TISO BLACKSTAR

Tiso Blackstar Group SE
(Previously Blackstar Group SE)
Annual Report and Accounts 2015

Contents

Annual report and accounts 2015

Highlights for the six months to 30 June 2015

- Buyout of Times Media Group successfully concluded;
- Acquisition of 22.9% interest in Kagiso Tiso Holdings held by Tiso Investment Holdings and The Tiso Foundation;
- NAV increase to R4.4 billion (£230 million), R16.51 (£0.86) per share post transaction;
- Reduction of acquisition leverage ahead of schedule from R534 million (£28 million) to R440 million (£23 million);
- Strategic focus on core investments and disposal of all smaller investments; and
- Robor and CSI well positioned to benefit from growing African infrastructure spend.

Director's statement

Introduction to Tiso Blackstar Group

Tiso Blackstar Group SE ("Tiso Blackstar" or the "Company or the "Group"), provides investors with exposure to a unique combination of investments which are well positioned for long term growth on the African continent. The Company offers investors an operationally experienced and proven management team with a consistent track record of delivering value, originating investment opportunities and creating value across the continent. Tiso Blackstar is a capital partner of choice for African businesses contributing strategic insight and operational expertise to support and enhance their own growth initiatives. Tiso Blackstar is focused on achieving sustainable long term growth and value creation for shareholders as well as investment partners.

Executive Summary

Overview

The financial year ended 30 June 2015 saw the execution by Tiso Blackstar of several fundamental steps in its growth as a premium investment holding company. These have resulted in the Group's intrinsic net asset value ("Intrinsic NAV") tripling together with fundamental adjustments being made to its investment portfolio's features.

Tiso Blackstar has always and continues to invest management time at an operational level in its investee companies. This was best illustrated at Times Media Group Limited ("TMG" or "Times Media") where significant value was generated over time for the benefit of all TMG shareholders. This value delivery strategy gave rise to the eventual take-over of TMG by Tiso Blackstar, and we now look forward to leveraging off its expertise and experience to generate value as the sole beneficiary.

Past experience has shown us that value is best created when an investor is able to contribute expert management and experience to an asset under its control. These are skills that are only developed over time and with relevant, focused exposure. Additionally, value creation can be significantly enhanced through increased scalability and leverage of, or within an investment. It is therefore preferable to apply effort and capital towards projects with critical mass. It therefore stands to reason that the management of a large number of disparate investments would likely dilute value creation efforts.

In light of the above, Tiso Blackstar, as part of its strategic outlook, intends to consolidate the majority of its value within a select number of controlled large investments (four to six) in order to significantly influence strategy and growth. The Group continuously endeavours to achieve complete transparency in its portfolio, providing shareholders with insight into the underlying earnings, composition and future prospects of its investee companies. Tiso Blackstar continues to progress its underlying investments organically together with value enhancing bolt-on acquisitions to develop market leading verticals in its chosen geographies.

Key Events

On 8 June 2015, Blackstar completed two significant transactions which resulted in a fundamental change to the composition of the Group's portfolio, namely:

- The buyout of all the remaining issued ordinary shares in TMG from TMG minorities by way of a scheme of arrangement; and
- The acquisition of a 22.9% direct equity interest in Kagiso Tiso Holdings Proprietary Limited ("KTH") from Tiso Investment Holdings Proprietary Limited (RF) ("Tiso") and The Tiso Foundation Charitable Trust ("Tiso Foundation");

collectively ("the Transactions").

Following the Transactions, the Company changed its name to Tiso Blackstar Group SE. The Transactions enhanced the Group's growth considerably by increasing its Intrinsic NAV by R2.8 billion (£141 million) from a pre-acquisition value of R1.6 billion (£89 million) to R4.4 billion (£230 million). In addition, the Transactions have significantly enhanced the Company's scope and capabilities across the continent by virtue of the Transactions introducing respected African partners into its shareholder and management base. The Transactions represent a significant improvement in the capacity of Tiso Blackstar to achieve its long term strategic goals, better position Tiso Blackstar to access long term debt and equity capital, and establish the Company as an evolving African investment company with a high degree of transparency and governance best practice.

The KTH and TMG transactions and related costs were partially funded with acquisition finance facilities procured directly by Tiso Blackstar and TMG to the amount of R534 million (£28 million) and R500 million (£26 million), respectively. The three year Tiso Blackstar facility bears a higher rate but only requires interest to be serviced during the term and may be settled on maturity whilst the five year, sculpted, amortising facility at TMG bears a lower rate of interest. Group cash shall be allocated towards the repayment of the Tiso Blackstar facility. Following this, cash will be used towards the repayment of the TMG facility so as to reduce borrowing costs and accelerate the repayment of the two separate facilities.

The facilities referred to above were drawn down on 8 June 2015 and, as at 30 June 2015, Tiso Blackstar had reduced the amounts outstanding under its facility by R94 million (£5 million) to R440 million (£23 million) in less than a month and ahead of internal targets. This shall be further reduced by December 2015.

Following completion of the Transactions, the Company resolved to realise its smaller holdings in order to focus on those material investments that can meaningfully affect Tiso Blackstar NAV growth.

These disposals comprise, *inter alia*:

- *Tiso Blackstar Real Estate Proprietary Limited ("TBRE") and the property subsidiaries*
  These entities house the Company's investment property interests. Agreements have been concluded in terms of which the individual properties will be sold for more than their previously reported fair value.

- *Navigare Securities Proprietary Limited ("Navigare")*
  The Company disposed of a 25% interest in Navigare on 28 June 2015. The relative size of this non controlling interest justified this transaction.

- *Blackstar Fund Managers Proprietary Limited ("BFM")*
  This entity housed the Group's hedge fund and portfolio management operations which are immaterial and are not aligned with the Tiso Blackstar strategy. The Group initiated the winding-up and realisation of these interests after year end.

Disposal proceeds received through the non-core asset realisation program will contribute towards the accelerated repayment of Tiso Blackstar's debt facility.

Furthermore, over the past two years Tiso Blackstar management has been extensively involved in TMG at an operational and leadership level, and during this time has developed a deep understanding of TMG's business. This expertise coupled with absolute control over TMG now positions the Group to efficiently implement value creation strategies within TMG for the benefit of and at minimal cost to the Group.

The KTH transaction allowed the Group to forge an ongoing partnership with the management of Tiso (David Adomakoh and Nkululeko Sowazi, now directors and major shareholders of Tiso Blackstar) which is expected to further the Group's South African base and growth into the continent. KTH is one of the largest privately held investment holding companies in South Africa, and its solid track record has positioned it as a well recognised and trusted investor and partner in the South African business community. It maintains a diversified portfolio of investments with a NAV in excess of R9 billion (£471 million) and represents an important building block in the Tiso Blackstar growth strategy. Over the past year, KTH has completed a number of significant acquisitions outside South Africa, a development that has increased the geographic appeal of the company. The Tiso Blackstar acquisition of the KTH shares has increased its ability to access leverage for growth, and has positioned Tiso Blackstar with scope for further growth options.

The Transactions have also resulted in the reconstitution of the Tiso Blackstar shareholder base, which now comprises some of Africa's largest investors as shareholders and investment partners. Importantly, the introduction of the Tiso Foundation as a large Tiso Blackstar shareholder, allows value created with the Group to contribute towards its charitable programmes, which focus on the development of skills and leadership amongst South African youth.

The Tiso Blackstar Intrinsic NAV was R4.4 billion (£230 million) or R16.51 (£0.86) per share as at 30 June 2015.

Head Office

Tiso Blackstar aims to maintain a cost efficient and transparent head office function that contributes value across the Company's portfolio. Management is active at an operational level and maintains a consistent track record of operating cost control, cash generation enhancement and effective growth strategy implementation.

For the six months ended 30 June 2015 head office costs were well below 1% of Intrinsic NAV. Head office costs are expected to increase during the 2016 financial year as a result of the enlarged portfolio and transaction costs related to the Group's strategy, however, these costs will be actively managed to be within 1.5% of Intrinsic NAV, consistent with the Board's strategy.

Investment overview

A summarised overview of the Tiso Blackstar investments has been provided below. Further detail of each investment is included in Annexure B including a summary of their performance for the current financial year.

Times Media Group Limited ("TMG")

Interest – 100% | Intrinsic NAV – R2,542 million (£133 million) | 58% of Group Intrinsic NAV

Over the past three years TMG has actively sought to diversify its media interests in terms of both geography and platform, using free cash flow to build a significant portfolio of broadcast assets in South Africa and other African countries. Today we have investments in market leading broadcast groups in Ghana and Kenya, and will soon conclude similar deals in Nigeria and Uganda, exposing TMG to some of the fastest growing media markets in the world. Our strategy of partnering with existing best-in-market players is proving successful, with our Kenyan investment performing well ahead of expectations and Ghana retaining its leading position in the market despite a tough operating environment. As a result, TMG's earnings and asset mix is becoming more diversified with potential for further significant growth.

Restructuring of TMG's fixed cost base has occurred and benefits will flow in the next year. In the coming year there will be a focus on TMG's key variable costs to deliver further benefit, along with a realignment of print to digital first content production, while retaining the market leading position in traditional print.

Media Division

TMG's media assets comprise newspapers, magazines and digital publishing ("Media division"). The Media division is a premier newspaper and magazine publisher with some of the most recognised brands in Africa. Titles include *Sunday Times, Business Day, Sowetan, The Herald, Daily Dispatch, Times, Financial Mail* and *BD Live,* amongst others.

The Media division's earnings were down 11% as a result of continued economic weakness. As the largest general newspaper in South Africa, the Sunday Times is the title most affected by the cyclical nature of advertising markets, but is also likely to be one of the first to benefit from a future upswing. Changing consumption patterns are beginning to affect ad spend, but market leading newspapers remain a trusted home for advertising.

Media Highlights

- Core EBITDA for the twelve months ended 30 June 2015 totalled R179 million (£10 million) before exceptional items (FY2014 R202 million, £11 million), largely the result of a R67 million (£4 million) decline in Sunday Times advertising revenue;
- Key areas of restructuring were implemented during the year including reduction of excess cost base and investment into productive cost base;
- Further initiatives are in process, which involve improving subscriber sales and retention and distribution efficiency. These initiatives are expected to have a material impact by improving profit margins;
- Investment in infrastructure, design and workflows to create a digital first news environment which should improve both quality and production cost of content; and
- Strong market share position in circulation and advertising market share maintained.

Broadcasting and Content

The Broadcasting and Content division specialises in the acquisition, production and distribution of film, music and television content. Broadcasting and Content is integrated across film production and distribution, TV production, TV channel ownership and music which includes ownership of one of South Africa's largest music catalogues through Gallo Music.

Broadcasting and Content Highlights

- Films and Music divisions both post strong results;
- Gallo Music successfully integrated Bula Music and Sheer Sound;
- Films well placed as premier all-rights distributor in Africa;
- TV production and channels remain robust with growth prospects; and
- EBITDA declined during the year under review as a result of early stage investment in radio and losses in home entertainment.

Radio

TMG has made significant strides in diversifying into broadcast markets in South Africa and the broader continent. The focus is primarily on radio but includes certain developmental TV assets in Ghana and Kenya. The group now has interests in 14 radio stations across the continent with at least three more likely to be finalised in the short to medium term.

In South Africa, TMG is building a network of second tier stations which offers unique listenership reach across the country. Investments in radio take time to establish listenership and build market share. Audience drives the desirability and pricing of advertising and therefore revenue. Radio typically takes in excess of four years to breakeven but once this has been achieved, investments in radio tend to be highly profitable.

Both Durban based Vuma (72% shareholding) and Mpumalanga's Rise FM (65% shareholding) are producing good listenership growth with advertising revenues beginning to pick up slowly. Since acquisition, Vuma listenership has grown 126% to 322,000 and Rise showed a 33% quarterly increase in the latest audience data release. TMG has conditionally agreed to purchase a minority stake and manage North West FM in Rustenburg – a station which offers good potential growth. All three stations grew listenership in the latest audience survey in a market where 26 of 38 measured stations registered declines.

Both Vuma and Rise have shown good revenue growth, and continue to increase monthly. Vuma and Rise revenues were up 33% and 72% respectively. In their first full year of operation Vuma and Rise posted a combined R25 million (£1 million) EBITDA loss. Times Media is looking to outsource sales in the stations to a quality third party sales house with scale to help deliver further revenue growth.

African Media Investments (excluding South Africa)
Tiso Blackstar's African Media Investments comprise of its investments into African businesses outside of South Africa, and currently include a 49% interest in Radio Africa Group ("RAG") in Kenya and a 32% interest in Multimedia Group Ghana.

African Media Investments Highlights
- Kenya revenue and earnings growth maintained and is ahead of expectations and budget;
- Bamba TV successfully launched in Kenya and to date 135,000 TV boxes have been sold since February 2015;
- Ghana radio remains resilient and very profitable despite the weak economy and slow TV recovery; and
- Recently concluded a radio acquisition in Lagos Nigeria, the first step in a larger transaction.

We are in the final stages of purchasing a significant minority stake in two Ugandan radio stations, Capital and Beat FM, and we have recently finalised the acquisition of a significant minority stake in a Lagos based radio license, as well as an option to roll our investment into the Nigerian holding company that has a further four radio licenses throughout Nigeria. These acquisitions will extend our footprint in Africa, enhance our exposure to high growth media markets across the continent and strengthen our partnership with RAG.

Industrial

Hirt and Carter ("H&C")
H&C is a division of Times Media Proprietary Limited. H&C uses unique state-of-the-art software and processes to manage the entire print communication process from origination to final distribution, using market innovation, technology and trend monitoring. H&C customers are primarily involved in the retail sector.

The trading environment for the 12 months to June 2015 proved to be extremely challenging for H&C. Despite market conditions H&C grew EBITDA by 16% and extended its customer base. The software division continues to show outstanding growth.

In order to combat the topline trading pressures, management focused on reducing overhead costs and improving margins through commercial negotiations with suppliers and driving efficiencies within the manufacturing facilities nationally.

Uniprint
Uniprint is a division of Times Media Proprietary Limited. Uniprint has the following operating divisions:

- Packaging;
- Labels; and
- Forms and Direct Mail.

Uniprint grew EBITDA by 23% during the year under review.

Uniprint continues to dominate the African election work, having produced the ballet papers for the Mozambique election in 2014.

Kagiso Tiso Holdings Proprietary Limited ("KTH")

Interest – 22.9% | Intrinsic NAV – R1,730 million (£91 million) | 39% of Group Intrinsic NAV
Tiso Blackstar acquired a 22.9% equity interest in KTH, one of the largest privately held pan African investment holding companies. It has an investment portfolio with a gross asset value in excess of R15 billion (£785 million) and is managed by an experienced team of investment professionals. It has strong black empowerment ("BEE") credentials in South Africa and has so far also made successful forays into the rest of the continent.

Similar to Tiso Blackstar, KTH is refocusing its portfolio strategy by establishing key verticals and pursuing growth opportunities across the African continent. The alignment of KTH's strategy and composition of their current portfolio allows potential for mutually beneficial opportunities to be realised between KTH and Tiso Blackstar.

Over 80% of KTH's Intrinsic NAV (post acquisition of Servest) is represented by seven assets:

- 100% interest in Kagiso Media, a market leading African media company. Kagiso Media's assets include two leading radio stations, East Coast Radio and Jacaranda FM as well as a major TV production house, Urban Brew Studios;

- 15% interest in Fidelity Bank Ghana, ranked amongst the top tier banks in Ghana;
- 51% interest in Servest, a market leading integrated facilities management business with global operations across Africa and the UK (post year end);
- 19% interest in Actom, the largest privately owned electrical engineering business in Africa;
- 7% of MMI, one of the largest listed insurance and financial service businesses across Africa;
- 4.2% interest in Exxaro Resources, a South African-based mining group, listed on the JSE; and
- 30% interest in Me Cure Healthcare, the leading healthcare diagnostics business in Nigeria.

The remainder of the portfolio consists of 31 investments. KTH uses conservative valuation techniques to determine its NAV which is further verified by an independent expert valuer and retains a track record of selling assets above carrying value.

Consolidated Steel Industries Proprietary Limited ("CSI")
Interest – 100% | Intrinsic NAV – R365 million (£19 million) | 8% of Group Intrinsic NAV
CSI Highlight

- CSI's African operations continue to show solid growth at higher margins.

CSI comprises Global Roofing Solutions ("GRS") and Stalcor.

GRS is a leading South African roofing material manufacturer. It consists of GRS Brownbuilt (established in 1964) and GRS HH Robertson (established in 1958), making it one of the largest metal roofing manufacturers in South Africa and the African continent.

Stalcor is one of the top two stockists and distributors of stainless steel and aluminium products. Stalcor services more than 4,000 customers, drawn from all economic sectors, in particular the manufacturing, engineering, mining and construction industries.

CSI successfully continued on its growth path during the period under review. This is attributed to its strong sales efforts gaining market share in tough local economic conditions, while retaining margins and managing costs through improved procurement and intergroup synergies. Approximately 40% of GRS sales are derived from African markets outside South Africa, representing significantly increasing exposure to the rest of the continent over the past six years.

GRS Mozambique is expected to be operational during the first quarter of 2016 – in time to participate in the well-publicised international oil and gas infrastructure projects in Mozambique.

Robor Proprietary Limited ("Robor")
Interest – 19.4% | Intrinsic NAV – R80 million (£4 million) | 2% of Group Intrinsic NAV
Robor Highlights

- Tiso Blackstar has agreed to acquire a controlling interest (51%) in Robor after year end;
- Robor is the largest manufacturer and supplier of welded steel tube and pipe in Africa;
- Exports to over 21 countries throughout the world, mostly in Africa with exports making up over 20% of revenue and growth; and
- It has repositioned itself as an engineering steel, tube and pipe company with an African focus participating in large infrastructure growth projects.

At year end the Company held 19.4% of Robor's issued share capital. Tiso Blackstar has entered into a transaction to increase its interest in Robor to 51% through a share buyback by the company from its private equity partner and the issue of 1,740,358 of Tiso Blackstar shares for R30 million (£2 million), being the NAV per share. Once concluded, the Robor management team will hold the remaining 49% of the shares in Robor.

Established in 1922, Robor is one of the largest manufacturers and suppliers of welded steel tube and pipe in Africa and is active in most industries including, mining, transport – rail and road, construction, engineering, manufacturing, agriculture, energy, water and automotive. Robor has an existing and growing African footprint that will benefit from the increasing infrastructure spend taking place on the African continent and exports to over 21 countries throughout the world, mostly in Africa (excluding South Africa) with exports making up over 20% of revenue.

The oil and gas projects in Mozambique are a real opportunity for Robor and we are actively pursuing and positioning Robor to capitalise on the growth we believe will come out of Mozambique. Currently Robor generates turnover in excess of R400 million (£22 million) in Africa, outside of South Africa.

Tiso Blackstar Real Estate Proprietary Limited
The disposal of the property portfolio held by TBRE and the property subsidiaries has progressed well. To date six properties have been disposed of for an aggregate amount of R167 million (£9 million), a return of two times

invested money over an average holding period of two and a half years.

Surplus funds, post settlement of mortgage bonds, currently estimated to total R65 million (£3 million), shall be utilised by the Group to reduce Tiso Blackstar's term debt. These sales are expected to close by November 2015.

Financial Review
Tiso Blackstar continues to be considered as an Investment Entity and therefore measures its investments, including certain subsidiaries and associates, at fair value through profit and loss as opposed to consolidating and equity accounting. The following subsidiaries, which provide services that relate to the Company's own investment activities, continue to be consolidated: Tiso Blackstar (Cyprus) Limited ("Tiso Blackstar Cyprus"); Tiso Blackstar Group Proprietary Limited ("Tiso Blackstar SA"); and BFM.

As a result of this accounting treatment, the Tiso Blackstar consolidated balance sheet is more closely aligned with the Intrinsic NAV of the Group than it would be under the traditional equity accounting model. The Intrinsic NAV provides shareholders with an analysis of the inherent value of each investment held as at year end. References to the Intrinsic NAV are made based on the 30 June 2015 Intrinsic NAV as included in Annexure A.

In June 2015, as a result of the Transactions, Tiso Blackstar changed its financial year end from 31 December to 30 June. The current reporting is therefore provided for a six month period ended 30 June 2015 and comparatives are for the previous 12 months ended 31 December 2014.

Income for the period ended 30 June 2015 amounted to R405.3 million (£22.3 million) which mainly comprises R78.7 million (£4.3 million) generated from investments in the form of support fees, dividends and interest income and R326.6 million (£18.0 million) net gains on investments.

Net gains on investments include R19.7 million (£1.1 million) realised gains on disposal of its smaller investments and R306.9 million (£16.9 million) unrealised net fair value gains which mainly comprises fair value adjustments recognised post acquisition on the investments in TMG and KTH.

On initial recognition of the equity settled portion of the investments in KTH and TMG, Tiso Blackstar must comply with EU IFRS which requires that the investment in KTH initially be measured at the fair value of the consideration received, being the last traded share price of Tiso Blackstar shares on that date, and, as TMG is listed, the investment in TMG must initially be measured at the fair value of the TMG shares received on that date, calculated using the last traded TMG share price. This differs from the issue price of R16.91 (being the Group's Intrinsic NAV per share as at 30 June 2014) which was utilised by all parties concerned in determining the number of Tiso Blackstar shares to be issued in exchange for the investments acquired in KTH and TMG. A significant net unrealised gain has therefore been recognised in profit and loss on revaluation of the investments in both KTH and TMG to their fair value as at 30 June 2015 (which is more closely aligned to the commercial acquisition cost of the investments determined when the Transactions were agreed upon).

Operating expenses of R66.1 million (£3.6 million) mainly include the day-to-day operational expenses of R14.4 million (£0.8 million) incurred to run Tiso Blackstar and its consolidated subsidiaries, and exceptional, transaction related and non-recurring costs of R48.3 million (£2.7 million) the majority of which are costs arising on the Transactions. Operational expenses for the reporting period amount to 0.3% of the Intrinsic NAV as at 30 June 2015 and transaction related costs incurred amounted to 1.3% of the value of the investments acquired. Costs are closely monitored and action is taken wherever possible to cut any excess expenditure in order to improve the profitability of the Group.

Total equity attributable to equity holders of Tiso Blackstar increased from R1.5 billion (£80.6 million) as at 31 December 2014 to R4.4 billion (£230.4 million) at 30 June 2015 as a result of the successful acquisition of the KTH investment and a buyout of the remaining shares in TMG that it did not already own. The purchase consideration was settled using debt and a fresh issue of 183,566,216 Tiso Blackstar shares thereby increasing the issued share capital of the Company to 266,665,287 shares.

The significant R3.3 billion (£169.0 million) increase in total assets to R4.9 billion (£254.9 million) as at 30 June 2015 arose as a result of the acquisitions of KTH and TMG. At 30 June 2015 net investments in subsidiaries include the TMG investment at a fair value of R2.5 billion (£133.0 million) and net investments in associates include the fair value of the investment in KTH of R1.7 billion (£90.5 million).

On implementation of the TMG and KTH acquisitions, Tiso Blackstar raised debt of R534 million (£28 million) which was used to settle the existing facility held, transaction related costs and the cash consideration of the KTH purchase price. The Group managed to reduce the debt to R440 million (£23 million) by year end utilising proceeds from disposals of smaller investments and free cash. This secured term facility bears interest at the 3 month Johannesburg Interbank Accepted Rate ("JIBAR") plus 500 basis points, with interest capitalised quarterly and repayable semi-annually. Mandatory capital payments calculated based on the outstanding facility balance are due in December 2016 and 2017, with a final bullet payment in June 2018.

Cash and cash equivalents declined by R43.3 million (£2.4 million) during the current financial year to an amount of R19.7 million (£1.0 million). Significant cash flow movements during the year include a R3.1 billion (£171.8 million) cash outflow on acquisitions of investments (mainly the total cost of the KTH and TMG acquisitions), a R110.1 million (£6.1 million) cash inflow on realisation of investments including repayments of loan receivables; R74.5 million (£4.1 million) cash inflow in respect of dividends and interest income; R367.3 million (£20.2 million) cash inflow on acquisition finance net of repayments and R2.6 billion (£144.7 million) cash inflow from the issue of Tiso Blackstar shares to settle part of the consideration for the investments in KTH and TMG.

Dividends

Tiso Blackstar recognises that regular dividends are an important part of shareholder wealth creation. Following the completion of the Transactions, Tiso Blackstar's focus in the short to medium term will be on reducing the Tiso Blackstar debt. Post review of the interim results to 31 December 2015, the Board will consider an interim dividend taking into consideration the fact that Tiso Blackstar has been able to settle acquisition debt in advance of initial targets.

Post year end and looking forward

Part of the Tiso Blackstar strategy is to have meaningful interests in its underlying investments in order to have a degree of influence on the investee companies' strategies, as well as the ability to impact NAV growth of the Company. In line with this, Tiso Blackstar disposed of certain of its smaller investments including its 25% stake in Navigare and its investment in the Blackstar Special Opportunities Fund prior to year end, and post year end the Group sold its 70% stake in BFM and realised its property portfolio.

In line with the aforementioned strategy, and as previously announced, Tiso Blackstar is in the process of concluding a transaction (subject to approval from the South African Competition Authorities) to increase its interest in Robor to 51%. This will be achieved through the purchase of additional ordinary shares in Robor for a consideration of R30 million (£2 million) and Robor completing a share buyback from its private equity partner.

Tiso Blackstar believes that steel is at a low point in the cycle and therefore it is acquiring its additional shareholding in Robor at both an attractive time and price, acquiring control at a significant discount to the tangible balance sheet NAV (excluding goodwill and intangible assets). With a strong balance sheet and an aligned management team Robor is well positioned for expansion and growth in Africa's infrastructure sector.

Following the completion of the Transactions on 8 June 2015, Tiso Blackstar has identified four Investment Silos. Subsequent to the year end, the Company's investments (which include a restructuring of TMG) have been allocated within each Investment Silo and will be reported as such. The number and description of investments within identified Investment Silos, and the Investment Silos themselves, may vary from time to time dependent upon the returns generated from the investments.

Outlook

Tiso Blackstar is currently investigating the possibility of transferring its current trading on AIM to a listing on the Premium Segment of the Official List of the Financial Conduct Authority under Chapter 15 of the Listing Rules (Closed-Ended Investment Funds) and to trading on the London Stock Exchange Main Market for listed securities in order to enhance the Company's visibility and share liquidity. If a transfer is achieved, the Company's shares would simultaneously be admitted to the Main Board of the JSE Limited. The Company will update shareholders in due course.

The Company is currently considering the migration of its registered office from Malta to the United Kingdom ("UK") so as to ensure that its business operations and listing operate from a single jurisdiction and facilitate ease of understanding by investors of its structure. Further updates in this regard will be provided as interactions with the various relevant regulators progress. Subject to the necessary approvals being obtained, the migration of the Company's registered office will take place in the first half of 2016 given the regulatory and administrative requirements both in Malta and the UK that need to be met in order to move its registered office.

Director's statement continued

The successful integration and management of the assets acquired through the Transactions and successful implementation of strategy will be enhanced by the migration of the Company's registered office. The migration and listing will further enable investors' accessibility to and understanding of Tiso Blackstar.

The Group endeavours to present investors with the exclusive opportunity of accessing largely untapped African markets via a London based, premium listed structure underpinned by a sustainable capital base offering leverage and access to unique value opportunities. Tiso Blackstar supports the investment proposition presented by the fast-emerging African continent. The initial stages of the Group's development have now been achieved by successfully positioning the Company to competitively access high quality, market leading opportunities within some of the highest growth markets in the world. We look forward to developing this position into realised value for our stakeholders over the next phase of the Group's maturation.

We would like to thank the Tiso Blackstar Board and our management team for their dedication and hard work in implementing our complex and diverse transactions during the last year as well as the staff at TMG for embracing significant and positive changes in the business, designed to help secure its long term future.

AD Bonamour
Non-executive Director

DKT Adomakoh
Non-executive Chairman

5 October 2015

Annexure A – Intrinsic NAV

Intrinsic NAV as at 30 June 2015

	30 June 2015 R'000	30 June 2015 £'000
Times Media Group Limited	2,541,707	133,033
Kagiso Tiso Holdings Proprietary Limited	1,729,513	90,522
Consolidated Steel Industries Proprietary Limited	365,100	19,109
Robor Proprietary Limited	80,000	4,187
Tiso Blackstar Real Estate Proprietary Limited and the property subsidiaries	76,598	4,009
Other listed & unlisted investments[4]	25,866	1,354
Cash and cash equivalents of consolidated companies	22,777	1,192
Access facility	(440,000)	(23,030)
Intrinsic NAV	**4,401,561**	**230,376**
Number of shares in issue net of treasury shares	266,665	266,665
Intrinsic NAV/Share (in Rands/Pounds Sterling)	**16.51**	**0.86**

Notes:

1. The Intrinsic NAV provides a measure of the underlying value of the Group's assets and does not indicate when the investments will be realised, nor does it guarantee the value at which the investments will be realised.
2. For the purposes of determining the intrinsic values, listed investments on recognised stock exchanges are valued using quoted bid prices and unlisted investments are shown at Directors' valuation, determined using the discounted cash flow methodology ("DCF"). This methodology uses reasonable assumptions and estimations of cash flows and terminal values, and applies an appropriate risk-adjusted discount rate that quantifies the investment's inherent risk to calculate a present value. Given the subjective nature of valuations, the Group is cautious and conservative in determining the valuations and has a track record of selling its unlisted investments in the ordinary course of business above the levels at which it values them.
3. All amounts have been translated using the closing exchange rates at 30 June 2015. The ZAR/GBP closing exchange rate at 30 June 2015 was 19.106.
4. Other listed and unlisted investments include investments in Shoprite Holdings Limited (Zambia) and Bataung Capital Advisors Proprietary Limited. This number also includes the net asset value of the Group's consolidated entities.

