PURPLE GROUP
LIMITED

ANNUAL REPORT

FOR THE YEAR-ENDED 31 AUGUST

2017

www.purpleGroup.co.za


Group

PURPLE GROUP
LIMITED

EasyEquities

EMPEROR
ASSET MANAGEMENT

<GT247.COM>

GT
Private Broking

Purple Group Limited (PGL)
Non-discretionary Category I FAIS licence, which provides PGL the ability to conduct an intermediary and advisory service in respect of the following products:

Long-term Insurance: Category B1, C, B2, Retail Pension Fund Benefits, Pension Fund Benefits, Securities and Instruments: Shares in a company other than a "share block company" as defined in the Share Blocks Control Act, 1980, Money-market instruments, debentures and securitised debt, warrants, certificates and other instruments acknowledging, conferring or creating rights to subscribe to, acquire, dispose of, or convert securities, bonds, derivative instruments, deposits as defined in the Banks Act: 12 months or less, participatory interest in one or more collective investment scheme.

First World Trader Proprietary Limited (FWT)
Non-discretionary Category I FAIS licence, which provides FWT the ability to conduct an intermediary and advisory service in respect of the following products:

Long-term Insurance: Category B1, C, B2, Retail Pension Fund Benefits, Pension Fund Benefits, Securities and Instruments: Shares in a company other than a "share block company" as defined in the Share Blocks Control Act, 1980, Money-market instruments, Debentures and securitised debt, warrants, certificates and other instruments acknowledging, conferring or creating rights to subscribe to, acquire, dispose of, or convert securities, bonds, derivative instruments, deposits as defined in the Banks Act: 12 months or less, participatory interest in one or more collective investment scheme.

Discretionary Category II FAIS licence which provides FWT the ability to conduct discretionary investment management services in respect of the following products:

Securities and Instruments: Shares in a company other than a "share block company" as defined in the Share Blocks Control Act, 1980, Money-market instruments, debentures and securitised debt, warrants, certificates and other instruments acknowledging, conferring or creating rights to subscribe to, acquire, dispose of, or convert securities, bonds, derivative instruments, participatory interest in one or more collective investment scheme.

Emperor Asset Management Proprietary Limited (EAM)
Discretionary Category II FAIS licence which provides EAM the ability to conduct Discretionary investment management services in respect of the following products:

Securities and Instruments: Shares in a company other than a "share block company" as defined in the Share Blocks Control Act, 1980, Money-market instruments, debentures and securitised debt, warrants, certificates and other instruments acknowledging, conferring or creating rights to subscribe to, acquire, dispose of, or convert securities, bonds, derivative instruments, participatory interest in one or more collective investment scheme.

Discretionary Category IIA FAIS licence which provides EAM the ability to conduct discretionary investment management services in respect of hedge funds.

First World Trader Nominees (RF) Proprietary Limited (FWTN)
Approved by the FSB to operate and hold clients' assets in the name of the nominee.

STRATE approval to hold equity securities on behalf of clients.

Emperor Asset Management Nominees (RF) Proprietary Limited (EAMN)
Approved by the FSB to operate and hold clients' assets in the name of the nominee.

It's all about being authentic. Like art. Like Purple.

ABOUT THE COVER

Artwork: Colour outside the lines, created by www.thetalkingvandal.co.za
@Tower_graffiti @dekor_one @thetalkingvandal

The Purple Group met the talented Talking Vandal artists at the Money Expo this year, where they helped us launch our US share offering on the EasyEquities platform. We thought they would add something special to our annual report. As a financial services company, we take what we do seriously, not ourselves. We take pride in providing financial dignity to all South Africans, while having a lot of fun.

In the words of the artist…

"Pablo Picasso: 'Every child is an artist. The challenge is - how do we remain artists?'

A project like this is a match made in heaven.

Graffiti and finance are linked in many ways, most importantly through creativity.

You have to be creative when thinking finance and investing. You have to break the mould, take risks and face your fears. Step out of your comfort zone. You have to navigate complexity, solve problems, be creative.

Graffiti art has always been very creative. From the very first mark in caves painted by bushmen to today's eye-catching murals found in any city. Graffiti is a very innovative art form in which one constantly has to evolve, adapt or pivot.

We believe in the Purple Group's ethos of democratisation. Disruption for a better future is part of our DNA and theirs – it's who we are and what we do everyday.

We share their belief in transparency, as today's economy is The Connection Economy.

It's all about being authentic. Like art. Like Purple.

We try to share some of graffiti's energy through our artwork - often messy, sometimes clean,
always creative. Strongly authentic.

Graffiti is found on the streets, either through a spray can or a marker tag. It's all about developing your own style; standing out instead of trying to fit in.

We're in the business of seeing things that others don't - both opportunities and risks. And so our collaboration with Purple, who are out mining opportunities and managing risk, felt good.

Join us and Purple as we continue Colouring Outside the Lines."

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A FEW HIGHLIGHTS ...

SANLAM PAYS R100 MILLION FOR

30%

OF EASYEQUITIES

LAUNCH OF

US STOCKS

ON EASYEQUITIES

WINNER

AFRICAN FINTECH AWARDS 2017

WINNING BEST TFSA – 3RD TIME!

INTELLIDEX TOP STOCKBROKER AWARDS

NEW TEAM MEMBERS INCREASE OUR

DIVERSITY

PURPLISTA JUSTIN PEARSE SMASHES THE

CAPE EPIC

WITH EMPEROR BRAND AMBASSADOR SIBUSISO VILANE

EASYEQUITIES Born2RunAC –

TOP 10 AT COMRADES!

GT247.COM DEDICATED TRADING DESK

EXCITING NEW PLATFORM

CHAIRMAN'S LETTER

MARK BARNES

I reflect on the year past with mixed feelings.

GT247.com, the market trading platform and relationship base into which the current shareholders originally invested over a decade ago, has had a tough, disappointing year, to be sure. In its early years, GT247.com was itself in ground-breaking territory amongst its stockbroking and trading peers and I expect it will remain a foundation to the established client base of the Group, as they continue to grow with us.

In the future, GT247.com may well find itself central to being able to offer the diverse product set increasingly demanded by ever more savvy investors. In the right formulation, GT247.com will return, to yield the annual profits we have become used to over the years, which are multiples of this year's disappointing yield.

A full analysis of our position in the extremely disappointing investment in Real People is set out in this report.

Purple's online Investment platform, EasyEquities (launched barely three years ago) is an industry disruptor that will re-define how all people engage with all market assets. It really could be that big.

Born out of the market experience and technology expertise gained in GT247.com, our management team set out on a mission to bring the neglected asset side of ordinary people's balance sheets to their attention and equip them to do something about it, to access it, to manage it, to become involved.

When one day we reflect on what EasyEquities achieved, it will be found to have gone beyond its obvious investment channel, market access merits, to invite, educate, include and empower ordinary people into the world of wealth creation previously, wrongly, foolishly, denied them. Its applications will have extended way beyond its primary function as the easiest, cheapest retail channel to market, as it straddles structures like corporate loyalty programs and incentive schemes. EasyEquities is the business of our future. Get one of your kids to show you how it works, and you'll see what I mean.

The opportunities for future client growth within EasyEquities extend beyond the borders of South Africa.

Not surprisingly, EasyEquities has taken money and management time and energy to get it off the ground. Coupled with the difficult trading conditions experienced by GT247.com and the Real People write down, shareholders find themselves presented with a disappointing set of numbers and no financial returns on their investment. It's a hard swallow, but I think it will be worth it.

Get to it, management. Fast forward the partnerships, the client acquisition strategies and the revenues streams that we know are in the EasyEquities story. I'm in it for the long term, but I do look forward to those dividends.

My sincere thanks to the management team for the effort and energy they put into this business. My appreciation to fellow Board members and shareholders, particularly Ronnie Lubner, who continue to provide me with wise council and have had the faith and patience in our journey.

The year ahead may well deliver our first home run.

CHIEF EXECUTIVE OFFICER'S LETTER

CHARLES SAVAGE

Another year of #FinTech awards, of broad industry recognition of our market disruption, of record customer on-boarding numbers and significant growth in client assets. Another year of inspiring client stories of ordinary everyday South Africans taking up investing for themselves, on their own terms, cheaply, easily, democratising share ownership one proudly South African investor at a time. Another year of deepening our platform capability, of bravely investing in our team and #easy community, of placing purpose over profit and building a corporate culture that is so much more powerful than the lines of code that hold up our online advantage and differentiation.

Another year of lacklustre share performance and operating losses for the Group. Another year marked by poor economic and investment conditions that kept investor confidence and market volatility at multi decade lows, key drivers of revenue across all our businesses. Another year where we found incredible shareholders to stand resolutely alongside us who committed capital and resources to our dreams of making investing easy and accessible for all.

It takes a long time to build sustainable long-term value, it takes a long-term vision and a determined focus on building and investing in the things that matter. It takes the confidence that comes from happy customers to ignore the musings of short-term passengers who want short-term returns for their flighty capital.

Warren Buffet often observed "it is the market's insistence on ever-improving "quarterly results" that leads many management teams to make decisions that help profits (and stock option value) in the short-term and hurt companies in the long-term. Sometimes these myopic decisions just result in companies under-investing in promising long-term opportunities. Sometimes they lead to corner-cutting and brand damage."

Purple Group will never do that, not under my leadership or team, we are all committed to the creation of incredible long-term value for our customers, for our staff and for our shareholders. Nothing less.

Over the last 12 months much has been achieved, some of these include:

PURPLE GROUP

- Upgraded our data warehouse capability and rolled out extensive business intelligence across the Group improving management insights and decision-making
- Successfully concluded the deal terms with Sanlam Investment Holdings Proprietary Limited.

EASYEQUITIES

- Raised R100 million of growth capital from Sanlam Investment Holdings for a 30% shareholding in EasyEquities.
- Launched a managed personal share portfolio service on the platform through our Accenture innovation award winning Bundle and Baskets functionality.
- Launched a US share and ETF offering on the platform in the same low cost, no minimums, fractional ownership, zero barriers to entry #Easy way.
- Quadrupled the operating scalability of the platform to cater to the exponentially increasing demand.
- Significantly improved our website traffic conversion rate to three times the industry average through a series of user experience improvements deployed throughout the year.
- Setup the EasyEquities Retirement Annuity Fund enabling the launch of RA's on the platform in December 2017.
- Integrated into the Finswitch transactional engine enabling the launch of Unit Trusts on our partner platform, SatrixNow, in November 2017 and extending our platform capability to be able to offer shares and ETFs to other LISPs.

CHIEF EXECUTIVE OFFICER'S LETTER CONTINUED

- #1 Tax Free Savings Account at this year's Intellidex/Financial Mail/Investors Monthly Top Stockbroking Awards for the third year in a row.
- Overall winner of the annual African FinTech and InvestTech Award for the second year running.

GT247.COM & GT PRIVATE BROKING

- New leadership and management team appointed to drive the business strategy and growth going forward.
- Swapped out 80% of our own technology stack in favour of MetaTrader 5 to reduce our technology cost of ownership whilst improving our platform capability, in the result coupling our market leading low cost stock broking offering with an international award-winning execution platform. Launched 1 November 2017 this is expected to drive significant growth in the year ahead.
- Remodelled and relaunched our website, research, blog and podcasts offering coupled with a revised digital marketing strategy which has doubled website traffic and client conversion rates.

EMPEROR ASSET MANAGEMENT

- Leverage our quantitative-based investment approach to broaden our range of fund and strategy offerings to cater to all risk return profiles. Launched this offering on EasyEquities in March 2017 on-boarding 1 583 customers in just six months.
- Completed an independent peer review of our entire investment offering, technology stack, investment process and marketing strategy with the view to remodel and relaunch Emperor Asset Management to a broader retail and institutional client base in 2018.

The year ahead holds much promise. The promise of partnerships that will further entrench our leadership position and lock out distribution opportunities from competitors that may come, of product and platform launches that will see us square up against the heavyweights of asset management and administration and excitingly see the launch of EasyEquities in new markets in which we will get to test our capability to replicate what we have achieved here at home and abroad.

In other words, another year of incredible milestones, record breaking achievements and some failing, all on the path towards achieving spectacular long-term success.

Thank you all for your continued support, commitment, contributions, capital and trusting patronage you are all a huge part of our proudly unfolding Purple story to make investing easy for all, everywhere!

CHIEF FINANCIAL OFFICER'S REPORT

GARY VAN DYK

This section provides a detailed analysis of the financial results of the Group for the year-ended 31 August 2017.

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	2017 R'000	2016 R'000	Movement %
Revenue	**74 518**	105 811	(29.6)
Commissions and research	**(6 513)**	(9 747)	(33.2)
Operating expenses	**(91 557)**	(95 690)	(4.3)
Net (loss)/income	**(23 552)**	374	(6 397.3)
Other income	**1 972**	952	107.1
(Loss)/profit before interest, depreciation and amortisation	**(21 580)**	1 326	(1 727.5)
Interest expense	**(3 456)**	(2 176)	58.8
Depreciation and amortisation	**(4 837)**	(2 871)	68.5
Loss before fair value, impairments and guarantee adjustments	**(29 873)**	(3 721)	703.0
Fair value and guarantee adjustments	**(44 109)**	–	–
Loss before tax	**(73 982)**	(3 721)	1 888.8
Taxation	**16 120**	531	2 935.8
Loss after tax	**(57 862)**	(3 190)	1 713.8
Basic loss per share (cents)	**(6.42)**	(0.37)	1 635.1
Headline loss per share (cents)	**(6.42)**	(0.37)	1 635.1

For the first time, the respective income statements of the various Purple Group businesses have been carved out below.

Although these businesses leverage off a centralised resource base and have varying levels of intersection, they each target very different segments of the market and are at different stages of the business life cycle.

