Integrated Annual Report

2018

ANCHOR GROUP

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GENERAL INFORMATION

Country of Incorporation and Domicile

South Africa

Nature of Business and Principal Activities

Asset and Wealth management

Directors

MS Teke
Non-Executive Director (Chairman)
PG Armitage
Executive Director (Chief Executive Officer)
TE Kaplan
Executive Director (Chief Operating Officer)
OZ Khan
Executive Director (Chief Financial Officer)
AJ Adams
Independent Non-Executive Director
AP Nkuna *(resigned 31 March 2019)*
Lead Independent Non-Executive Director
N Dennis
Independent Non-Executive Director
T Mhlari *(appointed 17 August 2018)*
Independent Non-Executive Director
K Bissessor *(resigned 16 August 2018)*
Independent Non-Executive Director
K Sibisi *(appointed 02 April 2019)*
Independent Non-Executive Director

Registered Office

25 Culross Road
Bryanston Sandton
2191

Business Address

25 Culross Road
Bryanston Sandton
2191

Postal Address

PO Box 1337
Gallo Manor
2191

Bankers

Rand Merchant Bank, a division of FirstRand Bank Limited

Auditors

BDO South Africa Inc
Chartered Accountants (S.A)
Registered Auditors

Company Secretary

CIS Company Secretaries Proprietary Limited

Company Registration Number

2009/005413/06

Level of Assurance

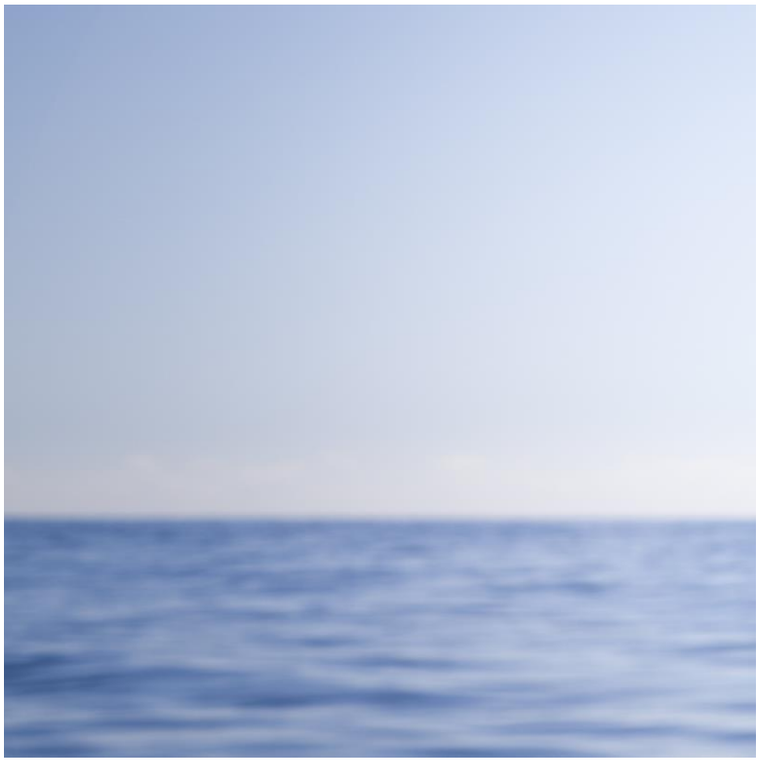
The Group annual financial statements included in this report have been audited in compliance with the applicable requirements of the Companies Act 71, of 2008 ("Companies Act").

Designated Advisors

Java Capital Trustees and Sponsors Proprietary Limited

Transfer Secretaries

Link Market Services South Africa Proprietary Limited



Chairman's report

2018 marks the eighth year of the existence of the Anchor Group, which sees profits being maintained in a tough year for the industry. We are very proud of what has been achieved in this short period and we ended the year with R49 billion of assets under management and administration, down 6% on the prior year.

Global and local markets were negative in 2018, which made conditions challenging for the business and its clients. We work with our clients to achieve investment goals and this has been one of the toughest five year periods in history as real returns have been hard to achieve. Our team has been dedicated to high levels of client service and a focus on the future. Our investment performance for the period was ahead of benchmarks on a relative basis. During the year we gained over 1,700 new clients and attracted over R5 billion of new assets.

Anchor runs a relatively simple business, earning a fee off the assets under management. Our goal is to deliver appropriate risk-adjusted returns and meet investor expectations in terms of returns and levels of service. We have managed to sustain in the region of R5 billion of new assets for the last few years and we anticipate being able to repeat that in 2019.

Investment market returns either add to these assets or reduce them during any one financial year. We are particularly pleased that during the year we signed on numerous new big corporate clients.

The South African economy has been held back by low business confidence and numerous issues with some of the state-owned enterprises. We look forward to a far more positive 2019 as these issues are honestly confronted and solutions put in place. Whilst we remain optimistic about South Africa's future, solving the current problems will take time and hard work and in planning for the future we do not anticipate a rapid return to growth in South Africa. Hence we are focusing on providing our clients with investment options that do not rely solely on high equity returns from the South African market.

The operating margin of the business is a cyclically low 22%, which is still strong, but well below long term targets. More than 100% of the profits were generated in cash. The nature of our business is that the working capital cycle is virtually non-existent with low capital intensity.

The resultant cash generation provides us options to either create value via acquisitions, or returning funds to our shareholders.

We paid a 2018 dividend 50% higher than the prior year. We sit in the comfortable position of having in excess of R144 million in cash and short-term investments. The Board continues to evaluate how best these funds might be deployed.

Anchor is a young, innovative business and the management team continues to innovate in terms of investment products and distribution, where partnerships are being formed across the country. Our investment team has great depth, an impressive track record and punches above its weight. We have built the business for growth and have plenty of capacity to manage the additional assets that are being entrusted with us.

Markets have started 2019 well, but as always the future is uncertain and the business is focusing on being able to grow in any market conditions.

MIKE TEKE
Chairman
02 April 2019

Chief Executive Officer's report

HIGHLIGHTS

- Assets under management and advice decreased by 6% during 2018 to R49.0 billion (31 December 2017: R52.3 billion).
- Adjusted Headline Earnings up 1% at R76.6 million (R75.9 million to 31 December 2017).
- Adjusted HEPS from continuing operations down 2% at 38.4 cents per share (39.1 cents to 31 December 2017).
- Operating cash flow of R139m (R151m to 31 December 2017).
- Final dividend of 10 cents per share; total dividend of 20 cents per share for 2018 (10 cents per share in 2017).

COMMENTARY

Anchor began managing assets in 2012 and has grown to reach group-wide assets under management and advice at 31 December 2018 of R49 billion, down 6% from R52.3 billion on 31 December 2017.

Anchor has three primary divisions – Private Clients, Asset Management and Stockbroking. The long-term strategy of Anchor is to become a major player in South African asset management, with an increasing focus on offshore investment. This will be achieved by both organic and acquisitive growth.

Introduction

The 2018 year was difficult for the investment industry. The JSE Capped Swix was down 10.7%, the MSCI World was down 8.7% and the average USD/ZAR exchange rate (R13.29) was 0.4% weaker compared to 2017. The JSE trading volumes, which indicate activity levels, were down 39% compared to 2017.

Against the above backdrop, Anchor has managed to grow the business by attracting over 1,700 new high net worth private clients in this reporting period. Anchor's investment performance was ahead of industry benchmarks.

Anchor did well to hold profit levels in a negative environment. Operational leverage was negative with turnover down 3% and operating expenses up 3%. The operating margin decreased to 22% (27% in 2017). The operating margin was negatively influenced by:

- a decline in the profitability of the hedge fund businesses
- no performance fees earned in 2018
- lower activity levels resulting in lower private client brokerage revenue
- A change in asset mix (more fixed income revenues, where fees are lower)
- Investment in distribution initiatives which are still building matching revenue.

The Group is well placed to take advantage of a more positive South African environment. The operating margin of 22% was the lowest since the inception of the business and is expected to increase as the scale of the business increases and the investment markets improve.

Results

Continuing Operations:

The turnover of the group decreased by 3% to R464 million (2017: R476 million), with average assets of R50.6 billion for the year. The yield on average assets for the period decreased to 0.92% (2017: 0.97%). This was lower due to reduced activity levels, negative investment markets, and no once- off items in revenue. Costs grew by 3%, to R360 million (2017: R350 million).

Costs grew faster than turnover, resulting in an operating margin of 22% (2017: 27%). This resulted in operating profits declining by 18% to R104 million (2017: R127 million).

Other Income grew by 35% to R 17 million (2017: R13 million). Other Income was positively impacted by the return on balance sheet assets, foreign exchange gains, and interest income. This was largely due to the spot USD/ZAR exchange rate weakening by 16% for the year.
Finance costs decreased by 53% to R2 million, (2017: R4.4 million). The decrease is due to the repayment of debt.

Adjusted headline earnings from continuing operations per share was down 2% at 38.4 cents (2017: 39.1 cents). Adjusted headline earnings are calculated by the Group in order to reflect the sustainable cash-flow earnings of the Group. This number is used as the basis to determine the dividend cover of the Group.

The business is highly cash generative with more than 100% of continuing profits generated in cash.

Shareholders' equity decreased to R870 million (2017: R1.12 billion), as a result of the loss for the period; incorporating the loss from the discontinued associate Capricorn Fund Managers Malta Limited, ("CFM Malta"). The net asset value per share is 422 cents. Cash and other liquid instruments were R144 million at 31 December 2018, which represents 70 cents per share.

Discontinued Operations:

CFM Malta, the offshore hedge-fund associate, was classified as a discontinued operation, due to the intention to close the entity.

The share of losses from the associate, and the impairment to fully write down the associate contributed to the loss of R298 million (2017: 2.1 million).

Operational Review

Private Clients and Asset Management

Assets under management at year-end were R33.9 billion (-5%, 2017: R35.6 billion) and assets under advice R15.1 billion (- 10%, 2017: R16.7 billion). Anchor does not own 100% of all of its subsidiaries. If one only includes Anchor's attributable share of assets under management the R33.9 billion reduces to R32.4 billion (down 9% on 31 December 2017: R35.6 billion).

The business welcomed a record number of new clients during 2018 and Group net inflows remain strong. We are pleased with the following:

- Anchor Capital (Pty) Ltd ("Anchor Capital") has a strong institutional and private client pipeline of mandates and this should increase assets under management in 2019.
- Offshore managed assets are R16 billion.
- Anchor's fixed income business was launched late in 2015 and has grown meaningfully with a strong pipeline.

Group marketing initiatives are proving effective and Anchor has achieved new inflows of over R400 million per month in 2018. This was offset by negative markets, the closure of the Capricorn GEM fund and the loss of a large non-discretionary client, whose assets were not fee generating.

The investment performance of the Group has been strong since inception. The majority of assets are managed in segregated portfolios. Anchor Capital is relatively new to the Collective Investment Scheme ("CIS") space, with two of its Anchor-branded funds now having a five year track record. This includes the Anchor BCI Equity Fund, which since inception has averaged a compounded growth rate of 10.9% per annum against a peer group average of 6.1% (source: MoneyMate).

Portfolio Bureau (Pty) Ltd performed in line with expectations. The contribution from Capricorn Fund Managers SA (Pty) Ltd ("CFM SA"), was lower than the prior period with no performance fees. CFM SA has been acquired 100% by the Group, which increases the investment team and consolidates the hedge fund offering of the Group.

Investment markets delivered unfavourable returns in 2018: the SA JSE Capped Swix index was down 10.7%, the MSCI World was down at 8.7% and the average USD/ZAR exchange rate was 0.4% weaker compared to prior year. Anchor's local performance was ahead of benchmarks.

As Anchor increases in size, so it becomes increasingly sensitive to market returns and exchange rates. To balance this, Anchor is focused on growing annuity revenue streams and increasing the mix of asset classes.

Anchor has a long-term strategy of being a meaningful South African asset management company and places a great deal of emphasis on fundamental research. Accordingly, it has built a large investment team relative to its size. The Group has 17 CA(SA)s, 16 CFA charter holders and a 20 strong investment team.

STOCKBROKING

Anchor Stockbrokers (Pty) Ltd continued to deliver a positive performance, in historically low market conditions. Anchor has sold 51% of this business. The conditions precedent have been fulfilled, and therefore the business has been deconsolidated in the results.

Anchor Stockbrokers is a Level II B-BBEE contributor and has excellent prospects to materially contribute to earnings, by capturing significant institutional flows.

CAPITAL ALLOCATION AND CORPORATE ACTIVITY

Anchor increased its stake in Anchor Securities Private Clients (Pty) Ltd ("ASPC") from 14% to 65%. ASPC is a high-quality Private Client business with more than R1.8 billion of assets under management, and is based in Kwa-Zulu Natal. The purchase price was settled in shares.

Anchor repurchased 2.54 million shares, held as treasury shares, during 2018 and the share buy-back will continue in 2019.

Anchor purchased 100% of Erudite Financial Services (Pty) Ltd ("EFS") on 1 January 2019. EFS is a financial advisory business advising a book of 1 300 clients, with assets under advice of R1.3 billion.

Anchor has a stated, long-term intention of paying half of adjusted headline earnings as a dividend. The final dividend is 10 cents per share, resulting in a total dividend of 20 cents per share for the year.

STRATEGY AND NEW INITIATIVES

Anchor is in its eighth year of existence and continues to make progress. Anchor is a young and dynamic asset management business, which maintains its focus on quality and investment excellence, but also aims to do things differently and challenge the status quo. The private client market in South Africa has shown a strong appetite to support a relatively new player, but to penetrate other segments of the market a longer track record is required.

Anchor Capital now has a seven-year track record in its current form and some of its CIS products have five year track records. As the track record lengthens and the asset base grows, we become a viable asset management alternative for bigger pools of assets. This is an industry where size begets size and we are encouraged by the early successes in winning mandates with bigger clients. Our critical mass has enabled us to conclude deals with South Africa's major platforms, which increases access to a broader set of potential investors.

Anchor Capital has taken a non-traditional approach to building an asset management business by investing in marketing and distribution capabilities from inception, which is bearing fruit through the growth of assets under management. We are aiming for consequential financial leverage to follow in coming years.

The Anchor Group's strategy is as follows:

1. **To build a world-class investment product range across asset classes and geographies:**

- This is now close to fruition and Anchor has a CIS product range which will service all investment needs, managed by a well-established, extremely competent and strongly performing investment process.
- Anchor hired a fixed income team in 2015 and has built further capacity and capability in the hedge and offshore categories, both organically and acquisitively. The focus now is to leverage off this product offering by increasing assets under management.
- There is a strong focus on offshore, both for funds which are Rand-based and for funds which have been externalised.

2. **To build distribution capacity and capability to generate growth in assets under management. This will be achieved in two ways:**

- Marketing to traditional channels with the asset management function outsourced to third party asset managers. This includes financial advisors, institutional investors, multi-managers and fund-of-funds. We continue to add high quality personnel to this pursuit.
- Marketing directly to clients, primarily in the private client space. We employ individuals who can attract assets and have over 50 high quality investment professionals who sign on clients. We will also pursue partnerships and acquisitions of businesses which have a distribution capability and an existing client base. This strategy will continue into 2018.

PROSPECTS

It is challenging to grow in the current investment environment. However, the business continues to generate consistent inflows, with over R5 billion in 2018. We expect this to be sustained in 2019. After four years of flat investment markets Anchor's operating margin has come under pressure and is currently well below management targets. There is potential for this to increase should the investment climate improve.

The key driver for the business is assets under management, which averaged R50.6 billion for the 2018 financial year. The 2019 financial year began with R49 billion of assets under management, and the investment markets are positive year to date. The results for the forthcoming year will also be influenced by:

- the performance of local and global markets and Anchor's relative performance;
- the impact on assets under management from a larger distribution force and the progress of Anchor Financial Services;
- the exchange rate between the Rand and other currencies (we estimate across the business, that the Rand hedge component is approximately 35%);
- acquisition of financial advisory businesses;
- the growth of the new stockbroking division, and
- an increase in shares in issue. The average shares in issue for 2018 were 199.6 million and the starting shares in issue at 1 January 2019 are 206 million.

A presentation on the results under review is available on www.anchorgroup.co.za.

CHANGES TO THE BOARD OF DIRECTORS

During the period under review, Ms Kajal Bissessor resigned as a Director and as Chairperson of audit and risk committee with effect from 16 August 2018. The board of directors of the Company ("the Board") wishes to thank Ms Bissessor for her invaluable contribution to the Company.

Shareholders are further advised that, with effect from 17 August 2018, Ms Tinyiko Mhlari has been appointed to the Board as an independent non-executive director and chairperson of the audit and risk committee of the Company. Her CV may be found on page 13 of this Integrated Report.

Subsequent to this reporting period, shareholders are advised that Mr Paul Nkuna has resigned as the lead independent non-executive director ("LID") as well as a member of the audit and risk committee and chairman of the social and ethics committee of the Company with effect from 31 March 2019. The board of directors of the Company wishes to thank Paul for his invaluable contribution to the Company.

Shareholders are advised that, with effect from 2 April 2019, Ms Keneiloe Sibisi has been appointed to the board of directors of the Company ("the Board") as an independent non-executive director and chairperson of the social and ethics committee of the Company.

Designated Advisor and Company Secretary

There were no changes to the designated advisor or company secretary during the period under review.

PETER ARMITAGE
Chief Executive Officer
02 April 2019

Directors

Peter Armitage

(50) (Chief Executive Officer) CA(SA)

Peter is a CA(SA), having served articles with Deloitte & Touche. Peter has 25 years' experience in global financial markets, having worked as an analyst, Head of Research and Chief Investment Officer. He also ran an internet media business between 2000 and 2001. Peter has achieved a record number of No.1 positions (21) in the annual Financial Mail Investment Analyst Survey of Institutional Investors. In 1999 Peter was rated the Top Analyst in SA by Finance Week. He has worked at Merrill Lynch, Deutsche Bank, Nedbank and Investec Wealth & Investment. Peter founded Anchor Group in 2011. He was named by the Financial Mail as one of the 10 top businessmen in South Africa for 2015.

Mike Teke

(54) (Non-executive Chairman) BA (Ed), BA (Hons), MBA

Mike holds the following qualifications: BA (Ed), B.Ed (University of the North) 1985-1989; BA (Hons) (RAU) 1995-1996 and MBA (Unisa) 1999-2002. He started work as a school teacher and subsequently served in various HR roles at Unilever, Bayer, BHP Billiton and Impala Platinum until 2007. In 2008, Mike left Impala to be one of the founding members and CEO of Optimum Coal and was part of the listing of Optimum Coal on the JSE in March 2010. In September 2012, after Glencore purchased and delisted Optimum Coal, Mike resigned as CEO and became Non-Executive Chairman, a position that he held until April 2015.

Since his days as an active CEO in the listed corporate world, Mike has contributed to various associations and educational bodies and has developed and grown his own business interests. He is currently Chairman of Council at the University of Johannesburg, was appointed Vice President of the Chamber of Mines in 2011/12, and on 5 November 2013 was appointed President of the Chamber of Mines where he remained until May 2017. He was appointed as Chairman of the Richard's Bay Coal Terminal from 2012 to 2016 and is currently serving as a non-executive Director thereof. Mike is the Chairman of Rolfes Holdings, a JSE-listed company and is the founder, Executive Chairman and controlling shareholder of Masimong Group Holdings, a diversified investment company which, among other investments, holds a material interest in Anchor Group. Mike is the CEO of Seriti Resources Holdings.

In addition to his role as Anchor Group Chairman, Mike is a member of the Remuneration & Nominations and Investment Committees.

Tinyiko Mhlari

(36) (Lead Independent Non-executive Director) CA(SA), RA

Tinyiko is a qualified Chartered Accountant. She completed a Bachelor of Commerce degree cum laude in Financial Accounting from the University of Pretoria. She joined KPMG in 2005 where she completed her articles. Upon completing her articles, she joined Amalgamated Beverages Industries (ABI), the soft drinks division of South African Breweries in 2008 as a financial planner where she was involved in financial management and management accounting, and obtained substantial experience in cost management, financial accounting and financial reporting.

She co-founded PSTM Chartered Accountants (Pty) Ltd as well as PSTM Auditors Inc. in 2010 where she still serves today as an executive director. The companies serve both the public and private sectors in audit, tax and advisory services. Tinyiko serves on various boards as a non-executive director over and above serving as an executive director at PSTM.

Tinyiko was appointed as Non-Executive Director and Chairperson of Anchor Group's Audit & Risk Committee in August 2018. She was appointed as the Lead Independent Non-executive Director as of 02 April 2019

Nick Dennis

(72) (Independent Non-executive Director) BComm (Hons)

Nick started working in 1969 as a Marketing Trainee with Colgate Palmolive and in 1976 was transferred to Colgate Palmolive, United Kingdom. Prior to joining Colgate Palmolive he obtained his BComm (Honours) degree. He later moved to Germany, where he held the position of Assistant Managing Director Colgate Palmolive, Germany. He returned to South Africa and joined Barlow Rand Limited in July 1982 subsequently becoming a Director of Barlow Rand in 1993. In January 1990 he was transferred to ICS Holdings Limited where he held the position of Group Managing Director and Chief Executive Officer. ICS was the largest perishable food processing company in South Africa and listed on the JSE. Before co-founding Lodestone Brands, Nick was Chief Executive Officer of Tiger Brands Limited from 1994 to 2008. He was appointed to the Nedbank board as an independent non-executive director from November 2002 to December 2007 where he served on the Risk, Credit and Remuneration Committees.

Nicks serves on the Advisory Board of Medu Capital. He is an Operating Partner at Sango Capital. He also serves on the board of Metta Capital and is a non-executive director of Universal Paint.

Nick's other non-executive, not-for-profit directorship involvements include ChildLine Gauteng and The African Children's Feeding-Scheme. He is the chairman of Mdluli Safari Lodge. Nick serves as a member on Anchor Group's Audit & Risk Committee and is Chairman of the Remuneration & Nominations Committee, and a member of the Investment Committee.

Alastair Adams

(40) (Independent Non-executive Director) BComm (Law), LLB

Following his studies at Rand Afrikaans University, Alastair completed his articles at Livingstone Crichton in 2004. He was admitted as an attorney of the High Court (Transvaal Provincial Division) in 2005. Having practiced as an attorney (post articles) for ten years, he started his own practice in December 2009, Adams Attorney, which practice has approximately 30 corporate clients whose annual turnover ranges from R3 million to R3 billion. Alastair has had extensive experience in high court litigation, commercial and corporate transactions and deceased estates. He also acts as director for a number of private companies and as a trustee for numerous family trusts (both as lead trustee and as independent trustee).

Alastair is an Independent Non-executive Director of Anchor Group and serves on the Audit & Risk Committee, Remuneration & Nominations Committee, Investment Committee and Social & Ethics Committee.

Paul Nkuna

(67) (Lead Independent Non-executive Director)

Paul's qualifications include an Advanced Management Programme (MAP) Certificate from the Botshabelo Training Institution and an Effective Directorship Certificate from the University of the Witwatersrand Business School. His previous board participation in listed businesses includes: Chairman of Peermont, Primedia and Metrofile, Deputy Chairman of Optimum Coal and Non-executive Director of FirstRand Group. Paul is the Lead Independent Non-executive Director of Anchor and serves as a member of the Audit & Risk Committee and Chairman of the Social & Ethics Committee. (Resigned 31 March 2019)

Keneiloe Sibisi

(56) (Independent Non-executive Director)

Ms Sibisi is a supply chain specialist with a demonstrated history of working in the financial services, petroleum and logistics industries. She is skilled in negotiation, supply chain optimisation, operations management, warehouse operations, people management, vendor management and corporate governance.

(Appointed 02 April 2019)

Todd Kaplan

(46) (Chief Operating Officer) BSc. Hons

Todd is the co-founder of Anchor Group and CEO of the Anchor Group subsidiary Ripple Effect 4. Todd brings over 20 years of corporate management experience with previous listed and unlisted companies. Todd is the Chief Operating Officer of Anchor Capital and Anchor Group. His varied responsibilities include oversight of Operational Finance & Accounts, Logistics, Head Office management, Compliance, Human Resources, Employment Equity, BBBEE, Market Intelligence, Investor Campus, WildlifeCampus and IT.

Todd attends the Remuneration & Nominations and Investment Committees as an invitee, and is a member of the Social & Ethics Committee.

Omair Khan

(30) (Chief Financial Officer) CA (SA)

Omair is a CA(SA), having served articles with KPMG. At KPMG Omair was part of the Financial Services division and the Financial Engineering Group where he gained experience in the global and local financial markets, auditing financial institutions. Omair joined Anchor prior to its listing in September 2014 as Group financial manager in charge of the finance team and financial reporting on behalf of the Group, and was promoted to Chief Financial Officer in 2016.

CORPORATE GOVERNANCE AND SUSTAINABILITY REPORT

The Company takes a balanced approach to effective corporate governance. The Board recognises the need to conduct the affairs of the Company with integrity and in compliance with the King Code of Governance Principles, as set out in the King IV Report ("King IV"). The Directors ensure that the principles and best practice recommendations that are applicable to the Company are implemented and complied with.

Board of Directors

The Board includes both executive and non-executive directors in order to ensure a balance of power, independent, unbiased decision making and that no one individual has unfettered powers of decision-making.

As at 31 December 2018, the Board comprised three executive directors and five Non-Executive Directors, of which four are independent.

The Board, through consultation with, and recommendation of the Nominations Committee, is responsible for appointing the Chief Executive Officer. In addition, the roles of Chairman and Chief Executive Officer have been separated. The Non-executive Directors are experienced professionals and have the requisite skills and integrity to provide insight and value at Board meetings.

The Board is responsible for effective control over the affairs of the Company. It provides strategic direction to management, and approves the implementation of its strategy, to create sustainable value for its stakeholders. This includes policy decision-making, financial control, risk management, communication with stakeholders, regulatory compliance, adherence to the JSE Listings Requirements and internal controls.

Board and Board Committee Meetings

The Board meets a minimum of once each quarter, with additional meetings as required. Material decisions may be taken between meetings. The Non-Executive Directors are provided with comprehensive information necessary to discharge their responsibilities, individually and as a Board and in certain instances, as Board Committee members.

All Directors have unhindered access to management, the Company Secretary, the Company's JSE Designated Advisor and to any information pertaining to the Company.

The Board has delegated authority to the Chief Executive Officer and executive management to conduct the day-to-day affairs of the Company. Accountability to stakeholders remains paramount in Board decisions and this is balanced against the demands of the regulatory environment in which the Company operates, together with the concerns of its stakeholders. To assist the Board in discharging its collective responsibility for corporate governance, Audit & Risk, Social & Ethics, Remuneration & Nominations and Investment Committees have been established, to which certain of the Board's responsibilities have been delegated. Although the Board delegates certain functions to its committees, it retains ultimate responsibility for their activities.

Chairman and Chief Executive Officer

Mike Teke is the appointed Non-Executive Chairman and Peter Armitage the Chief Executive Officer. This division of responsibilities ensures a balance of power and authority. The Chairman is responsible for leading the Board, ensuring its effectiveness and setting its agenda, whilst the Chief Executive Officer leads the executive team in running the business and coordinates proposals approved by the executive management for consideration by the Board. During the period under review, Paul Nkuna was the Lead Independent Director.

Non-executive Directors

All Non-Executive Directors are subject to retirement by rotation and re-election by shareholders at least once every three years in accordance with the Group's Memorandum of Incorporation.

Executive Directors

The Executive Directors are mandated individually and are held accountable for the implementation of the strategies and key policies determined by the Board, managing and monitoring the business and affairs of the Company in accordance with approved business plans and establishing the best management and operating practices.

Executive Directors' remuneration is based on a cost to company basis, which includes salary, bonuses, share options and other benefits. The Company has entered into service contracts with all of its Executive Directors.

Delegation of Authority

In terms of delegation of authority, the Executive Directors confer authority on management and are accountable for doing so. The accountability of management is a reflection of the Executive Directors' authority.

Appointments to the Board

The Board as a whole appoints Directors by means of a transparent and formal procedure under the aegis of the Remuneration & Nominations Committee. The Directors have the power to appoint and remove Directors, as may be required by the Company from time to time. Any interim appointments are subject to confirmation by shareholders at the Company's next general or Annual General Meeting.