Annexure B – Overview of Tiso Blackstar's Investments

TMG – Ownership 100%, Valuation R2,542 million (£133 million) – 58% of NAV

Income Statement

	Twelve months to 30 June 2015 R'million	Twelve months to 30 June 2014 R'million[3]	Twelve months to 30 June 2015 £'million	Twelve months to 30 June 2014 £'million[3]
Revenue	**3,946**	3,984	**219**	236
EBITDA	**344**	404	**19**	24
EBIT	**228**	297	**13**	18

Valuation Summary

	30 June 2015 R'million
EBITDA	344
Multiple	8.81
Enterprise value	3,031
Net debt[1]	(860)
Minority investments[2]	371
Equity value R'million	**2,542**
Equity value £'million	**133**

Notes:

1. Net debt is made up of term debt of R800 million (£42 million), asset based finance of R113 million (£6 million) and net cash of R53 million (£3 million).
2. Minority investments comprise a 32% shareholding in Multimedia Ghana (R144 million, £8 million), a 49% shareholding in Radio Africa Kenya (R195 million, £10 million), a 50% shareholding in Smartcall Technology Solutions Proprietary Limited (R22 million, £1 million) and Other investments (R9 million, £0.5 million). All of these are held at acquisition cost.
3. Prior year numbers have been restated for IFRS allocations.
4. Equity value equates to the blended buyout price of R24.05 per TMG share which equates to R22.00 per share for all shares which were settled in cash and R24.50 per share for all shares that were settled in new Tiso Blackstar shares.
5. AMD and ELS ceased trading during the year and have since been closed. The two businesses sustained a combined trading loss of R14 million (£1 million) which will not reoccur.

TMG is well placed in the market to deliver growth and sustainability. Management is focused on diversification to broadcast in South Africa and the rest of Africa as well as realignment of print to digital first, while retaining its market leading position in traditional print media. Restructuring of the fixed cost base has occurred and management expects the benefits to flow in next year. There is also a focus on key variable costs in the coming year to deliver further benefit.

Media

Media produced core EBITDA of R179 million (£10 million) before exceptional items for the twelve months ended 30 June 2015 (FY2014 R202 million, £11 million). Restructuring costs of R33 million (£2 million) were related primarily to management restructuring and the closure and reorganisation of unviable digital ventures and provisioning in respect of our investment in Allied Publishing.

Advertising revenues remained soft as the effects of weak general economic performance continued to be felt. Total newspaper advertising revenue declined 9%. Circulation revenues grew 2% as a result of a combination of price increases and a mild decline in sales. Digital revenues grew at a fast rate of 35% but remain at a low base relative to print.

The newspaper business underwent significant restructuring and streamlining of management layers towards the end of the financial year, resulting in flatter and more accountable structures that we believe will allow for higher levels of innovation, integration, communication and efficiency.

A number of these changes and cost savings initiatives in response to the decline in revenue will only bear fruit in the year to come. Further initiatives are in process including improving subscriber sales and retention and improving distribution efficiency. These should have a material impact in improving profit margins. Investment made in infrastructure, design and workflows to create a digital first news environment should also improve both quality and production cost of content.

Change remains a constant theme in the industry and further changes to the newspaper business model are inevitable as market readership and advertising patterns shift. One consistent theme though is the requirement for quality, unbiased and interesting content, an area where TMG continues to invest despite the recent downturn.

From a market share perspective, our titles have performed well in both advertising and circulation, albeit in a climate of a declining print market. Latest circulation figures will reflect declines in certain titles as we reduce our sale of low-yielding copy sales in order to create a more sustainable future for our products. The lower numbers are likely to represent the core of readership base and provide a profitable platform from which to deliver an integrated digital offering.

The flagship Sunday Times suffered from a decline in economic activity, both in traditional brand advertising markets as well as a declining jobs market. The title remains SA's largest newspaper by circulation, advertising and size and significant focus is being given to build readership and revenue for the Sunday Times. New initiatives such as quality subscriber magazines, property guides and a renewed digital focus will ensure the paper remains at the helm of SA's newspaper and digital market.

The Sowetan and Sunday World posted a R15 million (£1 million) EBITDA turnaround to both trade profitably, while Eastern Cape titles The Herald and Daily Dispatch grew core EBITDA a combined 66% to R26 million (£2 million) before one-off restructuring costs of R8 million (£0.4 million). These gains were despite flat revenues, reflecting solid cost management and a focus on margins.

Business Day and Financial Mail performed well in the face of difficult operating conditions in the sectors they serve. Financial Mail almost doubled EBITDA. Combined, the two produced an EBITDA of R23 million (£1 million) for the financial year ended 30 June 2015, including BDLive earnings.

Magazines posted a solid performance and had a particularly strong last quarter. The division generated EBITDA of R16 million (£1 million). It made significant gains in producing magazines for the group's sizeable newspaper subscriber base, and SA HomeOwner remains a star performer in a difficult consumer magazine marketplace.

Times Media's new events business contributed positively to earnings and reflected the potential of substantial new revenues from this area. Newspapers provide a perfect platform from which to launch events that are relevant to their consumers and advertisers and offer an opportunity to diversify and sustain overall revenues. Successful events in the year include the Sunday Times Generation Next Conference, The Future of Media Conference and the MTN Radio Awards. Our digital publishing websites also showed solid revenue growth in line with market trends. Events and digital revenues are becoming major revenue generators for publishers internationally, and there is no reason that South Africa cannot mirror that trend.

While both augur well for the future, the revenue and cost base of the business remain print driven for the moment.

Media Outlook

The business is increasingly gearing itself for the transition to digital from a reader and advertising perspective. We are investing in a new multi-media content management system to enable our newsrooms to become digitally integrated and be prepared for a digital-first world. At the same time we are investing in new and diverse means of revenue generation from web to mobile to innovative technology-based advertising solutions.

We are also investing in the best talent and have made a series of appointments to bring in international and outside expertise which we believe will aid the business going forward. A key area of innovation will be positioning our titles to remain relevant in an increasingly digital and fragmented news marketplace. To this end, we have engaged world class designers to create fresh looks for our titles and experts to support the digital integration of our newsrooms.

Further to the innovation and growth initiatives within Media, this year will see a major focus on circulation and we have begun a project to unlock significant value in our distribution platform nationwide. The current newspaper distribution model is structured for a different era and we will be drawing on international best practice to create efficiencies and reduce costs in the coming months. We believe this is crucial for the sustainability of newspapers and pilot projects have already shown significant benefits to the group.

Broadcast and Content
TMG's core Broadcast and Content businesses performed well despite difficult market conditions. The division is comprised of businesses in South Africa and across the African continent and represent part of the long term strategy for TMG's business sustainability and growth.

Profitability in South Africa is lower overall as a result of investment in certain early stage businesses such as radio and video on demand and restructuring of the physical home entertainment business. Core divisional revenues were steady and earnings higher despite soft advertising markets. As a result of investment costs in radio the division reported an EBITDA decline from ongoing operations to R21 million (£1 million).

The South African division comprises:

- African Business Channel ("ABC");
- Ochre Moving Pictures;
- Radio – Vuma FM and Rise FM;
- TM Films; and
- Music – Gallo Records and Publishing (which incorporates Bula Music and Sheer Sound).

TMG's Content businesses are showing earnings growth as increased focus on rights ownership and their commercialisation yields results. The films distribution business operates in a fast changing market and has good prospects as a market leader in its field. It posted an 8% increase in EBITDA to R37 million (£2 million). In order to sustain earnings, TM Films, is investing in local distribution and production as well as in local films capable of international release.

Our Music division continued its turnaround following a fundamental shift in the business model. We believe the music division is well positioned for the new models being forged in the industry. We have invested in a music events business to complement the earlier acquisitions of the Bula Music and Sheer Sound catalogues. Gallo is the largest independent catalogue in SA and the acquisitions bring increased scale in the face of declining physical markets. Digital income continues to build and represents an increasingly important revenue stream. Once finalised, the business will provide a 360 degree offering including events and artist management. From being a loss maker two years ago, our combined music business now produces EBITDA of almost R9 million (£1 million).

TV production business Ochre and channels business ABC both produced solid core earnings growth producing EBITDA of R6 million (£0.3 million) and R12 million (£1 million) respectively. Ochre's year-on-year EBITDA decline of R2 million (£0.1 million) was the result of lower throughput as a result of the cyclical nature of TV production. ABC posted good EBITDA growth of 41%. Both are successfully working on expanding their market position and earnings in a competitive environment with ABC securing a further channel on the DSTV platform focusing on health and fitness and Ochre shortlisted for a slate of new productions in the current fiscal period.

Our physical Home Entertainment business is in managed decline in line with the reduced consumption of DVDs in the market. It has been restructured to take into account market conditions and showed a R21 million (£1 million) exceptional cost related to stock write downs and retrenchments, legal costs as well as an EBITDA loss of R9 million (£1 million). The model for Home Entertainment is now based largely on a variable cost structure and is significantly leaner. It is in the process of being wound down as the contracts with studios expire.

Radio is a long term investment as it takes time to establish listenership and build market share from an audience and revenue perspective. The unit is an early stage development business with two start-up regional radio stations still establishing a footprint in their markets. Both Durban based Vuma (72% shareholding) and Mpumalanga's

Rise FM (65% shareholding) are producing good listenership growth with advertising revenues beginning to pick up slowly. Vuma is currently SA's fastest growing commercial radio station in terms of audience. In their first full year of operation Vuma and Rise posted a combined R25 million (£1 million) EBITDA loss.

50%-owned Smartcall Technology Services ("STS") is showing strong revenue growth in mobile services, providing products across sub-Saharan Africa producing EBITDA of R12 million (£1 million). STS has more than doubled EBITDA since we bought into STS in 2013.

The business holds and manages video-on-demand platform VIDI, which has struggled to gain traction in the market. Management is working hard at reengineering the business in light of weak market penetration and the slow pace of meaningful broadband growth in SA.

TMG sold its Interactive Junction business to Saon Group in January as part of a strategy to dispose of its non-core assets.

African Media Investments (excluding South Africa)

Radio Africa Group Kenya

RAG in Kenya, the leading independent radio business in Kenya, owns three of the top five radio stations in Nairobi: Jambo, Classic and Kiss. It also owns the Star newspaper and free-to-air Digital Terrestrial Television ("DTT") platform Bamba TV. RAG has delivered 37% EBITDA growth to R47 million (£3 million) in the year to June 2015 from its established brands. Including investment in the costs of launching Bamba, EBITDA was up 11% to R38 million (£2 million). Demand for the Bamba service is high and over 130,000 boxes have already been sold in Kenya since its launch in January. The Star newspaper produced a breakeven result after posting a loss in the prior year.

Multimedia Group

Based in Ghana, 32% held Multimedia Group produced flat results as a result of difficult economic conditions, but radio remains highly profitable producing an EBITDA of R30 million (£2 million) for its year to end December 2014 and is on track for this financial year. Multimedia is the leading independent broadcaster in the country. Its Joy (Joy is No 1 radio station in Accra) and Adom radio stations command significant audience and advertising market share, reaching 43% of the Accra radio market, while TV platform Multi TV has over 2 million boxes in homes in Ghana for a viewing market share of 25%, and with further reach across the rest of West Africa. This position provides a significant opportunity for growth but the business has been hampered by weak macro-economic and advertising markets. TV remains under pressure and has recently consolidated its positioning to focus on three key channels from seven. As an advertising led business it will rely on an improvement in economic performance in the country for any upside. The TV business has received several partnership proposals by international TV players to partner them in Ghana using Multi TV as the platform.

We are in the final stages of purchasing a significant minority stake in two Ugandan radio stations, Capital and Beat FM, and have agreed a memorandum of understanding for the acquisition of a significant minority stake in a Lagos based radio license, as well as an option roll of our investment into the Nigerian holding company that has a further four radio licenses throughout Nigeria. These acquisitions will extend our footprint in Africa and enhance our exposure to high growth media markets across the continent.

Industrial

Hirt and Carter ("H&C")

The focus on margins and overheads allowed the group to deliver a 16% growth in EBITDA to R145 million (£8 million) for the twelve months ended 30 June 2015. On a like for like basis excluding Bates Printing ("Bates"), H&C delivered a 11% growth in EBITDA to R126 million (£7 million). Bates grew EBITDA from the prior year by 66% to R20 million (£1 million), although the prior year measure only included eight months of trading due to acquisition timing.

The cornerstone of H&C strategy continues to be a focus on the key Retail FMCG and Retail Apparel customers, to expand the H&C service offering and ensure alignment with customer's growth strategies. In terms of driving "strategic entanglement" with customers, H&C have positioned the data and analytics businesses as well as the software business to drive growth.

The launch of loyalty and reward programs in South Africa by the major Retail FMCG players has allowed H&C to grow its product and services offering. The retailers need to ensure that they have the latest consumer market pricing information, and H&C are integrating these services into retailer's back-end decision making processes.

In addition to pursuing growth in the South Africa market, most of our customers are driving an Africa expansion strategy. We are well placed to grow our business on the back of this strategy. Our Africa team has seen excellent growth over the past two years, delivering solutions to the beverage and branded goods manufacturers in Africa.

H&C Software division, which developed the country's leading Advertising Marketing and Promotions System ("AMPS") software, was separated into a stand-alone business during the year. Management has focused on ensuring that each instance of our software solutions has a direct billing, at a value that delivers the right returns. Software solutions also provide annuity revenue for the business.

The business is being positioned to capitalise on the growth in the data and software offerings, while also ensuring that we continue to offer products in the "print that performs" category.

H&C are currently reviewing their print based products, and looking to exit any sectors of the market that may have been commoditised in favour of investing in technology that will grow the business and deliver the best returns.

Uniprint

Uniprint was able to increase its turnover by 24% to R520 million (£29 million) (FY2014 R421 million, £23 million) for the year ended 30 June 2015, despite a difficult economic climate in South Africa. As a result of the increase in turnover, EBITDA increased by 23% to R67 million (£4 million) (FY2014 R55 million, £3 million). Management of Uniprint did an outstanding job keeping overheads under control. All operating divisions of Uniprint performed reasonably well in the period under review.

The Labels division successfully integrated Ferroprint Proprietary Limited ("Ferroprint") during the period under review. The result of the Ferroprint acquisition was that Uniprint is able to achieve benefits of scale and increased market share in its key markets and create one of the largest manufacturers of labels and sleeves for FMCG markets in Africa. The labels market is currently under pressure due to the high levels of imported materials which effects prices and many customers are struggling to achieve market growth.

The Forms and Direct Mail division of Uniprint had severe challenges due to the non-functioning of SA Post Office. Many of Uniprint's customers elected to switch their communication channel away from SA Post Office. As a result the Forms division lost turnover of approximately R70 million (£4 million). During the period under review the division was underpinned by contracts obtained in Africa for election work. Due to the lost turnover, Uniprint acquired the tally roll converting business from Bytes Technology Group on 1 April 2015. This business has now been successfully integrated into Uniprint and is expected to contribute approximately R60 million (£3 million) of turnover in the new financial year.

The Packaging division remains small and the intention is to grow this division both organically and through acquisitions.

Uniprint has identified Africa (excluding South Africa) as a core growth market and has recruited staff to exploit these markets further. Uniprint has already been awarded a contract to produce the election material for Tanzania and are busy negotiating for several other contracts in Africa.

KTH – Interest 22.9%, Valuation R1,730 million (£91 million) – 39% of NAV

KTH Investment Portfolio[1]

	30 June 2015 R' million
MMI Holdings Limited[2]	3,059
Kagiso Media Proprietary Limited[3]	2,845
Fidelity Bank Ghana Limited[4]	417
Exxaro Resources Limited[5]	378
AECI Limited[6]	378
Other assets[7]	3,259
Net debt and Other liabilities[8]	(1,129)
Total NAV	**9,207**
Discount	18.0%
Total NAV post discount	7,553
Tiso Blackstar shareholding	22.9%
Tiso Blackstar value R'million	**1,730**
Tiso Blackstar value £'million	**91**

Notes:

1. The values as at 30 June 2015 represent the value of the underlying investment after deducting net debt at an individual asset level.
2. KTH's investment in MMI Holdings Limited ("MMI") is held through a special purpose vehicle and comprises an aggregate exposure to 113.6 million MMI ordinary shares with closing price of R30.15 (£1.58) per share as at 30 June 2015 through an interest in 32.23 million MMI A3 Preference Shares and 81.37 million MMI ordinary shares. MMI A3 Preference Shares accrue dividends and are convertible into MMI ordinary shares on a one-to-one basis without restriction save for mandatory redemption on 30 June 2017, however, pursuant to a lock-in arrangement, 50 million of the MMI ordinary shares and/or MMI A3 Preference Shares may not be sold before 30 June 2017. A 5% liquidity discount has been applied to the 50 million MMI ordinary shares and/or MMI A3 Preference Shares subject to the trading restriction. The MMI A3 Preference Shares are valued using an option pricing model and the MMI ordinary shares are valued at the closing price less the liquidity discount.
3. Investment value of Kagiso Media has been determined using a DCF methodology. For the financial year ended 30 June 2015 Kagiso Media's EBITDA was R435 million (£24 million) and net external debt totalled R746 million (£41 million). Its enterprise value has been determined as R3,591 million (£198 million) representing an EV/EBITDA of 8.2x.
4. KTH holds a 15% investment in the ordinary shares and a 19% investment in the preference shares of Fidelity Bank. KTH purchased US$10 million preference shares in April 2014 which are non-redeemable, non-cumulative and convertible into ordinary equity. The preference shares have a right to receive a US Dollar denominated dividend of 10.5%, semi-annually on the nominal value (US$10 million). These preference shares are valued at R144.4 million (£8 million). The ordinary equity value was determined using the market multiple valuation methodology based on a price to earnings multiple as the primary methodology, and a price to book multiple as the secondary methodology. The value attributable to KTH's ordinary shares in Fidelity Bank is equal to R233.6 million (£12 million) equating to a price to earnings ratio of 7.2x after deducting liquidity discounts.
5. KTH holds an indirect interest of 7.97% in Mainstreet 333 Proprietary Limited ("Mainstreet") which in turn owns 52.09% of the ordinary shares in Exxaro. The shares in Exxaro have been valued at the closing price of R86.92 (£4.55) as at 30 June 2015 and a lock in discount of 2.5% has been applied to this value. Following the deduction of liabilities of R3,771 million (£197 million), Mainstreet has a NAV of R12,039 million (£630 million). Further minority and liquidity discounts of 20% are applied to KTH's interest in Mainstreet. This value is further reduced by liabilities attached to KTH's interest in Mainstreet to establish the NAV of the indirect interest in Exxaro via, *inter alia*, Mainstreet.
6. KTH indirectly holds 3,509,000 shares in AECI which had a closing price of R114.50 (£5.99) per share as at 30 June 2015. A 2.5% lock in discount has been applied which falls away on 31 December 2015. Liabilities attached to the holding net of cash amounted to R12.5 million (£1 million).
7. Other assets include R217 million (£11 million) in listed assets and R2,994 million (£157 million) of unlisted assets, amongst others. Assets valued above R100 million (£5 million) include investments in Actom Investment Holdings, First Rand Empowerment Trust, ERIS, Idwala Industrial Holdings, Infrastructure Finance Corporation, Kagiso Asset Management, Me Cure Health Limited, Metropolitan Health Corporate, Mototolo Joint Venture, and Sea Harvest Holdings.
8. Includes the present value of KTH's forecast head office overheads.
9. The valuation of the KTH investment portfolio is independently performed by the corporate finance division of a top 4 accounting firm in South Africa.
10. Tiso Blackstar has applied a further discount of 18% to KTH's Intrinsic NAV to account for head office costs and any potential CGT liability that would be realised on disposal of the investments held by KTH.

CSI – Ownership 100%, Valuation R365 million (£19 million) – 8% of NAV

Income Statement[1]

	Twelve months to 30 June 2015 R'million	Twelve months to 30 June £'million
Revenue	**1,907**	**106**
EBITDA	**67**	**4**
EBIT	**52**	**3**

Note:

1. Income statement represents a 12 month pro-forma period from 1 July 2014 to 30 June 2015. No consolidated results are available for the comparative period as a result of the change in the year end from 31 December to 30 June.

Valuation Summary

	30 June 2015 R'million
EBITDA	67
Multiple	5.73
Enterprise value	384
Net debt	(19)
Equity value R'million	**365**
Equity value £'million	**19**

CSI African operations continued to reflect impressive results with annualised sales growth of 31.8% and profits ahead of budget. Growth in sales to the contractor market is also improving for the pierced fix products. Despite the trading environment in the South African market proving to be very challenging, compared to the same period last year, CSI has increased its gross revenues by 10.7% and held its prime gross profit margin.

CSI African operations

CSI currently has operational presence in Namibia, Botswana, Zambia, Zimbabwe and Ghana with manufacturing equipment for GRS Mozambique expected to be operational during the first quarter of 2016 – in time to participate in the well-publicised international oil and gas infrastructure projects in Mozambique. In addition, CSI has been awarded preferred supplier status for a unique housing development in Abidjan, Cote d'Ivoire, co-funded by the Industrial Development Corporation of South Africa Limited, which project is expected to commence during the latter part of 2015. Currently, sales through CSI's African operations comprise more than one third of all sales made by GRS and at higher margins. We expect this growth to continue as we enter new territories. The principal projects giving rise to Africa growth are shopping centre developments.

Robor – Ownership 19.4%, Valuation R80 million (£4 million) – 2% of NAV

Price to Book Valuation

	30 June 2015 R'million
Robor tangible balance sheet NAV	519
Robor 100% Equity value per valuation	412
Discount to balance sheet	**21%**

Valuation Summary

	30 June 2015 R'million
EBITDA[1]	130
Multiple	3.65
Enterprise value	474
Net debt	(62)
Equity value	412
Tiso Blackstar shareholding	19.4%
Tiso Blackstar Equity value R'million	**80**
Tiso Blackstar Equity value £'million	**4**

Notes:

1. EBITDA is for the Robor financial year ended 30 September 2014.
2. Current Robor management accounts forecast an EBITDA to year end 30 September 2015 of R30 million (£2 million), which excludes the steel price devaluation of R60 million (£3 million).

Robor has had a difficult year given the current issues in the steel markets, slow down in the general economy and delays in the proposed South African infrastructure spend. During the period under review, Robor restructured its business to adapt to the changing market conditions which resulted in R75 million (£4 million) in annual cost savings. Most of these savings were negated by stock devaluations in the current year. Volumes and margins were impacted due to the overcapacity in the South African market.

Robor's objectives have shifted from being a commodity supplier, to an engineering steel, tube and pipe company with an African focus participating in large infrastructure growth projects. The markets where Robor sees growth are all critical for South Africa. Water is a key focus, in all areas and this is receiving extra attention. As a large tube and pipe producer Robor is well placed to assist with the ageing infrastructure in sewerage, portable water and the rising level of acid mining water.

The energy segment is also key, and Robor has just acquired 100% of Tricom Structures which designs, develops and manufactures steel structures for telecom tower companies, cell phone operators and power sectors. The demand for Tricom products/solutions is growing in Africa and will add value to Robor's capabilities in terms of providing solutions across various market segments. This, coupled with Robor's proven track record in solar makes it a meaningful player in the energy infrastructure roll out plans. Robor has a new mill coming on line in the first quarter of next year which will position it very well in the oil and gas sector and the opportunities on the continent in particular Mozambique.

All Robor's offerings are ideal for Africa and management is focusing on growing its footprint in the region significantly. The objective in Africa is to be a local partner of choice with additional capacity in South Africa. Infrastructure development plays a critical role in job creation and economic performance. The goals of South Africa's Infrastructure Development Plan will have a marked impact on Robor when they are implemented.

Directors' report

The Directors present their report for Tiso Blackstar Group SE (registered number SE4) together with the audited financial statements for the period ended 30 June 2015.Tiso Blackstar changed its financial year end from 31 December to 30 June, thus the current financial statements are provided for a six month period.

Results and dividends
The consolidated statement of comprehensive income as set out on page 28 reflects the profit for the six month period ended 30 June 2015.

The Board declared a gross dividend of 14 South African cents (1.08 cents in Euros and 0.77 pence in Pounds Sterling) per ordinary share for the financial year ended, 31 December 2014, which was paid on 8 June 2015. No dividend has been declared for the current reporting period.

Principal activities, business review and future developments
Tiso Blackstar Group SE ("the Company") was incorporated in England and Wales and has its registered office and principal place of business at 3rd Floor, Avantech Building, St Julian's Road, San Gwann, SGN 2805, Malta.

Through two capital raisings in 2006, the Company successfully raised an aggregate of £80 million (before expenses) on the London Stock Exchange (AIM) to pursue its investing strategy and objectives and engaged BML Limited ("BML"), an offshore management company, to assist with sourcing, evaluating and assessing potential investment opportunities.

In June 2009, the Company concluded the internalisation of its investment advisory arrangements with BML, including the acquisition of Blackstar Fund Managers Proprietary Limited, which subsequently changed its name to Tiso Blackstar Group Proprietary Limited ("Tiso Blackstar SA"). In acquiring Tiso Blackstar SA, the Company secured the services and the intellectual capital of the Tiso Blackstar SA team and the ability of the business to generate value for the Group.

In June 2011, the Company converted into a Societas Europaea or European public limited liability company.

In August 2011, the Company completed a secondary listing on the AltX of the JSE Limited. The Company raised R100 million through the issue of new shares to South African investors as part of the secondary listing process.

In February 2012, Shareholders approved the transfer of the Company's registered office from the United Kingdom to Malta. The transfer was effective by the second quarter of 2012.

The Company is an investment company, and its principal activities during the year (as well as that of its Cyprus subsidiary) were to participate in investment opportunities with a particular focus on South Africa and Sub-Saharan Africa.

The Company has a 100.0% interest in Times Media Group Limited ("TMG") which is a South African based media company.

The Company has a 100.0% interest in Tiso Blackstar Real Estate Proprietary Limited ("TBRE"), a property company, which explores opportunities in the property sector.

The Company has a 100.0% interest in Consolidated Steel Industries Proprietary Limited ("CSI") (previously Stalcor Proprietary Limited ("Stalcor")) which comprises of Stalcor, which is a processor, distributor and stockist of stainless steel and aluminium, and its wholly owned subsidiary Global Roofing Solutions Proprietary Limited ("GRS"), which is a manufacturer and supplier of steel roofing and cladding.

The Company has a 22.9% interest in Kagiso Tiso Holdings Proprietary Limited which is an investment holding company.

The requirements of the business review have been included in the Directors' statement as set out on pages 3 to 19.

Principal risks and uncertainties

The key principal risks and uncertainties of the Group going forward are described below by segment, including details on the manner in which these risks are monitored and managed. Note 26 to the consolidated financial statements also provide a detailed analysis of the financial risks affecting the Group and the management thereof.

The Group's overall risks are mitigated through industry diversification and decentralisation. Thus the impact on the Group of any one particular risk within any of these industries is limited. Investee companies are run on a decentralised manner with management of the underlying businesses maintaining an entrepreneurial focus. The risks within the underlying trading businesses are managed by their local management teams who are responsible for their own operations.

The Board of Directors ensure that the investee companies in which the Company has a controlling or significant interest (i.e. subsidiaries and associates) are well staffed with strong and experienced management teams who are responsible for designing, implementing and monitoring the process of risk management. These management teams are remunerated based on operational performance and are incentivised appropriately. In most cases, for all investments, Tiso Blackstar will have one or more directors appointed to the investee company's Board thereby assisting in monitoring the investment performance.

Foreign exchange risk arises because the Group makes investments in currencies which differ from its functional currency (Rands) and presentational currencies (Pounds Sterling and Rands). The Board of Directors meet at least on a quarterly basis to review the investment portfolio and consequently monitors currency risk on an on-going basis. To mitigate this risk, the Group may hedge its currency exposure from time to time.

Market price risk arises because the Group's listed and unlisted investments are susceptible to market price risk arising from the performance of the underlying companies, and in the case of listed investments uncertainties about future prices. The Board of Directors meet at least quarterly to review the investment portfolio, in particular the underlying performance of the companies in which it has invested and consequently monitors the value of its investments on an on-going basis.

