Below is the movement of goodwill for each cash generating unit:

2016	Opening	Addition	Disposal	Impairment	Closing
Medscheme – healthcare administration	**265 262**	–	–	–	**265 262**
Medscheme – health risk management	**89 298**	–	–	–	**89 298**
Aid for Aids Management (Pty) Limited – healthcare administration	**23 490**	–	–	–	**23 490**
Medscheme Mauritius Limited - local administration	**4 969**	–	–	–	**4 969**
Medscheme Mauritius Limited - International administration	**10 566**	–	–	–	**10 566**
Allegra (Pty) Limited – healthcare IT support	**1 268**	–	–	–	**1 268**
Bonitas Marketing – healthcare marketing support	**835**	–	–	–	**835**
Pharmacy Direct, Curasana and Glen Eden	**–**	**473 954**	–	–	**473 954**
Klinikka (Pty) Ltd – medical equipment supplier	**2 435**	–	–	–	**2 435**
	398 123	**473 954**	–	–	**872 077**
2015					
Medscheme – healthcare administration	265 262	–	–	–	265 262
Medscheme – health risk management	89 298	–	–	–	89 298
Aid for Aids Management (Pty) Limited – healthcare administration	23 490	–	–	–	23 490
Medscheme Mauritius Limited – local administration	4 969	–	–	–	4 969
Medscheme Mauritius Limited – International administration	10 566	–	–	–	10 566
Allegra (Pty) Limited – healthcare IT support	1 268	–	–	–	1 268
Bonitas Marketing – healthcare marketing support	835	–	–	–	835
Klinikka (Pty) Ltd – medical equipment supplier	2 435	–	–	–	2 435
	398 123	–	–	–	398 123

9. FINANCIAL INSTRUMENTS

FINANCIAL INSTRUMENTS BY CATEGORY

Group financial assets	Financial assets at amortised cost	Financial assets at fair value through profit and loss	Available for sale financial assets*	Total
June 2016				
Trade and other receivables	**365 004**	**–**	**–**	**365 004**
Financial assets at fair value	**–**	**305 355**	**18 444**	**323 799**
Cash and cash equivalent	**373 068**	**–**	**–**	**373 068**
June 2015				
Trade and other receivables	228 884	–	–	228 884
Financial assets at fair value	–	–	18 444	18 444
Cash and cash equivalent	334 051	–	–	334 051

* *In the prior year Afrocentric Health Solutions Limited (the Kenya Investment), an associate, transferred its insurance book to AAR Insurance Holdings (Pty) Ltd ("AAR"). In return, AAR issued 3% of its shares to Afrocentric Health Solutions Limited which was subsequently declared as a dividend in specie to Medscheme Holdings (Pty) Ltd. This investment was subsequently classified as an available for sale financial asset (refer to note 9.5).*

9. FINANCIAL INSTRUMENTS continued

During the year funds were invested into share investment schemes and Jasco Electronics Holdings was reclassified as fair value through profit and loss (Previously held as non-current asset held for sale).

Company financial assets	Financial assets at amortised cost	Financial assets at fair value through profit and loss	Available for sale financial assets	Total
June 2016				
Trade and other receivables	**815**	**–**	**–**	**815**
Financial assets at fair value	**–**	**305 355**	**–**	**305 355**
Cash and cash equivalent	**145 884**	**–**	**–**	**145 884**
June 2015				
Trade and other receivables	1 631	–	–	1 631
Cash and cash equivalent	34 011	–	–	34 011
Receivables for subsidiaries	567 004	–	–	567 004

During the year funds were invested into share investment schemes and Jasco Electronics Holdings was reclassified as fair value through profit and loss (Previously held as non-current asset held for sale).