Directors Holding Office

The Directors in office at year end and as at the date of this report together with their sub-committee responsibilities are set out below:

NON-EXECUTIVE	DATE APPOINTED	DATE RESIGNED	AUDIT & RISK	SOCIAL & ETHICS	INVESTMENT	REMUNERATION & NOMINATIONS
MS Teke	04/08/2014	n/a	n/a	n/a	Chairperson	Member
AJ Adams	31/07/2014	n/a	Member	Member	Member	Member
AP Nkuna	01/08/2014	31/03/2019	Member	Chairperson	n/a	n/a
N Dennis	18/03/2015	n/a	Member	n/a	Member	Chairperson
K Bissessor	18/12/2015	16/08/2018	Chairperson	n/a	n/a	n/a
T Mhlari	17/08/2018	n/a	Chairperson	n/a	n/a	n/a
K Sibisi	02/04/2019	n/a	Member	Chairperson	n/a	n/a

Non-executive
Independent Non-Executive

EXECUTIVE	DATE APPOINTED	DATE RESIGNED	AUDIT & RISK	SOCIAL & ETHICS	INVESTMENT	REMUNERATION & NOMINATIONS
PG Armitage (Chief Executive Officer)	01/11/2011	n/a	n/a	n/a	Member	Invitee
TE Kaplan (Chief Operating Officer)	04/08/2014	n/a	n/a	Member	Invitee	Invitee
OZ Khan (Chief Financial Officer)	09/06/2016	n/a	n/a	n/a	Member	n/a

Board Meeting attendance record of directors:

	26 MAR 2018	29 JUN 2018	03 SEP 2018	29 NOV 2018
PG Armitage	✓	✓	✓	✓
TE Kaplan	✓	✓	✓	✓
OZ Khan	✓	✓	✓	✓
MS Teke	✓	✓	✓	✓
N Dennis	✓	✓	✓	✓
K Bissessor [Resigned 16 Aug 2018]	✓	✓		
AJ Adams	✓	✓	✓	✓
AP Nkuna [Resigned 31 Mar 2019]	✓	✓	×	✓
T Mhlari [Appointed 17 Aug 2018]			✓	✓

Attendances at each sub-committee are detailed together with each individual sub-committee report.

Company Secretary

The Company has appointed CIS Company Secretaries Proprietary Limited to act as the Company Secretary. The Board has assessed the on-going competency of the Company Secretary in compliance with section 3.84(h) of the JSE Listings Requirements and has considered and satisfied itself on the competence, qualifications and experience of the Company Secretary. In considering this assessment, the Board considered the experience and qualifications of the Company Secretary as well as the employees of the Company Secretary. The Directors are furthermore satisfied that the Company Secretary has an independent and arm's-length relationship with the Board.

This is based on the fact that as an external service provider, none of the directors or the employees of CIS Company Secretaries Proprietary Limited sit on the Company's Board, are directly employed by The Group or are able to be unduly influenced by members of the Board in fulfilling the duties of the Company Secretary.

Sustainability Reporting

The successful delivery of our business strategy lies in our ability to identify and respond to the most material sustainability risks and opportunities that impact our business.

Material matters, which inform this, reflect the most important considerations in managing the business, to ensure the Group's ongoing ability to create and deliver value creation for its stakeholders.

The following areas of materiality have been identified:

- Investment returns: To develop and maintain a strong track record for all client returns across our full range of investment products and opportunities.

This is achieved by crafting an experienced investment team with the requisite experience, calibre and qualifications. The investment team develops the Investment Philosophy appropriate to the developed product range and diverse risk profiles. We strive for excellence through deep-value investing, backed by meticulous research, to provide active management solutions. Continuous monitoring and measuring of performance against benchmarks completes the feedback loop on our investment philosophy and results in the investment returns pursued being realised.

- People and culture**:** To attract, nurture and retain a skilled and motivated workforce.

Anchor endeavours to attract and retain a motivated, talented and exceptional staff complement. We critically analyse staff turnover and continually revise and refine our succession planning. Anchor has invested substantially in the development of our corporate culture, to nurture innovation and collaboration, values and proficient conduct. Continuous professional development and training initiatives are key in addition to maintaining professional body accreditations. We are particularly cognisant of the need to diversify and transform a traditionally non-empowered industry and have established an internal employment equity committee to formulate and guide recruitment practices. Anchor promotes a performance driven incentive culture.

- Strong client relationships**:** To build a reputation and provide superior client service that develops the Group as a Financial Services Provider of choice.

Anchor has crafted a diverse and relevant product offering. This spans a range of asset classes, geographies and risk profiles with appeal to a broad range of clients. There is a specific offshore focus, strategy, infrastructure and team including a physical offshore presence. We strive to offer competitive pricing and provide superior client care.

- Shareholder value: To deliver meaningful and sustainable shareholder returns.

We continually strive to achieve this through growing profitability by driving efficiencies, diverse revenue streams, disciplined cost management, constant innovation, organic and acquisitive growth and a resilient business strategy, adaptable to dynamic market and geopolitical conditions.

- Citizenship**:** To conduct business as a Responsible Corporate citizen in the context of a transformative South African company.

Anchor conducts its operations and develops, with clients, partners, suppliers, affiliates and the myriad statutory bodies honesty, with integrity and fidelity.

Anchor has also committed to an employee transformative philosophy with race and gender diversity policies.

- Environment: Endeavouring to impart a positive or neutral environmental Impact.

Committee Structure

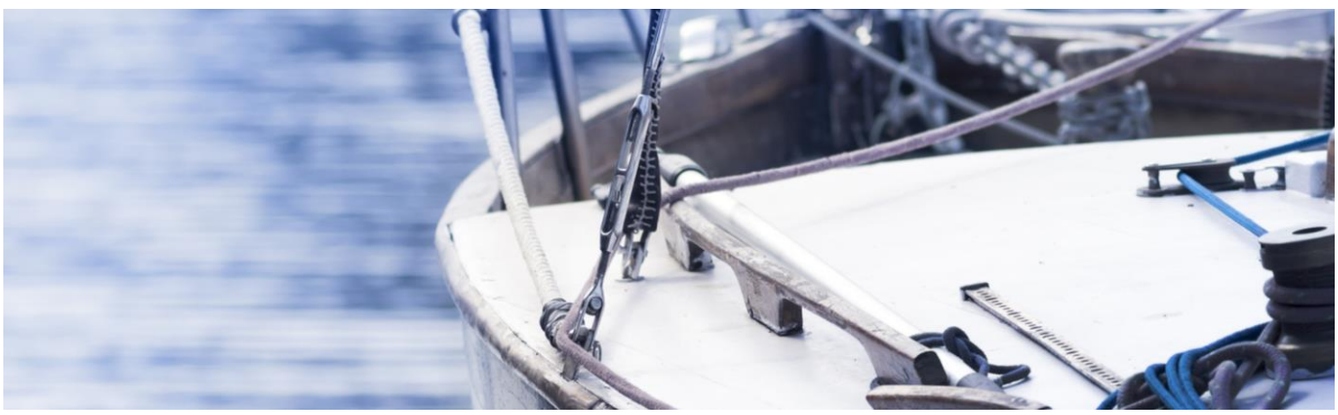
The Board has delegated specific functions to committees to assist the Board in meeting its responsibilities. The Board Committees are constituted with sufficient Non-Executive Director representation. The Board Committees are subject to regular evaluation by the Board, so as to ascertain their level of performance and effectiveness. The current committees constituted are:

- Audit & Risk
- Remuneration & Nominations
- Social & Ethics
- Investment

Audit and risk committee report

The group audit and risk committee ('the Committee') of Anchor Group Limited, which acts as the Audit and Risk Committee for all its subsidiaries, is a committee of the board of directors ("the Board") that serves in an advisory capacity to the Board and assists the directors to discharge their duties relating to the safeguarding of assets, the operation of adequate systems, risk management and internal controls, the review of financial information and the preparation of the annual financial statements.

This includes satisfying the Board that adequate financial controls are in place and that material risks have been identified and are being effectively managed and monitored. In addition to the above, the Audit & Risk Committee also has its own statutory responsibilities.



1. Members of the Audit & Risk Committee

The members of the Audit & Risk Committee are all independent non-executive directors of the Group and include:

NAME	QUALIFICATION
T Mhlari (Chairperson) appointed on 17 August 2018	CA(SA)
AJ Adams	B Comm (Law) LLB
AP Nkuna resigned on 31 March 2019	Management Advanced Programme
N Dennis	B Comm (Hons)
K Bissessor (Chairperson) resigned on 16 August 2018	CA (SA)

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

2. Meetings held by the Audit & Risk Committee

The Audit & Risk Committee performs the duties outlined in Section 94(7) of the Companies Act and pursuant to the JSE Listings Requirements, by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors.

T Mhlari was appointed as a chairperson of the audit committee on 17 August 2018. The committee held five scheduled meetings during 2018 and four of the five committee members attended all the meetings. The Chief Financial Officer, Chief Executive Officer, Chief Operations Officer, External Auditors and the Designated Advisor attended all meetings by invitation.

	Q1 24 JAN 2018	Q1 19 MAR 2018	Q2 29 JUN 2018	Q3 27 AUG 2018	Q4 29 NOV 2018
K Bissessor (Chairperson) [Resigned 16 Aug 2018]	✓	✓	✓		
T Mhlari (Chairperson) [Appointed 17 Aug 2018]				✓	✓
AJ Adams (Member)	✓	✓	✓	✓	✓
AP Nkuna (Member) [Resigned 31 Mar 2019]	✓	✓	✓	×	✓
N Dennis (Member)	✓	✓	✓	✓	✓
QUORUM	✓	✓	✓	✓	✓

✓ - Attended.

3. Purpose of the Audi & Risk Committee

- assessing the independence of and recommending the appointment of the external auditor;
- ensuring the suitability of the external auditor and designated audit partner for appointment;
- evaluating the performance of the external auditor;
- reviewing the scope and effectiveness of the external audit function;
- determining the fees paid to the auditor and the auditors terms of reference;
- agreeing to the timing and nature of reports from the external auditor;
- considering any problems identified in the going concern or internal control statements;
- ensuring that adequate books and records have been maintained;
- ensuring the integrity, reliability and efficiency of the group's risk management strategy/ policy and portfolios;
- ensuring that the group adheres to the requirements of the relevant regulatory bodies including (FSCA), JSE and others;
- resolving and dealing with any complaints concerning the accounting policies, the content and audit of financial statements of related matters; and
- ensuring the expertise and experience of the financial director are appropriate.

4. External auditor

The designated auditor is BDO South Africa Incorporated.

The Committee satisfied itself through enquiry that the external auditor BDO South Africa Incorporated and the individual registered auditor Ms V Pretorius are independent as defined by the Companies Act and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided 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 as well as audit services have been considered and approved taking into consideration factors as the timing of the audit, the extent of the work required and the scope of audit.

The Committee, having considered all relevant matters, satisfied itself through enquiry that auditor independence, objectivity and effectiveness were maintained in 2018. The audit committee has reviewed sections 2,8,13 and 22 and Schedule 8 of the JSE Listings Requirements on the accreditation of Auditors, effective 15 October 2017, and are satisfied that provisions of the Companies Act and the JSE Listings Requirements are complied as follows:

i. the audit firm has met all the criteria stipulated in the requirements, including that the audit regulator has completed a firmwide independent quality control (ISQC 1) inspection on the audit firm during its previous inspection cycle.

ii. the auditors have provided to the audit committee, the required IRBA inspection letters, findings report and the proposed remedial actions to address the findings, both at the audit firm and the individual auditor's levels; and

iii. both the audit firm and the individual auditor understood their roles and have all the competence, expertise, experience and skills required to discharge their specific audit and financial reporting responsibilities.

5. Consolidated annual financial statements

The Committee has reviewed the accounting policies and the consolidated financial statements. The committee is satisfied that they are appropriate and comply with the International Financial Reporting Standards, Financial Reporting Pronouncements, JSE Listings Requirements, and the Companies Act. In compliance with the requirements the King IV Report on Governance for South Africa 2009, an integrated annual report will be compiled for 2018 financial year in addition to these annual financial statements.

6. Accounting practices and internal control

The Board has ultimate responsibility for the internal, financial and operating systems of the Company and monitoring of their effectiveness.

These systems are designed to provide reasonable assurance against material misstatement and loss.

The systems, which are monitored by the Audit & Risk Committee on an ongoing basis in order to adapt to changing business circumstances, are designed to provide reasonable safeguards regarding:

- unauthorised disposal or use of Company's assets;
- compliance with the relevant legislation and regulations; and
- the maintenance of proper accounting records.

7. Legal requirements

The Committee has complied with all applicable legal, regulatory and other responsibilities during the 2018 financial year.

8. Chief Financial Officer

As required by the Companies Act and the JSE Listings Requirements the Committee confirms that the Company's Chief Financial Officer, Mr OZ Khan, has the necessary qualifications, expertise and experience to carry out his duties and further confirms that it is satisfied with the appropriateness of the financial function.

9. Going concern

The Committee has reviewed a detailed assessment, including key assumptions, prepared by management, of the going concern status of the Group and has accordingly confirmed to the Board that the Group is a going concern.

10. Internal audit

The Group operates in the regulated Financial Services Industry. The Financial Sector Conduct Authority (FSCA) has strict requirements with regards to the operating environment within Company.

The Committee believes that due to stringent FSCA requirements, coupled with effective oversight provided by management on the various operating entities, the need for a dedicated internal audit function is not necessary. This decision is evaluated and reviewed annually.

The Committee considers a risk report on a quarterly basis prepared by the internal compliance officer. No material issues of non-compliance were noted during the period under review.

11. Annual financial statements

Following our review of the consolidated financial statements for the year ended 31 December 2018, we are of the opinion that, in all material respects, they comply with the relevant provisions of the Companies Act and International Financial Reporting Standards, and JSE Listings Requirements and that they fairly represent the financial position at 31 December 2018 for Anchor Group Limited and the results of operations and cash flows for the year ended. The Consolidated financial statements were recommended to the Board for approval.

12. Comments on key audit matters, addressed by BDO South Africa Inc in its external auditors report

In order to provide stakeholders with further insights into its activities and considerations around the Key Audit Matters as reported by the external auditors, the Committee wishes to elaborate on these important aspects as follows:

Assessment of Goodwill for impairment:
At 31 December 2018, the Group's goodwill balance is valued at R 590 million and the group is required to annually test for impairment of goodwill.

This annual impairment test was significant to the audit because the assessment process is complex and involves significant management judgment and is based on assumptions that are affected by expected future market and economic conditions.

Based on the annual goodwill impairment test, the Committee concluded that no goodwill impairment was needed. The key assumptions and sensitivities are disclosed in note 4 to the consolidated financial statements.

Assessment of investments in associates and joint venture for impairment.

At 31 December 2018 the Group's investment in associates and joint ventures is valued at R72 million and the group is required to consider whether there are indicators of impairment with respect to investments and associates and joint venture.

The impairment test is considered material to the financial statements as a whole.

Based on the annual investment in associates and joint venture impairment test, the Committee concluded that no impairment was needed.

Business Combinations:

The Group has entered into one significant transaction effective 1 January 2018 which is classified as a business combination. Anchor Group acquired an additional 50.88% in Anchor Securities Private Clients Proprietary Limited. The area is considered a risk due to this complexity and the potential material misstatement as the transaction gives rise to material balances on the statement of financial position.

Based on the review of the at acquisition net asset values and the review of the fair value of the purchase consideration, the Committee concluded that there is no material risk of misstatement.

Assessment of control, joint control or significant influence for equity investments where 49%-50% of the issued share capital are held:

Management has applied judgement in assessing the various factors for control or significant influence, where 49%-50% of the issued share capital is held. The assessment of the applied judgement was performed for the change in shareholding in Anchor Stockbrokers Proprietary Limited and Anchor Financial Services Proprietary Limited. The assessment was considered to be highly judgemental and annual assessments is required to be performed by management.

The Committee is satisfied that management's judgement was assessed and no material differences in judgement arose.

Assessing expected credit risk for Financial asset at amortised cost in terms of IFRS 9:

The group has adopted IFRS 9 and the requirements have been applied retrospectively without restating comparatives with effects from 1 January 2018. The key changes arising from adoptions of IFRS 9 are that the group's credit losses are now based on expected losses rather than an incurred loss model and the change in classification and measurement of the group's financial assets and financial liabilities.

The application of IFRS 9 is considered to be a Key Audit Matter as it is a new standard that requires significant degree of judgement by management when assessing the impairment of financial instruments. These judgements include amongst others the classification of financial instruments, the stage in the impairment model in which the financial instrument is, defining default and estimating expected credit losses.

The Committee is satisfied that IFRS 9 is applied correctly, as there was no material difference between the amounts assessed during the audit and that of management.

On behalf of the Committee

T MHLARI

Chairperson Audit & Risk Committee
28 March 2019

Audit & Risk Committee Charter

Purpose of the Audit And Risk Committee Charter

1. The purpose of this document is to set the role, duties and responsibilities of the Audit and Risk Committee ("the Committee") and its relationship to the Internal and External Audit functions and the Board of Anchor Group Limited ("the Board").

2. The Committee is constituted as a statutory committee of the Board of Anchor Group Limited (“the Company”) in respect of its statutory duties in terms of section 94(7) of the Companies Act 71 of 2008 (“the Companies Act”) and is a Committee of the Board in respect of all other duties assigned to it by the Board.

3. The Charter aims to ensure that the Committee performs its functions in compliance with statutory functions as set out in the Companies Act, the recommendations of the King IV Code on Corporate Governance (“King IV”) and the JSE Listings Requirements.

4. This Charter will be made available to the shareholders of Anchor Group Limited at the Annual General Meeting. A summary of the Charter follows below and the full Charter is disclosed on the website of Anchor Group Limited.

5. This Charter is confirmed by the Board and reviewed annually by the Committee and the Board.

Summary of the Charter

- Purpose Of The Audit And Risk Committee Charter
- Purpose Of The Audit And Risk Committee
- Membership and Quorum
- Responsibilities and Functions of the Audit & Risk Committee
- External Audit
- Internal audit
- Integrated reporting
- Combined Assurance
- Risk management
- Finance function and Chief Financial Officer
- Anchor Group Limited’s Social & Ethics Committee
- Meetings and Proceedings
- Authority of the Committee and Resources Available to it
- Reporting Procedure
- Fees and Expenses
- Additional Governance Reporting
- Whistle-blower's Report

The full Charter is available on the Company’s website (www.anchorgroup.co.za)

Investment committee report

The Investment Committee is a formal Committee of the Board and is responsible for reviewing the Group's investment opportunities and making appropriate recommendations to the Board within the scope of its mandate.

The Committee is obliged to act within the parameters of the company's Memorandum of Incorporation, the Companies Act, the JSE Listings Requirements and applicable legislation.

Role of the Investment Committee

The Investment Committee considers and assesses investment opportunities proposed by the management team on an ongoing basis. Its primary responsibility is to consider business opportunities which integrate, assimilate and complement the Anchor Group strategy. Anchor Group strives to continue building a world class investment product range across asset classes and geographies with distribution capacity and capability to generate growth in assets under management, returns for clients and value for shareholders.

Members

DIRECTOR	DESIGNATION
MS Teke	Non-executive director (Chairman)
N Dennis	Independent Non-executive director
AJ Adams	Independent Non-executive director
PG Armitage	Executive director
OZ Khan	Executive director

ATTENDANCE	13 NOV 2018
MS Teke	✓
N Dennis	X
AJ Adams	✓
PG Armitage	✓
OZ Khan	✓
● **TE Kaplan**	✓
● *Invitee*	

MIKE TEKE
Chairman Investment Committee
02 April 2019

Remuneration and nominations committee report

Members of the Remuneration & Nominations Committee ("the Committee")

DIRECTOR	DESIGNATION
N Dennis	Chairman and Independent Non-executive director
M Teke	Non-executive director
AJ Adams	Independent Non-executive director

The Chief Executive Officer and Chief Operating Officer are invited to attend as required. They were present at all meetings.

ATTENDANCE	25 JAN 2018	15 FEB 2018
N Dennis	✓	✓
M Teke	✓	✓
AJ Adams	✓	✓

Role of the Remuneration & Nominations Committee

The Company's remuneration strategy aims to create sustainable stakeholder value by motivating and retaining competent leaders and people of talent. The Company aims to attract and retain knowledgeable, skilful and dynamic people who are able to add value to the Company.

The primary objectives include the need to have credible remuneration policies that enhance key business goals and drive performance. The Committee was formally constituted during 2015 and meets as and when necessary.

The Committee ensures that the optimal remuneration structures are in place and approves the Company's remuneration philosophy and processes, to ensure that directors and employees are appropriately rewarded. This includes annual salaries, in addition to short and long-term incentives in the form of bonuses and share options.

Remuneration Strategy and Policy

The Remuneration Strategy and Policy is available on the Anchor Group website (www.anchorgroup.co.za).

Anchor Group remunerates employees in line with the dynamics of the market, performance of the Company and the context in which we operate. Remuneration will at all times align with the strategic direction of Anchor Group. As such, remuneration will play a critical role in attracting and retaining high-performing individuals. We acknowledge that remuneration will never be a stand-alone management process, but is fully integrated into other management processes such as the performance management system and overall human resources policies.

In summary, the Remuneration Policy has the following purposes:

- harmonising all the remuneration policies and practices for Anchor Group;
- reflecting the dynamics of the market and the context in which Anchor Group operates;
- aligning with the strategic direction of Anchor Group;
- aiming to attract, retain and motivate superior performers; and
- provision of clarity and understanding in respect of remuneration issues at Anchor Group.

The guiding principles cover all levels of employees. The policy applies to all permanent employees of the Anchor Group.

Meetings

During 2018, the Committee met twice. The key focus areas during this period were:

- To review, revise and expand on the Remuneration Strategy and Policy;
- A review and consolidation of succession planning;
- A review of the Company's Leave Policy; and
- A review of staff movements (new appointments, transfers, retirements and resignations).

Meetings were held to consider:

- Salary reviews;
- Bonus pool quantum and allocations;
- Share option quantum and allocations;
- Non-executive director fees for 2019; and
- Individual performance appraisals of the 1st tier Anchor Capital staff.

Salary Reviews

An inflationary increase was approved for all salaried staff employed for the preceding 12 months, with a *pro rata* increase for new staff. The Committee primarily confined their review to senior staff. Selected high-potential people and exceptional performers were identified for above inflationary increases.

Bonus Pool Quantum and Allocations

The 2018 Financial Results were interrogated, taking into account the growth in profit versus the bonus pool quantum. The Remuneration Policy provides a guideline of up to 30% of Profit before Tax, to determine the bonus pool. The policy however stipulates that this is not a fixed metric and may be adjusted at the discretion of the Committee – Company performance being a key consideration. The final bonus pool was in line with Remuneration Policy. After careful consideration, the Committee approved the proposed bonus quantum, which reflected a decline on the 2017 aggregate.

Board Evaluation

The Committee additionally considered the process of Board Evaluation. The Company Chairman, Mike Teke undertook to drive this process with the assistance of the Company Secretary. Assessments/evaluations of performance of the directors was undertaken during the year and feedback was provided by the Chairman in individual face-to-face sessions. No corrective or remedial action was required. No changes to the Board structure were implemented.

Nominations Committee

The Nominations Committee, applying the Gender and Racial Diversity Policies, were instrumental in proposing the new Board appointment during the period under review.

Share Options

A review of share options in issue, history of issues, cost and balance sheet impact was undertaken.

A formula is applied in respect of the calculation of share options performed annually. This approach forms the basis for the awards to senior staff and high-performing employees who are evaluated individually.

The Anchor Group philosophy of making staff members "owners of the business" is a significant motivating factor and a consideration for staff share option allocations. The new share option allocations are still to be approved by the Committee.

Non-Executive Director Fees

A comprehensive review of similar-sized companies was undertaken and based on these reviews, the Committee proposed increasing the remuneration payable to the Non-executive Directors. These fees cover remuneration for both Board and various committee memberships. The following Non-Executive Director retainer fees for 2019 were proposed and approved by the Board:

Chairman : R 62,500 / Q ➔ R 250,000 annually
Board members : R 55,000 / Q ➔ R 220,000 annually

There are no additional per meeting fees.

Remuneration Implementation Report 2018

Introduction

In accordance with the principles contained in Anchor Group's Remuneration Strategy and Policy, the Remuneration and Nomination Committee performed its duties with regard to oversight of all remuneration matters, and made recommendations to the Board regarding remuneration during the year under review. The Remuneration Policy was implemented as set out below:

Executive director remuneration

In line with the Group's Remuneration Policy, the remuneration of executive directors is composed of the following components:

- Guaranteed pay (on a cost-to-company basis); and
- Variable pay (Short and Long-Term Incentives);

For the year ended 31 December 2018, the remuneration paid to executive management aligned with the Anchor Group Remuneration Strategy and Policy and, accordingly comprised a combination of Basic salary, Performance bonus, as well as the exercise and issue of Share Options. Details of these are these may be found in the Directors' Emoluments section on page 105 of this annual report.

Non-executive directors 'remuneration

Non-executive directors are paid by Anchor Group for their services as directors of Anchor Group Limited. In accordance with Section 66(9) of the Companies Act, non-executive directors' fees must be approved by a special resolution of shareholders at a general/annual general meeting of the Company, which approval is valid for two years.

The Committee considered the remuneration of non-executive directors and recommended such remuneration to the Board.

At the annual general meeting of shareholders held on 29 June 2018, the Company's shareholders approved the non-executive directors fees for a period of two years. Details of these may be found in the Directors' Emoluments section on page 105 of this annual report.

Full disclosure of all Directors' remuneration is contained in note 34 of the annual financial statements. The Board will review the Remuneration Policy and the Remuneration Implementation Report annually in accordance with King IV and the JSE Listings Requirements.

Both the Remuneration Policy and the Remuneration Implementation Report will be tabled at the Company's annual general meeting, for a separate non-binding advisory vote by shareholders. This allows shareholders to express their views on the Company's Remuneration Policy and the Remuneration Implementation Report.

In the event of 25% or more shareholders voting against either of these resolutions, the Directors are committed to engaging with shareholders in order to address all legitimate and reasonable objections and concerns.

The Remuneration Policy and the Remuneration Implementation Report for the 2018 financial year were both voted in favour of at the preceding annual general meeting by 98.61% of shareholders who voted in the resolutions.

NICK DENNIS
Remuneration & Nominations Committee Chairman
02 April 2019

King IV Compliance

The Board endorses the principles contained in the King IV Report on Corporate Governance and confirms its commitment to those principles where, in the view of the Board, they apply to the business. Compliance is monitored regularly and the Board has undertaken an internal review process in determining compliance, the results of which are listed below.

Anchor Group, as an AltX listed company, is required to disclose compliance with Principles 6 – 10 of King IV Code, together with the principles mandated by paragraph 3.84 (g)(h)(i), (j) and (k) of the JSE Listings Requirements:

(g) – Duties of the Audit & Risk Committee

(h) – Appointment of the Company Secretary

(i) – Gender Diversity Policy at board level

(j) – Policy on promotion of Race Diversity at board level

(k) – Remuneration Policy and Remuneration Implementation Report

KING IV REF	GOVERNING STRUCTURES AND DELEGATION	REPORTING / DISCLOSURE	COMPLIANCE
Principle 6	The governing body should serve as the focal point and custodian of corporate governance in the organisation	a. the number of meetings held during the reporting period, and attendance at this meetings b. whether the governing body is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period	During 2018, the Board and sub-committees convened on 14 occasions. These includes full Board meetings (4), Audit & Risk (4), Remuneration & Nominations (2), Social & Ethics (2) and Investment (1). Attendance by both Executive and Non-executive Directors was exemplary with a 99% attendance rate across all 14 meetings. Full details of the composition, schedule and attendance are disclosed in this Integrated Report. On reflection, the Board and sub-committees are satisfied that they have collectively fulfilled the responsibilities as mandated by each the Board Charter and by each Committee charter. In accordance with the Board Charter, the Board is the guardian of the values and ethics of the Group. Our Board provides ethical leadership and through the Code of Conduct, sets values to which the Company will adhere. The Board is also assisted by the Social & Ethics Committee.