Investment policy

The investment objective of the Company is to generate shareholder returns through investing in a portfolio of businesses. Whilst not constricted geographically, given the background and experience of management, it is expected that the majority of capital invested will be in businesses operating in Southern Africa, with a particular focus on South Africa. Investments outside Southern Africa will be considered where the Board believes the opportunities are particularly attractive. The Company will look to invest in businesses with the underlying themes of strategic market position and strong cash flows. The Company may invest in the form of either equity or debt and may acquire directly or indirectly controlling or minority holdings in investee companies.

The investee companies are run on a decentralised manner with local management maintaining an entrepreneurial focus and being responsible for their own operations. The Company usually seeks to be actively involved in setting the strategy of the investee companies and acts as an allocator of capital and resources but does not take day to day responsibility for the management of investee companies.

The Company is a long term investor and the Board places no limit on the length of time that any portfolio investment may be held. The Board considers, on a case by case basis, the optimum exit strategy for each portfolio investment.

The Company expects to only hold a small number of portfolio investments at any one time. However, there is no minimum or maximum number of investments that the Company can hold at any one time, nor are there any maximum exposure limits per portfolio investment.

The Company finances its portfolio investments out of its own cash resources and utilises third party debt funding as appropriate. In addition, investee companies may themselves have gearing. Currently, there is no maximum gearing level for either the Company or on a Group basis. However the Directors will review the level of gearing in the Group on a regular basis.

Save as set out above, the Company does not have any investment restrictions.

Corporate Governance

The Board and its committees are responsible for maintaining a high standard of corporate governance and for ensuring that the Group's business is conducted with integrity and in an ethical manner.

The Board ensures that the Group complies with all relevant laws and regulations and ensures that the Group maintains effective operating systems and controls and a robust and informed investment approval process.

The Board has access to complete, accurate and timeous information in order to fulfil its responsibilities and is assisted by the following committees:

Audit Committee

Marcel Ernzer is the Chairman of the Audit Committee. John Mills and Andrew Bonamour are also members of the Audit Committee. The Audit Committee provides a forum for reporting by the Company's external auditors and is responsible for reviewing a wide range of matters including interim and annual results and for monitoring the controls that are in force to ensure the integrity of information reported to shareholders.

Remuneration Committee

The Remuneration Committee is chaired by John Mills and comprises Andrew Bonamour and Marcel Ernzer. The Remuneration Committee will set the remuneration levels for the Directors having regard to market conditions and also ensure appropriate incentive schemes are in place for management.

Nominations Committee

The Nominations Committee is chaired by Marcel Ernzer and comprises John Mills and Andrew Bonamour. The Nominations Committee deals with new appointments to the Board.

All material matters were reported to the Board of Directors which had three meetings during the six months ended 30 June 2015.

The Board of Directors had five meetings during the twelve months ended 31 December 2014.

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' statement on pages 3 to 19. In addition, notes 26 and 28 to the consolidated financial statements include the Group's objectives, policies and processes for managing its capital and its financial risk management objectives and procedures respectively.

The Board of Directors believe that the Group is well placed to manage its business risks successfully. The Board of Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Purchase of treasury shares

During the current year, the Group did not purchase any treasury shares. In the prior year, the Group purchased 1,735,000 Tiso Blackstar shares on the open market which were held in treasury. No treasury shares are held at 30 June 2015.

Post balance sheet events

These are detailed in note 35 to the consolidated financial statements.

Charitable and political contributions

During the year, an amount of R126,000, £7,000 was donated to Health Africa International to assist in the Ebola epidemic. There were no donations made during the prior financial year.

Financial instruments – risk management
Details of the financial risk management objectives and policies of the Company and its subsidiaries are contained in note 26 to the consolidated financial statements.

Directors
The current Directors (all of which are Non-executive Directors) of the Company and Management of Tiso Blackstar had the following beneficial interests in the ordinary share capital of the Company as at the date of this report:

	Number of ordinary shares 2015	Number of ordinary shares 2014
David Adomakoh[(1)]	**26,893,768**	—
Nkululeko Sowazi[(1)]	**26,893,768**	—
Andrew Bonamour[(2)]	**8,781,980**	8,748,328
John Mills	**761,328**	761,328
Marcel Ernzer	**—**	—
Richard Wight	**—**	—
Management of Tiso Blackstar[(3)]	**9,497,262**	8,794,416
Total	**72,828,106**	18,304,072

Notes:
1. Directors are beneficially interested in this shareholding as each of them owns 50% of Tiso Investments Holdings Proprietary Limited (RF)
2. These shares are held by funds associated with Andrew Bonamour
3. Excludes shares held by Directors of the Company (and their associated funds) reflected within the table

No Director has options to purchase shares in the Company.

No Director has any direct interest in the shares of any of the subsidiary companies.

Qualifying professional liability insurance for the benefit of the Directors was in force during the financial year and at the date of this report.

Biographical details of all current Directors are to be found within the Directorate on page 25.

Directors' responsibilities
The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

The Directors are required by the Malta Companies Act, 1995 to prepare financial statements which give a true and fair view of the state of affairs of the Group and Company at the end of each financial period and of the Group's profit and loss for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the AIM and the AltX of the JSE Limited.

In preparing the financial statements, the Directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International
- Financial Reporting Standards as adopted by the European Union;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances; and
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business as a going concern.

The Directors are also responsible for designing, implementing and maintaining internal controls relevant to the preparation and the fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Malta Companies Act, 1995. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication
The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Auditors
BDO Malta were appointed as auditors to the Company in January 2013 following the transfer of the Company's registered office to Malta. A resolution to confirm their appointment will be proposed at the annual general meeting.

The Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

By order of the Board

AD Bonamour
Non-executive Director
5 October 2015

DKT Adomakoh
Non-executive Chairman

Directorate

David Kwame Tandoh Adomakoh, Non-executive Group Chairman
David Adomakoh is the Chairman of TIH, a co-founder of Tiso Group and served as its Group Managing Director. He is a former Director of Chase Manhattan Limited, London; Head of the Chase Manhattan Bank, Southern Africa; Executive Director of Robert Fleming Holdings South Africa Limited; and Head of Africa Corporate Finance at JPMorgan Chase Bank, N.A. Johannesburg branch. He currently serves as a non-executive director of KTH, and Chairman of its Investment and Valuation Committee. David serves as a non-executive director of Nedbank Group Limited and Vanguard Group Limited (Ghana). His experience spans 25 years in executive management and investment banking, and includes principal investing, corporate and project finance advisory work, debt capital raising, and financial derivatives in a number of countries, predominantly in Africa and Europe. He has also served on the boards of a number of South African, Nigerian and Ghanaian companies. He is a founder trustee of The Tiso Foundation, and a World Fellow of the Duke of Edinburgh's International Award. David holds a BSc (Econs) Hons (London School of Economics) and Diplôme de Langue et de Civilisation (La Sorbonne, Université de Paris).

John Broadhurst Mills, Non-executive Group Deputy Chairman
John Mills, a qualified solicitor, is currently a director of Maitland Luxembourg SA and certain Luxembourg and ISE listed investment funds. For the past eight years, he was, and he continues to be a director and a principal in the Maitland Group and a number of other companies. He has had extensive experience in advising clients in the structuring and exiting of private equity investments, through both onshore and offshore vehicles.

Nkululeko Leonard Sowazi, Non-executive Director
Nkululeko Sowazi is the Chairman of KTH, a leading South African Investment holding company with significant interests in the media, financial services and resources sectors. KTH was formed in July 2011 following the merger of two leading black owned investment firms, KTI and Tiso Group with combined gross assets of R15 billion. Nkululeko was the Executive Chairman and co-founder of Tiso Group which was formed in 2001 and grew to a multi-billion rand investment company by the time the merger was concluded. He is currently a non-executive director of the JSE listed companies Grindrod Limited and Litha Healthcare Group Limited. He serves as a non-executive director of Actom Holdings Proprietary Limited and Idwala Industrial Holdings Proprietary Limited. Nkululeko also serves on a number of not for profit organizations. He is a founder trustee of Tiso Foundation, Chairman of the Homeloan Guarantee Company and Housing for HIV Foundation based in Washington D.C. He serves on the board of governors of Michaelhouse College and is a World Fellow of the Duke of Edinburgh's International award. He holds a BA degree in economics and a MA from the University of California, Los Angeles (UCLA).

Andrew David Bonamour, Non-executive Director
Andrew Bonamour is the founder of Blackstar (now named Tiso Blackstar) and a director of Tiso Blackstar SA and TMG. Andrew previously worked at Brait SA Limited ("Brait") where he held positions in investment banking, principal investment divisions and corporate finance. At Brait, Andrew originated and played a lead role in a variety of transactions ranging from leveraged buyouts, mergers and acquisitions, capital replacements and restructurings. Andrew has an in depth knowledge of, and experience in, corporate finance, private equity and investment banking. Andrew holds a Bachelor of Commerce degree. Andrew is also a director of several listed and unlisted companies.

Marcel Ernzer, Non-executive Director
Marcel Ernzer is an independent consultant within the financial sector. He was an auditor and later a consultant with Price Waterhouse Luxembourg from 1982 to 1986. From 1987 to 1996, he was responsible for setting-up and managing Unico Financial Services, a PSF in Luxembourg, owned by Credit Agricole, DZ Bank, Rabobank, RZB Austria, Cera Bank (later KBC) and Okobank. He is currently a director of Insinger de Beaufort Holdings S.A., Camera di Commercio Italo-Lussemburghese, Pro Fonds (Lux) Sicav and certain family owned commercial companies including Tetrabat, Taxirent and FAS. Over the previous years he was a director of several financial services companies including Corporate Management Services owned by Commercial Union, EEK Invest owned by Evangelische Kreditgenossenschaft, Piac owned by RZB Austria, UKB owned by Kokusai Securities and Witherthur Financial Services owned by Winterthur. He was also a director of several investment funds and was serving on the board of ALFI, the Association of the Luxembourg Fund Industry until 1998.

Richard Thomson Wight, Non-executive Director

Richard Thomson Wight has over 30 years' experience in financial services. He started his career trading fixed income for Kidder Peabody, Bank of America and S.G Warburg, before running capital protected funds for Credit Suisse Private Bank and traded futures and equities for a privately held hedge fund. He resides in Malta, holds both American and Maltese citizenship and acts as the local non-executive director and investment committee member for several Malta-based financial entities. He is a graduate of Cornell University.

Independent auditor's report

Independent auditor's report to the shareholders of Tiso Blackstar Group SE

We have audited the accompanying Group and Parent Company financial statements (the "financial statements") of Tiso Blackstar Group SE set out on pages 28 to 96 which comprise the consolidated and parent company statements of financial position at 30 June 2015 and the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated and parent company statements of changes in equity, and the consolidated and parent company statements of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

As described on page 24, the directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis of our audit opinion.

Opinion

In our opinion, these financial statements give a true and fair view of the financial position of the Group and Company as at 30 June 2015 and of the Group's financial performance and Group and Company's cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and have been properly prepared in accordance with the provisions of the Malta Companies Act, 1995.

Report on other legal and regulatory requirements

We also have responsibilities under the Malta Companies Act, 1995 to report to you if, in our opinion:

- The information given in the directors' report is not consistent with the financial statements.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.
- We have not received all the information and explanations we require for our audit.
- Certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

We have nothing to report to you in respect of these responsibilities.

BDO MALTA
Certified Public Accountants
5 October 2015

Consolidated statement of comprehensive income

for the six months ended 30 June 2015

Twelve months ended 31 December 2014 R'000	**Six months ended 30 June 2015 R'000**		**Notes**	**Six months ended 30 June 2015 £'000**	Twelve months ended 31 December 2014 £'000
245,289	**405,274**	Income	4	**22,316**	13,737
(92,172)	**(66,126)**	Operating expenses	5	**(3,638)**	(5,162)
153,117	**339,148**	**Operating profit**	6	**18,678**	8,575
(7,266)	**(5,330)**	Net finance costs	8	**(294)**	(407)
1,458	**517**	Finance income		**28**	82
(8,724)	**(5,847)**	Finance costs		**(322)**	(489)
145,851	**333,818**	**Profit before taxation**		**18,384**	8,168
137	**289**	Taxation	9	**15**	8
145,988	**334,107**	**Profit for the period**		**18,399**	8,176
		Other comprehensive loss - items that may subsequently be reclassified to profit and loss:			
—	**—**	Currency translation differences on the translation of Rand denominated Group entities		**(12,900)**	(2,431)
—	**—**	**Total other comprehensive loss recognised directly in equity**		**(12,900)**	(2,431)
145,988	**334,107**	**Total comprehensive income for the period**		**5,499**	5,745
		Profit for the period attributable to:			
146,584	**334,277**	Equity holders of the parent		**18,408**	8,210
(596)	**(170)**	Non controlling interests		**(9)**	(34)
145,988	**334,107**			**18,399**	8,176
		Total comprehensive income/(loss) attributable to:			
146,584	**334,277**	Equity holders of the parent		**5,508**	5,779
(596)	**(170)**	Non controlling interests		**(9)**	(34)
145,988	**334,107**			**5,499**	5,745
181.77	**317.81**	**Basic and diluted earnings per ordinary share attributable to equity holders (in cents/pence)**	10	**17.50**	10.18
80,642	**105,181**	**Weighted average number of shares (net of treasury shares, in thousands)**	10	**105,181**	80,642

The notes on pages 33 to 85 form part of the consolidated financial statements.

Consolidated statement of changes in equity
for the six months ended 30 June 2015

	Notes	Share capital R'000	Share premium R'000	Capital redemption reserve R'000	Treasury shares reserve R'000	Retained earnings R'000	Attributable to equity holders R'000	Non controlling interests R'000	Total equity R'000
Balance as at 1 January 2014		574,672	21,468	52,173	(18,848)	674,101	1,303,566	365	1,303,931
Total comprehensive income for the year		—	—	—	—	146,584	146,584	(596)	145,988
Income for the year		—	—	—	—	146,584	146,584	(596)	145,988
Other comprehensive income for the year		—	—	—	—	—	—	—	—
Transactions with owners:									
Purchase of treasury shares	23	—	—	—	(20,449)	—	(20,449)	—	(20,449)
Treasury shares issued for property acquisition	23	—	240	—	6,360	—	6,600	—	6,600
Treasury shares issued during the year as part of long term Management Incentive Scheme	23	—	1,435	—	23,653	(25,088)	—	—	—
Equity settled share based payment	33	—	—	—	—	32,730	32,730	—	32,730
Reduction in non controlling interests arising on acquisition of further shares in BFM	25	—	—	—	—	(175)	(175)	25	(150)
Dividend paid		—	—	—	—	(18,464)	(18,464)	—	(18,464)
Balance as at 31 December 2014		574,672	23,143	52,173	(9,284)	809,688	1,450,392	(206)	1,450,186
Total comprehensive income for the period		—	—	—	—	334,277	334,277	(170)	334,107
Income for the period		—	—	—	—	334,277	334,277	(170)	334,107
Other comprehensive income for the period		—	—	—	—	—	—	—	—
Transactions with owners:									
Shares issued for investment acquisitions	23	1,950,299	677,038	—	—	—	2,627,337	—	2,627,337
Issue of shares as part of long term Management Incentive Scheme	23	10,471	1,503	—	—	(11,974)	—	—	—
Treasury shares issued during the period as part of the long term Management Incentive Scheme	23	—	97	—	9,284	(9,381)	—	—	—
Equity settled share based payment	33	—	—	—	—	2,432	2,432	—	2,432
Reduction in non controlling interests arising on acquisition of further interest in BFM	25	—	—	—	—	(42)	(42)	42	—
Dividends paid		—	—	—	—	(11,748)	(11,748)	—	(11,748)
Balance as at 30 June 2015		**2,535,442**	**701,781**	**52,173**	**—**	**1,113,252**	**4,402,648**	**(334)**	**4,402,314**

Consolidated statement of changes in equity continued

for the six months ended 30 June 2015

	Notes	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Treasury shares reserve £'000	Foreign Currency Translation Reserve ("FCTR") £'000	Retained earnings £'000	Attributable to equity holders £'000	Non controlling interests £'000	Total equity £'000
Balance as at 1 January 2014		55,347	1,930	4,599	(1,248)	(26,331)	40,485	74,782	22	74,804
Total comprehensive income for the year		—	—	—	—	(2,431)	8,210	5,779	(34)	5,745
Income for the year		—	—	—	—	—	8,210	8,210	(34)	8,176
Other comprehensive loss for the year		—	—	—	—	(2,431)	—	(2,431)	—	(2,431)
Transactions with owners:										
Purchase of treasury shares	23	—	—	—	(1,147)	—	—	(1,147)	—	(1,147)
Treasury shares issued for property acquisition	23	—	14	—	357	—	—	371	—	371
Treasury shares issued during the year as part of long term Management Incentive Scheme	23	—	80	—	1,325	—	(1,405)	—	—	—
Equity settled share based payment	33	—	—	—	—	—	1,833	1,833	—	1,833
Reduction in non controlling interests arising on acquisition of further shares in BFM	25	—	—	—	—	—	(10)	(10)	1	(9)
Dividend paid		—	—	—	—	—	(1,034)	(1,034)	—	(1,034)
Balance as at 31 December 2014		55,347	2,024	4,599	(713)	(28,762)	48,079	80,574	(11)	80,563
Total comprehensive income for the period		—	—	—	—	(12,900)	18,408	5,508	(9)	5,499
Income for the period		—	—	—	—	—	18,408	18,408	(9)	18,399
Other comprehensive loss for the period		—	—	—	—	(12,900)	—	(12,900)	—	(12,900)
Transactions with owners:										
Shares issued for investment acquisitions	23	107,386	37,279	—	—	—	—	144,665	—	144,665
Issue of shares as part of long term Management Incentive Scheme	23	577	83	—	—	—	(660)	—	—	—
Treasury shares issued during the period as part of the long term Management Incentive Scheme	23	—	5	—	713	—	(516)	202	—	202
Equity settled share based payment	33	—	—	—	—	—	134	134	—	134
Reduction in non controlling interests arising on acquisition of further interest in BFM	25	—	—	—	—	—	(2)	(2)	2	—
Dividends paid		—	—	—	—	—	(647)	(647)	—	(647)
Balance as at 30 June 2015		**163,310**	**39,391**	**4,599**	**—**	**(41,662)**	**64,796**	**230,434**	**(18)**	**230,416**

A 2013 final dividend of 14 South African cents, 0.80 pence, per ordinary share was paid on 30 May 2014.

A 2014 interim dividend of 9 South African cents, 0.49 pence per ordinary share was paid on 10 November 2014.

A 2014 final dividend of 14 South African cents, 0.77 pence per ordinary share was paid on 8 June 2015.

The notes on pages 33 to 85 form part of the consolidated financial statements.

Consolidated statement of financial position
as at 30 June 2015

31 December 2014 R'000	30 June 2015 R'000		Notes	30 June 2015 £'000	31 December 2014 £'000
		Assets			
875	**—**	Goodwill	11	**—**	49
2,777	**3,208**	Deferred tax assets	12	**167**	154
1,189	**1,079**	Equipment	13	**56**	66
1,467,639	**4,813,605**	Financial assets at fair value through profit and loss	14	**251,944**	81,532
468,218	**2,983,436**	Net investments in subsidiaries	15	**156,153**	26,011
867,612	**1,734,013**	Net investments in associates	16	**90,758**	48,199
131,809	**96,156**	Financial assets held for trading	14	**5,033**	7,322
7,888	**—**	Investments classified as loans and receivables	17	**—**	438
155	**150**	Current tax assets		**9**	9
1,923	**32,317**	Trade and other receivables	18	**1,691**	107
63,020	**19,727**	Cash and cash equivalents	19	**1,032**	3,501
1,545,466	**4,870,086**	**Total assets**		**254,899**	85,856
		Liabilities			
(55)	**(141)**	Deferred tax liabilities	12	**(7)**	(3)
(15)	**(22)**	Other financial liabilities	20	**(1)**	(1)
(72,673)	**(440,000)**	Borrowings	21	**(23,030)**	(4,037)
—	**(72)**	Current tax liabilities		**(4)**	—
(22,537)	**(27,537)**	Trade and other payables	22	**(1,441)**	(1,252)
(95,280)	**(467,772)**	**Total liabilities**		**(24,483)**	(5,293)
1,450,186	**4,402,314**	**Total net assets**		**230,416**	80,563
		Equity			
574,672	**2,535,442**	Share capital	23	**163,310**	55,347
23,143	**701,781**	Share premium	23	**39,391**	2,024
52,173	**52,173**	Capital redemption reserve	23	**4,599**	4,599
(9,284)	**—**	Treasury shares reserve	23	**—**	(713)
—	**—**	Foreign currency translation reserve	23	**(41,662)**	(28,762)
809,688	**1,113,252**	Retained earnings	23	**64,796**	48,079
1,450,392	**4,402,648**	**Total equity attributable to equity holders**		**230,434**	80,574
(206)	**(334)**	Non controlling interests		**(18)**	(11)
1,450,186	**4,402,314**	**Total equity**		**230,416**	80,563
1,784	**1,651**	**Net asset value per share (in cents/pence)**		**86**	99
81,297	**266,665**	**Actual number of shares in issue (net of treasury shares)**	23	**266,665**	81,297

The official opening middle rates of exchange applicable between the Euro and the GBP, and the Euro and the ZAR, as issued by the European Central Bank at 30 June 2015 was 0.71 (31 December 2014: 0.78) and 13.64 (31 December 2014: 14.04) respectively.

The consolidated financial statements were approved by the Board and authorised for issue on 5 October 2015.

The notes on pages 33 to 85 form part of the consolidated financial statements.

AD Bonamour
Non-executive Director

DKT Adomakoh
Non-executive Chairman

Consolidated statement of cash flows

for the six months ended 30 June 2015

Twelve months ended 31 December 2014 R'000	**Six months ended 30 June 2015 R'000**		Notes	**Six months ended 30 June 2015 £'000**	Twelve months ended 31 December 2014 £'000
		Cash flow from operating activities			
(116,491)	**(467,956)**	Cash absorbed by operations	24	**(25,765)**	(6,124)
31,782	**74,473**	Dividend and interest income received		**4,101**	1,380
30	**—**	Taxation refunded		**—**	2
(1,502)	**—**	Taxation paid		**—**	(83)
(86,181)	**(393,483)**	**Cash absorbed by operating activities**		**(21,664)**	(4,825)
		Cash flow from investing activities			
(32)	**(63)**	Purchase of equipment	13	**(3)**	(2)
—	**4**	Proceeds on disposal of equipment		**—**	—
1,458	**517**	Finance income received		**28**	82
(150)	**—**	Acquisition of consolidated subsidiaries, net of cash acquired	25	**—**	(8)
1,276	**458**	**Cash generated by investing activities**		**25**	72
		Cash flow from financing activities			
190,000	**534,200**	Borrowings raised		**29,414**	10,640
(117,327)	**(166,873)**	Borrowings repaid		**(9,189)**	(6,570)
(8,724)	**(5,847)**	Finance costs paid		**(322)**	(489)
(20,449)	**—**	Purchase of treasury shares		**—**	(1,147)
(18,464)	**(11,748)**	Dividends paid to equity holders of the parent		**(647)**	(1,034)
25,036	**349,732**	**Cash generated by financing activities**		**19,256**	1,400
(59,869)	**(43,293)**	**Net decrease in cash and cash equivalents**		**(2,383)**	(3,353)
122,889	**63,020**	Cash and cash equivalents at the beginning of the period		**3,501**	7,050
—	**—**	Exchange losses on cash and cash equivalents		**(86)**	(196)
63,020	**19,727**	**Cash and cash equivalents at the end of the period**	19	**1,032**	3,501

The notes on pages 33 to 85 form part of the consolidated financial statements.

1. Accounting policies

1.1 Basis of preparation

The principal accounting policies adopted in the preparation of the consolidated financial statements have been consistently applied across all periods presented in the consolidated financial statements, except as noted in the paragraphs below which address instances where there has been a revision to an existing standard or a new standard has been issued and adopted by the Company and its subsidiaries (the "Group" or "Tiso Blackstar") during the current reporting period. All the financial statements are presented in both Pounds Sterling and South African Rands and all financial information has been rounded to the nearest thousand unless stated otherwise.

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs") published by the International Accounting Standards Board ("IASB") as endorsed for use by the European Union and with the Malta Companies Act, 1995. The financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities held at fair value through profit and loss that have been measured at fair value.

The Group presents its statement of financial position in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in note 26.

1.2 Basis of consolidation

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.

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

- The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights;
- Substantive potential voting rights held by the Company and by other parties;
- Other contractual arrangements; and
- Historic patterns in voting attendance.

The Company is an Investment Entity and as such does not consolidate all of the entities it controls. Instead, certain interests in subsidiaries are classified as financial assets at fair value through profit and loss and measured at fair value. Where the Company, (the Investment Entity) controls an investee that provides services that relate only to the Company's own investment activities, it then consolidates that investee. Investments in associates are also classified as financial assets at fair value through profit and loss, and measured at fair value.

In circumstances where subsidiaries meet the requirements to be consolidated, the following policies apply:

- Inter-company transactions and balances between Group companies are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.
- Non controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non controlling interests consist of the amount of those interests at the date of the original business combination (see below) and the non controlling interest's share of changes in equity since the date of the combination.

1. Accounting policies (continued)

1.2 Basis of consolidation (continued)

- The acquisitions of subsidiaries, which are not accounted for as financial assets at fair value through profit and loss, are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired business. The acquired business' identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date. Non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations are recognised and measured at fair value less costs to sell.
- Goodwill arising on acquisition is recognised in accordance with the Group's goodwill accounting policy (refer below).

1.3 Non controlling interests

For business combinations completed prior to 1 January 2010, the Group initially recognised any non controlling interest in the acquiree at the non controlling interest's proportionate share of the acquiree's net assets. For business combinations completed on or after 1 January 2010 the Group has the choice, on a transaction by transaction basis, to initially recognise any non controlling interest in the acquiree which is a present ownership interest and entitles its holders to a proportionate share of the entity's net assets in the event of liquidation at either acquisition date fair value or, at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. Other components of non controlling interest such as outstanding share options are generally measured at fair value. The Group has not elected to take the option to use fair value in acquisitions completed to date.

1.4 Goodwill

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

The cost of goodwill is calculated as being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the Group's interest in the net fair value of the acquired business' identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit and loss.

For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

1.5 Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure relating to an item of equipment is capitalised when it is probable that future economic benefits from the use of the asset will be increased. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Residual values and useful lives are reassessed annually.

Depreciation is provided on the straight-line basis so as to write the assets down to their estimated residual values, over the estimated useful lives of the assets.

The estimated useful lives for office furniture, fixtures and equipment is 3 to 10 years.

1. Accounting policies (continued)

1.5 Equipment (continued)

Where significant components of an asset have different useful lives to the asset itself, these components are depreciated over their estimated useful lives.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. An impairment loss is recognised as an expense immediately.

When an impairment loss is reversed, then it is only reversed to the extent that the revised carrying amount of the asset would reflect the depreciation that would have been charged had the impairment not been reflected. Where a reversal of a previously recognised impairment loss is recognised, the depreciation charge for the asset is adjusted to allocate the assets' revised carrying amount, less residual value, on a systematic basis over its remaining useful life.

Surpluses or deficits on the disposal of equipment are credited or charged to profit and loss. The surplus or deficit is the difference between the net disposal proceeds and the carrying amount of the asset.

1.6 Leases

Operating leases

Leases where the lessor retains the risk and rewards of ownership of the underlying assets are classified as operating leases. Payments made under operating leases are charged against income on the straight-line basis over the period of the lease.

1.7 Financial instruments

The Group classifies its financial assets and financial liabilities at initial recognition into the following categories in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

Financial assets at fair value through profit and loss

The category of financial assets at fair value through profit and loss is sub-divided into:

- *Financial assets held for trading* – financial assets are classified as held for trading if they are acquired for the purpose of selling and/or repurchasing in the near term. This category includes equities and equity investments in hedge funds. These assets are acquired principally for the purpose of generating a profit from short term fluctuation in price.

- *Financial instruments designated as a fair value through profit and loss upon initial recognition* – These include investment in subsidiaries and investment in associates. These financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Group.

  – *Investments in subsidiaries* – In accordance with the Investment Entities exception under IFRS 10 Consolidated Financial Statements, the Group does not consolidate certain subsidiaries in the consolidated financial statements. Investments in these subsidiaries are accounted for as a financial instrument at fair value through profit and loss.

  – *Loans and receivables payable by subsidiaries designated at fair value through profit and loss* – Shareholder loans to subsidiaries which are considered to be equity loans (and ordinarily would be accounted for as loans and receivables) have been designated at fair value through profit and loss. On assessment of the fair value of the net investment in subsidiary, these equity loans are incorporated into the valuation assessment and any decline in fair value is first allocated to the carrying amount of the equity investment and then to the loan to the subsidiary.

1. Accounting policies (continued)

1.7 Financial instruments (continued)

Financial assets at fair value through profit and loss (continued)

- *Investments in associates* – In accordance within IAS 28 Investments in Associates and Joint Ventures, the Group does not account for its investment in associates using the equity method. Instead the Group has elected to measure its investments in these entities at fair value through profit and loss.

