CURRO HOLDINGS LIMITED AND ITS SUBSIDIARIES

(Registration number 1998/025801/06)
Consolidated and Separate Financial Statements
for the year ended 31 December 2015

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Independent schools and education services
Directors	SL Botha ZL Combi AJF Greyling HG Louw PJ Mouton SWF Muthwa B Petersen B van der Linde CR van der Merwe
Registered office	38 Oxford Street Durbanville Cape Town South Africa 7550
Business address	38 Oxford street Durbanville Cape Town South Africa 7550
Postal address	P O Box 2436 Durbanville Cape Town South Africa 7551
Holding company	PSG Financial Services Ltd, incorporated in South Africa
Ultimate holding company	PSG Group Ltd, incorporated in South Africa
Bankers	Absa Bank Ltd First National Bank Ltd Standard Bank of South Africa Ltd
Auditors	Deloitte & Touche, Registered Auditors
Secretary	R van Rensburg
Company registration number	1998/025801/06
Tax reference number	9159/070/02/9
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008, as amended.
Preparer	The financial statements were internally compiled by DN Hartshorne CA(SA) under the supervision of the director and chief financial officer, B van der Linde CA(SA), CFA.
Published	16 May 2016

Index

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

Directors' Responsibilities and Approval

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

The consolidated and separate financial statements are prepared in accordance with International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Ltd (JSE) and the Companies Act of South Africa. The annual financial statements has been prepared using policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The directors have reviewed the consolidated and separate cash flow forecast for the year to 31 December 2016 and, in light of this review and the current financial position, they are satisfied that the Group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the consolidated and separate financial statements. The consolidated and separate financial statements have been examined by the Group's external auditors and their report is presented on pages 5 and 6.

The consolidated and separate financial statements set out on pages 7 to 77, which have been prepared on the going concern basis, were approved by the board of directors on 16 May 2016 and were signed on their behalf by:

SL Botha **Chairperson of the Board**	**CR van der Merwe** **Chief Executive Officer**

Durbanville

16 May 2016

Preparation of the Consolidated and Separate Financial Statements and Certificate by Secretary

Preparation of the Consolidated and Separate Financial Statements

The consolidated and separate financial statements of Curro Holdings Ltd for the year ended 31 December 2015 have been prepared internally and supervised by the Chief Financial Officer, Mr B van der Linde CA(SA), CFA.

Company Secretary's Certificate

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify to the best of my knowledge that the Company has lodged with the Commissioner all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

R van Rensburg
Company Secretary

Durbanville

16 May 2016

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CURRO HOLDINGS LIMITED

Report on the Financial Statements

We have audited the consolidated and separate financial statements of Curro Holdings Limited set out on pages 13 to 77, which comprise the statements of financial position as at 31 December 2015, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these consolidated and separate 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 and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CURRO HOLDINGS LIMITED (Continued)

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Curro Holdings Limited as at 31 December 2015, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 43 to the consolidated and separate financial statements which indicates that the previously issued financial statements for the year ended 31 December 2015, on which we issued an auditor's report dated 18 March 2016, have been revised.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 31 December 2015, we have read the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements.

These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Report on Other Legal and Regulatory Requirements

In terms of the Independent Regulatory Board for Auditors (IRBA) Rule published in Government Gazette Number 39475 dated 04 December 2015, we report that Deloitte & Touche has been the auditor of Curro Holdings Limited for 5 years.

Deloitte & Touche

Deloitte & Touche
Registered Auditors

Per: MA Van Wyk
Partner

16 May 2016

Audit and Risk Committee Report

This report is provided by the Audit and Risk Committee (the Committee) appointed in respect of the 2015 financial year of Curro Holdings Limited and its subsidiaries.

1. Members of the Audit and Risk Committee

The members of the Committee consists solely of independent non-executive directors.

The members are B Petersen (Chairman), ZL Combi and Dr SWF Muthwa. The Company Secretary is the secretary of the Committee.

The Committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act 71 of 2008 and Regulation 42 of the Companies Regulation, 2011.

2. Purpose

The purpose of the Committee is to:

- Ensure the integrity of Curro's integrated reporting.
- Review the effectiveness of Curro's financial reporting process.
- Review the effectiveness of Curro's assurance process.
- Review the effectiveness of Curro's process for monitoring compliance with laws and regulations.
- Assist the board in carrying out its risk responsibilities including the review of the effectiveness of the management thereof. Management remains responsible for the design, implementation and monitoring of the risk management plan.
- Assist the board with its information technology (IT) governance responsibilities. Management remains responsible for the implementation of an IT governance framework.
- The Committee even though appointed by shareholders, reports to the Curro board of directors. If differences of opinion arise between the Committee and the board of directors, where the committee's statutory functions are concerned, the committee's decision will prevail.

3. Meetings held by the Audit and Risk Committee

The Committee performs the duties laid upon it by Section 94(7) of the Companies Act 71 of 2008, as amended by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditor.

The Committee held two scheduled meetings during 2015 which meetings were attended by all members of the Committee.

4. External auditor

The Committee has nominated Deloitte & Touche as the independent auditor and MA van Wyk as the designated partner, who is a registered independent auditor, for appointment of the 2015 audit.

The Committee satisfied itself through enquiry that the external auditors are independent as defined by the Companies Act 71 of 2008 and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the Companies Act 71 of 2008, as amended, that internal governance processes within the firm support and demonstrate the claim to independence.

The Committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

The Committee has considered and pre-approved all non-audit services provided by the external auditors and the fees relative there to so as to ensure the independence of the external auditors are maintained.

5. Consolidated and separate financial statements

Following the review of the consolidated and separate financial statements the Committee recommend board approval thereof.

6. Accounting practices and internal control

Internal controls and systems have been designed to provide reasonable assurance as to the integrity and reliability of the financial information presented in the financial statements and to safeguard, verify and maintain the assets of the Group and Company.

Audit and Risk Committee Report

Nothing has come to the attention of the Committee to indicate that any material breakdown in the functioning of the Group and Company's key internal control systems has occurred during the year under review.

The Committee considers the accounting policies, practices and financial statements to be appropriate.

7. Evaluation of the Chief Financial Officer

As required, by the JSE Listings Requirement 3.84 (h), the committee has assessed and is satisfied with the expertise and experience of the Group Chief Financial Officer.

8. Complaints and/or concerns

No complaints or concerns were received by the Committee on any matters relating to the accounting practices and internal audit of the company, the content or auditing of the company's and consolidated financial statements, the internal financial controls of the company or on any other related matter during the year under review.

On behalf of the Committee

B Petersen
Chairman of the Audit and Risk Committee

Durbanville

16 May 2016

Directors' Report

The directors have pleasure in submitting their report on the consolidated and separate financial statements of Curro Holdings Limited and its subsidiaries for the year ended 31 December 2015.

1. Incorporation

The company was incorporated on 30 December 1998 and obtained its certificate to commence business on the same day.

2. Nature of business

Overview

Curro Holdings Limited ("Curro") develop, acquire and manage independent schools throughout South Africa and is a market leader in its field. The model caters for learners from the age of three months to Grade 12 as well as teacher training.

Curro listed on the AltX during 2011 and transferred to the main board of the JSE during 2012. On listing, the company had 5 557 learners in 12 schools. To date the Group has grown to 47 campuses (110 schools) accommodating 41 864 learners, which included the teachers training college accommodating approximately 800 students.

Curro serves clients in models incorporating Curro schools, Curro Academy schools, Meridian schools, Select schools and Curro Castles (nursery schools). These schools are augmented by the Embury Institute for Teacher Education (Pty) Ltd (teacher training college) that also offers short course training to educators in the public and private sectors.

Financial results

Revenue increased by 38% from R1 billion in 2014 to R1.38 billion in 2015. Schools EBITDA increased by 46% from R262 million to R382 million over the same period with EBITDA increasing by 52% from R192 million to R292 million. The increase is attributable to the increase in learner numbers offset by once-off head office expenses that occurred in the prior year. Due to tougher economic circumstances, bad debts as a percentage of turnover has increased from 0.6% in 2014 to 1% in 2015, which is in line with Curro’s long-term average.

The EBITDA margin increased from 19% to 21%. Net interest expense has increased by 65% from R55 million to R91 million as a result of a higher interest expense in the Meridian business. Headline earnings increased by 79% from R56 million to R100 million. However, headline earnings per share increased by 67% from 17.2 cents to 28.7 cents due to the increase in the weighted average number of shares in issue following the rights offer in May 2015.

Investment and expansion

In 2015 Curro invested R1 billion in growth and expansion projects. The most significant investments included:

- R284 million in the construction of new Curro campuses at Sitari (Somerset West) and a high school at Hillcrest (KwaZulu-Natal), as well as three new Curro Castles (nursery schools) at Waterfall Estate, Bryanston and Douglasdale (all based in Gauteng);
- R646 million invested to expand existing campuses, which included significant expansions at, inter alia, Waterstone College, Grantleigh, St Dominic’s Academy, Curro Hazeldean, Curro Serengeti and Curro Bankenveld; and
- R85 million was invested as part of our land banking initiative to secure an office site in Rivonia (Gauteng) which will be converted into a Curro Castle and a Curro primary school in 2016.

Curro intends to invest up to R2 billion in 2016. R800 million is earmarked for the construction of new campuses and R450 million for the expansion of existing campuses. The remainder will be used for acquisitions and land banking opportunities.

Directors' Report

Institute for Higher Education

In 2016, our Embury Institute for Teacher Education ("Embury"), based in KwaZulu-Natal, will educate more than 800 full-time and 100 distance learning students. It will also provide continuous professional development education courses to approximately 4 000 teachers.

This year will also mark the expansion of Embury's geographic footprint and academic offerings. Embury will commence with the conversion of a new larger site in Durban to accommodate 2 600 students, construct a new campus at Waterfall Estate (Midrand) with a capacity of 1 400 students, as well as acquire a 800-student capacity campus in Montana (Pretoria).

We are in the process of developing and registering a number of new courses, diplomas and degrees which will include BSc, BCom and BA degrees. We are also converting and registering our campus-based courses into distance learning offerings.

3. Share capital

Effective 8 May 2015, 29.6 million shares were issued by way of an underwritten renounceable rights offer at a subscription of R25.00 per rights offer share, in the ratio of 1 rights offer share for every 11 Curro ordinary shares. On 15 October 2015, 1.7 million shares were issued to employees through the Curro share incentive scheme. Share issue costs of R14 million were set off against the raised capital.

Refer to note 16 of the consolidated and separate financial statements for detail of the movement in authorised and issued share capital.

4. Control over unissued shares

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of section 38 of the Companies Act. As this general authority remains valid only until the next AGM, the shareholders will be asked at that meeting to consider an ordinary resolution placing the said unissued ordinary shares, up to a maximum of 10% of the company's issued share capital, under the control of the directors until the next AGM.

5. Dividends

No dividends were declared or paid to shareholders during the year (2014: RNil).

6. Directorate

The directors in office at the date of this report are as follows:

Directors	Office	Designation
SL Botha	Chairperson of the Board	Non-executive independent
ZL Combi		Non-executive independent
AJF Greyling	Chief Operating Officer	Executive
HG Louw	Chief Investment Officer	Executive
PJ Mouton		Non-executive
SWF Muthwa		Non-executive independent
B Petersen		Non-executive independent
B van der Linde	Chief Financial Officer	Executive
CR van der Merwe	Chief Executive Officer	Executive

There have been no changes to the directorate for the year under review.

Directors' Report

7. Shareholding of directors

The shareholding of directors, excluding the participation in the share incentive scheme, in the issued share capital of the Company as at 31 December 2015 was as follows:

	2015				2014	
Directors	**Direct**	**Indirect**	**Number**	**%**	**Number**	**%**
SL Botha	250 182	-	250 182	0.07	200 000	0.06
AJF Greyling	-	752 501	752 501	0.21	810 001	0.25
HG Louw	-	-	-	-	147 822	0.05
PJ Mouton	-	1 813 337	1 813 337	0.51	1 743 423	0.54
B van der Linde	129 299	313 300	442 599	0.12	250 677	0.08
CR van der Merwe	-	4 051 677	4 051 677	1.14	4 501 677	1.38
	379 481	**6 930 815**	**7 310 296**	**2.05**	**7 653 600**	**2.36**

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

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report, save for 350 000 shares disposed by CR van der Merwe on 2 March 2016 at an average price of R44.77 per share.

8. Interests in subsidiaries and associates

Details of material interests in subsidiary companies and associates are presented in the consolidated and separate audited financial statements in notes 7 and 8.

The interest of the Group in the profits of its associates for the year ended 31 December 2015 are as follows:

	2015 R '000	2014 R '000
Associates		
Total share of equity accounted profits	689	1 149

9. Holding company

The Group and Company's holding company is PSG Financial Services Ltd which holds 58.3% (2014: 57.1%) of the Group's equity. PSG Financial Services Ltd is incorporated in South Africa.

10. Ultimate holding company

The Group and Company's ultimate holding company is PSG Group Ltd which is incorporated in South Africa.

11. Special resolutions

No special resolutions, the nature of which might be significant to the shareholders in their appreciation of the state of affairs of the Group were made by the Company or any of its subsidiaries during the period covered by this report.

12. Events after the reporting period

Effective 1 March 2016, Curro acquired the business operations and properties of Windhoek Gymnasium, for a consideration of R180 million. No other events have been identified. The accounting for this transaction is still in progress.

13. Going concern

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

Directors' Report

14. Auditors

Deloitte & Touche will continue in office in accordance with Section 90 of the Companies Act 71 of 2008 of South Africa, as amended.

15. Secretary

The Company Secretary is Ms R van Rensburg.

Postal address

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16. Sponsor

PSG Capital acts as sponsor for the Group and Company, providing advice on the interpretation and compliance with the Listing Requirements of the JSE and reviewing notices required in terms of the Company's memorandum of incorporation and the JSE's Listings Requirements.

17. Corporate governance

The directors subscribe to the principles incorporated in the King Code of Corporate Practices and Conduct as set out in King III and have applied as far as practical with principles contained therein throughout the reporting period. The directors recognise the need to conduct the enterprise with integrity and in accordance with generally accepted corporate practices. The board of directors has performed a detailed exercise to assess the Company's compliance with King III and the members are satisfied that sufficient compliance occurs while having instituted steps to ensure a constant monitoring of improvement where realistically possible.

18. Report of the Audit and Risk Committee

The report of the Audit and Risk Committee, as required in terms of section 94(7)(f) of the Companies Act of South Africa of 2008, is set out on pages 7 to 8 of the consolidated and separate annual financial statements.