GT247.COM, GT PRIVATE BROKING AND EMPEROR ASSET MANAGEMENT

GT247.com and GT Private Broking are established businesses operating in a niche segment of the market that provides a trading destination for active OTC derivatives traders. This market is highly competitive, however, provides healthy margins.

GT247.com also provides execution services for Emperor Asset Management as Emperor Asset Management manages segregated portfolios for the majority of its clients with the underlying strategies utilising equity Contracts for Difference (CFDs), of which GT247.com is the principal. As a result the performance of Emperor Asset Management directly impacts on the results of GT247.com.

In addition, GT247.com, GT Private Broking and Emperor Asset Management operate largely off the same centralised resource base of the Group. As such, these business units have been Grouped together in the analysis below.

CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

EasyEquities REVENUE

▲R9.5m

(2016: R4.9m)

EasyEquities DIRECT AND PARTNER ASSETS

▲63.3%

to R1 421m

(2016: R870m)

EasyEquities ACCOUNTS OPENED

▲91.6%

to 59 550

(2016: 31 074)

GT247.COM, GT PRIVATE BROKING AND EMPEROR ASSET MANAGEMENT

	2017 R'000	2016 R'000	Movement %
Revenue	**65 042**	100 865	(35.5)
Commissions and research	**(5 284)**	(9 096)	(41.9)
Operating expenses	**(57 067)**	(65 094)	(12.3)
Net income	**2 691**	26 675	(89.9)
Other income	**136**	90	51.1
Profit before interest, depreciation and amortisation	**2 827**	27 765	(89.8)
Interest expense	**(1 037)**	(1 088)	(4.7)
Depreciation and amortisation	**(1 451)**	(1 435)	1.1
Profit before tax	**339**	24 242	(98.6)
Taxation	**(71)**	(12 052)	(99.4)
Profit after tax	**268**	12 190	(97.8)
Key revenue drivers			
Volatility index	**12.4**	17.5	(29.1)
Client funds (R'm) – Trading	**136**	157	(13.4)
Client funds (R'm) – Asset Management	**220**	435	(49.4)

The market conditions over the past 12 months, characterised by low volatility and reduced investor confidence, were not ideal for our speculative trading businesses, GT247.com and GT Private Broking. This coupled with the significant client out-flows experienced by Emperor Asset Management has resulted in a 35% decline in revenue during the year. Despite this decline in revenue these business units still managed to generate a small profit for the year-ended 31 August 2017.

GT247.com and GT Private Broking's trading related revenue decreased by 19.4%, driven by a 29.1% decrease in market volatility, which drives client trading activity, and a 13.4% decrease in Client Funds – Trading ("Trading Funds"). The decrease in Trading Funds was primarily due to clients realising losses during the year.

Asset management execution revenue, generated by GT247.com, was down 45.3% due to client outflows from Emperor Asset Management's momentum styled strategies (Asset Management funds down 49.4%) as a result of the under performance (against the benchmark) generated by these strategies over the past two years, a decrease in client confidence in South Africa, clients moving funds into off-shore markets and clients requiring their funds due to the economic pressure many South Africans currently find themselves in.

Management has taken the decision to diversify and expand the product offering of Emperor Asset Management to enable it to provide a more diverse range of low cost investment options for clients that caters to a much broader market opportunity. Leveraging off our quantitative based approach and in partnering EasyEquities, we have managed to launch a full range of managed portfolios through EasyEquities' Bundle solution, including tax free savings options, discretionary stock broking and retirement accounts, with plans to extend the offering to traditional pension funds in the second quarter of next year.

Building our client and asset base through partnering the innovative EasyEquities investment platform and focusing on developing long-term client relationships through providing systems that seek to guide and assist investors in proving an answer to the most commonly asked question, "What should I buy?" is our key strategic focus and expected to rebuild assets under management and rapidly grow client numbers in the years ahead.

In light of the current operating conditions being experienced by the trading and asset management divisions, we have focused on cutting costs where ever possible over the past 12 months and will continue to do so until such time that revenue recovers.

EASYEQUITIES

The Group has continued to invest in its EasyEquities platform over the past 12 months.

In the result, 59 550 accounts have been opened (an increase of 91.6%), with client assets totalling R1.13 billion (up 58.9%) and partner funds under administration totalling R291 million (up 83.0%).

The increase in client accounts and assets is testament to the demand for the EasyEquities platform and indicative of the gap in the market that EasyEquities has filled since its launch in October 2014.

EASYEQUITIES

	2017 R'000	2016 R'000	Movement %
Revenue	**9 476**	4 946	91.6
Commissions and research	**(1 229)**	(651)	88.7
Operating expenses	**(34 490)**	(30 596)	12.7
Net income	**(26 243)**	(26 301)	(0.2)
Other income	**–**	–	–
Profit before interest, depreciation and amortisation	**(26 243)**	(26 301)	(0.2)
Interest expense	**(2 419)**	(1 088)	122.3
Depreciation and amortisation	**(3 386)**	(1 436)	135.8
Profit before tax	**(32 048)**	(28 825)	11.2
Taxation	**6 311**	10 202	(38.1)
Profit after tax	**(25 737)**	(18 623)	38.2
Key revenue drivers			
Accounts opened	**59 550**	31 074	91.6
Client funds (R'm)	**1 130**	711	58.9
Partner funds (R'm)	**291**	159	83.0
Total funds	**1 421**	870	63.3

Revenue increased by 91.6% to R9.5 million on the back of average client and partner assets for the year being 119% higher than the prior year.

Operating expenses increased by 12.7% with employment costs and IT costs being the primary drivers of this increase.

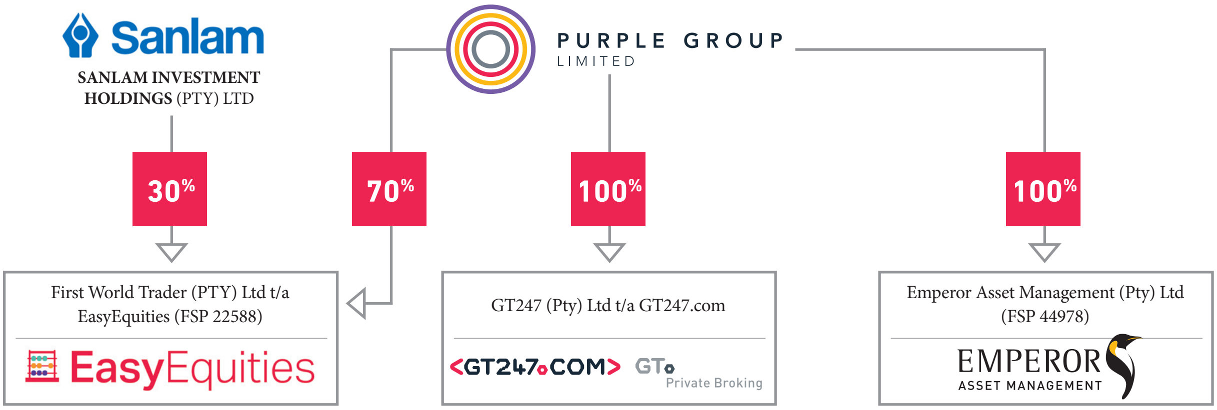
The business is currently working on a number of partnership opportunities, which will hopefully be concluded during the next six months which will further drive asset and client numbers alike.

The business launched its US Trading account during September 2017, allowing EasyEquities clients the opportunity to now acquire shares listed in the United States through the platform. We will be launching a Retirement Annuity account on the platform during December 2017, that will allow clients to transfer their existing Retirement Annuities to the EasyEquities Retirement Annuity Fund and acquire Regulation 28 Compliant Bundles on the platform.

Another exciting development for EasyEquities is that Sanlam Investment Holdings Proprietary Limited ("Sanlam") will be acquiring a 30% shareholding in EasyEquities for a consideration of R100 million, (subject to certain conditions precedent). This funding will enable the continued growth and development of the EasyEquities platform for the next 24 to 36 months. Although, it took us longer than expected to secure Sanlam as our partner, which placed the Group's capital resources under pressure, this is the right deal, with the right partner and was worth the wait, as Sanlam, in addition to the capital, will broaden market access through established distribution channels both locally and abroad.

CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

The Purple Group structure following the internal restructuring and successful conclusion of the Sanlam transaction has been reflected below.



COMMISSIONS & RESEARCH

Introducing agent commissions, sales commissions and third party research costs decreased by 33.2% for the 12 months ended 31 August 2017, which is in line with the decrease in revenue.

OPERATING EXPENSES

	2017 R'000	2016 R'000	Movement %
Employment costs	**(47 023)**	(46 749)	0.6
IT costs	**(16 883)**	(16 870)	0.1
Marketing	**(8 678)**	(13 230)	(34.4)
Office costs	**(7 669)**	(7 592)	1.0
Professional fees	**(5 513)**	(4 718)	16.9
Other	**(5 791)**	(6 531)	(11.3)
Total	**(91 557)**	(95 690)	(4.3)

Operating expenses for the year have decreased by 4.3% primarily due to a 34.4% pull back in marketing expenditure and other expenses decreasing by 11.3% on the back of lower revenue. The decreased marketing spend was due to marketing initiatives and campaigns being targeted at client acquisition, with a reduced spend on brand building, compared to the prior year.

Professional fees were 16.9% higher due to legal consulting costs incurred in respect of the restructuring of the Group and in concluding the Sanlam transaction. Professional fees in general have remained high as legal and other consulting costs continue to be incurred in the development of new products for the EasyEquities platform.

The majority of the other expenses remained flat, despite inflationary increases from most suppliers. These increases were off-set through various cost savings achieved across the Board. We will continue to analyse our cost base and cut costs where appropriate, without impacting the future growth prospects of the business.

NET INTEREST EXPENSE

The increase in the interest expense is due to an increased utilisation of overdraft facilities to fund the continued growth of the EasyEquities business.

DEPRECIATION AND AMORTISATION

Depreciation and amortisation costs increased due to various new product development costs being capitalised during the year, mainly comprising software development expenses in respect of the EasyEquities platform.

FAIR VALUE AND GUARANTEE ADJUSTMENTS

Purple Group holds a direct investment in Real People Investment Holdings Limited ("RPIH") comprising 6 471 ordinary shares, 6 089 (2016: 5 293) compulsory convertible preference shares and 892 (2016: 826) cumulative redeemable preference shares.

RPIH management, supported by the requisite majority of shareholders, entered into a voluntary restructure with its creditors during July 2017, as RPIH was not in a position to meet its funding covenants due to losses and a decline in the RPIH Group's productive assets following its decision to exit its consumer lending operations early in 2013, more recently compounded by the poor performance delivered by its Kenyan operation. The fact is that the consequences thereof needed to be comprehensively resolved in order for the RPIH Group to move forward in the current challenging economic environment.

The RPIH Group's three remaining businesses in South Africa remain operationally sound and are capable of delivering acceptable returns when funded with the correct mix of equity and debt and provided assets are valued on a basis that generates the yields required to deliver these metrics.

The shareholders were not willing to provide the requisite capital to effect the balance sheet restructure and as such this duty fell on the RPIH Group's credit providers to fulfil this role.

The approved restructuring plan is currently being implemented and should be completed by 30 November 2017.

In the result, Purple Group's interests in RPIH have been significantly diluted, as detailed below:

1. The existing 6 471 ordinary shares would entitle Purple Group to the following allocations:
   a. 80 802 ordinary shares (0.067%); and
   b. 3 236 B Preference shares with a face value of R1 496 per share.
2. The existing 6 089 compulsory convertible preference shares would entitle Purple Group to the following allocations:
   a. 145 954 ordinary shares (0.121%); and
   b. 6 089 B Preference shares with a face value of R1 496 per share.
3. The existing 968 compulsory convertible preference shares would entitle Purple Group to the following allocations:
   a. 280 037 ordinary shares (0.233%); and
   b. 968 B Preference shares with a face value of R8 298 per share.

In addition, Purple Group holds an indirect investment in RPIH through Blockbuster Trading 3 Proprietary Limited ("BBT"). BBT, of which Purple Group owns a 37.5% shareholding, holds 10 843 ordinary shares in RPIH.

BBT's existing 10 843 ordinary shares would entitle BBT to 6 009 787 ordinary shares (5.0%) post the restructure.

In respect of Purple Group's indirect investment in RPIH held through BBT, the shareholders of BBT granted the Industrial Development Corporation ("IDC"), (which funded the transaction) a put option, on a joint and several basis, whereby the IDC may put any unredeemed preference shares to the shareholders of BBT at the subscription price. The Company has provided for the estimated liability in respect of this guarantee (shown as a financial guarantee).

As a result of the above, Purple Group has written down its investment in RPIH and adjusted the financial guarantee to be in line with current estimates resulting in a net write-down of R42.9 million (before tax) during the current year.

CURRENT AND DEFERRED TAX

The tax credit of R16.1 million for the year-ended 31 August 2017 comprises a deferred tax credit raised in respect of the current year's losses, including the fair value adjustments.

PROFIT FOR THE PERIOD

The Group has realised a basic and headline loss per share of 6.42 cents for the year-ended 31 August 2017 compared to a basic and headline loss per share of 0.37 cents in the prior year.

CORPORATE GOVERNANCE

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

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

Role and function of the Board

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

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

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

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

THE BOARD OF DIRECTORS

Composition

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

The Board is satisfied that it has the requisite number of directors with the skills, knowledge and resources to conduct the business of the Group. Details of the directors, together with a brief *curriculum vitae* of each director, can be found on page 17.

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

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

Due to the small size of the Purple Group and the relatively small size of the Board, the Board have not set any specific targets in respect of diversity for race and gender, but they will actively look to appoint new members with the required skills, knowledge and experience, when appropriate, who will at the same time address the current shortfall in diversity.