Loans and receivables

Investments classified as loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. The Group includes in this category loans to subsidiaries which are identified as working capital loans, usually short term in nature.

The Group’s loans and receivables also include trade and other receivables, and cash and cash equivalents in the consolidated statement of financial position.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Other financial liabilities

This category includes all financial liabilities, including borrowings. The Group includes in this category short term payables.

Recognition

The Group recognises a financial asset or a financial liability when it becomes party to the contractual provisions of the instrument.

Initial measurement

Financial assets at fair value through profit and loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit and loss.

Loans and receivables and financial liabilities (other than those classified as held for trading) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

For financial assets and liabilities where the fair value at initial recognition does not equal the transaction price, where the fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss. In all other cases, the difference is deferred and recognised as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement

After initial measurement, the Group measures financial instruments which are classified at fair value through profit and loss at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets at fair value through profit and loss. Interest and dividend earned or paid on these instruments are recorded separately in interest revenue and dividend revenue.

Loans and receivables are carried at amortised cost using the effective interest rate method less any allowance for impairment. Gains and losses are recognised in profit and loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

1. Accounting policies (continued)

1.7 Financial instruments (continued)

Subsequent measurement (continued)

Financial liabilities, other than those classified as at fair value through profit and loss, are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit and loss when the liabilities are derecognised, as well as through the amortisation process.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liabilities. When calculating the effective interest rate, the Company estimates the cash flows considering all contractual terms of the financial instruments, but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Derecognition

A financial asset (or where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive the cash flows from the asset have expired or the Group has transferred its rights to receive the cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either:

- The Group has substantially transferred all of the risks and rewards of the asset, or
- The Group has neither transferred nor retained substantially all of the risks and rewards of the asset, but has transferred control of the asset

Where the Group has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. The Group derecognises a financial liability when the obligation under the liability has been discharged, cancelled, or expired.

1.8 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position if there is a current enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.9 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. Goodwill is tested at least annually for impairment. The recoverable amount is the higher of its fair value less costs to sell and its value in use.

In assessing value in use, the expected future cash flows from the asset 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. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

1. Accounting policies (continued)

1.9 Impairment of non-financial assets (continued)

For an asset that does not generate cash inflows that are largely independent of those from other assets the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is recognised in profit and loss whenever the carrying amount of the cash-generating unit exceeds its recoverable amount.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years. For goodwill a recognised impairment loss is not reversed.

1.10 Cash and cash equivalents

Cash and cash equivalents comprise cash in current accounts, money market funds and short term deposits with original maturities of three months or less from inception.

Short term investments that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered as 'cash and cash equivalents'.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and cash equivalents as defined above, net of outstanding bank overdrafts when applicable.

In assessing the movements in the cash flows of the Group, the movements in and cash flows relating to financial instruments designated at fair value through profit and loss have been classified within operating activities due to the fact that Tiso Blackstar is considered to be an Investment Entity.

1.11 Dividend distributions

Dividends are at the discretion of the Company. A dividend to the Company's shareholders is accounted for as a deduction from retained earnings. An interim dividend is recognised as a liability in the period in which it is irrevocably declared by the Board of Directors. A final dividend is recognised as a liability in the period in which it is approved by the annual general meeting of shareholders.

1.12 Equity instruments and treasury shares

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

The consideration paid/received for the purchase/sale of treasury shares is recognised directly in equity. The cost of treasury shares held is presented as a separate reserve. Any excess of the consideration received on the sale of treasury shares over the cost of the shares sold (calculated on a weighted average basis) is credited to the share premium account. The cancellation of treasury shares reduces the share capital and increases the capital redemption reserve by an amount corresponding to the nominal value of the shares.

1.13 Dividend and interest revenue

Interest revenue is recognised in profit and loss for all interest-bearing financial instruments using the effective interest rate method.

Dividend revenue is recognised on the date on which the investments are quoted ex-dividend or, where no ex-dividend date is quoted, when the Company's right to receive the payment is established. Dividend revenue is presented net of any non-recoverable with withholding taxes, which are disclosed separately in the statement of comprehensive income.

1. Accounting policies (continued)

1.14 Net gains or losses on financial assets and liabilities at fair value through profit and loss

This item includes changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition at fair value through profit and loss and excludes interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised in the reporting period.

Realised gains and losses on disposals of financial instruments classified at fair value through profit and loss represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contacts (excluding payments or receipts on collateral margin accounts for such instruments).

1.15 Fee income and performance fee income

Fee income and performance fee income includes corporate finance and advisory fees, and performance fees earned by the hedge fund management company. Fee income is recognised on an accruals basis when the services are provided. Performance fee income is recognised when the Group has an unconditional entitlement to receive it and it can be reliably measured. All income is measured at the fair value of the consideration receivable.

1.16 Finance income and finance costs

Finance income comprises interest receivable on current account bank balances, and deposits held on call. Finance costs comprise interest payable on borrowings calculated using the effective interest rate method. Interest is recognised in profit and loss as it accrues using the effective interest rate method.

1.17 Share-based payments

In order to align management with Shareholders, part of the long term Management Incentive Scheme is linked to the published Intrinsic NAV per Share of the Company, which the Board believes is the ultimate driver of the Company's share price. The Intrinsic NAV is determined on an annual basis and the Company's auditors perform certain agreed-upon-procedures on the calculation which is prepared by Management and reviewed by the Board.

The NAV at the end of each period is compared to the Intrinsic NAV at the beginning of the period and 10% of the increase in the NAV is allocated to the incentive pool and settled on an annual basis. The hurdle will be the South Africa Short Term Fixed Interest Benchmark Rate ("STEFI") and will be subject to a catch up. Should the NAV decline over a reporting period, the Company would need to recover that decline and the NAV would need to increase to the high watermark plus hurdle, before any amount would be allocated to the incentive pool. The NAV would be adjusted for corporate events including share buy backs, dividends and capital raisings.

The incentive pool shall be settled entirely in Tiso Blackstar shares. The shares issued pursuant to the long term Management Incentive Scheme will have a restriction on selling of three years or such shorter period as the Chairman may determine in his absolute discretion. Unless there are exceptional circumstances, the Chairman will not exercise this discretion save that, if conditions warrant it, he may do so to release one third of the shares from lock-up on the first anniversary of the date of issue or transfer and a further third on the second anniversary of the date of issue or transfer. If a member of Management ceases to be an employee of the Group at a time when any of his shares are still restricted in circumstances in which he is a "bad leaver", the Board may require those shares which are still restricted to be forfeited.

1. Accounting policies (continued)

1.17 Share-based payments (continued)

The Board has the ability to issue up to 0.5% of the shares in issue per year depending on performance criteria including but not limited to: cost management and control and the extent of the work performed during the period to manage the investment portfolio. The chief executive officer of Tiso Blackstar SA will provide the Board with a written recommendation as to the amount of the additional award as well as the motivation behind this allocation.

1.18 Tax

Current tax comprises tax payable calculated on the basis of the taxable profit for the period, using the tax rates and laws enacted or substantively enacted at the balance sheet date, and any adjustment of tax payable for previous years.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
  - is not a business combination; and
  - at the time of the transaction, affects neither accounting profit nor taxable profit (or loss).

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries except to the extent that both of the following conditions are satisfied:

- the parent is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (or loss).

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

Current and deferred tax is charged to the statement of income except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination that is an acquisition. The effect on deferred tax of any changes in tax rates is recognised in profit and loss, except to the extent that it relates to items previously charged or credited directly to equity or other comprehensive income.

1.19 Foreign currencies

Functional and presentation currency

The functional currency of the Company is South African Rands, being the currency of the primary economic environment in which the Company and its subsidiaries operate.

Tiso Blackstar is dual listed with a primary listing on the AIM of the London Stock Exchange ("AIM") and a secondary listing on the AltX of the JSE Limited ("JSE") in South Africa. As a result, Tiso Blackstar has two presentational currencies being South African Rands ("Rands") and Pounds Sterling ("Pounds Sterling").

1. Accounting policies (continued)

1.19 Foreign currencies (continued)

Translation of foreign currency assets and liabilities in the individual entities financial statements

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the exchange rates prevailing on the dates of the transactions.

At each reporting date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currency are translated at the exchange rates prevailing when the fair value was determined.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the rates of exchange ruling at the date of the transaction. Any exchange differences arising on translation are recognised in the statement of income in the period in which they occur.

Translation of financial statement of entities into the presentation currencies

Assets and liabilities of entities are translated into the Group's presentation currencies of Rands and Pounds Sterling at year end exchange rates. Capital and reserves are translated at historical rates. Items included in profit and loss are translated at average exchange rates for the year.

Translation differences arising from the translation of entities are taken directly to the foreign currency translation reserve. On disposal of entities, such translation differences are recognised in profit and loss as part of the gain or loss on disposal.

The principal exchange rates utilised to prepare the financial statements are as follows:

	Closing rate		Average rate	
	30 June 2015	31 December 2014	**For the six months ended 30 June 2015**	For the twelve months ended 31 December 2014
GBP/ZAR	**19.106**	18.001	**18.162**	17.857
EUR/ZAR	**13.551**	13.980	**13.303**	14.396
EUR/GBP	**0.709**	0.777	**0.733**	0.806

1.20 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker has been identified as the Board of Directors. This committee reviews the Group's internal reporting in order to assess performance. Management has determined the operating segments based on these reports.

1.21 Significant judgements and areas of estimation

The preparation of the financial statements requires the use of estimates, assumptions and judgements that affect the amounts reported in the financial statements. Estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Although the estimates are based on management's best knowledge and judgements of current facts as at the balance sheet date, the actual outcome may differ from those estimates.

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised.

1. Accounting policies (continued)

1.21 Significant judgements and areas of estimation (continued)

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

Assessment as an Investment Entity

Entities that meet the definition of an Investment Entity within IFRS 10 are required to measure their subsidiaries at fair value through profit and loss rather than consolidate them.

The criteria which define an Investment Entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest fund solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance for substantially all of its investments on a fair value basis.

The Group's investment policy details its objective which is to generate returns, in the form of capital appreciation and income to shareholders, through investing in a portfolio of businesses.

The Company reports to its investors through information provided on its website, and to its Board of Directors, via internal Board reports, on a fair value basis in the form of an Intrinsic NAV calculation. All investments are reported at fair value within the Intrinsic NAV calculation. The Group has an ultimate exit strategy noted for each investment.

The Board has also concluded that the Company meets the additional characteristics of an Investment Entity, in that it has more than one investment, the investments are predominantly in the form of equities and similar securities, it has more than one investor and its investors are not related parties.

The Board has concluded that the Company meets the definition of an Investment Entity. These conclusions will be reassessed on an annual basis, if any of these criteria or characteristics change.

Estimates and key assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Group based its assumptions and estimations on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models. The input to these models is taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The estimate includes considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the statement of financial position and the level where the instruments are disclosed in the fair value hierarchy.

1. Accounting policies (continued)

1.21 Significant judgements and areas of estimation (continued)

Fair value of financial instruments (continued)

The models are tested for validity by calibrating to prices from any observable current market transactions in the same instrument (without modification or repackaging) when available. To assess the significance of a particular input to the entire measurement, the group performs sensitivity analysis or stress testing techniques.

The key assumptions used to determine the fair value of non-listed investments and sensitivity analyses are provided in note 27.

2. Determination of fair values

The Group measures its investments in subsidiaries and associates, as well as its investments in financial instruments, such as equities and investments in hedge funds, at fair value at each reporting date.

Fair value is the price that would be received or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value of financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deductions for transaction costs. Securities defined in these consolidated financial statements as "listed" are traded in an active market.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances.

Unlisted equity investments have been valued as follows:

- Where applicable, on the basis of a similar recent investment transaction by an independent third-party in the equity of the portfolio company. Where the investment being valued was itself made fairly recently (within a period of one year), its costs provide a good indication of fair value.
- Using the discounted cash flow methodology, in which case:

  - Enterprise value is apportioned to the enterprise's financial instruments in order of ranking. The enterprise value is derived using reasonable assumptions and estimations of expected cash flows and the terminal value and discounting to the present value by applying the appropriate risk-adjusted discount rate that quantifies the risk inherent in the investment.
  - Given the subjective nature of valuations, the Group applies sensitivities to certain key inputs when determining the valuations.

- Where limited information is available to calculate a value using the discounted cash flow method, the value is calculated using an adjusted NAV. The adjusted NAV value is calculated using the NAV of the investment and adjusting the value for the risk factors that management feel are most appropriate to that investment.

2. Determination of fair values (continued)

All assets and liabilities for which fair value is measured or disclosed as financial instruments are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for the lowest level of input that is significant to the fair value of measurement is unobservable

3. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations considered to be relevant to the operations of the Group are not yet effective for the year ended 30 June 2015, and have not been applied in preparing these consolidated financial statements. These are to be applied to financial statements with periods commencing on or after the following dates:

Standard and Interpretations	Effective date #
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	1 January 2016
Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	1 January 2016
Equity Method in Separate Financial Statements (Amendments to IAS 27)	1 January 2016

Subject to endorsement for use in the EU

IFRS 9

IFRS 9 Financial instruments replaces IAS 39 Financial Instruments: Recognition and Measurement in its entirety. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The effect on the Group of adoption of IFRS 9 has yet to be determined.

IFRS 15

IFRS 15 is intended to clarify the principles of revenue recognition and establish a single framework for revenue recognition. The core principle is that an entity should 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. The effect on the Group of adoption of IFRS 15 has yet to be determined.

Investment Entities (Amendments)

The Amendments provide an exception from the requirements for a qualifying entity to consolidate its controlled investees and, instead, requires them to present their investments in subsidiaries as a net investment that is measured at fair value. The exception means that investment entities will be able to measure all of their investments at fair value using the requirements in IFRS. Adoption of these amendments is not expected to have any material impact on the Group.

IFRS 10 and IAS 28 (Amendments)

The amendments clarify the accounting for transactions where a parent loses control of a subsidiary, that does not constitute a business as defined in IFRS 3 Business Combinations, by selling all or part of its interest in that subsidiary to an associate or a joint venture that is accounted for using the equity method. Once adopted, future disposals will need to be accounted for in accordance with these amendments.

3. New standards and interpretations not yet adopted (continued)

IAS 27 (Amendments)

The amendments introduce an option for an entity to account for its investments in subsidiaries, joint ventures, and associates using the equity method in its separate financial statements. The accounting approach that is selected is required to be applied for each category of investment.

The option to present its investments using the equity method result in the presentation of a share of profit or loss, and other comprehensive income, of subsidiaries, joint ventures and associates with a corresponding adjustment to the carrying amount of the equity accounted investment in the statement of financial position. Any dividends received are deducted from the carrying amount of the equity accounted investment, and are not recorded as income in profit or loss. As an Investment Entity that accounts for its investments in subsidiaries and associates at fair value through profit and loss, this amendment is not expected to have any impact on the Company.

The IASB and IFRIC have also issued or made amendments to IAS 16, IAS 19, IAS 38, IAS 41, IFRS 11 and IFRS 14, but these are not relevant to the current operations of the Group.

4. Income

Twelve months ended 31 December 2014 R'000	**Six months ended 30 June 2015 R'000**		**Six months ended 30 June 2015 £'000**	Twelve months ended 31 December 2014 £'000
204,664	**326,550**	Net gains on financial assets at fair value through profit and loss	**17,981**	11,462
28,938	**74,731**	Dividend income	**4,115**	1,621
3,743	**532**	Interest income	**29**	210
5,654	**2,877**	Fee income and performance fee income	**159**	316
2,290	**584**	Net foreign exchange gains	**32**	128
245,289	**405,274**		**22,316**	13,737

5. Operating expenses

Twelve months ended 31 December 2014 R'000	**Six months ended 30 June 2015 R'000**		**Six months ended 30 June 2015 £'000**	Twelve months ended 31 December 2014 £'000
		Administrative expenses		
(207)	**(107)**	Depreciation	**(6)**	(12)
—	**(62)**	Loss on disposal of equipment	**(3)**	—
186	**(7)**	Lease smoothing adjustment	**—**	11
—	**(875)**	Impairment of goodwill	**(46)**	—
(32,730)	**(2,432)**	Long term Management Incentive Scheme Award – equity settled share based payment expense (refer note 33)	**(134)**	(1,833)
(27,610)	**—**	Long term Management Incentive Scheme Award – cash element (refer note 33)	**—**	(1,546)
(6,617)	**(48,280)**	Exceptional, transaction related and non-recurring costs*	**(2,658)**	(371)
(3,857)	**(1,114)**	Operational expenses incurred by the hedge fund management businesses	**(61)**	(216)
(21,337)	**(13,249)**	Operational expenses incurred by Tiso Blackstar, Tiso Blackstar SA and Tiso Blackstar Cyprus	**(730)**	(1,195)
(92,172)	**(66,126)**		**(3,638)**	(5,162)

* The exceptional costs incurred the current period relate to the costs associated with the two significant transactions concluded in the period, being the buyout of TMG and the acquisition of 22.9% of KTH

6. Operating profit

6.1 Operating profit

Operating profit per the consolidated statement of comprehensive income has been arrived at after crediting/(charging) the following:

Twelve months ended 31 December 2014 R'000	**Six months ended 30 June 2015 R'000**		**Six months ended 30 June 2015 £'000**	Twelve months ended 31 December 2014 £'000
(12,796)	**(6,666)**	Staff salary costs excluding amounts paid to Tiso Blackstar Directors (refer note 32 for Directors remuneration)	**(367)**	(717)
(207)	**(107)**	Depreciation of equipment	**(6)**	(12)
—	**(62)**	Loss on disposal of equipment	**(3)**	—
—	**(875)**	Impairment of goodwill	**(46)**	—
2,290	**584**	Net foreign exchange gains	**32**	128
(1,234)	**(490)**	Operating lease expense	**(27)**	(69)

6.2 Auditor's remuneration for the Company and its subsidiaries

Auditor's remuneration expense incurred by the Company and its subsidiaries (including subsidiaries which are not consolidated but rather designated at fair value through profit and loss) are as follows:

Twelve months ended 31 December 2014 R'000	**Six months ended 30 June 2015 R'000**		**Six months ended 30 June 2014 £'000**	Twelve months ended 31 December 2014 £'000
		Auditor's remuneration paid to Group auditors and their associates		
(893)	**(733)**	Audit fees for the Group and Company annual accounts	**(40)**	(50)
(2,089)	**(1,667)**	Paid to associates of BDO Malta for audit of subsidiaries	**(92)**	(117)
(248)	**(3,150)**	Other services	**(173)**	(14)
(3,230)	**(5,550)**		**(305)**	(181)

7. Employees

The average number of employees (excluding Tiso Blackstar Directors) during the period for the Company and its consolidated subsidiaries, by function, were as follows:

	Six months ended 30 June 2015	Twelve months ended 31 December 2014
Managerial	**8**	6
Administrative	**3**	3
Operational	**4**	4
	15	13

The average number of employees (excluding Tiso Blackstar Directors) during the current financial year for the Company and its subsidiaries (including subsidiaries which have not been consolidated but rather designated at fair value through profit and loss) are as follows: 105 Managerial (31 December 2014: 91), 504 Administrative (31 December 2014: 164), and 616 Operational (31 December 2014: 187).

8. Net finance charges

Twelve months ended 31 December 2014 R'000	**Six months ended 30 June 2015 R'000**		**Six months ended 30 June 2015 £'000**	Twelve months ended 31 December 2014 £'000
1,458	**517**	Finance income	**28**	82
1,458	**517**	Interest income on bank balances	**28**	82
(8,724)	**(5,847)**	Finance costs	**(322)**	(489)
(8,724)	**(5,847)**	Interest expense and finance costs on borrowings from banks	**(322)**	(489)
(7,266)	**(5,330)**		**(294)**	(407)

9. Taxation

Twelve months ended 31 December 2014 R'000	**Six months ended 30 June 2015 R'000**		**Six months ended 30 June 2015 £'000**	Twelve months ended 31 December 2014 £'000
361	**68**	Current taxation	**4**	20
167	**—**	Current period	**—**	9
194	**68**	Prior years under provision	**4**	11
(1,258)	**(358)**	Deferred taxation	**(19)**	(70)
(1,258)	**(371)**	Current period	**(20)**	(70)
—	**13**	Prior years under provision	**1**	—
760	**1**	Withholding taxes	**—**	42
(137)	**(289)**		**(15)**	(8)

The reason for the difference between the actual tax charge for the period and the standard rate of corporate tax in Malta applied to profits of 35% are as follows:

Twelve months ended 31 December 2014 R'000	**Six months ended 30 June 2015 R'000**		**Six months ended 30 June 2015 £'000**	Twelve months ended 31 December 2014 £'000
145,851	**333,818**	Profit before taxation	**18,384**	8,168
51,048	**116,836**	Tax at standard rate of corporate tax in Malta	**6,434**	2,859
(32,629)	**(78,332)**	Differing foreign tax rates	**(4,313)**	(1,827)
(19,510)	**(38,875)**	Income and expenses not subject to tax	**(2,141)**	(1,093)
194	**81**	Under provision from prior years	**5**	11
760	**1**	Withholding taxes	**—**	42
(137)	**(289)**	Tax charge for the period	**(15)**	(8)

Assessed losses of the Group for which no deferred tax asset has been recognised amount to R52,117,000 (£2,728,000) and R54,155,000 (£3,009,000) at 31 December 2014. The deferred tax asset has not been raised as it's not believed to be probable that it will be utilised.

10. Earnings per share

10.1 Basic and diluted earnings per share

Twelve months ended 31 December 2014 R'000	**Six months ended 30 June 2015 R'000**		**Six months ended 30 June 2015 £'000**	Twelve months ended 31 December 2014 £'000
146,584	**334,277**	Profit for the period attributable to equity holders of the parent	**18,408**	8,210
80,642	**105,181**	Weighted average number of shares in issue (net of treasury shares, in thousands)	**105,181**	80,642
181.77	**317.81**	Basic and diluted earnings per ordinary share attributable to equity holders (in cents/pence)	**17.50**	10.18

10.2 Basic and diluted headline earnings per share

Twelve months ended 31 December 2014 R'000	**Six months ended 30 June 2015 R'000**		**Six months ended 30 June 2015 £'000**	Twelve months ended 31 December 2014 £'000
146,584	**334,277**	Profit for the period attributable to equity holders of the parent Adjusted for:	**18,408**	8,210
—	**62**	Loss on disposal of equipment	**3**	—
—	**875**	Impairment of goodwill	**46**	—
—	**(262)**	Total tax effects of adjustments	**(14)**	—
146,584	**334,952**	Headline earnings	**18,443**	8,210
181.77	**318.45**	Basic and diluted headline earnings per ordinary share attributable to equity holders (in cents/pence)	**17.53**	10.18

^ Disclosure of headline earnings has been provided in accordance with the JSE Listings Requirements.

11. Goodwill

Twelve months ended 31 December 2014 R'000	**Six months ended 30 June 2015 R'000**		**Six months ended 30 June 2015 £'000**	Twelve months ended 31 December 2014 £'000
875	**875**	BFM goodwill at the beginning of the period	**49**	51
—	**(875)**	Impairment of BFM goodwill during the period	**(46)**	—
—	**—**	Currency exchange losses during the period	**(3)**	(2)
875	**—**	BFM goodwill at the end of the period	**—**	49

11.1 Impairment testing of goodwill

Impairment testing of goodwill arising on acquisition of BFM

On acquisition of the shares in BFM in the latter half of 2012, goodwill amounting to R875,000 (£64,000) was recognised. The goodwill was impaired to zero during the current period (31 December 2014: nil).

12. Deferred taxation

12.1 Movement in net deferred taxation

31 December 2014 R'000	30 June 2015 R'000		30 June 2015 £'000	31 December 2014 £'000
1,464	**2,722**	Net deferred tax asset at the beginning of the period	**151**	84
1,258	**358**	Recognised in statement of comprehensive income	**19**	70
—	**(13)**	Under provision from prior years	**(1)**	—
—	**—**	Currency exchange losses during the period	**(9)**	(3)
2,722	**3,067**	Net deferred tax asset at the end of the period	**160**	151

12.2 Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Net R'000	Liabilities R'000	Assets R'000	30 June 2015	Assets £'000	Liabilities £'000	Net £'000
(43)	**(43)**	**—**	Equipment	**—**	**(2)**	**(2)**
43	**(98)**	**141**	Trade and other receivables	**7**	**(5)**	**2**
7	**—**	**7**	Other financial liabilities	**—**	**—**	**—**
88	**—**	**88**	Trade and other payables	**4**	**—**	**4**
2,972	**—**	**2,972**	Assessed losses	**156**	**—**	**156**
3,067	**(141)**	**3,208**	Deferred tax assets (liabilities) per statement of financial position	**167**	**(7)**	**160**

Net R'000	Liabilities R'000	Assets R'000	31 December 2014	Assets £'000	Liabilities £'000	Net £'000
(34)	(34)	—	Equipment	—	(2)	(2)
(15)	(15)	—	Trade and other receivables	—	(1)	(1)
4	—	4	Other financial liabilities	—	—	—
65	—	65	Trade and other payables	4	—	4
2,702	—	2,702	Assessed losses	150	—	150
2,722	(49)	2,771		154	(3)	151
—	(6)	6	Set-off of assets and liabilities	—	—	—
2,722	(55)	2,777	Deferred tax assets (liabilities) per statement of financial position	154	(3)	151

13. Equipment

31 December 2014 R'000	30 June 2015 R'000		30 June 2015 £'000	31 December 2014 £'000
2,253	**1,897**	Cost	**99**	125
(1,064)	**(818)**	Accumulated depreciation	**(43)**	(59)
1,189	**1,079**	Carrying amount	**56**	66
1,364	**1,189**	Carrying amount at the beginning of the period	**66**	78
32	**63**	Additions	**3**	2
—	**(66)**	Disposals	**(3)**	—
(207)	**(107)**	Depreciation	**(6)**	(12)
—	**—**	Currency exchange losses during the period	**(4)**	(2)
1,189	**1,079**	Carrying amount at the end of the period	**56**	66

14. Financial assets at fair value through profit and loss

31 December 2014 R'000	30 June 2015 R'000		30 June 2015 £'000	31 December 2014 £'000
131,809	**96,156**	**Financial assets held for trading**	**5,033**	7,322
43,447	**16,156**	Listed equity securities	**846**	2,413
88,362	**80,000**	Unlisted investments	**4,187**	4,909
1,335,830	**4,717,449**	**Financial assets designated at fair value through profit and loss**	**246,911**	74,210
468,218	**2,983,436**	Net investments in subsidiaries	**156,153**	26,011
867,612	**1,734,013**	Net investments in associates	**90,758**	48,199
1,467,639	**4,813,605**	Total financial assets at fair value through profit and loss	**251,944**	81,532
		Financial assets held for trading comprise the following investments:		
43,447	**16,156**	**Listed equity securities**	**846**	2,413
22,634	**16,156**	Ordinary shares in Shoprite Holdings Limited ("Shoprite")	**846**	1,257
20,813	**—**	Ordinary shares in Cadiz Holdings Limited ("Cadiz")	**—**	1,156
88,362	**80,000**	**Unlisted investments**	**4,187**	4,909
5,318	**—**	Investments in unlisted hedge funds	**—**	296
80,000	**80,000**	Ordinary shares in Robor Proprietary Limited ("Robor")	**4,187**	4,444
3,044	**—**	Other unlisted investments	**—**	169
131,809	**96,156**	Total financial assets held for trading	**5,033**	7,322
		Net changes in fair value of financial assets		
29,554	**1,150**	**Financial assets held for trading**	**64**	1,655
1,227	**9,677**	Realised gains	**533**	69
28,327	**(8,527)**	Unrealised (losses) gains	**(469)**	1,586
175,110	**325,400**	**Financial assets designated at fair value through profit and loss**	**17,917**	9,807
56,911	**10,009**	Realised gains	**551**	3,187
118,199	**315,391**	Unrealised gains	**17,366**	6,620
204,664	**326,550**	Net gains on financial assets at fair value through profit and loss	**17,981**	11,462

Refer note 15 and 16 for further details of investments in subsidiaries and investments in associates designated at fair value through profit and loss

15. Net investments in subsidiaries

15.1 Net investments in subsidiaries designated at fair value through profit and loss

Tiso Blackstar meets the definition of an Investment Entity. Therefore, it does not consolidate some its subsidiaries but rather, it recognises them as investments at fair value through profit and loss.