FINANCIAL INSTRUMENTS BY CATEGORY

Group financial liabilities	Liabilities at fair value through profit and loss	Amortised cost	Total
June 2016			
Trade and other payables	**–**	**383 029**	**383 029**
June 2015			
Trade and other payables	–	146 317	146 317
Borrowings	–	61 224	61 224
Company financial liabilities			
June 2016			
Trade and other payables	**–**	**7 139**	**7 139**
Loans from Group companies	**–**	**44 477**	**44 477**
June 2015			
Trade and other payables	–	20 221	20 221
Loans from Group companies	–	60 705	60 705

9.1 TRADE RECEIVABLES

Trade receivables that are less than three months past due are not considered for impairment. As at 30 June 2016, trade receivables of R58.3 million (2015: R16.2 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default and are expected to be recoverable.

Ageing of trade and other receivables (R'000):

Group	Current	30 days	60 days	90+ days	Total
June 2016					
Gross trade debtors	**200 810**	**7 470**	**7 959**	**46 786**	**263 025**
Net trade debtors	**200 810**	**7 470**	**7 959**	**42 905**	**259 144**
Past due but not impaired	**–**	**7 470**	**7 959**	**42 905**	**58 334**
Other receivables	**5 949**	**5 076**	**80**	**6 803**	**17 908**
June 2015					
Gross trade debtors	107 629	6 484	4 933	5 634	124 680
Net trade debtors	107 629	6 484	4 933	4 750	123 796
Past due but not impaired	–	6 484	4 933	4 750	16 167
Other receivables	5 934	5 149	82	6 900	18 065

Disclosure of trade debtors:

	June 2016 R'000	June 2015 R'000
Gross trade debtors	**263 025**	124 680
Provision for impairment of trade receivables as above	**(3 881)**	(884)
Net trade debtors (note 9.2)	**259 144**	123 796
Movement in the provision for impairment of trade receivables are as follows:		
At beginning of the period	**884**	418
Reversal of provision for doubtful debts	**–**	–
Other adjustments (including the effect of foreign exchange rates)	**2 997**	466
	3 881	884

No ageing is applicable to the other categories within trade and other receivables. However, all trade and other receivables of the Company are current or due on demand.

The majority of its client base comprises large medical healthcare providers for open schemes and listed blue chip companies with regards to closed medical schemes. Amounts invoiced to these clients are banked in advance before invoice date and therefore the risk of non-recovery is very low.

Provisions for impairment are raised when there is evidence that amounts are not recoverable in full or part from the debtor. Disputed claims and long outstanding debts are usually indicators of non-recovery. The Group does not raise a general provision for all outstanding debtors due to the high quality of its debtors and an impeccable repayment history. The provision raised above relates to specific debtors.

The creation and release of provision for impaired receivables have been included in 'other expenses' in the statement of comprehensive income. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

The other classes within trade and other receivables, detailed in note 9.2 do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

9. FINANCIAL INSTRUMENTS continued

9.2 TRADE AND OTHER RECEIVABLES

	Group		Company	
	June 2016 R'000	June 2015 R'000	**June 2016 R'000**	June 2015 R'000
Trade debtors*	**259 144**	123 796	**–**	–
Deposits	**12 629**	7 941	**–**	–
Prepayments	**35 767**	33 306	**45**	–
Sundry debtors	**39 556**	45 776	**770**	1 631
Other receivables	**17 908**	18 065	**–**	–
	365 004	228 884	**815**	1 631

All receivables are current. The carrying amounts of all trade and other receivables approximate fair value.

Refer to note 9.1 for ageing of trade and other receivables.

* *The increase in trade debtors is due to the trade balances relating to Pharmacy Direct (Pty) Ltd.*

9.3 RECEIVABLES FROM SUBSIDIARY

		Group		Company	
	Effective % Holding	**June 2016 R'000**	June 2015 R'000	**June 2016 R'000**	June 2015 R'000
ACT Healthcare Assets (Pty) Ltd	100%	**–**	–	**–**	567 004
		–	–	**–**	567 004

The receivable from the subsidiary has been accounted for at amortised cost. The fair value of the loan approximates the carrying value of the receivable. This loan has been partially settled and written off at year-end.