Chairman

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

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

Independence and performance

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

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

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

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

Process for appointment and removal of directors

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

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

Appointment and re-election of the Board

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

In accordance with the Company's Memorandum of Incorporation and the King code, Mark Barnes and Craig Carter will retire by rotation and will stand for re-election by shareholders at the next AGM.

BOARD COMMITTEES

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

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

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

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

	Board	Audit Committee	Remuneration Committee	Social and Ethics Committee**	Risk Committee
Mark Barnes	2/2	2/2	1/1		2/2 (Chairman)
Ronnie Lubner	2/2		1/1		
Craig Carter	2/2	2/2 (Chairman)	1/1 (Chairman)	0 (Chairman)	
Dennis Alter*	0/2	0/2			
Charles Savage	2/2				2/2
Gary van Dyk	2/2			0	2/2

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

** *The Social and Ethics Committee did not manage to meet during the year, however, a meeting has been scheduled for the first quarter of 2018.*

CORPORATE GOVERNANCE CONTINUED

Remuneration Committee

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

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

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

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

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

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

Audit Committee

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

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

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

Other functions of the audit committee include:

- Nomination of the external auditor for appointment;
- Approval of the terms and remuneration of the external auditor;
- Approval of non-audit services by the external auditor;
- Communication with shareholders regarding the external auditors;
- Overseeing integrated reporting; and
- Satisfying itself that the finance function is appropriately staffed.

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

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

Social and Ethics Committee

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

Risk Committee

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

This committee has as its responsibility to:

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

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

GROUP SECRETARY

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

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

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

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

GOVERNANCE OF IT

IT forms an integral part of the four business units in the Group, namely GT247.com, GT Private Broking, EasyEquities and Emperor Asset Management.

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

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

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

CORPORATE GOVERNANCE CONTINUED

COMPLIANCE WITH RELEVANT LAWS, RULES, CODES AND STANDARDS

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

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

GOVERNING STAKEHOLDER RELATIONSHIPS

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

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

COMMUNICATION CHANNELS

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

KING REPORTS ON CORPORATE GOVERNANCE

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

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

OUR LEADERSHIP

Mark Barnes – 61
Non-executive Chairman
@mark_barnes56

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

Charles Savage – 44
Group CEO
@csavagegt247

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

Charles joined the Board in July 2009.

Gary van Dyk – 40
Group CFO
@gary_dyk

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

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

Gary joined the Board in April 2013.

Ronnie Lubner – 83
Non-executive director

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

Ronnie joined the Board in March 2006.

Craig Carter – 57
Independent non-executive director

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

He is currently COO of Luminous Banking.

Craig joined the Board in February 2005.

Dennis Alter – 75
Independent non-executive director

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

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

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

Dennis joined the Board in March 2006.

FINANCIAL STATEMENTS

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

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The directors are responsible for the preparation and fair presentation of the consolidated annual financial statements of Purple Group Limited, comprising the consolidated statement of financial position at 31 August 2017, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, in conformity with International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act of South Africa and the Listings Requirements of the JSE Limited.

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

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

The consolidated annual financial statements set out on pages 29 to 70 of Purple Group Limited, as identified in the first paragraph, were approved by the Board of Directors on 6 November 2017 and are signed on their behalf by:

Mark Barnes
Chairman

Gary van Dyk
Chief Financial and Operations Officer

GROUP SECRETARY'S REPORT

TO THE SHAREHOLDERS OF PURPLE GROUP LIMITED

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

In terms of section 88(2)(e)/33(1) of the Companies Act of South Africa, I certify that to the best of my knowledge and belief the Company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Companies Act of South Africa, in respect of the financial period ended 31 August 2017, and that all such returns are true, correct and up to date.

Trifecta Statutory and Governance Services, a division of Trifecta Capital Services Proprietary Limited
Company Secretary

Florida North
6 November 2017

DIRECTORS' REPORT

for the year-ended 31 August 2017

The directors submit their annual report on the activities of Purple Group Limited (the Company) and its subsidiaries (Purple Group or the Group) for the year-ended 31 August 2017.

BUSINESS OPERATIONS

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

FINANCIAL REVIEW

The Group recorded an attributable loss of R57.9 million (2016: loss of R3.2 million) for the 2017 financial year. Shareholders' funds have decreased from R263.4 million in 2016 to R238.3 million in 2017. Note 6 shows net loss after tax by operating segment.

SHARE CAPITAL

The total authorised share capital is 1 200 000 000 ordinary shares of R0.01 each and the total number of ordinary shares in issue net of treasury shares is 933 176 518 (2016: 881 374 397).

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

	2017				2016			
	Beneficial		**Non-beneficial**		Beneficial		Non-beneficial	
	Direct	**Indirect**	**Direct**	**Indirect**	Direct	Indirect	Direct	Indirect
Mark Barnes	**44 852 718**	**166 080 851**	**–**	**–**	44 852 718	166 080 851	–	–
Craig Carter	**1 932 366**	**–**	**–**	**–**	1 932 366	–	–	–
Ronnie Lubner	**–**	**–**	**–**	**227 100 267**	–	–	–	227 100 267
Dennis Alter	**7 200 000**	**–**	**–**	**–**	7 200 000	–	–	–
Charles Savage	**20 814 011**	**–**	**–**	**4 540 000**	20 850 011	–	–	4 540 000
Gary van Dyk	**18 518 500**	**–**	**–**	**–**	18 518 500	–	–	–
	93 317 595	**166 080 851**	**–**	**231 640 267**	93 353 595	166 080 851	–	231 640 267

At the date of this report, none of the directors of the Group had traded any of the shares held by them as at 31 August 2017.

During the year, Charles Savage sold 36 000 shares.

EVENTS SUBSEQUENT TO YEAR-END

As announced on SENS on 14 August 2017, Purple Group has entered into agreements with Sanlam Investment Holdings Proprietary Limited (Sanlam), whereby Sanlam will acquire a 30% shareholding in the EasyEquities business for a consideration of R100 million, subject to the fulfilment of certain conditions precedent. For a more detailed description, please refer to note 31.

DIRECTORS

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

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

** Non-executive* *# Independent*

SHARE INCENTIVE SCHEME

The Company's Employee Share Option Scheme had issued 144.8 million (2016: 124.2 million) options in total to the directors and staff of Purple Group. Details of the options in issue are disclosed in note 22 to the financial statements.

BORROWINGS

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

SHAREHOLDER SPREAD

Details of the Company's shareholder spread are recorded on page 71.

SUBSIDIARIES

The Group is composed of numerous entities, please refer to note 30 for the complete list.

CORPORATE GOVERNANCE AND SUSTAINABILITY

The corporate governance and sustainability report is set out on pages 12 to 16.

GOING CONCERN

The annual financial statements have been prepared on a going-concern basis. Despite the Group having accumulated losses and current liabilities in excess of current assets, the Group has net equity of R238.3 million, and the directors are confident that the Group, will continue trading as a going concern into the foreseeable future.

The losses incurred during the prior period were generated in respect of the Group's investment in its EasyEquities business (which generated a loss after tax of R18.6 million) as the GT247.com, GT Private Broking and Emperor businesses generated a profit after tax of R13.2 million, largely funding the EasyEquities expansion.

The losses generated in the current year comprised a fair value write down in Purple Group's investment in Real People (which is a one-off adjustment) and the Group's continued investment in EasyEquities. The remaining operations again generated profit for the year, albeit small, due to unfavourable trading and investment conditions. The Group's investment in EasyEquities during the current year was funded through raising equity totalling R20.7 million and the remainder through securing additional debt facilities.

The transaction with Sanlam, detailed in note 31, will result in EasyEquities being capitalised with sufficient capital to fund its operations for the next 24 to 36 months; hence the remaining, profitable businesses in the Group will no longer be required to fund the EasyEquities operations. These cash flows will be utilised to reduce the debt facilities of the Group. The consolidated Group, including EasyEquities, is forecast to reach break-even over the next 24 to 36 months.

SECRETARY

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

Business and postal address of the Company Secretary:

Business	**Postal**
31 Beacon Road	PO Box 61272
Florida North	Marshalltown
1709	2107

RESOLUTIONS

At a general meeting of the shareholders on 2 December 2016 the following resolutions were passed:

Ordinary resolutions

- Adoption of annual financial statements for the year-ended 31 August 2016
- Remuneration of auditors
- Appointment of auditors
- Ratification of re-election of Dennis Alter and Ronnie Lubner
- To place the unissued shares of the Company under the control of the directors
- To authorise the Company to issue shares and to sell treasury shares for cash under a general authority
- To authorise the directors as signatories
- Non-binding advisory vote on remuneration policy

Special resolutions

- To authorise the Company to purchase its own shares
- Financial assistance to related and inter-related entities
- Approval of directors' remuneration to 31 August 2017

AUDITORS

BDO South Africa Incorporated

REPORT OF THE AUDIT COMMITTEE

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

The audit committee met twice during the year. The first meeting was on 28 October 2016 to approve the 2016 annual financial statements and again on 31 August 2017 to deal with the matters below and planning for the 31 August 2017 audit. The Chief Financial and Operating Officer of the Group and representatives from the external auditors attend the committee meetings by invitation.

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

In execution of its duties during the past financial year, the audit committee has:

- nominated for appointment as auditor of the Group a registered auditor who, in the opinion of the audit committee, was independent of the Group;
- determined the fees to be paid to the auditor and the auditor's terms of engagement;
- ensured that the appointment of the auditor complies with the Companies Act and any other legislation relating to the appointment of auditors;
- determined the nature and extent of any non-audit services which the auditor may provide to the Group;
- received and dealt appropriately with any complaints relating to the accounting practices of the Group or to the content or auditing of its financial statements, or to any related matter;
- considered the JSE Proactive monitoring report of 2016 and taken appropriate action to apply the findings where applicable; and
- performed other functions as determined by the Board.

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

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

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

FINANCIAL STATEMENTS

Following our review of the consolidated annual financial statements for the year-ended 31 August 2017, we are of the opinion that, in all material respects, they comply with International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and in the manner required by the Companies Act of South Africa and the Listings Requirements of the JSE Limited, and that they fairly present the financial position at 31 August 2017 for Purple Group Limited and the results of operations and cash flows for the period then ended.

On behalf of the audit committee

Craig Carter

6 November 2017

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF PURPLE GROUP LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Purple Group Limited and its subsidiaries (the Group) set out on pages 29 to 70, which comprise the consolidated statement of financial position as at 31 August 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in funds and reserves and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the consolidated financial statements present fairly, in all material respects the consolidated financial position of the Group as at 31 August 2017, and its financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

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

Key audit matters

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

1. Complex Information Technology systems

Key audit matter	*Audit response*
The Group's Information Technology systems – FT Trader, EQ Trader and EasyEquities is considered to be complex due to it being custom developed and maintained, has a high degree of automated processing and controls with many electronic transactions generated from trading platforms with very little observable external audit trial. In the unlikely event that incorrect processing were to occur the consequences for the Group and for clients could be severe and therefore significant audit emphasis was placed on ensuring strong controls and accurate processing.	Our audit procedures included, amongst others: • Information technology assurance services were employed to perform a comprehensive general control environment review for the year and document and test all application controls and interfaces between systems. • Information technology assurance services tested the automated controls in the system by means of test data and computer assisted auditing techniques. • The operational systems and databases were reconciled to the financial systems in order to ensure the functioning of the interfaces between the systems. • In addition to the computer assisted audit techniques we also performed substantive tests on transactions within the system.

INDEPENDENT AUDITOR'S REPORT CONTINUED

2. Third party funds

Key audit matter	*Audit response*
Refer also to note 19 (page 56) The Group holds R315.6 million (2016: R470.5 million) of client funds which are not reflected on the statement of financial position. According to regulation these accounts have to be treated and accounted for as restricted funds held on trust and are not available for use by the entity. Also included in Group cash and cash equivalents are client funds held in margin whose use are restricted to hedging. A related liability for these client funds on margin are accounted for in the clients' funds liability. The Group manages significant amounts of client funds in a fiduciary capacity. Accordingly significant audit emphasis was placed on ensuring the safeguarding of these funds and their administration strictly in accordance with client mandates.	Our audit procedures included, amongst others: • Obtained an internal technical opinion on whether the funds held in trust (not on margin) should be recognised as an asset with a corresponding liability in the statement of financial position or whether the Groups policy of not including these funds in cash and other equivalents is correct. • Assessed the database of clients' transactions across all trading products including clients' funds balances at year-end and reconciled these to the accounting records. • Client funds held in trust and margin accounts were confirmed with external third parties. • Confirmed that the Group operates separate trust accounts for these funds and that the balances have been reconciled to the accounting records. • Reconciled the clients' funds liability with the client's funds on margin per the trading database. • Confirmed the Group has enough assets on hand at year-end to meet the client funds held in trust and on margin liabilities. • Assessed the transactions tested for indicators of potential fraud and considered other information gathered during the audit in support of our conclusions.

3. Going concern

Key audit matter	*Audit response*
Refer also to Note 33 (page 70) When preparing annual financial statements, the directors are required to make an assessment of the Group's ability to continue as a going concern, and to disclose significant risks of material uncertainty over the Group's ability to continue as a going concern if applicable. This basis assumes that the Group will continue in operation for the foreseeable future, and that the Group has adequate access to capital and borrowings to meet its obligations as they fall due. In making this assessment the directors take into account all available information about the future which is at least, but not limited to, 12 months from the date of approval of the financial statements. During the current and prior year, the Group incurred losses before and after taxation and the Group reflects an accumulated deficit of R 273.5 million at financial year-end. In addition, the Group has borrowings and bank overdrafts. The going concern assessment by management necessarily involves making significant judgements and estimates about the future and the going concern assumption underpins the recognition and measurement of the entire financial statements. This was therefore noted as a key audit matter.	We discussed with management their assessment of the Group's ability to continue as a going concern, cash forecasts prepared, the availability of financing facilities and access to capital, and whether all information that is reasonably available had been taken into account. Our procedures included: • Evaluated the reliability of underlying data used to prepare the forecast by comparing the projected cash flows, including the assumptions relating to revenue growth rates, operating margins, and growth in assets under management to historical performance • Determined that there was adequate support for the assumptions underlying the forecasts • Discussed with management their plans for future actions and the feasibility of these plans. • Reviewed the availability of financing facilities and access to capital to external support where possible • Concluded as to whether any significant risk of material uncertainty existed which required disclosure.