Principal place of business	Principal activity	Summary of unconsolidated subsidiaries *	Proportion of ownership rights 30 June 2015	31 December 2014
South Africa	Media	Times Media Group Limited ("TMG")^	**100.0%**	0.0%
South Africa	Industrial steel company	Consolidated Steel Industries Proprietary Limited ("CSI")^	**100.0%**	100.0%
South Africa	Investment property company	Tiso Blackstar Real Estate Proprietary Limited ("TBRE")^	**100.0%**	100.0%
South Africa	Hedge fund	Blackstar Special Opportunities Fund ("BSOF")^	**0.0%**	16.7%
South Africa	Investment company	New Bond Capital Limited ("NBC")^	**100.0%**	100.0%

^ Subsidiary of Tiso Blackstar Cyprus

* Refer to note 37 for a complete list of the unconsolidated subsidiaries of the Group

15. Net investments in subsidiaries (continued)

15.1 Net investments in subsidiaries designated at fair value through profit and loss (continued)

Loans and receivables payable by subsidiaries designated at fair value through profit and loss

Shareholder loans to subsidiaries which are considered to be equity loans (and ordinarily would be accounted for as loans and receivables) have been designated at fair value through profit and loss. On assessment of the fair value of the net investment in subsidiary, these equity loans are incorporated into the valuation assessment and any decline in fair value is first allocated to the carrying amount of the equity investment and then to the loan to the subsidiary.

Net investments in subsidiaries included in note 14 comprises the following investments:

31 December 2014 R'000	**30 June 2015 R'000**		**30 June 2015 £'000**	31 December 2014 £'000
357,000	**365,131**	Net investment in CSI	**19,111**	19,832
97,500	**109,500**	Equity share investment	**5,731**	5,416
259,500	**255,631**	Interest-free loan to CSI with no fixed terms of repayment. Monthly repayments are made by CSI, currently these amount to R2 million per month	**13,380**	14,416
		Investment in TMG		
—	**2,541,707**	Equity share investment	**133,033**	—
		Investment in BSOF		
43,696	**—**	Equity share investment	**—**	2,427
		Investment in NBC		
2,198	**—**	Equity share investment	**—**	122
65,324	**76,598**	Net investment in TBRE and the property subsidiaries	**4,009**	3,630
39,539	**53,532**	Equity share investments in TBRE and the property subsidiaries	**2,802**	2,197
20,722	**17,713**	Interest-free loans to TBRE and the property subsidiaries	**927**	1,151
5,063	**5,353**	Preference shares held in property subsidiary bearing interest at South African Prime Rate plus 200 basis points and is repayable on demand	**280**	282
468,218	**2,983,436**		**156,153**	26,011

Significant changes in net investments in subsidiaries designated at fair value through profit and loss

TMG – Tiso Blackstar acquired the remaining 62.5% of TMG during the period. As a result of this acquisition, TMG has been reclassified from an investment in associate designated at fair value through profit and loss to an investment in subsidiary designated at fair value through profit and loss. Refer note 23 for further details on the acquisition.

CSI – During the period, the Company ceded its working capital loan receivable with CCPA Properties Proprietary Limited ("CCPA"), a wholly owned subsidiary of CSI, to CSI and increased its shareholder loan with CSI accordingly.

BSOF – In terms of the definition of control within IFRS, Tiso Blackstar, through its shareholding in Blackstar GP Proprietary Limited ("Blackstar GP"), was considered to control the fund BSOF and thus it was classified as a subsidiary. Tiso Blackstar's percentage ownership of the fund was calculated based on the fair value of Tiso Blackstar's direct investment into BSOF relative to the other limited partners' investment in the fund carried at fair value. Tiso Blackstar disposed of its entire investment in BSOF during the period for R45.3 million (£2.5 million).

15. Net investments in subsidiaries (continued)

15.1 Net investments in subsidiaries designated at fair value through profit and loss (continued)

Restrictions

Tiso Blackstar receives income in the form of dividends and interest from its investments in unconsolidated subsidiaries, and there are no significant restrictions on the transfer of funds from these entities to Tiso Blackstar with the exception of the South African Reserve Bank regulations with respect to the transfer of funds off and onshore.

Support

Tiso Blackstar and its consolidated subsidiaries have provided support in the form of equity and working capital loans to its subsidiaries. Details of these loans are provided in note 15 for equity loans and note 17 for working capital loans. Tiso Blackstar has no contractual commitments and may provide further financial or any other support to its unconsolidated subsidiaries should they require it and the Group has the funds available to do so.

Bank collateral

All equity instruments in and claims against CSI and TMG are held as security by Rand Merchant Bank Limited ("RMB") and Standard Bank Limited ("Standard Bank") (refer note 21).

Maximum credit exposure for loans designated at fair value through profit and loss

The maximum credit exposure for these loans would be equal to the original carrying amount of the loan prior to any fair value adjustments, details of which are provided below:

Original loan amount prior to fair value adjustments R'000	Carrying Value R'000	30 June 2015	Carrying Value £'000	Original loan amount prior to fair value adjustments £'000
255,631	255,631	Loan to CSI	13,380	13,380
17,713	17,713	Loan to TBRE	927	927
5,353	5,353	Loans to and preference shares in TBRE and the property subsidiaries	280	280

Original loan amount prior to fair value adjustments R'000	Carrying Value R'000	31 December 2014	Carrying Value £'000	Original loan amount prior to fair value adjustments £'000
259,500	259,500	Loan to CSI	14,416	14,416
20,722	20,722	Loan to TBRE	1,151	1,151
38,402	24,408	Loans to and preference shares in TBRE and the property subsidiaries	1,356	2,133

15. Net investments in subsidiaries (continued)

15.2 Investments in subsidiaries which are consolidated

Certain subsidiaries provide services that relate only to the Company's own investment activities, and thus they should be consolidated. The summary of subsidiaries that are consolidated is provided below:

Principal place of business	Principal activity	Name of consolidated subsidiaries	Proportion of ownership rights 30 June 2015	31 December 2014
Cyprus	Investment company	Tiso Blackstar (Cyprus) Limited ("Tiso Blackstar Cyprus")#	**100.0%**	100.0%
South Africa	Investment advisory company	Tiso Blackstar Group Proprietary Limited ("Tiso Blackstar SA")#	**100.0%**	100.0%
South Africa	Fund manager	Blackstar Fund Managers Proprietary Limited ("BFM")#**	**70.0%**	66.0%

#Subsidiary of the Company

** During the current financial period, Tiso Blackstar acquired further shares in the fund manager BFM (refer to note 25) and post year end disposed of its entire stake in BFM (refer note 35)

16. Net investments in associates

As Tiso Blackstar meets the definition of an Investment Entity, interests in associates are no longer equity accounted but rather recognised as investments designated at fair value through profit and loss. Details of the associates within the Group are provided below:

Principal place of business	Principal activity	Name of associates	Proportion of ownership rights 30 June 2015	31 December 2014
South Africa	Media	Times Media Group Limited ("TMG")***	**0.0%**	32.5%
South Africa	Investment company	Kagiso Tiso Holdings Proprietary Limited ("KTH")***	**22.9%**	0.0%
South Africa	Fund manager	Bataung Capital Advisors Proprietary Limited ("Bataung")***	**49.0%**	0.0%
South Africa	Stockbroker	Navigare Securities Proprietary Limited ("Navigare")##	**0.0%**	25.0%

Associate of Tiso Blackstar

*** Associate of Tiso Blackstar Cyprus

Investments in associates carried at fair value through profit and loss comprise the following:

31 December 2014 R'000	30 June 2015 R'000		30 June 2015 £'000	31 December 2014 £'000
		Investment in TMG		
862,612	**—**	Equity share investment	**—**	47,921
		Investment in KTH		
—	**1,729,513**	Equity share investment	**90,522**	—
—	**4,500**	Net investment in Bataung	**236**	—
—	**1,000**	Equity share investment	**52**	—
—	**3,500**	Loan to Bataung which is interest-free with no fixed terms of repayment	**184**	—
5,000	**—**	Net investment in Navigare	**—**	278
4,050	**—**	Equity share investment	**—**	225
950	**—**	Loan to Navigare which is interest-free with no fixed terms of repayment	**—**	53
867,612	**1,734,013**		**90,758**	48,199

16. Net investments in associates (continued)

Changes in net investments in associates designated at fair value through profit and loss

TMG – Tiso Blackstar acquired the remaining 62.5% of TMG during the period. As a result of this acquisition, TMG has been reclassified from an investment in associate designated at fair value through profit and loss to an investment in subsidiary designated at fair value through profit and loss (refer to note 15 and note 23).

KTH – Tiso Blackstar acquired a 22.9% interest in KTH. This investment has been classified as an associate designated at fair value through profit and loss (refer to note 23).

Bataung – Tiso Blackstar acquired a 49.0% interest in the fund manager Bataung during the current period for R1.0 million (£0.1 million).

Navigare – Tiso Blackstar disposed of its entire investment in Navigare during the period for R5 million (£0.3 million).

Bank collateral

The shares in KTH are held as security by RMB and Standard Bank (refer note 21).

17. Investments classified as loans and receivables

Loans from Tiso Blackstar to subsidiaries of the Group which are considered to be working capital loans, and not part of equity have been accounted for at amortised cost and comprise of the following:

31 December 2014 R'000	**30 June 2015 R'000**		**30 June 2015 £'000**	31 December 2014 £'000
7,888	—	Loan to subsidiary CCPA which bore interest at the South African Prime Rate. During the current period, the loan was ceded to CSI (refer note 15)	—	438
7,888	—		—	438

18. Trade and other receivables

31 December 2014 R'000	**30 June 2015 R'000**		**30 June 2015 £'000**	31 December 2014 £'000
750	**960**	Management and fee income receivables	**50**	42
1,070	**963**	Prepayments, deposits and accrued income	**50**	59
—	**30,335**	Receivable on disposal of investment	**1,588**	—
103	**59**	Other receivables	**3**	6
1,923	**32,317**		**1,691**	107

19. Cash and cash equivalents

31 December 2014 R'000	**30 June 2015 R'000**		**30 June 2015 £'000**	31 December 2014 £'000
63,020	**19,727**	Deposits and cash at bank	**1,032**	3,501
63,020	**19,727**	Cash and cash equivalents per the statement of cash flows	**1,032**	3,501

Cash and cash equivalents held by consolidated South African subsidiaries of R 2,543,000, £ 133,000 (31 December 2014: R2,426,000, £135,000) are ring-fenced and are not available to other entities within the Group. Transfers of cash are subject to South African exchange control regulations. Cash and cash equivalents held at the centre (comprising Tiso Blackstar and Tiso Blackstar Cyprus amounted to R17,184,000, £899,000 (31 December 2014: R60,594,000, £3,366,000) at year end.

Cash and cash equivalents have been ceded as security at 30 June 2015 (31 December 2014: nil) (refer note 21).

20. Other financial liabilities

31 December 2014 R'000	**30 June 2015 R'000**		**30 June 2015 £'000**	31 December 2014 £'000
15	**22**	Accrual arising on operating leases as a result of lease payments being recognised as an expense on a straight-line basis over the lease term	**1**	1
15	**22**		**1**	1

21. Borrowings

31 December 2014 R'000	**30 June 2015 R'000**		**30 June 2015 £'000**	31 December 2014 £'000
		Secured		
—	**440,000**	Term facility which bears interest at the 3 month Johannesburg Interbank Accepted Rate ("JIBAR") plus 500 basis points. Interest is compounded quarterly and settled semi-annually. Mandatory capital repayments are required as follows: on 31 December 2016 and 2017 12.5% of the available facility on that date after adjusting for voluntary payments made; and a final bullet payment of the remaining capital in June 2018	**23,030**	—
72,673	**—**	Facility which bore interest at the 3 month JIBAR plus 370 basis points. Interest was compounded and settled quarterly. A bullet payment of the capital was made in June 2015 as full and final settlement	**—**	4,037
72,673	**440,000**		**23,030**	4,037

On acquisition of the 22.9% stake in KTH and buy out of the remaining shares in TMG on 8 June 2015, Tiso Blackstar raised a term facility of R500.0 million (£26.2 million) to settle the cash consideration of the purchase price of KTH and a general banking facility ("GBF") of R65.0 million (£3.4 million) to fund the Group's working capital requirements. A total of R534.0 million (£28.0 million) was utilised from those facilities to settle the cash consideration and to repay the existing facility as full and final settlement. Using available cash, the term facility was reduced to R440.0 million (£23.0 million) by 30 June 2015 and the GBF was settled in full.

The term facility is secured in favour of RMB and Standard Bank, and the security offered is as follows:

- Reversionary Cession of all TMG shares and loan accounts (refer note 15);
- Cession or reversionary cession of the shares of CSI shares and loan accounts (refer note 15);
- Cession of the shares and loan accounts of KTH (subject to the provisions contained in the KTH MOI) (refer note 16);
- Cession of all disposal proceeds of any assets of the Group after adjustment for applicable taxes on disposals and agreed upon head office costs;
- Cession of cash and the Group's bank accounts (refer note 19);
- Negative pledge of all investments/assets; and
- Share in security granted by TMG to its senior lenders.

22. Trade and other payables

31 December 2014 R'000	30 June 2015 R'000		30 June 2015 £'000	31 December 2014 £'000
19,473	**293**	Salary related accruals	**15**	1,082
3,064	**27,244**	Other payables and accrued expenses	**1,426**	170
22,537	**27,537**		**1,441**	1,252

23. Share capital and reserves

23.1 Share capital

31 December 2014 R'000	30 June 2015 R'000		30 June 2015 £'000	31 December 2014 £'000
		Authorised		
—	**4,282,418**	400,000,000 ordinary shares of €0.76 each	**223,638**	—
1,553,754	**—**	150,000,000 ordinary shares of €0.76 each	**—**	100,500
		Issued and fully paid		
—	**2,535,442**	266,665,287 ordinary shares of €0.76 each	**163,310**	—
574,672	**—**	82,088,500 ordinary shares of €0.76 each	**—**	55,347

The authorized share capital of the Company was increased to 400,000,000 ordinary shares during the current reporting period to enable the Company to issue shares to settle the purchase consideration on acquisition of the investment in KTH and remaining TMG shares not already owned.

A reconciliation of the movement in ordinary shares of €0.76 each is provided below:

	Issued and fully paid Number of shares	Treasury shares Number of shares	Outstanding shares Number of shares
Balance as at 31 December 2013	**82,088,500**	**(1,641,011)**	**80,447,489**
Repurchase of own shares	—	(1,735,000)	(1,735,000)
Issue of treasury shares	—	2,584,453	2,584,453
Balance as at 31 December 2014	**82,088,500**	**(791,558)**	**81,296,942**
Shares issued as part of the long term			
Management Incentive Scheme	1,010,571	791,558	1,802,129
Issue of treasury shares	—	791,558	791,558
Issue of new shares	1,010,571	—	1,010,571
Shares issued as part of the TMG and KTH acquisition	183,566,216	—	183,566,216
Balance as at 30 June 2015	**266,665,287**	**—**	**266,665,287**

No shares were repurchased during the current year. During the prior year Tiso Blackstar repurchased 1,735,000 ordinary shares on the open market.

Treasury shares issued during the prior year included 542,318 shares issued to a third party as part settlement for the acquisition of a property by TBRE, and the balance comprised shares awarded as part of the Shareholder approved long term Management Incentive Scheme (refer note 33).

23. Share capital and reserves (continued)

23.1 Share capital (continued)

The long term Management Incentive Scheme award amounted to 1,802,129 shares for the year ended 31 December 2014 which included 1,596,908 shares awarded in December 2014 and an additional discretionary award of 205,221 shares which occurred in the first quarter of 2015. In the current period, the Company issued 1,010,571 new shares and 791,558 treasury shares in order to settle this obligation (refer note 33).

In June 2015, the Company acquired the entire issued share capital of TMG not already owned by the Company or Tiso Blackstar Cyprus (excluding treasury shares), as well as an effective 22.9% interest in KTH. The acquisitions were implemented upon allotment and issue of a total of 183,566,216 ordinary shares of €0.76 each. TMG shareholders participating in the Scheme, elected to receive an aggregate cash consideration of R500.0 million (£26.2 million), being the maximum cash election, with 90,794,113 ordinary shares being issued for the balance of the consideration. The consideration for the KTH stake acquisition was the allotment and issue of 92,772,103 ordinary shares and a cash payment of R481.4 million (£25.2 million). To finance the cash element of these acquisitions, Tiso Blackstar obtained a term facility of R500.0 million (£26.2 million) and a general banking facility of R65.0 million (£3.4 million) to fund working capital requirements (refer note 21 and note 26.4.2). The investment in TMG is accounted for as an investment in subsidiary designated at fair value through profit and loss and the KTH investment as an investment in associate designated at fair value through profit and loss (refer note 15 and note 16).

23.2 Reserves

The nature and purpose of each reserve within equity is described below:

Share premium

Share premium comprises the amount subscribed for share capital in excess of nominal value.

Capital redemption reserve

The capital redemption reserve comprises amounts transferred from share capital on redemption of issued shares.

Treasury shares reserve

This reserve comprises the cost of the Tiso Blackstar shares acquired and held as treasury shares by the Company.

Foreign currency translation reserve

The foreign currency translation reserve comprises exchange differences arising on translation of assets and liabilities denominated in the functional currency (Rands) into the presentational currency (Pounds Sterling).

Retained earnings

Retained earnings comprise cumulative net gains and losses recognised in the statement of comprehensive income.

24. Cash absorbed by operations

Twelve months ended 31 December 2014 R'000	**Six months ended 30 June 2015 R'000**		**Six months ended 30 June 2015 £'000**	Twelve months ended 31 December 2014 £'000
145,988	**334,107**	Profit for the period	**18,399**	8,176
(137)	**(289)**	Add back taxation	**(15)**	(8)
145,851	**333,818**	Profit before taxation	**18,384**	8,168
		Adjustments for non cash items:		
(203,812)	**(326,529)**	Fair value adjustments on investments held at fair value through profit and loss	**(17,979)**	(11,414)
(32,681)	**(75,263)**	Dividends and interest accrued from loans and investments	**(4,144)**	(1,831)
7,266	**5,330**	Net finance costs	**294**	407
32,730	**2,432**	Long term Management Incentive Scheme Award of treasury shares (equity settled share based payment)	**134**	1,833
(730)	**1,042**	Other	**54**	(39)
		Changes in working capital:		
2,142	**(30,393)**	(Increase) decrease in trade and other receivables	**(1,676)**	118
7,647	**5,000**	Increase in trade and other payables	**278**	430
(186)	**7**	Increase (decrease) in lease accrual	**—**	(11)
		Changes in investments		
(242,492)	**(493,480)**	Cash flows from investment additions:	**(27,171)**	(13,580)
(242,492)	**(3,120,817)**	Additions to investments	**(171,836)**	(13,580)
—	**2,627,337**	Issue of shares to settle share consideration on acquisition of investments in TMG and KTH	**144,665**	—
167,774	**110,080**	Proceeds arising on disposal of investments and repayments of loans to investment companies	**6,061**	9,795
(116,491)	**(467,956)**		**(25,765)**	(6,124)

25. Acquisition and disposals of consolidated subsidiaries

For all of the acquisitions in both the prior year and current financial year, the Group has elected to measure non-controlling interests at its proportionate interest in the identifiable net assets of the acquiree.

25.1 Acquisitions

Acquisition of further interest in the hedge fund management business BFM

In June 2014, Tiso Blackstar acquired a further 10.0% stake in the hedge fund management business BFM for R150,000 (£8,400) and in June 2015 acquired a further 4.0% for no consideration, bringing its investment in the company to 70.0%.

25.2 Disposals

There were no disposals in both the current and prior reporting periods.

25.3 Net cash outflows on acquisition of subsidiaries

31 December 2014 R'000	**30 June 2015 R'000**		**30 June 2015 £'000**	31 December 2014 £'000
(150)	**—**	Consideration paid for additional shares in BFM	**—**	(8)

26. Financial instruments and financial risk management

26.1 Categories of financial assets

31 December 2014 R'000	30 June 2015 R'000		30 June 2015 £'000	31 December 2014 £'000
		Financial assets		
1,467,639	**4,813,605**	**Financial assets at fair value through profit and loss**	**251,944**	81,532
468,218	**2,983,436**	Net investments in subsidiaries (refer note 15)	**156,153**	26,011
867,612	**1,734,013**	Net investments in associates (refer note 16)	**90,758**	48,199
131,809	**96,156**	Financial assets held for trading (refer note 14)	**5,033**	7,322
72,831	**52,044**	**Loans and receivables**	**2,723**	4,046
7,888	**—**	Investments classified as loans and receivables (refer note 17)	**—**	438
1,923	**32,317**	Trade and other receivables (refer note 18)	**1,691**	107
63,020	**19,727**	Cash and cash equivalents (refer note 19)	**1,032**	3,501
1,540,470	**4,865,649**		**254,667**	85,578
		Financial liabilities		
(95,225)	**(467,559)**	**Financial liabilities measured at amortised cost**	**(24,472)**	(5,290)
(15)	**(22)**	Other financial liabilities (refer note 20)	**(1)**	(1)
(72,673)	**(440,000)**	Borrowings (refer note 21)	**(23,030)**	(4,037)
(22,537)	**(27,537)**	Trade and other payables (refer note 22)	**(1,441)**	(1,252)
(95,225)	**(467,559)**		**(24,472)**	(5,290)

26.2 Financial risk management overview

The Group has exposure to the following risks from its use of financial instruments: credit risk; liquidity risk; and market risk (which comprise currency risk, interest rate risk and market price risk).

The Group's major financial risks are mitigated through industry diversification and decentralisation. Thus the impact on the Group of any one particular risk within any of these industries is limited. Investee companies are run on a decentralised manner with management of the underlying business maintaining an entrepreneurial focus. The risks within the underlying businesses are managed by their local management teams who are responsible for their own operations.

In respect to companies where Tiso Blackstar holds a controlling, or a significant interest, the Board of Directors ensure that the investee companies are well staffed with strong, experienced management teams who are responsible for designing, implementing and monitoring the process of risk management. These management teams are remunerated based on operational performance and are incentivised appropriately. In addition to this, Tiso Blackstar is represented on each of these investee companies' Boards of Directors.

Due to the diverse structure and decentralised management of the Group, the investee company's Board of Directors is responsible for agreeing and reviewing the objectives, policies and processes for managing risks specifically relating to the investment portfolio.

Where Tiso Blackstar holds a controlling, or a significant interest, the management of each of these investee companies are responsible for designing and implementing a risk management strategy. The managing directors, financial directors and divisional heads of the companies involved in the day-to-day management of the business, thereby identifying any financial risks. The subsidiary companies have monthly executive management meetings, where areas of concern and risks, and management thereof, are discussed. Any significant issues are further escalated to the Board of Directors of each company where appropriate.

26. Financial instruments and financial risk management (continued)

26.2 Financial risk management overview (continued)

The information provided below for each financial risk has been collated for disclosure based on the way in which the business is managed and what is believed to be useful information for shareholders. For this reason the information provided within the note is analysed by segment as referred to in the segmental report (refer note 36). This note presents information about the Group's exposure to each of the afore-mentioned risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

26.3 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, investments, cash and cash equivalents and guarantees.

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk without taking into account the value of any collateral obtained. The carrying values for trade receivables, investments classified as loans and receivables and cash and cash equivalents are provided for in note 26.1.

26.3.1 Trade and other receivables

Refer note 18 Trade and other receivables.

The Group does not carry out daily trading activities with customers. Trade and other receivables arise from BFM's performance fees which are receivable for the management of the funds, monitoring and director fees from related parties, deposits and prepayments and Value Added Tax. The nature of each of these items is such that there is an underlying amount against which the amount receivable is recoverable. As a result, no impairment allowance has been raised in 2015 or 2014 as the Group is satisfied that all amounts are recoverable.

Due to the nature of items held as trade and other receivables, there is no formal Group credit policy. Each item is assessed on an individual basis and appropriate mitigating controls are enforced to reduce the respective credit risk. No collateral was held for trade and other receivables.

26.3.2 Investments

Refer note 14 Financial assets at fair value through profit and loss

31 December 2014* R'000	**30 June 2015 R'000**		**30 June 2015 £'000**	31 December 2014* £'000
7,888	**—**	**Loans and receivables**	**—**	438
7,888	—	Industrial*	—	438
305,580	**282,197**	**Loans forming part of investments at fair value through profit and loss**	**14,771**	16,976
259,500	**255,631**	Industrial	**13,380**	14,416
46,080	**26,566**	Other	**1,391**	2,560
313,468	**282,197**	**Total investment loans exposed to credit risk**	**14,771**	17,414

* As a result of the TMG and KTH acquisitions during the period, management has reassessed its reporting segments. Please refer to note 36 for further details on the change in segmental reporting.

26. Financial instruments and financial risk management (continued)

26.3 Credit risk (continued)

26.3.2 Investments (continued)

Investments within the TMG, KTH, Industrial and Other segments

An integral part of the Group's credit risk management process is the approval of all investment and financing transactions by the Board of Directors. The Group manages its credit risk by setting acceptable exposure limits for companies in the respective segments. The Group may provide financing to companies in which it has a controlling or significant interest. This financing is provided on the strength of the underlying companies in which the Group has invested.

The Tiso Blackstar Board meets on a quarterly basis to review the investment portfolio, in particular the underlying performance of the companies in which it has invested and consequently monitors credit risk on an on-going basis.

At balance sheet date, the Group had no financial assets that were past due and no impairments were raised on investments in both the prior and current financial periods. For investments held at fair value through profit and loss and investments classified as loans and receivables, no such securities are held by the Group.

An industry analysis of the loan investments at fair value through profit and loss and loan investments classified as loans and receivables are set out in the tables below. No single industry is considered to be materially more risky in nature than another.

Credit risk exposure on investments

2014		2015			2015		2014	
Exposure	Exposure	**Exposure**	**Exposure**		**Exposure**	**Exposure**	Exposure	Exposure
%	R'000	**%**	**R'000**		**%**	**£'000**	%	£'000
85%	267,388	**91%**	**255,631**	Industrial	**91%**	**13,380**	85%	14,854
15%	46,080	**9%**	**26,566**	Other	**9%**	**1,391**	15%	2,560
100%	313,468	**100%**	**282,197**		**100%**	**14,771**	**100%**	17,414

* As a result of the TMG and KTH acquisitions during the period, management has reassessed its reporting segments. Please refer to note 36 for further details on the change in segmental reporting.

26.3.3 Cash and cash equivalents

Any excess cash and cash equivalents are held in current accounts, money market funds, and term deposits. In the prior year, and at period end, no overdrafts had been taken out and cash and cash equivalents amounted to R19,727,000, £1,032,000 (31 December 2014: R63,020,000, £3,501,000). In 2015, all cash and cash equivalents were held in financial institutions with a BBB+ or lower rating. In 2014, the carrying value of cash and cash equivalents amounting to R27,191,000, £1,510,000, 43% was held in AAA rated money market funds and the balance with a BBB+ or lower rated financial institutions.

26.3.4 Guarantees

Refer note 31 Contingencies and guarantees for further details of guarantees issued by the Group. The Group's maximum exposure to credit risk, without taking into account collateral or any other credit enhancements held, in respect of guarantees would be equal to the amounts disclosed in note 31.

26. Financial instruments and financial risk management (continued)

26.4 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management maintain relationships with the companies' bankers and monitor cash reserves on an on-going basis to ensure there are sufficient cash resources to meet liabilities in the short term.

The Board of Directors is responsible for ensuring the Group (other than Tiso Blackstar SA and BFM) has sufficient funds to meet its operational requirements and financial obligations. The Group has access to cash on hand of R17,184,000, £899,000 (31 December 2014: R60,594,000, £3,366,000) at the centre. All surplus cash within this segment is deposited as voluntary payments into the senior debt facility. Cash available to cover operational expenses is kept as liquid cash with reputable banks.

The management of Tiso Blackstar SA and BFM are responsible for managing liquidity risk in each of their respective businesses.

26.4.1 Contractual maturities of non-derivative financial liabilities

The table below details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of the financial liabilities. The table includes both interest and principal cash flows. To the extent that interest flows are at a floating rate, the undiscounted amount is derived utilising the interest rate at year end. The contractual maturity is based on the earliest date on which the Group may be required to pay.