9.4 RECEIVABLES FROM ASSOCIATES

		Group		Company	
	Effective % Holding	**June 2016 R'000**	June 2015 R'000	**June 2016 R'000**	June 2015 R'000
Activo Health (Pty) Ltd	26%	**20 437**	–	**–**	–
		20 437	–	**–**	–

Management has assessed the likelihood of non-recovery of outstanding amounts due from its associates and determined that no impairment is necessary due to the fact that all associates are profitable or will be profitable in the foreseeable future.

9.5 AVAILABLE FOR SALE FINANCIAL INSTRUMENTS

	Group		Company	
	June 2016 R'000	June 2015 R'000	**June 2016 R'000**	June 2015 R'000
Non-current assets				
AAR Insurance Holdings Kenya	**18 444**	18 444	**–**	–
	18 444	18 444	**–**	–

CLASSIFICATION OF INVESTMENT AS AVAILABLE FOR SALE

Due to the 3% shareholding of AAR being declared as a dividend in specie to Medscheme Holdings (Pty) Ltd, the investment in AAR was accounted for as an available for sale financial instrument as management intends to hold the investment for the medium to long term and is not held for trading.

	Opening Carrying Amount	Dividend in specie	Transaction costs	Gains and losses recognised in other comprehensive income	Closing Carrying Amount
Non-current assets					
AAR Insurance Holdings Kenya	**18 444**	–	–	–	**18 444**
	18 444	–	–	–	**18 444**

IMPAIRMENT INDICATORS FOR THE AVAILABLE FOR SALE INVESTMENT

The investment is considered to be impaired if there has been a significant or prolonged decline in the fair value below its cost. The Group evaluates the duration and the extent to which the fair value of the investment is less than its cost, and the financial health of and short term business outlook for the investee (including factors such as industry and sector performance, changes in technology and operational and financing cash flows). Due to the factors listed above, the Group has determined that an impairment is not required in the 2016 financial year.

SIGNIFICANT ESTIMATES

The fair value of the investment in AAR Insurance Holdings Kenya is not traded in an active market and as a result is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. At year end, based on the latest financial information provided to us, the carrying amount approximates the fair value.

9.6 CASH AND CASH EQUIVALENTS

	Group		Company	
	June 2016 R'000	June 2015 R'000	**June 2016 R'000**	June 2015 R'000
Cash at bank and short-term bank deposits				
AA – ABSA Bank Limited	**56 702**	50 127	**6 174**	8 389
BBB- – Nedbank Limited	**104 882**	279 653	**19 792**	25 622
AA – Standard Bank Limited	**93 070**	–	**57 324**	–
AA – Investec Limited	**62 525**	–	**62 525**	–
BBB+ – Sasfin Limited	**55 889**	4 271	**69**	–
Total Cash at bank and short-term bank deposits	**373 068**	334 051	**145 884**	34 011

The rating scores are based on the following broad investment grade definitions:

AA The financial instrument is judged to be of high quality, is subject to very low credit risk and indicates quality issuers.

BBB+ Obligations are medium-grade and subject to moderate credit risk with a positive outlook. Obligations may possess certain speculative characteristics.

BBB- Obligations are medium-grade and subject to moderate credit risk with a negative outlook. Obligations may possess certain speculative characteristics.

9. FINANCIAL INSTRUMENTS continued

9.6 CASH AND CASH EQUIVALENTS continued

	Group		Company	
	June 2016 R'000	June 2015 R'000	**June 2016 R'000**	June 2015 R'000
Cash	**161 584**	127 986	**25 966**	34 011
Short-term deposits*	**211 484**	206 065	**119 918**	–
	373 068	334 051	**145 884**	34 011

** Short-term deposits relate to cash at the year-end deposited into specific bank accounts.*

For purposes of the statement of cash flows, the year-end cash and cash equivalents comprise the following:

	Group		Company	
	June 2016 R'000	June 2015 R'000	**June 2016 R'000**	June 2015 R'000
Cash and bank balances	**373 068**	334 051	**145 884**	34 011

Included in the cash balance is an amount of R10 million deposited at Nedbank Limited as a good-faith deposit on behalf of a strategic target for acquisition. This is a loan receivable and not cash in the bank. The effective interest rate applicable to cash at bank is 5.25% (June 2015: 5.46%).