4. Impairment of investments and goodwill

Key audit matter	Audit response
Refer also to note 14 and 15 (page 50 to 53) The Company has various investments. The investments comprise both listed and unlisted entities. The related goodwill is measured at cost less accumulated impairment losses and not amortised under International Financial Reporting Standards. The directors' annual impairment review in accordance with ***IAS 36: Impairment of Assets,*** involves valuations utilising different valuation techniques including discounted cash flow models, which are complex and require significant judgement. Goodwill on the acquisition of the GT247 business represents by far the most significant asset in the statement of financial position. This business has a recent history of incurring trading losses. The assessment of the carrying value of goodwill involves significant estimates of future cash flows based on assumptions about the future made by management. In addition, the estimate of the recoverable amount of goodwill is sensitive to the discount rate applied to the cash forecast, and arriving at an appropriate discount rate in itself involves a high degree of estimation. Therefore the impairment testing of goodwill was regarded as a key audit matter and audit emphasis was placed thereon.	Our audit procedures included, amongst others: • Assessed the key inputs and assumptions used in the valuation and impairment models, including specifically the operating cash flow projections, discount rates, and long-term growth rates to external sources where appropriate and our knowledge of the industry and business. The key assumptions used for estimating cash flow projections in the Group's impairment testing are those relating to revenue growth, assets under management and operating margin. • Technical experts were consulted to review the valuation models and related inputs and assumptions to ensure that they are consistent with International Financial Reporting Standards and industry norms. • Tested the integrity and mathematical accuracy of the impairment and valuation models by re-performing the calculations. • Assessed the sensitivity of the impairment testing model to changes in key assumptions. • Considered the adequacy of the Group's disclosures in respect of its goodwill impairment testing and valuation of investments and whether disclosures about the sensitivity of the outcome of the impairment and valuation assessment to reasonably possible changes in key assumptions properly reflected the risks inherent in such assumptions.

Other information

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

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

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

Responsibilities of the directors' for the consolidated financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

BDO South Africa Inc.

BDO South Africa Incorporated
Director: Daniel Botha
Registered Auditor

8 November 2017

22 Wellington Road, Parktown, 2193

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year-ended 31 August 2017

	Notes	2017 R'000	2016 R'000
Revenue	7	**74 518**	105 811
Commissions and research expenses	8	**(6 513)**	(9 747)
Operating expenses	8	**(91 557)**	(95 690)
Net (loss)/income		**(23 552)**	374
Other income	9	**1 972**	952
(Deficit)/Earnings before interest, depreciation and amortisation		**(21 580)**	1 326
Interest expense	10	**(3 456)**	(2 176)
Depreciation and amortisation	8	**(4 837)**	(2 871)
Loss before fair value, impairment adjustments and tax		**(29 873)**	(3 721)
Fair value, impairments and guarantee adjustments	11	**(44 109)**	–
Loss before tax		**(73 982)**	(3 721)
Current and deferred tax	12	**16 120**	531
Loss for the period		**(57 862)**	(3 190)
Loss attributable to:			
Owners of the Company		**(57 862)**	(3 190)
		(57 862)	(3 190)
Earnings per share			
Basic and headline loss per share (cents)	21	**(6.42)**	(0.37)
Diluted loss per share (cents)	21	**(6.13)**	(0.35)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year-ended 31 August 2017

	Notes	2017 R'000	2016 R'000
Loss for the period		**(57 862)**	(3 190)
Other comprehensive income			
Items that may be reclassified subsequently to profit/loss			
Foreign currency translation reserve	20	**507**	1 494
Total comprehensive income		**(57 355)**	(1 696)
Total comprehensive income attributable to:			
Owners of the Company		**(57 355)**	(1 696)
Non-controlling interest		**–**	–
		(57 355)	(1 696)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 August 2017

	Notes	2017 R'000	2016 R'000
ASSETS			
Equipment	13	**3 168**	4 003
Intangible assets and goodwill	14	**233 868**	216 137
Investments	15	**12 208**	58 418
Other financial assets	16	**1 004**	954
Deferred tax assets	17	**45 845**	29 725
Total non-current assets		**296 093**	309 237
Trade and other receivables	18	**5 587**	8 429
Tax receivable		**2 763**	2 490
Investments	15	**5 862**	5 938
Other financial assets	16	**1 886**	1 749
Cash and cash equivalents	19	**140 792**	143 839
Total current assets		**156 890**	162 445
Total assets		**452 983**	471 682
EQUITY AND LIABILITIES			
Share capital and premium	20	**483 321**	456 669
Accumulated loss		**(273 506)**	(215 644)
Other reserves	20	**28 497**	22 358
Equity attributable to owners		**238 312**	263 383
Financial guarantee	15	**26 887**	31 058
Total non-current liabilities		**26 887**	31 058
Bank overdraft	19	**13 614**	12 172
Trade and other payables	23.1	**13 618**	14 420
Client position liability	23.2	**140 552**	150 649
Borrowings	24	**20 000**	–
Total current liabilities		**187 784**	177 241
Total equity and liabilities		**452 983**	471 682

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year-ended 31 August 2017

	Notes	Share capital R'000	Share premium R'000	Accumulated loss R'000	Foreign currency translation reserve R'000	Share-based payment reserve R'000	Total R'000
Balance 1 September 2015		8 604	453 116	(212 454)	(5 967)	22 218	265 517
Total comprehensive loss for the period							
Loss for the period		–	–	(3 190)	–	–	(3 190)
Other comprehensive income							
Foreign currency translation reserve	20	–	–	–	1 494	–	1 494
Contributions by and distributions to owners							–
Capital distribution	20		(16 440)				(16 440)
Shares issued	20	210	11 179			(245)	11 144
Share-based payment expense	20/22	–	–	–	–	4 858	4 858
Balance 1 September 2016		8 814	447 855	(215 644)	(4 473)	26 831	263 383
Total comprehensive loss for the period							
Loss for the period		**–**	**–**	**(57 862)**	**–**	**–**	**(57 862)**
Other comprehensive income							
Foreign currency translation reserve	20	**–**	**–**	**–**	**507**	**–**	**507**
Contributions by and distributions to owners							
Shares issued	20	**518**	**26 134**	**–**	**–**	**(72)**	**26 580**
Share-based payment expense	20/22	**–**	**–**	**–**	**–**	**5 704**	**5 704**
Balance at 31 August 2017		**9 332**	**473 989**	**(273 506)**	**(3 966)**	**32 463**	**238 312**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year-ended 31 August 2017

	Notes	**2017 R'000**	2016 R'000
Cash flows utilised in operating activities			
Cash utilised in operations	27.1	**(25 607)**	(108 241)
Tax paid	27.4	**(273)**	(4 253)
Capital distribution	20	**–**	(16 440)
Interest paid	10	**(3 456)**	(2 176)
Cash flows utilised in operating activities		**(29 336)**	(131 110)
Cash flows from investing activities			
Acquisition of equipment and intangibles	27.2	**(15 798)**	(10 546)
Acquisition of investment	27.3	**–**	(567)
Cash flows utilised in investing activities		**(15 798)**	(11 113)
Cash flows from financing activities			
Proceeds from the issue of share capital	20	**20 645**	11 389
Proceeds from loan		**20 000**	–
Cash flows generated by financing activities		**40 645**	11 389
Net decrease in cash and cash equivalents		**(4 489)**	(130 834)
Cash and cash equivalents at beginning of period		**131 667**	262 501
Cash and cash equivalents	19	**127 178**	131 667

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year-ended 31 August 2017

1. Reporting entity

Purple Group Limited (the Company) is a company domiciled in South Africa. The address of the Company's registered office is Block B, The Offices of Hyde Park, Strouthos Place, Hyde Park, 2196. The financial statements of the Group as at and for the year-ended 31 August 2017 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities). The Group is primarily involved in financial services (see note 6).

2. Basis of preparation

STATEMENT OF COMPLIANCE

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

The financial statements were authorised for issue by the Board of Directors on 6 November 2017.

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

BASIS OF MEASUREMENT

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

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

The methods used to measure fair values are discussed further in note 4.

FUNCTIONAL AND PRESENTATION CURRENCY

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

USE OF ESTIMATES AND JUDGEMENTS

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

Information on significant areas of estimation uncertainty can be found in the following notes: note 4 (determination of fair values), note 14 (intangible assets and goodwill), note 15 (investments and financial guarantee), note 17 (deferred tax assets and liabilities) and note 22 (share-based payments).

Useful life of intangibles

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

Impairment of goodwill

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

2. Basis of preparation continued

USE OF ESTIMATES AND JUDGEMENTS continued

Valuation of financial instruments

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

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

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

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

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

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

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

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

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

	Notes	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
31 August 2017					
Investments	**15**	**–**	**3 162**	**8 821**	**11 983**
31 August 2016					
Investments	15	–	3 238	49 813	53 051

3. Significant accounting policies

BASIS OF CONSOLIDATION

Subsidiaries

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Transactions eliminated on consolidation

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

FOREIGN CURRENCY

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

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

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

FINANCIAL INSTRUMENTS

Non-derivative financial instruments

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

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

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

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

Financial instruments at fair value through profit or loss

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

Other

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

3. Significant accounting policies continued

FINANCIAL INSTRUMENTS continued

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

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

Derivative financial instruments

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

Trading instruments

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

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

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

Impairment of trade receivables

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

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

SHARE CAPITAL

Ordinary shares

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

Repurchase of share capital (treasury shares)

Treasury shares arise on consolidation where a subsidiary holds shares in the holding company. These are deducted from equity at the original fair value determined when the option was granted.

Transfer between other reserves and share capital

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

EQUIPMENT

Recognition and measurement

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

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

for the year ended 31 August 2017

3. Significant accounting policies continued

EQUIPMENT continued

Depreciation

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

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

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

Subsequent expenditure

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

INTANGIBLE ASSETS

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets.

Goodwill is measured at cost less accumulated impairment losses.

Goodwill has an indefinite useful life and is assessed for impairment annually.

Contracts

Contracts that arise from the purchase of client contracts are included in intangible assets.

Contracts is measured at cost less accumulated impairment losses.

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

Research and development

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

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

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

Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

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

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis, over the estimated useful lives of intangible assets to its residual values, other than goodwill, from the date that they are available for use.

3. Significant accounting policies continued

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

Capitalised software development costs	7 years
Purchased software	3 years

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

IMPAIRMENT

Financial assets

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

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

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

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

Non-financial assets

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

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

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

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

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

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

EMPLOYEE BENEFITS

Short-term benefits

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

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3. Significant accounting policies continued

Share-based payment transactions

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

REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably.

Asset management fees

Management and performance fees are recognised on execution.

Equity brokerage fees

Brokerage fees on equity trades are recognised on execution.

Interest income

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

OTHER INCOME

Other income includes unrealised gains and losses as well as dividends arising from Investments, profit or loss on sale of investments and profit or loss on foreign exchange. Foreign currency gains and losses are reported on a net basis.

LEASE PAYMENTS

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

INTEREST EXPENSES

Interest expenses comprise interest expense on borrowings. All borrowing costs are recognised in profit or loss using the effective interest method.

INCOME TAX

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

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

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

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

3. Significant accounting policies continued

EARNINGS PER SHARE AND HEADLINE EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Appropriate adjustments in terms of Circular 2/2015, issued by the South African Institute of Chartered Accountants, are made in calculating headline earnings per share.

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

OPERATING SEGMENT REPORTING

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

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

STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN CURRENT YEAR

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

NEW STANDARDS AND INTERPRETATIONS

At the date of authorisation of the financial statements for the year-ended 31 August 2017, the following Standards and Interpretations were in issue but not yet effective that are applicable to the activities of the Group:

	Standard/Interpretation	Annual periods beginning on or after
IFRS 9	**Financial instruments** A finalised version of IFRS 9 has been issued which replaces IAS 39 Financial Instruments: Recognition and Measurement. The completed standard comprises guidance on Classification and Measurement, Impairment, Hedge Accounting and Derecognition: • IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics. A new business model was introduced which does allow certain financial assets to be categorised as "fair value through other comprehensive income" in certain circumstances. The requirements for financial liabilities are mostly carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk. • The new model introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets. • IFRS 9 carries forward the derecognition requirements of financial assets and liabilities from IAS 39.	1 January 2018

3. Significant accounting policies continued

	Standard/Interpretation	Annual periods beginning on or after
IFRS 15	**Revenue from contracts with customers** • New standard that requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five-step methodology that is required to be applied to all contracts with customers. • The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements. • The new standard supersedes: (a) IAS 11 Construction Contracts; (b) IAS 18 Revenue; (c) IFRIC 13 Customer Loyalty Programmes; (d) IFRIC 15 Agreements for the Construction of Real Estate; (e) IFRIC 18 Transfers of Assets from Customers; and (f) SIC-31 Revenue – barter transactions involving advertising services.	1 January 2018
IFRS 16	**Leases** • New standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion 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 of IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or 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 or Interpretations: (a) IAS 17 Leases; (b) IFRIC 4 Determining whether an Arrangement contains a Lease; (c) SIC-15 Operating Leases – Incentives; and (d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.	1 January 2019

The Group does not intend to early adopt any of the Standards. Management are still determining the potential effects of IFRS 9, 15 and 16 on the financial statements. The adoption of the other standards and amendments not specifically disclosed will not have a significant effect, other than additional disclosure.