Consolidated and Separate Statements of Financial Position as at 31 December 2015

		Group		Company	
	Note(s)	2015 R '000	2014 R '000	2015 R '000	2014 R '000
Assets					
Non-Current Assets					
Property, plant and equipment	4	4 290 725	3 338 184	3 296 184	2 522 947
Goodwill	5	332 495	337 883	57 872	52 094
Intangible assets	6	133 953	121 320	51 330	41 807
Investments in and loans to subsidiaries and associates	7,8,9	9 554	8 624	504 513	428 893
Other financial assets	10	29 292	7 414	19 852	-
		4 796 019	**3 813 425**	**3 929 751**	**3 045 741**
Current Assets					
Inventories	13	8 392	17 458	1 365	10 300
Loans to group companies	9	-	6 007	151 931	82 673
Trade and other receivables	14	36 410	38 016	67 893	40 113
Other financial assets	10	2 233	-	-	-
Current tax receivable		5 953	2 805	1 263	1 266
Cash and cash equivalents	15	230 526	195 305	166 616	157 406
		283 514	**259 591**	**389 068**	**291 758**
Total Assets		**5 079 533**	**4 073 016**	**4 318 819**	**3 337 499**
Equity and Liabilities					
Equity					
Equity Attributable to Equity Holders of Parent					
Share capital	16	2 834 177	2 092 124	2 877 532	2 092 124
Reserves		38 969	8 735	38 969	8 735
Retained income		215 046	110 713	115 256	64 683
		3 088 192	2 211 572	3 031 757	2 165 542
Non-controlling interest		(7 361)	(1 038)	-	-
		3 080 831	**2 210 534**	**3 031 757**	**2 165 542**
Liabilities					
Non-Current Liabilities					
Other financial liabilities	19	1 561 250	1 395 404	968 510	849 638
Deferred tax	12	188 564	165 625	97 736	73 362
		1 749 814	**1 561 029**	**1 066 246**	**923 000**
Current Liabilities					
Trade and other payables	21	220 655	273 578	188 406	215 990
Loans from group companies	9	-	-	4 227	6 668
Other financial liabilities	19	28 183	26 299	28 183	26 299
Current tax payable		50	1 576	-	-
		248 888	**301 453**	**220 816**	**248 957**
Total Liabilities		**1 998 702**	**1 862 482**	**1 287 062**	**1 171 957**
Total Equity and Liabilities		**5 079 533**	**4 073 016**	**4 318 819**	**3 337 499**

Consolidated and Separate Statements of Comprehensive Income

		Group		Company	
	Note(s)	2015 R '000	2014 R '000	2015 R '000	2014 R '000
Revenue	22	1 383 739	1 000 701	1 049 851	760 938
Operating expenses		(1 091 396)	(809 359)	(890 448)	(624 447)
Earnings before interest, taxation, depreciation and amortisation (EBITDA)		**292 343**	**191 342**	**159 403**	**136 491**
Depreciation and amortisation		(85 508)	(58 313)	(67 261)	(44 801)
Earnings before interest and taxation (EBIT)	23	206 835	133 029	92 142	91 690
Investment revenue	24	27 425	11 906	32 897	12 978
Impairment		(6 062)	(811)	(6 062)	(811)
Bargain purchase gain		4 242	-	4 242	-
Share of profits of associates		689	1 149	-	-
Finance costs	25	(117 836)	(66 827)	(61 205)	(28 805)
Profit before taxation		**115 293**	**78 446**	**62 014**	**75 052**
Taxation	26	(23 272)	(27 688)	(20 044)	(23 516)
Profit for the year		**92 021**	**50 758**	**41 970**	**51 536**
Other comprehensive income:					
Items that may be reclassified to profit or loss:					
Effects of cash flow hedges	29	24 706	(2 751)	24 706	(2 751)
Total comprehensive income for the year		**116 727**	**48 007**	**66 676**	**48 785**
Total comprehensive income (loss) attributable to:					
Owners of the parent		123 050	52 224	66 676	48 785
Non-controlling interest		(6 323)	(4 217)	-	-
		116 727	**48 007**	**66 676**	**48 785**
Profit (loss) attributable to :					
Owners of the parent		98 344	54 975	41 970	51 536
Non-controlling interest		(6 323)	(4 217)	-	-
		92 021	**50 758**	**41 970**	**51 536**
Earnings per share (cents)					
Basic	30	28.2	17.0		
Diluted	30	27.8	16.8		
Headline earnings per share (cents)					
Basic	30	28.7	17.2		
Diluted	30	28.3	17.0		

Statements of Changes in Equity

	Share capital	Hedging reserve	Share based payments reserve	Total reserves	Retained income	Total attributable to equity holders of the group / company	Non-controlling interest	Total equity
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Group								
Balance at 1 January 2014	**1 500 671**	**(489)**	**7 799**	**7 310**	**52 218**	**1 560 199**	**3 179**	**1 563 378**
Profit for the year	-	-	-	-	54 975	54 975	(4 217)	50 758
Other comprehensive income	-	(2 751)	-	(2 751)	-	(2 751)	-	(2 751)
Total comprehensive income for the year	**-**	**(2 751)**	**-**	**(2 751)**	**54 975**	**52 224**	**(4 217)**	**48 007**
Issue of shares	599 494	-	-	-	-	599 494	-	599 494
Shares issue costs	(8 041)	-	-	-	-	(8 041)	-	(8 041)
Recognition of share-based payments	-	-	8 111	8 111	-	8 111	-	8 111
Exercise of share options	-	-	(3 520)	(3 520)	3 520	-	-	-
Cancellation of share options	-	-	(415)	(415)	-	(415)	-	(415)
Total contributions by and distributions to owners of company recognised directly in equity	**591 453**	**-**	**4 176**	**4 176**	**3 520**	**599 149**	**-**	**599 149**
Balance at 31 December 2014	**2 092 124**	**(3 240)**	**11 975**	**8 735**	**110 713**	**2 211 572**	**(1 038)**	**2 210 534**
Profit for the year	-	-	-	-	98 344	98 344	(6 323)	92 021
Other comprehensive income	-	24 706	-	24 706	-	24 706	-	24 706
Total comprehensive income for the year	**-**	**24 706**	**-**	**24 706**	**98 344**	**123 050**	**(6 323)**	**116 727**
Issue of shares	739 992	-	-	-	-	739 992	-	739 992
Employees share option scheme: Proceeds of shares issued	15 852	-	-	-	-	15 852	-	15 852
Share issue costs	(13 791)	-	-	-	-	(13 791)	-	(13 791)
Recognition of share-based payments	-	-	11 517	11 517	-	11 517	-	11 517
Exercise of share options	-	-	(5 989)	(5 989)	5 989	-	-	-
Total contributions by and distributions to owners of company recognised directly in equity	**742 053**	**-**	**5 528**	**5 528**	**5 989**	**753 570**	**-**	**753 570**
Balance at 31 December 2015	**2 834 177**	**21 466**	**17 503**	**38 969**	**215 046**	**3 088 192**	**(7 361)**	**3 080 831**
Note(s)	16	18&29			29			

Statements of Changes in Equity

	Share capital	Hedging reserve	Share based payments reserve	Total reserves	Retained income	Total attributable to equity holders of the group / company	Non-controlling interest	Total equity
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Company								
Balance at 1 January 2014	**1 500 671**	**(489)**	**7 799**	**7 310**	**9 627**	**1 517 608**	**-**	**1 517 608**
Profit for the year	-	-	-	-	51 536	51 536	-	51 536
Other comprehensive income	-	(2 751)	-	(2 751)	-	(2 751)	-	(2 751)
Total comprehensive income for the year	**-**	**(2 751)**	**-**	**(2 751)**	**51 536**	**48 785**	**-**	**48 785**
Issue of shares	599 494	-	-	-	-	599 494	-	599 494
Share issue costs	(8 041)	-	-	-	-	(8 041)	-	(8 041)
Recognition of share-based payments	-	-	8 111	8 111	-	8 111	-	8 111
Exercise of share options	-	-	(3 520)	(3 520)	3 520	-	-	-
Cancellation of share options	-	-	(415)	(415)	-	(415)	-	(415)
Total contributions by and distributions to owners of company recognised directly in equity	**591 453**	**-**	**4 176**	**4 176**	**3 520**	**599 149**	**-**	**599 149**
Balance at 31 December 2014	**2 092 124**	**(3 240)**	**11 975**	**8 735**	**64 683**	**2 165 542**	**-**	**2 165 542**
Profit for the year	-	-	-	-	41 970	41 970	-	41 970
Other comprehensive income	-	24 706	-	24 706	-	24 706	-	24 706
Total comprehensive income for the year	**-**	**24 706**	**-**	**24 706**	**41 970**	**66 676**	**-**	**66 676**
Issue of shares	739 992	-	-	-	-	739 992	-	739 992
Employees share option scheme: Proceeds of shares issued	59 207	-	-	-	-	59 207	-	59 207
Share issue costs	(13 791)	-	-	-	-	(13 791)	-	(13 791)
Recognition of share-based payments	-	-	11 517	11 517	-	11 517	-	11 517
Exercise of share options	-	-	(5 989)	(5 989)	5 989	-	-	-
Transfer of assets under common control	-	-	-	-	2 614	2 614	-	2 614
Total contributions by and distributions to owners of company recognised directly in equity	**785 408**	**-**	**5 528**	**5 528**	**8 603**	**799 539**	**-**	**799 539**
Balance at 31 December 2015	**2 877 532**	**21 466**	**17 503**	**38 969**	**115 256**	**3 031 757**	**-**	**3 031 757**
Note(s)	16	18&29			29			

Consolidated and Separate Statements of Cash Flows

	Note(s)	Group 2015 R '000	Group 2014 R '000	Company 2015 R '000	Company 2014 R '000
Cash flows from operating activities					
Cash generated from operations	31	261 110	309 706	123 610	220 041
Interest income		27 425	11 906	32 897	12 978
Finance costs		(117 836)	(66 827)	(61 205)	(28 805)
Tax (paid) received	32	(9 039)	(8 077)	3	(489)
Net cash from operating activities		**161 660**	**246 708**	**95 305**	**203 725**
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(1 017 709)	(1 121 646)	(817 570)	(945 076)
Sale of property, plant and equipment	4	1 246	1 008	1 201	4 126
Purchase of other intangible assets	6	-	(992)	-	-
Expenditure on product development	6	(17 664)	(6 799)	(11 069)	(6 799)
Business combinations	33	1 809	(31 714)	(11 850)	(31 714)
Movement in investments	34	-	(90 161)	(81 675)	(100 781)
Loans to group companies repaid		6 007	-	8 563	-
Loans advanced to group companies		-	(460)	(71 766)	(19 007)
Proceeds from loans from group companies		-	-	-	61 244
Repayment of loans from group companies		-	-	(2 441)	-
Movement in financial assets		(4 259)	(5 897)	-	(811)
Net cash from investing activities		**(1 030 570)**	**(1 256 661)**	**(986 607)**	**(1 038 818)**
Cash flows from financing activities					
Proceeds on shares issued	16	742 053	590 026	785 408	590 026
Proceeds from other financial liabilities		189 312	536 299	140 315	349 281
Repayment of other financial liabilities		(27 234)	-	(25 211)	-
Net cash from financing activities		**904 131**	**1 126 325**	**900 512**	**939 307**
Total cash movement for the year		**35 221**	**116 372**	**9 210**	**104 214**
Cash at the beginning of the year		195 305	78 933	157 406	53 192
Total cash at end of the year	15	**230 526**	**195 305**	**166 616**	**157 406**

Accounting Policies

1. Presentation of audited financial statements

Curro Holdings Ltd is a public company incorporated in the Republic of South Africa. The principle activities are the provision of independent education within South Africa.

The audited financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act No 71 of 2008, as amended. The audited financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous year, except for standards included in note 3.

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based payments*, leasing transactions that are within the scope of IAS17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

1.1 Segmental reporting

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

The basis of segmental reporting has been set out in note 2

Accounting Policies

1.2 Consolidation

Basis of consolidation

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

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

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group and Company.

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

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

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

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

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

Accounting Policies

1.2 Consolidation (continued)

Business combinations

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

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

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 *Business combinations* are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held-for-sale in accordance with IFRS 5 *Non-current assets held-for-sale and discontinued operations*, which are recognised at fair value less costs to sell.

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

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

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

In cases where the Group and Company held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

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

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

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

Business combinations under common control are accounted for at book value at acquisition date.

Accounting Policies

1.2 Consolidation (continued)

Investment in associates

An associate is an entity over which the Group and Company has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An investment in associate is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5 *Non-current assets held-for-sale and discontinued operations*. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for post acquisition changes in the Group and Company's share of net assets of the associate, less any impairment losses.

Losses in an associate in excess of the Group and Company's interest in that associate are recognised only to the extent that the Group and Company has incurred a legal or constructive obligation to make payments on behalf of the associate.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Profits or losses on transactions between the Group and Company and an associate are eliminated to the extent of the Group and Company's interest therein.

When the Group and Company reduces its level of significant influence or loses significant influence, the Group and Company proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the Group and Company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and Company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group and Company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Depreciation method	Average useful life
Land	Straight line	Not depreciated
Buildings	Straight line	75 to 90 years
Premises equipment	Straight line	5 years / 6 years
Furniture and fixtures	Straight line	6 years
Motor vehicles	Straight line	5 years

Accounting Policies

Office equipment	Straight line	6 years
Computer equipment	Straight line	3 years / 5 years
Computer software	Straight line	2 years / 3 years
School equipment	Straight line	5 years / 6 years

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

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

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. Any gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.4 Intangible assets

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

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:
- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

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

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

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

Item	**Useful life**
Learner enrolments (client list)	1 to 14 years
Trademarks	Indefinite
Curriculum material	6 years

Accounting Policies

1.5 Investment in and loans to subsidiaries and associates

Company annual financial statements

In the Company's separate financial statements, investments in and loans to subsidiaries and associates are carried at cost less any accumulated impairment.

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

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

1.6 Financial instruments

Classification

The Group and Company classifies financial assets and financial liabilities into the following categories:
- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Financial liabilities at fair value through profit or loss; and
- Financial liabilities measured at amortised cost.

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the Group and Company becomes a party to the contractual provisions of the instruments.

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

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

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

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss exclude dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the Group and Company's right to receive payment is established.

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

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

Accounting Policies

1.6 Financial instruments (continued)

Impairment of financial assets

At each reporting date the Group and Company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

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

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

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

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loans to (from) group companies

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

Loans to Group companies are classified as loans and receivables.

Loans from Group companies are classified as financial liabilities measured at amortised cost less any accumulated impairment.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

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

Trade and other receivables are classified as loans and receivables.

Accounting Policies

1.6 Financial instruments (continued)

Trade and other payables

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

Cash and cash equivalents

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

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Hedging activities

Designated and effective hedging instruments are excluded from the definition of financial instruments at fair value through profit or loss.

The Group and Company designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
- hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); and
- hedges of a net investment in a foreign operation (net investment hedge).

The Group and Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group and Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 11.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised to other comprehensive income and accumulated in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within 'other income'.

Amounts accumulated in equity are reclassified to other comprehensive income to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

However, when the forecast transaction that is hedged results in the recognition of a non-financial item (for example, inventory or fixed assets) the gains and losses previously deferred in equity are transferred from equity in other comprehensive income and included in the initial measurement of the cost of the asset.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised in profit or loss as a reclassification adjustment through to other comprehensive income when the forecast transaction is ultimately recognised in profit or loss.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately recognised in profit or loss as a reclassification adjustment through to other comprehensive income.

Accounting Policies

1.7 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

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

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

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

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

1.8 Leases

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

Finance leases – lessee

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

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

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

Operating leases – lessee

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

Accounting Policies

1.9 Inventories

Inventories are measured at the lower of cost and net realisable value.

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

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

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

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

1.10 Impairment of assets

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

Irrespective of whether there is any indication of impairment, the Group and Company also:
- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period; and
- tests goodwill acquired in a business combination for impairment annually.

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

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

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

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

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

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

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.11 Share capital and equity

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

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.12 Share-based payments

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

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

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

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

For cash-settled share-based payment transactions, the goods or services acquired and the liability incurred are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

If the share-based payments granted do not vest until the counterparty completes a specified period of service, Group and Company accounts for those services as they are rendered by the counterparty during the vesting period, (or on a straight line basis over the vesting period).

If the share-based payments vest immediately the services received are recognised in full.

For share-based payment transactions in which the terms of the arrangement provide either the entity or the counterparty with the choice of whether the entity settles the transaction in cash (or other assets) or by issuing equity instruments, the components of that transaction are recorded, as a cash-settled share-based payment transaction if, and to the extent that, a liability to settle in cash or other assets has been incurred, or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.

1.13 Employee benefits

Short-term employee benefits

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

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

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

1.14 Provisions and contingencies

Provisions are recognised when:

- The Group and Company has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the obligation.

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

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

Provisions are not recognised for future operating losses.