9.7 TRADE AND OTHER PAYABLES

	Group		Company	
	June 2016 R'000	June 2015 R'000	**June 2016 R'000**	June 2015 R'000
Trade payables*	**216 081**	37 060	**532**	697
Accruals	**29 577**	25 761	**119**	826
Payroll creditors	**39 764**	34 355	**–**	–
Shareholders for dividends	**9 919**	13 120	**4 604**	7 063
Other payables**	**87 688**	36 021	**1 884**	11 635
	383 029	146 317	**7 139**	20 221

All trade and other payables are current and are expected to be settled with the next 12 months. The carrying values at the year-end approximate their fair values.

** The increase in trade payables is due to the WAD acquisition.*
*** The increase in other payables is due to the amounts owing from the AfroCentric Health minority buy-out.*

9.8 BORROWINGS

	Group		Company	
	June	June	**June**	June
	2016	2015	**2016**	2015
	R'000	R'000	**R'000**	R'000
Bank borrowings	**–**	61 224	**–**	–
Maturity analysis				
Non-current	**–**	–	**–**	–
Current	**–**	61 224	**–**	–
	–	61 224	**–**	–

The interest bearing borrowings above bear interest at 87% of the Prime rate.

ABSA Bank has provided AfroCentric Investment Corporation Limited a primary lending facility of R10 million. (June 2015: R10 million). This facility ranks "pari-passu" with the preference share facility in the name of ACT Funding (Pty) Ltd and shares in the security provided for this facility. There has been no drawn down of this facility at year end.

ABSA Bank has provided ACT Funding (Pty) Ltd with a preference share facility of R200 million, guaranteed by AfroCentric Investment Corporation Limited and ACT Healthcare Assets (Pty) Ltd. This facility was initially due for redemption in March 2014, but agreement was reached with the lenders to extend the redemption over a period of 3 years to 11 February 2017. This loan was settled in December 2015.

9.9 LOANS FROM GROUP COMPANIES

	Group		Company	
	June	June	**June**	June
	2016	2015	**2016**	2015
	R'000	R'000	**R'000**	R'000
AfroCentric Health (Pty) Ltd	**–**	–	**43 116**	60 705
ACT Funding (Pty) Ltd	**–**	–	**1 361**	–
	–	–	**44 477**	60 705

The loan with ACT Funding (Pty) Ltd is unsecured and interest free.

The loan with AfroCentric Health (Pty) Ltd is unsecured and bears interest at the prime interest rate calculated monthly.

These loans has not fixed terms of repayment but payable on demand.

9.10 RECOGNISED FAIR VALUE MEASUREMENTS

FAIR VALUE HIERARCHY

The following hierarchy is used to classify financial and non-financial instruments for fair value measurement purposes:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within level that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy 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 in its entirety. The significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

9. FINANCIAL INSTRUMENTS continued

9.10 RECOGNISED FAIR VALUE MEASUREMENTS continued

The following table presents the groups assets and liabilities that are measured at fair value at 30 June 2016:

	Group			Company		
2016	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Investment in Jasco (note 9.11)	**37 182**	**–**	**–**	**37 182**	**–**	**–**
Investment in collective schemes	**268 173**			**268 173**		
Investment in AAR (note 9.5)	**–**	**–**	**18 444**	**–**	**–**	**–**
Contingent consideration (note 36)	**–**	**–**	**134 893**	**–**	**–**	**134 893**
Investment Property (note 7)	**–**	**–**	**15 000**	**–**	**–**	**–**
	305 355	**–**	**168 337**	**305 355**	**–**	**134 893**
2015						
Investment in Jasco (note 9.11)	24 788	–	–	24 788	–	–
Investment in AAR (note 9.5)	–	–	18 444	–	–	–
Investment Property (note 7)	–	–	15 000	–	–	–
	24 788	–	33 444	24 788	–	–