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

4. Determination of fair values

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

INVESTMENTS

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

Unlisted investments and investments held as venture capital investments are carried at their estimated fair value as determined by the Board at the reporting date. The resultant increase or decrease in fair value is recognised in profit or loss.

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

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

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

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

Where an active market does not exist for illiquid quoted investments, estimation techniques are used to determine fair value. Changes in fair value are reflected in profit or loss.

TRADE AND OTHER RECEIVABLES

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

NON-DERIVATIVE FINANCIAL LIABILITIES

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

SHARE-BASED PAYMENT TRANSACTIONS

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

5. Financial risk management

OVERVIEW

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

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

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

5. Financial risk management continued

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

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

CREDIT RISK

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

Trading counterparties

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

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

Other investments

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

LIQUIDITY RISK

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

MARKET RISK

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

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

Currency risk

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

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

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

Interest rate risk

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

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

Other market price risk

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

5. Financial risk management continued

MARKET RISK continued

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

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

CAPITAL MANAGEMENT

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

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

6. Operating segments

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

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

	GT247.com, GT Private Broking and EAM R'000	EasyEquities R'000	Investments R'000	Total R'000
2017				
Segment asset				
Non-current assets	**212 893**	**22 792**	**60 408**	**296 093**
Current assets	**152 084**	**2 106**	**2 700**	**156 890**
Total assets	**364 977**	**24 898**	**63 108**	**452 983**
Segment liabilities				
Non-current liabilities	**–**	**–**	**(26 887)**	**(26 887)**
Current liabilities	**(160 197)**	**(27 587)**	**–**	**(187 784)**
Total liabilities	**(160 197)**	**(27 587)**	**(26 887)**	**(214 671)**

6. Operating segments continued

	Notes	GT247.com, GT Private Broking and EAM R'000	EasyEquities R'000	Investments R'000	Total R'000
2017					
Revenue		65 042	9 476	–	74 518
Commissions and research expenses		(5 284)	(1 229)	–	(6 513)
Operating expenses		(57 067)	(34 490)	–	(91 557)
Net profit/(loss)		2 691	(26 243)	–	(23 552)
Other income		136	–	1 836	1 972
Profit/(Loss) before interest, depreciation and amortisation		2 827	(26 243)	1 836	(21 580)
Interest expense		(1 037)	(2 419)	–	(3 456)
Depreciation and amortisation		(1 451)	(3 386)	–	(4 837)
Profit/(Loss) before fair value, impairment adjustments and tax		339	(32 048)	1 836	(29 873)
Fair value, impairment and guarantee adjustments	11	–	–	(44 109)	(44 109)
Profit/(Loss) before tax		339	(32 048)	(42 273)	(73 982)
Current and deferred tax		(71)	6 311	9 880	16 120
Profit/(Loss) after tax		268	(25 737)	(32 393)	(57 862)

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

- *GT247.com, GT Private Broking and EAM: R3 220 387.*
- *EasyEquities: R2 483 263.*

One World Trader is registered in Mauritius as a vehicle for foreign currency hedging and has trading activity that uses the GT247.com platform in South Africa and is therefore not considered as a separate geographical segment.

	Notes	GT247.com, GT Private Broking and EAM R'000	EasyEquities R'000	Investments R'000	Total R'000
2016					
Revenue		100 865	4 946	–	105 811
Commissions and research expenses		(9 096)	(651)	–	(9 747)
Operating expenses		(65 094)	(30 596)	–	(95 690)
Net profit/(loss)		26 675	(26 301)	–	374
Other income		90	–	862	952
Profit/(Loss) before interest, depreciation and amortisation		26 765	(26 301)	862	1 326
Interest expense		(1 088)	(1 088)	–	(2 176)
Depreciation and amortisation		(1 435)	(1 436)	–	(2 871)
Profit/(Loss) before fair value, impairment adjustments and tax		24 242	(28 825)	862	(3 721)
Fair value, impairment and guarantee adjustments	11	–	–	–	–
Profit/(Loss) before tax		24 242	(28 825)	862	(3 721)
Current and deferred tax		(12 052)	10 202	2 381	531
Profit/(Loss) after tax		12 190	(18 623)	3 243	(3 190)

** Share-based payment expense of R4 613 000 is included in operating expenses. The split per segment is as follows:*

- *GT247.com, GT Private Broking and EAM: R3 229 100.*
- *EasyEquities: R1 383 900.*

7. Revenue

	Notes	2017 R'000	2016 R'000
Trading and asset management income		**74 518**	105 327
Other fee income		**–**	484
Total revenue		**74 518**	105 811

8. Trading and operating expenses

	2017 R'000	2016 R'000
Commissions and research expenses	**6 513**	9 747
Introducing broker commission	**1 615**	3 438
Sales commission	**2 535**	4 138
Research costs	**2 363**	2 171
Employee expenses	**47 023**	46 749
Wages and salaries	**41 319**	42 136
Share-based payment expense	**5 704**	4 613
Auditor's remuneration	**1 436**	1 012
Audit fees – current year	**1 436**	1 012
Listing expenses	**394**	264
Lease rentals	**5 132**	4 628
Premises	**4 655**	4 151
Equipment	**477**	477
Fees paid for services	**3 698**	3 211
Compliance	**1 349**	694
Legal consulting	**1 973**	1 542
Other consulting	**376**	975
Depreciation	**1 264**	1 254
Computer equipment	**383**	493
Furniture and fittings	**839**	724
Office equipment	**42**	37
Amortisation of intangibles	**3 573**	1 617

9. Other income

	2017 R'000	2016 R'000
Dividends	**903**	862
Other income	**1 069**	90
Total other income	**1 972**	952

for the year ended 31 August 2017

10. Interest expense

	2017 R'000	2016 R'000
Interest on bank overdraft	**(3 456)**	(2 176)

11. Fair value, impairments and guarantee adjustments

	Notes	2017 R'000	2016 R'000
Fair value and guarantee adjustments		**(44 109)**	–
The above relates to the write-down of the following investments:			
Real People Investment Holdings Limited	15	**(47 113)**	–
Adjustment to provision for financial guarantee – Blockbuster Trading 3 Proprietary Limited	15	**4 171**	–
M Maile loan written off*		**(1 167)**	
		(44 109)	–

Please refer to note 15 for further information regarding the write-down of investments and the provision for financial guarantee. Fair value of investments were reassessed in 2017, the fair value of Real People Investment Holdings Limited was adjusted.

** The Company funded a black asset manager's working capital requirements. The loan has been assessed as irrecoverable.*

12. Current and deferred tax

	Notes	2017 R'000	2016 R'000
Recognised in profit or loss		**–**	(919)
Current tax expense			
		–	(919)
Deferred tax expense			
Origination and reversal of temporary differences		**(10 151)**	1 096
Recognition of current year's tax loss	17	**(5 969)**	354
Total deferred tax		**(16 120)**	1 450
Total current and deferred tax		**(16 120)**	531
Reconciliation of effective tax rate:		**%**	%
Income tax charged to profit or loss		**21.8**	14.3
Tax exempt income		**(0.7)**	(6.5)
Non-deductible expenses		**3.2**	43.3
Assessed losses not recognised		**2.6**	36.0
Available for sale		**(0.1)**	–
Capital loss non deductible		**1.2**	–
Tax rate change		**–**	(69.1)
Treasury shares		**–**	10.0
Domestic tax rate		**28.0**	28.0

13. Equipment

The movement in the Group's equipment for the year-ended 31 August 2017 is as follows:

	Notes	Computer equipment R'000	Fixtures, fittings and improvements R'000	Office equipment R'000	Total R'000
Cost					
Balance at 31 August 2015		6 892	7 055	421	14 368
Additions		551	1 813	65	2 429
Scrapping of assets*		(5 423)	(390)	(236)	(6 049)
Balance at 31 August 2016		2 020	8 478	250	10 748
Additions		274	111	44	429
Balance at 31 August 2017		**2 294**	**8 589**	**294**	**11 177**
Accumulated depreciation and impairment losses					
Balance at 31 August 2015		6 297	4 897	346	11 540
Depreciation for the year		493	724	37	1 254
Scrapping of assets*		(5 459)	(369)	(221)	(6 049)
Balance at 31 August 2016		1 331	5 252	162	6 745
Depreciation for the year	8	383	839	42	1 264
Balance at 31 August 2017		**1 714**	**6 091**	**204**	**8 009**
Carrying amounts					
At 31 August 2015		595	2 158	75	2 828
At 31 August 2016		689	3 226	88	4 003
At 31 August 2017		**580**	**2 498**	**90**	**3 168**

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

** Assets with a nil carrying value and no longer in use were removed from the asset register in the prior year.*

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

14. Intangible assets and goodwill

The movement in the Group's intangible assets and goodwill for the year-ended 31 August 2017 is as follows:

	Notes	Goodwill R'000	Customer relationships R'000	Contracts R'000	Software development R'000	Purchased software R'000	Total R'000
Cost							
Balance at 31 August 2015		212 999	40 746	1 766	41 314	220	297 045
Additions		–	–	–	5 818	2 299	8 117
Scrapping of assets*		–	(40 746)	(1 766)	(16 342)	–	(58 854)
Balance at 31 August 2016		212 999	–	–	30 790	2 519	246 308
Additions		–	–	7 914	11 116	2 274	21 304
Balance at 31 August 2017		**212 999**	**–**	**7 914**	**41 906**	**4 793**	**267 612**
Accumulated amortisation and impairment losses							
Balance at 31 August 2015		8 431	40 746	1 766	36 403	62	87 408
Amortisation for the year		–	–	–	1 313	304	1 617
Scrapping of assets*	8	–	(40 746)	(1 766)	(16 342)	–	(58 854)
Balance at 31 August 2016		8 431	–	–	21 374	366	30 171
Amortisation for the year	8	–	–	–	2 403	1 170	3 573
Balance at 31 August 2017		**8 431**	**–**	**–**	**23 777**	**1 536**	**33 744**
Carrying amounts							
At 31 August 2015		204 568	–	–	4 911	158	209 637
At 31 August 2016		204 568	–	–	9 416	2 153	216 137
At 31 August 2017		**204 568**	**–**	**7 914**	**18 129**	**3 257**	**233 868**

** Intangible assets with a nil carrying value and no longer in use were removed from the register in the prior year.*

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

The contracts acquired during the current year relates to Tom De Lange's economic interest in the management and performance fees of Emperor Asset Management. Purple Group Limited acquired these interests from Tom for a total consideration of R7.9 million, settled partly in cash (R1.98 million) and partly through the issue of 14 130 583 shares at 42 cents per share in Purple Group Limited.

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

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

IMPAIRMENT TESTING FOR CASH-GENERATING UNITS CONTAINING GOODWILL

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

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

	2017 R'000	2016 R'000
GT247.com and GT Private Broking	**204 568**	204 568
	204 568	204 568

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

14. Intangible assets and goodwill continued

IMPAIRMENT TESTING FOR CASH-GENERATING UNITS CONTAINING GOODWILL continued

	2017	2016
First World Trader Proprietary Limited		
Discount period	**9 years**	10 years
Terminal growth rate (%)	**3**	3
Discount rate (%)	**23.2**	18.69

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

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

15. Investments and financial guarantee

	2017 R'000	2016 R'000
The Group had the following unlisted investments:		
Investments – shown at fair value through profit or loss		
Real People Investment Holdings Limited	**6 121**	47 113
Misty Sea Trading Proprietary Limited	**2 700**	2 700
Investment accounts in Group's Asset Management Division	**3 162**	3 238
Loans and receivables at amortised cost		
Real People Investment Holdings Limited[#]	**6 087**	11 305
Total investments	**18 070**	64 356
Provision for financial guarantee – Blockbuster Trading 3 Proprietary Limited	**(26 887)**	(31 058)
Net value	**(8 817)**	33 298

[#] The Group's exposure to credit risk in respect of these redeemable preference shares is disclosed in note 25.

Fair value of investments were reassessed in this financial year. Real People Investment Holding Limited was adjusted.

	2017 R'000	2016 R'000
Non-current assets – investments	**12 208**	58 418
Current assets – investments	**5 862**	5 938
Non-current liabilities – financial guarantee	**(26 887)**	(31 058)
Net value	**(8 817)**	33 298

	2017 R'000	2016 R'000
Balance 1 September	**33 298**	32 731
Fair value and guarantee adjustments	**(43 018)**	(295)
Script Dividend	**903**	862
Balance 31 August	**(8 817)**	33 298

15. Investments and financial guarantee continued

Investment in Real People Investment Holdings and financial guarantee

Purple Group holds a direct investment in Real People Investment Holdings Limited ("RPIH") comprising 6 471 ordinary shares, 6 089 (2016: 5 293) compulsory convertible preference shares and 892 (2016: 826) cumulative redeemable preference shares.

RPIH management, supported by the requisite majority of shareholders, entered into a voluntary restructure with its creditors during July 2017, as RPIH was not in a position to meet its funding covenants due to losses and decline in the RPIH Group's productive assets following its decision to exit its consumer lending operations early in 2013, more recently compounded by the poor performance delivered by its Kenyan operation. The fact is that the consequences thereof have never been dealt with and these needed to be comprehensively resolved in order for the RPIH Group to move forward in the current challenging economic environment.

The RPIH Group's three remaining businesses in South Africa remain operationally sound and are capable of delivering acceptable returns when funded with the correct mix of equity and debt and provided assets are valued on a basis that generates the yields required to deliver these metrics.

The shareholders were not willing to provide the requisite capital to effect the balance sheet restructure and as such this duty fell on the RPIH Group's credit providers to fulfil this role.

The approved restructuring plan is currently being implemented and should be completed by 30 November 2017.