Accounting Policies

1.14 Provisions and contingencies (continued)

If the entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when the entity:
- Has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken;
  - when the plan will be implemented; and
- Has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:
- The amount that would be recognised as a provision; and
- The amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

1.15 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
- The Group and Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group and Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group and Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Tuition fees are recognised over the period that tuition is provided.

Enrolment fees and registration fees are recognised on initial registration. Re-registration fees are recognised in the year to which the re-registration relates.

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

Dividends are recognised, in profit or loss, when the company’s right to receive payment has been established.

1.16 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:
- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:
- Expenditures for the asset have occurred;
- Borrowing costs have been incurred, and
- Activities that are necessary to prepare the asset for its intended use or sale are in progress.

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

Accounting Policies

1.16 Borrowing costs (continued)

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

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

1.17 Significant judgements and sources of estimation uncertainty

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

Significant judgements include:

Trade receivables, Held to maturity investments and Loans and receivables

The Group and Company assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Group and Company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Share-based payments

Management used the Black-Scholes Model model to determine the value of the options at issue date. Additional details regarding the estimates are included in the note 17 - Share-based payments.

Impairment of assets

Goodwill, intangible assets and property, plant and equipment are assessed annually for impairment. These impairment calculations include the use of estimates of future cash flows as well as the determination of discount rates at which the cash flows are discounted.

Fair values in business combinations

Management uses valuation techniques to determine the fair value of assets and liabilities acquired in a business combination. Fair value of property, plant and equipment is determined by using external valuations as well as rental return on property. Client lists (learner enrolments) are valued through a net present value model of the contribution from the enrolments at the school based on their estimated future enrolment period.

Although a comprehensive valuation exercise is performed for each business combination, the Group applies initial accounting for its business combinations, which will allow the Group a period of one year after the acquisition date to adjust the provisional amounts recognised for a business combination.

Useful lives and residual values

The estimated useful lives for property, plant and equipment are set out in note 1.3. Estimated useful lives and residual values are reviewed annually, taking in cognisance of the forecasted commercial and economic realities and through benchmarking of accounting treatments in the education industry where the assets are used.

Notes to the Consolidated And Separate Financial Statements

2. Segmental information

The reportable segments, which represents the structure used by the chief operating decision maker, to make key operating decisions and assess performance are set out below:

Reportable segment	Products and services
Curro	Independent education and ancillary services. Includes Select schools, Curro Academy Schools, Curro Castles and Teacher Training College
Meridian	Independent education and ancillary services

Segmental revenue and results

The Executive Committee ("Exco") assesses the performance of the operating segments based on the measure of earnings before interest, tax, depreciation and amortisation (EBITDA).

Transactions within the Group and Company take place on an arms length basis.

The segment information provided to the Exco is presented below.

2015

	Revenue and profitability			
	Total segment revenue R '000	Inter-segment revenue R '000	Revenue from external customers R '000	EBITDA R '000
Curro	1 171 848	(23 564)	1 148 284	247 286
Meridian	235 455	-	235 455	45 057
Total	**1 407 303**	**(23 564)**	**1 383 739**	**292 343**

	Separately disclosable items				
	Depreciation and amortisation R '000	Interest revenue R '000	Interest expense R '000	Taxation R '000	Profit after taxation R '000
Curro	72 449	25 215	61 381	27 432	110 086
Meridian	13 059	2 210	56 455	(4 160)	(18 065)
Total	**85 508**	**27 425**	**117 836**	**23 272**	**92 021**

2014

	Revenue and profitability			
	Total segment revenue R '000	Inter-segment revenue R '000	Revenue from external customers R '000	EBITDA R '000
Curro	838 490	(21 451)	817 039	158 692
Meridian	183 662	-	183 662	32 650
Total	**1 022 152**	**(21 451)**	**1 000 701**	**191 342**

Notes to the Consolidated And Separate Financial Statements

2. Segmental information (continued)

	Separately disclosable items				
	Depreciation and amortisation R '000	Interest revenue R '000	Interest expense R '000	Taxation R '000	Profit after taxation R '000
Curro	49 081	10 912	29 313	28 623	62 806
Meridian	9 232	994	37 514	(935)	(12 048)
Total	**58 313**	**11 906**	**66 827**	**27 688**	**50 758**

Segment assets and liabilities

The amounts provided to the Exco with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Investments in shares held by the Group and Company and deferred tax assets are not considered to be segment assets and are not allocated to segments.

Capital expenditure reflects additions to non-current assets, other than financial instruments, deferred tax assets, post employment benefit assets and rights arising under insurance contracts.

The amounts provided to the Exco with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The table below provides information on segment assets and liabilities.

2015

	Capital expenditure R '000	Total assets R '000	Total liabilities R '000
Curro	994 740	4 398 536	1 350 711
Meridian	22 977	680 997	647 991
Total	**1 017 717**	**5 079 533**	**1 998 702**

2014

	Capital expenditure R '000	Total assets R '000	Total liabilities R '000
Curro	1 113 924	3 437 998	1 221 929
Meridian	149 505	635 018	640 553
Total	**1 263 429**	**4 073 016**	**1 862 482**

Notes to the Consolidated And Separate Financial Statements

3. New Standards and Interpretations

3.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group and Company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations. These standards did not have a material impact on the Group and Company's financial statements.

Standard/ Interpretation:	Effective date: Years beginning on or after
• Amendment to IFRS 8: Operating Segments: Annual improvements project	1 July 2014
• Amendment to IAS 24: Related Party Disclosures: Annual improvements project	1 July 2014
• Amendment to IAS 16: Property, Plant and Equipment: Annual improvements project	1 July 2014
• Amendment to IAS 40: Investment Property: Annual improvements project	1 July 2014
• Amendment to IFRS 3: Business Combinations: Annual improvements project	1 July 2014
• Amendment to IFRS 3: Business Combinations: Annual improvements project	1 July 2014
• Amendment to IFRS 2: Share-based Payment: Annual improvements project	1 July 2014
• Amendment to IFRS 13: Fair Value Measurement: Annual improvements project	1 July 2014
• Amendment to IAS 38: Intangible Assets: Annual improvements project	1 July 2014

3.2 Standards and interpretations not yet effective

The Group and Company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group and Company’s accounting periods beginning on or after 01 January 2016 or later periods. These standards are not expected to have a material impact on the Group and Company's annual financial statements.

Standard/ Interpretation:	Effective date: Years beginning on or after
• IFRS 9 Financial Instruments	1 January 2018
• IFRS 15 Revenue from Contracts with Customers	1 January 2018
• Amendment to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
• Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
• Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
• Amendment to IAS 27 Consolidated and Separate Financial Statements: Equity Method in Separate Financial Statements	1 January 2016
• IFRS 14 Regulatory Deferral Accounts	1 January 2016
• Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interest in Other Entities and IAS 28 Investments in Associates and Joint Ventures. Applying the consolidation exemption	1 January 2016
• Amendment to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: Annual Improvements project	1 January 2016
• Amendment to IFRS 7 Financial Instruments: Annual Improvements project	1 January 2016
• Amendment to IAS 19 Employee Benefits: Annual Improvements project	1 January 2016
• Disclosure Initiative: Amendment to IAS 1 Presentation of Financial Statements	1 January 2016
• Amendment to IAS 34 Interim Financial Reporting. Annual Improvements project	1 January 2016

Notes to the Consolidated And Separate Financial Statements

4. Property, plant and equipment

Group	2015			2014		
	Cost / Valuation R '000	Accumulated depreciation R '000	Carrying value R '000	Cost / Valuation R '000	Accumulated depreciation R '000	Carrying value R '000
Land and buildings	3 956 108	(2 193)	3 953 915	3 067 842	(2 140)	3 065 702
Furniture and fixtures	180 896	(48 207)	132 689	135 849	(28 114)	107 735
Computer equipment	150 688	(78 327)	72 361	118 149	(47 345)	70 804
Motor vehicles	80 447	(24 232)	56 215	64 095	(15 485)	48 610
School equipment	67 123	(17 546)	49 577	41 489	(10 222)	31 267
Computer software	22 615	(13 917)	8 698	14 967	(9 332)	5 635
Premises equipment	25 408	(11 448)	13 960	13 043	(6 392)	6 651
Office equipment	6 956	(3 646)	3 310	5 276	(3 496)	1 780
Total	**4 490 241**	**(199 516)**	**4 290 725**	**3 460 710**	**(122 526)**	**3 338 184**

Company	2015			2014		
	Cost / Valuation R '000	Accumulated depreciation R '000	Carrying value R '000	Cost / Valuation R '000	Accumulated depreciation R '000	Carrying value R '000
Land and buildings	3 010 120	(1 936)	3 008 184	2 297 179	(112)	2 297 067
Furniture and fixtures	153 164	(38 889)	114 275	112 153	(21 652)	90 501
Computer equipment	119 604	(61 829)	57 775	90 528	(37 829)	52 699
Motor vehicles	70 419	(20 907)	49 512	56 098	(13 153)	42 945
School equipment	58 148	(14 489)	43 659	36 139	(8 307)	27 832
Computer software	21 139	(13 015)	8 124	13 754	(8 873)	4 881
Premises equipment	21 200	(9 111)	12 089	10 247	(4 158)	6 089
Office equipment	5 103	(2 537)	2 566	3 497	(2 564)	933
Total	**3 458 897**	**(162 713)**	**3 296 184**	**2 619 595**	**(96 648)**	**2 522 947**

Reconciliation of property, plant and equipment - Group - 2015

	Opening balance R '000	Additions R '000	Additions through business combinations R '000	Disposals R '000	Depreciation R '000	Total R '000
Land and buildings	3 065 702	874 719	14 916	(69)	(1 353)	3 953 915
Furniture and fixtures	107 735	44 565	478	-	(20 089)	132 689
Computer equipment	70 804	33 413	231	(518)	(31 569)	72 361
Motor vehicles	48 610	17 824	486	(659)	(10 046)	56 215
School equipment	31 267	25 531	204	(20)	(7 405)	49 577
Computer software	5 635	7 719	-	-	(4 656)	8 698
Premises equipment	6 652	11 946	79	(10)	(4 707)	13 960
Office equipment	1 780	1 992	-	-	(462)	3 310
	3 338 185	**1 017 709**	**16 394**	**(1 276)**	**(80 287)**	**4 290 725**

Notes to the Consolidated And Separate Financial Statements

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2014

	Opening balance R '000	Additions R '000	Additions through business combinations R '000	Disposals R '000	Depreciation R '000	Total R '000
Land and buildings	1 970 306	967 944	128 522	(57)	(1 013)	3 065 702
Furniture and fixtures	58 329	58 831	1 479	-	(10 904)	107 735
Computer equipment	46 177	46 963	432	(50)	(22 718)	70 804
Motor vehicles	27 189	21 390	7 778	(887)	(6 860)	48 610
School equipment	19 239	15 843	235	-	(4 050)	31 267
Computer software	3 741	6 210	-	-	(4 316)	5 635
Premises equipment	4 524	4 374	79	(7)	(2 318)	6 652
Office equipment	2 306	91	6	(38)	(585)	1 780
	2 131 811	**1 121 646**	**138 531**	**(1 039)**	**(52 764)**	**3 338 185**

Reconciliation of property, plant and equipment - Company - 2015

	Opening balance R '000	Additions R '000	Additions through business combinations R '000	Disposals R '000	Depreciation R '000	Total R '000
Land and buildings	2 297 067	693 712	18 200	(69)	(726)	3 008 184
Furniture and fixtures	90 501	39 804	963	-	(16 993)	114 275
Computer equipment	52 699	27 745	1 019	(317)	(23 371)	57 775
Motor vehicles	42 945	15 201	715	(574)	(8 775)	49 512
School equipment	27 832	21 342	566	(20)	(6 061)	43 659
Computer software	4 881	7 385	1	-	(4 143)	8 124
Premises equipment	6 089	10 483	85	(10)	(4 558)	12 089
Office equipment	933	1 898	51	-	(316)	2 566
	2 522 947	**817 570**	**21 600**	**(990)**	**(64 943)**	**3 296 184**

Reconciliation of property, plant and equipment - Company - 2014

	Opening balance R '000	Additions R '000	Additions through business combinations R '000	Disposals R '000	Depreciation R '000	Total R '000
Land	1 450 656	820 140	29 523	(3 252)	-	2 297 067
Furniture and fixtures	46 850	51 056	1 360	-	(8 765)	90 501
IT equipment	38 308	31 506	420	(50)	(17 485)	52 699
Motor vehicles	24 311	18 788	6 903	(887)	(6 170)	42 945
Other property, plant and equipment	17 666	13 486	198	-	(3 518)	27 832
Computer software	3 529	5 435	-	-	(4 083)	4 881
Plant and machinery	3 585	4 650	38	(7)	(2 177)	6 089
Office equipment	1 354	15	2	-	(438)	933
	1 586 259	**945 076**	**38 444**	**(4 196)**	**(42 636)**	**2 522 947**

Notes to the Consolidated And Separate Financial Statements

4. Property, plant and equipment (continued)

Pledged as security

Carrying value of assets pledged as security:

	Group		Company	
	2015 R '000	2014 R '000	2015 R '000	2014 R '000
Land and buildings	3 617 590	2 876 753	2 821 027	2 150 633
Furniture and fixtures	27 844	33 308	14 058	17 473
Computer equipment	22 012	36 580	10 399	20 129
Motor vehicles	50 114	44 310	46 393	40 730
Premises equipment	5 342	3 567	-	449
Office equipment	481	1 416	-	826

Borrowing costs capitalised

Borrowing costs capitalised to qualifying assets	34 667	29 524	32 558	25 438
Capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation	10.06 %	10.80 %	10.06 %	10.20 %

Registers containing the information required by Regulation 25(3) of the Companies Regulations, 2011 are available for inspection at the registered office of the Group and Company.

The Group changed its residual value for buildings from 100% to 95% which will represent a change in accounting estimate as defined per IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The effect of the change is an increase in depreciation of R724 926 in the current year. The effect of the change in accounting estimate for future periods is not disclosed due to the impracticality of the estimate.

The Group changed its useful life for software from 2 years to 3 years which will represent a change in accounting estimate as defined per IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The effect of the change is an decrease in depreciation of R3 098 112 in the current year. The change in the periods after 2015 would be a decrease in depreciation of R3 098 112 per year.

5. Goodwill

Group	2015			2014		
	Cost R '000	Accumulated impairment R '000	Carrying value R '000	Cost R '000	Accumulated impairment R '000	Carrying value R '000
Goodwill	338 060	(5 565)	332 495	338 060	(177)	337 883

Company	2015			2014		
	Cost R '000	Accumulated impairment R '000	Carrying value R '000	Cost R '000	Accumulated impairment R '000	Carrying value R '000
Goodwill	63 437	(5 565)	57 872	52 271	(177)	52 094

Reconciliation of goodwill - Group - 2015

	Opening balance R '000	Impairment loss R '000	Total R '000
Goodwill	337 883	(5 388)	332 495

Notes to the Consolidated And Separate Financial Statements

5. Goodwill (continued)

Reconciliation of goodwill - Group - 2014

Heading	Opening balance R '000	Additions through business combinations R '000	Total R '000
Goodwill	271 748	66 135	337 883

Reconciliation of goodwill - Company - 2015

	Opening balance R '000	Additions through business combinations R '000	Impairment loss R '000	Total R '000
Goodwill	52 094	11 166	(5 388)	57 872

Reconciliation of goodwill - Company - 2014

	Opening balance R '000	Additions through business combinations R '000	Total R '000
Goodwill	46 111	5 983	52 094

The goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit (CGU) that is expected to benefit from that business. Goodwill is assessed for impairment annually, irrespective of whether or not there is any indication of impairment, or more frequently if there are indications that goodwill might be impaired.