Specific valuation techniques used to value financial and non-financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments. The Jasco Electronics Holdings Limited and the collective investment schemes share price was obtained from the Johannesburg Stock Exchange (JSE)
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis and PE ratios.
- The fair value of the investment property is determined using current prices in an active market for similar property

The assets disclosed above have been classified as a Level 3 financial and non- financial instruments i.e. the inputs are not based on observable market data except for the investment in, Jasco Electronics Holdings Limited, which is classified as a Level 1 financial instrument (non-current asset held for sale). The carrying amount of all assets in the table above approximates the fair value of the assets.

Group fair value measurements using significant unobservable inputs (Level 3):

	Contingent consideration R'000	Investment in AAR R'000	Investment Property R'000
Opening balance	–	18 444	15 000
Additions	134 893	–	–
Transaction costs	–	–	–
Closing balance	134 893	18 444	15 000

VALUATION INPUTS AND RELATIONSHIPS TO FAIR VALUE

INVESTMENT IN AAR

The fair value of the investment in AAR Insurance Holdings is derived by valuation techniques using the most recent financial information available to AfroCentric Investment Corporation Limited. Management are satisfied that valuation of the investment in the AAR represents the fair value.

INVESTMENT PROPERTY

The fair value of the investment property is derived by an external property valuer using current prices in an active market for similar property in the same location and condition. In applying this approach the valuer has selected other properties that have similar risk, growth and cash-generating profiles. Management reviews the valuation performed by the external valuer and is satisfied that the inputs used by the external property valuer are reasonable.

CONTINGENT CONSIDERATION

Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the Company arising from the contingent consideration. Under the contingent consideration arrangement, AfroCentric Investment Corporation Limited is required to issue Glen Eden Trading 58 (Proprietary) Limited an additional 26 192 902 shares based on management's best estimate as per the Acquisition of shares agreement. R134.9 million is the estimated fair value of this obligation at year-end.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Fair value at 30 June 2016	Unobservable inputs	Input Value used	Sensitivity of unobservable inputs on profit and loss
Investment in AAR (unlisted investment)	18 444	Price earnings ratio	11.32	If a P/E ratio of 10.32 were used the investment in AAR would increase by R1.762 million in other comprehensive income. If a P/E ratio of 12.32 were used the investment in AAR would increase by R1.748 million in other comprehensive income.
Investment Property	15 000	Price per square meter	R1 500 per square meter	The higher the price per square meter the higher the fair value.
Contingent consideration	134 893	Average growth rate	5%	If an average growth rate of 4% were used the contingent consideration would decrease by R2.596 million in profit and loss. If an average growth rate of 6% were used the contingent consideration would increase by R2.630 million in profit and loss.
		Expected cash inflows	R21.8m – R24.2m	If expected cash flows were 10% higher or lower, the fair value would increase/decrease by R13.489m.

VALUATION PROCESS

The finance department of the Group performs the valuations of the investments for financial reporting purposes, including level 3 fair values (excluding the investment property). The team reports directly to the Chief Financial Officer ("CFO"). Discussions of the valuation processes and results are held between the CFO and the Group Finance department at least once every six months, in line with the Group's bi-annual reporting periods.

The following table reflects the impact on the statement of comprehensive income and other comprehensive income should the fair value increase or decrease by 10%.