		Undiscounted contractual cash flows					
As at 30 June 2015	**Carrying amount R'000**	**Total R'000**	**6 months or less R'000**	**6-12 months R'000**	**1-5 years R'000**	**More than 5 years R'000**	**No fixed maturity R'000**
Other financial liabilities (refer note 20)	**(22)**	**(22)**	**(22)**	**—**	**—**	**—**	**—**
Borrowings (refer note 21)	**(440,000)**	**(584,857)**	**—**	**—**	**(584,857)**	**—**	**—**
Trade and other payables (refer note 22)	**(27,537)**	**(27,537)**	**(27,537)**	**—**	**—**	**—**	**—**
Total financial liabilities	**(467,559)**	**(612,416)**	**(27,559)**	**—**	**(584,857)**	**—**	**—**

		Undiscounted contractual cash flows					
As at 30 June 2015	**Carrying amount £'000**	**Total £'000**	**6 months or less £'000**	**6-12 months £'000**	**1-5 years £'000**	**More than 5 years £'000**	**No fixed maturity £'000**
Other financial liabilities (refer note 20)	**(1)**	**(1)**	**(1)**	**—**		**—**	**—**
Borrowings (refer note 21)	**(23,030)**	**(30,611)**	**—**	**—**	**(30,611)**	**—**	**—**
Trade and other payables (refer note 22)	**(1,441)**	**(1,441)**	**(1,441)**	**—**	**—**	**—**	**—**
Total financial liabilities	**(24,472)**	**(32,053)**	**(1,442)**	**—**	**(30,611)**	**—**	**—**

26. Financial instruments and financial risk management (continued)

26.4 Liquidity risk (continued)

26.4.1 Contractual maturities of non-derivative financial liabilities (continued)

As at 31 December 2014	Carrying amount R'000	Undiscounted contractual cash flows Total R'000	6 months or less R'000	6-12 months R'000	1-5 years R'000	More than 5 years R'000	No fixed maturity R'000
Other financial liabilities (refer note 20)	(15)	(15)	(15)	—	—	—	—
Borrowings (refer note 21)	(72,673)	(89,281)	(3,541)	(3,599)	(82,141)	—	—
Trade and other payables (refer note 22)	(22,537)	(22,537)	(22,537)	—	—	—	—
Total financial liabilities	(95,225)	(111,833)	(26,093)	(3,599)	(82,141)	—	—

As at 31 December 2014	Carrying amount £'000	Undiscounted contractual cash flows Total £'000	6 months or less £'000	6-12 months £'000	1-5 years £'000	More than 5 years £'000	No fixed maturity £'000
Other financial liabilities (refer note 20)	(1)	(1)	(1)	—	—	—	—
Borrowings (refer note 21)	(4,037)	(5,000)	(198)	(202)	(4,600)	—	—
Trade and other payables (refer note 22)	(1,252)	(1,252)	(1,252)	—	—	—	—
Total financial liabilities	(5,290)	(6,253)	(1,451)	(202)	(4,600)	—	—

26.4.2 Undrawn facilities and securities provided

31 December 2014 R'000	**30 June 2015 R'000**		**30 June 2015 £'000**	31 December 2014 £'000
		Unsecured bank overdraft facility, reviewed annually and payable on call		
1,000	**1,000**	Fully unutilised	**52**	56
		Secured facilities		
		Acquisition facility (refer note 21) settled in June 2015		
72,673	**—**	Utilised	**—**	4,037
127,327	**—**	Unutilised	**—**	7,073
		Term facility taken out to finance the acquisition of KTH and TMG investments (refer note 21)		
—	**440,000**	Utilised	**23,030**	—
—	**60,000**	Unutilised	**3,140**	—
		GBF to fund working capital requirements *		
—	**—**	Utilised	**—**	—
—	**65,000**	Unutilised	**3,402**	—
200,000	**565,000**		**29,572**	11,110

* A GBF of R65.0 million (£3.4 million) is available to fund the Group's working capital requirements

26.5 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 on risk. Market risk has been broken down into currency risk, interest rate risk and market price risk.

26.5.1 Currency risk

The Group's activities expose it to financial risks of changes in foreign currency. The exposure to currency risk has been discussed in further detail by segment.

26. Financial instruments and financial risk management (continued)

26.5 Market risk (continued)

26.5.1 Currency risk (continued)

Investments within the TMG, KTH, Industrial and Other segments

Currency risk arises because the Group makes investments in currencies which differ from its functional currency Rands and presentational currencies Rands and Pounds Sterling. The value of these assets is exposed to currency risk giving rise to gains or losses on translation into Pounds Sterling and Rands. Currency risk also arises because operations within this segment, incur costs from service providers in various parts of the world whose currency is not the same as the Group's functional and presentational currencies (Rands and Pounds Sterling). The Board of Directors meet on a quarterly basis to review the investment portfolio and consequently monitors currency risk on an on-going basis. To mitigate this risk, the Group may hedge its currency exposure from time to time.

Non-segmental entities

The non-segmental entities are not invested in any activities that are exposed to currency risk. However, similarly to the Other segment, the non-segmental entities carry monetary assets and liabilities (namely trade and other receivables and payables) which differ to the Group's presentational and functional currencies being Rands and Pounds Sterling. As with the Other segment, the Tiso Blackstar Board meet on a quarterly basis to review the non-segmental entitles and consequently monitor currency risk on an on-going basis. To mitigate this risk, the Group may hedge its currency exposure from time to time.

Exposure to currency risk

As at 30 June 2015 Functional and presentational currency exposure	**South African Rand R'000**	**Pounds Sterling R'000**	**US Dollar R'000**	**Euro R'000**	**Zambian Kwatcha R'000**	**Total R'000**
Financial assets						
Net investments in subsidiaries (refer note 15)	**2,983,436**	**—**	**—**	**—**	**—**	**2,983,436**
Net investments in associates (refer note 16)	**1,734,013**	**—**	**—**	**—**	**—**	**1,734,013**
Financial assets held for trading (refer note 14)	**80,000**	**—**	**—**	**—**	**16,156**	**96,156**
Trade and other receivables (refer note 18)	**31,966**	**310**	**—**	**41**	**—**	**32,317**
Cash and cash equivalents (refer note 19)	**10,480**	**6,753**	**—**	**2,494**	**—**	**19,727**
Total financial assets	**4,839,895**	**7,063**	**—**	**2,535**	**16,156**	**4,865,649**
Financial liabilities						
Other financial liabilities (refer note 20)	**(22)**	**—**	**—**	**—**	**—**	**(22)**
Borrowings (refer note 21)	**(440,000)**	**—**	**—**	**—**	**—**	**(440,000)**
Trade and other payables (refer note 22)	**(21,497)**	**(3,239)**	**—**	**(2,801)**	**—**	**(27,537)**
Total financial liabilities	**(461,519)**	**(3,239)**	**—**	**(2,801)**	**—**	**(467,559)**

As at 30 June 2015 Functional and presentational currency exposure	**South African Rand £'000**	**Pounds Sterling £'000**	**US Dollar £'000**	**Euro £'000**	**Zambian Kwatcha £'000**	**Total £'000**
Financial assets						
Net investments in subsidiaries (refer note 15)	**156,153**	**—**	**—**	**—**	**—**	**156,153**
Net investments in associates (refer note 16)	**90,758**	**—**	**—**	**—**	**—**	**90,758**
Financial assets held for trading (refer note 14)	**4,187**	**—**	**—**	**—**	**846**	**5,033**
Trade and other receivables (refer note 18)	**1,673**	**16**	**—**	**2**	**—**	**1,691**
Cash and cash equivalents (refer note 19)	**548**	**353**	**—**	**131**	**—**	**1,032**
Total financial assets	**253,319**	**369**	**—**	**133**	**846**	**254,667**
Financial liabilities						
Other financial liabilities (refer note 20)	**(1)**	**—**	**—**	**—**	**—**	**(1)**
Borrowings (refer note 21)	**(23,030)**	**—**	**—**	**—**	**—**	**(23,030)**
Trade and other payables (refer note 22)	**(1,125)**	**(170)**	**—**	**(146)**	**—**	**(1,441)**
Total financial liabilities	**(24,156)**	**(170)**	**—**	**(146)**	**—**	**(24,472)**

26. Financial instruments and financial risk management (continued)

26.5 Market risk (continued)

26.5.1 Currency risk (continued)

Exposure to currency risk (continued)

As at 31 December 2014 Functional and presentational currency exposure	South African Rand R'000	Pounds Sterling R'000	US Dollar R'000	Euro R'000	Zambian Kwatcha R'000	Total R'000
Financial assets						
Net investments in subsidiaries (refer note 15)	468,218	—	—	—	—	468,218
Net investments in associates (refer note 16)	867,612	—	—	—	—	867,612
Financial assets held for trading (refer note 14)	103,857	—	5,318	—	22,634	131,809
Investments classified as loans and receivables (refer note 17)	7,888	—	—	—	—	7,888
Trade and other receivables (refer note 18)	1,890	—	—	33	—	1,923
Cash and cash equivalents (refer note 19)	18,469	30,759	13,639	153	—	63,020
Total financial assets	1,467,934	30,759	18,957	186	22,634	1,540,470
Financial liabilities						
Other financial liabilities (refer note 20)	(15)	—	—	—	—	(15)
Borrowings (refer note 21)	(72,673)	—	—	—	—	(72,673)
Trade and other payables (refer note 22)	(21,135)	(879)	—	(523)	—	(22,537)
Total financial liabilities	(93,823)	(879)	—	(523)	—	(95,225)

As at 31 December 2014 Functional and presentational currency exposure	South African Rand £'000	Pounds Sterling £'000	US Dollar £'000	Euro £'000	Zambian Kwatcha £'000	Total £'000
Financial assets						
Net investments in subsidiaries (refer note 15)	26,011	—	—	—	—	26,011
Net investments in associates (refer note 16)	48,199	—	—	—	—	48,199
Financial assets held for trading (refer note 14)	5,769	—	296	—	1,257	7,322
Investments classified as loans and receivables (refer note 17)	438	—	—	—	—	438
Trade and other receivables (refer note 18)	105	—	—	2	—	107
Cash and cash equivalents (refer note 19)	1,026	1,709	758	8	—	3,501
Total financial assets	81,548	1,709	1,054	10	1,257	85,578
Financial liabilities						
Other financial liabilities (refer note 20)	(1)	—	—	—	—	(1)
Borrowings (refer note 21)	(4,037)	—	—	—	—	(4,037)
Trade and other payables (refer note 22)	(1,174)	(49)	—	(29)	—	(1,252)
Total financial liabilities	(5,212)	(49)	—	(29)	—	(5,290)

26. Financial instruments and financial risk management (continued)

26.5 Market risk (continued)

26.5.1 Currency risk (continued)

Sensitivity analysis for exposure to foreign current risk

The following table demonstrates in Rands, what the impact of profit before tax would be if the Rand strengthened/(weakened) by 10% and all other variables remained constant:

10% strengthening in the Rand Increase/(decrease) in profit before tax			10% weakening in the Rand Increase/(decrease) in profit before tax	
31 December 2014 R'000	**30 June 2015 R'000**	**Currency exposed to:**	**30 June 2015 R'000**	31 December 2014 R'000
(2,988)	**(382)**	Pounds Sterling	**382**	2,988
(1,896)	**—**	US Dollar	**—**	1,896
34	**27**	Euro	**(27)**	(34)
(2,263)	**(1,616)**	Zambian Kwatcha	**1,616**	2,263

The following table demonstrates, in Pound Sterling, what the impact of profit before tax would be if the Pound Sterling strengthened/(weakened) by 10% and all other variables remained constant:

10% strengthening in Pounds Sterling Increase/(decrease) in profit before tax			10% weakening in Pound Sterling Increase/(decrease) in profit before tax	
31 December 2014 £'000	**30 June 2015 £'000**	**Currency exposed to:**	**30 June 2015 £'000**	31 December 2014 £'000
7,634	**22,916**	South African Rand	**(22,916)**	(7,634)
105	**—**	US Dollar	**—**	(105)
(2)	**(1)**	Euro	**1**	2
126	**85**	Zambian Kwatcha	**(85)**	(126)

The following significant exchange rates applied during the year:

	30 June 2015	31 December 2014
South African Rands/Pounds Sterling		
Average Rate	**18.162**	17.857
Closing Rate	**19.106**	18.001

26.5.2 Interest rate risk

Fair value interest rate risk is the risk that the fair value of financial instruments will fluctuate because of changes in market interest rates. Cash flow interest rate risk is the risk that future cash flows associated with financial instruments will fluctuate because of changes in market interest rates. The following financial instruments are exposed to interest rate risk: investments, borrowings, other financial liabilities and cash and cash equivalents.

26. Financial instruments and financial risk management (continued)

26.5 Market risk (continued)

26.5.2 Interest rate risk (continued)

At the reporting date interest rate profile of the Group's interest bearing financial instruments were as follows:

31 December 2014 R'000	**30 June 2015 R'000**		**30 June 2015 £'000**	31 December 2014 £'000
		Non-interest bearing instruments		
		Financial assets		
287,703	**273,344**	Net investments in subsidiaries^ (refer note 15)	**14,307**	16,199
287,703	**273,344**		**14,307**	16,199
		Variable rate instruments		
		Financial assets		
19,554	**5,353**	Net investments in subsidiaries^ (refer note 15)	**280**	1,086
7,888	**—**	Investments classified as loans and receivables (refer note 17)	**—**	438
63,020	**19,727**	Cash and cash equivalents (refer note 19)	**1,032**	3,501
		Financial liabilities		
(72,673)	**(440,000)**	Borrowings (refer note 21)	**(23,030)**	(4,037)
17,789	**(414,920)**		**(21,718)**	988
		Fixed rate instruments		
		Financial assets		
11,367	**—**	Net investments in subsidiaries^ (refer note 15)	**—**	631
11,367	**—**		**—**	631

^ Comprises equity loans to subsidiaries reflected at their carrying value (being the value on which the interest is calculated if applicable) prior to any fair value adjustments

Investments

The Group's exposure to interest rates on investments is detailed in note 15 Net investments in subsidiaries, note 16 Net investments in associates and note 17 Investments classified as loans and receivables. Interest rate risk in respect of investments falling within the various segment is managed by the Tiso Blackstar Board, who meets on a quarterly basis to review the investment portfolio and consequently monitor interest rate risk on an on-going basis.

Borrowings

The Group adopts a policy of ensuring that its borrowings are at market-related rates. Operational management in each segment is responsible for monitoring borrowing levels and exposure to interest rate risk on an on-going basis. The variable rates are influenced by movements in the South African Prime Rate.

Cash and cash equivalents

Any excess cash and cash equivalents are invested with banks at short term market interest rates. Overdrafts which arise are linked to the South African Prime Rate.

Sensitivity analyses

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting year. A 1% change has been used as this is what could reasonably be expected as a change in interest rates based on historical movements in interest rates within South Africa.

26. Financial instruments and financial risk management (continued)

26.5 Market risk (continued)

26.5.2 Interest rate risk (continued)

Sensitivity analyses (continued)

A 1% decrease in the South African Prime Rate effective from the beginning of the year, all other variables held constant, would have resulted in an increase of R4,149,000, £217,000 (31 December 2014: R905,000, £91,000) in the reported net asset value of the Group. A 1% increase in the South African Prime Rate effective from the beginning of the period, on the same basis, would have resulted in a decrease of R4,149,000, £217,000 (31 December 2014: R905,000, £91,000) in the reported net asset value of the Group.

26.5.3 Market price risk

Market price risk, or equity price risk, is the risk of unfavourable changes in the fair values of the equities as a result of changes in the levels of equity indices and the value of individual shares. The market price risk exposure arises from the Group's investments in equity securities. The Group manages this risk by investing in a variety of equities the portfolio of which is reviewed on a quarterly basis by the Board of Directors.

The Group is exposed to market price risk in its listed and unlisted investments. Listed and unlisted investments are susceptible to market price risk arising from the performance of the underlying companies and uncertainties about future prices in the case of listed investments. The Board of Directors meet on a quarterly basis to review the investment portfolio, in particular the underlying performance of the companies in which it has invested and consequently monitors the value of its investments on an on-going basis.

Investments exposed to market price risk

31 December 2014 R'000	**30 June 2015 R'000**		**30 June 2015 £'000**	31 December 2014 £'000
		Financial assets		
43,696	**—**	Net investments in subsidiaries (refer note 15)	**—**	2,427
862,612	**1,729,513**	Net investments in associates (refer note 16)	**90,522**	47,921
48,765	**16,156**	Financial assets held for trading (refer note 14)	**846**	2,709
955,073	**1,745,669**		**91,368**	53,057

Sensitivity analysis

The Group is invested in equities whose underlying value is derived from investments on listed exchanges. Should global equity indices increase by 10%, the fair value of the Group's investments, if all other input factors remained constant, would increase by R404,766,000 £21,185,000 (31 December 2014: R95,507,000 £5,306,000). Should global equity indices decrease by 10%, the fair value of the Group's investments, if all other input factors remained constant, would decrease by R404,766,000 £21,185,000 (31 December 2014: R95,507,000 £5,306,000).

27. Fair value of assets

27.1 Fair value hierarchy

IFRS 13 requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering the factors specific to the asset or liability. The following table shows financial instruments recognised at fair value, categorised in accordance with the manner in which the fair value is based:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

27. Fair value of assets (continued)

27.1 Fair value hierarchy (continued)

Recurring fair value measurement of assets and liabilities

Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000	As at 30 June 2015	Total £'000	Level 3 £'000	Level 2 £'000	Level 1 £'000
				Financial assets				
—	2,541,707	441,729	2,983,436	Net investments in subsidiaries	156,153	23,120	133,033	—
—	—	365,131	365,131	Investment in CSI	19,111	19,111	—	—
—	2,541,707	—	2,541,707	Investment in TMG	133,033	—	133,033	—
—	—	76,598	76,598	Investment in TBRE and the property subsidiaries	4,009	4,009	—	—
—	—	1,734,013	1,734,013	Net investments in associates	90,758	90,758	—	—
—	—	1,729,513	1,729,513	Investment in KTH	90,522	90,522	—	—
—	—	4,500	4,500	Investment in Bataung	236	236	—	—
16,156	—	80,000	96,156	Financial assets held for trading	5,033	4,187	—	846
16,156	—	—	16,156	Listed equity securities	846	—	—	846
—	—	80,000	80,000	Unlisted investments	4,187	4,187	—	—
16,156	**2,541,707**	**2,255,742**	**4,813,605**	**Total**	**251,944**	**118,065**	**133,033**	**846**

Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000	As at 31 December 2014	Total £'000	Level 3 £'000	Level 2 £'000	Level 1 £'000
				Financial assets				
43,696	—	424,522	468,218	Net investments in subsidiaries	26,011	23,584	—	2,427
—	—	357,000	357,000	Investment in CSI	19,832	19,832	—	—
43,696	—	—	43,696	Investment in BSOF	2,427	—	—	2,427
—	—	2,198	2,198	Investment in NBC	122	122	—	—
—	—	65,324	65,324	Investment in TBRE and the property subsidiaries	3,630	3,630	—	—
862,612	—	5,000	867,612	Net investments in associates	48,199	278	—	47,921
862,612	—	—	862,612	Investment in TMG*	47,921	—	—	47,921
—	—	5,000	5,000	Investment in Navigare	278	278	—	—
48,765	3,044	80,000	131,809	Financial assets held for trading	7,322	4,444	169	2,709
43,447	—	—	43,447	Listed equity securities	2,413	—	—	2,413
5,318	3,044	80,000	88,362	Unlisted investments	4,909	4,444	169	296
955,073	3,044	509,522	1,467,639	**Total**	81,532	28,306	169	53,057

Transfers between Levels

In 2014, the Group held a 32.5% stake in TMG which was listed on the JSE. Tiso Blackstar made a public offer to TMG shareholders to acquire the remaining shares it did not already own and on 8 June 2015 the Group acquired the remaining 67.5% of TMG and TMG was subsequently delisted. As a result of this delisting, TMG's shares are no longer considered to be actively traded and the TMG investment was transferred from Level 1 to Level 2. As at year end, the TMG investment was valued based on the observable price of the recent acquisition transaction.

27. Fair value of assets (continued)

27.2 Valuation techniques

27.2.1 Level 1

Listed investments in subsidiaries, associates and equity securities

When fair values of publicly traded equity securities and managed funds are based on quoted market prices, or binding dealer quotations, in an active market for identical assets without any adjustments, the instruments are included in Level 1 of the hierarchy. The Group values these investments at the bid price of the investment at the end of the reporting period.

27.2.2 Level 2

Investment in TMG

At 30 June 2015, the investment in TMG is classified as a Level 2 investment as it has been valued at year end with reference to the actual consideration paid to TMG shareholders as per the public offer.

27.2.3 Level 3

Investment in CSI, Robor, Bataung and Navigare

For these investments, the Group's investment manager determines comparable public companies (peers) based on industry, size, leverage and strategy and calculates a weighted average cost of capital amount ("WACC"). This WACC is then applied to the future cash flows of the respective investment to calculate a value based on a discounted cash flow model. The value derived from the discounted cash flow model is then sense checked against a valuation based on an earnings multiple model and the Group's share of the investment's NAV. The Group classifies the fair value of these investments as Level 3.

Investment in KTH

KTH's underlying investments consist of listed investments and unlisted investments. The fair value of these investments is determined independently using valuation methodologies per the International Private Equity and Venture Capital Guidelines ("IPEVC Guidelines"). An independent valuation report provides the KTH NAV which comprises the value of the underlying investments after adding other assets and deducting net debt and other liabilities. Tiso Blackstar applies a further discount (2015:18%) to KTH's NAV to account for head office costs and any potential CGT liability that would be realised on disposal of the investments. The Group classifies the fair value of this investment as Level 3.

Investment in TBRE and the property subsidiaries

Where the Group has investments in TBRE and its subsidiaries, the Group values these investments using a yield percentage on an adjusted profit before interest and tax ("PBIT") basis. The adjustment made to the PBIT is to take out items which are on a non-recurring basis. The Group classifies the fair value of these investments as Level 3.

Valuation process for Level 3 valuations

Valuations are the responsibility of the Tiso Blackstar Board.

The Level 3 valuations are performed half-yearly by Tiso Blackstar SA the investment manager and reviewed by the Tiso Blackstar Board. This is presented in the form of the Intrinsic NAV. The valuation of the underlying investment property is performed every 3 to 5 years by an independent valuator. On a half-yearly basis, the investment manager shall review the respective valuations and inputs for significant changes, and shall consult with external sources where relevant.

The valuations are subject to quality assurance procedures performed by the Tiso Blackstar Board. The Tiso Blackstar Board verify the major inputs applied in the latest valuation by agreeing the information in the latest valuation computation to relevant documents and market information. In addition, the accuracy of the computation is tested. The latest valuation is also compared to the valuation of the preceding period.

27. Fair value of assets (continued)

27.2 Valuation techniques (continued)

27.2.3 Level 3 (continued)

Valuation process for Level 3 valuations (continued)

On a quarterly basis, the Intrinsic NAV calculation (which includes the investments at fair value) is presented to the Tiso Blackstar Board. This includes discussions of the major assumptions used in the valuations, with an emphasis on the more significant investments.

Any changes in valuation methods are discussed and agreed by the Tiso Blackstar Board.

Quantitative information of significant unobservable inputs - Level 3

Description	Fair value 2015 R'000	Fair value 2014 R'000	Fair value 2015 £'000	Fair value 2014 £'000	Valuation technique	Unobservable input	Range (weighted average)	Range (weighted average)
Investment in KTH	**1,729,513**	—	**90,522**	—	Adjusted NAV	WACC*	10% to 15%	10% to 15%
						Perpetual growth*	3% to 8%	3% to 8%
Investment in CSI	**365,131**	357,000	**19,111**	19,832	Discounted cash flows	WACC	15% to 20%	15% to 20%
						Perpetual growth	4% to 7%	4% to 7%
Investment in Robor	**80,000**	80,000	**4,187**	4,444	Discounted cash flows	WACC	15% to 20%	15% to 20%
						Perpetual growth	4% to 7%	4% to 7%
Investment in Bataung	**4,500**	—	**236**	—	Adjusted NAV	#	#	#
Investment in Navigare	**—**	5,000	**—**	278	Discounted cash flows	WACC	20% to 30%	20% to 30%
						Perpetual growth	3% to 5%	3% to 5%
Investment in NBC	**—**	2,198	**—**	122	Adjusted NAV	#	#	#
Investment in TBRE and the property subsidiaries	**76,598**	65,324	**4,009**	3,630	Yield on profit before interest and tax	Estimated operating profit before interest and tax per year	R240,000 to R5,500,000	£13,000 to £306,000
						Yield	9% to 15%	9% to 15%
						Occupancy rate	45% to 100%	45% to 100%
Total	**2,255,742**	509,522	**118,065**	28,306				

* The WACC and the Perpetual growth inputs are those applied in the valuation of the significant underlying investments of KTH.

\# There is no unobservable data that is used barring the information in the NAV value. As a result, no sensitivity analysis could be performed.

27. Fair value of assets (continued)

27.2 Valuation techniques (continued)

27.2.3 Level 3 (continued)

Sensitivity analysis to significant changes in unobservable inputs within the Level 3 hierarchy

Description	Input	Sensitivity used – increase	Effect on fair value increase/(decrease) 2015 R'000	2014 R'000	2015 £'000	2014 £'000
Investment in KTH	WACC*	1%	**(135,990)**	—	**(7,118)**	—
	Perpetual growth*	1%	**148,515**	—	**7,773**	—
Investment in CSI	WACC	1%	**(26,867)**	(25,000)	**(1,406)**	(1,389)
	Perpetual growth	1%	**32,619**	18,000	**1,707**	1,000
Investment in Robor	WACC	1%	**(10,075)**	(10,075)	**(527)**	(527)
	Perpetual growth	1%	**9,535**	9,535	**499**	499
Investment in Bataung	Adjusted NAV	#	**#**	#	**#**	#
Investment in Navigare	WACC	1%	**—**	(77)	**—**	(4)
	Perpetual growth	1%	**—**	58	**—**	3
Investment in NBC	Adjusted NAV	#	**#**	#	**#**	#
Investment in TBRE and the property subsidiaries	Estimated rental per annum per	R 1,000,000 or £ 100,000	**4,657**	4,596	**442**	456
	property Yield	1%	**(2,899)**	(2,877)	**(147)**	(159)
	Occupancy rate	5%	**3,235**	3,274	**172**	182

* The WACC and the Perpetual growth inputs are those applied in the valuation of the significant underlying investments of KTH.
# There is no unobservable data that is used barring the information in the NAV value. As a result, no sensitivity analysis could be performed.

Level 3 reconciliation

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period.

	Investment in CSI R'000	Investment in Robor R'000	Investment in NBC R'000	Investment in TBRE and the property subsidiaries R'000	Investment in KTH R'000	Investment in Bataung R'000	Investment in Navigare R'000
2015							
Balance as at 1 January 2015	**357,000**	**80,000**	**2,198**	**65,324**	**—**	**—**	**5,000**
Total gains and losses recognised in profit and loss	**12,000**	**—**	**(2,198)**	**13,994**	**(50,688)**	**—**	**86**
Interest and dividends accrued	**—**	**—**	**—**	**289**	**—**	**—**	**—**
Additions	**—**	**—**	**—**	**—**	**1,780,201**	**4,500**	**—**
Proceeds on disposals	**—**	**—**	**—**	**—**	**—**	**—**	**(5,000)**
Transfer of loan from CCPA	**8,131**	**—**	**—**	**—**	**—**	**—**	**—**
Disposals or repayments of equity loans	**(12,000)**	**—**	**—**	**(3,009)**	**—**	**—**	**(86)**
Balance as at 30 June 2015	**365,131**	**80,000**	**—**	**76,598**	**1,729,513**	**4,500**	**—**
2014							
Balance as at 1 January 2014	212,000	109,340	3,600	33,192	—	—	5,000
Total gains and losses in profit and loss	165,000	(29,340)	(1,402)	8,054	—	—	231
Interest and dividends accrued	—	—	—	548	—	—	—
Additions	—	—	—	23,530	—	—	—
Disposals or repayments of equity loans	(20,000)	—	—	—	—	—	(231)
Balance as at 31 December 2014	357,000	80,000	2,198	65,324	—	—	5,000

27. Fair value of assets (continued)

27.2 Valuation techniques (continued)

27.2.3 Level 3 (continued)

Level 3 reconciliation (continued)

	Investment in CSI £'000	Investment in Robor £'000	Investment in NBC £'000	Investment in TBRE and the property subsidiaries £'000	Investment in KTH £'000	Investment in Bataung £'000	Investment in Navigare £'000
2015							
Balance as at 1 January 2015	**19,832**	**4,444**	**122**	**3,630**	**—**	**—**	**278**
Total gains and losses recognised in profit and loss	**661**	**—**	**(121)**	**770**	**(2,791)**	**—**	**5**
Interest and dividends accrued	**—**	**—**	**—**	**17**	**—**	**—**	**—**
Additions	**—**	**—**	**—**	**—**	**98,020**	**248**	**—**
Proceeds on disposals	**—**	**—**	**—**	**—**	**—**	**—**	**(275)**
Transfer of loan from CCPA	**448**	**—**	**—**	**—**	**—**	**—**	**—**
Disposals or repayments of equity loans	**(661)**	**—**	**—**	**(166)**	**—**	**—**	**(5)**
Exchange losses	**(1,169)**	**(257)**	**(1)**	**(242)**	**(4,707)**	**(12)**	**(3)**
Balance as at 30 June 2015	**19,111**	**4,187**	**—**	**4,009**	**90,522**	**236**	**—**
2014							
Balance as at 1 January 2014	12,163	6,273	206	1,903	—	—	287
Total gains and losses in profit and loss	9,240	(1,643)	(79)	451	—	—	13
Interest and dividends accrued	—	—	—	31	—	—	—
Additions	—	—	—	1,318	—	—	—
Disposals or repayments of equity loans	(1,120)	—	—	—	—	—	(13)
Exchange losses	(451)	(186)	(5)	(73)	—	—	(9)
Balance as at 31 December 2014	19,832	4,444	122	3,630	—	—	278

28. Capital management

Through two capital raisings the Company raised £80 million (£75.4 million after capital raising expenses) in 2006. In 2011, the Company raised a further R100 million (£8.9 million). The capital includes share capital, share premium and all distributable and non-distributable reserves, and is managed in accordance with the Group's investment strategy.