In the result, Purple Group's interests in RPIH have been significantly diluted, as detailed below:

1. The existing 6 471 ordinary shares would entitle Purple Group to the following allocations:
   a. 80 802 ordinary shares (0.067%); and
   b. 3 236 B Preference shares with a face value of R1 496 per share.
2. The existing 6 089 compulsory convertible preference shares would entitle Purple Group to the following allocations:
   a. 145 954 ordinary shares (0.121%); and
   b. 6 089 B Preference shares with a face value of R1 496 per share.
3. The existing 968 compulsory convertible preference shares would entitle Purple Group to the following allocations:
   a. 280 037 ordinary shares (0.233%); and
   b. 968 B Preference shares with a face value of R8 298 per share.

In addition, Purple Group holds an indirect investment in RPIH through Blockbuster Trading 3 Proprietary Limited ("BBT"). BBT, of which Purple Group owns a 37.5% shareholding, holds 10 843 ordinary shares in RPIH. Even though Purple Group holds 37.5% in BBT we have elected to adopt fair value accounting in respect of this investment.

BBT's existing 10 843 ordinary shares would entitle BBT to 6 009 787 ordinary shares (5.0%) post the restructure.

In respect of Purple Group's indirect investment in RPIH held through BBT, the shareholders of BBT granted the Industrial Development Corporation ("IDC"), (which funded the transaction) a put option, on a joint and several basis, whereby the IDC may put any unredeemed preference shares to the shareholders of BBT at the subscription price. The Company has provided for the estimated liability in respect of this guarantee (shown as a financial guarantee).

As a result of the above, Purple Group has written down its investment in RPIH and adjusted the financial guarantee to be in line with current estimates resulting in a net write-down of R42.9 million (before tax) during the current year.

Other investments

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

15. Investments and financial guarantee continued

ASSUMPTIONS APPLIED IN DETERMINING FAIR VALUE

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

The values assigned to the key assumptions in the discounted cash flow model represent management's assessment of future trends and are based on both external sources and internal sources (historical data). The main drivers of the model are the assumptions around income growth and net yields that have been based on past trends and managements view of the future prospects. The fair value measurement technique would be categorised as Level 3 in the fair value hierarchy (see note 2).

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

	2017	2016
Discount period	**3 years**	10 years
Terminal growth rate (%)	**0**	3
Three-year PE multiple (%)	**6**	N/A
Discount rate (%)	**20.0**	19.3

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

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

16. Other financial assets

	2017 R'000	2016 R'000
Rental deposits*	**882**	832
Loan receivable	**2 008**	1 871
	2 890	2 703

** The rental deposits are repayable upon termination of the leases. Refer to note 26.*

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

Terms of the loan:

- loans were issued at Prime rate;
- repayment in three years from date of issue; and
- shares purchased are held as security.

For more information regarding the Group's exposure to interest rate and credit risk please refer to note 25.

	2017 R'000	2016 R'000
Non-current receivable	**1 004**	954
Current receivable	**1 886**	1 749
	2 890	2 703

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17. Deferred tax assets and liabilities

	2017 R'000	2016 R'000
Recognised deferred tax assets and liabilities		
Balance at the beginning of the period	**29 725**	28 275
Investments at fair value	**11 087**	–
Payables and accruals	**(246)**	(442)
Receivables and prepayments	**100**	(216)
Tax loss raised	**5 969**	354
Intangible assets	**(893)**	(446)
Tax rate change	**–**	2 200
Available for sale	**103**	–
Balance at the end of the period	**45 845**	29 725
Deferred tax comprises the following:		
Receivables and prepayments	**(192)**	(292)
Intangible assets	**(1 341)**	(448)
Deferred tax liability	**(1 533)**	(740)
Financial assets at fair value	**26 457**	15 267
Payables and accruals	**1 416**	1 662
Tax loss	**19 505**	13 536
Deferred tax asset	**47 378**	30 465
Net deferred tax assets	**45 845**	29 725

The Group is currently in the process of rolling out a wealth management business and advisory business that will enable the Group to take advantage of the deferred tax assets as at 31 August 2017. No deferred tax was provided on capital losses amounting to R62.6 million (2016: R58.5 million). The Group has accumulated losses of R69.7 million (2016: R48.3 million)

18. Trade and other receivables

	2017 R'000	2016 R'000
Trade receivables[#]	**1 996**	3 285
Prepayments	**1 645**	2 217
Interest receivable[#]	**–**	521
Vat	**973**	–
Other receivables[#]	**973**	2 406
	5 587	8 429

[#] The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables is disclosed in note 25.

All of the above amounts fall under current assets.

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

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

** 76% of this balance is greater than two years overdue.*

2016	Current R'000	30 days R'000	60 days R'000	90 days R'000	›90 days R'000	Total R'000
Debtors ageing						
Trade receivables	1 102	283	–	–	2 954	4 339
Provision against trade receivables*	–	–	–	–	(1 054)	(1 054)
Total	1 102	283	–	–	1 900	3 285

** The ›90 days balance not impaired is deemed recoverable and mainly relates to income accrued but still to be received. None of the recoverables are being held as collateral and no terms of payment were renegotiated.*
** 94% of this balance is greater than two years overdue.*

Movement in provision against trade receivables

	2017 R'000	2016 R'000
Opening balance	**1 054**	1 030
(Utilised)/Raised	**(62)**	24
Closing balance	**992**	1 054

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19. Cash and cash equivalents

	2017 R'000	2016 R'000
Bank deposit	**9 066**	21 923
Trading margin with brokers	**131 726**	121 916
Cash and cash equivalents	**140 792**	143 839
Bank overdraft	**(13 614)**	(12 172)
Cash and cash equivalents in the statement of cash flows	**127 178**	131 667

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 25. The Company holds R315.6 million (2016: R470.5 million) of client funds which are not reflected on the statement of financial position. These are restricted funds held on trust and are not available for use by the entity. Included in Group cash and cash equivalents are client funds held to settle client trades and as margin for risk exposure. The related liability is included under client position liability (see note 23.2).

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

The Group has an overdraft facility totalling R25 million with Mercantile Bank. The overdraft is secured by an unlimited pledge and cession over the indirect investment structure that held an investment in Cipla Medpro Limited, via Misty Sea Trading, as well as the Group's investment in Blockbuster Trading 3 Proprietary Limited, Real People Investment Holdings Limited and First World Trader Proprietary Limited.

20. Capital and reserves

	Number of shares R'000	Number of shares R'000
The number of shares in issue is as follows:		
Ordinary share capital		
Ordinary share capital in issue at 1 September	**883 674 397**	862 645 723
Share options exercised (1 September 2015)	**–**	1 968 500
Share options exercised (15 January 2016)	**–**	137 129
Share options exercised (20 January 2016)	**–**	922 371
Share options exercised (18 February 2016)	**–**	898 485
Share options exercised (23 August 2016)	**–**	45 000
New shares issued (31 August 2016)	**–**	17 057 189
New shares issued (2 September 2016)*	**2 000 000**	–
New shares issued (28 February 2017)**	**35 087 720**	–
New shares issued (24 August 2017)***	**14 130 583**	–
Share options exercised (24 August 2017)	**583 818**	–
In issue at 31 August – fully paid up	**935 476 518**	883 674 397
Less: Treasury shares#	**(2 300 000)**	(2 300 000)
In issue at year-end	**933 176 518**	881 374 397

2 300 000 (2016: 2 300 000) shares (acquired at an average price of 18.17 cents) in Purple Group are held by First World Trader and are eliminated on consolidation.

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

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

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

20. Capital and reserves continued

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

Group	Share capital R'000	Share premium R'000	Total R'000
Balance at 31 August 2015	8 604	453 116	461 720
Payment of capital distribution*	–	(16 440)	(16 440)
Shares issued**	210	11 179	11 389
Balance at 31 August 2016	8 814	447 855	456 669
Shares issued***	518	26 134	26 652
Balance at 31 August 2017	**9 332**	**473 989**	**483 321**

* *On 30 November 2015 a capital distribution of 1.25 cents per share was paid to holders of fully paid ordinary shares by way of a reduction of contributed tax capital, in lieu of a dividend, and on 25 April 2016 a capital distribution of 0.65 cents per share was paid to holders of fully paid ordinary shares by way of a reduction of contributed tax capital, in lieu of a dividend.*

** *R0.75 million of the share premium related to the subscription price in respect of options exercised and R0.25 million was a related transfer from the share-based payment reserve. R10.2 million of the share premium related to new shares issued for cash.*

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

At 31 August 2017 the authorised share capital comprised 1 200 000 000 ordinary shares of R0.01 each (2016: 1 200 000 000).

The unissued shares were placed under the control and authority of the directors until the next Annual General Meeting, and they have been empowered to allot, issue or otherwise dispose of the shares as they may in their discretion deem fit, subject to the provisions of the Companies Act of South Africa and the Listings Requirements of the JSE Limited. The Group has also issued share options to key management and staff (see note 22).

OTHER RESERVES

	2017 R'000	2016 R'000
Foreign currency translation reserve	**(3 966)**	(4 473)
Share-based payment reserve	**32 463**	26 831
Balance 31 August	**28 497**	22 358
Reconciliation of foreign currency translation reserve		
Balance as at 31 August of prior year	**(4 473)**	(5 967)
Translation of foreign operations	**507**	1 494
Balance as at 31 August	**(3 966)**	(4 473)
Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.		
Reconciliation of share-based payment reserves		
Balance as at 31 August of prior year	**26 831**	22 218
Share options exercised	**(72)**	(245)
Share-based payment expense	**5 704**	4 858
Balance as at 31 August	**32 463**	26 831

The above relates to share options granted by the Company to its employees under its employee share option plan. For further information please refer to note 22.

21. Earnings per share

	2017 R'000	2016 R'000
Basic earnings per share		
The calculation of basic and headline earnings per share at 31 August 2017 was based on a Group loss attributable to ordinary shareholders of R57.9 million (2016: loss of R3.2 million), a headline loss of R57.9 million (2016: loss of R3.2 million) and a weighted average number of ordinary shares outstanding during the year-ended 31 August 2017 of 901 333 688 (2016: 863 491 584), calculated as follows:		
Loss attributable to ordinary shareholders	**(57 862)**	(3 190)
Headline loss for the period	**(57 862)**	(3 190)
Weighted average number of ordinary shares		
Issued ordinary shares at 31 August*	**881 374 397**	860 345 723
Effect of shares issued for cash	**19 959 291**	3 145 861
Weighted average number of ordinary shares at 31 August	**901 333 688**	863 491 584
** Number of ordinary shares is stated after taking into account treasury shares.*		
Basic loss per share (cents)	**(6.42)**	(0.37)
Headline loss per share (cents)	**(6.42)**	(0.37)
Headline earnings have been computed as follows:		
Loss attributable to ordinary shareholders	**(57 862)**	(3 190)
Headline earnings	**(57 862)**	(3 190)
Diluted earnings per share		
The calculation of diluted earnings and diluted headline earnings per share as at 31 August 2017 was based on a Group loss attributable to ordinary shareholders of R57.9 million (2016: loss of R3.2 million), a headline loss of R57.9 million (2016: loss of R3.2 million) and a diluted weighted average number of ordinary shares outstanding during the year-ended 31 August 2017 of 944 496 380 (2016: 912 097 991), calculated as follows:		
Loss attributable to ordinary shareholders (diluted)	**(57 862)**	(3 190)
Weighted average number of ordinary shares (diluted)		
Weighted average number of ordinary shares at 31 August	**901 333 688**	863 491 584
Effect of share options in issue	**43 162 692**	48 606 407
Weighted average number of ordinary shares (diluted) at 31 August	**944 496 380**	912 097 991
Diluted loss per share (cents)	**(6.13)**	(0.35)
Diluted headline loss per share (cents)	**(6.13)**	(0.35)

Share options issued on 10 December 2015 and 4 November 2016 are anti-dilutive and not included in the diluted earnings per share calculation, as their calculated exercise price per share amounted to 75.35 and 56.0 cents respectively, compared to the Weighted Average Share Price of 48.51 cents. The weighted average number of these options totalled 47.1 million.

There are currently 144.8 million (2016: 124.2 million) share options in issue in terms of the Group's share incentive scheme (see note 22) of which 73.2 million are exercisable.

22. Share-based payments

SHARE-BASED PAYMENT EXPENSES

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

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

The options granted to directors are:

	Number of options 2017	Number of options 2016
Mark Barnes	**17 160 000**	17 160 000
Charles Savage	**26 000 000**	26 000 000
Gary van Dyk	**21 250 000**	21 250 000
	64 410 000	64 410 000

22. Share-based payments continued

SHARE-BASED PAYMENT EXPENSES continued

	2017		2016	
	Weighted average exercise price (cents)	Number of options	Weighted average exercise price (cents)	Number of options
Outstanding at the beginning of the period	**38**	**124 196 829**	27	118 100 510
Granted during the period	**56**	**22 692 868**	75	29 000 000
Exercised during the period	**22**	**(583 818)**	25	(3 971 485)
Expired during the period	**–**	**–**	–	–
Forfeited during the period	**47**	**(1 499 974)**	22	(18 932 196)
Outstanding at the end of the period	**41**	**144 805 905**	38	124 196 829
Exercisable at the end of the period	**29**	**73 246 862**	23	47 369 583

The options outstanding at 31 August 2017 have been issued in a price range from 22 cents to 76 cents and have a weighted average exercise price of 41 cents (2016: 38 cents) and a weighted average contractual life of 4.12 years (2016: 4.76 years).

Share-based payment expenses of R5.7 million were accounted for in profit or loss.

Additional options were granted and accepted during the year. The estimate of the fair value of the options granted was measured on a Black-Scholes model. The contractual life of the option (seven years) is used as an input into this model. Expectations of early exercise are not incorporated.

