms of proxy must be received at the Company's Transfer Secretaries, 4 Africa Exchange Registry, Cedarwood House, Ballywoods Office Park, 33 Ballyclare Drive, Bryanston, 2121 by no later than 10:00 on Thursday, 3 January 2019.

8. The completion and lodging of this form of proxy will not preclude the relevant member from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.

9. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's Transfer Secretaries or waived by the Chairman of the Annual General Meeting.

10. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.

11. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of the Company.

12. The Chairman of the Annual General Meeting may reject or accept a form of proxy which is completed and/or received, other than in accordance with these notes, if the Chairman is satisfied as to the manner in which the member wishes to vote.

CORPORATE INFORMATION

NATURE OF BUSINESS
Purple Group Limited is a financial services company.

DIRECTORS

Mark Barnes	Non-executive Chairman
Charles Savage	Chief Executive Officer
Gary van Dyk	Chief Financial and Operations Officer
Dennis Alter	Independent non-executive director
Craig Carter	Independent non-executive director
Ronnie Lubner	Non-executive director

BUSINESS ADDRESS
16th Floor
25 Owl Street
Braamfontein Werf
2092

POSTAL ADDRESS
PO Box 411449
Craighall
2024

BANKERS
Mercantile Bank Limited

AUDITORS
BDO South Africa Incorporated
Registered Auditors

GROUP SECRETARY
4 Africa Exchange Registry Proprietary Limited
Cedarwood House
Ballywoods Office Park
33 Ballyclare Drive
Bryanston
2121

SHARE REGISTRARS
4 Africa Exchange Registry Proprietary Limited
Cedarwood House
Ballywoods Office Park
33 Ballyclare Drive
Bryanston
2121

COMPANY REGISTRATION NUMBER
1998/013637/06

ISIN
ZAE000185526

VAT REGISTRATION NUMBER
4640178168

TAX NUMBER
9552/065/64/2

NOTES

PURPLE GROUP
LIMITED

ANNUAL REPORT
FOR THE YEAR-ENDED 31 AUGUST
2018

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