When testing goodwill for impairment, the recoverable amounts of the cash generating units, which is mostly represented by a school or campus, are determined using value-in-use calculations. The key assumptions for the value-in-use calculations are discount rates, growth rates and expected future cash flows. Management estimates discount rates using rates that reflect current market assumptions of the time value of money and the risks specific to the CGU. The growth rates are based on estimated growth in enrolment numbers

The Group and Company prepare cash flow forecasts based on the CGU’s budgeted results as approved by the board of directors and extrapolated cash flows for the following years based on the estimated growth rate.

As the Group and Company integrates acquired learners into existing campuses, the group or company aggregates the CGU’s for the purposes of performing an impairment assessment.

Impairment tests for cash-generating units containing goodwill are based on the following assumptions:

Notes to the Consolidated And Separate Financial Statements

5. Goodwill (continued)

Group	Discount rate 2015	Discount rate 2014	Forecast cash flows 2015	Forecast cash flows 2014	Goodwill 2015 R '000	Goodwill 2014 R '000
Curro schools	15% p.a	15% p.a	5 to 11 years, 10% growth rate	5 to 11 years, 10% growth rate	63 614	57 837
Aurora College	15% p.a	15% p.a	5 years, 10% growth rate	5 years, 10% growth rate	15 485	15 485
Woodhill College	15% p.a	15% p.a	5 years, 10% growth rate	5 years, 10% growth rate	59 191	59 191
Campus and Property Management Company (Pty) Ltd	15% p.a	15% p.a	5 to 11 years, 10% growth rate	5 to 15 years, 10% growth rate	96 337	107 502
Embury Institute for Teacher Education (Pty) Ltd	15% p.a	15% p.a	5 years, 10% growth rate	5 years, 10% growth rate	39 924	39 924
Watersone College (Pty) Ltd	15% p.a	15% p.a	5 years, 10% growth rate	5 years, 10% growth rate	57 944	57 944
					332 495	**337 883**

Company	Discount rate 2015	Discount rate 2014	Forecast cash flows 2015	Forecast cash flows 2014	Goodwill 2015 R '000	Goodwill 2014 R '000
Curro schools	15% p.a	15% p.a	5 to 11 years, 10% growth rate	5 to 11 years, 10% growth rate	57 872	52 094

Curro schools consist of the following: Durbanville, Langebaan, Hazeldean, Helderwyk, Hermanus, Serengeti, Nelspruit, Heuwelkruin, Embury, Hillcrest, Bloemfontein, Krugersdorp, Rosen Castle, Curro Castle George and Curro Academy Pretoria.

Aurora College, Woodhill College, Campus and Property Management Company (Pty) Ltd, Embury Institute for Teacher Education (Pty) Ltd and Waterstone College (Pty) Ltd represent the cash generating units which have been assessed as significant by management in terms of IAS 36 paragraph 134.

All other cash generating units have been represented in aggregate as required in terms of IAS 36 paragraph 135.

During 2015 a goodwill impairment was recognised for Curro Castle George (R4.1 million) and Curro Academy Pretoria (R1.3 million). The goodwill and intangible asset impairment were disclosed as aggregate in the Statement of Comprehensive Income.

6. Intangible assets

Group	2015			2014		
	Cost / Valuation R '000	Accumulated amortisation R '000	Carrying value R '000	Cost / Valuation R '000	Accumulated amortisation R '000	Carrying value R '000
Trademarks	69 157	(291)	68 866	68 261	(199)	68 062
Curriculum material	29 674	(822)	28 852	12 042	(686)	11 356
Learner enrolments	57 056	(20 821)	36 235	57 056	(15 154)	41 902
Total	**155 887**	**(21 934)**	**133 953**	**137 359**	**(16 039)**	**121 320**

Notes to the Consolidated And Separate Financial Statements

6. Intangible assets (continued)

Company	2015			2014		
	Cost / Valuation R '000	Accumulated amortisation R '000	Carrying value R '000	Cost / Valuation R '000	Accumulated amortisation R '000	Carrying value R '000
Trademarks	12 584	(237)	12 347	11 720	(145)	11 575
Curriculum material	22 149	(822)	21 327	11 080	(686)	10 394
Learner enrolments	26 913	(9 257)	17 656	26 331	(6 493)	19 838
Total	**61 646**	**(10 316)**	**51 330**	**49 131**	**(7 324)**	**41 807**

Reconciliation of intangible assets - Group - 2015

	Opening balance R '000	Additions through business combinations R '000	Internally generated R '000	Amortisation R '000	Impairment loss R '000	Total R '000
Trademarks	68 062	864	32	-	(92)	68 866
Curriculum material	11 356	-	17 632	(136)	-	28 852
Learner enrolments	41 902	-	-	(5 085)	(582)	36 235
	121 320	**864**	**17 664**	**(5 221)**	**(674)**	**133 953**

Reconciliation of intangible assets - Group - 2014

	Opening balance R '000	Additions R '000	Additions through business combinations R '000	Internally generated R '000	Amortisation R '000	Total R '000
Trademarks	46 561	30	21 471	-	-	68 062
Curriculum material	3 595	962	-	6 799	-	11 356
Learner enrolments	47 451	-	-	-	(5 549)	41 902
	97 607	**992**	**21 471**	**6 799**	**(5 549)**	**121 320**

Reconciliation of intangible assets - Company - 2015

	Opening balance R '000	Additions through business combinations R '000	Internally generated R '000	Amortisation R '000	Impairment loss R '000	Total R '000
Trademarks	11 575	864	-	-	(92)	12 347
Curriculum material	10 394	-	11 069	(136)	-	21 327
Learner enrolments	19 838	582	-	(2 182)	(582)	17 656
	41 807	**1 446**	**11 069**	**(2 318)**	**(674)**	**51 330**

Notes to the Consolidated And Separate Financial Statements

6. Intangible assets (continued)

Reconciliation of intangible assets - Company - 2014

	Opening balance R '000	Additions R '000	Internally generated R '000	Amortisation R '000	Total R '000
Patents, trademarks and other rights	3 516	8 059	-	-	11 575
Intangible assets under development	3 595	-	6 799	-	10 394
Other intangible assets	22 003	-	-	(2 165)	19 838
	29 114	**8 059**	**6 799**	**(2 165)**	**41 807**

Other information

The useful life of trademarks are considered indefinite. It is not bound by any expiry period as there is no foreseeable limit to the period over which the asset is expected to genereate net cash flows for the Group and Company.

During 2015 a learner enrolment (client list) impairment was recognised for Curro Castle George (R0.1 million) and Curro Academy Pretoria (R0.6 million). The goodwill and intangible asset impairment were disclosed as aggregate in the Statement of Comprehensive Income.

7. Interest in subsidiaries

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

Company

Name of company	% holding 2015	% holding 2014	Carrying amount 2015 R '000	Carrying amount 2014 R '000
Aurora College (Pty) Ltd	100 %	100 %	-	-
Campus and Property Management Company (Pty) Ltd	65 %	65 %	-	-
Curro Holdings Limited Share Incentive Trust	100 %	100 %	-	-
Dream Park Village (Pty) Ltd	100 %	100 %	3 148	3 148
Educatum Management Services (Pty) Ltd	100 %	100 %	-	-
Embury Institute for Teacher Education (Pty) Ltd	100 %	100 %	60 811	60 811
Meridian College Schools NPC	100 %	100 %	-	-
Meridian Operations Company NPC	65 %	65 %	-	-
Plot One Hundred Bush Hill (Pty) Ltd	100 %	100 %	21 338	21 338
Sheerprops 129 (Pty) Ltd	100 %	- %	81 675	-
Stratland Developments (Pty) Ltd	100 %	100 %	1 965	1 965
Waterstone College (Pty) Ltd	100 %	100 %	130 000	130 000
Woodhill College (Pty) Ltd	100 %	100 %	-	-
Woodhill College Property Holdings (Pty) Ltd	100 %	100 %	140 000	140 000
			438 937	357 262

The carrying amounts of subsidiaries are shown net of impairment losses. All subsidiaries are incorporated in the Republic of South Africa. There are no impairment losses of investments in subsidiaries to date.

Campus and Property Management Company (Pty) Ltd is a material subsidiary with 35% non-controlling interest. The principal place of business is the Republic of South Africa. The percentage ownership interest and the percentage voting rights of the non-controlling interest are the same. The company reported a loss of R11.6 million for the year (2014: loss of R2.3 million).

Loans to (from) subsidiaries are shown separately in note 9.

Notes to the Consolidated And Separate Financial Statements

7. Interest in subsidiaries (continued)

Subsidiaries with material non-controlling interests

The following information is provided for subsidiaries with non-controlling interests which are material to the reporting Group and Company. The summarised financial information is provided prior to intercompany eliminations.

Subsidiary	Country of incorporation	% Ownership interest held by non-controlling interest 2015	2014
Campus and Property Management Company (Pty) Ltd	South Africa	35 %	35 %
Meridian Operations Company NPC	South Africa	35 %	35 %

The country of incorporation and the principal place of business are the same.

The percentage ownership interest and the percentage voting rights of the non controlling interests are the same.

Meridian Operations Company NPC is a subsidiary in terms of International Financial Reporting Standards, but not in its legal form.

Summarised statement of financial position

	Campus and Property Management Company (Pty) Ltd		Meridian Operations Company NPC		Total	
	2015 R '000	2014 R '000	2015 R '000	2014 R '000	2015 R '000	2014 R '000
Assets						
Non-current assets	588 116	595 406	-	-	588 116	595 406
Current assets	66 214	24 123	26 667	15 489	92 881	39 612
Total assets	654 330	619 529	26 667	15 489	680 997	635 018
Liabilities						
Non-current liabilities	649 958	597 799	-	-	649 958	597 799
Current liabilities	17 175	20 692	40 078	22 062	57 253	42 754
Total liabilities	667 133	618 491	40 078	22 062	707 211	640 553
Total net assets (liabilities)	(12 803)	1 038	(13 411)	(6 573)	(26 214)	(5 535)
Carrying amount of non-controlling interest	(4 481)	363	(4 694)	(2 301)	(9 175)	(1 938)
Non-controlling interest in all other subsidiaries					1 814	900
Non-controlling interest per statement of financial position					(7 361)	(1 038)

Notes to the Consolidated And Separate Financial Statements

7. Interest in subsidiaries (continued)

Summarised statement of comprehensive income

	Campus and Property Management Company (Pty) Ltd		Meridian Operations Company NPC		Total	
	2015 R '000	2014 R '000	2015 R '000	2014 R '000	2015 R '000	2014 R '000
Revenue	90 309	70 508	145 146	113 154	235 455	183 662
Operating expenses	(50 856)	(36 894)	(152 579)	(123 299)	(203 435)	(160 193)
Earnings before interest and taxation	39 453	33 614	(7 433)	(10 145)	32 020	23 469
Net finance costs	(55 213)	(36 860)	968	408	(54 245)	(36 452)
Taxation	4 160	935	-	-	4 160	935
Loss for the year	(11 600)	(2 311)	(6 465)	(9 737)	(18 065)	(12 048)
Loss allocated to non-controlling interest	(4 060)	(809)	(2 263)	(3 408)	(6 323)	(4 217)
Total profit or loss allocated to non-controlling interest					(6 323)	(4 217)

Summarised statement of cash flows

	Campus and Property Management Company (Pty) Ltd		Meridian Operations Company NPC		Total	
	2015 R '000	2014 R '000	2015 R '000	2014 R '000	2015 R '000	2014 R '000
Cash flows from operating activities	44 712	35 467	11 519	(8 690)	56 231	26 777
Cash flows from investing activities	(22 938)	(145 488)	(613)	5 538	(23 551)	(139 950)
Cash flows from financing activities	(2 556)	109 723	-	-	(2 556)	109 723
Net increase(decrease) in cash and cash equivalents	19 218	(298)	10 906	(3 152)	30 124	(3 450)
Dividend paid to non-controlling interest	-	-	-	-	-	-

8. Investments in associates

The following table lists all of the associates in the Group:

Group

Name of company	% ownership interest 2015	% ownership interest 2014	Carrying amount 2015 R '000	Carrying amount 2014 R '000
Grit Procurement Solutions (Pty) Ltd	40 %	40 %	9 554	8 624

	Group		Company	
	2015 R '000	2014 R '000	2015 R '000	2014 R '000

8. Investments in associates (continued)

Company

Name of company	Held by	% ownership interest 2015	% ownership interest 2014	Carrying amount 2015 R '000	Carrying amount 2014 R '000
Grit Procurement Solutions (Pty) Ltd		40 %	40 %	6 000	6 000

Note: Professional Sourcing and Procurement Assist (Pty) Ltd changed its name to Grit Procurement Solutions (Pty) Ltd during the current year. Grit Procurement Solutions (Pty) Ltd is incorporated in the Republic of South Africa.

9. Loans to (from) group companies

Subsidiaries

	Group 2015 R '000	Group 2014 R '000	Company 2015 R '000	Company 2014 R '000
Campus and Property Management Company (Pty) Ltd The loan bears interst at three-month Jibar plus 10% per annum. The loan has a 15 year initial repayment term with 12 years remaining.	-	-	50 134	50 134
Campus and Property Management Company (Pty) Ltd The loan is interest free, unsecured and there are no fixed terms of repayment.	-	-	9 087	11 643
Curro Holdings Limited Share Incentive Trust The secured loans, which are loans to employees, bears interst at the SARS fringe benefit rate, currently 6.75% and are repayable within three years from grant date.	-	-	11 675	7 497
Dream Park Village (Pty) Ltd The loan is interest fee, unsecured and there are no fixed terms of repayment.	-	-	3 181	3 181
Embury Institute for Teacher Education (Pty) Ltd The loan is interest free, unsecured and there are no fixed terms of repayment.	-	-	(4 227)	(6 668)
Plot One Hundered Bush Hill (Pty) Ltd The loan bears interest at variable rates, is unsecured and there are no fixed terms of repayment.	-	-	21 010	18 869
Sheerprops 129 (Pty) Ltd The loan is interest free, unsecured and there are no fixed terms of repayment.	-	-	6 898	-
Stratland Developments (Pty) Ltd The loan is interest free, unsecured and there are no fixed terms of repayment.	-	-	901	901
Waterstone College (Pty) Ltd The loan bears interest at variable rates, is unsecured and there are no fixed terms of repayment.	-	-	53 503	8 000
Woodhill College Property Holdings (Pty) Ltd The loan bears interest at variable rates, is unsecured and there are no fixed terms of repayment.	-	-	55 118	42 072
	-	**-**	**207 280**	**135 629**

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2015 R '000	**2014 R '000**	**2015 R '000**	**2014 R '000**

9. Loans to (from) group companies (continued)

Associates

Grit Procurement Solutions (Pty) Ltd The loan bears interst at prime plus 4% and was repaid on 31 December 2015	-	6 007	-	6 007
Non-current assets	-	-	59 576	65 631
Current assets	-	6 007	151 931	82 673
Current liabilities	-	-	(4 227)	(6 668)
	-	**6 007**	**207 280**	**141 636**

10. Other financial assets

At fair value through profit or loss				
Interest rate swap Interest rate swap on a notional amount of R75 million with termination date of 26 November 2018 at a fixed interest rate of 7.49% plus a margin of 2.75%.	1 866	-	1 866	-
Interest rate swap Interest rate swap on a notional amount of R62.5 million with termination date of 15 April 2019 at a fixed interest rate of 7.85% plus a margin of 2.60%.	1 150	-	1 150	-
Interest rate swap Interest rate swap on a notional amount of R375 million with termination date of 12 December 2019 at a fixed interest rate of 7.43% plus a margin of 2.35%.	16 836	-	16 836	-
	19 852	**-**	**19 852**	**-**
Loans and receivables				
Loans to directors, managers and employees The loans bear interest at the SARS fringe benefit rate, currently 7.25% and are repayable within three years from issue. The loans are granted in terms of the Curro Holdings Limited Share Incentive Trust trust deed for the acquisition of qualifying vested shares.	11 673	7 414	-	-
Total other financial assets	**31 525**	**7 414**	**19 852**	**-**
Non-current assets				
Fair value through profit and loss	19 852	-	19 852	-
Loans and receivables	9 440	7 414	-	-
	29 292	**7 414**	**19 852**	**-**
Current assets				
Loans and receivables	2 233	-	-	-
	31 525	**7 414**	**19 852**	**-**

Notes to the Consolidated And Separate Financial Statements

11. Derivative financial instruments and hedging information

The following information relates to derivative financial instruments included in other financial assets and other financial liabilities:

Group

	2015		2014	
	Assets R '000	Liabilities R '000	Assets R '000	Liabilities R '000
Interest rate swaps - cash flow hedges	19 852	-	-	3 520
Non-current portion	19 852	-	-	3 520

Company

	2015		2014	
	Assets R '000	Liabilities R '000	Assets R '000	Liabilities R '000
Interest rate swaps - cash flow hedges	19 852	-	-	3 520
Non-current portion	19 852	-	-	3 520

Trading derivatives are classified as a current asset or liability. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

No ineffective portion of the cash flow hedges was recognised during the year (2014: R 0.11m).