The investment objective of the Company is to generate shareholder returns through investing in a portfolio of businesses. Whilst not constricted geographically, given the background and experience of management, it is expected that the majority of capital invested will be in businesses operating in Southern Africa, with a particular focus on South Africa. Investments outside Southern Africa will be considered where the Tiso Blackstar Board believes the opportunities are particularly attractive. The Company will look to invest in businesses with the underlying themes of strategic market position and strong cash flows. The Company may invest in the form of either equity or debt and may acquire directly or indirectly controlling or minority holdings in investee companies.

The Tiso Blackstar Board meets on a quarterly basis and is responsible for reviewing the capital structure of the Group. The Tiso Blackstar Board seeks to maintain a balance between return on capital, gearing within the Group and usage of the Group's equity capital. The key performance indicator for the Group is return on capital employed.

28. Capital management (continued)

The Group finances its portfolio of investments out of its own capital resources and utilises third-party debt funding as appropriate on a limited basis. In addition, investee companies may themselves have gearing, which is ring-fenced within the companies and is based on the levels of gearing that the companies can sustain. The Tiso Blackstar Board reviews the level of gearing in the Group on a regular basis.

From time to time the Company acquires its own ordinary shares in the market to hold as treasury shares. Such buy-backs depend on market prices and available cash resources and reserves. During the current financial period, the Company bought back no (31 December 2014: 1,735,000) ordinary shares in the open market. During the current period, 791,558 treasury shares and 1,010,571 new shares were issued as part of the Shareholder approved long term Management Incentive Scheme award for the period ended 31 December 2014. In June 2015, Tiso Blackstar issued 183,566,216 shares to settle part of the consideration due on acquisition of the investments in KTH and TMG. Refer to note 23 for further details on the movement in share capital.

The Company looks to maintain a flexible policy regarding the payment of dividends. The Company is of the view that the Group requires a balance between the retention of earnings for investment opportunities and the establishment of consistent dividend declarations as they form an important part of shareholder wealth creation. There are accordingly no fixed dates for declaration and payment of dividends by the Company. However, following the completion of the Transactions, Tiso Blackstar's focus in the short to medium term will be on reducing the debt amount. The Tiso Blackstar Board will seek to pay dividends in the future as soon as circumstances permit.

The Group has externally imposed capital requirements as set out in note 26.4, which took effect in the current period and have been complied with since their introduction. There have been no other changes in the capital that it manages.

29. Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

Twelve months ended 31 December 2014 R'000	**Six months ended 30 June 2015 R'000**		**Six months ended 30 June 2015 £'000**	Twelve months ended 31 December 2014 £'000
(1,971)	**(91)**	Land and buildings	**(5)**	(109)
(907)	**(91)**	Less than one year	**(5)**	(50)
(1,064)	**—**	Due between one and five years	**—**	(59)
—	**—**	More than five years	**—**	—
(288)	**(245)**	Equipment	**(13)**	(16)
(86)	**(92)**	Less than one year	**(5)**	(5)
(202)	**(153)**	Due between one and five years	**(8)**	(11)
—	**—**	More than five years	**—**	—
(2,259)	**(336)**		**(18)**	(125)

30. Capital commitments

As at period end, management of consolidated Group companies had not committed to any contracted capital expenditure (31 December 2014: nil) nor any non contracted capital expenditure (31 December 2014: nil).

31. Contingencies and guarantees

31.1 Guarantees

Tiso Blackstar has provided guarantees to banks in respect of a mortgage bonds taken out by TBRE to acquire properties for the amount of R67,684,000 (£3,543,000).

Tiso Blackstar has provided a guarantee limited to R80,000,000 (£4,187,000) to a bank in respect of financing facilities provided to CSI. The Company has also provided an undertaking to this bank that the calculated shareholders equity (NAV) will not reduce below R125,000,000 (£6,542,000).

Tiso Blackstar together with Tiso Blackstar Cyprus has a written cession in securitatem debiti and pledge agreement with RMB and Standard Bank which operates as a security cession in respect of the facility held by Tiso Blackstar Cyprus (refer note 21).

Tiso Blackstar has a limited warranty and indemnity for the obligations of Firefly (a subsidiary of TBRE) in favour of a bank with whom Firefly has a mortgage bond for investment property acquired.

31.2 Contingent liabilities and contingent assets

There are no contingent liabilities or assets to report as at 30 June 2015 (31 December 2014: nil).

32. Directors fees

	Salary earned as employee of a consolidated subsidiary of the Group					Salary earned as employee of a consolidated subsidiary of the Group		
Total R'000	Other benefits* R'000	Salary R'000	Non-executive Directors fees R'000		Non-executive Directors fees £'000	Salary £'000	Other benefits* £'000	Total £'000
				30 June 2015				
—	—	—	—	David Adomakoh^	—	—	—	—
315	—	—	315	John Mills	17	—	—	17
—	—	—	—	Nkululeko Sowazi^	—	—	—	—
1,266	181*	882	203	Andrew Bonamour#	11	49	10*	70
247	—	—	247	Marcel Ernzer	14	—	—	14
103	—	—	103	Richard Wight	6	—	—	6
1,931	181	882	868		48	49	10	107
				31 December 2014				
664	—	—	664	John Mills	37	—	—	37
2,647	553*	1,659	435	Andrew Bonamour#	24	93	31*	148
536	—	—	536	Marcel Ernzer	30	—	—	30
222	—	—	222	Richard Wight	12	—	—	12
4,069	553	1,659	1,857		103	93	31	227

* Other benefits include medical aid, security and motor vehicle allowance
^ David Adomakoh and Nkululeko Sowazi were appointed as non-executive directors on 8 June 2015
# Andrew Bonamour is the chief executive office of the investment advisor Tiso Blackstar SA

During the 2014 year, an amount of R21,565,000 (£1,208,000) was awarded to Andrew Bonamour through the shareholder approved long term Management Incentive Scheme. There was no incentive scheme award during the current reporting period. From 1 October 2013, Andrew Bonamour earned the majority of his salary directly from TMG and his Tiso Blackstar remuneration is now incentive based and calculated in terms of the Incentive Scheme Rules.

On successful implementation of the TMG and KTH acquisitions, the Directors were awarded a consulting fee which was made up as follows: John Mills R609,000 (£34,000); Andrew Bonamour R419,000 (£23,000); Marcel Ernzer R505,000 (£28,000); Richard Wight R209,000 (£12,000). The fees were accrued for at 30 June 2015 and have subsequently been paid.

32. Directors fees (continued)

The Group is not considered to have any key management personnel as defined by IAS24 Related Party Disclosures, in addition to its Directors.

The Company does not operate a pension scheme for its Directors.

All Directors' fees payable to John Mills are payable to the Maitland Luxembourg S.A. ("Maitland").

No Directors of the Company held any share options and no options were granted or exercised during the period (31 December 2014: nil).

Details of the Director's beneficial interest in the ordinary share capital of the Company at period end is provided in the Directors' Report.

33. Tiso Blackstar long term Management Incentive Scheme

The Directors continue to believe that the success of Tiso Blackstar will be dependent upon the retention and incentivisation of its management and employees. The Company is constantly in competition with other companies and funds who vie for the talent it has. Therefore, the Directors believe that it is imperative that the Tiso Blackstar share incentive scheme is an attractive proposition while incentivising and aligning management's interests with those of the sustained growth of the Tiso Blackstar's NAV per share over the medium to long term.

The Company's long term Management Incentive Scheme is structured so that it is non-dilutive for shareholders. Participants in the scheme accrue shares based on a portion of the NAV growth per share that has been created. In order to retain talent over the long term, participants receive the value of their share incentives incrementally, over a defined period of time.

The long term Management Incentive Scheme (prior to the shareholder approved changes as detailed below) could be summarised into two components:

- Increase in Intrinsic NAV

  The intrinsic NAV was determined on a semi-annual basis (the Relevant Dates being 30 June and 31 December) and was subject to review by the Company's auditors. The NAV at the end of each six month incentive period was compared to the Intrinsic NAV at the beginning of the period and 15% of the increase in the NAV was allocated to the incentive pool. The hurdle is the South Africa Short Term Fixed Interest Benchmark Rate ("STEFI") and is subject to a catch up. Should the NAV decline over a reporting period, the Company would need to recover that decline and the NAV would need to increase to the high watermark plus hurdle, before any amount would be allocated to the Incentive Pool. The NAV would be adjusted for corporate events including share buy backs, dividends and capital raisings.

  Of the Incentive Pool calculated at each Relevant Date, 50% was settled in cash and 50% was settled in Tiso Blackstar shares. The number of shares to be issued was calculated by dividing the 50% shares Incentive Pool by the Tiso Blackstar share price on the Relevant Date as quoted by the AltX stock market of South Africa. The shares issued pursuant to the long term Management Incentive Scheme had a restriction on selling of three years or such shorter period as the Chairman may determine in his absolute discretion.

- Portfolio performance

  The Tiso Blackstar Board had the ability to issue up to 0.5% of the shares in issue per year depending on performance criteria including but not limited to: cost management and control and the extent of the work performed during the period to manage the investment portfolio. The chief executive officer of Tiso Blackstar SA would provide the Tiso Blackstar Board with a written recommendation as to the amount of the additional award as well as the motivation behind this allocation.

33. Tiso Blackstar long term Management Incentive Scheme (continued)

- Portfolio performance (continued)

As a result of the acquisitions of the interest in KTH and buyout of TMG, and in order to further align the scheme participants with the performance expectations of the Tiso Blackstar shareholders, at a General Meeting of the Company held on 23 March 2015, shareholders approved the following amendments to the existing scheme:

- the percentage of the increase which determines the Incentive Pool is reduced from 15% to 10% which the Tiso Blackstar Board believes is a more appropriate percentage in light of the increased size of Tiso Blackstar;
- the size of the Incentive Pool is now determined annually instead of twice a year; and
- the Incentive Pool is paid out solely in shares.

The principal benefits of the revised scheme to shareholders include:

- Shareholder value is not diluted as the long term Management Incentive Scheme only pays out when value is created (as with the current management incentive scheme rules);
- 100% of the incentive is settled in Tiso Blackstar shares which are locked up for three years aligning management to focus on growing the NAV per share. This also limits the cash reduction of the Company as the Company no longer has an obligation to settle half of the incentive pool in cash; and
- Management are incentivised to reduce the operating costs (as high operating costs will reduce the NAV per Share) and focus on growing NAV per share which is the ultimate alignment with Shareholders.

As calculated in terms of the Incentive Scheme rules, there was no incentive award in respect of the period ended 30 June 2015 due to the fact that growth in the Intrinsic NAV was insufficient.

In respect of the year ended 31 December 2014, a total of 1,802,129 Tiso Blackstar shares were awarded to Participants of which 1,596,908 shares as part of the Incentive Pool, and a further 205,221 discretionary shares awarded by the Tiso Blackstar Board in March 2015.

During the current reporting period the remaining 791,558 shares held in treasury and a further 1,010,571 new shares were issued to the settle the obligation in respect of 2014.

Shares issued under the Scheme

2015	Share price on date of issue R	Shares issued Number	Total equity settled share based payment expense recognised in profit and loss R'000	£'000
31 December 2014 optional award^	**11.85**	**205,221**	**2,432**	**134**
		205,221	**2,432**	**134**

^ During March 2015, the Board approved an additional discretionary award of 205,221 shares to Participants for the year ended 31 December 2014. These shares were issued out of the treasury shares held by Tiso Blackstar in March 2015. Discretionary share awards are only recognised once approved by the Board of Directors

2014	Share price on date of issue R	Shares issued Number	Total equity settled share based payment expense recognised in profit and loss R'000	£'000
30 June 2014 award	13.35	855,890	11,426	640
31 December 2014 award	11.85	1,596,908	18,923	1,060
31 December 2013 optional award*	11.60	205,221	2,381	133
		2,658,019	32,730	1,833

* The additional discretionary award of 205,221 shares in respect of the 2013 financial year was awarded and recognised in 2014

33. Tiso Blackstar long term Management Incentive Scheme (continued)
Cash award under the Scheme

2014	Total cost of the cash award recognised in profit and loss R'000	£'000
30 June 2014 award	8,686	486
31 December 2014 award	18,924	1,060
	27,610	1,546

34. Related parties
The Company's subsidiaries and associates designated at fair value through profit and loss are considered to be related parties of the Company and its consolidated subsidiaries. Balances and transactions between these related parties are disclosed within this note. Balances and transactions between the Company and its consolidated subsidiaries (which are also related parties of the Company), have been eliminated on consolidation and are therefore not disclosed in this note.

Equity loans to subsidiaries and associates, and equity investments in subsidiaries and associates are reflected at fair value in the table below. Notes 14, 15 and 16 can be referred to for further details.

Working capital loans to subsidiaries are reflected at amortised cost (refer note 17).

30 June 2015	**CSI R'000**	**CCPA R'000**	**GRS R'000**	**TBRE R'000**	**Firefly R'000**	**Domel R'000**	**Wonderdeals R'000**	**Fantastic R'000**	**TMG R'000**	**Navigare R'000**	**NBC R'000**	**Bataung R'000**
Fee income	**279**	**—**	**266**	**61**	**63**	**64**	**15**	**24**	**500**	**115**	**—**	**4**
Dividend and interest income on investments	**—**	**243**	**—**	**—**	**289**	**—**	**—**	**—**	**72,323**	**—**	**2,150**	**—**
Rent paid	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(261)**	**—**	**—**	**—**
	279	**243**	**266**	**61**	**352**	**64**	**15**	**24**	**72,562**	**115**	**2,150**	**4**

30 June 2015	**CSI £'000**	**CCPA £'000**	**GRS £'000**	**TBRE £'000**	**Firefly £'000**	**Domel £'000**	**Wonderdeals £'000**	**Fantastic £'000**	**TMG £'000**	**Navigare £'000**	**NBC £'000**	**Bataung £'000**
Fee income	**15**	**—**	**15**	**3**	**3**	**4**	**1**	**1**	**28**	**6**	**—**	**—**
Dividend and interest income on investments	**—**	**13**	**—**	**—**	**16**	**—**	**—**	**—**	**3,982**	**—**	**118**	**—**
Rent paid	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(14)**	**—**	**—**	**—**
	15	**13**	**15**	**3**	**19**	**4**	**1**	**1**	**3,996**	**6**	**118**	**—**

31 December 2014	CSI R'000	CCPA R'000	GRS R'000	TBRE R'000	Firefly R'000	Domel R'000	Wonderdeals R'000	Fantastic R'000	TMG R'000	Navigare R'000
Fee income	525	—	500	364	118	120	51	25	—	214
Dividend and interest income on investments	—	734	—	(861)	1,638	—	—	—	24,646	—
Rent paid	—	—	—	—	—	—	—	—	(130)	—
	525	734	500	(497)	1,756	120	51	25	24,516	214

31 December 2014	CSI £'000	CCPA £'000	GRS £'000	TBRE £'000	Firefly £'000	Domel £'000	Wonderdeals £'000	Fantastic £'000	TMG £'000	Navigare £'000
Fee income	29	—	28	20	7	7	3	1	—	12
Dividend and interest income on investments	—	41	—	(48)	92	—	—	—	1,380	—
Rent paid	—	—	—	—	—	—	—	—	(7)	—
	29	41	28	(28)	99	7	3	1	1,373	12

34. Related parties (continued)

John Mills is deemed to be a related party, as in addition to being a Director, funds associated with John Mills are interested in 0.9% of the issued share capital of the Company. In addition John Mills is a Director of Maitland. Maitland Malta Limited ("Maitland Malta"), an entity related to Maitland, has provided services to the Company, on a commercial, arm's length basis including sub-letting of office space and administrative services. In 2015 total fees paid to Maitland Malta amounted to R221,000, £12,000 (31 December 2014: R265,000, £15,000). At balance sheet date amounts owing to Maitland Malta amounted to R31,000, £1,600 (31 December 2014: nil).

Further to the amounts above, BSOF has provided Maitland Group South Africa Limited, an entity related to Maitland, a fee of R137,000, £7,500 (31 December 2014: R313,000, £17,000) for the administration of BSOF and at period end there was no amount outstanding (31 December 2014: nil).

Andrew Bonamour is deemed to be a related party as in addition to being a Director, funds associated with Andrew Bonamour are interested in 3.3% (31 December 2014: 10.4%) of the issued share capital of the Company as at 30 June 2015. Andrew Bonamour has an interest in 56 Church Street Proprietary Limited ("56 Church Street"). Tiso Blackstar SA rents office space from 56 Church Street and paid a market related rental of R151,000, £8,300 during the period (31 December 2014: R181,000, £10,000).

Details of Directors' remuneration are provided in note 32 to the consolidated financial statements. There are no other related parties transactions to disclose.

35. Post balance sheet events

35.1 Acquisition of additional interest in Robor

Subsequent to period end, Tiso Blackstar concluded an agreement to purchase additional ordinary shares in Robor thereby increasing its stake to 51% for a consideration of R29.6 million (£1.5 million). The purchase consideration will be settled through the issue of 1,740,358 Tiso Blackstar shares at a price of R17.00 per share being the Company's Intrinsic NAV post the acquisition of the investments in TMG and KTH. As the Tiso Blackstar shares are to be issued at Intrinsic NAV (being a premium to the current market price), there is no dilutive effect for existing shareholders. The transaction will be effective once all suspensive conditions precedent have been met all of which have been met with the exception of the approval from the South African Competition Authorities. It is anticipated that this will be concluded within the next few weeks.

35.2 Realisation of investments

In line with Tiso Blackstar's strategy to dispose of certain of its smaller investments, in July 2015 the Group disposed of its 70% investment in the fund management business BFM and is in the process of disposing of its property portfolio.

At the date of this report, agreements have been entered into to dispose of the six properties for an aggregate amount of R167.0 million (£9.0 million), a return of two times invested money over an average holding period of two and a half years. Any surplus funds, post settlement of mortgage bonds, shall be utilised by the Group to reduce the term debt. To date an additional R15.0 million (£0.8 million) has been deposited into the term debt.

35.3 Change to Listing

Tiso Blackstar is currently investigating the possibility of transferring its current trading on AIM to a listing on the Premium Segment of the Official List of the Financial Conduct Authority under Chapter 15 of the Listing Rules (Closed-Ended Investment Funds) and to trading on the London Stock Exchange Main Market for listed securities in order to enhance the Company's visibility and share liquidity. If a transfer is achieved, the Company's shares would simultaneously be admitted to the Main Board of the JSE Limited. The Company will update shareholders in due course.

35. Post balance sheet events (continued)

35.4 Migration of Registered office to the UK

The Company is currently considering the migration of its registered office from Malta to the UK so as to ensure that its business operations and listing operate from a single jurisdiction and facilitate ease of understanding by investors of its structure. Further updates in this regard will be provided as interactions with the various relevant regulators progress. Subject to the necessary approvals being obtained, the migration of the Company's registered office will take place in the first half of 2016 given the regulatory and administrative requirements both in Malta and the UK that need to be met in order to move its registered office.

36. Segmental information

For the purpose of reporting to the Tiso Blackstar Board (who are considered to be the Chief Operating Decision Maker "CODM" of the Company), the Group is organised into segments. It is the CODM's strategy to have meaningful interests in its underlying investments in order to have an influence on the investee companies' strategy and control over cash flow. Because the Group is an investment holding company, there is an inherent expectation that the investment portfolio is subject to change thereby resulting in a change to the identified segments.

In the current period, the following segments have been identified: TMG, KTH, Industrial and Other. These segments are compared by considering both the growth in their fair value as well as the returns on the respective segment. In addition to these segments are the non-segmental entities. The non-segmental entities house the overhead costs of the Group which are not directly linked to returns on investments and as a result, these entities cannot be compared to the segmental entities.

The current period segments have had their comparative prior period figures restated. The segments in the prior year consisted of Investments, Funds, Property and Non-segmental entities. These prior period segments have been presented below for comparative purposes.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

The segments have been further explained as follows:

TMG

TMG is a media company that informs, educates, entertains and connects people. They aim to provide compelling content and creative solutions to enrich lives, helping people to know more, do more and to live inspired. They focus on building internal and external partnerships, investing in quality content delivered via physical and digital channels to best serve our customers' needs. In a continent where economic progress and social reform are critical goals, they believe that concentrating on their core drivers will ensure appropriate investments to best achieve our vision.

On 8 June 2015, the Group increased its stake in TMG from 32.5% to 100.0% making TMG a wholly owned subsidiary of the Group. Refer to note 37 for the subsidiaries of TMG that also form part of the Group.

KTH

KTH is a new segment to the Group. On 8 June 2015, the Group acquired a 22.9% interest in KTH. KTH boasts a track record of investment performance and creating long term sustainable shareholder value. Historically, KTH's impeccable BEE credentials allowed them to partner with strong companies (as an empowerment partner) and assisted those companies to create wealth for all shareholders. As a result, KTH currently has a portfolio of investments comprising market leading companies across key sectors. KTH is now poised to leverage this experience to become a leading investment company across Africa.

36. Segmental information (continued)

KTH (continued)

KTH focuses on investing in companies in specific sectors with strong, involved management teams. KTH aspires to become active shareholders of reference in their portfolio companies, through participation at board level and the various sub-committees. These companies are generally, high growth or cash generative and meet KTH's investment criteria of *inter alia* generating market related returns for KTH. KTH maintain a long term horizon and can therefore partner with companies through-out cycles without any pressure to exit.

KTH sees the African continent as its primary market and will seek to manage a portfolio spanning across various sectors on the continent.

Industrial

The Industrial segment includes investments in the steel sector, namely, CSI (which includes the Stalcor and GRS operations) and Robor:

CSI

In June 2014, Tiso Blackstar increased its shareholding in CSI to 100.0% and immediately thereafter Tiso Blackstar disposed of its 100% shareholding in GRS to Stalcor. Tiso Blackstar accounts for CSI (including both Stalcor and GRS) as an investment in a subsidiary designated at fair value through profit and loss (refer note 15).

CSI is a processor, distributor and stockist of carbon steel, stainless steel and aluminium in the form of high quality sheet, plate and coil as well as structural and other long product profiles, and GRS is a steel roofing and cladding company.

Robor

Robor is a manufacturer and supplier of welded steel tube and pipe and cold formed steel profiles. Tiso Blackstar holds a 19.4% (2014: 19.4%) interest in Robor and accounts for this investment as an investment at fair value through profit and loss (refer note 14). Tiso Blackstar has proposed to acquire an additional 31.6% in Robor and this transaction is subject to competition authority approval.

Other

This segment consists of investments that are not deemed to be material to the Group. This segment consists of the following investments: TBRE and the property subsidiaries, Shoprite, the fund management business and other smaller investments. As mentioned in note 35, it is the intention of the Group to dispose of TBRE and the property subsidiaries and certain smaller investments have been or are in the process of being realised.

A reconciliation between the returns on the segments (fair value movements, interest and dividends) and the profit before interest and tax of the Group, and a reconciliation between the total assets of the segments to the total assets of the Group is presented as follows:

36. Segmental information (continued)

Segmental profit before interest and tax reconciliation:

31 December* 2014 R'000	30 June 2015 R'000		30 June 2015 £'000	31 December* 2014 £'000
33,734	**423,538**	**TMG**	**23,321**	1,889
8,754	**350,568**	Net gains on financial assets at fair value through profit and loss	**19,303**	490
24,646	**72,323**	Dividend income	**3,982**	1,380
334	**647**	Fee income	**36**	19
—	**(50,689)**	**KTH**	**(2,791)**	—
—	**(50,689)**	Net losses on financial assets at fair value through profit and loss	**(2,791)**	—
199,425	**12,645**	**Industrial**	**697**	11,168
192,377	**12,000**	Net gains on financial assets at fair value through profit and loss	**661**	10,773
3,131	**—**	Dividend income	**—**	175
2,761	**—**	Interest income	**—**	155
1,156	**645**	Fee income	**36**	65
9,840	**19,196**	**Other**	**1,057**	552
3,533	**14,671**	Net gains on financial assets at fair value through profit and loss	**808**	199
1,161	**2,408**	Dividend income	**133**	66
982	**532**	Interest income	**29**	55
4,164	**1,585**	Fee income	**87**	232
(89,882)	**(65,542)**	**Non-segmental entities**	**(3,606)**	(5,034)
153,117	**339,148**	**Profit before interest and tax reported by the Group**	**18,678**	8,575

Segmental total assets reconciliation:

31 December* 2014 R'000	30 June 2015 R'000		30 June 2015 £'000	31 December* 2014 £'000
1,545,466	**4,870,086**	**Total assets per segment**	**254,899**	85,856
862,612	**2,541,707**	TMG	**133,033**	47,921
—	**1,729,513**	KTH	**90,522**	—
444,888	**445,131**	Industrial	**23,298**	24,714
168,027	**97,254**	Other	**5,091**	9,335
69,939	**56,481**	Non-segmental entities	**2,955**	3,886
1,545,466	**4,870,086**	**Total assets reported by the Group**	**254,899**	85,856

* The prior period has been restated for the changes in the segments

36. Segmental information (continued)

Prior period segmental profit before interest and tax reconciliation:

31 December 2014 R'000		31 December 2014 £'000
132,570	**Investments**	7,424
128,597	Net gains on financial assets at fair value through profit and loss	7,202
632	Dividend income	35
1,745	Interest income	98
1,596	Fee income	89
(1,982)	**Funds**	(111)
(4,694)	Net losses on financial assets at fair value through profit and loss	(263)
2,712	Fee income and performance fee income	152
9,338	**Property**	523
8,054	Net gains on financial assets at fair value through profit and loss	451
548	Interest income	31
736	Fee income	41
13,191	**Non-segmental entities**	739
153,117	**Profit before interest and tax reported by the Group**	8,575

Prior period segmental total assets reconciliation:

31 December 2014 R'000		31 December 2014 £'000
1,545,466	Total assets per segment	85,856
1,361,189	Investments	75,618
49,014	Funds	1,725
65,324	Property	3,629
69,939	Non-segmental entities	4,884
1,545,466	**Total assets reported by the Group**	85,856

37. Unconsolidated subsidiaries of the Group:

Note 15 makes reference to the principal subsidiaries of the Company. Below is a list of all the underlying subsidiaries within the Group:

Summary of unconsolidated subsidiaries	Principal place of business	Principal activity	Direct parent company	Proportion of ownership rights 30 June 2015	31 December 2014
Times Media Group Limited	South Africa	Investment holding	Tiso Blackstar (Cyprus) Limited	**100.0%**	*
Times Media Proprietary Limited	South Africa	Media, broadcasting, content and retail solutions	Times Media Group Limited	**100.0%**	*
Avusa Proprietary Limited	South Africa	Investment holding	Times Media Group Limited	**100.0%**	*
Future Publishing Proprietary Limited	South Africa	Eventing and magazine publishing	Times Media Proprietary Limited	**100.0%**	*
Panamo Properties 113 Proprietary Limited	South Africa	Property publishing	Times Media Proprietary Limited	**50.8%**	*
Rise FM Proprietary Limited	South Africa	Radio station	Times Media Proprietary Limited	**65.0%**	*
Vuma 103 FM Proprietary Limited	South Africa	Radio station	Times Media Proprietary Limited	**72.0%**	*
Smartcall Technology Solutions Proprietary Limited	South Africa	Mobile technology solutions	Times Media Proprietary Limited	**50.0%**	*
Marble Gold Proprietary Limited	South Africa	Mobile technology solutions and video on demand	Times Media Proprietary Limited	**50.0%**	*
Supa Strikas South Africa Proprietary Limited	South Africa	Digital media	Times Media Proprietary Limited	**51.0%**	*
25AM Proprietary Limited	South Africa	Digital media	Times Media Proprietary Limited	**50.0%**	*
Indigenous Film Distribution Proprietary Limited	South Africa	Film distribution	Times Media Proprietary Limited	**51.0%**	*
Colosan Trading Proprietary Limited	South Africa	Investment holding	Times Media Proprietary Limited	**100.0%**	*
Deless Trading Proprietary Limited	South Africa	Printing	Colosan Trading Proprietary Limited	**75.0%**	*
AT Velocity Logistics Proprietary Limited	South Africa	Dormant	Avusa Proprietary Limited	**100.0%**	*
New Holland Publishing Proprietary Limited	South Africa	Investment holding	Avusa Proprietary Limited	**100.0%**	*
Avusa Media Proprietary Limited	South Africa	Investment holding	Avusa Proprietary Limited	**100.0%**	*
Hirt & Carter Proprietary Limited	South Africa	Investment holding	Avusa Proprietary Limited	**100.0%**	*
Universal Print Group Proprietary Limited	South Africa	Dormant	Avusa Proprietary Limited	**100.0%**	*
Avusa Retail Proprietary Limited	South Africa	Dormant	Avusa Proprietary Limited	**100.0%**	*
Avusa Entertainment Proprietary Limited	South Africa	Dormant	Avusa Proprietary Limited	**100.0%**	*
Picasso Headline Proprietary Limited	South Africa	Publishing	Avusa Media Proprietary Limited	**100.0%**	*
Ochre Media Proprietary Limited	South Africa	Film production	Avusa Media Proprietary Limited	**100.0%**	*
Learning Channel Proprietary Limited	South Africa	Educational material production and sale	Avusa Media Proprietary Limited	**100.0%**	*
Airport Media Proprietary Limited	South Africa	Dormant	Avusa Media Proprietary Limited	**100.0%**	*
Collage Litho Proprietary Limited	South Africa	Dormant	Avusa Media Proprietary Limited	**100.0%**	*
Avusa Coastal Distribution Proprietary Limited	South Africa	Dormant	Avusa Media Proprietary Limited	**100.0%**	*
Happy Machine Proprietary Limited	South Africa	Dormant	Avusa Media Proprietary Limited	**100.0%**	*
Avusa Media Investments Proprietary Limited	South Africa	Investment holding	Avusa Media Proprietary Limited	**100.0%**	*
Avusa Publishing Proprietary Limited	South Africa	Investment holding	Avusa Media Proprietary Limited	**100.0%**	*
BDFM Publishers Proprietary Limited	South Africa	Dormant	Avusa Publishing Proprietary Limited	**100.0%**	*
African Business Channel Proprietary Limited	South Africa	Television production	BDFM Publishers Proprietary Limited	**100.0%**	*
Big News For Small Business Proprietary Limited	South Africa	Dormant	BDFM Publishers Proprietary Limited	**100.0%**	*
New Africa Publications Proprietary Limited	South Africa	Dormant	Avusa Publishing Proprietary Limited	**100.0%**	*
Library Network Proprietary Limited	South Africa	Dormant	Avusa Publishing Proprietary Limited	**100.0%**	*
Quickcut Pre Press Network SA Proprietary Limited	South Africa	Retail solutions	Hirt & Carter Proprietary Limited	**100.0%**	*
Hirt & Carter Software Solutions Proprietary Limited	South Africa	Software solutions	Quickcut Pre Press Network SA Proprietary Limited	**100.0%**	*
Adstream Proprietary Limited	South Africa	Dormant	Quickcut Pre Press Network SA Proprietary Limited	**100.0%**	*
Hirt & Carter Gauteng Proprietary Limited	South Africa	Printing	Hirt & Carter Proprietary Limited	**100.0%**	*
Omnigraphics Express Proprietary Limited	South Africa	Dormant	Hirt & Carter Proprietary Limited	**100.0%**	*
Skuworks Proprietary Limited	South Africa	Dormant	Hirt & Carter Proprietary Limited	**100.0%**	*
Paton Tupper Proprietary Limited	South Africa	Advertising agency	Hirt & Carter Proprietary Limited	**51.8%**	*
Universal Web Proprietary Limited	South Africa	Dormant	Universal Print Group Proprietary Limited	**100.0%**	*