KING IV REF	GOVERNING STRUCTURES AND DELEGATION	REPORTING / DISCLOSURE	COMPLIANCE
Principle 7	The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	The following should be disclosed with regards to composition of the governing body: a. Whether the governing body is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence b. The targets set for gender and race representation in the membership of the governing body and progress made against these targets c. The categorisation of each member as an executive or non-executive d. The categorisation of each non-executive member as independent or not and, when a non-executive member of the governing body has been serving for longer than nine years, a summary of the views of the governing body on the independence of the member e. The qualifications and experience of members f. Each member's period of service on the governing body g. The age of each member h. Other governing body and professional positions held by each member i. The reasons why any members of the governing body have been removed, resigned or retired The following should be disclosed in relation to the chair: a. whether the chair is considered to be independent b. whether or not an independent non-executive member of the governing body has been appointed as the lead independent, and the role and responsibilities assigned to the position	The Board is composed of a rich diversity of skills and experience across a wide range of disciplines. The mix of Non-executive Directors showcases prior participation and involvement on the boards of other listed businesses. This aggregates into a distinct multifariousness of skills, knowledge and competence. Qualifications, experience and ages of each Director, in addition to an abridged CV, appear in this Integrated Annual Report as well as other professional appointments. This Integrated Annual Report addresses race and gender representation and targets (page 38 of this Report). The differentiation in scope of roles of Executive and Non-executive Directors is well defined. The Chairman of Anchor Group is a non-executive Director. The roles of the Chairman and Chief Executive Officer are separate and clearly defined. As the Chairman is not considered independent, a lead independent director has been appointed. All other Non-executive Directors are independent. At this point the longest-serving Non-executive Directors have been with the Company for four years. Details of any Board appointments, resignations, removals and retirements are contained within this Integrated Annual Report.

KING IV REF	GOVERNING STRUCTURES AND DELEGATION	REPORTING / DISCLOSURE	COMPLIANCE
Principle 8	The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties	The following should be disclosed in relation to each committee of the governing body: a. its overall role and associated responsibilities and functions b. the composition, including each member's qualifications and experience c. any external advisors or invitees who regularly attend committee meetings d. key areas of focus during the reporting period e. the number of meetings held during the reporting period and attendance at those meetings f. whether the committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period The following should be disclosed in relation to the Audit & Risk Committee: a. A statement as to whether the audit committee is satisfied that the external auditor is independent of the organisation. The statement should specifically address: - The policy and controls that address the provision of non-audit services by the external auditor, and the nature and extent of such services rendered during the financial year - The tenure of the external audit firm and, in the event of the firm having been involved in a merger or acquisition, including the tenure of the predecessor firm - The rotation of the designated external audit partner - The significant changes in the management of the organisation during the external audit firm's tenure which may mitigate the attendant risk of familiarity between the external auditor and management.	The Committees of Board, namely Audit & Risk Remuneration & Nominations, Social & Ethics and Investment all produce a separate report on their actions within the year under review. These reports appear in this Integrated Report and contain details of their responsibilities and functions, composition, number of meetings, attendance, external invitees and compliance with the terms of reference of the Committee. The Audit & Risk Committee annually reviews the suitability, independence and quality of the external auditor. Significant matters considered in relation to the Annual Financial Statements and how they were addressed are dealt with in the Audit & Risk Committee Report in this Integrated Report. The Audit & Risk Committee also annually reviews compliance with International Standards for the Professional Practice of Internal Auditing – Independent Quality Assurance reviews conducted. The Financial Director's qualifications and experience are assessed on an annual basis and a statement in this regard is contained in the Audit & Risk Report in this Integrated Report. All matters a. through f. are addressed within the Audit & Risk Committee Report in this Integrated Report.

KING IV REF	GOVERNING STRUCTURES AND DELEGATION	REPORTING / DISCLOSURE	COMPLIANCE
		b. Significant matters that the audit committee has considered in relation to the annual financial statements and how these were addressed by the committee c. The audit committee's views on the quality of the external audit, with reference to the audit quality indicators such as those that may be included in inspection reports issued by external audit regulators d. The audit committee's views on the effectiveness of the chief audit executive and the arrangements for internal audit e. The audit committee's views on the effectiveness of the design and implementation of internal financial controls, and on the nature and extent of any significant weaknesses in the design, implementation or execution of internal financial controls that resulted in material financial loss, fraud, corruption or error f. The audit committee's views on the effectiveness of the CFO and the finance function g. The arrangements in place for combined assurance and the committee's views on its effectiveness	
Principle 9	The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness	The following should be disclosed in relation to evaluation of the performance of the governing body: a. a description of the performance evaluations undertaken during the reporting period, including their scopes whether they were formal or informal and whether they were externally facilitated or not b. an overview of the evaluation results and remedial actions taken c. whether the governing body is satisfied that the evaluation process is improving its performance and effectiveness	Performance evaluations facilitated by the Company Secretary are conducted annually. Evaluations are of the Board, its sub-Committees, individual Directors, the Chairman, CEO, CFO and COO. In addition, the CEO, CFO and COO undergo 360º performance appraisals by the Company's senior management team, the results of which are shared with the Board. The results of the evaluations are discussed with individual board members, with remedial action required, and the overall results of the evaluations, reported to the Board. The Board is of the opinion that these formal evaluations are effective in improving the performance and effectiveness of all Board members.

KING IV REF	GOVERNING STRUCTURES AND DELEGATION	REPORTING / DISCLOSURE	COMPLIANCE
Principle 10	The governing body should ensure that the appointment of and delegation to management contribute to role clarity and the effective exercise of authority and responsibilities	The following should be disclosed in relation to the CEO: a. the notice period stipulated in the CEO's employment contract and the contractual conditions related to termination b. other professional commitments of the CEO, including membership of governing bodies outside the organisation c. whether succession planning is in place for the CEO position Delegation disclosure: A statement by the governing body on whether it is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities should be disclosed. Corporate governance services: The arrangements in place for accessing professional corporate governance services and a statement on whether the governing body believes those arrangements are effective should be disclosed.	There is a formal contract of employment in place between the Company and the CEO. The CEO holds several non-Executive directorships outside of the Anchor Group. The CEO is a non-executive Board member on several of the subsidiary companies within Anchor Group. A formal succession plan, which is reviewed annually, is in place for the CEO. The Board has delegated certain functions, without abdicating its own responsibilities, to the following Committees: • Audit & Risk Committee; • Remuneration & Nominations Committee; • Investment Committee; and • Social & Ethics Committee. The delegation of authority framework is updated on a regular basis and contributes to role clarity and effective exercise of authority. The board has engaged the services of an experienced professional Company Secretary to ensure that all corporate governance services are effective.

IT Charter

Preamble

Computer security in the Group is a shared objective that can only be achieved in an atmosphere of loyalty and mutual trust. The purpose of this Information Technology "IT" Charter is to define the rules concerning the use of computers and other IT systems at Anchor Group.

The constant progress of information processing and communication techniques has increased the need to specify the rules required to protect the privacy of Anchor Group employees, while also maintaining the integrity of system administrators and security.

This Charter is applicable to all Anchor Group IT services users.

Introduction

The rapid development of Information Technology and digital networks within firms, and throughout the world, constitutes extraordinary collective wealth but has also revealed both abuses and weaknesses that cannot be ignored.

Thus, there are many potential IT-related risks. Compliance with the rules is the inevitable price of freedom in communication and use of computer systems.

The user shall be held personally liable for failure to comply with the IT Charter of Anchor Group which may be directly or indirectly detrimental to all or part of the Company. The Company is itself subject to rules governing the proper use of computer systems, and must therefore uphold both the code of good practice and the law. Security will be achieved if everyone abides by the rules and is vigilant.

Summary of the Charter

- Scope of application
- Rules of good practice
- System administrators Duties, Responsibilities & Rights
- Accounts and Passwords
- Security
- Privacy and personal data
- Software and copyright
- Sanctions

The Full IT Charter may be found on the Company's website: www.anchorgroup.com

Social and ethics committee report

Role of the Social & Ethics Committee ("the Committee")

The responsibilities, mandate and functioning of the Social and Ethics Committee ("the Committee")are in accordance with the requirements of the Companies Act and Regulations.

The Company subscribes to the highest ethical standards and behaviour in the conduct of its business and related activities. In line with the Company's vision and corporate governance commitments, the objectives of the Committee are to ensure that the highest ethical standards are applied to all areas of the business, as well as to review and approve the policy, strategy and structure for managing transformation and social issues.

The Committee met twice during the year under review and adopted terms of reference to give effect to its responsibilities.

Members of the Committee

NAME	DESIGNATION
AP Nkuna	Chairman and Independent non-executive director
AJ Adams	Independent non-executive director
TE Kaplan	Executive director

Attendance

ATTENDANCE	29 JUN 2018	29 NOV 2018
AP Nkuna	✓	✓
AJ Adams	✓	✓
TE Kaplan	✓	✓

Social & Ethics Committee Initiatives

- Oversight of the Employment Equity Committee
- Adherence to the Employment Equity Act and development of an Employment Equity Policy
- B-BBEE scorecard
- Corruption and Whistleblowing procedure and protocols
- Corporate Social Investment
- Pillars of Sustainability
- Development / review of the Social Media Policy
- Development / review of the Gender Diversity Policy
- Development / review of the Racial Diversity Policy

Employment Equity

Under the direction of the Social & Ethics Committee, the Anchor Capital Employment Equity Committee completed the requisite Employment Equity Reports (EEA2 and EEA4) and submitted both together with 2019 and 2020 employment equity targets, as required by the Employment Equity Act.

The Employment Equity Committee developed a revised Employment Equity Policy. This policy was presented to the Executive Committee for review and comment. The key principles included are that all new positions are to be filled by employment equity candidates. For all vacant positions, an EE candidate is preferable and any divergence from this requires substantiation / justification. Additional enhancements include a framework and process flow for all recruitment practices with the Group.

The Employment Equity Committee has also undertaken to review the significant quantity of unsolicited CVs that are submitted to the Company. The CVs are reviewed to identify potential employment equity candidates for any open, or future, positions. Promising candidates are interviewed and these reviews are forwarded to the Heads of Department for consideration.

B-BBEE Scorecard

The Employment Equity Committee completed the B-BBEE verification for the year ending 2018. Under the revised B-BBEE codes on the new Financial Services Charter; the Company achieved less than the 10% recognition level. This Committee has been charged with the formulation of a revised B-BEEE strategy for the Group.

Corruption and Whistleblowing

During the period under review, no incidences of fraud or corruption were identified or highlighted to the Committee. A confidential whistleblowing mechanism is in place. Staff members are able to contact each non-executive director individually or collectively, to report on issues of concern or incidences of malfeasance. None were reported during the year under review.

Corporate Social Investment

The direction of the Company's Corporate Social Investment spend remained unchanged and is directed solely to the development, mentoring and nurturing of previously disadvantaged staff within the organisation.

In addition to the above, Anchor Group has continued to support the development of a Black Owner-managed and Empowered Asset Management Company. Investment in this company has been ongoing since October 2013 with cumulative capital expenditure of over R3 million.

Social Media Policy

As part of the Committee's mandate, a Social Media Policy was developed and has been instituted throughout Anchor Group. This policy indicates procedures, rules and guidance for employee use of social media. For purposes of this policy, this is broadly understood to include blogs, wikis, microblogs, message boards, chat rooms, electronic newsletters, online forums, social networking sites, and other sites and services that permit users to share information with others via electronic media platforms.

Gender Diversity Policy

This is addressed as a separate standalone report.

Racial Diversity Policy

This is addressed as a separate standalone report.

PAUL NKUNA
Chairman
01 April 2019

Gender Diversity Policy

In terms of paragraph 3.84(i) of the JSE Listings Requirements, the Board is required to have a policy on the promotion of gender diversity at board level.

Under the auspices of the Social & Ethics Committee, and with guidance from the Board, a formal Gender Diversity Policy has been adopted.

This policy undertakes to earnestly and judiciously address gender diversity at board level, and to set an example to be followed at all levels of management, throughout the Group and in all subsidiaries, divisions and business units.

This policy has established targets of 25% female representation at board level by the end of 2019.

A further target of 33% female representation at Board level by the end of 2021 has been included in the policy.

The 25% target has been achieved.

Racial Diversity Policy

As a young and dynamic company in the Financial Services sector, Anchor Group recognises its corporate responsibility to embrace the diversity that is characteristic of the Republic of South Africa. We strive to develop a sustainable transformation process and strategy to address race diversity within our organisation.

Through this policy we aim to :

- promote the empowerment and advancement of previously disadvantaged employees in order to create racial equity;
- improve the level of representation of black management and talent across all levels in the company;
- redress any imbalances and injustices created by the previous governmental policies and practices of unfair discrimination;
- ensure representivity in the composition of staff structure; and
- provide guidelines to all subsidiaries within the Group regarding recruitment, skills development and staff upliftment.

Recruitment and selection will be in keeping with the Group's business strategy and will be based on fairness, objectivity, having regard for competency and seeking to redress historical imbalances to achieve broader representation. All new staff must be suitably qualified, and priority must be given to EE candidates.

This policy has established targets of 25% black representation at board level by the end of 2019. A further target of 33% black representation at Board level by the end of 2021 has been included in the policy. The 33% target has been achieved, with 50% black representation on the Board.

B-BBEE COMMISSION
a member of the dti group

Broad-Based Black Economic Empowerment Commission

Compliance Report by Companies Listed on the Johannesburg Stock Exchange (JSE)

(in terms of Section 13G (2) of the Act)

Case Number | **FORM BBBEE 1**

SECTION A: DETAILS OF ENTITY

Name of Entity / Organisation	ANCHOR GROUP LIMITED
Registration Number	2009/005413/06
Physical Address	25 Culross Road, Bryanston, Sandton, 2191
Telephone Number	011 591 0657
Email Address	INFO@ANCHORCAPITAL.CO.ZA
Indicate Type of Entity / Organisation	FINANCIAL SERVICES
Industry / Sector	FINANCIAL SERVICES SECTOR
Relevant Code of Good Practice	FINANCIAL SECTOR CODE (GAZETTE # 35914)
Name of Verification Agency	MPOWER RATINGS
Name of Technical Signatory	FLOYD MAZIBUKO

SECTION B: INFORMATION AS VERIFIED BY THE BROAD-BASED BLACK ECONOMIC EMPOWERMENT VERIFICATION PROFESSIONAL AS PER SCORECARDS

B-BBEE Elements	Target Score Including	Bonus Points	Actual Score Achieved
Ownership	e.g. 25 points		
Management Control	e.g. 19 points		
Skills Development	e.g. 20 points		
Enterprise and Supplier Development	e.g. 40 points		
Socio-Economic Development	e.g. 5 points		
Total Score	e.g. 109 points		
Priority Elements Achieved	YES / NO and specify them		
Empowering Supplier Status	YES / NO and specify them		
Final B-BBEE Status Level	NON-COMPLIANT		

***indicate how each element contributes to the outcome of the scorecard**

SECTION C: FINANCIAL REPORT

1. BASIC ACCOUNTING DETAILS:

a. Accounting Officer's Name: OMAIR KHAN

b. Address:

25 CULROSS ROAD
BRYANSTON
SANDTON

c. Accounting Policy: (*Your accounts are done?)*

Weekly	Monthly	Other (specify)
	X	

d. Has the attached Financial Statements and Annual Report been approved by the entity? YES

2. PLEASE ATTACH THE FOLLOWING:

i) Copy of Annual Financial Statement including Balance Sheet and Income and Expenditure Report. ATTACHED

ii) Annual Report AVAILABLE AT WWW.ANCHORGROUP.COM

3. Entity Annual Turnover: **R** 463,727,000

4. Sign-off and Date

Kaplan
Signature

27 - 03 - 2019
Date

BBBEE Certificate 2018 /2019

mpower ratings

Ensuring Change through Empowerment

B-BBEE Verification Certificate

Registered Name:	*Anchor Group Limited*
Registration no.:	*2009/005143/06*
VAT No.:	*4380267833*
Head Office Location:	*25 Culross Road, Bryanston , Sandton , 2191*
Postal address:	*P O Box 1337, Gallo Manor , 2191*
Verification standard applied:	*Amended Financial Sector Codes Gazetted 01 December 2017*
Scorecard applied:	*Generic Scorecard*

Element	Target Score	Actual Score
Ownership	25	0.00
Management Control	20	0.00
Skills Development	20	0.00
Procurement	20	0.00
Enterprise and Supplier Development	15	0.00
Socio Economic Development	5	0.00
Total Score:	105	0.00

Broad Based BEE status level:	*NON-COMPLIANT*
BEE procurement recognition level:	*0.00%*
Black Ownership:	*0.00%*
Black Women Ownership:	*0.00%*
Empowering Supplier:	*No*
Enterprise Development Beneficiary:	*No*
Date of Issue:	*18 October 2018*
Expiry Date:	*17 October 2019*

Technical Signatory:Floyd Mazibuko CA(SA)

ANC006433/10/2018

Certificate Number:

The information on this certificate and in the verification report represent an independent opinion based on verification procedures and analysis carried out by mPowerRatings in terms of the principles contained in the Department of Trade and Industry's Code of Good Practice on Broad Based Black Economic Empowerment as gazette 01 December 2017

mPowerRatings (Pty) Ltd Reg No. 2004/003425/07

99 Jan Smuts Avenue, Saxonwold, 2196
PO Box 87471, Houghton, 2041
Tel: + 27 11 880 0060 Fax: +27 86 666 4815
www.mpowerratings.co.za

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BVA 204

C E R T I F I C A T E

Directors' Responsibilities and approval

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

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

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

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual 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 Group's cash flow forecast for the year ending 31 December 2019 and, in the light of this review and the current financial position, they are satisfied that the Group has or has 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 Company's consolidated financial statements. The consolidated financial statements have been examined by the Group's external auditors and their report is presented from page 45.

The consolidated annual financial statements set out on pages 57 to 110, which have been prepared on the going concern basis, were approved by the Board on 28 March 2019 and were signed on its behalf by:

PG ARMITAGE

OZ KHAN

Company secretary's certification

Declaration by the Company Secretary in respect of Section 88(2)(e) of the Companies Act

In terms of Section 88 (2)(e) of the Companies Act, as amended, I certify that the Group 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 in respect of the financial year reported on.

The Board selects and appoints the Company Secretary and recognises the importance of this role in entrenching good corporate governance. All Directors have unlimited access to the services of the Company Secretary, who in turn has access to appropriate resources in the provision of this support.

CIS COMPANY SECRETARIES (PTY) LTD
Company Secretary
28 March 2019

Independent auditor's report

TO THE SHAREHOLDERS OF ANCHOR GROUP LIMITED
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Anchor Group Limited (the group) set out on pages 57 to 110, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

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

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Assessment of goodwill for impairment At 31 December 2018, the carrying value of the group's goodwill amounts to R 590 million. In accordance with IAS 36 – Impairment of assets, management is required to annually test for impairment of goodwill. This annual impairment test was significant to the audit as the assessment process is complex and involves significant judgment by management and is based on assumptions that are affected by expected future market and economic conditions and as such, has been considered to be a key audit matter. Based on the annual goodwill impairment test, the Board concluded with management that no goodwill impairment was needed. The key assumptions and sensitivities are disclosed in note 4 to the consolidated financial statements.	The audit procedures performed included, amongst others, the following: • We assessed the mathematical accuracy of the calculations within the forecast models. • We used our valuation experts to assist us in evaluating the reasonability assumptions and methodologies used in the forecast models. We have challenged management, primarily on their assumptions to which the impairment test is most sensitive. These include, for example, projected revenue growth, discount rate and terminal growth. • We furthermore challenged management by comparing the assumptions applied to the historical performance of the group, local economic development and industry outlook, taking into account the sensitivity of the goodwill balances to changes in the respective assumptions. • We evaluated the 2019 financial budgets against the budgets approved by the Board of directors and involved component auditors in the evaluation of the solidity of the financial budget preparation process and the reasonability of the 2019 forecasts. Furthermore, we evaluated management's 2020-2023 outlook in particular around forecasted revenues. In addition, we focused on the adequacy of the group's disclosure that is required in terms of IAS 36 – Impairment of Assets.
Assessment of investments in associates and joint ventures for impairment At 31 December 2018, the group's investment in associates and joint venture is carried at R73 million (refer note 6). In accordance with IAS 36 – Impairment of assets, the group is required to consider whether there are indicators of impairment with respect to investments in associates and joint venture. The impairment test is considered a key audit matter to our audit due to the significant judgements and assumptions applied by management when calculating the discounted cash flows in order to determine whether the recoverable amounts exceed the carrying value of the investments.	The audit procedures performed included, amongst others, the following: • We determined whether we had identified any indicators of impairment to the carrying value of investments in associates and joint venture through knowledge of the business and management's identification of the risks of impairment in the risk identification report. • We furthermore used our valuation experts to assist us in evaluating the reasonability of the assumptions and methodologies used by management to determine the recoverable amount of the investments in associates and joint venture. The reasonableness of the forecasts of revenue growth and discount rates were assessed, as well as testing the accuracy of the calculations and we performed a sensitivity analysis around the key assumptions used in the model.

Key audit matter	How our audit addressed the key audit matter
Business Combination – Step acquisition The group has entered into a significant transaction effective 1 January 2018, which is classified as a business combination – step acquisition, where Anchor Group acquired an additional 50.88% in Anchor Securities Private Clients Proprietary Limited (refer note 31). Due to the complexities of accounting for the step acquisition in terms of IFRS 3 Business Combinations, and the significance of the judgements and assumptions applied by management in the determination of the fair value of the previously held investment, as well as the identifiable assets, liabilities and contingent liabilities acquired, this has been considered to be a key audit matter.	The audit procedures performed included, amongst others, the following: • We reviewed the agreement to ensure that the acquisition is accounted for at the correct effective date of the transaction and that the mathematical calculation of the goodwill is accurate. • We assessed for reasonableness management's at acquisition fair value calculation of the previously held investment. • We reviewed the at acquisition net asset value to determine whether the assets and liabilities are accounted for at the fair value and confirmed whether the acquisition is provisional or final. • We inspected the consolidation entries for accuracy and reasonableness. We also focused on the adequacy of the group's disclosures, that is required in terms of IFRS 3 Business Combinations.
Assessment of control, joint control or significant influence for equity investments where 49%-50% of the issued share capital is held Management has applied judgement in assessing the various factors as required by IFRS 10 – Consolidated Financial Statements, IFRS 11 – Joint Arrangements, and IAS 28 – Investments in Associates and Joint Ventures. The assessment performed for the change in shareholding in Anchor Stockbroking Proprietary Limited and Anchor Financial Services Proprietary Limited, is considered a key audit matter, as management's assessment of significant influence is highly judgemental and annual re-assessments is required to be performed by management. Furthermore, current investments where 49% to 50% of the issued share capital is held and accounted for as a subsidiary, is also considered a key audit matter, as management's assessments of control is highly judgemental and an annual re-assessment is required to be performed.	The audit procedures performed included, amongst others, the following: • With the assistance of our internal IFRS advisor, we reviewed management's assessment against the criteria of the relevant standards. • With regards to the entities where there was a change in shareholding, we reviewed the shareholder's agreements, and management's assessment of control, joint control or significant influence against their requirements of the relevant standards. • For investments where there was no change in the percentage holding, we determined whether there has been any amendments to the Memorandum of Incorporation and Mandates of Investment Committees, which would affect the assessment of control done by management in terms of IFRS 10 – Consolidated Financial Statements. We also focussed on the adequacy of the group's disclosures that is required in terms of the standards in relations to the basis on which they believe that they have control.

Key audit matter	How our audit addressed the key audit matter
Assessing expected credit risk for Financial assets at amortised cost in terms of IFRS 9 The International Accounting Standards Board (IASB) issued IFRS 9 Financial Instruments which replaced IAS 39 Financial Instruments. The group has adopted IFRS 9 and the requirements have been applied retrospectively without restating comparitives with effects from 1 January 2018. The key changes arising from adoptions of IFRS 9 are that the group's credit losses are now based on expected losses rather than an incurred loss model and the change in classification and measurement of the group's financial assets and financial liabilities. At 31 December 2018, the group's Financial assets at amortised cost is valued at R 37million (refer note 7) which consist of loans to individuals and other external parties. As described in the notes to the financial statements, the impairment losses have been determined in accordance with IFRS 9 – Financial Instruments. The application of IFRS 9 is considered to be a key audit matter, as it is a new standard that requires a significant degree of judgement by management when assessing the impairment of financial instruments. These judgements include amongst others, the classification of financial instruments, the stage in the impairment model in which the financial instrument is classified, defining default and estimating expected credit losses. The general approach was applied for these loans to individuals and other external parties. A difference on the transition to IFRS 9 at 1 January 2018 arose in the assessment of the impairments resulting in an adjustment to opening retained earning amounting to R24million.	In assessing the impairments we performed the following procedures, amongst others: • We assessed the modelling technique and methodology against the requirements of IFRS 9. • We reviewed the group's business model assessment to determine that the financial instruments are correctly classified. • We assessed the appropriateness of the opening balance and current year adjustments to determine that these have been correctly adjusted based on the expected credit loss calculations. • We assessed the data used to determine the expected credit loss reserve for accuracy, including transactional data captured at loan origination and ongoing internal credit quality assessment backed by formal agreements. • We developed our own independent model and assessed the reasonability of management's definition of default and staging of their financial assets for impairment by taking into account various factors including employment within the group, contractual arrangements, and default or adherence to terms in the contractual arrangement. • We assessed the forward looking assumptions applied by management in their expected credit loss calculations through discussions with them and corroborated certain assumptions by comparing to underlying assets under management and future pipelines. We also focussed on the adequacy of the disclosure in the financial statements in terms of IFRS 9-Financial Instruments.

Other information

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

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

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

Responsibilities of the directors for the Consolidated Financial Statements

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

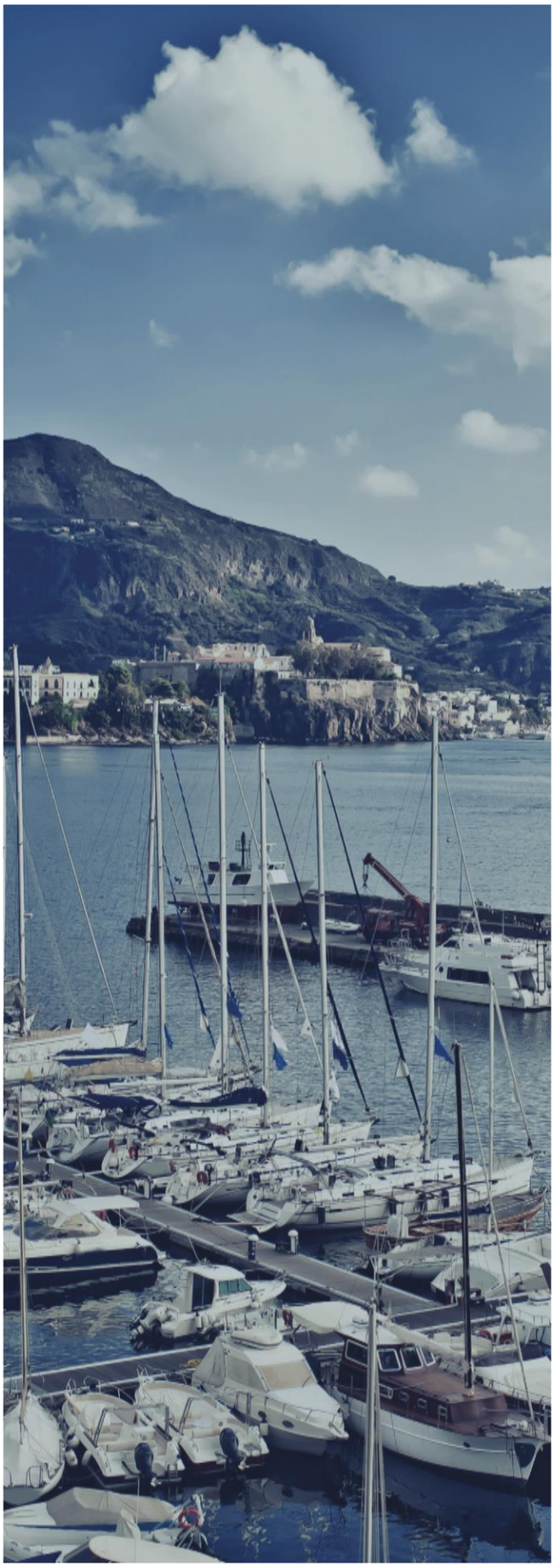
In preparing the consolidated financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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



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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other legal and regulatory requirements

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

BDO South Africa Inc.