Interest rate swaps - cash flow hedge

The notional principal amounts of the outstanding interest rate swap contracts at 31 December 2015 were R512.5 million (2014: R 512.5 million).

At 31 December 2015, the fixed interest rates vary from 7.43% to 7.85% (2014: 7.43% to 7.85%), and the main floating rates are JIBAR. Gains and losses recognised in the hedging reserve in equity on interest rate swap contracts as of 31 December 2015 will be continuously released to the statement of comprehensive income until the repayment of the borrowings.

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2015 R '000	2014 R '000	2015 R '000	2014 R '000

12. Deferred tax

Deferred tax liability

Property plant and equipment	(259 923)	(205 231)	(168 872)	(119 252)
Prepaid expenditure	(2 079)	(5 533)	(1 280)	(2 192)
Intangible assets	(27 663)	(25 846)	(8 200)	(8 796)
Total deferred tax liability	**(289 665)**	**(236 610)**	**(178 352)**	**(130 240)**

Deferred tax asset

Income received in advance	27 516	26 862	23 717	21 473
Provision for doubtful debts	-	427	-	370
Tax losses available for set off against future taxable income	73 585	43 696	56 899	35 035
Total deferred tax asset	**101 101**	**70 985**	**80 616**	**56 878**

Deferred tax liability	(289 665)	(236 610)	(178 352)	(130 240)
Deferred tax asset	101 101	70 985	80 616	56 878
Total net deferred tax liability	**(188 564)**	**(165 625)**	**(97 736)**	**(73 362)**

Reconciliation of net deferred tax liability

At beginning of year	(165 624)	(119 281)	(73 362)	(39 792)
Originating temporary difference on property, plant and equipment	(54 692)	(61 103)	(49 620)	(43 237)
Originating temporary difference on prepaid expenditure	3 454	(2 923)	912	(356)
Originating temporary difference on intangible assets	(1 818)	(3 824)	596	(645)
Originating temporary difference on income received in advance	654	15 954	2 244	10 565
Originating temporary difference on provision for doubtful debts	(427)	(167)	(370)	(224)
Increase in tax losses available for set off against future taxable income	29 889	5 719	21 864	327
	(188 564)	**(165 624)**	**(97 736)**	**(73 362)**

Recognition of deferred tax asset

Deferred tax asset is recognised for unused tax losses to the extent that probable future taxable profit will be available against which the unused tax losses can be utilised.

13. Inventories

Merchandise	8 392	17 458	1 365	10 300

There were no inventory write-downs during the period under review.

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2015 R '000	2014 R '000	2015 R '000	2014 R '000

14. Trade and other receivables

Gross receivable	19 809	21 648	58 969	39 350
Provision for impairment	-	(4 144)	-	(3 564)
Trade receivables	19 809	17 504	58 969	35 786
Prepayments	8 965	3 320	6 500	1 529
Deposits	4 775	6 941	255	143
Value added taxation	2 121	8 888	2 089	2 576
Other receivables	740	1 363	80	79
	36 410	**38 016**	**67 893**	**40 113**

Interest is charged on overdue accounts at 15% per annum.

Credit periods may vary based on special payment agreements reached with parents of learners but as standard all fees should be settled within 30 days.

No credit insurance is taken out by the Group and Company.

The net carrying values of receivables are considered to be a close approximation of their fair values.

Trade and other receivables past due but not impaired

Group

Trade receivables with renegotiated terms of payment or with acceptable payment history are not considered to be impaired. At 31 December 2015, R10.0 million (2014: R 17.4 million) were past due but not impaired.

Company

Trade receivables with renegotiated terms of payment or with acceptable payment history are not considered to be impaired. At 31 December 2015, R7.5 million (2014: R 35.4 million) were past due but not impaired.

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

1 month past due	4 585	3 948	3 273	22 943
2 months past due	2 662	8 955	1 991	7 438
3 months past due	2 790	4 546	2 252	4 981
	10 037	**17 449**	**7 516**	**35 362**

Trade receivables impaired

During the current year there was a change in method in which all trade and other receivables which had indicators of impairment were written of to profit or loss with no provision at year end, whereas in the prior year provision was made and written of subsequently.

Group

As of 31 December 2015, trade and other receivables of R nil (2014: R 4.1 million) were impaired and provided for.

Company

As of 31 December 2015, trade and other receivables of R nil (2014: R 3.6 million) were impaired and provided for.

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2015 R '000	2014 R '000	2015 R '000	2014 R '000

14. Trade and other receivables (continued)

Reconciliation of provision for impairment of trade and other receivables

Opening balance	4 144	2 489	3 564	2 080
Provision for impairment	12 004	1 803	9 241	1 803
Amounts written off as uncollectable	(16 148)	-	(12 805)	-
Unused amounts reversed	-	(148)	-	(319)
	-	**4 144**	**-**	**3 564**

15. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	230 526	195 305	166 616	157 406

Securities are disclosed in note 19.

The total value of facilities including derivatives, structured loans, vehicle and asset finance, credit card, funds transfer, overdraft and guarantees, available to the Company from ABSA Bank Ltd, First National Bank Ltd and Standard Bank of South Africa Ltd are approximately R1.2 billion. The value of facilities available to the Group includes a First National Bank Ltd sharing facility of R10 million between Plot One Hundred Bush Hill (Pty) Ltd, Campus and Property Management Company (Pty) Ltd and / or Curro Holdings Ltd.

The total amount of undrawn facilities available for future operating activities and commitments	414 000	249 000	300 000	135 000

16. Share capital

Authorised number of shares				
Ordinary shares with no par value ('000)	600 000	400 000	600 000	400 000
Reconciliation of number of shares issued:				
Reported as at 1 January 2015 ('000)	325 596	294 794	325 596	294 794
Issue of shares ('000)	31 271	30 802	31 271	30 802
	356 867	**325 596**	**356 867**	**325 596**

10% of unissued ordinary shares at the beginning of the year or 32 559 649 unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

Issued				
Ordinary shares with no par value (R'000)	2 834 177	2 092 124	2 877 532	2 092 124

Notes to the Consolidated And Separate Financial Statements

17. Share based payments

17.1 Details of the employee share option plan of the company

Curro has established a share incentive scheme for certain key members of management.

The following sets out key terms of the share-based payment arrangement which came into place in the prior and current year:

Each employee's share option converts into one ordinary share of the company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The exercise price is determined by the 30 day volume weighted average share price preceding the option issue date. The options carry neither rights to dividends nor voting rights.

Options may be exercised at any time from the date of vesting to the date of their expiry.

Shares awarded vest over a five year period from the grant date, namely:

- 25% thereof as at the second anniversary of the option grant date;
- 25% thereof as at the third anniversary of the option grant date;
- 25% thereof as at the fourth anniversary of the option grant date; and
- 25% thereof as at the fifth anniversary of the option grant date.

The exercise price of options awarded are adjusted with a factor taking into consideration the effect of rights offers. This adjustment does not result in a incremental increase in fair value of the share options awarded.

17.2 Movements in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

	2015		2014	
	Number of options	**Weighted average exercise price (Rand)**	**Number of options**	**Weighted average exercise price (Rand)**
Outstanding at the beginning of the year	6 526 293	18.61	5 806 114	11.88
Awarded during the year	1 722 200	35.42	2 121 100	25.58
Exercised during the year	(1 671 570)	9.48	(1 267 659)	6.69
Forfeited during the year	(25 353)	18.06	(133 262)	6.35
Outstanding at the end of the year	**6 551 570**	**22.66**	**6 526 293**	**18.61**

The number of shares available to award at year end in terms of the Curro Holdings Limited Share Incentive trust deed is 5,527,455 (2014: 7,224,302) shares. There has been no changes to the approved maximum aggregate number of shares available for awards during the year.

Notes to the Consolidated And Separate Financial Statements

17. Share based payments (continued)

Details of share options granted to and exercised by directors:

Director	Opening balance of share options awarded at 1 January 2015	Number of share options awarded during the year	Number of share options exercised during the year	Strike price per share options awarded (Rand)	Exercise price per share option (Rand)	Share options award date	Closing balance of share options as at 31 December 2015
CR van der Merwe	421 583	-	(210 792)	5.93	4.59	2011/09/29	210 791
	140 667	-	(46 889)	17.10	15.32	2012/09/29	93 778
	401 575	-	(100 394)	19.61	18.71	2013/09/29	301 181
	134 200	-	-	25.58	24.98	2014/09/29	134 200
	-	197 200	-	35.42	35.42	2015/09/29	197 200
	1 098 025	197 200	(358 075)				937 150
AJF Greyling	360 457	-	(180 229)	5.93	4.59	2011/09/29	180 228
	106 892	-	(35 631)	17.10	15.32	2012/09/29	71 261
	237 198	-	(59 300)	19.61	18.71	2013/09/29	177 898
	93 900	-	-	25.58	24.98	2014/09/29	93 900
	-	120 600	-	35.42	35.42	2015/09/29	120 600
	798 447	120 600	(275 160)				643 887
B van der Linde	204 691	-	(102 346)	5.93	4.59	2011/09/29	102 345
	71 419	-	(23 807)	17.10	15.32	2012/09/29	47 612
	171 925	-	(42 981)	19.61	18.71	2013/09/29	128 944
	78 700	-	-	25.58	24.98	2014/09/29	78 700
	-	84 700	-	35.42	35.42	2015/09/29	84 700
	526 735	84 700	(169 134)				442 301
HG Louw	245 868	-	(122 934)	5.93	4.59	2011/09/29	122 934
	74 659	-	(24 887)	17.10	15.32	2012/09/29	49 772
	182 912	-	(45 728)	19.61	18.71	2013/09/29	137 184
	63 500	-	-	25.58	24.98	2014/09/29	63 500
	-	87 300	-	35.42	35.42	2015/09/29	87 300
	566 939	87 300	(193 549)				460 690
	2 990 146	**489 800**	**(995 918)**				**2 484 028**

Vesting of shares occurs as follows	%
2 years after award date	25
3 years after award date	25
4 years after award date	25
5 years after award date	25
	100

Vesting year	Number of options	Weighted average strike price (Rand)
29 September 2016	2 211 177	13.17
29 September 2017	1 593 931	24.82
29 September 2018	1 368 262	26.39
29 September 2019	959 525	29.66
29 September 2020	418 675	35.42
	6 551 570	**22.66**

Notes to the Consolidated And Separate Financial Statements

17. Share based payments (continued)

17.3 Share option expense for the year

Total expenses of R11.5 million (2014: R8.1 million) related to equity-settled share based payments transactions were recognised during the year.

17.4 Assumptions used in fair value

The company used the following assumptions in determining the fair value of options awarded in the current period:

	2015	2014
Strike price (Rand)	35.42	25.58
Current share price (Rand)	35.42	25.58
Fair value (Rand)	10.25	8.19
Volatility (%)	25.34	29.40
Risk free rate (%)	6.78	7.30
Dividend yield (%)	-	-

The Black-Scholes model is used to calculate the estimated theoretical value of options awarded.

The volatility is derived from the movement in the volume weighted average share price for a period of 365 calender days prior to the share options award date.

18. Hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the relevant accounting policy.

The movement in the hedging reserve is illustrated below:

	Group		Company	
	2015 R '000	2014 R '000	2015 R '000	2014 R '000
Balance as at beginning of the year	(3 240)	(489)	(3 240)	(489)
Recognition of fair value of hedge instrument	24 706	(2 861)	24 706	(2 861)
Ineffective portion of cash flow hedges	-	110	-	110
Balance at the end of the year	**21 466**	**(3 240)**	**21 466**	**(3 240)**

19. Other financial liabilities

At fair value through profit or loss				
Interest rate swap Interest rate swap on a notional amount of R75 million with termination date of 26 November 2018 at a fixed interest rate of 7.49% plus a margin of 2.75%.	-	854	-	854
Interest rate swap Interest rate swap on a notional amount of R62.5 million with termination date of 15 April 2019 at a fixed interest rate of 7.85% plus a margin of 2,60%.	-	1 598	-	1 598
Interest rate swap Interest rate swap on a notional amount of R375 million with termination date of 12 December 2019 at a fixed interest rate of 7.43% plus a margin of 2.35%.	-	1 068	-	1 068
	-	**3 520**	**-**	**3 520**

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2015 R '000	**2014 R '000**	**2015 R '000**	**2014 R '000**

19. Other financial liabilities (continued)

Held at amortised cost				
ABSA Bank Ltd - Instalment sale agreements The secured loans bear interest at various prime linked rates, payable in monthly instalments ranging from R1,109 to R116,552. Secured by fixed assets as disclosed in note 4.	36 727	31 336	36 727	31 318
Development Bank of South Africa The secured loan bears interest at 12.11% per annum, payable in six monthly instalments. Repayable during the period August 2015 to August 2029.	150 000	150 000	150 000	150 000
Development Bank of South Africa Consist of two secured loans bearing interest at 9.57% and 12.03% per annum, payable in one monthly and six monthly instalments respectively. Repayable on March 2027 and October 2029.	8 446	-	8 446	-
Development bonds Development bonds are refunded when the learner leaves the school, or after three years have elapsed since its payment, whichever is the later date. The development bonds bear no interest.	10 618	18 181	-	-
Debentures - fixed fee The unsecured debenture is interest free in exchange for a fixed school fee of R17,000 per annum for 12 years. The capital is repayable on 27 August 2021.	200	200	200	200
Debentures - Interest set-off The debentures bear interest at prime plus 2.5% per annum, with the option to either capitalise the interest or have it set off against school fees. The initial amount plus any capitalised interest is repayable after 5 years from issue or at a date as agreed thereafter.	-	420	-	420
Debentures - Prepaid block The secured debentures are interest free and are repaid through set off against annual school fees over period.	5 008	7 830	1 289	2 106
Old Mutual Assurance Group South Africa (Pty) Ltd The loan bears interest at various rates from 4% to 10% linked to three-month JIBAR rate. The loan has a 15 year term. Repayable during the period 2018 to 2027. Refer restrictive funding arrangement disclosure below.	122 286	110 432	-	-
Rabie Property Group (Pty) Ltd The secured loan was interest free, repaid during February 2015.	-	3 000	-	3 000
Senior Secured Floating Rate Notes (Stock Code COH001) The notes bear interest at 3 month JIBAR plus 2.75%. The date of maturity is 26 November 2018.	151 329	151 382	151 329	151 382
Senior Secured Floating Rates Notes (Stock Code COH002) The notes bear interest at three-month JIBAR plus 2.60%. The date of maturity is 15 April 2019.	127 349	127 320	127 349	127 320