37. Unconsolidated subsidiaries of the Group: (continued)

Summary of unconsolidated subsidiaries	Principal place of business	Principal activity	Direct parent company	Proportion of ownership rights 30 June 2015	31 December 2014
New Holland Publishing (SA) Proprietary Limited	South Africa	Book distribution	New Holland Publishing Proprietary Limited	**100.0%**	*
Macquarie Corporation SA	Guernsey	Investment holding	New Holland Publishing Proprietary Limited	**100.0%**	*
New Holland Publishers (UK) Limited	United Kingdom	Dormant	New Holland Publishing Proprietary Limited	**100.0%**	*
Mega International Limited	Guernsey	Dormant	Avusa Entertainment Proprietary Limited	**100.0%**	*
Nu Metro Filmed Entertainment Proprietary Limited	South Africa	Dormant	Avusa Entertainment Proprietary Limited	**100.0%**	*
Compact Disc Technologies Proprietary Limited	South Africa	Dormant	AT Velocity Logistics Proprietary Limited	**100.0%**	*
CDT Export Proprietary Limited	South Africa	Dormant	Compact Disc Technologies Proprietary Limited	**100.0%**	*
Gallo Properties Proprietary Limited	South Africa	Dormant	AT Velocity Logistics Proprietary Limited	**100.0%**	*
Moviecom Proprietary Limited	South Africa	Dormant	AT Velocity Logistics Proprietary Limited	**100.0%**	*
Consolidated Steel Industries Proprietary Limited	South Africa	Industrial steel company	Tiso Blackstar (Cyprus) Limited	**100.0%**	100.0%
Country Roofing Solutions Proprietary Limited	Namibia	Investment property company	Consolidated Steel Industries Proprietary Limited	**100.0%**	100.0%
Helm Engineering Proprietary Limited	South Africa	Steel roofing and cladding company	Consolidated Steel Industries Proprietary Limited	**100.0%**	100.0%
Global Roofing Solutions Proprietary Limited	South Africa	Steel roofing and cladding company	Consolidated Steel Industries Proprietary Limited	**100.00**	100.0%
Global Roofing Solutions Botswana Proprietary Limited	Botswana	Steel roofing and cladding company	Consolidated Steel Industries Proprietary Limited	**70.0%**	70.0%
Global Roofing Solutions Zambia Proprietary Limited	Zambia	Steel roofing and cladding company	Consolidated Steel Industries Proprietary Limited	**100.0%**	100.0%
Global Roofing Solutions Zimbabwe Proprietary Limited	Zimbabwe	Steel roofing and cladding company	Consolidated Steel Industries Proprietary Limited	**49.0%**	—
Seven Seasons Trading 130 Proprietary Limited ("Stampede")	South Africa	Compacting equipment manufacturer	Helm Engineering Proprietary Limited	**100.0%**	100.0%
Tepzmurt Proprietary Limited ("Tepzmurt")	Botswana	Steel roofing and cladding company	Consolidated Steel Industries Proprietary Limited	**51.0%**	—
CCPA Properties Proprietary Limited	South Africa	Investment property company	Consolidated Steel Industries Proprietary Limited	**100.0%**	100.0%
Tiso Blackstar Real Estate Proprietary Limited	South Africa	Investment property company	Tiso Blackstar (Cyprus) Limited	**100.0%**	100.0%
Firefly Investments 223 Proprietary Limited	South Africa	Investment property company	Tiso Blackstar Real Estate Proprietary Limited	**70.0%**	70.0%
Fantastic Investments 379 Proprietary Limited	South Africa	Investment property company	Tiso Blackstar Real Estate Proprietary Limited	**100.0%**	100.0%
Domel Investments Proprietary Limited	Namibia	Investment property company	Tiso Blackstar Real Estate Proprietary Limited	**100.0%**	100.0%
Wonderdeals 38 Proprietary Limited	South Africa	Investment property company	Tiso Blackstar Real Estate Proprietary Limited	**—**	85.9%
New Bond Capital Limited	South Africa	Investment company	Tiso Blackstar (Cyprus) Limited	**100.0%**	100.0%
Blackstar Special Opportunities Fund	South Africa	Hedge fund	Tiso Blackstar (Cyprus) Limited	**—**	16.7%
Blackstar GP Proprietary Limited	South Africa	General Partner	Tiso Blackstar Group SE	**100.0%**	100.0%

* At 31 December 2014, TMG was an associate to the Group. The shareholding percentages have not been shown as these percentages would not be indicative of the Group's actual shareholding in the underlying subsidiaries

Company statement of changes in equity

for the six months ended 30 June 2015

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Treasury shares reserve £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Total equity £'000
Balance as at 31 December 2013	**55,347**	**1,930**	**4,599**	**(1,248)**	**(34,095)**	**47,989**	**74,522**
Total comprehensive income for the year	—	—	—	—	(2,426)	8,357	5,931
Income for the year	—	—	—	—	—	8,357	8,357
Other comprehensive loss for the year	—	—	—	—	(2,426)	—	(2,426)
Purchase of treasury shares	—	—	—	(1,147)	—	—	(1,147)
Treasury shares issued for property acquisition	—	14	—	357	—	—	371
Treasury shares issued during the year as part of the long term Management Incentive Scheme	—	80	—	1,325	—	(1,405)	—
Equity settled share based payment	—	—	—	—	—	1,833	1,833
Dividends paid	—	—	—	—	—	(1,034)	(1,034)
Balance as at 31 December 2014	**55,347**	**2,024**	**4,599**	**(713)**	**(36,521)**	**55,740**	**80,476**
Total comprehensive income for the period	—	—	—	—	(12,887)	18,332	5,445
Income for the period	—	—	—	—	—	18,332	18,332
Other comprehensive loss for the period	—	—	—	—	(12,887)	—	(12,887)
Shares issued for investment acquisitions	107,386	37,279	—	—	—	—	144,665
Issue of shares as part of long term Management Incentive Scheme	577	83	—	—	—	(660)	—
Treasury shares issued during the period as part of the long term Management Incentive Scheme	—	5	—	713	—	(516)	202
Equity settled share based payment	—	—	—	—	—	134	134
Dividends paid	—	—	—	—	—	(647)	(647)
Balance as at 30 June 2015	**163,310**	**39,391**	**4,599**	**—**	**(49,408)**	**72,383**	**230,275**

A 2013 final dividend of 14 South African cents, 0.80 pence, per ordinary share was paid on 30 May 2014.

A 2014 interim dividend of 9 South African cents, 0.49 pence per ordinary share was paid on 10 November 2014.

A 2014 final dividend of 14 South African cents, 0.77 pence per ordinary share was paid on 8 June 2015.

The notes on pages 89 to 96 form part of the Company financial statements.

Company statement of financial position
as at 30 June 2015

	Notes	30 June 2015 £'000	31 December 2014 £'000
Assets			
Financial assets at fair value through profit and loss	3	**208,048**	77,494
Net investments in subsidiaries	4	**208,022**	54,876
Net investments in associates	5	**26**	22,618
Investment classified as loans and receivables	6	**—**	438
Trade and other receivables	7	**22,255**	2,599
Cash and cash equivalents	8	**456**	1,093
Total assets		**230,759**	81,624
Liabilities			
Trade and other payables	9	**(484)**	(1,148)
Total liabilities		**(484)**	(1,148)
Total net assets		**230,275**	80,476
Equity			
Share capital	10	**163,310**	55,347
Share premium	10	**39,391**	2,024
Capital redemption reserve	10	**4,599**	4,599
Treasury shares reserve	10	**—**	(713)
Foreign currency translation reserve	10	**(49,408)**	(36,521)
Retained earnings	10	**72,383**	55,740
Total equity attributable to equity holders		**230,275**	80,476

The official opening middle rates of exchange applicable between the Euro and the GBP, and the Euro and the ZAR, as issued by the European Central Bank at 30 June 2015 was 0.71 (31 December 2014: 0.78) and 13.64 (31 December 2014: 14.04) respectively.

The notes on pages 89 to 96 form part of the Company financial statements.

The Company financial statements were approved by the Board and authorised for issue on 5 October 2015.

AD Bonamour
Non-executive Director

DKT Adomakoh
Non-executive Chairman

Company statement of cash flows

for the six months ended 30 June 2015

	Notes	Six months to 30 June 2015 £'000	Twelve months to 31 December 2014 £'000
Cash flow from operating activities			
Cash generated (absorbed) by operations	11	**32**	(1,941)
Dividend and interest income received		**—**	712
Interest received		**10**	48
Taxation paid		**—**	(67)
Cash generated (absorbed) by operating activities		**42**	(1,248)
Cash flow from financing activities			
Purchase of treasury shares		**—**	(1,147)
Dividends paid to equity holders of the parent		**(647)**	(1,034)
Cash absorbed by financing activities		**(647)**	(2,181)
Net decrease in cash and cash equivalents		**(605)**	(3,429)
Cash and cash equivalents at the beginning of the period		**1,093**	4,641
Exchange losses on cash and cash equivalents		**(32)**	(119)
Cash and cash equivalents at the end of the period	8	**456**	1,093

The notes on pages 89 to 96 form part of the Company financial statements.

Notes to the Company financial statements
for the six months ended 30 June 2015

1. Accounting policies

The principal accounting policies adopted in the preparation of the Company financial statements have been consistently applied across all periods presented in the Company financial statements, except as noted in the paragraphs below which address instances where there has been a revision to an existing standard or a new standard has been issued and adopted by the Company during the current reporting period. The Company financial statements are presented in Pounds Sterling and all financial information has been rounded to the nearest thousand unless stated otherwise.

The financial statements of the Company are presented as required by the Malta Companies Act, 1995. As permitted by that Act, the separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") published by the International Accounting Standards Board ("IASB") as endorsed for use by the European Union and with those parts of the Malta Companies Act, 1995 applicable to companies preparing their accounts under IFRS.

The Company presents its statement of financial position in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in note 26 to the consolidated financial statements.

The Company is an Investment Entity and as such in its Group consolidated financial statements does not consolidate all of the entities it controls. Instead, certain interests in subsidiaries are classified as financial assets at fair value through profit and loss and measured at fair value. As a result of this, the Company does not account for its investments in subsidiaries at cost less provision for impairment but rather carries these investments at fair value. Investments in associates are also classified as financial assets at fair value through profit and loss, and measured at fair value.

Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. Where the Company has the power to participate in the financial and operating policy decisions of an entity, it is classified as an associate.

Any gains or losses arising from changes in the fair value of investments in subsidiaries and associates are recognised in profit and loss in the period in which they occur.

The principal accounting policies which are relevant in the preparation of the Company financial statements are listed below and can be found on pages 33 to 44 of the consolidated financial statements:

Note 1.7	Financial instruments
Note 1.8	Offsetting of financial instruments
Note 1.10	Cash and cash equivalents
Note 1.11	Dividend distributions
Note 1.12	Equity instruments and treasury shares
Note 1.13	Dividend and interest revenue
Note 1.14	Net gains or losses on financial assets and liabilities at fair value through profit and loss
Note 1.16	Finance income and finance costs
Note 1.17	Share-based payments
Note 1.18	Tax
Note 1.19	Foreign currencies
Note 1.21	Significant judgements and areas of estimation
Note 2	Determination of fair values

2. Profit for the period

The Company has taken advantage of the exemption allowed under section 183(8) of Malta Companies Act, 1995 and has not presented its own profit and loss in these financial statements. The Group's profit for the period includes a profit after taxation of £18,332,000 (31 December 2014: £8,357,000) for the Company.

3. Financial assets at fair value through profit and loss

	30 June 2015 £'000	31 December 2014 £'000
Financial assets designated at fair value through profit and loss	**208,048**	77,494
Net investments in subsidiaries	**208,022**	54,876
Net investments in associates	**26**	22,618
Total financial assets at fair value through profit and loss	**208,048**	77,494

4. Net investments in subsidiaries

Details of the Group's subsidiaries are as follows:

Principal place of business	Principal activity	Summary of unconsolidated subsidiaries*	Proportion of ownership rights 30 June 2015	31 December 2014
Subsidiaries not consolidated in the Group consolidated financial statements:				
South Africa	Media	Times Media Group Limited ("TMG") ^ ##	**100.0%**	0.0%
South Africa	Industrial steel company	Consolidated Steel Industries Proprietary Limited ("CSI") ^	**100.0%**	100.0%
South Africa	Investment property company	Tiso Blackstar Real Estate Proprietary Limited ("TBRE") ^	**100.0%**	100.0%
South Africa	Hedge fund	Blackstar Special Opportunities Fund ("BSOF") ^ **	**0.0%**	16.7%
South Africa	Investment company	New Bond Capital Limited ("NBC") ^	**100.0%**	100.0%
Subsidiaries consolidated in the Group consolidated financial statements:				
Cyprus	Investment company	Tiso Blackstar (Cyprus) Limited ("Tiso Blackstar Cyprus") #	**100.0%**	100.0%
South Africa	Investment advisory company	Tiso Blackstar Group Proprietary Limited ("Tiso Blackstar SA") #	**100.0%**	100.0%
South Africa	Fund manager	Blackstar Fund Managers Proprietary Limited ("BFM") #***	**70.0%**	66.0%

Subsidiary of the Company
^ Subsidiary of Tiso Blackstar Cyprus
* Refer to note 37 of the consolidated financial statements for a complete list of the unconsolidated subsidiaries of the Group
** The investment in BSOF was realised during the current reporting period
*** During the current period, Tiso Blackstar acquired further shares in the fund manager BFM (refer note 25 of the consolidated financial statements) and post year end disposed of its entire stake in BFM (refer note 35 of the consolidated financial statements)
Previously accounted for as an investment in associate

Loans and receivables payable by subsidiaries designated at fair value through profit and loss

Shareholder loans to subsidiaries which are considered to be equity loans (and ordinarily would be accounted for as loans and receivables) have been designated at fair value through profit and loss. On assessment of the fair value of the net investments in subsidiaries, these equity loans are incorporated into the valuation assessment and any decline in fair value is first allocated to the carrying amount of the equity investment and then to the loan to the subsidiary.

4. Net investments in subsidiaries (continued)

Net investments in subsidiaries included in note 3 comprises the following investments at fair value:

	30 June 2015 £'000	31 December 2014 £'000
Net investments in subsidiaries where equity held by the Company:		
Investment in Tiso Blackstar Cyprus	193,715	39,246
Equity share investment	190,551	35,888
Preference shares	3,164	3,358
Investment in BFM	—	63
Equity share investment	—	63
Net investments in subsidiaries where equity held by Tiso Blackstar Cyprus:		
Net investment in CSI	13,380	14,416
Interest-free loan to CSI with no fixed terms of repayment. Monthly repayments are made by CSI, currently these amount to R2 million per month	13,380	14,416
Net investment in TBRE	927	1,151
Interest-free loan to TBRE	927	1,151
	208,022	54,876

Significant changes in net investments in subsidiaries designated at fair value through profit and loss

Tiso Blackstar Cyprus – The Company issued Tiso Blackstar shares to settle part of the consideration owing by Tiso Blackstar Cyprus on acquisition of the investment in KTH and buy out of TMG. As a result Tiso Blackstar Cyprus issued additional shares to settle the amount owing to the Company thereby increasing the investment in subsidiary.

Restrictions

Tiso Blackstar receives income in the form of dividends and interest from its investments in subsidiaries, and there are no significant restrictions on the transfer of funds from these entities to Tiso Blackstar with the exception of the South African Reserve Bank regulations with respect to the transfer of funds off and onshore.

Support

Tiso Blackstar has provided support in the form of equity and working capital loans to its subsidiaries. Details of these loans are provided in note 4 for equity loans and note 6 for working capital loans. Tiso Blackstar has no contractual commitments and may provide further financial or any other support to its subsidiaries should they require it and the Group has funds available to do so.

Bank collateral

All equity instruments in and claims against CSI and TMG are held as security by RMB and Standard Bank (refer note 21 of the consolidated financial statements).

Maximum credit exposure for loans designated at fair value through profit and loss

The maximum credit exposure for these loans held by the Company with subsidiaries would be equal to the original carrying amount of the loan prior to any fair value adjustments, details of which are provided below:

	Carrying value 30 June 2015 £'000	Original loan amount prior to fair value adjustments 30 June 2015 £'000	Carrying value 31 December 2014 £'000	Original loan amount prior to fair value adjustments 31 December 2014 £'000
Loan to CSI	13,380	13,380	14,416	14,416
Loan to TBRE	927	927	1,151	1,151

5. Net investments in associates

The principal associates of the Group at 30 June are as follows:

Principal place of business	Principal activity	Name of associates	Proportion of ownership rights 30 June 2015	31 December 2014
South Africa	Media	Times Media Group Limited ("TMG") ^^	**0.0%**	32.5%
South Africa	Investment company	Kagiso Tiso Holdings Proprietary Limited ("KTH")^^	**22.9%**	0.0%
South Africa	Fund manager	Bataung Capital Advisors Proprietary Limited ("Bataung") ^^	**49.0%**	0.0%
South Africa	Stockbroker	Navigare Securities Proprietary Limited ("Navigare") ###	**0.0%**	25.0%

Associate of the Company
^^ Associate of Tiso Blackstar Cyprus

Net investments in associates carried at fair value through profit and loss comprise the following:

	30 June 2015 £'000	31 December 2014 £'000
Net investments in associates where equity held by the Company:		
Investment in TMG	**—**	22,340
Equity share investment	**—**	22,340
Net investment in Navigare	**—**	278
Equity share investment	**—**	225
Loan to Navigare which is interest-free with no fixed terms of repayment	**—**	53
Net investments in associates where equity held by Tiso Blackstar Cyprus:		
Net investment in Bataung	**26**	—
Loan to Bataung which is interest-free with no fixed terms of repayment	**26**	—
	26	22,618

Significant changes in net investments in associates designated at fair value through profit and loss

TMG – Tiso Blackstar acquired the remaining 62.5% of TMG during the period. As a result of this acquisition, TMG has been reclassified from an investment in associate designated at fair value through profit and loss to an investment in subsidiary designated at fair value through profit and loss. Refer note 23 of the consolidated financial statements for further details on the acquisition.

KTH – Tiso Blackstar acquired a 22.9% interest in KTH. This investment has been classified as an associate designated at fair value through profit and loss (refer to note 23 of the consolidated financial statements).

Bataung – Tiso Blackstar acquired a 49.0% interest in the fund manager Bataung during the current period for R1.0 million (£0.1 million).

Navigare – Tiso Blackstar disposed of its entire investment in Navigare during the period for R5 million (£0.3 million).

Bank collateral

The shares in KTH are held as security by RMB and Standard Bank (refer note 21 of the consolidated financial statements).

6. Investments classified as loans and receivables

Loans from Tiso Blackstar to subsidiaries of the Group which are considered to be working capital loans and not part of equity have been accounted for at amortised cost and comprise of the following:

	30 June 2015 £'000	31 December 2014 £'000
Loan to subsidiary CCPA which bore interest at the South African Prime Rate. During the current period, the loan was ceded to CSI (refer note 4)	**—**	438
	—	438

7. Trade and other receivables

	30 June 2015 £'000	31 December 2014 £'000
Trade receivables due by subsidiary companies	**11**	—
Trade receivables due by external parties	**—**	2
Total trade receivables net of impairment allowance	**11**	2
Other receivables due by subsidiary companies	**22,213**	2,592
Prepayments and accrued income	**31**	5
	22,255	2,599

8. Cash and cash equivalents

	30 June 2015 £'000	31 December 2014 £'000
Deposits and cash at bank	**456**	1,093
Cash and cash equivalents per the statement of cash flows	**456**	1,093

Cash and cash equivalents include cash in current accounts and term deposits.

The Company's cash and cash equivalents have been ceded to the banks which provided the term facility to Tiso Blackstar Cyprus for investment acquisitions (refer note 21 of the consolidated financial statements).

9. Trade and other payables

	30 June 2015 £'000	31 December 2014 £'000
Trade payables due to external parties	**(364)**	(31)
Payable due under the long term Management Incentive Scheme	**—**	(1,051)
Other payables due to subsidiary companies	**—**	(5)
Accrued expenses	**(120)**	(61)
	(484)	(1,148)

10. Share capital and reserves

Details of share capital and reserves are set out in note 23 to the consolidated financial statements.

11. Cash generated (absorbed) by operations

	Six months to 30 June 2015 £'000	Twelve months to 31 December 2014 £'000
Profit for the period	**18,332**	8,357
Add back taxation	**—**	44
Profit before taxation	**18,332**	8,401
Adjustments for non cash items:		
Fair value adjustments on investments held at fair value through profit and loss	**(20,447)**	(11,915)
Dividends and interest accrued from loans and investments	**(9)**	(703)
Finance income	**(10)**	(48)
Long term Management Incentive Scheme Award of treasury shares (equity settled share based payment)	**134**	1,833
Changes in working capital:		
(Increase) decrease in trade and other receivables	**(20,896)**	40
(Decrease) increase in trade and other accounts payable	**(629)**	454
Changes in investments:		
Cash flows from investments additions:	**(1,063)**	(14,476)
Additions to investments	**(145,728)**	(14,476)
Issue of shares to settle share consideration on acquisition of investments in TMG and KTH	**144,665**	—
Proceeds arising on disposal of investments and repayments of loans to investment companies	**24,620**	14,473
	32	(1,941)

12. Financial instruments

The Company is exposed to one or more of the following risks from its use of financial instruments: credit risk; liquidity risk; and market risk (which comprise currency risk, interest rate risk and market price risk).

Information related to financial instruments and management of these risks is set out in note 26 to the consolidated financial statements. The following information relates specifically to the Company.

12.1 Financial instruments by category

	30 June 2015 £'000	31 December 2014 £'000
Financial assets		
Financial assets at fair value through profit and loss		
Investments at fair value through profit and loss	**208,048**	77,494
Loans and receivables	**22,711**	4,130
Investments classified as loans and receivables	**—**	438
Trade receivables	**22,255**	2,599
Cash and cash equivalents	**456**	1,093
	230,759	81,624
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade payables	**(484)**	(1,148)
	(484)	(1,148)

12. Financial instruments (continued)

12.2 Credit risk

At the balance sheet date, the Company had no financial assets that were past due or impaired (other than fair value adjustments to equity loans). The Company's maximum exposure to credit risk on loans and receivables is equal to the carrying amount of the financial assets recorded in the financial statements (as detailed in note 12.1 above). The Company's maximum exposure to credit risk on equity loans is set out in note 4. The credit quality of financial instruments that are not past due or impaired is considered to be good.

12.3 Liquidity risk

All financial liabilities have a contractual maturity of less than six months and the expected maturity is not believed to differ from the contractual maturity.

12.4 Market risk

12.4.1 Currency risk

A 10% strengthening of the Rands against Pounds Sterling at the balance sheet date, all other variables held constant, would have resulted in an estimated increase of £20,935,000 (31 December 2014: £7,314,000) in the reported net asset value of the Company. A 10% weakening of the Rands against Pounds Sterling at the balance sheet date, on the same basis, would have resulted in an estimated decrease of £20,935,000 (31 December 2014: £7,314,000) in the reported net asset value of the Company.

12.4.2 Interest rate risk

A 1% increase in the South African Prime Rate, all other variables held constant, would have resulted in an estimated increase of nil (31 December 2014: £49,000) in the reported net asset value of the Company. A 1% decrease in the South African Prime Rate, on the same basis, would have resulted in an estimated decrease of nil (31 December 2014: £49,000), in the reported net asset value of the Company.

12.4.3 Market price risk

Assuming that the investment portfolio is directly correlated to the FTSE/JSE Africa All Share Index, an increase of 10% in the FTSE/JSE Africa All Share Index at the balance sheet date, all other variables held constant, would have resulted in an estimated increase of nil (31 December 2014: £2,234,000) in the reported net asset value of the Company. A decrease of 10% in the FTSE/JSE Africa All Share Index at the balance sheet date, on the same basis, would have resulted in an estimated decrease of nil (31 December 2014: £2,234,000) in the reported net asset value of the Company.

12.5 Fair value

12.5.1 Fair value of financial instruments carried at amortised cost

The fair values of the financial instruments accounted for at amortised cost have been determined for both the current and prior period and approximate the carrying amounts at the respective period ends. Investments classified as loans and receivables and borrowings have a fair value which approximates the carrying amount due to the fact that the aforementioned instruments bear interest at rates linked to the South African Prime Rate and are believed to approximate the market related discount rates which would be utilised in a discounted cash flow technique in order to calculate a fair value.

12. Financial instruments (continued)

12.5 Fair value (continued)

12.5.2 Fair value of financial instruments carried at fair value in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 (as defined in note 27 of the consolidated financial statements) based on the degree to which the fair value is observable:

30 June 2015	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Investments at fair value through profit and loss (refer note 3)	**—**	**—**	**208,048**	**208,048**

31 December 2014	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments at fair value through profit and loss (refer note 3)	22,340	—	55,154	77,494

There were no transfers between levels during the current or prior periods.

The fair value of the investments in Tiso Blackstar Cyprus and BFM were determined based on the underlying NAV of these companies. Refer to note 27 in the consolidated financial statements for further information on the determination of the fair value of the other investments.

13. Related parties

Details of related parties are set out in note 34 to the consolidated financial statements. In addition to this, the subsidiaries and associates (set out in note 4 and 5 respectively to the Company financial statements) are related parties to the Company.

The Company pays an advisory fee, paid quarterly in advance, to Tiso Blackstar SA. The advisory fee for the six months ended 30 June 2015 amounted to £0.3 million (31 December 2014: £0.5 million). Tiso Blackstar SA may incur expenses on behalf of the Company and vice versa. These amounts are invoiced and reimbursed on a monthly basis.

14. Long term Management Incentive Scheme

Details of the long term Management Incentive Scheme are set out in note 33 to the consolidated financial statements.

15. Capital under management

Information related to capital under management is set out in note 28 to the consolidated financial statements.

16. Contingencies and guarantees

Information relating to contingencies and guarantees is set out in note 31 to the consolidated financial statements.

17. Post balance sheet events

Information relating to post balance sheet events is set out in note 35 to the consolidated financial statements.

Company information

Directors
D K T Adomakoh (Non-executive Group Chairman)
J B Mills (Non-executive Group Deputy Chairman)
N L Sowazi (Non-executive)
A D Bonamour (Non-executive)
M Ernzer (Non-executive)
R T Wight (Non-executive)

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