		2017	2016
Key management personnel			
Fair value at issue date	(R'000)	**5 467**	9 822
Assumptions			
Weighted average share price	(cents)	**56**	75
Weighted average exercise price	(cents)	**56**	75
Expected volatility (expressed as weighted average volatility used under the Black-Scholes model)	(%)	**40.0**	40.0
Option life	(years)	**7**	7
Risk-free rate	(%)	**8.14**	9.09
Expected dividends	(%)	**2.60**	2.60

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

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

The vesting conditions of all the options granted to date are:
- Up to 25% on or after the first anniversary date of acceptance of the options;
- Up to 50% on or after the second anniversary of the acceptance date;
- Up to 75% on or after the third anniversary date; and
- Up to 100% on or after the fourth anniversary date.

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

The aggregate number of share options granted under the scheme is limited to 164.0 million shares (2016: 164.0 million shares).

23. Trade and other payables and client position liability

23.1

	Notes	2017 R'000	2016 R'000
Trade payables		**7 537**	3 253
Accrued expenses		**441**	5 640
Corporate credit cards		**213**	130
Vouchers		**187**	–
Introducer fee		**314**	258
Employee related		**4 926**	5 139
		13 618	14 420

23.2

	Notes	2017 R'000	2016 R'000
Client position liability	19	**140 552**	150 649
		140 552	150 649

The Group's exposure to currency and liquidity risk related to trade and other payables and client position liability is disclosed in note 25.

24. Borrowings

	Notes	2017 R'000	2016 R'000
Gajoder Investments Proprietary Limited Term Loan*		**5 000**	–
Sanlam Investment Holdings Term Loan**		**15 000**	–
		20 000	–

* *The loan is to be repaid on 28 February 2018. Interest is accrued daily at JIBAR plus 10% and is compounded monthly in arrears.*

** *Interest is accrued daily at JIBAR plus 2% nominal, annual, compounded monthly. The final repayment date will be 15 January 2018. A portion of the amount received for the sale of 30% of First World Trader Proprietary Limited will be used to repay the loan.*

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25. Financial instruments

CREDIT RISK

Exposure to credit risk

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

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

	Notes	2017 R'000	2016 R'000
Other financial assets	16	**2 890**	2 703
Investments	15	**6 087**	11 305
Trade and other receivables	18	**2 969**	6 066
Cash and cash equivalents	19	**140 792**	143 839
		152 738	163 913

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

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

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

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

LIQUIDITY RISK

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

	Notes	Carrying amount R'000	Contractual cash flows R'000	One year R'000	Two to five years R'000	Total R'000
Trade and other payables	23.1	**13 618**	**13 618**	**13 618**	**–**	**13 618**
Client position liability	23.2	**140 552**	**140 552**	**140 552**	**–**	**140 552**
Borrowings	24	**20 000**	**20 000**	**20 000**	**–**	**20 000**
Overdraft	19	**13 614**	**13 614**	**13 614**	**–**	**13 614**
Financial guarantee	15	**26 887**	**26 887**	**–**	**26 887**	**26 887**
		214 671	**214 671**	**167 784**	**26 887**	**214 671**

25. Financial instruments continued

The following were the contractual maturities of financial liabilities including estimated interest payments as at 31 August 2016:

	Notes	Carrying amount R'000	Contractual cash flows R'000	One year R'000	Two to five years R'000	Total R'000
Trade and other payables	23.1	14 420	14 420	14 420	–	14 420
Client position liability	23.2	150 649	150 648	150 649	–	150 649
Overdraft	19	12 172	12 172	12 172	–	12 172
Financial guarantee	15	31 058	31 058	–	31 058	31 058
	15	208 299	208 299	177 241	31 058	208 299

The Group manages this exposure through ensuring there are adequate contracted overdraft facilities available to cover any deficit between current assets and liabilities. Included in trade payables are client position liability of R140.6 million (2016: R150.6 million).

CURRENCY RISK

Exposure to currency risk

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

The only currency risk for the Group relates to foreign currency held at its subsidiary One World Trader (OWT) in Mauritius, which is used for off-shore hedging purposes. At the reporting date the amount of foreign currency held at OWT was R1.5 million (2016: R4.3 million).

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

	2017 Profit or loss		2016 Profit or loss	
	5% increase R'000	**5% decrease R'000**	5% increase R'000	5% decrease R'000
Foreign currency held	**54**	**(54)**	155	(155)

INTEREST RATE RISK

Profile

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

	Notes	**Interest rates applicable**	**Carrying amount 2017 R'000**	Carrying amount 2016 R'000
Variable rate instruments				
Other financial assets	16	Prime	**2 890**	2 703
Cash and cash equivalents	19	Daily call rate	**140 792**	143 839
Overdraft	19	Prime	**(13 614)**	(12 172)

25. Financial instruments continued

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2016.

	2017		2016	
	Profit or loss		Profit or loss	
	100 bp increase R'000	100 bp decrease R'000	100 bp increase R'000	100 bp decrease R'000
Variable rate instruments				
Financial assets	**1 039**	**(1 039)**	1 060	(1 060)
Financial liabilities	**(98)**	**98**	(88)	88
	941	**(941)**	972	(972)

PRICE RISK

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

Management of price risk

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

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

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

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

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

25. Financial instruments continued

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

	At 31 August R'000	Average R'000	Maximum R'000	Minimum R'000
2017				
Other price risk	**12 064**	**8 423**	**13 075**	**3 325**
2016				
Other price risk	6 228	5 992	9 198	1 814

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

For investments classified as fair value through profit or loss, the impact on profit or loss after tax of a 5% increase in the price of the equities at the reporting date of the Group's unlisted investments would be an increase of R3.6 million (2016: R3.6 million).

CLASSES OF FINANCIAL ASSETS AND LIABILITIES

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

	Notes	2017 R'000	2016 R'000
Financial assets			
Loans and receivables			
– Trade and other receivables	18	**2 969**	6 066
– Other financial assets	16	**2 890**	2 703
– Investments	15	**6 087**	11 305
– Cash and cash equivalents	19	**140 792**	143 839
		152 738	163 913
Investments at fair value through profit or loss			
– Investments	15	**11 983**	53 051
		11 983	53 051
Financial liabilities			
Held at amortised cost			
– Trade and other payables	23.1	**(13 618)**	(14 420)
– Client position liability	23.2	**(140 552)**	(150 649)
– Borrowings	24	**(20 000)**	–
– Bank overdraft	19	**(13 614)**	(12 172)
		(187 784)	(177 241)
Liabilities at fair value through profit or loss			
– Financial guarantee	15	**(26 887)**	(31 058)
		(26 887)	(31 058)

26. Operating lease commitment

LEASES AS LESSEE

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

	2017 R'000	2016 R'000
Future minimum lease payments		
Office equipment		
Less than one year	**258**	477
Between one and five years	**253**	80
Office premises		
Less than one year	**3 438**	3 685
Between one and five years	**327**	2 938
	4 276	7 180

The Group leases a number of offices under operating leases. The leases all run for varying periods with an option to renew the lease after that date. All leases escalate at 8%. The premises are in Hyde Park, Cape Town, Durban and Bloemfontein.

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

During the year-ended 31 August 2017, R5.1 million (2016: R4.0 million) was recognised as an expense in the profit or loss in respect of operating leases.

27. Notes to the statement of cash flows

27.1 RECONCILIATION OF CASH UTILISED IN OPERATIONS

	Notes	2017 R'000	2016 R'000
Loss before taxation and net interest income		**(70 526)**	(1 545)
Adjustments for:			
– Depreciation and amortisation	8	**4 837**	2 871
– Fair value losses on investments	11	**48 356**	–
– Provision for financial guarantee	11	**(4 171)**	–
– Script dividend received	9	**(903)**	–
– Share-based payment expense	8	**5 704**	4 613
– Foreign currency translation reserve	20	**507**	1 494
Movement in working capital		**(16 196)**	7 433
Increase in other financial assets	16	**(187)**	604
Increase in trade and other receivables		**1 675**	(950)
Decrease in trade and other payables		**(802)**	(2 242)
Decrease in client position liability		**(10 097)**	(113 086)
		(25 607)	(108 241)

27. Notes to the statement of cash flows continued

27.2 ACQUISITION OF ASSETS

	Notes	2017 R'000	2016 R'000
Additions to maintain operations	13	**(429)**	(2 429)
Additions to intangible assets	14	**(15 369)**	(8 117)
		(15 798)	(10 546)

27.3 INVESTMENTS ACQUIRED

Additional investment contribution		**–**	(567)
		–	(567)

27.4 TAX PAID

Balance at beginning of period		**2 490**	(844)
Current tax	12	**–**	(919)
Balance at end of period		**(2 763)**	(2 490)
Tax paid		**(273)**	(4 253)

28. Contingencies

There are no contingencies at the reporting date.

29. Related parties

IDENTITY OF RELATED PARTIES

The Group has related party relationships with its subsidiaries (note 30) and its directors (directors' report).

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The key management personnel compensation is as follows and is included in "employee expenses" (see note 8):

	2017 R'000	2016 R'000
Employee benefits		
Non-executive directors		
Mark Barnes		
– fees	**2 697**	1 998*
– statutory contributions	**28**	–
– share option expenses	**661**	432
Craig Carter – fees	**259**	240
Ronnie Lubner – fees	**89**	83
	3 734	2 753

** For period 15 January 2016 to 31 August 2016.*

	2017 R'000	2016 R'000
Employee benefits		
Executive directors		
Mark Barnes		
– salary	**0**	1 500**
– share option expenses	**0**	186
Charles Savage		
– salary	**3 834**	4 835
– share option expenses	**1 126**	943
Gary van Dyk		
– salary	**2 847**	3 708
– share option expenses	**1 126**	923
	8 933	12 005

*** For period 1 September 2015 to 14 January 2016.*

The three highest paid employees earned salaries of R2.7 million, R2.3 million and R1.7 million, respectively. At 31 August the directors' interests in the issued share capital of the Company were as follows:

	2017				2016			
	Beneficial		**Non-beneficial**		Beneficial		Non-beneficial	
	Direct	**Indirect**	**Direct**	**Indirect**	Direct	Indirect	Direct	Indirect
Mark Barnes	**44 852 718**	**166 080 851**	**–**	**–**	44 852 718	166 080 851	–	–
Craig Carter	**1 932 366**	**–**	**–**	**–**	1 932 366	–	–	–
Ronnie Lubner	**–**	**–**	**–**	**227 100 267**	–	–		227 100 267
Dennis Alter	**7 200 000**	**–**	**–**	**–**	7 200 000	–	–	–
Charles Savage	**20 814 011**	**–**	**–**	**4 540 000**	20 850 011	–	–	4 540 000
Gary van Dyk	**18 518 500**	**–**	**–**	**–**	18 518 500	–	–	–
	93 317 595	**166 080 851**	**–**	**231 640 267**	93 353 595	166 080 851	–	231 640 267

30. Group entities

Subsidiaries Name	Country	Ownership interest 2017 %	2016 %
First World Trader Proprietary Limited*	South Africa	**100**	100
One World Trader Proprietary Limited (Subsidiary of First World Trader Proprietary Limited)	Mauritius	**100**	100
First World Trader Nominees (RF) Proprietary Limited (Subsidiary of First World Trader Proprietary Limited)	South Africa	**100**	100
Emperor Asset Management Proprietary Limited	South Africa	**100**	100
Emperor Asset Management Nominees (RF) Proprietary Limited (Subsidiary of Emperor Asset Management Proprietary Limited)	South Africa	**100**	100
Emperor Asset Management GP 1 (RF) Proprietary Limited (Subsidiary of Emperor Asset Management Proprietary Limited)	South Africa	**100**	100
Global Trader Europe Limited **	United Kingdom	**100**	100

* *Includes the operations of GT247.com, GT Private Broking and EasyEquities.*

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

31. Subsequent events

Sale of Shares in First World Trader Proprietary Limited

As announced via SENS on 14 August 2017, Purple Group ("PGL") entered into agreements with Sanlam Investment Holdings Proprietary Limited, a wholly-owned subsidiary of Sanlam Limited, ("SIH" or "the Purchaser"), including:

- a Sale of Shares Agreement in terms of which SIH will acquire 450 000 ordinary shares, constituting 30% of all shares in issue at the Effective Date, of First World Trader Proprietary Limited t/a EasyEquities ("EasyEquities") from Purple Group, subject to the conditions precedent;
- a new Memorandum of Incorporation (replacing the existing Memorandum of Incorporation of EasyEquities) and a Shareholders' Agreement in respect of EasyEquities which gives SIH certain rights, including the entitlement to appoint a proportionate number of directors as well as creating certain reserved matters in relation to matters undertaken by EasyEquities, which will require the approval of SIH; and
- a Relationship Agreement pursuant to which the parties intend for EasyEquities to continue building on its relationship with Satrix Managers (RF) Proprietary Limited ("Satrix") through the SatrixNow Platform and to secure Satrix exclusivity in relation to the white-labelled passive investment platform provided to it by EasyEquities, subject to certain conditions.

Prior to the implementation of this transaction, all other businesses, being GT247.com and GT Private Broking, that were operated within First World Trader Proprietary Limited, which is a subsidiary of PGL, will have been transferred into separate entities held 100% by PGL ("Internal Restructuring"); hence the only business that is the subject of the Transaction is the EasyEquities business.

31. Subsequent events continued

The Transaction

- SIH will acquire a 30% shareholding ("the Transaction Shares") in EasyEquities for a consideration of R100 million ("the Purchase Consideration").
- The Purchase Consideration will be settled in cash and be utilised by PGL and its other subsidiaries to settle inter-Group loans, currently owing to First World Trader Proprietary Limited. Ultimately, the Purchase Consideration will, through settlement of these inter-Group loans, capitalise EasyEquities with R100 million, which will, in turn, be utilised:
  - to fund a proposed specific repurchase of shares issued by Purple Group to SIH; and
  - the remainder of the proceeds will be utilised to fund the future development of the EasyEquities Investment Platform and the working capital requirements of EasyEquities.
- The effective date of the Transaction will occur on the 5th (fifth) business day after the fulfilment of all of the suspensive conditions, or such earlier or later date as the parties to the Sale of Shares Agreement agree in writing. The effective date is expected to occur in November 2017.