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2015 R '000	2014 R '000	2015 R '000	2014 R '000
19. Other financial liabilities (continued)				
Schools and Education Investment Impact Fund of South Africa (SEIIFSA) The loan bears interest at various rates from 4% to 10% linked to three-month JIBAR rate. The loan has a 15 year term. Repayable during the period 2018 to 2027. Refer restrictive funding arrangement disclosure below.	457 485	412 893	-	-
Standard Bank of South Africa Ltd (First Bullet Facility) The secured loan bears interest at three-month JIBAR plus 2.35%, payable in December 2019.	450 000	375 000	450 000	375 000
Standard Bank of South Africa Ltd (Second Bullet Facility) The secured loan bears interest at three-month JIBAR plus 2.15%, payable in December 2020.	50 148	-	50 148	-
Standard Bank of South Africa Ltd - Instalment sale agreements The secured loans bear interest at various prime linked rates, payable in monthly instalments ranging from R2,063 to R194,473. Secured by fixed assets as disclosed in note 4.	29 164	39 988	29 164	39 988
Nedbank Ltd - Instalment sale agreements The secured loans bear interest at 10.25%, payable in monthly instalments of R11,050. Secured by fixed assets as disclosed in note 3.	283	-	283	-
Other loans The loans bear no interest and is not repayable within the next 12 months.	298	298	298	298
Transaction costs incurred Refer to the transaction costs incurred table below for the specific allocation.	(9 908)	(10 097)	(8 540)	(8 615)
	1 589 433	**1 418 183**	**996 693**	**872 417**
	1 589 433	**1 421 703**	**996 693**	**875 937**

Non-current liabilities				
Fair value through profit or loss	-	3 520	-	3 520
At amortised cost	1 561 250	1 391 884	968 510	846 118
	1 561 250	**1 395 404**	**968 510**	**849 638**
Current liabilities				
At amortised cost	28 183	26 299	28 183	26 299
	1 589 433	**1 421 703**	**996 693**	**875 937**

Transaction cost incurred				
ABSA Bank Ltd	807	966	807	966
Debentures	2 961	2 119	2 961	2 119
Old Mutual Alternative Investments (Pty) Ltd	1 368	1 482	-	-
Senior Secured Floating Rate Notes	3 652	4 097	3 652	4 097
Standard Bank of South Africa Ltd	1 120	1 433	1 120	1 433
	9 908	**10 097**	**8 540**	**8 615**

Notes to the Consolidated And Separate Financial Statements

19. Other financial liabilities (continued)

Restrictive funding arrangements

The funding provided by the Schools and Education Investment Impact Fund of South Africa (SEIIFSA) and the Old Mutual Assurance Group South Africa (Pty) Ltd is subject to restrictive funding arrangements. The restrictive funding arrangements apply to the operations of Meridian Operations Company NPC (RF) and Campus and Property Management Company (Pty) Ltd, collectively referred to as the Meridian schools. Please refer to the terms and carrying values of funding disclosed above.

Securities

The securities for banking facilities and long term funding are as follows:

- Majority of land and buildings are pledged as security. The full list of properties pledged as security is available for inspection at the registered offices of the company.

- The Schools and Education and Investment Impact Fund of South Africa and Old Mutual Assurance Group South Africa (Pty) Ltd:

  As part of the fulfilment of the advance conditions of the facilities agreement Campus and Property Management Company (Pty) Ltd has ceded and pledged to the Meridian Security SPV (Pty) Ltd and as security for the company's obligations under the company indemnity, the company's right, title and interest in and to:
  - All amounts of any nature now or from time to time owing to the company by any person whatsoever including, but without limitation, any amounts owing to the company by any bank with whom the company maintains any bank account (including, without limitation, the advances account and the collections account), and any parent in terms of any learner admission contract, and Meridian Operations Company NPC (RF) under the working capital facility agreement, and by any approved insurer with whom the company maintains any required insurance;
  - Each transaction document to which it is a party;
  - The working capital facility agreement and the working capital security; and
  - Any property lease agreement held by it in respect of any school property or any boarding house property provided that such property lease agreement is capable of being ceded, and if the consent of the landlord under a property lease agreement is required for its cession, the company shall use commercially reasonable endeavours to obtain that consent.

As part of the fulfilment of the advance conditions the company registered a general notarial bond over all its movable assets (including, but without limitation, the required equipment in respect of each school) and each boarding house.

If the Company acquires ownership of any school property, or any boarding house property the company shall, against registration of transfer of ownership of that property into its name in the office of the applicable registry, register a first mortgage bond over that property in favour of the Meridian Security SPV (Pty) Ltd as security for the Company's obligations arising under the Company indemnity.

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2015 R '000	2014 R '000	2015 R '000	2014 R '000

20. Finance lease liabilities

Minimum lease payments due				
- within one year	29 593	28 427	29 593	28 427
- in second to fifth year inclusive	44 800	53 754	44 800	53 754
- later than five years	-	264	-	246
	74 393	82 445	74 393	82 427
less: future finance charges	(8 219)	(11 121)	(8 219)	(11 121)
Present value of minimum lease payments	**66 174**	**71 324**	**66 174**	**71 306**
Present value of minimum lease payments due				
- within one year	25 197	23 219	25 197	23 219
- in second to fifth year inclusive	40 977	47 845	40 977	47 845
- later than five years	-	260	-	242
	66 174	**71 324**	**66 174**	**71 306**

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

21. Trade and other payables

Income received in advance	115 114	117 195	84 703	76 905
Trade payables	37 786	69 578	37 094	60 181
Accrued expense	54 009	45 241	42 130	39 277
Other payables	5 977	36 206	20 248	35 995
Entrance deposits	4 860	4 990	3 282	3 411
Value added taxation	2 237	368	277	221
Onerous contract	672	-	672	-
	220 655	**273 578**	**188 406**	**215 990**

Credit periods vary, but ordinarily the Group and Company does not make use of trade credit facilities. Unpaid amounts are accrued for until settled.

The Group and Company have credit risk policies in place to ensure that all payables are paid within the agreed terms.

22. Revenue

Rendering of services	1 383 739	1 000 701	1 049 851	760 938
The amount included in revenue consists of the following:				
Registration and tuition fees	1 271 739	924 588	994 239	739 861
Other income	100 018	56 782	90 402	49 571
Hostel fees	56 290	47 845	7 128	3 462
Aftercare fees	38 970	29 720	33 640	27 442
Subsidy income	2 987	3 014	-	-
Discounts granted	(86 265)	(61 248)	(75 558)	(59 398)
	1 383 739	**1 000 701**	**1 049 851**	**760 938**

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2015 R '000	**2014 R '000**	**2015 R '000**	**2014 R '000**

23. Earnings before interest and taxation

Earnings before interest and taxation for the year is stated after accounting for the following:

Operating lease charges				
Premises				
• Contractual amounts	8 976	5 490	20 465	15 317
Equipment				
• Contractual amounts	12 030	9 877	10 768	9 508
	21 006	**15 367**	**31 233**	**24 825**

(Loss) profit on sale of property, plant and equipment	(30)	(31)	211	(70)
Loss on capital contribution - share incentive scheme	-	-	(43 355)	-
Gain on bargain purchase	(4 242)	-	(4 242)	-
Amortisation on intangible assets	5 221	5 549	2 318	2 165
Depreciation on property, plant and equipment	80 287	52 764	64 943	42 636
Employee costs	738 269	550 076	577 697	434 770

Hedging gains or losses				
Ineffective portion of cash flow hedges	-	110	-	110

24. Investment revenue

Interest revenue				
Bank	26 444	10 657	22 554	7 070
Interest charged on trade and other receivables	981	1 249	645	1 249
Related parties	-	-	9 698	4 659
	27 425	**11 906**	**32 897**	**12 978**

25. Finance costs

Borrowings	151 925	96 633	93 284	54 535
Bank	479	35	479	25
South African Revenue Services	99	-	-	-
Less: Interest capitalised	(34 667)	(29 842)	(32 558)	(25 755)
	117 836	**66 826**	**61 205**	**28 805**

The capitalisation rate used for the Group and Company during the period was 10.1% and 10.1% respectively (2014: 10.8% for the Group and 10.2% for the Company) on general borrowings for capital projects.

Group
Total interest expense, calculated using the effective interest rate, on financial instruments not through profit or loss amounted to R34.667 million (2014: R 29.842 million).

Company
Total interest expense, calculated using the effective interest rate, on financial instruments not through profit or loss amounted to R32.558 million (2014: R 25.755 million).

Finance costs included in the statements of cash flows represents net finance costs incurred for the year and excludes interest capitalised to property, plant and equipment.

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2015 R '000	2014 R '000	2015 R '000	2014 R '000

26. Taxation

Major components of the tax expense

Current				
Local income tax - current period	4 365	6 488	-	-
Local income tax - recognised in current tax for prior periods	-	10	-	-
	4 365	**6 498**	**-**	**-**
Deferred				
Originating and reversing temporary differences	21 791	21 190	22 928	23 516
Arising from prior period adjustments	(2 884)	-	(2 884)	-
	18 907	**21 190**	**20 044**	**23 516**
	23 272	**27 688**	**20 044**	**23 516**

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	28.0 %	28.0 %	28.0 %	28.0 %
Non-taxable income - Gain on bargain purchase	(1.0)%	- %	(1.9)%	- %
Non-taxable income - (Profit) loss on sale of property, plant and equipment	- %	(1.0)%	(0.1)%	- %
Non-taxable income - Share of profit of associate	(0.2)%	- %	- %	- %
Non-deductible expenditure - Share-based payment expenditure	2.8 %	2.9 %	5.2 %	3.1 %
Non-deductible expenditure - Impairment of goodwill and intangibles assets	1.5 %	- %	2.7 %	- %
Non-deductible expenditure - Amortisation of intangible assets	0.6 %	0.9 %	1.0 %	0.2 %
Current years losses in subsidiaries	1.0 %	3.5 %	- %	- %
Current tax - Prior year correction	- %	1.0 %	- %	- %
Capital contribution - share incentive scheme	(10.5)%	- %	- %	- %
Deferred tax - Sale of business (Meridian Pretoria)	(0.1)%	- %	- %	- %
Deferred tax - Business combination acquisition	1.0 %	- %	2.0 %	- %
Deferred tax - Prior year correction	(2.5)%	- %	(4.7)%	- %
Other	(0.4)%	- %	0.4 %	- %
	20.2 %	**35.3 %**	**32.6 %**	**31.3 %**

Group
The estimated tax loss available for set off against future taxable income is R262.7 million (2014: R156.1 million).

Company
No provision has been made for 2015 tax as the Company has no taxable income. The estimated tax loss available for set off against future taxable income is R203.2 million (2014: R125.1 million).

27. Auditors remuneration

Audit fees	1 217	1 000	964	769
Fees for non-audit services	25	110	-	110
	1 242	**1 110**	**964**	**879**

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2015 R '000	2014 R '000	2015 R '000	2014 R '000

28. Operating lease

Total of future minimum lease payments for each of the following periods:

Premises				
- within one year	12 164	4 311	12 164	4 070
- in second to fifth year inclusive	56 037	20 100	56 037	19 979
- later than five years	114 136	34 608	114 136	34 608
	182 337	**59 019**	**182 337**	**58 657**

Equipment				
- within one year	7 454	7 997	6 748	7 492
- in second to fifth year inclusive	14 047	17 719	12 247	16 535
	21 501	**25 716**	**18 995**	**24 027**

29. Other comprehensive income

Components of other comprehensive income

Items that may be reclassified to profit or loss				
Effects of cash flow hedges				
Gross	24 706	(2 751)	24 706	(2 751)
Tax	-	-	-	-
Net	**24 706**	**(2 751)**	**24 706**	**(2 751)**

30. Earnings per share

Basic earnings per share		
From continuing operations (cents per share)	28.2	17.0

Basic earnings per share was based on earnings (loss) of R 98.344 million (2014: R 54.976 million) and a weighted average number of ordinary shares of 348.3 million (2014: 322.5 million).

Reconciliation of profit for the year to basic earnings:		
Profit for the year attributable to equity holders of the parent	98 344	54 976

Diluted earnings per share

In the determination of diluted earnings per share, profit or loss attributable to the equity holders of the parent and the weighted average number of ordinary shares are adjusted for the effects of all dilutive potential ordinary shares.

Diluted earnings per share		
From continuing operations (cents per share)	27.8	16.8

Diluted earnings per share was based on earnings of R 98.344 million (2014: R 54.975 million) and a weighted average number of ordinary shares of 353.8 million (2014: 327.1 million).

Reconciliation of basic earnings to earnings used to determine diluted earnings per share:		
Basic earnings	98 344	54 976

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2015 R '000	2014 R '000	2015 R '000	2014 R '000

30. Earnings per share (continued)

Headline earnings and diluted headline earnings per share

	Group 2015 R '000	Group 2014 R '000
Headline earnings per share (cents)	28.7	17.2
Diluted headline earnings per share (cents)	28.3	17.0

	Group 2015 R '000	Group 2014 R '000
Reconciliation between earnings and headline earnings:		
Basic earnings attributable to owners of the parent	98 344	54 976
Adjusted for:		
Loss on disposal of property, plant and equipment	30	31
Loss on impairment	6 062	811
Gain on bargain purchase	(4 242)	-
Tax effect of reconciling items	(8)	(236)
	100 186	**55 582**

	Group 2015 R '000	Group 2014 R '000
Reconciliation between diluted earnings and diluted headline earnings:		
Diluted earnings attributable to owners of the parent	98 344	54 976
Adjusted for:		
Loss on disposal of property, plant and equipment	30	31
Loss on impairment	6 062	811
Gain on bargain purchase	(4 242)	-
Tax effect of reconciling items	(8)	(236)
	100 186	**55 582**

Earnings per share and headline earnings per share for the comparative period have been adjusted downwards by 0.5 cents compared to the audited annual financial statements for the year ended 31 December 2014. This is due to the retrospective adjustment of the 2015 rights offer undertaken. The adjustment to basic and diluted weighted average number of shares in issue is an increase of 8.1 million shares due to the bonus element contained within the rights offer.

31. Cash generated from operations

	Group 2015 R '000	Group 2014 R '000	Company 2015 R '000	Company 2014 R '000
Profit before taxation	115 293	78 446	62 014	75 052
Adjustments for:				
Depreciation and amortisation	85 508	58 313	67 261	44 801
Net loss (profit) on disposal of property, plant and equipment	30	31	(211)	70
Income from equity accounted investments	(689)	(1 149)	-	-
Interest received	(27 425)	(11 906)	(32 897)	(12 978)
Finance costs	117 836	66 827	61 205	28 805
Impairment	6 062	811	6 062	811
Non cash flow interest on hedge recognised through equity	1 334	-	1 334	-
Realised profit from share of profits of associates	(241)	(342)	-	-
Share based payment expense	11 517	8 111	11 517	8 111
Gain on bargain purchase	(4 242)	-	(4 242)	-
Changes in working capital:				
Decrease (increase) in inventories	9 780	(10 641)	9 649	(10 300)
Decrease (increase) in trade and other receivables	2 239	(3 046)	(26 626)	(14 957)
(Decrease) increase in trade and other payables	(55 892)	124 251	(31 456)	100 626
	261 110	**309 706**	**123 610**	**220 041**

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2015 R '000	2014 R '000	2015 R '000	2014 R '000

32. Tax (paid) refunded

Balance at beginning of the year	1 229	419	1 266	777
Current tax for the year recognised in profit or loss	(4 365)	(6 498)	-	-
Adjustment in respect of businesses sold and acquired during the year including exchange rate movements	-	(769)	-	-
Balance at end of the year	(5 903)	(1 229)	(1 263)	(1 266)
	(9 039)	**(8 077)**	**3**	**(489)**

33. Business combinations

Aggregated business combinations

Property, plant and equipment	16 394	38 444	21 600	38 444
Intangible assets	864	8 059	1 446	8 059
Inventories	714	-	714	-
Trade and other receivables	633	3 796	1 154	3 796
Cash and cash equivalents	1 809	7 843	2 422	7 843
Other financial liabilities	(9 172)	(2 214)	(9 172)	(2 214)
Deferred tax	(4 091)	(10 056)	(4 330)	(10 056)
Trade and other payables	(2 909)	(12 298)	(3 872)	(12 298)
Equity	-	-	(2 614)	-
Total identifiable net assets	4 242	33 574	7 348	33 574
Goodwill	-	5 983	11 166	5 983
Gain on bargain purchase	(4 242)	-	(4 242)	-
	-	**39 557**	**14 272**	**39 557**

Consideration paid

Cash	-	(39 557)	-	(39 557)
Liabilities assumed	-	-	(14 272)	-
	-	**(39 557)**	**(14 272)**	**(39 557)**

Net cash outflow on acquisition

Cash consideration paid	-	(39 557)	(14 272)	(39 557)
Cash acquired	1 809	7 843	2 422	7 843
	1 809	**(31 714)**	**(11 850)**	**(31 714)**

St Dominics Academy

Effective 1 January 2015, Curro acquired the business operations and properties of St Dominic's Academy ("St Dominic's") for a purchase consideration equal to its business liabilities as at 1 January 2015. A bargain purchase gain of R4.2 million was recognised at acquisition due to the fair value of assets acquired of R16.4 million exceeding the fair value of liabilities assumed of R12.2 million. No contingent consideration has been recognised at acquisition. St Dominic's is principally involved in the private school industry in Newcastle, KwaZulu-Natal Province.