BDO South Africa Incorporated
V Pretorius
Partner

28 March, 2019
Johannesburg

Wanderers Office Park
52 Corlett Drive
Illovo
2196

Directors' report

The Directors have pleasure in submitting their report on the consolidated annual financial statements of Anchor Group Limited (''Anchor'') for the year ended 31 December 2018.

1. NATURE OF BUSINESS

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

Anchor began managing assets in 2012 and has grown rapidly to reach group-wide assets under management and advice at 31 December 2018 of R49 billion, down 6% from R52.3 billion on 31 December 2017.

Anchor has three primary divisions – Private Clients, Asset Management and Stockbroking. The long term strategy of Anchor is to become a major player in South African asset management, with an increasing focus on offshore investment. This will be achieved by both organic and acquisitive growth.

Continuing Operations:

The turnover of the group decreased by 3% to R463 million (2017: R476 million), against a tough investment backdrop, with average assets of R50.6 billion for the year. The yield on average assets for the period decreased to 0.92% (2017: 0.97%). This was lower due to lower activity levels, negative investment markets, and no once-off items in revenue.

Costs grew by 3%, in line with inflation and reduced by revenue related costs, to R360 million (2017: R350 million).

Costs grew faster than turnover, resulting in an operating margin of 22% (2017: 27%). This resulted in operating profits declining by 18% to R104 million (2017: R126 million).

Other Income grew by 35% to R17 million (2017:R13 million). Other Income was positively impacted by the return on balance sheet assets, foreign exchange gains, and interest income. This was largely due to the spot USD/ZAR exchange rate weakening by 16% for the year.

Finance costs decreased by 53% to R2.1 million, (2017: R4.4 million). The decrease is due to the repayment of the debt.

Adjusted headline earnings per share were down 3% at 36.4 cents (2017: 38.0 cents). Adjusted headline earnings are calculated by the Group in order to reflect the sustainable cash-flow earnings of the Group. This number is used as the basis to determine the dividend cover of the Group.

The business is still highly cash generative with more than 100% of continuing profits generated in cash.

Discontinued Operations:

Capricorn Fund Managers Malta Limited ("CFM Malta"), the offshore hedge-fund associate was classified as discontinued operation, due to the intention to liquidate the entity.

The share of losses from the associate, and the impairment to fully write down the associate contributed to the loss being R298 million (2017: R2.1 million).

Shareholders' equity decreased to R870 million (2017: R1.12 billion), as a result of the loss for the period, incorporating the loss from discontinued CFM Malta associate. The net asset value per share is 422 cents. Cash and other liquid instruments were R144 million at 31 December 2018, which represents 73 cents per share.

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

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act. The accounting policies have been applied consistently compared to the prior year, except for the adoption IFRS 9 Financial Instruments and IFRS 15 Revenue.

The group has the following subsidiaries, associates and joint venture:

- Anchor Capital Proprietary Limited – 100% owned, and offers asset management products and services.
- Anchor Capital Cape Town Proprietary Limited – 100% owned, provides asset management service to private clients in Cape Town.
- Anchor Capital (Mauritius) Limited – 100% owned, provides asset management service to offshore clients.
- Ripple Effect 4 Proprietary Limited – 65% owned, and provides financial services education and research, primarily to Anchor Capital.

- Methwold Investments Proprietary Limited – effectively 97% owned, primarily Robert Cowen Investments Proprietary Limited, provides asset management products suitable to family needs. Acquired on 01 June 2015.
- Portfolio Bureau Proprietary Limited – 50% owned, provides independent financial advice. Acquired on 01 November 2015.
- Southridge Global Capital Proprietary Limited – 25% owned, is an offshore asset management company.
- Anchor Private Clients Proprietary Limited – 100% owned, provides trading and portfolio management services to private clients in Johannesburg.
- Anchor Financial Services Proprietary Limited – 50% owned, offer institutional products and distribution of these funds
- Arengo 203 Proprietary Limited – 50% owned, property management company.
- Capricorn Fund Managers SA Proprietary Limited (CFM SA) - 48.49% owned, provides Hedge Fund products suitable to private clients and institutional investors. Acquired 29 February 2016.
- Capricorn Fund Managers Malta Limited (CFM Malta) - 48.49% owned, provides Hedge Fund products suitable private clients and institutional investors. Acquired 29 February 2016. CFM Malta is in a process of being liquidated
- AG Capital Proprietary Limited (AG Capital) - 50% owned provides brokerage solutions suitable for private clients and institutional investors. Acquired on 01 December 2016.
- Anchor Stockbrokers Proprietary Limited - 49% owned, JSE member firm, which executes trades predominantly in local markets.
- Anchor Securities Private Clients Proprietary Limited - 65% owned, provides asset management services to private clients in Kwa-Zulu Natal.
- Stylo Investments Proprietary Limited - 36.75% owned, provides low-cost asset management products to private clients and institutions.
- Anchor Securities Holdings Proprietary Limited - 100% owned, is a holding company for Anchor Securities Private Client and Anchor Stockbrokers Proprietary Limited.

3. SHARE CAPITAL

197 million shares were in issue on 01 January 2018. During the financial year 7.9 million shares were issued to the senior management and previous owners of various acquisitions, which was done to align the interests of parties in growing the group company. 1 million shares were issued in terms of the share option scheme.

4. DIRECTORS

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

DIRECTORS	OFFICE	DESIGNATION	CHANGES
MS Teke	Chairman	Non-executive	
PG Armitage	Chief Executive Officer	Executive	
TE Kaplan	Chief Operating Officer	Executive	
OZ Khan	Financial Director	Executive	
AJ Adams		Independent non-executive	
AP Nkuna		Lead independent non-executive	
N Dennis		Independent non-executive	
T Mhlari Appointed 17 Aug 2018		Independent non-executive	
K Bissessor Resigned 16 Aug 2018		Independent non-executive	

5. DIRECTORS INTERESTS IN SHARES

As at 31 December 2018, the Directors of the Company held direct and indirect beneficial interests of 15.% (2017: 16%) of its issued ordinary shares, as set out below.

INTEREST IN SHARES						
DIRECTORS	2018	2018	2018	2017	2017	2017
	Direct ('000)	Indirect ('000)	Total ('000)	Direct ('000)	Indirect ('000)	Total ('000)
MS Teke	**1 730**	**9 256**	**10 986**	**-**	**10 846**	**10 846**
PG Armitage	**6 532**	**9 207**	**15 739**	**6 364**	**9 207**	**15 572**
TE Kaplan	**2 767**		**2 767**	**2 767**	**-**	**2 767**
OZ Khan	**281**		**281**	**281**	**-**	**281**
N Dennis	**1 428**		**1 428**	**1 428**	**-**	**1 428**
AJ Adams	**24**		**24**	**24**		**24**
	12 762	**18 463**	**31 225**	**11 040**	**20 053**	**31 093**

Interest in options - note .34

SHARE OPTIONS		
DIRECTORS	2018 DIRECT ('000)	2017 DIRECT ('000)
PG Armitage	**1 379**	**1 556**
TE Kaplan	**567**	**362**
OZ Khan	**496**	**314**
	2 442	**2 232**

The register of interests of directors and others in shares of the group 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.

6. INTERESTS IN ASSOCIATES AND JOINT VENTURE

Details of material interests in associates are presented in the consolidated annual financial statements in note 6.

The interest of the Group in the profits and losses of its associates and joint venture for the year ended 31 December 2018 is as follows:

ASSOCIATES AND JOINT VENTURE - CONTINUING OPERATIONS	2018 R'000	2017 R'000
Total share of equity accounted (loss)/profits	(104)	285
Associates - Discontinued operations	(298 977)	(2 108)
Net loss on discontinued operation	(299 081)	(1 895)

7. EVENTS AFTER THE REPORTING PERIOD

Four significant events have occurred post the year end.

1. On 1 January 2019, Anchor concluded the purchase agreement to buy 100% of Erudite Financial Services (Pty) Ltd ("EFS"). EFS is a financial advisory business advising 1300 clients and has R1.3bn of assets under advice. Acquisition of financial advisor books is a key distribution strategy for Anchor. Anchor paid R28m in cash to acquire this business. The Assets and Liabilities are still being finalized, therefore the goodwill amount is still provisional. There are synergies in the operations, and with the financial advisors within Anchor Capital, however these have not been quantified and recognized.

2. Anchor Capital Mauritius Limited ("ACM") is expected to earn a $5m once off fee. This is due to the termination of the investment management agreement between ACM and Astoria Investments Limited. The fee is expected to be received on the 20 March 2019.

3. Anchor has acquired the remaining 52,51% stake in Capricorn Fund Managers SA (Pty) Ltd. The acquisition will ensure a consolidated hedge fund offering to clients and increases the research coverage within the group. The Assets and Liabilities are still being finalized, therefore the goodwill amount is still provisional.

4. Anchor Group Limited acquired the property 27 Culross Road in 2017. The transfer of the title occurred after year end on 20 March 2019.

8. GOING CONCERN

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

9. AUDITORS

There was a change in Network firm membership of Grant Thornton Johannesburg Partnership to BDO South Africa Incorporated.

At the AGM, the shareholders will be requested to reappoint BDO South Africa Incorporated as the independent external auditors of the company and to confirm Ms V Pretorius as the designated lead audit partner for the 2019 financial year.

10. SECRETARY

The company secretary is CIS Company Secretaries Proprietary Limited. The directors are satisfied as to the qualification and expertise of the secretary to fulfil their duties.

CIS Company Secretaries Proprietary Limited was appointed as company secretary by the board in accordance with the Companies Act, No. 71 of 2008, as amended, with effect 01 August 2016. In accordance with the JSE Listing Requirements, a detailed assessment was conducted by the board to consider and satisfy itself of the competence, qualifications and experience of the company secretary. The board agreed that all the requirements have been met, is satisfied with their performance and is confident in their ability to meet the responsibilities of the position. CIS Company Secretaries Proprietary Limited does not serve as a director of the board and the assessment confirmed it's arm's-length relationship with the board.

Postal address	Business address
PO Box 61051	Rosebank Towers
Marshalltown	15 Biermann Avenue
2107	Rosebank
	Johannesburg
	2196

11. BORROWING LIMITATION

In terms of the Memorandum of Incorporation the directors may exercise all the power of the company to borrow money as they consider appropriate. Subject to the solvency and liquidity test, the borrowing powers of the directors are unlimited.

12. DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements set out on pages 56 to 110, which have been prepared on the going concern basis, were approved by the board on 28 March, 2019, and were signed on its behalf by:

PG Armitage

OZ khan
28 March 2019

Consolidated annual financial statements

Consolidated statement of financial position

AS AT 31 DECEMBER 2018

FIGURES IN R'000	NOTES	2018	RESTATED 2017
ASSETS			
NON-CURRENT ASSETS			
Equipment	3	6 045	7 325
Goodwill	4	589 990	557 287
Intangible assets	5	85 161	87 222
Investments in associates and joint venture	6	72 804	334 309
Financial assets	7	21 675	14 660
Deferred tax	8	7 015	4 299
		782 690	**1 005 102**
CURRENT ASSETS			
Cash and cash equivalents	12	66 204	93 672
Financial assets	7	77 709	109 611
Trade and other receivables	10	49 682	69 764
Current tax receivable		2 338	2 288
Amounts receivable on stockbroking activities	9	-	251 566
		195 933	**526 901**
TOTAL ASSETS		**978 623**	**1 532 003**
EQUITY			
Share Capital	13	961 332	913 902
Reserves		5 020	6 308
(Accumulated loss) / Retained income		(114 991)	183 845
Equity Attributable to Equity Holders of Parent		851 361	1 104 055
Non-controlling interest		18 585	19 259
		869 946	**1 123 314**
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities	15	20 844	49 983
Deferred tax	8	21 817	19 308
		42 661	**69 291**
CURRENT LIABILITIES			
Financial liabilities	15	35 791	43 521
Trade and other payables	16	25 956	29 066
Current tax payable		4 269	14 357
Amounts payable in respect of stockbroking activities	9	-	252 454
		66 016	**339 398**
TOTAL LIABILITIES		**108 677**	**408 689**
TOTAL EQUITY AND LIABILITIES		**978 623**	**1 532 003**

Consolidated statement of profit or loss and other comprehensive income

FIGURES IN R'000	NOTES	2018	RESTATED 2017
Revenue	17	463 727	476 283
Operating expenses		(360 150)	(349 520)
OPERATING PROFIT	18	**103 577**	**126 763**
Other income	20	17 077	12 666
Movement in credit allowances	19	(1 181)	-
Share of (loss)/income from associates and joint venture		(104)	285
Fair value gain on previously held equity interest	31	6 715	-
Finance costs	21	(2 073)	(4 413)
Loss of control of subsidiary	31	(2 579)	-
PROFIT BEFORE TAXATION		121 432	135 301
Taxation	22	(33 560)	(36 384)
PROFIT FROM CONTINUING OPERATIONS DISCONTINUED OPERATIONS		**87 872**	**98 917**
Loss on discontinued operations net of tax	26	(298 977)	(2 180)
(LOSS) / PROFIT FOR THE YEAR		(211 105)	96 737
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS			
Net foreign currency translation differences for foreign operation		2 132	(554)
Other comprehensive (loss) /income for the year net of taxation		2 132	(554)
TOTAL COMPREHENSIVE (LOSS) /INCOME FOR THE YEAR		**(208 973)**	**96 183**
(LOSS) / PROFIT ATTRIBUTABLE TO			
Owners of the parent From continuing operations From discontinued operations		62 810 (298 977)	65 517 (2 180)
		(236 167)	63 337
Non-controlling interest from continuing operations		25 062	33 400
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO: Owners of the parent Non-controlling interest		**(234 035)** **25 062**	**62 783** **33 400**
		(208 973)	**96 183**

	NOTE(S)	2018	RESTATED 2017
EARNINGS PER SHARE			
Continuing operations (cents)			
Basic earnings per share (c)	23	31.50	33.70
Diluted earnings per share (c)	23	31.30	33.70
Discontinuing operations (cents)			
Basic loss per share (c)	23	(149.70)	(1.10)
Diluted loss per share (c)	23	(149.00)	(1.10)
Total operations (cents)			
Basic earnings (loss) per share (c)	23	(118.30)	32.60
Diluted earnings (loss) per share (c)	23	(117.60)	32.60

Consolidated statement of changes in equity

FIGURES IN R'000	SHARE CAPITAL	FOREIGN CURRENCY TRANSLATION RESERVE	EQUITY RESERVE	TREASURY SHARES
BALANCE AS AT 01 JANUARY 2017	**904 010**	**1 159**	**(5 805)**	**-**
Profit for the year	-	-	-	-
Other comprehensive loss	-	(544)	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(544)**	-	-
Issue of shares	9 892	-	-	-
Treasury Shares	-	-	-	(5 121)
Share based payments	-	-	-	-
Dividends	-	-	-	-
TOTAL CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS OF COMPANY RECOGNISED DIRECTLY IN EQUITY	**9 892**	**-**		**(5 121)**
Opening balance as previously reported	913 902	605	(5 805)	(5 121)
Prior year adjustments (note 29)	**-**	**-**	**-**	**-**
RESTATED BALANCE AT 31 DECEMBER 2017	**913 902**	**605**	**(5 805)**	**(5 121)**
Loss for the year	-	-	-	-
Other comprehensive income	-	2 132	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	2 132	-	-
Issue of shares	47 430	-	-	-
Change in accounting policy -IFRS 9 - opening retained earnings adjustment	-	-	-	-
Changes in ownership - Anchor Securities Private Client Proprietary Limited - Note 31	-	-	-	-
Treasury shares	-	-	-	(10 406)
Share based payments	-	-	-	-
Dividends	-	-	-	-
Changes in ownership- Methwold Investment Proprietary Limited - Refer to note 11	-	-	-	-
TOTAL CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS OF COMPANY RECOGNISED DIRECTLY IN EQUITY	**47 430**	**-**	**-**	**(10 406)**
BALANCE AT 31 DECEMBER 2018	**961 332**	**2 737**	**(5 805)**	**(15 527)**
Note	13			

SHARE BASED PAYMENT RESERVE	TOTAL RESERVES	RESTATED RETAINED INCOME	RESTATED TOTAL ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP	RESTATED NON-CONTROLLING INTEREST	RESTATED TOTAL EQUITY
10 236	**5 590**	**149 526**	**1 059 126**	**18 366**	**1 077 492**
-	-	63 337	63 337	33 400	96 737
-	(554)	-	(554)	-	(554)
-	(544)	63 337	62 783	33 400	96 183
-	-	-	9 892	-	9 892
-	(5 121)	-	(5 121)	-	(5 121)
6 393	6 393	-	6 393	-	6 393
-	-	(29 018)	(29 018)	(24 274)	(53 292)
6 393	**1 272**	**(29 018)**	**(17 854)**	**(24 274)**	**(42 128)**
16 629	6 308	183 845	1 104 055	27 492	1 131 547
				(8 233)	(8 233)
16 629	**6 308**	**183 845**	**1 104 055**	**19 259**	**1 123 314**
-	-	(236 167)	(236 167)	25 062	(211 105)
-	2 132	-	2 132	-	2 132
-	2 132	(236 167)	(234 035)	25 062	(208 973)
-	-	-	47 430	-	47 430
-	-	(21 806)	(21 806)	(2 129)	(23 935)
-	-	-	-	(3 869)	(3 869)
-	(10 406)	-	(10 406)	-	(10 406)
6 986	6 986	-	6 986	-	6 986
		(40 863)	(40 863)	(23 051)	(63 914)
-	-	-	-	3 313	3 313
6 986	**(3 420)**	**(62 669)**	**(18 659)**	**(25 736)**	**(44 395)**
23 615	**5 020**	**(114 991)**	**851 361**	**18 585**	**869 946**

Consolidated statement of cash flows

FIGURES IN R'000	NOTES	2018	RESTATED 2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	24	139 486	151 240
Interest income		7 901	6 538
Finance costs		(2 073)	(4 413)
Tax paid	25	(43 850)	(29 750)
NET CASH FROM OPERATING ACTIVITIES		**101 464**	**123 615**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment	3	(11 837)	(9 256)
Proceeds on disposal of intangible assets	5	3 171	-
Business Combinations	31	(7 863)	4 363
Proceeds / (Purchase) of financial assets		9 552	20 621
Additions to investments in associates		(27 076)	(21 499)
NET CASH UTILISED FROM INVESTING ACTIVITIES		**(34 053)**	**(5 771)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in stated capital/share capital	13	1 503	4 299
Repayments of financial liabilities		(22 601)	(39 891)
Repurchase of treasury shares		(10 406)	(5 121)
Dividends paid	28	(63 914)	(61 525)
NET CASH FROM FINANCING ACTIVITIES		**(95 418)**	**(102 308)**
TOTAL CASH AND CASH EQUIVALENTS MOVEMENT FOR THE YEAR			
Total Cash and cash equivalents movements for the year		(28 007)	15 536
Cash and cash equivalents at the beginning of the year		93 672	78 184
Effect of exchange rate movement on cash balances		539	(48)
TOTAL CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**12**	**66 204**	**93 672**

Accounting policies

1. PRESENTATION OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

The principal accounting policies applied in the preparation of these consolidated annual financial statements are set out below.

1.1 BASIS OF PREPARATION

The group annual financial statements are prepared on the historical cost basis adjusted for certain financial instruments measured at fair value, and incorporate the following principal accounting policies, which conform with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncement as issued by the Financial Reporting Standards Council ("FRSC") and the requirements of the South African Companies Act and the JSE Listings Requirements. These policies have been consistently applied except for the adoption of new standards and interpretations which became effective in the current year.

Change in accounting policies

New standards, interpretations and amendments effective from 1 January 2018. New standards impacting the Group that have been adopted in the annual financial statements for the year ended 31 December 2018, and which have given rise to changes in the Group's accounting policies are:

- IFRS 9 Financial Instruments(IFRS 9) -refer to note 30; and
- IFRS 15 Revenue from Contracts with Customers (IFRS 15)

Basis of consolidation

The company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity.

Non-controlling interests in the net assets of consolidated entities 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. Anchor consolidates entities where it has less than 51% of the voting rights. In these instances Anchor has the casting vote on key decisions such as investment committee decisions and decisions to change key contracts.

Business combinations

The consolidated annual financial statements incorporate the annual financial statements of the company and all subsidiaries.

Subsidiaries are entities which are controlled by the group.

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

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 with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the 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 company.

Anticipated acquisition and contingent consideration

Forward contracts are held by non-controlling interests in the Groups that entitle the non-controlling interest to sell its interest in the subsidiary to the Group at predetermined values and on contracted dates.

In such cases the Group consolidates the non-controlling interests' share of the equity in the subsidiary and recognises the fair value of the non-controlling interest's forward, being the fair value of the estimated future purchase price, as a financial liability in the statement of financial position. The financial liability is fair valued at the end of each financial year and any changes in the value of the liability as a result of changes in assumptions used to estimate the future purchase price are recorded directly in the statement of comprehensive income.

Goodwill

Goodwill arising on acquisition of a business is carried at cost, as established at the date of the acquisition of the business, less accumulated impairment losses. For purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units which are the individual subsidiary businesses. Impairment testing is performed at each reporting date.

Investment in associates

The consolidated financial statements include the group's share of the income and expenses and equity movements of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the group's share of losses exceeds its interest in an associate, the group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the group has incurred legal or constructive obligations or made payments on behalf of an associate.

Investment in joint arrangements

The group classifies its interests in joint arrangements as joint ventures.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- the structure of joint arrangement
- the legal form of joint arrangement structured through a separate vehicle
- the contractual terms of the joint arrangement agreement
- any other facts and circumstances (including any other contractual arrangements).

The Group accounts for its interests in joint ventures in the same manner as investments in associates.

1.2 EQUIPMENT

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.

Equipment is initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses. Equipment is depreciated over its useful life, on the straight line basis to its estimated residual value as follows:

The useful lives of items of equipment have been assessed as follows:

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Furniture and Fixtures	Straight line	5 years
Motor vehicles	Straight line	5 years
IT equipment	Straight line	3 years
Office equipment	Straight line	5 years

Estimated useful lives and residual values are reassessed annually, any change which is accounted for as a change in estimate in accordance with IAS 8.

1.3 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost, and are subsequently measured at cost less accumulated amortisation and impairment losses.

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

ITEM	USEFUL LIFE
Computer software	2 years
Website development costs	3 years
Acquired customer list	10 years

Intangible asset useful lives and residual values are assessed annually, any change in which is accounted for as a change in estimate in terms of IAS 8.

1.4 FINANCIAL INSTRUMENTS

1.4.1 IAS 39

Classification and initial recognition

Financial instruments are initially recognised when the Company becomes party to the contractual terms of the instruments and are measured at cost, which is the fair value of the consideration given (financial liabilities or equity instruments) or received (financial asset).Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement on initial recognition. Transaction costs are included in the initial measurement of the financial instrument other than for financial instruments recognised at fair value through profit or loss. Subsequent to initial recognition these instruments are measured as follows:

Financial assets

The Group's financial assets consist of the following:

Trade and other receivables

Trade and other receivables are measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

The carrying amount of these instruments approximates their fair value. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call, and investments in money market instruments, net of bank overdrafts, all of which are available for use by the company unless otherwise stated. Cash and cash equivalents are subsequently measured at amortised cost.

Listed Investments

Listed investments are subsequently measured at fair value through profit and loss.

Unlisted Investments

Unlisted investments are subsequently measured at fair value through profit or loss.

Financial liabilities

Other financial liabilities consists of trade and other payables and deferred purchase consideration. Trade and other payables is carried at amortised cost using the effective interest rate method and the deferred purchase consideration is carried at fair value through profit and loss.

Fair value methods and assumptions

The fair value of financial instruments traded in an active financial market is the quoted market price at year end. The fair value of financial instruments not traded in an active financial market, is determined using a variety of methods and assumptions that are based on market conditions and risk existing at reporting date, including independent appraisals and discounted cash flow methods. The fair value determined by excluding any transaction costs necessary to realise the assets or settle the liabilities.

The carrying amounts of financial assets and liabilities with a maturity of less than 1 year are assumed to approximate their fair value as the effects of the time value of money are considered to be immaterial.

Set-off

Where a legally-enforceable right to set-off exists for recognised financial assets and financial liabilities, and there is an intention to settle the liability and realise the asset simultaneously, or to settle on a net basis, all related financial effects are set-off in the financial statements.

Trade and other payables

The trade and other payables are measured at amortised cost, using the effective interest rate method.

1.4.2 IFRS 9

Financial instruments

Recognition and derecognition
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when substantially all the risks and rewards relating to the financial assets are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Classification and initial measurement of financial asset
All financial assets are initially measured at fair value and adjusted for transaction costs (where applicable).
Financial assets, are classified into the following categories:
- amortised cost or;
- fair value through profit or loss (FVTPL).

The classification is determined by both:
- the entity's business model for managing the financial asset or;
- the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions:
- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows;
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables including loans to individuals (note 10), and other financial assets at amortised cost (note 7) fall into this category of financial instruments as well.

Financial assets at fair value through profit or loss (FVTPL)
Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. The category contains listed and unlisted investments. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Impairment of financial assets
IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:
- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade receivables:
Impairment provisions for current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Individual loans and other Financial assets at amortised cost:
Impairment provisions for individual loans, and financial assets at amortised cost are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Classification and measurement of financial liabilities
As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the Group's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below. The Group's financial liabilities include trade and other payables and deferred purchase consideration. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, trade and other payables are measured at amortised cost using the effective interest method and deferred purchase consideration which are carried subsequently at fair value with gains or losses recognised in profit or loss.

1.5 TAX

Current taxation and deferred taxation
Current and deferred taxes are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income, in which case, the current and deferred tax are also recognised in other comprehensive income.

Current taxation
Current taxation comprises taxation payable and is calculated on the basis of the expected taxable income for the year, using the taxation rates and laws enacted and substantively enacted at the reporting date, and any adjustment of taxation payable for previous years. 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.

Dividend withholding tax
Dividend withholding tax is payable at a rate of 20% on dividends paid to shareholders. This tax is not attributable to the company paying the dividend but is collected by the company and paid to the South African Revenue Services on behalf of the shareholder.

Deferred taxation
Deferred taxation is provided in full, using the liability method, on temporary differences a rising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Current enacted or substantively enacted taxation laws and rates are used to calculate deferred taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised. The carrying a mount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is not probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

1.6 LEASES

The Group is party only to leases which meet the criteria to be classified as operating leases. Operating lease payments are recognised as an expense over the lease term on the straight line basis. The difference between the actual rental paid and straight line rental presented is recognised as an operating lease liability and is unwound over the remaining lease term.

1.7 EQUITY RESERVE

An equity reserve comprise of sharebuy back and changes in ownership movement, where control has not been lost.

1.8 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.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.9 TREASURY SHARES

Consideration paid/received for the purchase/sale of treasury shares is recognised directly in equity. The cost of treasury shares held is presented as a separate reserve ("treasury share reserve").

1.10 EMPLOYEE BENEFITS

Short-term employee benefits
The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service. The provisions for employees' entitlements to wages, salaries, annual and sick leave represent the amount which the Company has a present obligation to pay as a result of the employees' services provided to the reporting date.

Retirement benefits
The Group provides retirement benefits for employees by payments to independent defined contribution funds and contributions are charged against income as incurred. The Group has no liability towards any pension or provident fund, apart from normal recurring monthly contributions deducted from employees to be paid to relevant funds.

Equity share-based payment transactions

The award date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service, ownership and performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service, ownership and performance conditions at the vesting date.

The fair value of the share based payment awards is measured using the Black-Scholes formula. Measurement inputs includes the share price on the measurement date, the exercise price of the instrument, expected share price volatility, term of the instrument, dividends and the risk free interest rate. Service and non-market performance conditions attached to the transactions are not taken into account in determining fair-value. Once the fair value of equity settled share-based payments are determined at grant date, they are not subsequently re-measured.

1.11 REVENUE

IAS 18

Revenue comprises of asset management fees, which includes service fees, management fees, brokerage and performance fees and income earned from the sale of course material.

Revenue from asset management fees and service fees are recognised using the stage of completion method over the period during which the services are provided and once the risk and reward associated with ownership has been transferred in the case of course material.

Performance fee income is included in management fee income and is recognised as and when the group is unconditionally entitled to the revenue and no contingency with respect to future performance exists. Revenue is measured at the fair value of the consideration received or receivable.

