19. Issued share capital (continued)

The Directors are authorised, by resolution of the members and until the forthcoming Annual General Meeting, to issue the unissued shares in accordance with the limitation set by members.

Preference share redemption

Each preference shareholder has exercised their call option to have their preference shares redeemed either through the issue of ordinary shares subject to the following terms and conditions:

- Options had to have been exercised, no later than 31 December 2013, by providing written notice.
- The number of ordinary shares to which the preference shareholders was entitled to on redemption was calculated by pre-defined formulae.
- All options could have been exercised in whole or in part and any options not exercised by 31 December 2013 have automatically lapsed and the preference shares were redeemed in cash at the original subscription price.

AfroCentric preference shareholders holding 99.68% preference shares have exercised their call options in respect of the redeemable preference shares held by them. AfroCentric has redeemed the redeemable preference shares in respect of which the call options have been exercised by issuing 69 981 412 new ordinary shares in aggregate to such preference shareholders on 3 January 2014.

There are no preference shares in issue at the end of June 2014 and these have been delisted and cancelled.

All shares issued during the year had no effect on the statement of cash flows.

Contingent shares issued

AfroCentric's acquisition of a controlling interest in AHL in 2008 included a profit warranty provision that, on fulfilment, would trigger a second tranche issue of shares and the payment of an additional cash consideration to vendor shareholders. The warranty considered the aggregate profits after taxation ("PAT") over a three-year period which ended on 30 June 2013 ("the measurement period"). The quantum of the second tranche issue of shares and cash consideration to vendor shareholders was based on the actual PAT delivered over the measurement period (as calculated in terms of a purposely fashioned definition of PAT). Based on the review by both buyer and seller, it was determined that 90% of the targeted average PAT had been achieved. This 90% profit warranty achievement resulted in 80% of the contingent shares being issued based on the formula per the acquisition agreement. The contingent share reserve amounted to R137 258 000 at 30 June 2013, based on the formula aforementioned. AfroCentric therefore issued 100 805 395 second tranche shares on 14 November 2013, together with a cash payment of R26,4 million. The contingent share reserve of R137 258 000 as at 30 June 2013 was reversed in November 2013 and the corresponding increase in equity was accounted for as issued share capital and share premium.

All shares issued during the year had no effect on the statement of cash flows.

Share repurchase – Offer to shareholders with non-controlling interests

In terms of the Securities Regulation Code on Take-Overs and Mergers ("SRP Code") the Company was obliged to offer minority shareholders of AfroCentric Health Limited the opportunity to sell their AfroCentric Health Limited shares to AfroCentric on the same terms and conditions as those on which the AfroCentric Health Limited shares were purchased by the Company. The offer opened in January 2009 and AfroCentric continued to acquire shares offered to AfroCentric after the close of the offer. At 30 June 2014 the Company held 94.1% in AfroCentric Health Limited.

20. Share premium

	GROUP June 2014 R'000	GROUP June 2013 R'000	COMPANY June 2014 R'000	COMPANY June 2013 R'000
Opening balance	**340 961**	340 961	**340 961**	340 961
Issue of share capital	**184 672**	–	**184 672**	–
Dividend paid (note 36)	**–**	–	**–**	–
Closing balance	**525 633**	340 961	**525 633**	340 961