32. Net asset value per share

The Group net asset value is 25.54 (2016: 29.88) cents per share and is based on the number of ordinary shares in issue net of treasury shares at year-end of 933 176 518 (2016: 881 374 397) and net assets of R238.3 million (2016: 263.4 million).

33. Going concern

The annual financial statements have been prepared on a going-concern basis. Despite the Group having accumulated losses and current liabilities in excess of current assets, the Group has net equity of R238.3 million, and the directors are confident that the Group, will continue trading as a going concern into the foreseeable future.

The losses incurred during the prior period were generated in respect of the Group's investment in its EasyEquities business (which generated a loss after tax of R18.6 million) as the GT247.com, GT Private Broking and Emperor businesses generated a profit after tax of R13.2 million, largely funding the EasyEquities expansion.

The losses generated in the current year comprised a fair value write down in Purple Group's investment in Real People (which is a once off adjustment) and the Group's continued investment in EasyEquities. The remaining operations again generated profit for the year, albeit small, due to unfavourable trading and investment conditions. The Groups investment in EasyEquities during the current year was funded through raising equity totalling R20.7 million and the remainder through securing additional debt facilities.

The transaction with Sanlam, detailed in Note 31, will result in EasyEquities being capitalised with sufficient capital to fund its operations for the next 24 to 36 months; hence the remaining, profitable businesses in the Group will no longer be required to fund the EasyEquities operations. These cash flows will be utilised to reduce the debt facilities of the Group. The consolidated Group, including EasyEquities, is forecast to reach break-even over the next 24 to 36 months.

34. Comparative figures

Certain figures have been reclassified in order to facilitate better disclosure and fair presentation.

The effect of the reclassification is as follows:

Consolidated Statement of Financial Position

Trade and other payables	(150 649)
Client position liability	150 649

SHAREHOLDERS ANALYSIS

	Number of shareholders	% of total shareholders	Number of shares	% of total issued share capital
Analysis of shareholdings				
1 – 999	1 752	46.95	450 470	0.05
1 000 – 9999	1 075	28.80	3 590 983	0.38
10 000 – 99 999	655	17.55	20 276 394	2.17
100 000 and over	250	6.70	911 158 671	97.40
Total	3 732	100.00	935 476 518	100.00
Distribution of shareholders				
Banks	3	0.08	100 132 400	10.70
Brokers	2	0.05	50 200	0.01
Close corporations	16	0.43	690 662	0.07
Individuals	3 588	96.14	243 329 494	26.01
Investment companies	11	0.29	134 015 714	14.33
Nominees and trusts	62	1.66	82 390 381	8.81
Other corporations	8	0.21	2 625 808	0.28
Private companies	42	1.13	372 241 859	39.79
Total	3 732	100.00	935 476 518	100.00
Shareholder spread				
Non-public	32	0.86	443 190 258	47.38
Directors*	6	0.16	102 404 101	10.95
Employees	25	0.67	8 624 455	0.92
10% of issued capital or more	1	0.03	332 161 702	35.51
Public	3 700	99.14	492 286 260	52.62
Total	3 732	100.00	935 476 518	100.00
Beneficial shareholding of 3% or more				
Business Venture Investments No 184			332 161 702	35.51
Erasmus Family Trust (CGIM)			54 205 179	5.79
Sanlam Investment Holdings (Pty) Ltd			35 087 720	3.75
Foreign custodians holding 3% or more				
SIX SIS Limited			60 747 910	6.49
JP Morgan Chase Bank Omnibus Clients Onshore			100 100 000	10.70
Country				
South Africa	3 709	99.38	762 003 899	81.46
Namibia	9	0.24	261 011	0.03
Australia	1	0.03	93	0.00
United States	5	0.13	7 759 114	0.83
Swaziland	2	0.05	30 022	0.00
Belgium	1	0.03	48 000	0.01
United Kingdom	4	0.11	104 626 469	11.18
Switzerland	1	0.03	60 747 910	6.49
Total	3 732	100.00	935 476 518	100.00
Dematerialised	3 522	94.37	929 355 029	99.35
Certificated	210	5.63	6 121 489	0.65
Total	3 732	100.00	935 476 518	100.00

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

NOTICE OF ANNUAL GENERAL MEETING

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

Notice is hereby given that the Annual General Meeting of ordinary shareholders ("shareholders") of the Company will be held at Ground Floor, Block B, The Offices of Hyde Park, Strouthos Place (off 2nd Road), Hyde Park on Friday, 8 December 2017 at 10:00.

ATTENDANCE AND VOTING

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

- receive notice of the Annual General Meeting, i.e. the Notice Record Date (being the date on which a shareholder must be registered in the Company's share register in order to receive notice of Annual General Meeting) as Friday, 3 November 2017; and
- participate in and vote at the Annual General Meeting, i.e. the Meeting Record Date (being the date on which a shareholder must be registered in the Company's share register in order to participate in and vote at the Annual General Meeting) as Friday, 1 December 2017.

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

ELECTRONIC ATTENDANCE

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

PURPOSE OF THE MEETING

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

1. To receive, consider and present the audited financial statements of the Company for the year-ended 31 August 2017, together with the reports of the auditors and directors;
2. To authorise the directors to fix the remuneration of the auditors for the past audit;
3. To authorise the directors to confirm the appointment of the auditors, BDO South Africa Incorporated, as auditors and Daniel Botha, as the registered auditor responsible for the audit, until the conclusion of the next Annual General Meeting and to fix their remuneration;
4. To re-elect directors for positions to the Board:

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

   - Mark Barnes; and
   - Craig Carter

   (A brief *curriculum vitae* in respect of these directors is contained on page 17 of this Integrated Annual Report)

5. **Special business**

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

   5.1 Ordinary resolution number 5 – Unissued shares to be placed under the control of the directors

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

   5.2 Ordinary resolution number 6 – General authority to issue shares and to sell treasury shares for cash

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

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

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

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

5.3 Ordinary resolution number 7 – Authorised signatories

"Resolved that, any director of the Company or the Company Secretary be and is hereby authorised to do all such things and to sign all such documents issued by the Company to give effect to ordinary resolutions numbers 5 and 6 and special resolutions number 1 and 2."

5.4 Ordinary resolution number 8 – Non-binding advisory vote on remuneration policy

"To endorse by way of a non-binding advisory vote, the Company's remuneration policy, as set out in the integrated annual report (page 14).

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

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

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

- The Company may procure that shares of the Company are awarded to selected employees of the Company or of Group companies, on a monthly basis or such other basis, all as may be determined from time to time by the Company, such awards to be implemented by the purchase of shares on the market for the benefit of such employees (collectively "**Awards**");
- The Company may grant Awards of ordinary shares to selected clients or potential clients of the Company or of Group companies, for loyalty, retention and/or marketing purposes, such Awards to be implemented by the issue of new shares, the transfer of treasury shares and/or the purchase of shares on the market for the benefit of such clients or potential clients, all as may be determined from time to time by the Company;
- Such Awards may be free of charge and for no consideration payable by the employees or clients or potential clients, as the case may be, and accordingly the Company shall be entitled to provide any necessary financial assistance in implementing such Awards;
- The authority contained in this resolution shall endure until the next Annual General Meeting of the Company;
- The aggregate of ordinary shares which may be Awarded to employees is a maximum of 250 000 shares;
- The aggregate of ordinary shares which may be Awarded to clients and potential clients is a maximum of 4 000 000 shares,

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

Reason for and effect of the special resolution

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

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

"Resolved that unless otherwise determined by the Company in general meeting, the fees payable to non-executive directors for their services as directors, for the financial year-ending 31 August 2018, as set out below, be approved:

Non-executive Chairman

- Annual fee of – R2 858 438 per year

Independent non-executive directors

- Annual fee of – R274 752 per year

Non-executive directors

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

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

SALIENT DATES

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

Salient Dates and Times

Record date to receive notice of AGM	Friday, 3 November 2017
Notice of AGM to be posted to shareholders on	Thursday, 9 November 2017
Last day to trade to be recorded in the register on the record date for participation in the AGM	Tuesday, 28 November 2017
Record date to participate in and vote at the AGM	Friday, 1 December 2017
Last day for lodging forms of proxy at 10:00 on	Wednesday, 6 December 2017
AGM at 10:00 on	Friday, 8 December 2017
Results of AGM released on SENS on	Friday, 8 December 2017

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

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

VOTING AND PROXIES

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

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

The necessary form of proxy is attached for the convenience of certificated shareholders and dematerialised shareholders with "own-name" registration who cannot attend the Annual General Meeting but who wish to be represented thereat, Any shareholder entitled to attend and vote at the Annual General Meeting may appoint one or more persons to attend, speak and vote in place of such shareholder, A proxy so appointed need not be a shareholder of the Company, In order to be valid, duly completed proxy forms must be received by Trifecta Capital Services, Trifecta Capital House, Nr 31 Beacon Road, Florida-North, 1709 (PO Box 61272, Marshalltown, 2107) by no later than 10:00 on Wednesday, 6 December 2017.

RECORD DATES

The posting record date, being the date that shareholders must be recorded in the register to be eligible to receive this notice of Annual General Meeting, is Friday, 3 November 2017.

The last day to trade in order to be eligible to vote at the Annual General Meeting is Tuesday, 28 November 2017.

The voting record date, being the date that shareholders must be recorded in the register to be eligible to speak and vote at the Annual General Meeting is Friday, 1 December 2017.

By order of the Board

Trifecta Statutory and Governance Services, a division of Trifecta Capital Services (Pty) Ltd

Company Secretary

6 November 2017

SHAREHOLDER RIGHTS

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

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

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

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

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

(2) A proxy appointment:

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

b) remains valid for:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a) the shareholder; or

b) the proxy or proxies, if the shareholder has

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

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

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

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

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

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

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

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

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

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

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

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

BRIEF CURRICULUM VITAE OF DIRECTORS STANDING FOR RE-ELECTION

MARK BARNES

Mark Barnes graduated from UCT with a Business Science degree in Actuarial Science and attended a Management Programme at Harvard Business School. Mark is widely known as an investment banker in South Africa. He has 30 years of experience in financial services, holding positions of leadership at Standard Bank, Capital Alliance and Brait. Mark has had a wide exposure to financial markets previously as head of the biggest treasury operation in South Africa and as Chairman of the South African Futures Exchange. He is currently the Chairman and a significant shareholder in the Purple Group.

Mark is a frequent contributor in the South African media. As the current CEO of the South African Post Office, he is leading one of our most valuable national assets.

CRAIG CARTER

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

He is currently COO of Luminous Banking.

Craig joined the Board in February 2005.

PURPLE GROUP
LIMITED

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

FORM OF PROXY

"OWN-NAME" REGISTRATION

For use at the Annual General Meeting of members to be held in the Boardroom, Purple Group Limited, Ground Floor, Block B, The Offices of Hyde Park, Strouthos Place (Off 2nd Road), Hyde Park on Friday, 8 December 2017 at 10:00 (the "Annual General Meeting")

I/We ______________________________ (Name in block letters)

of (Address) ______________________________

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

1. ______________________________ or, failing him/her,
2. ______________________________ or, failing him/her,
3. ______________________________ or, failing him/her,
4. the Chairman of the Annual General Meeting, as my proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 10:00 on Friday, 8 December 2017 and at any adjournment thereof and to speak and act for me/us and, on a poll, vote on my/our behalf,

My/Our proxy shall vote as follows:

	Number of ordinary shares		
	In favour of	Against	Abstain
Ordinary resolution number 1: Adoption of annual financial statements for the year-ended 31 August 2017			
Ordinary resolution number 2: Remuneration of auditors			
Ordinary resolution number 3: Appointment of auditors			
Ordinary resolution number 4: Ratification of re-election of Mark Barnes and Craig Carter			
Ordinary resolution number 5: To place the unissued shares of the Company under the control of the directors			
Ordinary resolution number 6: To authorise the Company to issue shares and to sell treasury shares for cash under a general authority			
Ordinary resolution number 7: To authorise the directors as signatories			
Ordinary resolution number 8: Non-binding advisory vote on remuneration policy			
Special resolution number 1: Awarding of shares and provision of financial assistance in connection therewith			
Special resolution number 2: Directors' remuneration to 31 August 2018			

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

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

Signed this ______________ day of ______________ 2017

Signature ______________________________

Please read the notes on the reverse side hereof.

NOTES TO THE FORM OF PROXY

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

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

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

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

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

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

7. Forms of proxy must be received at the Company's Transfer Secretaries, Trifecta Capital Services, Trifecta Capital House, Nr 31 Beacon Road, Florida-North, 1709 (PO Box 61272, Marshalltown, 2107 by not later than 10:00 on Wednesday, 6 December 2017.

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

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

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

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

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

CORPORATE INFORMATION

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

DIRECTORS

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

BUSINESS ADDRESS
Block B, The Offices of Hyde Park
Strouthos Place
Hyde Park
2196

POSTAL ADDRESS
PO Box 411449
Craighall
2024

BANKERS
Mercantile Bank Limited

AUDITORS
BDO South Africa Incorporated
Registered Auditors

GROUP SECRETARY
Trifecta Statutory and Governance Services,
a division of Trifecta Capital Services Proprietary Limited
31 Beacon Road
Florida North
1709

SHARE REGISTRARS
Trifecta Capital Services Proprietary Limited
31 Beacon Road
Florida North
1709

COMPANY REGISTRATION NUMBER
1998/013637/06

ISIN
ZAE000185526

VAT REGISTRATION NUMBER
4640178168

TAX NUMBER
9552/065/64/2

YOUR THOUGHTS


Group