IFRS 15

The IAS 18 Revenue standard was replaced with IFRS 15 which establishes a comprehensive framework for determining whether, how much and when the revenue should be recognised.

Revenue comprises of asset management activities which comprise of management fees, advice fees, brokerage fees and performance fees, and income earned from the sale of course material.

In terms of IFRS 15, the group is required to recognise revenue when or as the entity satisfies a performance obligation by transferring a promised service or good to a customer.

The Group has therefore assessed the impact of IFRS 15 based on the IFRS 15 five step process as per below:

The mandate is the contract signed between the customer and Anchor and is the legally enforceable contract identifying the rights of each party.

The performance obligation in the mandate is the promise by Anchor to manage the clients funds to generate an increase in the clients funds.

The mandate specifies the transaction price as being the expected management fee, advice fee, brokerage fee and performance fee to be charged.

The service performed by Anchor to the client as per the signed mandate results in either management fees or performance fees or both. These fees are separately identifiable to each obligation, and therefore no estimation will be required in allocation of the fees to the performance obligation.

Anchor only recognises the revenue when it has satisfied the promised obligation of providing the asset management service, and the obligation has been monetised.

Due to the adoption of the IFRS 15 by the group, and the assessment performed above, the Group concluded and assessed that IFRS 15 does not have any material impact to the Group's revenue recognition.

The Group's revenue is measured based on the consideration received in the contract with the customer excluding Value Added Taxation.

1.12 OTHER INCOME

Other income comprises of exchange rates gains and losses, interest received and realised and unrealised profits and losses on listed and other financial assets. Realised and unrealised profits and losses on listed and other financial assets are carried at fair value through profit and loss.

Interest income is recognised in profit and loss as it accrues using effective interest rate.

1.13 FINANCE EXPENSES

Finance expenses comprises of interest payable on borrowings calculated using the effective interest rate.

1.14 TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to rand at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation, realisation or settlement are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to rand at foreign exchange rates ruling at the dates the fair value was determined.

Foreign operations

The assets and liabilities of foreign operations arising on consolidation, are translated to rand at foreign exchange rates ruling at the reporting date.

The income and expenses of foreign operations are translated to rand at rates approximating foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognised directly in the foreign currency translation reserve in other comprehensive income. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

1.15 DISCONTINUED OPERATIONS

A discontinued operation is a component of the Group's business, the operation and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is a part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is represented as if the operation had been discontinued from the start of the comparative year.

1.16 SEGMENTAL REPORTING ACCOUNTING POLICY

The key line items of the Statement of Financial Position and the Statement of Comprehensive Income of the group companies involved in non asset management, asset management and stockbroking are the reportable segments which represents the structure used by the executive committee to make key operating decisions and assess performance.

An operating segment's operating results are reviewed regularly by the executive committee in order to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the executive committee include items directly attributable to a segment as well as those that can be allocated on reasonable basis.

1.17 MANAGEMENTS' SIGNIFICANT JUDGEMENTS AND ESTIMATES

Significant judgements and assumptions applied by management have been detailed in the notes to the relevant financial statement items. Management applies their judgements and assumptions on the following items:

- Inputs used to determine the recoverable amount of goodwill, intangible assets - refer to note 5;
- Inputs used to fair value of financial asset - refer to note 7;
- Inputs used to determine the cost of the Share options, other than Black Scholes Model inputs - refer to note 14;
- Inputs used to fair value of financial liabilities; specifically contingent considerations - refer to note 15;
- Assumptions to realise deferred tax assets - refer to note 8;
- Assumptions to determine the probability of default and loss given defaults for expected credit loss provisions - refer note 36.
- Judgement used in assessment of control, joint control and significant influence - refer to note 6.

1.18 EARNINGS PER SHARE

The group presents basic, diluted and headline earnings per share data for its ordinary shares. Basic earnings per share is based on profit or loss attributable to equity holders of the company, and will not include non-controllable interest, and is calculated on the weighted average number of ordinary shares in issue during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Headline and diluted headline earnings per share is calculated in accordance with the circular titled Headline Earnings issued by the South African Institute of Chartered Accountants.

Notes to the consolidated AFS

2. Segmental Information

FIGURES IN R'000

2018

	NON-ASSET MANAGEMENT BUSINESSES	ASSET MANAGEMENT BUSINESSES	STOCKBROKING	INTERCOMPANY ELIMINATIONS	TOTAL
Revenue	48 073	355 625	110 506	(50 477)	463 727
Operating expense	(19 914)	(267 610)	(92 802)	20 176	(360 150)
Operating profit	28 159	88 015	17 704	(30 301)	103 577
Other income	39 538	14 991	6 864	(44 316)	17 077
Loss of control of subsidiary	(2 579)	-	-	-	(2 579)
Fair value gain on previously held interest	-	6 715	-	-	6 715
Movement in credit allowance	-	(1 181)	-	-	(1 181)
Share of (loss) from associate and Joint venture, continuing operation	(104)	-	-	-	(104)
Share of (loss) from associate and Joint venture, discontinued operation	(298 977)	-	-	-	(298 977)
Finance costs	-	(4 891)	(1 579)	4 397	(2 073)
Taxation	-	-	-	-	(33 560)
PROFIT AFTER TAX	**(233 963)**	**103 649**	**22 989**	**(70 220)**	**(211 105)**

2017

	NON-ASSET MANAGEMENT BUSINESSES	ASSET MANAGEMENT BUSINESSES	STOCKBROKING	INTERCOMPANY ELIMINATIONS	TOTAL RESTATED
Revenue	55 292	372 050	129 850	(80 909)	476 283
Operating expense	(23 827)	(270 283)	(92 078)	36 668	(349 520)
Operating profit	31 465	101 767	37 772	(44 241)	126 763
Other income	8 106	8 093	3 259	(6 792)	12 666
Share of (loss) from associate and Joint venture, continuing operation	285	-	-	-	285
Share of (loss) from associate and Joint venture, discontinued operation	(2 180)	-	-	-	(2 180)
Finance costs	(548)	(5 081)	(1 491)	2 707	(4 413)
Taxation	-	-	-	-	(36 384)
PROFIT AFTER TAX	**37 128**	**104 779**	**39 540**	**(48 326)**	**96 737**

FIGURES IN R'000					2018
	NON-ASSET MANAGEMENT	**ASSET MANAGEMENT**	**STOCKBROKING**	**INTERCOMPANY ELIMINATIONS**	**TOTAL**
Non-current assets	725 912	279 630	7 316	(230 168)	782 690
Current assets	79 388	128 736	490 275	(502 466)	195 933
Total Assets	805 300	408 366	497 591	(732 634)	978 623
Non-current liabilities	(20 668)	(21 993)	(657)	657	(42 661)
Current liabilities	(21 680)	(41 331)	(460 882)	457 877	(66 016)
Total Liabilities	(42 348)	(63 324)	(461 539)	458 534	(108 677)
EQUITY	**762 952**	**345 042**	**36 052**	**(274 100)**	**869 946**
					2017
	NON-ASSET MANAGEMENT	**ASSET MANAGEMENT**	**STOCKBROKING**	**INTERCOMPANY ELIMINATIONS**	**TOTAL**
Non-current assets	988 442	251 717	8 889	(243 946)	1 005 102
Current assets	109 636	167 850	288 225	(38 810)	526 901
Total Assets	1 098 078	419 567	297 114	(282 756)	1 532 003
Non-current liabilities	(57 041)	(15 152)	(17 237)	20 139	(69 291)
Current liabilities	(8 378)	(73 265)	(259 907)	2 152	(339 398)
Total Liabilities	(65 419)	(88 417)	(277 144)	22 291	(408 689)
EQUITY	**1 032 659**	**331 150**	**19 970**	**(260 465)**	**1 123 314**

2.1. New standards and interpretations issued not yet effective.

STANDARD	DETAILS OF AMENDMENTS	ANNUAL PERIODS BEGINNING OR AFTER
IFRS 3 Business Combinations	• Annual Improvements 2015 - 2017 Cycle: – Clarification that when an entity obtains control of a business that is a joint operation, it is required to remeasure previously held interests in that business. • Definition of a Business: The amendments: – confirmed that a business must include inputs and a process, and clarified that: – the process must be substantive; and – the inputs and process must together significantly contribute to creating outputs. – narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and – added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets. – This will be assessed as and when a business combination transaction occurs.	1 January 2019 1 January 2020
IFRIC 23 Uncertainty over Income Tax Treatment	– The interpretation specifies how an entity should reflect the effects of uncertainties in accounting for income taxes. – There are deferred tax assets of R5.4 million relating to assessed losses, and these will be impacted when the new standard is applicable	1 January 2019

STANDARD	DETAILS OF AMENDMENTS	ANNUAL PERIODS BEGINNING OR AFTER
IAS 28 Investments in Associates and Joint Ventures	• Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) : Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. • Long-term interest in Associates and Joint Ventures: Clarification provided that an entity should apply IFRS 9 to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. • There are loans to associates for R32.5 million. IFRS 9 will be assessed for these loans when the standard is effective. A 30% impact on the loan balances is expected based on historic information available.	The effective date of this amendment has been deferred indefinitely until further notice
IAS 12 Income Taxes	• Annual Improvements 2015 - 2017 Cycle: Clarification that all income tax consequences of dividends should be recognised in profit or loss, regardless how the tax arises.	1 January 2019
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	• Disclosure Initiative: The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards. • This will be assessed as and when an error occurs.	1 January 2020
IAS 1 Presentation of Financial Statements	• Disclosure Initiative: The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards. • This will be assessed as and when an error occurs.	1 January 2020
IFRS 2 Share Options	• Classification and Measurement : A collection of three distinct narrow-scope amendments dealing with classification and measurement of share based payments The amendments address: - The effects of vesting conditions on the measurement of a cash-settled share based payment - The accounting requirements for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled; and • Classification of share-based payment transactions with net settlement features. • The Anchor share option scheme is equity settled and the above amendments do not materially impact Anchor	1 January 2019
IFRS 10 Consolidated Financial Statements	• Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. • This will be assessed as and when a business combination transaction occurs.	The effective date of this amendment has been deferred indefinitely until further notice

STANDARD	DETAILS OF AMENDMENTS	ANNUAL PERIODS BEGINNING OR AFTER
IFRS 16 Leases	• New standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying IAS 7 Statement of Cash Flows. • IFRS 16 contains expanded disclosure requirements for lessees. Lessees will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee. • IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases for finance leases, and to account for those two types of leases differently. • IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. • IFRS 16 supersedes the following Standards and Interpretations: - IAS 17 Leases; - IFRIC 4 Determining whether an Arrangement contains a lease; - SIC -15 Operating Leases -Incentives; and - SIC -27 Evaluating the Substance of Transactions • Involving the Legal Form of a Lease. • The major lease within Anchor Group is negotiated annually. Due to this, the impact of the above amendment is not material.	1 January 2019

3. Equipment

FIGURES IN R'000	2018			2017		
	COST	ACCUMULATED DEPRECIATION	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION	CARRYING VALUE
Furniture and fixtures	9 600	(5 722)	3 878	8 072	(3 572)	4 500
Motor vehicles	1 045	(134)	911	766	(263)	513
Office equipment	3 790	(3 348)	442	3 441	(2 528)	913
IT equipment	4 531	(3 717)	814	4 013	(2 614)	1 399
TOTAL	**18 966**	**(12 921)**	**6 045**	**16 302**	**(8 977)**	**7 325**

FIGURES IN R'000					
RECONCILIATION OF EQUIPMENT – 2018					
	OPENING BALANCE	ADDITIONS	DISPOSALS	DEPRECIATION	TOTAL
Furniture and fixtures	4 500	1 162	-	(1 784)	3 878
Motor vehicles	513	800	(224)	(178)	911
Office equipment	913	291	-	(762)	442
IT equipment	1 399	410	(20)	(975)	814
	7 325	**2 663**	**(244)**	**(3 699)**	**6 045**
RECONCILIATION OF EQUIPMENT – 2017					
	OPENING BALANCE	ADDITIONS	DISPOSALS	DEPRECIATION	TOTAL
Furniture and fixtures	4 833	1 173	(170)	(1 336)	4 500
Motor vehicles	392	245	-	(124)	513
Office equipment	1 044	688	(55)	(764)	913
IT equipment	1 537	831	-	(969)	1 399
	7 806	**2 937**	**(225)**	**(3 193)**	**7 325**

4. Goodwill

FIGURES IN R'000	2018			2017		
	COST	ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED IMPAIRMENT	CARRYING VALUE
GOODWILL	589 990	-	589 990	557 287	-	557 287

FIGURES IN R'000				
RECONCILIATION OF GOODWILL – 2018				
	OPENING BALANCE	ADDITIONS THROUGH BUSINESS COMBINATIONS	DISPOSALS THROUGH BUSINESS DISINVESTMENTS	TOTAL
GOODWILL	557 287	38 080	(5 377)	589 990

RECONCILIATION OF GOODWILL – 2017				
	OPENING BALANCE	ADDITIONS THROUGH BUSINESS COMBINATIONS		TOTAL
GOODWILL	551 910	5 377		557 287

FIGURES IN R'000		
GOODWILL	**2018**	**2017**
Anchor Capital Proprietary Limited	856	856
Ripple Effect 4 Proprietary Limited	2 263	2 263
Anchor Capital Cape Town Proprietary Limited	21 282	21 282
Methwold Investments Proprietary Limited	124 272	124 272
Portfolio Bureau Proprietary Limited	139 767	139 767
AG Capital Proprietary Limited	132 116	132 116
Anchor Securities Holdings Proprietary Limited	131 354	131 354
* Anchor Stockbrokers Proprietary Limited	-	5 377
Anchor Securities Private Clients Proprietary Limited	38 080	-
	589 990	**557 287**

*On 30 November 2018 Anchor Group Limited disposed off 51% of its shareholding Anchor Stockbrokers Proprietary Limited which resulted in loss of control of the subsidiary. Refer to Note 31

MATERIAL ASSESSED RECOVERABLE AMOUNTS FROM ABOVE ARE DISCLOSED BELOW:	CARRYING VALUES FOR GOODWILL	ASSESSED RECOVERABLE AMOUNTS FOR GOODWILL
Methwold Investments Property Limited	124 272	216 869
AG Capital Proprietary Limited	132 116	231 846
Portfolio Bureau Proprietary Limited	139 767	250 851
^ Anchor Securities Holdings Proprietary Limited	131 354	151 877
	527 509	851 443

The assessed recoverable amounts were determined by calculating the value in use.
A Discounted cash flow model was used to calculate the value in use over a five year forecast.
The key assumptions in this model were:

1. Revenue growth (Incorporating market returns and net asset flows)
2. Expenses growth (Incorporating variable and fixed expenses)
3. Discount Rate
4. Terminal Price Earnings ratio

^ Anchor Securities Holdings Proprietary Limited has one cash generating unit. This cash generating unit is Anchor Private Clients Proprietary Limited.

ASSUMPTION				
	REVENUE GROWTH	EXPENSES GROWTH	DISCOUNT RATE	TERMINAL PE
Methwold Investments Proprietary Limited	12.50%	6%	14%	8
AG Capital Proprietary Limited	15% *	8%	14%	8
Portfolio Bureau Proprietary Limited	10%	6%	14%	6
Anchor Securities Holdings Proprietary Limited	20% #	6%	14%	8

SENSITIVITIES - REVENUE GROWTH	10% ON INPUTS	-10% ON INPUTS
Methwold Investments Proprietary Limited	230 373	203 884
AG Capital Proprietary Limited	252 768	211 894
Portfolio Bureau Proprietary Limited	261 247	240 773
Anchor Securities Holdings Proprietary Limited	167 081	137 575
SENSITIVITIES - EXPENSES GROWTH	**10% ON INPUTS**	**-10% ON INPUTS**
Methwold Investments Proprietary Limited	214 804	218 891
AG Capital Proprietary Limited	226 797	236 762
Portfolio Bureau Proprietary Limited	249 680	252 000
Anchor Securities Holdings Proprietary Limited	150 417	153 307
SENSITIVITIES - DISCOUNT RATE	**10% ON INPUTS**	**-10% ON INPUTS**
Methwold Investments Proprietary Limited	205 793	228 731
AG Capital Proprietary Limited	219 934	244 612
Portfolio Bureau Proprietary Limited	238 908	263 611
Anchor Securities Holdings Proprietary Limited	143 826	160 511
SENSITIVITIES – TERMINAL PE	**10% ON INPUTS**	**-10% ON INPUTS**
Methwold Investments Proprietary Limited	230 914	203 543
AG Capital Proprietary Limited	247 511	216 180
Portfolio Bureau Proprietary Limited	262 474	239 227
Anchor Securities Holdings Proprietary Limited	162 770	140 983

(*) A higher growth rate than the industry norm growth rate of 12.5% was used. In year 1, a 60% growth rate was used and thereafter a 15% compounded rate was used from years 2 to 5. The revenue within AG Capital is predominantly brokerage related, and in 2018 the JSE trading volumes were down 40%. The following factors will contribute to the 60% growth:

1. A normalised trading environment where trading volumes will increase from 2018.
2. AG Capital has started a bond trading division, and a scrip lending division. This will lead to higher revenue in 2019, and is not included in the 2018 revenue.
3. Distribution initiatives within Anchor Group will add assets under management to AG Capital.

(#) A higher growth rate than the industry norm growth rate of 12.5% was used. In year 1, a 40% growth rate was used and thereafter a 20% compounded rate was used. Anchor Securities' revenue is predominantly brokerage related, and in 2018 the JSE trading volumes were down 40%. The following factors will contribute to the 40% growth:

1. A normalised trading environment where trading volumes will increase from 2018.
2. Distribution initiatives within Anchor Group will add assets under management to Anchor Securities.

5. Intangible assets

FIGURES IN R'000	2018			2017		
	COST	ACCUMULATED AMORTISATION	CARRYING VALUE	COST	ACCUMULATED AMORTISATION	CARRYING VALUE
Computer software	4 840	(3 187)	1 653	3 929	(2 613)	1 316
Website development costs	8 094	(969)	7 125	4 312	(599)	3 713
Acquired customer list	95 230	(18 847)	76 383	90 961	(12 463)	78 498
Web-based software*	-	-	-	3 695	-	3 695
TOTAL	**108 164**	**(23 003)**	**85 161**	**102 897**	**(15 675)**	**87 222**

* In the prior year the web-based software was incorrectly classified as an intangible asset. In the current year it has been reclassified to an investment in associate.(Refer to note 6).

FIGURES IN R'000						
RECONCILIATION OF INTANGIBLE – 2018						
	OPENING BALANCE	ADDITIONS	DISPOSALS	RECLASSIFIED	AMORTISATION	TOTAL
Computer software	1 316	1 041	(47)	-	(657)	1 653
Website development costs	3 713	3 782	-	-	(370)	7 125
Customer list	78 498	7 421	(2 630)	-	(6 906)	76 383
Web-based software	3 695	-	-	(3 695)	-	-
	87 222	**12 244**	**(2 677)**	**(3 695)**	**(7 933)**	**85 161**

FIGURES IN R'000						
RECONCILIATION OF INTANGIBLE – 2017						
	OPENING BALANCE	ADDITIONS	ADDITIONS THROUGH BUSINESS COMBINATIONS	INTERCOMPANY TRANSFERS	AMORTISATION	TOTAL
Computer software	812	1 113	-	(382)	(227)	1 316
Website development costs	839	4 150	-	(45)	(1 231)	3 713
Customer list	63 387	-	21 269	-	(6 158)	78 498
Web-based software	2 639	1 056	-	-	-	3 695
	67 677	**6 319**	**21 269**	**(427)**	**(7 616)**	**87 222**

- Remaining useful lives of Software is 1-2 years.
- Remaining useful lives of website development costs 1-3 years.
- Remaining useful lives of Customer List 4-10 years.

6. Investments in associates and joint venture

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

FIGURES IN R'000					
NAME OF COMPANY	HELD BY	% OWNERSHIP INTEREST 2018	% OWNERSHIP INTEREST 2017	CARRYING AMOUNT 2018	CARRYING AMOUNT 2017
*Arengo 203 Proprietary Limited	Anchor Group Limited	50.00%	50.00%	18 111	16 276
**Anchor Stockbrokers Proprietary Limited	Anchor Group Limited	49%	-	12 408	-
Southridge Global Capital Proprietary Limited	Anchor Group Limited	25.00%	25.00%	1 929	1 634
+ Anchor Financial Services Proprietary Limited	Anchor Group Limited	50.00%	20.00%	30 909	14 877
Stylo Investment Proprietary Limited	Anchor Group Limited	36,75%	36,75%	3 274	3 894
--Bizank Proprietary Limited	Anchor Capital Proprietary Limited	20.00%	-	6 173	-
^Anchor Securities Private Clients Proprietary Limited	Anchor Capital Proprietary Limited	-	14.12%	-	1
#Capricorn Fund Managers Malta Limited	Anchor Group Limited	-	48.49%	-	297 627
				72 804	**334 309**

*Anchor Group Limited considers Arengo 203 Proprietary Limited a joint venture as no decisions can be made without mutual agreement.

**On 30 November 2018 Anchor Group Limited sold 51% of its shareholding in Anchor Stockbrokers Proprietary Limited resulting in a loss of control in the subsidiary.

+ On 1 July 2018 Anchor Group Limited acquired an additional stake of 30% in Anchor Financial Services Proprietary Limited which resulted in an increase of its shareholding from 20% to 50%. Anchor Group Limited does not have power over relevant activities of Anchor Financial Services in terms of IFRS 10 to be consolidated as subsidiary.

^On 1 January 2018 Anchor Capital Proprietary Limited has acquired additional shareholding of 50.88% in Anchor Securities Private Clients which resulted in an increase of its holding from 14.12% - 65%. As from 1 January 2018 it became a subsidiary.

#There were material outflow of funds in Capricorn Fund Managers Malta Limited after June 2018, and in September a decision was taken to close the fund and the investment has been fully impaired.

-- Bizank is a 20% owned associate. Bizank Proprietary Limited owns Bizank, the software, which is South Africa's first Robo-Advisor. Anchor Capital has the exclusive right to use, and distribute Bizank.

In the prior year, Bizank was incorrectly classified as an intangible asset. The incorrect classification is not material.

FIGURES IN R'000 SUMMARISED FINANCIAL INFORMATION OF ASSOCIATES AND JOINT VENTURE				
2018				
SUMMARISED STATEMENT OF PROFIT OR (LOSS) AND OTHER COMPREHENSIVE INCOME	REVENUE	OTHER EXPENSES	TAXATION	TOTAL COMPREHENSIVE (LOSS) /INCOME
Southridge Global Capital Proprietary Limited	2 887	(2 282)	(169)	436
Anchor Financial Services Proprietary Limited	10 511	(12 058)	453	(1 094)
Arengo 203 Proprietary Limited	11 650	(8 073)	(982)	2 595
Stylo Investment Proprietary Limited	1 183	(2 895)	24	(1 688)
Capricorn Fund Managers Malta Limited	24 567	(94 739)	(1 798)	(71 970)
Anchor Stockbrokers Proprietary Limited	1 433	(1 901)	33	(435)
	52 231	**(121 948)**	**(2 439)**	**(72 156)**

SUMMARISED STATEMENT OF FINANCIAL POSITION OF ASSOCIATES AND JOINT VENTURE	NON-CURRENT ASSETS	CURRENT ASSETS	NON-CURRENT LIABILITIES	CURRENT LIABILITIES	TOTAL NET ASSETS / LIABILITIES
2018					
Southridge Global Capital Proprietary Limited	-	2 367	-	(176)	2 191
Anchor Financial Services Proprietary Limited	5 024	5 327	(16 596)	(877)	(7 122)
Arengo 203 Proprietary Limited	65 576	783	(26 430)	(1 560)	38 369
Stylo Investment Proprietary Limited	1 214	1 668	(1 181)	(192)	1 509
Capricorn Fund Managers Malta Limited	-	8 452	-	(61 982)	(53 530)
Anchor Stockbrokers Proprietary Limited	2 677	483 493	(15 544)	(469 819)	807
	74 491	**502 090**	**(59 751)**	**(534 606)**	**(17 776)**

RECONCILIATION OF NET ASSETS TO EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES AND JOINT VENTURE	INVESTMENTS IN COST (INCLUDING GOODWILL)	ACCUMULATED SHARE OF PROFIT / (LOSSES) FROM ASSOCIATES	LOAN TO ASSOCIATES	SHAREBUY - BACK / DIVIDEND	IMPAIRMENT	INVESTMENT IN ASSOCIATE
2018						
Southridge Global Capital Proprietary Limited	1 868	60	-	-	-	1 928
Anchor Financial Services Proprietary Limited	17 966	(1 795)	14 738	-	-	30 909
Arengo 203 Proprietary Limited	10 620	2 310	5 181	-	-	18 111
Stylo Investment Proprietary Limited	4 036	(762)	-	-	-	3 274
Anchor Stockbrokers Proprietary Limited	1	(214)	12 621	-	-	12 408
Capricorn Malta Limited	322 396	(26 674)	-	(29 900)	(265 822)	-
Bizank Proprietary Limited	-	-	6 173	-	-	6 173
	356 887	**(27 075)**	**38 713**	**(29 900)**	**(265 822)**	**72 803**

SUMMARISED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF ASSOCIATES AND JOINT VENTURE	REVENUE	OTHER EXPENSES	TAXATION	TOTAL COMPREHENSIVE INCOME / (LOSS)
2017				
Southridge Global Capital Proprietary Limited	1 587	(1 820)	66	(167)
Anchor Financial Services Proprietary Limited	4 957	(8 512)	995	(2 560)
Arengo 203 Proprietary Limited	6 106	(4 744)	(381)	981
Stylo Investment Proprietary Limited	815	(2 180)	-	(1 365)
Capricorn Fund Managers Malta Limited	32 307	(37 447)	644	(4 496)
	45 772	**(54 703)**	**1 324**	**(7 607)**

SUMMARISED STATEMENT OF FINANCIAL POSITION OF ASSOCIATES AND JOINT VENTURE	NON-CURRENT ASSETS	CURRENT ASSETS	NON-CURRENT LIABILITIES	CURRENT LIABILITIES	TOTAL NET ASSETS / LIABILITIES
					2017
Southridge Global Capital Proprietary Limited	287	892	-	(38)	1 141
Anchor Financial Services Proprietary Limited	3 533	5 241	-	(11 404)	(2 630)
Arengo 203 Proprietary Limited	65 777	1 020	(31 892)	(1 571)	33 334
Stylo Investment Proprietary Limited	1 116	3 281	(1 163)	(38)	3 196
Capricorn Fund Managers Malta Limited	43 964	29 174	-	(49 834)	23 304
	114 677	**39 608**	**(33 055)**	**(62 885)**	**58 345**

RECONCILIATION OF INVESTMENTS IN ASSOCIATES AND JOINT VENTURE	INVESTMENTS IN COST (INCLUDING GOODWILL)	SHARE OF PROFIT / (LOSSES) FROM ASSOCIATES	LOAN TO ASSOCIATES	SHAREBUY-BACK	DIVIDENDS	TOTAL
2017						
Southridge Global Capital Proprietary Limited	1 868	(48)	(186)	-	-	1 634
Anchor Financial Services Proprietary Limited	5 000	(1 126)	11 003	-	-	14 877
Arengo 203 Proprietary Limited	10 620	1 020	4 635	-	-	16 275
Stylo Investment Proprietary Limited	4 036	(142)	-	-	-	3 894
Capricorn Fund Managers Malta Limited	322 396	6 480	-	(4 800)	(26 449)	297 627
Anchor Securities Private Clients Proprietary Limited	1	-	-	-	-	1
	343 921	**6 184**	**15 452**	**(4 800)**	**(26 449)**	**334 308**

7. Financial assets

FIGURES IN R'000		
AT FAIR VALUE THROUGH PROFIT OR LOSS	2018	2017
Cartesian Capital Proprietary Limited	796	796
Edugro Holdings Proprietary Limited	14 820	12 350
Anberry Proprietary Limited	700	-
Short-term investments	45 923	63 482
	62 239	**76 628**
AT AMORTISED COST (2018)/ LOANS AND RECEIVABLES (2017) - NON-CURRENT-		
Hatch Corp Proprietary Limited	1 516	1 514
The loan is unsecured, interest is charged at 0% and the loan is payable on demand.		
Contractual loans to individuals	2 636	-
The loan is unsecured, interest is charged at 0% and the loan is payable on demand.		
Contractual loans to individuals		-
The amount owing is secured, charged interest between 7.5% to prime and has fixed terms of repayment	9 858	
	14 010	1 514
Expected credit loss allowance	(8 651)	-
Total	**5 359**	**1 514**
AT AMORTISED COST (2018)/ LOANS AND RECEIVABLES (2017) – CURRENT		
Anchor Consulting Proprietary Limited The loan is unsecured, interest is charged at 0% and the loan is payable on demand.	3 524	2 493
Loans to individuals The loan is unsecured, interest is charged at 0% and the loan is payable on demand.	5 050	4 110
Cartesian Capital Proprietary Limited The loan is unsecured, interest is charged at 0% and the loan is payable on demand.	1 205	1 204
Foreign loan The above loan bears interest LIBOR plus 1% repayable on demand.	17 262	14 872
Anchor Securities Private Clients Proprietary Limited The loan is unsecured, interest is charged at 0% and the loan is payable on demand.	-	17 200
Deposit for Land Deposit was paid to conveyances for purchase of land in 27 Culross Road. At year end the title deed was not transferred to the Anchor Group's name.	6 721	6 250
Loans to entities Unsecured, interest charged at 0% and repayable on demand.	6 724	-
Loans to individuals The amount owing is secured, charged interest between 7.5% to prime and has fixed terms of repayment	1 920	-
	42 406	46 129
Expected credit loss allowance - (Refer to note 30)	**(10 620)**	**-**
Total	**31 786**	**46 129**

Fair value through profit or loss	16 316	13 146
At amortised cost	5 359	1 514
NON-CURRENT ASSETS	**21 675**	**14 660**
Fair value through profit or loss	45 923	63 482
At amortised cost	31 786	46 129
CURRENT ASSETS	**77 709**	**109 611**

Fair value hierarchy of Financial assets at Fair value through profit/loss.