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2015 R '000	2014 R '000	2015 R '000	2014 R '000

33. Business combinations (continued)

Business combinations included in company figures only:

Meridian Pretoria

Effective 31 December 2015, Curro Holdings Ltd aquired the Meridian Pretoria school from it's subsidiaries Campus and Property Management Company (Pty) Ltd and Meridian Operations Company (RF) NPC. As such this acquisition is reflected in the company figures above, but is eliminated in the Group figures as the subsidiaries are already included in the consolidated figures. The transaction has been treated as a transfer of assets under common control with an equity gain recognised at company level of R2.6 million.

34. Acquisition of subsidiaries (business combinations)

	Group 2015	Group 2014	Company 2015	Company 2014
Fair value of assets acquired				
Property, plant and equipment	-	100 087	-	-
Intangible assets	-	13 412	-	-
Deferred tax liabilities	-	(15 098)	-	-
Trade and other receivables	-	943	-	-
Trade and other payables	-	(12 145)	-	-
Tax assets / liabilities	-	(769)	-	-
Borrowings	-	(24 994)	-	-
Cash	-	10 620	-	-
Total net assets acquired	-	72 056	-	-
Net assets acquired	-	72 056	-	-
Goodwill recognised	-	60 152	-	-
	-	**132 208**	**-**	**-**
Consideration paid				
Cash	-	(100 781)	-	(100 781)
Equity - 55 000 ordinary shares in Curro Holdings Limited	-	(1 427)	-	(1 427)
Liabilities assumed	-	(30 000)	-	(30 000)
	-	**(132 208)**	**-**	**132 208**
Net cash outflow on acquisition				
Cash consideration paid	-	(100 781)	-	(100 781)
Cash acquired	-	10 620	-	-
	-	**(90 161)**	**-**	**(100 781)**

Waterstone College (Pty) Ltd

Effective 2 June 2014, the Group acquired 100% of the equity interest of Waterstone College (Pty) Ltd ("Waterstone"). Waterstone is principally involved in the private school industry in Johannesburg South, Gauteng Province.

Goodwill of R57.9 million arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the entities, as well as from intangible assets which did not qualify for separate recognition. Goodwill is not deductible for income tax purposes.

The business acquisition contributed R32.8 million to group revenue and generated R3 million profit after taxation.

34. Acquisition of subsidiaries (business combinations) (continued)

Other acquisitions

The second and final purchase consideration for Embury Institute for Teacher Education (Pty) Ltd was paid during 2014 resulting in additional goodwill of R2.2 million recognised.

Effective 1 September 2015, the Group acquired 100% equity of a propety holding company, Sheerprops 129 (Pty) Ltd, for a purchase consideration of R81.7 million. Due to the nature of the transaction and assets acquired this transaction was treated as a acquisition of property, plant and equipment and not as a business combination.

35. Commitments and contingencies

Authorised capital expenditure

	Group 2015 R '000	Group 2014 R '000	Company 2015 R '000	Company 2014 R '000
Authorised and contracted	738 030	76 510	424 090	76 510
Authorised, but not yet contracted	1 282 970	687 860	1 282 970	448 750

Any capital expenditure will be financed through the share issue as disclosed in events after the reporting period and borrowing facilities where necessary.

Guarantees

Curro has provided a guarantee in favour of Rand Merchant Bank (RMB) of R10 million plus costs and interest for the completion of the entrance road of the Curro Serengeti. The owner of the estate is responsible for this cost, but Curro had to provide a guarantee for the financing.

Guarantees were also provided in favour of City of Tshwane and Ethekwini Municipality of R0.7 million and R2.4 million respectively relating to construction of infrastructure at Curro Monaghan and Curro Hillcrest.

36. Related parties

Relationships

Ultimate holding company	PSG Group Ltd
Holding company	PSG Financial Services Ltd

Related party balances

	Group 2015 R '000	Group 2014 R '000	Company 2015 R '000	Company 2014 R '000
Loan accounts owing by (owing to) by related parties				
Campus and Property Management Company (Pty) Ltd	-	-	59 221	61 777
Curro Holdings Limited Share Incentive Trust	-	-	11 675	7 497
Dream Park Village (Pty) Ltd	-	-	3 181	3 181
Embury Institute for Teacher Education (Pty) Ltd	-	-	(4 227)	(6 668)
Grit Procurement Solutions (Pty) Ltd	-	6 007	-	6 007
Plot One Hundred Bush Hill (Pty) Ltd	-	-	21 010	18 869
Sheerprops 129 (Pty) Ltd	-	-	6 898	-
Stratland Developments (Pty) Ltd	-	-	901	901
Waterstone College (Pty) Ltd	-	-	53 503	8 000
Woodhill College Property Holdings (Pty) Ltd	-	-	55 118	42 072
Amounts included in trade receivables regarding related parties				
Campus and Property Management Company (Pty) Ltd	-	-	2 487	1 803
Grit Procurement Solutions (Pty) Ltd	1 170	1 829	1 170	1 829
Meridian Operations Company (RF) NPC	-	-	550	765
Plot One Hundred Bush Hill (Pty) Ltd	-	-	1 776	1 776
Woodhill College Property Holdings (Pty) Ltd	-	-	4 636	19 188

Notes to the Consolidated And Separate Financial Statements

	Group		Company	
	2015 R '000	2014 R '000	2015 R '000	2014 R '000
36. Related parties (continued)				
Amounts included in trade payables regarding related parties				
Campus and Property Management Company (Pty) Ltd	-	-	(14 272)	(20)
Grit Procurement Solutions (Pty) Ltd	(14 302)	(20 399)	(11 657)	(18 830)
Meridian Operations Company (RF) NPC	-	-	(69)	(17)
Plot One Hundred Bush Hill (Pty) Ltd	-	-	(3 552)	(3 552)
PSG Corporate Services (Pty) Ltd	(29)	(215)	(29)	(215)
Woodhill College Property Holdings (Pty) Ltd	-	-	-	(234)
Related party transactions				
Interest (received from) / paid to related parties				
Campus and Property Management Company (Pty) Ltd	-	-	-	(473)
Curro Holdings Limited Share Incentive Trust	-	-	(508)	(219)
Grit Procurement Solutions (Pty) Ltd	(295)	(460)	(295)	(460)
Plot One Hundred Bush Hill (Pty) Ltd	-	-	(1 790)	-
Waterstone College (Pty) Ltd	-	-	(2 480)	-
Woodhill College Property Holdings (Pty) Ltd	-	-	(4 625)	(3 507)
Purchases from related parties				
Grit Procurement Solutions (Pty) Ltd	67 308	66 760	60 030	56 419
Administration fees paid to related parties				
PSG Corporate Services (Pty) Ltd	1 323	719	1 323	719
Share issue costs paid to related parties				
PSG Corporate Services (Pty) Ltd	13 425	6 993	13 425	6 993
Management fees received from related parties				
Campus and Property Management Company (Pty) Ltd	-	-	(7 719)	(6 747)
Meridian Operations Company (RF) NPC	-	-	(2 200)	(1 747)
Rent paid to (received from) related parties				
Grit Procurement Solutions (Pty) Ltd	(805)	(1 604)	(805)	(1 604)
Plot One Hundred Bush Hill (Pty) Ltd	-	-	1 667	1 246
Woodhill College Property Holdings (Pty) Ltd	-	-	12 249	11 710
Discounts granted to related parties				
Employee discounts	30 141	17 240	25 238	16 751
Compensation to directors and other key management				
Short-term employee benefits	15 754	10 371	15 754	10 371

Notes to the Consolidated And Separate Financial Statements

37. Directors and prescribed officer's emoluments

Executive

2015

	Emoluments R '000	Pension paid R '000	Bonuses R '000	Gains on exercise of options R '000	Total R '000
AJF Greyling	1 882	66	1 540	7 264	10 752
HG Louw	1 566	95	1 066	5 054	7 781
B van der Linde	1 588	72	1 077	4 352	7 089
CR van der Merwe	2 479	47	1 908	9 119	13 553
	7 515	**280**	**5 591**	**25 789**	**39 175**

2014

	Emoluments R '000	Pension paid R '000	Bonuses R '000	Gains on exercise of options R '000	Total R '000
AJF Greyling	1 545	55	946	4 116	6 662
HG Louw	1 321	79	878	2 813	5 091
B van der Linde	1 337	63	868	2 372	4 640
CR van der Merwe	1 953	47	1 279	4 865	8 144
	6 156	**244**	**3 971**	**14 166**	**24 537**

Note: PJ Mouton is a non-executive director of Curro Holdings Ltd ("Curro"), a subsidiary of PSG Financial Services Ltd. PJ Mouton has a standard service contract with PSG Corporate Services (Pty) Ltd and his remuneration for services rendered as executive director within the PSG Group for 2015 are emoluments of R3.5 million and bonus and performance related payments of R4.9 million, which is paid by PSG Corporate Services (Pty) Ltd. During 2015 PJ Mouton's gain on vesting of share options amounted to R16.6 million.

Non-executive

2015

	Director's fee 2015 R '000	Director's fee 2014 R '000
SL Botha	395	360
ZL Combi	214	200
PJ Mouton	214	200
SWF Muthwa	193	180
B Petersen	214	200
	1 230	**1 140**

Notes to the Consolidated And Separate Financial Statements

37. Directors and prescribed officer's emoluments (continued)

Prescribed officers

2015

	Emoluments R '000	Pension paid R '000	Bonuses R '000	Total R '000
S Totaram	1 166	44	46	1 256
R van Rensburg	975	36	101	1 112
	2 141	**80**	**147**	**2 368**

2014

	Emoluments R '000	Pension paid R '000	Bonuses R '000	Total R '000
S Totaram	274	10	46	330
R van Rensburg	782	27	67	876
	1 056	**37**	**113**	**1 206**

Note: S Totaram's employment and remuneration commenced 1 October 2014.

38. Categories of financial instruments

	Note(s)	Financial assets at fair value through profit or loss R '000	Financial assets at amortised cost R '000	Financial liabilities at fair value through profit or loss R '000	Financial liabilities at amortised cost R '000	Equity and non financial assets and liabilities R '000	Total R '000
Categories of financial instruments - Group - 2015							
Assets							
Non-Current Assets							
Property, plant and equipment	4	-	-	-	-	4 290 725	4 290 725
Goodwill	5	-	-	-	-	332 495	332 495
Intangible assets	6	-	-	-	-	133 953	133 953
Investments in associates	8	-	-	-	-	9 554	9 554
Other financial assets	10	19 852	9 440	-	-	-	29 292
		19 852	**9 440**	**-**	**-**	**4 766 727**	**4 796 019**

Notes to the Consolidated And Separate Financial Statements

38. Categories of financial instruments (continued)

	Note(s)	Financial assets at fair value through profit or loss R '000	Financial assets at amortised cost R '000	Financial liabilities at fair value through profit or loss R '000	Financial liabilities at amortised cost R '000	Equity and non financial assets and liabilities R '000	Total R '000
Current Assets							
Inventories	13	-	-	-	-	8 392	8 392
Other financial assets	10	-	2 233	-	-	-	2 233
Current tax receivable		-	-	-	-	5 953	5 953
Trade and other receivables	14	-	25 324	-	-	11 086	36 410
Cash and cash equivalents	15	-	230 526	-	-	-	230 526
		-	**258 083**	**-**	**-**	**25 431**	**283 514**
Total Assets		**19 852**	**267 523**	**-**	**-**	**4 792 158**	**5 079 533**
Equity and Liabilities							
Equity							
Equity Attributable to Equity Holders of Parent:							
Share capital	16	-	-	-	-	2 834 177	2 834 177
Reserves	16	-	-	-	-	38 969	38 969
Retained income	16	-	-	-	-	215 046	215 046
		-	**-**	**-**	**-**	**3 088 192**	**3 088 192**
Non-controlling interest		-	-	-	-	(7 361)	(7 361)
Total Equity		**-**	**-**	**-**	**-**	**3 080 831**	**3 080 831**
Liabilities							
Non-Current Liabilities							
Other financial liabilities	19	-	-	-	1 561 250	-	1 561 250
Deferred tax	12	-	-	-	-	188 564	188 564
		-	**-**	**-**	**1 561 250**	**188 564**	**1 749 814**
Current Liabilities							
Other financial liabilities	19	-	-	-	28 183	-	28 183
Current tax payable		-	-	-	-	50	50
Trade and other payables	21	-	-	-	218 418	2 237	220 655
		-	**-**	**-**	**246 601**	**2 287**	**248 888**
Total Liabilities		**-**	**-**	**-**	**1 807 851**	**190 851**	**1 998 702**
Total Equity and Liabilities		**-**	**-**	**-**	**1 807 851**	**3 271 682**	**5 079 533**

Notes to the Consolidated And Separate Financial Statements

38. Categories of financial instruments (continued)

Categories of financial instruments - Group - 2014

	Note(s)	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Equity and non financial assets and liabilities	Total
		R '000	R '000	R '000	R '000	R '000	R '000
Assets							
Non-Current Assets							
Property, plant and equipment	4	-	-	-	-	3 338 185	3 338 185
Goodwill	5	-	-	-	-	337 883	337 883
Intangible assets	6	-	-	-	-	121 320	121 320
Investments in associates	8	-	-	-	-	8 624	8 624
Other financial assets	10	-	7 414	-	-	-	7 414
		-	**7 414**	**-**	**-**	**3 806 012**	**3 813 426**
Current Assets							
Inventories	13	-	-	-	-	17 458	17 458
Loans to group companies	9	-	6 007	-	-	-	6 007
Current tax receivable		-	-	-	-	2 805	2 805
Trade and other receivables	14	-	25 808	-	-	12 208	38 016
Cash and cash equivalents	15	-	195 305	-	-	-	195 305
		-	**227 120**	**-**	**-**	**32 471**	**259 591**
Total Assets		**-**	**234 534**	**-**	**-**	**3 838 483**	**4 073 017**
Equity and Liabilities							
Equity							
Equity Attributable to Equity Holders of Parent:							
Share capital	16	-	-	-	-	2 092 124	2 092 124
Reserves	16	-	-	-	-	8 735	8 735
Retained income	16	-	-	-	-	110 713	110 713
		-	**-**	**-**	**-**	**2 211 572**	**2 211 572**
Non-controlling interest		-	-	-	-	(1 038)	(1 038)
Total Equity		**-**	**-**	**-**	**-**	**2 210 534**	**2 210 534**