	Impact of change in volatility of the fair value adjustment on profit or loss	
	Increase +10% R'000	Decrease -10% R'000
Investment in Jasco	**1 239**	**(1 239)**
Contingent consideration	**13 489**	**(13 489)**
Investment in AAR Insurance Holdings	**1 844**	**(1 844)**
Investment Property	**1 500**	**(1 500)**
	18 072	**(18 072)**

9. FINANCIAL INSTRUMENTS continued

9.11 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	Group		Company	
	June 2016 R'000	June 2015 R'000	June 2016 R'000	June 2015 R'000
Non-current assets				
Collective share investment Scheme	268 173	–	268 173	–
Jasco Electronics Holdings Limited	37 182	–	37 182	–
	305 355	–	305 355	–

As disclosed in Note 10, in 2016 Jasco Electronics Holdings Limited no longer met the classification of non-current asset held for sale. The reason for no longer meeting the classification as a non-current asset held for sale is due to the fact the Group is currently not actively searching for a buyer but is still committed to sell the investment in the near future.

During the year AfroCentric Investment Corporation Limited invested funds into four different investments, namely:
- Coronation Strategic Income fund
- Prescient Income Proper Fund
- Sanlam SIM Inflation Plus Fund B4
- Sanlam SIM Active Income Fund B5

CLASSIFICATION FINANCIAL ASSETS THROUGH PROFIT AND LOSS

As a result of holding these assets for the medium term these have been designated at fair value through profit and loss.

	Opening carrying amount	Additions	Fair value gains and losses	Disposals	Closing carrying amount
Non-current assets					
Collective share investment Scheme	–	253 481	14 692	–	268 173
Jasco Electronics Holdings Limited	–	24 788	12 394	–	37 182
	–	278 269	27 086	–	305 355

IMPAIRMENT INDICATORS FOR FAIR VALUE THROUGH PROFIT AND LOSS INVESTMENT

Any impairment will be reflected in the share price which would result in a fair value loss that would be recognised in the statement of comprehensive income.

9.12 FINANCIAL ASSETS AT AMORTISED COST

	Group		Company	
	June 2016 R'000	June 2015 R'000	June 2016 R'000	June 2015 R'000
Non-current assets				
AA – Standard Bank	70 496	–	70 496	–
AA – Investec Bank	73 265	–	73 265	–
	143 761	–	143 761	–

AA – The financial instrument is judged to be of high quality, is subject to very low credit risk and indicates quality issuers.

During the year AfroCentric Investment Corporation Limited invested funds into the following investments, namely:
- Standard Bank Notice Deposit
- Investec Wholesale Structured Deposit

CLASSIFICATION FINANCIAL ASSETS AT AMORTISED COST

Deposits are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. The deposits are included as non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which would be classified as current assets. The carrying amount approximates the fair value of the investments.

The following tables represent the fair value hierarchical disclosure if the Investments at amortised costs were to be classified at fair value:

	Impact of change in volatility of the fair value adjustment on profit or loss	
	Increase +10%	Decrease -10%
	R'000	R'000
Investment at amortised cost	367	(367)

The following table presents the investments that are measured at fair value at 30 June 2016:

	Group			Company		
2016	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investment at amortised cost	**143 761**	–	–	**143 761**	–	–

10. INVESTMENT IN ASSOCIATES

	Group		Company	
	June 2016 R'000	June 2015 R'000	**June 2016 R'000**	June 2015 R'000
Carrying value	**24 477**	14 873	–	–

During the year a 26% interest was purchased in Activo Health (Pty) Ltd. The Group has significant influence over this entity.

At 30 June 2016, Invisible Card Company was fully impaired as the business is not trading.

During the 2015 financial year, AfroCentric Investment Corporation Limited's shareholding decreased from 20.27% to 19.30%. Subsequently, management has made the decision to sell the Jasco Electronics Holdings Limited investment and was accordingly reclassified this investment to a non-current asset held for sale (refer to note 12). In the current financial year the sale has not materialised and the 19.30% investment in Jasco Electronics Holdings was reclassified to Financial assets at fair value through profit and loss (refer to note 9.11).

In the current year, only Activo Health (Pty) Ltd's total aggregate assets, liabilities and results of operations are disclosed as it is the most significant associate.