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

- Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets.
- Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).
- Level 3 applies inputs which are not based on observable market data.

FIGURES IN R'000	2018	2017
LEVEL 1		
Short-term investment and unit trusts	45 923	63 482
LEVEL 3		
Unlisted investments	16 316	13 146
	62 239	**76 628**

Level 1 Investments are listed investments, the fair value is the exchange traded price at year end.

Level 3 is an unlisted investment. The investments below are level 3:

1. Edugrow is a level 3 as it is an unlisted investment. The fair value was determined by using a EBITDA valuation method. The EBITDA multiple used took into account the early stage of the business.

   The fair value derived was compared to the Net asset value, the discounted cash flow value, and was assessed to be in line.
2. Cartesian Capital is a level 3 as it is an unlisted investment. The fair value was determined by discounting the future cash flows generated from the continuing use and was based on the cash flows that were projected on actual operating results and a 5-year forecast. The cash flows are discounted using a rate of 14% which represents the weighted average cost of capital.
3. Anberry Proprietary Limited is level 3 as it is an unlisted investment. The fair value is determined using an audited NAV of a property company.

Edugrow Proprietary Limited	2018	2017
Opening fair value	12 350	9 941
Fair value movement	2 470	2 409
Closing fair value	14 820	12 350

Cartesian Capital Proprietary Limited	2018	2017
Fair Value	796	796

Anberry Proprietary Limited	2018	2017
Fair value	700	-

8. Deferred tax

FIGURES IN R'000		
DEFERRED TAX LIABILITY	2018	2017
Originating from temporary differences	(21 899)	(21 034)
Unrealised gain in investments	82	1 726
TOTAL DEFERRED TAX LIABILITY	**(21 817)**	**(19 308)**

FIGURES IN R'000		
DEFERRED TAX ASSET	2018	2017
Originating from temporary differences	7 015	4 299
Deferred tax liability	(21 817)	(19 308)
Deferred tax asset	7 015	4 299
TOTAL NET DEFERRED TAX LIABILITY	**(14 801)**	**(15 009)**

RECONCILIATION OF DEFERRED TAX ASSET / (LIABILITY)	2018	2017
At beginning of year	(15 009)	(14 899)
Originating from accruals	1 572	1 986
Originating from temporary difference on straight lining of operating leases	35	46
Originating from other temporary differences	551	1 556
Originating from temporary differences on intangible asset	(1 869)	(2 396)
Originating from unrealised gain in investments	(82)	(1 302)
	(14 801)	**(15 009)**

9. Amounts owing (to)/by stockbroking activities

FIGURES IN R'000	2018	2017
Amounts receivable on stockbroking activities	-	251 566
Amounts payable in respect of stockbroking activities	-	(252 454)
	-	(888)

In terms of Section 21 of the Financial Markets Act of 2012, cash held for client accounts in the clients name is held with JSE Trustees Proprietary Limited ("JSE Trustees"). The amounts owing to and from clients represent unsettled exchange traded transactions at year end. In the current year, Anchor Group Limited sold 51% of its shareholding in Anchor Stockbrokers Proprietary Limited resulting in a loss of control in the subsidiary. (Refer note 31).

10. Trade and other receivables

FIGURES IN R'000	2018	2017
Trade receivables	45 267	55 771
Loss allowance for foreign trade receivables	(1 814)	-
Trade receivables at amortised cost	43 453	55 771
Other receivables	6 229	5 495
Loans to individuals	-	8 498
Total trade and other receivables	49 682	**69 764**

Trade receivables balance includes Local and Foreign trade debtors.

For local trade receivables, management assessed the expected credit loss on the balance, and it concluded that there is a probability of default, of which the impact is not material.

Foreign trade receivables are based in Mauritius, and usually take 30 - 45 days to settle accounts, management assessed the expected credit loss on the balance and due to the longer duration provided a probability of default of 20% - 30%.

*Refer to note 30 for application of IFRS 9 on loans to individuals

11. Changes in ownership - Methwold Investment Proprietary Limited

During the year Anchor Group Limited sold 3% of Methwold Investment Proprietary Limited to incentivise an individual. The disposal of the 3% was to align his long term interest with Anchor Group Limited in terms of growth in Methwold Investment Proprietary Limited. The purchase price was settled by a loan account disclosed in financial assets.

12. Cash and cash equivalents

Cash and cash equivalents consist of:

	2018	2017
Bank balances	57 524	86 637
Investments in liquid investments	8 680	7 035
	66 204	**93 672**

13. Share capital

NUMBER OF SHARES '000	2018	2017
AUTHORISED		
1 000 000 000 Ordinary shares of no par value	1 000 000	1 000 000
During the year 2.536 million shares at an average market price of R4.103 were bought in the open market by Anchor Capital Proprietary Limited. These shares are classified as Treasury shares.		
RECONCILIATION OF NUMBER OF SHARES ISSUED		
Reported as at 31 December 2017	197 220	193 456
Issue of shares to acquire customer list	-	919
Issue of shares to purchase consideration settlement – Methwold Investments Proprietary Limited	327	137
Issue of shares for value of share option	944	2 708
Issue of shares to purchase consideration settlement – AG Capital Proprietary Limited	2 884	-
Issue of shares to acquire additional 30% in Anchor Financial Service Proprietary	3 000	-
Issue of shares to acquire additional 50.88% in Anchor Securities Private Clients Proprietary Limited	1 782	-
	206 157	**197 220**

VALUE OF SHARES ISSUED R '000		
Opening balance as at 01 January 2018	913 902	904 010
Issue of shares to acquire customer list	-	5 000
Issue of shares to purchase consideration settlement - AG Capital Proprietary Limited	10 053	-
Issue of shares for purchase consideration settlement - Methwold Investments Proprietary Limited	1 178	663
Issue of shares to acquire additional 30% in Anchor Financial Service Proprietary Limited	10 500	-
Issue of shares to acquire Anchor Securities Holdings Proprietary Limited	24 195	-
Issue of shares for value of share option	1 504	4 229
	961 332	**913 902**

14. Share based payments

Part of the motivation for listing Anchor Group Limited was to enable staff members to participate in the equity of the business. Only equity settled share options were issued to staff. Fair value at grant date is calculated using Black Scholes Model.#

FIGURES IN R'000									
	1 Jun 18	1 Jun 18	30 Apr 18	1 Oct 17	1 Mar 16	1 Jan 15	30 Jun 15	1 May 15	1 Sep 14
Number of options ('000)	275	500	6 412	6 954	3 317	4 779	977	787	9 256
Vesting period	3 years								
Vesting conditions	In the employ of the company								
Expiry date	5 years								
Weighted average share price	R 3.5	R 3.5	R 3.9	R 4.5	R 14	R 2 - 6.5	R 2 – 10.8	R 2 – 10.8	R 2
Expected Volatility	32%	30%	32%	30%	27%	24 - 30%	24 - 30%	24 - 30%	30%
Exercise price	R 2.61	R 2.90	R 2.60	R 3.40	R 10	R 1.40 -5	R 1.40 - 10	R 1.40-10	R 1.40
Expected dividend yield	7.3%	7.3%	7.3%	7.3%	7.9%	6.9 -9%	6.9-9%	6.9-9%	9%
Risk-free interest rate	5.36%	5.36%	5.36%	5.36%	6%	5.29%	5.29%	5.29%	5.29%
Remaining expiry period	3 years	3 years	3 years	2 years	1 year	1 year	1 year	0 year	0 year

FIGURES IN R'000		
RECONCILIATION OF SHARE OPTIONS	NUMBER OF SHARE OPTIONS OUTSTANDING 2018	NUMBER OF SHARE OPTIONS OUTSTANDING 2017
Outstanding at the beginning of the year	13 482	9 306
Number of options granted during the year	7 187	6 954
Number of options exercised	(945)	(2 708)
Number of options lapsed	(1 146)	(70)
Number of share options outstanding at year end	**18 578**	**13 482**

15. Financial liabilities

	2018	2017
Standard Bank Limited. The above loan is secured, repayable semi-annually over 3 years with instalments of R7 500 000 bearing interest at JIBAR +2,65%.	14 947	30 036
Contingent Purchase Consideration - Methwold Investments Proprietary Limited (''Methwold'') Anchor will acquire the remaining 19% of Methwold in two (2) annual tranches based on a price earnings ratio of 8 times audited profit after taxation commencing from the year ending 31 December 2018. The purchase consideration for the remaining 19% has been capped at a maximum of the initial purchase consideration. Methwold is a level 3 as the fair value is derived from the audited profit after tax made by Methwold.	9 979	19 280
Contingent Purchase consideration - AG Capital Proprietary Limited An additional amount is payable to external shareholders. This is for the underpin on the share issued for the acquisition. AG Capital Proprietary Limited is a level 1 as the fair value is derived from the Anchor Group Limited share price.	31 709	44 188
	56 635	**93 504**

FIGURES IN R'000	2018	2017
NON-CURRENT LIABILITIES		
At amortised cost	-	15 036
At fair value	20 844	34 947
	20 844	**49 983**
CURRENT LIABILITIES		
At amortised cost	14 947	15 000
At fair value	20 844	28 521
	35 791	**43 521**

FIGURES IN R'000	2018	2017
RECONCILIATION FOR AG CAPITAL PROPRIETARY CONTINGENT PURCHASE CONSIDERATION		
Opening balance	44 188	18 500
Issue of shares	(10 053)	-
Fair value (gain) adjustment to the underpin	(2 426)	(5 512)
Adjustment to the contingent consideration	-	31 200
CLOSING BALANCE	**31 709**	**44 188**

FIGURES IN R'000	2018	2017
RECONCILIATION FOR METHWOLD INVESTMENT PROPRIETARY CONTINGENT PURCHASE CONSIDERATION		
Opening balance	19 280	26 071
Consideration paid	(7 514)	(7 296)
Issue of shares	(1 178)	(664)
Fair value (gain) adjustment to the underpin	(609)	1 169
CLOSING BALANCE	**9 979**	**19 280**

16. Trade and other payables

FIGURES IN R'000	2018	2017
Trade payables	11 408	6 701
Accrued expenses and provisions	14 548	22 365
	25 956	29 066

17. Revenue

Sale of course materials	2 261	2 015
Asset management fees #	461 466	474 268
	463 727	**476 283**

(#) The revenue from asset management fees includes R25 644 from Anchor Capital Mauritius Limited, which is earned is US Dollars. This revenue is earned from Private Clients and Astoria Limited.

18. Operating profit

Operating profit for the year is stated after accounting for the following:

FIGURES IN R'000	2018	2017
Premises lease rentals	13 319	11 773
Amortisation on intangible assets	7 933	7 616
Depreciation	3 699	3 193
Employee costs	172 985	160 725
Commission costs	12 314	10 805
Data and Research costs	3 143	2 247
Share-based payment expense	6 986	6 393

19. Credit loss allowance

Movement in credit loss allowances		
Loans to individuals	1 181	-

20. Other income

Interest received	7 901	6 538
Fair value gain on contingent consideration	3 036	5 512
Fair value profit /(loss)on investments	3 936	(1 170)
Other income*	2 204	1 786
	17 077	**12 666**

(*) Other income relates to expense recoveries, sundry income and forex gains and losses.

21. Finance costs

Interest paid	2 073	4 413

22. Taxation

MAJOR COMPONENTS OF THE TAX EXPENSE	2018	2017
CURRENT		
Local income tax – current period	33 712	37 049
DEFERRED		
Originating and reversing temporary differences	(152)	(665)
	33 560	**36 384**

FIGURES IN R'000	2018	2017
RECONCILIATION OF THE TAX EXPENSE		
RECONCILIATION BETWEEN ACCOUNTING PROFIT AND TAX EXPENSE		
Accounting profit	121 432	133 121
Tax at the applicable tax rate of 28% (2017: 28%)	34 001	37 274
TAX EFFECT OF ADJUSTMENTS ON TAXABLE INCOME		
Equity Settled Share Scheme	2 080	1 680
Share of (loss) / profits from Associates and Joint Venture	(29)	531
Accruals	-	299
Unrealised gain/(loss)	82	(975)
Corporate Finance expenses	-	107
Fair value underpin on AG Capital Proprietary Limited	(679)	(1 543)
Fair value gain on previously held interest	(1 131)	-
Fair value underpin on Methwold Investments Proprietary Limited	(171)	-
Intangible assets	(1 512)	(1 724)
Other	919	735
	33 560	**36 384**

23. Earnings per share

	2018	2017
CONTINUING OPERATIONS		
Earnings per share (cents)	31.5	33.7
Diluted earnings per share (cents)	31.3	33.7
Headline earnings per share (cents)	29.4	33.7
Diluted headline earnings per share (cents)	29.2	33.7
Adjusted headline earnings per share (cents)	38.4	39.1
Diluted adjusted headline earnings per share (cents)	38.2	39.1
DISCONTINUED OPERATIONS		
Earnings per share (cents)	(149.7)	(1.1)
Diluted earnings per share (cents)	(149.0)	(1.1)
Headline earnings per share (cents)	(16.6)	(1.1)
Diluted headline earnings per share (cents)	(16.5)	(1.1)
Adjusted headline earnings per share (cents)	(2.0)	(1.1)
Diluted adjusted headline earnings per share (cents)	(2.0)	(1.1)
TOTAL OPERATIONS		
Earnings per share (cents)	(118.3)	32.6
Diluted earnings per share (cents)	(117.6)	32.6
Headline earnings per share (cents)	12.8	32.6
Diluted headline earnings per share (cents)	12.7	32.6
Adjusted headline earnings per share (cents)	36.4	38.0
Diluted adjusted headline earnings per share (cents)	36.2	37.9
EARNINGS AND HEADLINE EARNINGS PER SHARE – CONTINUING OPERATIONS		
Earnings attributable to shareholders	**87 872**	**98 917**
Non-controlling interest	25 062	33 400
Earning attributable to ordinary shareholders	**62 810**	**65 517**
Loss of control of subsidiary	2 579	-
Fair Value gain on previously held equity	(6 715)	-
Headline earnings attributable to ordinary shareholders	**58 674**	**65 617**
Amortisation of intangible asset	5 712	4 065
Equity settled share option costs	6 986	6 393
Cash gain on disposal of subsidiary	4 040	-
Movement in credit losses	1 181	-
Adjusted headline earnings attributable to ordinary shareholders	**76 593**	**75 975**
EARNINGS AND HEADLINE EARNINGS PER SHARE – DISCONTINUED OPERATIONS		
Earnings attributable to shareholders	(298 977)	(2 180)
Earnings attributable to ordinary shareholders	(298 977)	(2 180)
Impairment of CFM Malta within Anchor Group	265 822	-
Headline earnings attributable to ordinary shareholders	(33 155)	(2 180)
Impairment of loan within CFM Malta	29 230	-
Adjusted headline earnings attributable to ordinary shareholders	(3 925)	(2 180)

FIGURES IN R'000	2018	2017
EARNINGS ATTRIBUTABLE TO SHAREHOLDERS	**(211 105)**	**96 737**
Non-controlling interest	25 062	33 400
Earnings attributable to ordinary shareholders	**(236 167)**	**63 337**
Loss of control of subsidiary	2 579	-
Fair value gain on previously held equity	(6 715)	-
Impairment of CFM Malta within Anchor Group	265 822	-

FIGURES IN R'000	2018	2017
Headline earnings attributable to ordinary shareholders	**25 519**	**63 337**
Cash gain on sale of subsidiary	4 040	-
Impairment of loan within CFM Malta	29 230	-
Amortisation on Intangible Asset	5 712	4 065
Movement in credit losses	1 181	-
Equity settled share option costs	6 986	6 393
Adjusted headline earnings attributable to ordinary shareholders	**72 668**	**73 795**

Adjusted headline earnings are calculated by the group in order to reflect the sustainable cash-flow earnings of the group. This number is used as the basis to determine the dividend cover of the group. The share options costs, amortisation on intangible assets, and the business combination adjustment are all non-cash flow items and are therefore excluded from adjusted headline earnings.

Number of shares in issue	206 143	197 217
Weighted average number of shares in issue	**199 657**	**194 310**
Employee share incentive scheme	1 051	244
Diluted weighted average number of shares in issue	**200 708**	**194 554**

24. Cash generated from operations

FIGURES IN R'000	2018	2017
Profit before taxation including loss on discontinued operations	(177 545)	133 121
ADJUSTMENTS FOR		
Depreciation and amortisation	11 632	10 809
Fair value gain on financial investments	(3 936)	-
Fair value on contingent consideration	(3 036)	-
Income from equity accounted investments	104	1 895
Interest income	(7 901)	(6 538)
Finance costs	2 073	4 413
Loss of control of subsidiary	2 579	-
Fair value gain on previously held equity interest	(6 715)	-
Impairment on discontinued operation	265 822	-
Share option costs	6 986	6 393
Share of losses from discontinued operations	33 154	-
Movement in credit losses	1 181	-
Other non-cash items	(70)	1 846
CHANGES IN WORKING CAPITAL		
Trade and other receivables	18 268	12 490
Trade and other payables	(3 110)	(15 501)
	139 486	**148 928**

25. Tax paid

Balance as beginning of the year	(12 069)	(4 770)
Current tax for the year recognised in profit or loss	(33 712)	(37 049)
Tax balance end of the year	1 931	12 069
	(43 850)	**(29 750)**

26. Discontinued operations

FIGURES IN R'000	2018	2017

During 2018, management decided to close down the CFM Malta associate.
CFM Malta was mainly responsible for managing the CFM GEMS fund.
The GEMS fund had a great historic track record, however since acquisition the fund has underperformed.
There were material outflow in this business after June 2018, and in September a decision was taken to close the fund.
The share of losses and the impairment of the associate are highlighted below:

The statement of comprehensive income below discloses the share of losses and impairment separately as compared to consolidated statement of comprehensive income.

Investment in associate at cost	322 396	322 396
Historic share of profits	6 480	8 660
Share of losses in associate in current year	(33 154)	(2 180)
Share buyback	(4 800)	(4 800)
Dividends	(25 100)	(26 449)
Impairment	(265 822)	
	-	**297 627**
Summarised statement of loss and other comprehensive loss		
Revenue	11 913	32 307
Other Expenses	(44 195)	(37 447)
Taxation	(872)	644
Total Comprehensive loss	**(33 154)**	**(4 496)**

27. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2018			
	Long term borrowings	Contingent Purchase consideration	Total
Balance 1 January 2018	30 036	63 468	93 504
Cash flows : Repayments	(15 089)	(7 514)	(22 603)
Fair value adjustment	-	(3 036)	(3 036)
Non-cash settlement: Shares	-	(11 231)	(11 231)
Balance 31 December 2018	**14 947**	**41 687**	**56 635**

Reconciliation of liabilities arising from financing activities - 2017			
	Long term borrowings	Contingent Purchase consideration	Total
Balance 1 January 2017	44 976	92 349	137 325
Cash flows : Repayments	(14 940)	(24 891)	(39 831)
Non-cash settlement: Shares	-	(3 990)	(3 990)
	30 036	**63 468**	**93 504**

28. Dividends paid

Dividends paid by subsidiaries to external shareholders	(23 051)	(32 507)
Dividends paid by Anchor Group Limited to external shareholders	(40 863)	(29 018)
Total Dividends Paid	**(63 914)**	**(61 525)**

29. Restatement of Financial Statements

The following restatements have been made to the 2017 financial statements:

1. Correction of an error IAS8: A balance relating to dividends paid to non-controlling interest was incorrectly classified as trade and other payables.
2. Correction of an error IAS8: Balances were mapped incorrectly to financial liabilities, trade payables and financial assets
3. CFM Malta was reclassified as a discontinued operation in terms of IFRS 5.

The impact of this error and the restatement is provided below:

Statement of Financial Position	As previously reported	Adjustment	Restated balance
Current assets			
Financial assets	111 882	(2 271)	109 611
Equity			
Non controlling interests	27 492	(8 233)	19 259
Non current liabilities			
Financial liabilities	52 714	(2 731)	49 983
Current liabilities			
Financial liabilities	37 094	6 427	43 521
Trade and other payables	26 800	2 266	29 066

Statement of profit and other comprehensive income	As previously reported	Adjustment	Restated balance
Share of profits/(losses) from associates	(1 895)	2 180	285
Loss on discontinued operations	-	(2 180)	(2 180)

Statement of Cash Flows	As previously reported	Adjustment	Restated balance
Cash flows from operating activities			
Cash generated from operations	140 736	10 504	151 240
Cash flows from investing activities			
Proceeds/(Purchase) of financial assets	22 892	(2 271)	20 621
Cash flow from financing activities			
Dividends	(53 292)	(8 233)	(61 525)

No third column balance sheet has been presented as the restatement errors relates to reclassification within the statement of financial position and cash flow.

30. Adoption of IFRS 9

IFRS 9 has replaced IAS 39 Financial Instruments

The group applied the expected credit loss model when calculating impairment losses on its financial assets measured at amortised costs such (such as trade receivables). This resulted in increased impairment allowance and greater judgement due to the forward looking information when estimating the appropriate amount of allowance.

In applying IFRS 9 the group considered the probability of a default occurring over the contractual life of it trade receivables, and individual loans at amortised cost.

The credit risk impact was assessed on these in the following way:

1. Assessed the stage of life assessment, incorporating the duration of loan and the repayment history.
2. Assessed the credit risk of the counterparty incorporating the future financial standing, the future ability to service interest and capital, and any future recoverability of security against the loans.

The group has chosen not to restate comparatives on adoption of IFRS 9 and, therefore, these changes have been processed at the date of initial application (i.e. 1 January 2018), and presented in the statement of changes in equity

Impact of IFRS 9 to Non current asset held at amortised cost - refer to note 7	Hatch Corp Proprietary Limited	Loans to individuals	**Total**
Opening balance: Expected credit loss through retained earning	(1 363)	(6 890)	(8 253)
Expected credit loss through profit and loss	-	(398)	(398)
Closing balance	**(1 363)**	**(7 288)**	**(8 651)**

Impact of IFRS 9 on current assets held at amortised cost - refer to note 7	Anchor Consulting Proprietary Limited	Loans to individuals	Cartesian Capital Proprietary Limited	Foreign loans	**Total**
Opening balance: Expected credit loss through retained earning	(352)	(6 303)	(1 084)	(4 002)	(11 741)
**Expected allowance: Capricorn Malta	-	1 904	-	-	1 904
Expected credit loss through profit and loss	-	(783)	-	-	(783)
Closing balance	**(352)**	**(5 182)**	**(1 084)**	**(4 002)**	**(10 620)**

Impact of IFRS 9 on statement of changes in equity	*Non-controlling interest	**Total**
Opening balance: Expected credit loss through retained earning	(2 129)	(2 129)
	(2 129)	**(2 129)**

*Non-controlling interest holds 51.51% of Capricorn Fund Managers (SA). Total expected credit loss raised in retained is R4 134 546 and the non-controlling interest shares 51.51% of the total balance.

** Capricorn Malta Proprietary Limited wrote off the expected credit loss at year end.

31. Loss of control and Business combinations

Anchor Stockbrokers Proprietary Limited

On 30 November 2018, Anchor Group Limited disposed off 51% of its shareholding in Anchor Stockbrokers Proprietary Limited which resulted in loss of control. As from 30 November 2018 Anchor Group Limited holds 49%.

FIGURES IN R'000	2018	2017
Fair value of assets acquired and liabilities assumed		
Property, plant and equipment	(24)	-
Intangible assets	(2 677)	-
Financial asset held for trade facilitation	(506 591)	-
Trade and other receivables	(1 481)	-
Shareholders loan	14 778	-
Cash and cash equivalents	(663)	-
Deferred tax	794	-
Trade and other payables	1 403	-
Current tax payable	5 983	-
Financial liabilities held for trade facilitation	487 236	-
Total identifiable net asset	(1 242)	-
Goodwill	(5 377)	-
Less: Gain on disposal	4 040	-
	(2 579)	**-**

FIGURES IN R'000	2018	2017
Anchor Securities Private Clients ("ASPC")		

On 1 January 2018, Anchor Capital Proprietary Limited acquired an additional 50.88% of the shareholding in Anchor Securities Private Clients Proprietary Limited which resulted in the company obtaining control. This was in addition to an existing interest of 14.12% which was obtained in 2017.

ASPC is a high-quality Private Client business with more than R1.8 billion of Assets Under Management, and is based in Kwa-Zulu Natal. The purchase price was settled in shares.

The reason for the acquisition is to increase the presence in Kwa-Zulu Natal, and acquire the best private client business in terms of portfolio performance and client servicing.

Fair value of assets acquired and liabilities assumed		
Property, plant and equipment	459	-
Loans from intragroup companies	(17 201)	-
Deferred tax	3 082	-
Trade and other receivables	2 340	-
Cash and cash equivalents	1 132	-
Trade and other payables	(851)	-
Total identifiable net assets	(11 039)	-
Non-controlling interest	3 869	-
Purchase consideration paid in shares	(24 195)	-
Fair value of previously held interest	(6 715)	-
Goodwill	**(38 080)**	**-**

Acquisition of customer list
The group acquired a book of assets which qualify as a business combination.