Notes to the Consolidated And Separate Financial Statements

38. Categories of financial instruments (continued)

	Note(s)	Financial assets at fair value through profit or loss R '000	Financial assets at amortised cost R '000	Financial liabilities at fair value through profit or loss R '000	Financial liabilities at amortised cost R '000	Equity and non financial assets and liabilities R '000	Total R '000
Liabilities							
Non-Current Liabilities							
Other financial liabilities	19	-	-	3 520	1 391 884	-	1 395 404
Deferred tax	12	-	-	-	-	165 626	165 626
		-	**-**	**3 520**	**1 391 884**	**165 626**	**1 561 030**
Current Liabilities							
Other financial liabilities	19	-	-	-	26 299	-	26 299
Current tax payable		-	-	-	-	1 576	1 576
Trade and other payables	21	-	-	-	273 210	368	273 578
		-	**-**	**-**	**299 509**	**1 944**	**301 453**
Total Liabilities		**-**	**-**	**3 520**	**1 691 393**	**167 570**	**1 862 483**
Total Equity and Liabilities		**-**	**-**	**3 520**	**1 691 393**	**2 378 104**	**4 073 017**

Categories of financial instruments - Company - 2015

	Note(s)	Financial assets at fair value through profit or loss R '000	Financial assets at amortised cost R '000	Financial liabilities at fair value through profit or loss R '000	Financial liabilities at amortised cost R '000	Equity and non financial assets and liabilities R '000	Total R '000
Assets							
Non-Current Assets							
Property, plant and equipment	4	-	-	-	-	3 296 184	3 296 184
Goodwill	5	-	-	-	-	57 872	57 872
Intangible assets	6	-	-	-	-	51 330	51 330
Investments in subsidiaries	7	-	-	-	-	438 937	438 937
Investments in associates	8	-	-	-	-	6 000	6 000
Loans to group companies	9	-	59 576	-	-	-	59 576
Other financial assets	10	19 852	-	-	-	-	19 852
		19 852	**59 576**	**-**	**-**	**3 850 323**	**3 929 751**

Notes to the Consolidated And Separate Financial Statements

38. Categories of financial instruments (continued)

	Note(s)	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Equity and non financial assets and liabilities	Total
		R '000	R '000	R '000	R '000	R '000	R '000
Current Assets							
Inventories	13	-	-	-	-	1 365	1 365
Loans to group companies	9	-	151 931	-	-	-	151 931
Current tax receivable		-	-	-	-	1 263	1 263
Trade and other receivables	14	-	59 304	-	-	8 589	67 893
Cash and cash equivalents	15	-	166 616	-	-	-	166 616
		-	**377 851**	**-**	**-**	**11 217**	**389 068**
Total Assets		**19 852**	**437 427**	**-**	**-**	**3 861 540**	**4 318 819**
Equity and Liabilities							
Equity							
Equity Attributable to Equity Holders of Parent:							
Share capital	16	-	-	-	-	2 877 532	2 877 532
Reserves	16	-	-	-	-	38 969	38 969
Retained income	16	-	-	-	-	115 256	115 256
		-	**-**	**-**	**-**	**3 031 757**	**3 031 757**
Total Equity		**-**	**-**	**-**	**-**	**3 031 757**	**3 031 757**
Liabilities							
Non-Current Liabilities							
Other financial liabilities	19	-	-	-	968 510	-	968 510
Deferred tax	12	-	-	-	-	97 736	97 736
		-	**-**	**-**	**968 510**	**97 736**	**1 066 246**
Current Liabilities							
Loans from group companies	9	-	-	-	4 227	-	4 227
Other financial liabilities	19	-	-	-	28 183	-	28 183
Trade and other payables	21	-	-	-	188 129	277	188 406
		-	**-**	**-**	**220 539**	**277**	**220 816**
Total Liabilities		**-**	**-**	**-**	**1 189 049**	**98 013**	**1 287 062**
Total Equity and Liabilities		**-**	**-**	**-**	**1 189 049**	**3 129 770**	**4 318 819**

Notes to the Consolidated And Separate Financial Statements

38. Categories of financial instruments (continued)

Categories of financial instruments - Company - 2014

	Note(s)	Financial assets at fair value through profit or loss R '000	Financial assets at amortised cost R '000	Financial liabilities at fair value through profit or loss R '000	Financial liabilities at amortised cost R '000	Equity and non financial assets and liabilities R '000	Total R '000
Assets							
Non-Current Assets							
Property, plant and equipment	4	-	-	-	-	2 522 947	2 522 947
Goodwill	5	-	-	-	-	52 094	52 094
Intangible assets	6	-	-	-	-	41 807	41 807
Investments in subsidiaries	7	-	-	-	-	357 262	357 262
Investments in associates	8	-	-	-	-	6 000	6 000
Loans to group companies	9	-	65 631	-	-	-	65 631
		-	**65 631**	**-**	**-**	**2 980 110**	**3 045 741**
Current Assets							
Inventories	13	-	-	-	-	10 300	10 300
Loans to group companies	9	-	82 673	-	-	-	82 673
Current tax receivable		-	-	-	-	1 266	1 266
Trade and other receivables	14	-	36 008	-	-	4 105	40 113
Cash and cash equivalents	15	-	157 406	-	-	-	157 406
		-	**276 087**	**-**	**-**	**15 671**	**291 758**
Total Assets		**-**	**341 718**	**-**	**-**	**2 995 781**	**3 337 499**
Equity and Liabilities							
Equity							
Equity Attributable to Equity Holders of Parent:							
Share capital	16	-	-	-	-	2 092 124	2 092 124
Reserves	16	-	-	-	-	8 735	8 735
Retained income	16	-	-	-	-	64 683	64 683
		-	**-**	**-**	**-**	**2 165 542**	**2 165 542**
Total Equity		**-**	**-**	**-**	**-**	**2 165 542**	**2 165 542**

Notes to the Consolidated And Separate Financial Statements

38. Categories of financial instruments (continued)

	Note(s)	Financial assets at fair value through profit or loss R '000	Financial assets at amortised cost R '000	Financial liabilities at fair value through profit or loss R '000	Financial liabilities at amortised cost R '000	Equity and non financial assets and liabilities R '000	Total R '000
Liabilities							
Non-Current Liabilities							
Other financial liabilities	19	-	-	3 520	846 118	-	849 638
Deferred tax	12	-	-	-	-	73 362	73 362
		-	**-**	**3 520**	**846 118**	**73 362**	**923 000**
Current Liabilities							
Loans from group companies	9	-	-	-	6 668	-	6 668
Other financial liabilities	19	-	-	-	26 299	-	26 299
Trade and other payables	21	-	-	-	215 769	221	215 990
		-	**-**	**-**	**248 736**	**221**	**248 957**
Total Liabilities		**-**	**-**	**3 520**	**1 094 854**	**73 583**	**1 171 957**
Total Equity and Liabilities		**-**	**-**	**3 520**	**1 094 854**	**2 239 125**	**3 337 499**

39. Risk management

Capital risk management

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

The capital structure of the Group and Company consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 9, 19 & 20 cash and cash equivalents disclosed in note 15, and equity as disclosed in the statement of financial position.

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

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Notes to the Consolidated And Separate Financial Statements

		Group		Company	
		2015 R '000	2014 R '000	2015 R '000	2014 R '000

39. Risk management (continued)

The gearing ratio at 2015 and 2014 respectively were as follows:

	Note	Group 2015 R '000	Group 2014 R '000	Company 2015 R '000	Company 2014 R '000
Total borrowings					
Loans from related parties	9	-	-	4 227	6 668
Other financial liabilities	19	1 589 433	1 421 703	996 693	875 937
		1 589 433	**1 421 703**	**1 000 920**	**882 605**
Less: Cash and cash equivalents	15	230 526	195 305	166 616	157 406
Net debt		1 358 907	1 226 398	834 304	725 199
Total equity		3 080 831	2 210 534	3 031 757	2 165 542
Total capital		**4 439 738**	**3 436 932**	**3 866 061**	**2 890 741**
Gearing ratio		31 %	36 %	22 %	25 %

Liquidity risk

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

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

Group

At 31 December 2015	Less than 1 year R '000	Between 2 and 5 years R '000	Over 5 years R '000
Borrowings	(28 183)	(889 821)	(671 429)
Trade and other payables	(217 746)	(672)	-
Trade and other receivables	25 324	-	-
Other financial assets	9 440	19 852	-

At 31 December 2014	Less than 1 year R '000	Between 2 and 5 years R '000	Over 5 years R '000
Borrowings	(26 299)	(783 968)	(607 916)
Derivative financial instruments	-	(3 520)	-
Trade and other payables	(273 210)	-	-
Trade and other receivables	25 808	-	-
Loans to group companies	6 007	-	-
Other financial assets	7 414	-	-

39. Risk management (continued)

Company

At 31 December 2015	Less than 1 year R '000	Between 2 and 5 years R '000	Over 5 years R '000
Borrowings	(28 183)	(839 606)	(128 904)
Trade and other payables	(187 457)	(672)	-
Trade and other receivables	59 304	-	-
Loans to subsidiaries and associates	207 280	-	-
Other financial assets	-	19 852	-

At 31 December 2014	Less than 1 year R '000	Between 2 and 5 years R '000	Over 5 years R '000
Borrowings	(26 299)	(736 489)	(113 149)
Derivative financial instruments	-	(3 520)	-
Trade and other payables	(215 769)	-	-
Trade and other receivables	36 008	-	-
Loans to subsidiaries and associates	141 636	-	-

Interest rate risk

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

The Group and Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. The interest and related terms of the Group's interest-bearing loans are disclosed in note 19.

The Group and Company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group and Company calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

Interest rate sensitivity analysis

The scenarios are run only for liabilities that represent the major interest-bearing positions. Based on the simulations performed, the impact on pre-tax profit of a shift of 100 basis points in the interest rate would result in a decrease in profit of R9.2 million (2014: R 7.3 million) for the Group and R3.4 million (2014: R 2.1 million) for the Company. A 100 basis points decrease in the interest rate would have a equal, but opposite effect on profit or loss.

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principle amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposure on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit inherent in the contract, and is disclosed in note 19.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

The Group and Company's exposure to interest rate risk at the end of the year is R920.7 million and R340.9 million respectively (2014: R735.8 million and R212.5 million respectively) after taking into consideration the notional amounts of the interest rate hedge of R512.5 million (2014: R512.5 million) for Group and Company.

39. Risk management (continued)

Credit risk

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

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Due to the long-term nature of the service provided, the threat of suspension of said services prove to be a strong factor in encouraging customers to settle their dues. In addition there are certain retention rights that can be effectively used in order to effect performance. At 31 December 2015, the Group and Company did not consider there to be any significant concentration of credit risk which had not been adequately provided for. The provision raised against trade receivables represent the maximum credit risk the Group and Company expect.

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

Financial instrument	Group 2015	Group 2014	Company 2015	Company 2014
Interest rate swap (R'000)	19 852	-	19 852	-
Cash and cash equivalents (R'000)	230 526	195 305	166 616	157 406
Trade and other receivables (R'000)	-	4 144	-	3 564

Foreign exchange risk

The Group and Company does not trade in foreign currency or incur any expenditure in foreign currency and as such have no foreign currency risk.

40. Fair value information

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Level 2

Recurring fair value measurements		**Group**		**Company**	
Assets	Note(s)	**2015 R '000**	**2014 R '000**	**2015 R '000**	**2014 R '000**
Financial assets at fair value through profit or loss - held for trading	10				
Interest rate swaps		19 852	-	19 852	-
Liabilities	Note(s)				
Financial liabilities at fair value through profit or loss	19				
Interest rate swaps		-	3 520	-	3 520
Total		**19 852**	**(3 520)**	**19 852**	**(3 520)**

Notes to the Consolidated And Separate Financial Statements

40. Fair value information (continued)

Group - 2013

Valuation techniques used to derive level 2 fair values

The discounted cash flow valuation technique is used to calculate level 2 fair values. Future cash flows are estimated based on forward interest rates and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

Fair value of the Group and Company's financial assets and financial liabilities that are not measured at fair value on a recurring basis:

	2015		2014	
	Carrying amount R '000	Fair value R '000	Carrying amount R '000	Fair value R '000
Group				
Trade and other receivables	36 410	36 410	42 160	38 016
Company				
Trade and other receivables	67 893	67 893	43 699	40 113

41. Going concern

The consolidated and separate financial statements have been prepared on the going concern basis since the directors have every reason to believe the company and group have adequate resources in place to continue in operation for the foreseeable future.

42. Events after the reporting period

Effective 1 March 2016, Curro acquired the business operations and properties of Windhoek Gymnasium, for a consideration of R180 million. No other events have been identified. The accounting for this transaction is still in progress.

43. Setting off of deferred tax

The annual financial statements with audit report dated 18 March 2016 for the year ended 31 December 2015 as previously issued has been modified as noted below. The reclassification of deferred tax asset and liability balances has been made in this set in order to correct offsetting previously disclosed in the set issued on the 18 of March 2016 and to align to the disclosure thereof as contained in the audited annual financial statements for the year ended 31 December 2014. The net deferred tax liability for the Group and Company remain unchanged. This modification has no effect on the profit or retained income for the year.

This modification had no impact on previously reported profitability, equity or cash flows. The effect of the modification is shown below.

Group Statement of Financial Position for the year ended 31 December 2015

	Previously reported R '000	Revised R '000
Deferred income tax asset	101 101	-
Deferred income tax liability	(289 665)	(188 564)
Net deferred tax liability	(188 564)	(188 564)

Group Statement of Financial Position for the year ended 31 December 2014

	Previously reported R '000	Revised R '000
Deferred income tax asset	70 985	-
Deferred income tax liability	(236 610)	(165 625)
Net deferred tax liability	(165 625)	(165 625)

Company Statement of Financial Position for the year ended 31 December 2015

	Previously reported R '000	Revised R '000
Deferred income tax asset	80 616	-
Deferred income tax liability	(178 352)	(97 736)
Net deferred tax liability	(97 736)	(97 736)

Company Statement of Financial Position for the year ended 31 December 2014

	Previously reported R '000	Revised R '000
Deferred income tax asset	56 878	-
Deferred income tax liability	(130 240)	(73 362)
Net deferred tax liability	(73 362)	(73 362)

Notes to the Consolidated And Separate Financial Statements

44. Range of shareholding

Range of shareholding	Number of shares held in range 2015	%	Number of shares held in range 2014	%
1 to 500	865 975	0.2	634 383	0.2
501 to 1 000	1 356 445	0.4	1 052 021	0.3
1 001 to 5 000	9 211 996	2.6	7 891 178	2.4
5 001 to 10 000	6 349 018	1.8	6 097 883	1.9
10 001 and over	339 084 306	95.0	309 921 024	95.2
	356 867 740	**100.0**	**325 596 489**	**100.0**

Public and non-public shareholding	Number of shares held 2015	%	Number of shares held 2014	%
PSG Financial Services Ltd	207 940 375	58.3	185 907 466	57.1
Directors	7 310 296	2.0	7 653 600	2.4
Total non-public shareholding	215 250 671	60.3	193 561 066	59.5
Total public shareholding	141 617 069	39.7	132 035 423	40.5
	356 867 740	**100.0**	**325 596 489**	**100.0**

Number of public and non-public shareholders	Number of shareholders 2015	%	Number of shareholders 2014	%
Non-public	7	0.1	7	0.1
Public	12 077	99.9	9 503	99.9
	12 084	**100.0**	**9 510**	**100.0**

Individual shareholders holding more than 5%	Number of shares held 2015	%	Number of shares held 2014	%
PSG Financial Services Ltd	207 940 375	58.3	185 907 466	57.1
Thembeka Market Holdings (Pty) Ltd	21 414 497	6.0	25 911 541	8.0
	229 354 872	**64.3**	**211 819 007**	**65.1**