BOOK PURCHASES	FINANCIAL ADVISORS	DEFERRED TAX – FINANCIAL ADVISORS	TOTAL
19/02/2018	1 160	451	1 611
23/03/2018	207	81	288
17/05/2018	75	29	104
21/05/2018	1 450	564	2 014
24/05/2018	38	15	53
20/07/2018	506	197	703
15/08/2018	38	15	53
20/09/2018	1 466	570	2 036
10/10/2018	403	157	560
	5 343	**2 079**	**7 422**

FIGURES IN R'000	2018	2017
SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS		
The following entities are considered to have a material non-controlling interest		
Name of entities	Proportion of ownership interests and voting rights held by the NCI 2018	Proportion of ownership interests and voting rights held by the NCI 2017
AG Capital Proprietary Limited	50%	50%
Portfolio Bureau Proprietary Limited	50%	50%

Summarised statement of comprehensive income	AG Capital Proprietary Limited 2018	AG Capital Proprietary Limited 2017	Portfolio Bureau Proprietary Limited 2018	Portfolio Bureau Proprietary Limited 2017
Turnover	54 558	61 251	70 654	66 375
Profit after tax for the year	11 883	20 594	39 705	37 892
Profit allocated to NCI	5 942	10 297	19 852	18 946
Dividends allocated to non controlling interest	(2 629)	(8 233)	(18 765)	(18 140)
Accumulated equity allocated to non-controlling interests	9 717	7 002	2 724	2 724
Cash flow from operating activities	20 374	26 655	50 511	50 270
Non-current assets	11 855	9 706	2 163	1 660
Current assets	12 810	10 112	8 406	9 279
Non-current liabilities	(173)	(209)	-	-
Current liabilities	(5 062)	(5 605)	(5 196)	(5 490)

32. Commitments

	2018	2017
Operating leases expense		
Minimum lease payments due		
- within one year	1 900	1 759
- in second to fifth year inclusive	987	2 887
	2 887	**4 646**

33. Related parties

RELATIONSHIPS	
Subsidiaries	• Anchor Capital Proprietary Limited • Ripple Effect 4 Proprietary Limited • Methwold Investments Proprietary Limited • Portfolio Bureau Proprietary Limited • Anchor Capital (Mauritius) Limited • Capricorn Fund Managers South Africa Proprietary Limited • AG Capital Proprietary Limited • Anchor Capital Cape Town Proprietary Limited • Anchor Private Clients Proprietary Limited • Anchor Securities Private Clients Proprietary Limited
Associates and Joint Ventures	• Arengo 203 Proprietary Limited • Anchor Financial Services Proprietary Limited • Southridge Capital Proprietary Limited • Stylo Investments Proprietary Limited • Bizank Proprietary Limited • Anchor Stockbrokers Proprietary Limited
Members of key management	• PG Armitage (Chief Executive Officer) • TE Kaplan (Chief Operating Officer) • OZ Khan (Chief Financial Officer)
Non-executive directors	• T Mhlari (Independent non-executive director) • MS Teke (Non-executive director) • AJ Adams (Independent non-executive director) • AP Nkuna (Lead Independent non-executive director) • N Dennis (Independent non-executive director)

FIGURES IN R'000	2018	2017
RELATED PARTY BALANCES		
Loans to/(from) related parties by Anchor Group Limited		
Anchor Capital Proprietary Limited	18 881	33 121
Ripple Effect 4 Proprietary Limited	(364)	(486)
Cartesian Capital Proprietary Limited	1 205	1 204
Arengo 203 Proprietary Limited	5 181	4 636
Anchor Stockbrokers Proprietary Limited	9 664	8 736
Anchor Consulting Proprietary Limited	2 493	2 493
Anchor Financial Services Proprietary Limited	14 738	11 003
Southridge Capital Proprietary Limited	-	(186)
Loans to/(from) related parties by Anchor Capital Proprietary Limited		
Anchor Private Clients Proprietary Limited	11 116	13 020
Anchor Capital Cape Town Proprietary Limited	3 045	5 406
Anchor Group Limited	(18 881)	(33 121)
Anchor Stockbrokers Proprietary Limited	2 957	5 433
Loans to/(from) related parties by Anchor Capital Cape Town Proprietary Limited		
Hobo Trust	1 500	1 500
Anchor Capital Proprietary Limited	(3 045)	(5 406)
Loans to/(from) related parties by Anchor Private Clients Proprietary Limited		
Anchor Securities Private Clients Proprietary Limited	17 673	17 200
Anchor Stockbrokers Proprietary Limited	2 270	2 270
Anchor Capital Proprietary Limited	(11 116)	(13 020)
Anchor Consulting Proprietary Limited	1 030	-

FIGURES IN R'000	2018	2017
Trade Receivables In Anchor Capital Proprietary Limited From Related Parties		
Anchor Consulting Proprietary Limited	10	10
Anchor Private Clients Proprietary Limited	124	269
Anchor Securities Private Clients Proprietary Limited	56	12
Anchor Stockbrokers Proprietary Limited	905	1 279
Cartesian Capital Proprietary Limited	124	37
Anchor Capital (Mauritius) Limited	808	2 944
Portfolio Bureau Investments Proprietary Limited	36	9
Ripple Effect 4 Proprietary Limited	-	22
SouthRidge Global Proprietary Limited	-	77
Anchor Capital Proprietary Limited	-	438
AG Capital Proprietary Limited	118	379
Capricorn Fund Mangers SA	7	29
Methwold Investments Proprietary Limited	-	61
Anchor Multi Management Proprietary Limited	47	-
Anchor Advisory Services Proprietary Limited	147	-
Trade Receivables In Anchor Group Proprietary Limited From Related Parties:		
Anchor Capital Proprietary Limited	2 945	(438)
Anchor Capital Proprietary Limited	-	2 111
Trade Receivables In Anchor Private Clients Proprietary Limited From Related Parties:		
Anchor Capital Proprietary Limited	-	63
Anchor Securities Private Clients Proprietary Limited	-	36
Anchor Stockbrokers Proprietary Limited	-	2 633
RELATED PARTY TRANSACTIONS		
Interest (Paid)/ Received From Related Parties By Anchor Group Limited		
Anchor Financial Services Proprietary Limited	1 304	955
Anchor Stockbrokers Proprietary Limited	923	857
Interest (Paid) To Related Parties By Anchor Stockbrokers Proprietary Limited		
Anchor Capital Proprietary Limited	(448)	(533)
Anchor Group Limited	(923)	(857)
Interest (paid)/received from related parties by Anchor Capital Proprietary Limited		
Anchor Stockbrokers Proprietary Limited	1 227	955
Anchor Private Clients Proprietary Limited	447	1 534
Rent (Paid)/Received By Anchor Group Limited From Related Parties		
Arengo 203 Proprietary Limited	(5 624)	(5 624)
Anchor Capital Proprietary Limited	10 742	8 571
Anchor Securities Private Client Proprietary Limited	(338)	-
Methwold Investments Proprietary Limited	494	115
Rent (paid)/received by Anchor Capital Proprietary Limited from related parties		
Anchor Stockbrokers Proprietary Limited	812	690

FIGURES IN R'000	2018	2017
Share Options Anchor Group Limited		
Anchor Capital Proprietary Limited	6 733	5 999
Methwold Investments Proprietary Limited	252	394
Management fees (Paid)/Received by Anchor Capital Proprietary Limited		
Anchor Capital Cape Town Proprietary Limited	-	(3 260)
Anchor Capital Proprietary Limited	-	3 260
Dividends Received Anchor Group Limited		
Portfolio Bureau Proprietary Limited	18 765	16 345
Capricorn Fund Managers SA Proprietary Limited	-	1 455
Anchor Stockbrokers Proprietary Limited	1 910	-
AG Capital Proprietary Limited	3 830	8 828
Methwold Investments Proprietary Limited	9 003	8 812
Anchor Mauritius Proprietary Limited	-	5 546
Data and research costs (paid)/received by Anchor Capital Proprietary Limited from related parties		
Ripple Effect 4 Proprietary Limited	1 275	1 495
Anchor Capital Proprietary Limited	(1 276)	(1 495)
Insurance Received By Anchor Capital Proprietary Limited From Related Parties:		
Anchor Capital Cape Town Proprietary Limited	5	24
Anchor Financial Services Proprietary Limited	159	62
Ripple Effect 4 Proprietary Limited	12	12
Anchor Private Clients Proprietary Limited	127	139
Methwold Investments Proprietary Limited	111	107
AG Capital Proprietary Limited	92	72
Southridge Capital Proprietary Limited	10	9
Anchor Securities Private Clients Proprietary Limited	15	6
Anchor Stockbrokers Proprietary Limited	15	37
Stylo Investments Proprietary Limited	15	2
Accounting Fees Received By Anchor Capital Cape Town Proprietary Limited From		
Anchor Capital Cape Town Proprietary Limited	9	90
Anchor Financial Services Proprietary Limited	2	2
Southridge Capital Proprietary Limited	51	30
Commissions Received/(Paid) Anchor Capital Cape Town Proprietary Limited		
Anchor Capital Proprietary Limited	1 542	16 357
Commissions Received/(Paid) Anchor Capital Proprietary Limited		
Anchor Capital Cape Town Proprietary Limited	(1 542)	(16 357)
Methwold Investment Proprietary Limited	(547)	(589)
Portfolio Bureau Proprietary Limited	(370)	-
Investment advisory fees (paid)/received by Anchor Capital Proprietary Limited		
Anchor Mauritius Limited	15 294	11 987
Methwold Investment Proprietary Limited	3 617	-
Investment advisory fees (paid)/received by Anchor Mauritius Limited		
Methwold Investment Proprietary Limited	(3 617)	-
Anchor Capital Proprietary Limited	(15 294)	(11 987)

34. Directors' emoluments

FIGURES IN R'000			2018
SALARIES PAID BY ANCHOR CAPITAL PROPRIETARY LIMITED			
EXECUTIVE DIRECTORS	**BASIC SALARY**	**BONUS AND PERFORMANCE RELATED PAYMENTS**	**TOTAL**
PG Armitage	2 227	751	2 978
TE Kaplan	1 213	471	1 684
OZ Khan	1 092	368	1 460
	4 532	**1 590**	**6 122**

EXECUTIVE DIRECTORS	NUMBER OF SHARE OPTIONS OUTSTANDING 2017 ('000)	NUMBER OF SHARE OPTIONS ISSUED 2018 ('000)	NUMBER OF SHARE OPTIONS EXERCISED 2018 ('000)	TOTAL OUTSTANDING OPTIONS 2018 ('000)
PG Armitage	1 556	440	(617)	1 379
TE Kaplan	362	205	-	567
OZ Khan	248	182	-	430
	2 166	**827**	**(617)**	2 376

SHARE OPTION EXPENSE RELATING TO EXECUTIVE DIRECTORS	2018	2017
PG Armitage	630	644
TE Kaplan	258	232
OZ Khan	167	108
	1 055	**984**

During the current financial year only PG Armitage exercised his share option at an average price of R3.74 (2017: R4.68). In 2018, all the executive directors exercised their share option at an average price of R3.74

FIGURES IN R'000				2017
SALARIES PAID BY ANCHOR CAPITAL PROPRIETARY LIMITED				
EXECUTIVE DIRECTORS	**BASIC SALARY**	**BONUS AND PERFORMANCE RELATED PAYMENTS**	**GAINS ON EXERCISE OF OPTIONS**	**TOTAL**
PG Armitage	2 130	730	-	**2 860**
TE Kaplan	1 155	358	505	**2 018**
OZ Khan	1 017	460	109	**1 586**
	4 302	**1 548**	**614**	**6 464**

EXECUTIVE DIRECTORS	NUMBER OF SHARE OPTIONS OUTSTANDING 2016 ('000)	NUMBER OF SHARE OPTIONS ISSUED 2017 ('000)	NUMBER OF SHARE OPTIONS EXERCISED 2017 ('000)	TOTAL OUTSTANDING OPTIONS 2016 ('000)
PG Armitage	1 102	454	-	1 556
TE Kaplan	352	164	(154)	362
OZ Khan	200	148	(100)	248
	1 654	**766**	**(254)**	**2 166**

FIGURES IN R'000		2018
ANCHOR GROUP LIMITED		
NON-EXECUTIVE	**DIRECTOR'S FEES**	**TOTAL**
MS Teke	192	192
AJ Adams	234	234
AP Nkuna	162	162
N Dennis	198	198
K Bissessor	142	142
T Mhlari	73	73
	1 001	**1 001**

FIGURES IN R'000		2017
ANCHOR GROUP LIMITED		
NON-EXECUTIVE	**DIRECTOR'S FEES**	**TOTAL**
MS Teke	328	328
AJ Adams	270	270
AP Nkuna	198	198
N Dennis	245	245
K Bissessor	162	162
	1 203	**1 203**

35. Events after reporting period

Three significant subsequent events have occurred post the year end.

1. On 1 January 2019, Anchor concluded the purchase agreement to buy 100% of Erudite Financial Services (Pty) Ltd ("EFS").
   EFS is a financial advisory business and has R1.3bn of assets under advice. Acquisition of financial advisor books is a key distribution strategy for Anchor.
   The assets and liabilities are still being finalized, therefore the goodwill amount is still provisional.
   There are synergies in the operations, and with the financial advisors within Anchor Capital, however these have not been quantified and recognized.

2. Anchor Capital Mauritius Limited ("ACM") is expected to earn a $5m once off fee. This is due to the termination of the investment management agreement between ACM and Astoria Limited.

3. Anchor has acquired the remaining 52,51% stake in Capricorn Fund Managers SA (Pty) Ltd.
   The acquisition will ensure a consolidated hedge fund offering to clients and increases the research coverage within the Group.

4. Anchor Group Limited acquired the property 27 Culross Road in 2017. The transfer of the title occurred after year end on 20 March 2019.

36. Financial instruments and risk management

Categories of financial instruments

FIGURES IN R'000				2018
AS AT 31 DECEMBER 2018	AT FAIR VALUE	FINANCIAL ASSETS / LIABILITIES AT AMORTISED COST	NON-FINANCIAL ASSETS AND LIABILITIES	CARRYING AMOUNT
Financial assets	62 239	37 145	-	99 384
Non-financial assets	-	-	763 353	763 353
Trade and other receivables	-	47 743	1 939	49 682
Cash and cash equivalents	-	66 204	-	66 204
	62 239	**151 092**	**765 292**	**978 623**
Financial liabilities	(41 688)	(14 947)	-	(56 635)
Non-financial liabilities	-	-	(26 086)	(26 086)
Trade and other payables	-	(25 014)	(942)	(25 956)
	20 551	**111 131**	**738 264**	**869 946**

FIGURES IN R'000					2017
AS AT 31 DECEMBER 2017	DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS	LOANS AND RECEIVABLES / (PAYABLES)	FINANCIAL ASSETS / LIABILITIES AT AMORTISED COST	NON-FINANCIAL ASSETS AND (LIABILITIES)	CARRYING AMOUNT
Financial assets	63 482	49 914	-	-	113 396
Non-financial assets	-	-	-	992 730	992 730
Trade and other receivables	-	8 498	61 266	-	69 764
Cash and cash equivalents	93 672	-	-	-	93 672
Amounts receivable to stockbroking activities	-	251 566	-	-	251 566
	157 154	**309 978**	**61 266**	**992 730**	**1 521 128**
Financial liabilities	(56 767)	-	(52 130)	(30 036)	(138 933)
Non-financial liabilities	-	-	-	(36 670)	(36 670)
Trade and other payables	-	-	(28 389)	(674)	(29 063)
Amounts payable to stockbroking activities	-	(252 454)	-	-	(252 454)
	100 387	**57 524**	**(19 253)**	**925 350**	**1 064 008**

Carrying value of financial assets and financial liabilities at amortised cost is a reasonable approximation of fair value.

Financial Risk Management

The board of directors has overall responsibility for the establishment and oversight of Anchor Group Limited ("the Group") the Group's risk management framework. The board has established the audit and risk committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities. The Group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate controls, and to monitor these. Risk management policies are reviewed regularly to reflect changes in products and services offered. The group, through its training aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

Capital adequacy

The group comprises of financial services providers and are subject to the financial services regulations. The Financial Sector Conduct Authority (FSCA) has prescribed minimum capital requirements for financial service entities operating in South Africa. As such the group ensures ongoing compliance with these requirements.

There have been no material changes in the Group's management of capital adequacy during the period.

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk, and interest rate risk through a combination of the nature of its operations, the financial instruments of which it is a party and the location of its operations. This note represents information about the group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Liquidity risk

The Group's liquidity risk is a result of the funds available to cover future commitments. The Group manages liquidity risk through an ongoing review of future commitments and managing credit facilities. Cash flow forecasts are prepared and reviewed by the executive on a weekly basis. Adequate utilised borrowing facilities are monitored.

The table on the following page (109) analyses the Group's 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.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial assets which are subject to credit risk consist principally of cash and cash equivalents, trade receivables, and other financial assets.

At the reporting date, the majority of cash and cash equivalents were held with local banks with high quality credit standings.

The high credit standings of these banks with whom the balances are held, decreases the credit risk.

Trade receivables comprise of a limited customer base, with high quality credit standings. The customer base is local banks and other local financial institutions (Insurance and Medical Aid). IFRS 9 impact was assessed on these balances. The high quality credit standing of the counterparty decreases the credit risk. Due to these factors the IFRS 9 impact of these balances were not material.

The trade receivables balances in the offshore subsidiary are treated in line with other financial assets, as the settlement period is longer.

Other financial assets consist of investments held at fair value (listed and unlisted), loans to individuals and loans to local and foreign entities. The credit risk on each of the above categories was assessed in terms of IFRS 9 credit risk differently.

Investments held at fair value (Listed and Unlisted).

In calculating the fair value, credit risk was incorporated in the calculation.

Loans to individuals, local entities, and foreign entities. The credit risk impact was assessed on these in following way:

1. Assessed the stage of life asset, incorporating the duration of loan and the repayment history.
2. Assessed the credit risk of the counterparty incorporating the financial standing, the ability to service interest and capital, and any recoverability of security against the loans taking into account forward looking factors.

The stage of life is deemed to be Level 1, when the loan has been serviced, according to the agreement. Additionally the counterparty's income stream can service the loan by more than 75%.

The stage of life is deemed to be Level 2, when the loan has been partially serviced, but not according to the agreement.

Additionally the counterparty's income stream can service the loan between 50% to 75%.

The stage of life is deemed to be stage 3, and has not been serviced according to the agreement. Additionally the counterparty's income stream can service the loan less than 50%.

Refer to page 109 for the Table.

FIGURES IN R'000 2018 – CREDIT RISK	Gross Balance			Expected credit loss			Carrying amount	Expected credit loss probability of default		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3
Non-current assets	**8 376**	**4 118**	**1 516**	**(4 101)**	**(3 188)**	**(1362)**	**5 359**			
Other financial assets	**8 376**	**4 118**	**1 516**	**(4 101)**	**(3 188)**	**(1362)**	**5 359**			
Hatch Corp			1 516			(1362)	154			90%
Contractual loans to individuals and entities	8 376	4 118		(4 101)	(3 188)		5 205	49%	77%	
Current assets	46 762	699	1 205	(10 824)	(527)	(1 084)	36 231			
Financial assets	40 504	699	1 205	(9 011)	527	(1 084)	31 786			
Loans to individuals and entities	12 997	699		(4 657)	(527)		8 512	28%	75%	
Anchor Consulting	3 524			(352)			3 172	10%		
Cartesian Capital			1 205			(1 084)	121			90%
Foreign Loans	17 262			(4 002)			13 260	29%		
Deposit for land	6 721						6 721	0%		
Trade receivables in foreign subsidiary	6 258			(1 813)			4 445	29%		

FIGURES IN R'000 2018 - LIQUIDITY RISK	LESS THAN 1 YEAR	BETWEEN 1 AND 2 YEARS	TOTAL
AG Capital Contingent Purchase consideration	15 854	15 855	31 709
Methwold Contingent Purchase consideration	4 989	4 990	9 979
Standard Bank Loan	14 947	-	14 947
	35 790	**20 845**	**56 635**

FIGURES IN R'000 2017 – LIQUIDITY RISK	LESS THAN 1 YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 3 YEARS	TOTAL
AG Capital Contingent Purchase consideration	22 094	22 094	-	44 188
Methwold Contingent Purchase consideration	6 427	6 427	6 427	19 281
Standard Bank Loan	15 000	15 036	-	30 036
	43 521	**43 557**	**6 427**	**93 505**

Interest rate risk

The Group is exposed to interest rate risk on its cash and cash equivalents, trade and other receivables and other financial assets, other financial liabilities, and trade and other payables balances.

The cash and cash equivalents balance change daily based on the cash flow needs of the group. The cash balances attract interest at a rate of 5.75% p.a.

Trade and other receivables are settled within 7 days, and the impact of discounting these receivables are not material.

Other financial assets are loans and receivables to individuals and entities. R11.4 million of these carry interest at market related interest rates of (7.5% - 10.25%), and have repayment terms. A 10% increase in the Interest Rate will increase the Profit and Loss by R0.1 million, and have the reverse effect with a 10% decrease in interest rates.

Other financial liabilities consist of fair valued contingent considerations of Methwold and AG Capital, as well as an Interest bearing Loan. The Interest bearing loan is to Standard Bank South Africa Limited, and R15m balance carries an Interest cost of JIBAR plus 2.65%. A 10% increase in the interest rate will decrease the Profit and Loss by R0.073 million and have the reverse effect with a 10% decrease in interest rates. Trade and other payables are predominantly non-interest bearing balances, and the impact of discounting the remaining payables are not material.

Market risk

The company is exposed to market risk through its investments which is carried at fair value. The fair value of the investments primarily determined by reference to the listed share prices. Movements in the listed price will impact the fair value movements of the investments. A detailed breakdown is not possible, as the group has various listed instruments which is exposed to various listed prices.

Foreign currency risk

The Group is exposed to Rand, Dollar, Euro, and GBP forex movements. This is through the Anchor Capital Mauritius Limited, and Capricorn Fund Managers Malta Limited entities. The Group does not hedge foreign exchange fluctuations and it reviews its foreign currency exposure, including commitments on an ongoing basis.

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows.

The table below analyses the Group's exposure to forex movements:

FIGURES IN R'000 EXPOSURE IN FOREIGN CURRENCY AMOUNTS	2018 USD	2017 USD	2018 ZAR	2017 ZAR
Spot	-	-	14.39	12.39
Statement of Financial Position				
Trade and other receivables	1 214	1 729	17 469	21 423
Cash and Cash equivalent	415	33	5 976	411
Trade and other payables	(144)	(244)	(2 072)	(3 023)
10% (ZAR Appreciating)				
Trade and other receivables	1 214	1 729	15 722	19 281
Cash and Cash equivalents	415	33	5 378	370
Trade and other payables	(144)	(244)	(1 865)	(2 721)
10% (ZAR Depreciating)				
Trade and other receivables	1 214	1 729	19 215	23 566
Cash and Cash equivalents	415	33	5 378	370
Trade and other payables	(144)	(244)	(2 279)	(3 325)
10% (ZAR Appreciating)				
Profit and Loss	-	-	(2 137)	(1 881)
10% (ZAR Depreciating)				
Profit and Loss			942	1 799
	4 455	**4 554**	**61 727**	**62 328**

Analysis of shareholders

SHAREHOLDER SPREAD	NO OF SHAREHOLDERS	%	NO OF SHARES	%
1 – 5 000 shares	2 203	65.55	3 306 687	1.61
5 001 – 10 000 shares	414	12.32	3 250 466	1.58
10 001 – 50 000 shares	512	15.23	11 805 786	5.73
50 001 – 100 000 shares	83	2.47	5 988 301	2.91
100 001 – 1 000 000 shares	108	3.21	35 493 198	17.23
1 000 001 shares and over	41	1.22	146 098 744	70.94
TOTALS	**3 361**	**100.00**	*** 205 943 182**	**100.00**

DISTRIBUTION OF SHAREHOLDERS	NO OF SHAREHOLDERS	%	NO OF SHARES	%
Banks/Brokers	20	0.60	35 394,661	17.19
Close Corporations	35	1.04	10 147,419	4.93
Endowment Funds	9	0.27	83 730	0.04
Individuals	2 977	88.57	62 920 805	30.55
Insurance Companies	20	0.60	22 217 547	10.79
Mutual Funds	6	0.18	964 791	0.47
Other Corporations	105	3.12	37 390 968	18.16
Private Companies	2	0.06	22 126 782	10.74
Public Company	3	0.09	2 247	0.00
Retirement Funds	1	0.03	3 887 724	1.89
Trusts	183	5.44	10 806 508	5.25
TOTALS	**3 361**	**100.00**	**205 943 182**	**100.00**

PUBLIC/NON-PUBLIC SHAREHOLDERS				
Non-public shareholders	**24**	**0.71**	**42 270 277**	**20.53**
Director holdings	16	0.48	31 225 348	15.16
Treasury shares	1	0.03	3 887 724	1.89
Funds managed by Executive	7	0.21	7 157 205	3.48
Public shareholders	**3 337**	**99.29**	**163 627 905**	**79.47**
TOTALS	**3 361**	**100.00**	**205 943 182**	**100.00**

BENEFICIAL SHAREHOLDERS HOLDING 5% OR MORE	NO OF SHARES	%
CV Cinque Holdings Ltd	22 126 782	10.74
Legae Peresec Equities	15 193 848	7.38
Teke, MS	10 985 552	5.33
Armitage, PG	15 739 083	7.64
TOTALS	**64 045 265**	**31.10**

* The Share capital note 13 shows shares in issue of 206 157 000 and per the share register it is 205 943 000. The difference of 214 000 relates to shares issued for Anchor Securities Private Clients (Pty) Ltd, which will be adjusted in 2019. The difference does not have a material impact on the related disclosure.

Notice of AGM & proxy form

ANCHOR GROUP LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2009/005413/06)
ISIN: ZAE000193389 JSE share code: ACG
("Anchor" or "the Company" or "the Group")

- MS Teke (Chairman)
  PG Armitage (Chief Executive Director)
  OZ Khan (Chief Financial Officer)
  TE Kaplan (Chief Operations Officer)
- AJ Adams
- K Sibisi
- N Dennis
- T Mhlari

Non-executive Independent

Notice of Annual General Meeting of the Shareholders of the Company

Notice is hereby given that the Annual General Meeting ("AGM") of shareholders of the Company will be held at 09:00 on Wednesday, 26 June 2019 at 25 Culross Road, Bryanston to consider, and if deemed fit, to pass, with or without modifications, the resolutions set out below.

RECORD DATE TO ATTEND AND VOTE AT THE AGM

The board of directors of the Company ("Board") has determined that the record date for the purpose of determining which shareholders of the Company are entitled to receive notice of this annual general meeting is **Thursday, 18 April 2019** and the record date for purposes of determining which shareholders of the Company are entitled to participate in and vote at the AGM is **Friday, 21 June 2019**. The last day to trade in Anchor shares in order to be included in the register of members on the record date is **Tuesday, 18 June 2019.** Accordingly, only shareholders who are registered in the register of members of the Company on **Friday**, **21 June 2019** will be entitled to participate in and vote at the AGM.

WHO MAY ATTEND

1. If you are the registered holder of certificated shares or you hold dematerialised shares with "own name" registration:

a. You may attend the AGM in person; or

b. You may appoint a proxy to represent you at the AGM by completing the attached form of proxy in accordance with the instructions contained therein and by returning it to the transfer secretaries to be received, for administrative purposes, 48 hours prior to the meeting. Alternatively the proxy form may be provided to the transfer secretaries or the chairman of the AGM at the AGM or any time prior to commencement of the AGM or prior to voting on any resolution proposed at the AGM.

c. A proxy need not be a shareholder of the Company.

Proxy forms should be submitted to the Company's transfer secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001, by email (meetfax@linkmarketservices.co.za) or posted to PO Box 4844, Johannesburg, 2000. Proxy forms must only be completed by shareholders who have not dematerialised their shares or who have dematerialised their shares and registered them in their own name.

2. If you hold dematerialised shares which are not registered in your name:

a. and you wish to attend the AGM in person, you must obtain the necessary letter of representation from your Central Securities Depository Participant ("CSDP") or broker or nominee (as the case may be); or

b. If you do not wish to attend the AGM but would like your vote to be recorded at the meeting, you should contact your CSDP or broker or nominee (as the case may be) and furnish them with your voting instructions; and

c. You must not complete the attached proxy form.

ELECTRONIC PARTICIPATION AT THE AGM

In accordance with the provisions of section 61(10) of the Companies Act 71 of 2008, the Company will make provision for shareholders and their proxies to participate in the AGM by way of telephone conference call. Shareholders wishing to do so:

- must contact the Company at +27 11 591 0692 by not later than 10:00 on **Tuesday, 25 June 2019**, to obtain a pin number and dial in details for the conference call;
- will be required to provide reasonably satisfactory identification;
- will be billed separately by their own telephone service providers for the telephone call to participate in the meeting; and

- shareholders participating in the AGM by way of teleconference call will be able to vote during the meeting and should submit their voting proxies to the transfer secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) by 09:00 on **Monday, 24 June 2019.**

PURPOSE OF THE MEETING

The purpose of the meeting is to present to the shareholders of the Company:

- the group audited financial statements for the year ended 31 December 2018;
- the directors' report;
- the report of the Audit & Risk Committee;
- the report of the Social & Ethics Committee; and
- to deal with any other business that may lawfully be dealt with at the AGM, and to consider and, if deemed fit, to pass, with or without modification, the resolutions set out herein:

ORDINARY RESOLUTIONS

1. **Ordinary resolution number 1**
   Presentation and acceptance of annual financial statements
   "RESOLVED THAT the consolidated annual financial statements for the year ended 31 December 2018, including the directors' report, the independent auditors' report, the Audit & Risk Committee report thereon and the Social & Ethics Committee report, be and are hereby received and accepted."

   Explanatory Note for ordinary resolution number 1:
   Ordinary resolution number 1 is proposed to receive and accept the group audited annual financial statements for the year ended 31 December 2018, including the directors' report, the independent auditors' report, the Audit & Risk Committee report thereon and the Social & Ethics Committee report. In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution is required.

2. **Ordinary resolution number 2**
   Director retirement and re-election – N Dennis

   "RESOLVED THAT the re-election of Mr N Dennis, an independent non-executive director who retires in terms of the Company's Memorandum of Incorporation ("MOI") and, being eligible, offers himself for re-election as a director of the Company, be and is hereby approved."

   Mr N Dennis's curriculum vitae is set out on page 13 of this integrated annual report to which this notice is attached. His past performance and contribution to the Company has been taken into account and the Remuneration & Nominations Committee recommends Mr N Dennis for re-election.

3. **Ordinary resolution number 3**
   Director election – K Sibisi
   "RESOLVED THAT Ms K Sibisi, be appointed as an independent non-executive director."

4. **Ordinary resolution number 4**
   Director election – T Mhlari
   "RESOLVED THAT Ms T Mhlari, be appointed as an independent non-executive director."

   Explanatory note for ordinary resolutions 3 and 4:
   In accordance with the MOI, the appointment of directors is subject to shareholders approval at the AGM. for the time being are required to retire by rotation at each meeting and may offer themselves for re-election.

   In order for these resolutions to adopted, the support of more than 50% of the voting rights exercised on the resolutions by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolutions is required.

   The curriculum vitae for Ms Mhlari and Ms Sibisi are set out on pages 13 & 14 of this integrated annual report to which this notice is attached.

5. **Ordinary resolution number 5**
   Re-appointment and remuneration of auditors
   "RESOLVED THAT BDO South Africa Incorporated ("BDO") be reappointed as the external auditor of the Group, with Ms Vianca Pretorius as the individual registered auditor, and that for the external auditors remuneration be determined by the Audit & Risk Committee."

   Explanatory Note for Re-appointment and remuneration of auditors :
   Ordinary resolution number 4 is proposed to approve the appointment of BDO as the external auditor of the Group and to authorise the Audit & Risk Committee to determine the external auditors remuneration. The Audit & Risk Committee and the Board have evaluated the suitability of BDO and recommends their re-appointment as the external auditors of the Group in accordance with paragraphs 3.8 (g)(iii) of the JSE Listings Requirements.

   Subject to the passing of the resolution, Ms Vianca Pretorius will be the individual registered auditor who will undertake the audit for the financial year ending 31 December 2019.

   In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution is required.

6. **Ordinary resolution number 6**
Appointment of Audit & Risk Committee member – T Mhlari
"RESOLVED THAT, subject to the passing of ordinary resolution 4, Ms. T Mhlari be and is hereby elected as member of the Audit & Risk Committee in terms of section 94(2) of the Companies Act 71 of 2008.

Ms. T Mhlari's curriculum vitae is set out on page 13 of the integrated annual report.

7. **Ordinary resolution number 7**
Appointment of Audit & Risk Committee member – K Sibisi
"RESOLVED THAT subject to the passing of ordinary resolution number 3, Ms K Sibisi be and is hereby elected as a member of the Audit & Risk Committee in terms of section 94 (2) of the Companies Act 71 of 2008."

Ms Sibisi's curriculum vitae is set out on page 14 of the integrated annual report.

8. **Ordinary resolution number 8**
Re-appointment of Audit & Risk Committee member AJ Adams
"RESOLVED THAT Mr AJ Adams be and is hereby re-elected as a member of the Audit & Risk Committee in terms of section 94 (2) of the Companies Act 71 of 2008."

Mr AJ Adams's curriculum vitae is set out on page 13 of the integrated annual report.

9. **Ordinary resolution number 9**
Re-appointment of Audit & Risk Committee member N Dennis
"RESOLVED THAT subject to the passing of ordinary Resolution number 2, Mr N Dennis be and is hereby re-elected as a member of the Audit & Risk Committee in terms of section 94 (2) of the Companies Act."

Mr N Dennis's curriculum vitae is set out on page 13 of the integrated annual report.

Explanatory Note for ordinary resolutions numbers 6 to 9:
Ordinary resolutions number 6 to 9 are proposed to elect an audit committee in terms of section 94(2) of the Companies Act and the King Report on Corporate Governance for South Africa ("King IV").

Section 94 of the Companies Act and King IV requires that, at each AGM, shareholders of the Company must elect an audit committee comprising at least three members to perform the duties and responsibilities stipulated in section 94(7) of the Companies Act in King IV, and to perform such other duties and responsibilities as may from time to time be delegated to it by the Board.

The Board is also satisfied that the proposed members meet the requirements of section 94(4) of the Companies Act and that they possess the required qualifications and experience as prescribed in Regulation 42 of the Companies Act Regulations, 2011, which requires that at least one third of the members of a company's audit committee at any particular time must have academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

In order for these resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolutions is required.

10. **Ordinary resolution number 10**
Control over unissued shares
"RESOLVED THAT, 41 758 193 of the authorised but unissued shares of the Company, being 20% (twenty percent) of the Company's issued share capital, be and is hereby placed under the control of the directors of the company until the next annual general meeting, with the authority to allot and issue all or part thereof in their discretion for acquisition issues or vendor consideration placings, subject to the Companies Act, 71 of 2008, and the JSE Listings Requirements."

In order for ordinary resolution number 10 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

11. **Ordinary resolution 11**
Specific authority to issue shares pursuant to a reinvestment option (Scrip dividend alternative)
"RESOLVED THAT, subject to the provisions of the Companies Act 71 of 2008, the Company's Memorandum of Incorporation and the JSE Listings Requirements, the directors be and are hereby authorised by way of a specific standing authority to allot and issue ordinary shares, as and when they deem appropriate, for the exclusive purpose of affording shareholders opportunities from time to time to elect to reinvest their dividends in new shares of the Company pursuant to a reinvestment option. "

In order for ordinary resolution number 11 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders present in person or by proxy is required.

12. **Ordinary resolution number 12**
General authority to allot and issue shares for cash
"RESOLVED THAT, subject to the provisions of the Companies Act 71 of 2008, the JSE Listings Requirements and the Company's Memorandum of Incorporation, as a general authority valid until the next annual general meeting of the Company and provided that it shall not extend past 15 months from the date of this annual general meeting, and in addition to the authority granted in ordinary resolution 10 the directors are hereby authorised to allot, issue, grant options over or otherwise deal with or dispose of shares of the company for cash on the following basis:

- The shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such equity securities or rights that are convertible into a class already in issue;
- The shares must be issued only to public shareholders (as defined in the JSE Listings Requirements and not to related parties (as defined in the JSE Listings Requirements);
- The number of ordinary shares issued for cash shall not, in the current financial year, in aggregate, exceed 50% or 104 395 482 of the Company's issued ordinary shares (including securities which are compulsorily convertible into shares of that class); provided that any shares issued under this authority prior to lapsing, shall be deducted from the 104 395 482 shares the Company is authorised to issue in terms of this authority.
- In terms of a subdivision or consolidation the authority shall be adjusted to represent the same allocation ratio; and
- The maximum discount at which shares may be issued is 10% of the weighted average traded price of the company's shares over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors of the Company."
- Upon any issue of shares which, together with prior issues during any financial year, will constitute 5% or more of the number of shares of the class in issue, the company shall by way of an announcement on JSE's Stock Exchange News Service ("SENS"), give full details thereof including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 business days prior to the date that the issue is agreed in writing between the Company and the party/ies subscribing for the shares and an explanation, including supporting documentation, if any, of the intended use of the funds.

Explanatory Note for ordinary resolution 12

This ordinary resolution requires the support of at least 75% of the total number of votes exercisable by shareholders present in person or by proxy in terms of the JSE Listings Requirements in order for shareholders to grant authority to the Company to issue shares for cash.

The proposed resolution to issue up to 104 395 482 ordinary shares represents approximately 50% of the issued share capital of the Company at the date of this notice. The Company is listed on the Alternative Exchange of the JSE and is entitled to issue up to 50% of its ordinary shares under this general authority.

13. Ordinary resolution number 13
Signature of documentation

"RESOLVED THAT any director of the Company or the Company Secretary be and is hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of ordinary resolution numbers 1 to 13 and special resolution numbers 1 to 5 which are passed by the shareholders in accordance with and subject to the terms thereof."

In order for this to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

Special Resolutions

14. Special resolution number 1
Non-executive Directors' remuneration

"RESOLVED THAT, each by way of a separate vote, the fees payable to the non-executive directors for their services to the board and committees of the board, be approved for a period of two years from the passing of this resolution or until its renewal, whichever is earliest.

POSITION	ANNUAL REMUNERATION	QUARTERLY RETAINER
1.1 Chairman	R 250 000	R 62 500
1.2 Board member	R 220 000	R 55 000

Explanatory Note for special resolution 1

Section 66(8) (read with section 66(9)) of the Companies Act provides that, to the extent permitted in the Company's Memorandum of Incorporation, the Company may pay remuneration to its directors for their services as directors provided that such remuneration may only be paid in accordance with a special resolution approved by shareholders within the previous two years. The MOI does not limit, restrict or qualify the power of the Company to pay remuneration to its directors for their service as directors in accordance with section 66(9) of the Companies Act. The Remuneration & Nominations Committee has considered and made recommendations for the remuneration for non-executive directors based on a comprehensive review of similar-sized companies and the board has accepted the recommendations of the Remuneration & Nominations Committee.

In order for this resolution to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy is required to pass this resolution.

15. Special resolution number 2

General authority to enter into funding agreements, provide loans or other financial assistance

"RESOLVED THAT the directors of the Company be and are hereby authorised, in accordance with section 45 of the Companies Act 71 of 2008, to authorise the Company to provide direct or indirect financial assistance to any company, including a subsidiary of the Company incorporated in or outside the Republic of South Africa which is related or inter-related to the Company."

Explanatory Note for special resolution 2

Section 45 of the Companies Act provides, among other things, that, except to the extent that the Memorandum of Incorporation of a company states otherwise, the Board may authorise the Company to provide direct or indirect financial assistance (which includes lending money, guaranteeing a loan or other obligation and securing any debt or obligation) to a related or inter-related company or corporation, including a subsidiary of the company incorporated in or outside of the Republic of South Africa, provided that such authorisation shall be made pursuant to a special resolution of the shareholders adopted within the previous two years, which approved such assistance either for the specific recipient or generally for a category of potential recipients and the specific recipient falls within that category.

In order for this resolution to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy is required to pass the Resolution.

16. Special resolution number 3.

General authority to acquire ("repurchase") shares

"RESOLVED THAT, the Company and any subsidiary of the Company be and are hereby authorised, subject to the provisions of the Companies Act 71 of 2008, the JSE Listings Requirements and the Company's Memorandum of Incorporation, to acquire, as a general repurchase, up to 20% (twenty percent) (or 10% where the repurchase is effected by a subsidiary) of the ordinary shares issued by the Company; provided that the Company and any subsidiary may only make such general repurchase subject to the following:

- Any such acquisition of ordinary shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counter-party;
- Authorisation thereto being given by the Company's or any subsidiary's Memorandum of Incorporation;
- The approval shall be valid only until the next AGM or for 15 months from the date of this resolution, whichever period is shorter;
- Repurchases may not be made at a price greater than 10% above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the transaction is effected;
- At any point in time, the Company may only appoint one agent to effect any repurchase(s) on the Company's behalf;
- A resolution is passed by the Board authorising the repurchase and confirming that the Company has passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Group;
- The Company and its subsidiaries may not acquire any shares during a prohibited period a defined by the JSE Listings Requirements unless a repurchase programme is in place where the dates and quantities of the shares to be traded are fixed and details of such have been submitted to the JSE prior to the commencement of the prohibited period.
- An announcement will be published as soon as the Company or any of its subsidiaries have acquired ordinary shares constituting, on a cumulative basis, 3% of the number of ordinary shares in issue and for each 3% in aggregate of the initial number acquired thereafter, in compliance with paragraph 11.27 of the JSE Listings Requirements;

In the event that shareholders grant the requested authority to repurchase shares, any decision by the directors to authorise the Company or any of its subsidiaries to use the general authority to acquire shares of the Company will be taken with regard to the prevailing market conditions and other factors and will be subject to the proviso that, after such acquisition, the directors are of the opinion that:

- The Company and the Group will be able, in the ordinary course of business, to pay their debts for a period of 12 months after the date of notice issued in respect of the AGM;
- The assets of the Company and the Group would be in excess of the liabilities of the Company and the Group. For this purpose, the assets and liabilities would be recognised and measured in accordance with the accounting policies used in the latest audited annual group annual financial statements;
- The ordinary capital and reserves of the Company and the Group will be adequate for a period of 12 months after the date of notice issued in respect of the annual general meeting; and
- The working capital of the Company and the Group will be adequate for a period of 12 months after the date of notice issue in respect of the AGM.

The JSE Listings Requirements require, in terms of paragraph 11.26, the following disclosures, which appear in this integrated annual report:

- Major shareholders – refer to page 86 of the integrated annual report.
- Share capital of the Company – refer to page 82 of the integrated annual report.

Directors' responsibility statement
The directors, whose names appear on page 5 of this integrated annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statements false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this special resolution contains all information required by law and the JSE Listings Requirements.

Material changes
Other than the facts and developments reported on in this integrated annual report, there have been no material changes in the financial or trading position of the Company and its subsidiaries since the date of signature of the audit report and up to the date of the notice of AGM.

In order for this resolution to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution is required.

17. Special resolution number 4
Issue of shares or a grant of options or a grant of any other rights exercisable for shares under the Anchor Group Limited Share Scheme.

"RESOLVED THAT, to the extent required by section 41 of the Companies Act, 71 of 2008, the Board may, subject to compliance with the requirements of the Company's MOI and the Companies Act, 71 of 2008, authorise the Company to issue shares in the Company or grant options for the allotment or subscription of authorised shares in the Company, as contemplated in section 42 of the Companies Act, 71 of 2008, or grant any other rights exercisable for shares to directors, future directors, prescribed officers or future prescribed officers of the Company or to a related or inter-related person (or to a nominee) of such persons pursuant to the Anchor Group Limited Share Scheme.

No financial assistance is rendered for purchase of share options under the Anchor Group Limited Share Scheme.

In order for this resolution to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

Explanatory Note for special resolution 4
The Company would like to be able to allot and issue shares or grant options for the allotment or subscription of shares or grant any other rights exercisable for shares in the Company to directors, future directors, prescribed officers or future prescribed officers of the Company pursuant to the Anchor Group Limited Share Scheme as required in terms of sections 41 and 42 of the Companies Act.

Non-binding Resolutions

18. Non-binding resolution number 1

Endorsement of Remuneration Policy
"RESOLVED THAT the Remuneration Policy, a summary of which has been set out below, be and is hereby endorsed by way of a non-binding advisory vote."

Remuneration Policy
The Remuneration Policy in place is to remunerate executive directors primarily on an incentive basis through profit share by way of a bonus pool and/or share options. Where monthly remuneration is paid, this is market related.

Anchor strives to be the industry leader in the provision of asset management services. This requires a remuneration strategy that is structured, within reason, to attract individuals with the required skills to make the Company a success.

Executive director's remuneration currently comprises the following elements:
- Basic salary
- Additional fees
- Benefits – Incentive Bonus Scheme
- Bonuses
- Share options

Basic Salary is subject to annual reviews by the board and increases are dependent on the combination of Company and individual performance.

Bonuses are a discretionary payment and are paid annually in December, based on Company and individual performance.

Share Options are available for a period of five years from the end of each financial year. There are limits on the number of share options and these will lapse after a period of five years from the date on which the option is granted.

Other benefits will be considered by the Remuneration and Nominations Committee and recommended to the board for approval, where necessary. These will include fringe benefits payable to directors.

Non-executive directors receive a quarterly retainer fee.

The Groups Remuneration Philosophy and Strategy is available on the Anchor Group Website (www.anchorgroup.co.za)

Explanatory Note for non-binding resolution 1

The Board is responsible for determining the remuneration of executive directors in accordance with the Remuneration Policy of the Company. The Remuneration and Nominations Committee assists the Board in its responsibility for setting and administering remuneration policies in the Company's long-term interests.

The Remuneration and Nominations Committee considers and recommends remuneration for employees at all levels in the Company, including the remuneration of senior executives and executive directors, and advises on the remuneration of non-executive directors.

King IV recommends that every year the Company's Remuneration Policy should be tabled to shareholders for a non-binding advisory vote at the AGM. This vote enables shareholders to express their views on the remuneration policies adopted and on their implementation. The Remuneration and Nominations Committee prepared, and the Board considered and accepted, the Remuneration Policy, as set out in the remuneration report in the integrated annual report, and shareholders are required to vote on it.

This non-binding resolution is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing arrangements. However the Board will take the outcome of the vote into consideration when considering the Company's remuneration policy.

In the event of 25% or more of the shareholders voting against this resolution, the Board is committed to engage actively with dissenting shareholders in this regard in order to address all legitimate and reasonable objections or concerns.

19. Non-binding resolution number 2

Endorsement of Remuneration Implementation Report

For shareholders to endorse, through a non-binding advisory vote, Anchor Group's Remuneration Implementation Report as set out on page 27 of the Integrated Annual Report.

Explanatory note for non-binding resolution 2

In terms of King IV, a non-binding advisory vote should be obtained from shareholders on the Company's Remuneration implementation Report, contained on page 28 of the integrated report. The vote allows shareholders to express their view on the Remuneration Implementation Report.

In the event of 25% or more of shareholders voting against this, the board is committed to engaging actively with dissenting shareholders in this regard, in order to address all legitimate and reasonable objections and concerns.

Quorum

A quorum for the purposes of considering the resolutions above shall consist of three shareholders of the Company personally present or represented by proxy (and if the shareholder is a body corporate, the representative of the body corporate) and entitled to vote at the AGM. In addition, a quorum shall comprise 25% of all voting rights entitled to be exercised by shareholders in respect of the resolutions above.

Voting Rights

Each shareholder, whether present in person or represented by proxy, is entitled to attend and vote at the AGM. On a show of hands every shareholder who is present in person or by proxy shall have one vote, and, on a poll, every shareholder present in person or by proxy shall have one vote for each share held by him/her.

By order of the Board

CIS Company Secretaries Proprietary Limited
(Registration Number 2006/026994/07)
Company Secretary
26 April 2019

ANCHOR GROUP LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2009/005413/06)
ISIN: ZAE000193389 JSE Share code: ACG
("Anchor" or "the Company" or "the Group")

Form of Proxy

(for use by certificated and own name dematerialised shareholders only)

For use by certificated and "own-name" registered dematerialised shareholders of the Company ("shareholders") at the Annual General Meeting of Anchor to be held at 09:00 on Wednesday, 26 June 2019 at 25 Culross Road, Bryanston ("the annual general meeting").

I/We (please print) _____

of (address) _____

being the holder/s of _____ ordinary shares of no par value in Anchor, appoint (see note 1):

1. _____ or failing him,

2. _____ or failing him,

3. the chairperson of the Annual General Meeting, as my/our proxy to act for me/us and on my/our behalf at the AGM which will be held for the purpose of considering, and if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (see note 2):

	NUMBER OF VOTES		
	FOR	AGAINST	ABSTAIN
Ordinary Resolutions			
Ordinary Resolution Number 1: Presentation and acceptance of annual financial statements			
Ordinary Resolution Number 2: Director retirement and re-election – N Dennis			
Ordinary Resolution Number 3: Director election – K Sibisi			
Ordinary Resolution Number 4: Director election – T Mhlari			
Ordinary Resolution Number 5: Auditors' re-appointment and remuneration – BDO			
Ordinary Resolution Number 6: Appointment of Audit & Risk Committee member – T Mhlari			
Ordinary Resolution Number 7: Appointment of Audit & Risk Committee member – K Sibisi			
Ordinary Resolution Number 8: Re-appointment of Audit & Risk Committee member – AJ Adams			
Ordinary resolution number 9: Re-appointment of Audit & Risk Committee member – N Dennis			
Ordinary Resolution number 10: Control over unissued shares			
Ordinary resolution number 11: Specific authority to issue shares pursuant to a reinvestment option			
Ordinary Resolution number 12: General authority to allot and issue shares for cash			
Ordinary Resolution number 13: Signature of documentation			

	NUMBER OF VOTES		
	FOR	AGAINST	ABSTAIN
Special Resolutions			
Special Resolution Number 1: Non-Executive Directors' remuneration 1.1 Chairman's annual remuneration and quarterly retainer 1.2 Board members annual remuneration quarterly retainer			
Special Resolution Number 2: General authority to enter into funding agreements, provide loans or other financial assistance			
Special Resolution Number 3: General authority to acquire (repurchase) shares			
Special Resolution number 4: Issue of shares or a grant of options or a grant of any other rights exercisable for shares under the Anchor Group Limited Share Scheme			
Non-binding Resolutions			
Non-binding Resolution Number 1: Approval of Remuneration Policy			
Non-binding Resolution Number 2: Endorsement of Remuneration Implementation Report			

Signed at _____ on _____ 2019

Signature _____

Assisted by me (where applicable) _____

Name _____ Capacity _____

Signature _____

1. **Certificated shareholders and dematerialised shareholders with "own-name" registration**

   If you are a certificated shareholder or have dematerialised your shares with "own-name" registration and you are unable to attend the AGM of Anchor shareholders to be held on 09:00 on Wednesday, 26 June 2019 at the registered office of the Company at 25 Culross Road, Bryanston and wish to be represented thereat, you must complete and return this form of proxy in accordance with the instructions contained herein and lodge it with, or post it to, the transfer secretaries, namely Link Market Services South Africa Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, Johannesburg, 2000 (P O Box 4844, Johannesburg, 2000), or by e-mail to meetfax@linkmarketservices.co.za. so as to be received by 09:00 on **Monday, 24 June 2019,** for administrative purposes.

   Alternatively, the form of proxy may be handed to the transfer secretary or to the chairman of the AGM at the annual general meeting or at any time prior to the commencement of the AGM or prior to voting on any resolution proposed at the AGM.

2. **Dematerialised shareholders other than those with "own name" registration**

   If you hold dematerialised shares in Anchor through a CSDP or broker other than with an "own-name" registration, you must timeously advise your CSDP or broker of your intention to attend and vote at the AGM or be represented by proxy thereat, in order for your CSDP or broker to provide you with the necessary authorisation to do so, or should you not wish to attend the AGM in person, you must timeously provide your CSDP or broker with your voting instruction in order for the CSDP or broker to vote in accordance with your instruction at the AGM.

Notes

1. This form is for use by certificated shareholders and dematerialised shareholders with "own-name" registration whose shares are registered in their own names on the record date and who wish to appoint another person to represent them at the AGM. If duly authorised, companies and other corporate bodies who are shareholders having shares registered in their own names may appoint a proxy using this form, or may appoint a representative in accordance with the last paragraph below.

Other shareholders should not use this form. All beneficial holders who have dematerialised their shares through a ("CSDP") or broker, and do not have their shares registered in their own name, must provide the CSDP or broker with their voting instructions. Alternatively, if they wish to attend the AGM in person, they should request the CSDP or broker to provide them with a letter of representation in terms of the custody agreement entered into between the beneficial owner and the CSDP or broker.

2. This proxy form should be received by the transfer secretaries of the Company, Link Market Services South Africa Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000), by **09:00** on **Monday, 24 June 2019,** for administrative purposes. Alternatively, the form of proxy may be handed to the chairman of the AGM at the AGM or at any time prior to the commencement of the AGM or prior to voting on any resolution proposed at the AGM.

3. This proxy shall apply to all the ordinary shares registered in the name of shareholders at the record date unless a lesser number of shares are inserted.

4. A shareholder may appoint one person as his proxy by inserting the name of such proxy in the space provided. Any such proxy need not be a shareholder of the Company. If the name of the proxy is not inserted, the chairman of the AGM will be appointed as proxy. If more than one name is inserted, then the person whose name appears first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of any persons whose names follow. The proxy appointed in this proxy form may delegate the authority given to him in this proxy by delivering to the Company, in the manner required by these instructions, a further proxy form which has been completed in a manner consistent with the authority given to the proxy of this proxy form.

5. Unless revoked, the appointment of proxy in terms of this proxy form remains valid until the end of the AGM even if the meeting or a part thereof is postponed or adjourned.

6. If:

   6.1. a shareholder does not indicate on this instrument that the proxy is to vote in favour of or against or to abstain from voting on any resolution; or

   6.2. the shareholder gives contrary instructions in relation to any matter; or

   6.3. any additional resolution/s which are properly put before the meeting; or

   6.4. any resolution listed in the proxy form is modified or amended, the proxy shall be entitled to vote or abstain from voting, as he thinks fit, in relation to that resolution or matter. If, however, the shareholder has provided further written instructions which accompany this form and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in 6.1 to 6.4, then the proxy shall comply with those instructions.

7. If this proxy is signed by a person (signatory) on behalf of the shareholder, whether in terms of a power of attorney or otherwise, then this proxy form will not be effective unless:

   7.1. it is accompanied by a certified copy of the authority given by the shareholder to the signatory; or

   7.2. the Company has already received a certified copy of that authority.

8. The chairman of the AGM may, at his discretion, accept or reject any proxy form or other written appointment of a proxy which is received by the chairman prior to the time when the AGM deals with a resolution or matter to which the appointment of the proxy relates, even if that appointment of a proxy has not been completed and/or received in accordance with these instructions.

   However, the chairman shall not accept any such appointment of a proxy unless the chairman is satisfied that it reflects the intention of the shareholder appointing the proxy.

9. Any alterations made in this form of proxy must be initialled by the authorised signatory/ies.

10. This proxy form is revoked if the shareholder who granted the proxy:

    10.1. delivers a copy of the revocation instrument to the Company and to the proxy or proxies concerned, so that it is received by the Company prior to the commencement of the AGM; or

    10.2. appoints a later, inconsistent appointment of proxy for the AGM; or

    10.3. attends the AGM in person.

11. If duly authorised, companies and other corporate bodies who are shareholders of the Company having shares registered in their own name may, instead of completing this proxy form, appoint a representative to represent them and exercise all of their rights at the AGM by giving written notice of the appointment of that representative. This notice will not be effective at the AGM unless it is accompanied by a duly certified copy of the resolution/s or other authorities in terms of which that representative is appointed and is received by the transfer secretaries of the Company, Link Market Services South Africa Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000), not later than 09:00 on **Monday , 24 June 2019,** for administrative purposes, or prior to voting on any resolution proposed at the AGM.

Summary of rights established by section 58 of the Companies Act, 71 of 2008 ("Companies Act"), as required in terms of subsection 58(8)(b)(i)

1. A shareholder may at any time appoint any individual, including a non-shareholder of the Company, as a proxy to participate in, speak and vote at a shareholders' meeting on his or her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).
2. A proxy appointment must be in writing, dated and signed by the shareholder, and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 below (section 58(2)).
3. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder (section 58(3)(a)).
4. A proxy may delegate his or her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy ("proxy instrument") (section 58(3)(b)).
5. A copy of the proxy instrument must be delivered to the Company, or to any other person acting on behalf of the Company, before the proxy exercises any rights of the shareholder at a shareholders' meeting (section 58(3)(c)) and in terms of the memorandum of incorporation ("MOI") of the Company at least 48 hours before the meeting commences.
6. Irrespective of the form of instrument used to appoint a proxy:
   - 6.1. the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (section 58)4)(a));
   - 6.2. the appointment is revocable unless the proxy appointment expressly states otherwise (section 58(4)(b)); and
   - 6.3. if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company (section 58(4)(c)).
7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 above (section 58(5)).
8. If the proxy instrument has been delivered to a Company, as long as that appointment remains in effect, any notice required by the Companies Act or the Company's MOI to be delivered by the Company to the shareholder must be delivered by the Company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the Company to do so in writing and paid any reasonable fee charged by the Company for doing so (section 58(6)(b)).
9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).
10. If a Company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of proxy instrument:
    - 10.1. the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised (section 58(8)(a));
    - 10.2. the invitation or form of proxy instrument supplied by the Company must:
      - 10.2.1. bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));
      - 10.1.2. contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b)(ii)); and
      - 10.1.3. provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting (section 58(8)(b)(iii));
    - 10.3. the Company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and
    - 10.4. the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to paragraph 7 above (section 58(8)(d)).

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