ALARIS
HOLDINGS

INTEGRATED ANNUAL REPORT 2015

ABOUT THIS REPORT

Alaris Holdings Limited's 2015 integrated annual report provides material information relating to the economic, environmental, social activities and financial issues of the Group for the year ended 30 June 2015. The content and structure of this report conforms to the recommendations and the principles laid out in the King III report, and complies with the South African Companies Act, 2008 (Act 71 of 2008), as amended ("Companies Act"), the Listings Requirements of JSE Limited ("JSE") and the International Financial Reporting Standards. Commentary has been provided to explain the reasons for certain principles in King III not being fully complied with.

It provides an account of the Group's progress to date and offers a forward-looking perspective in terms of future goals, targets and strategies. It aims to provide a transparent, balanced and holistic view of the Group's performance.

The report summarises key aspects of the Group and provides a strategic overview of the activities within the Group. The underlying strength of the report is the commitment to corporate governance and ethical behaviour.

Board responsibility for integrated annual report

The board of directors of Alaris ("The Board") acknowledge responsibility for the integrity of the integrated annual report. The directors have applied their minds to the report and believe that it covers material issues and fairly presents the integrated performance of the Group, with the understanding that further work is needed to identify, describe and measure key performance indicators in each area of its activities.

The Board therefore approves the release of the 2015 integrated annual report.

Chairman / Chief Executive Officer

An electronic version of this integrated annual report is available on the Alaris website:

www.alarisholdings.co.za

OUR VISION

Be a leading global RF technology holding by investing in RF related technology companies.

Extracting the core aspects from Alaris' vision statement best describes the nature and **VALUES** of the Company:

- Act with integrity and transparency
- Think global
- Keep promises
- Innovate
- Be responsive

OUR MISSION

The mission of Alaris Holdings is to invest in global RF technology companies, which inter-operate as innovative bespoke product and solution design factories for their partners and apply common business models.

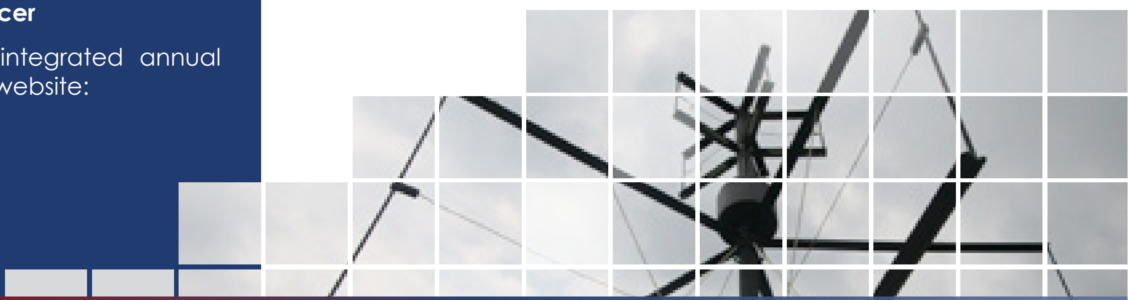
WHAT WE ARE ALL ABOUT

Alaris Holdings Limited is a technology holding company listed on the JSE AltX since July 2008.

The Alaris Group consists of:

Alaris Antennas which designs and manufactures specialised broadband antennas as well as other related radio frequency products. Its products sell in the electronic warfare, frequency spectrum monitoring, communication, test and measurement, and other specialised markets. Its clients are located across the globe, mostly outside of South Africa (the Americas, Europe and Asia) and operate mainly in the homeland security market space as well as system integrators and frequency spectrum regulators.

Aucom provides end–to–end solutions for radio and TV broadcasters. It designs, sells and implements integrated broadcasting systems and has specific expertise in digital television distribution, multiscreen as well as over-the-top (OTT) systems. It is well positioned to assist broadcasters with the migration to digital television and radio services across Africa. A large increase is also expected in private content providers, private TV companies and private broadcasters.



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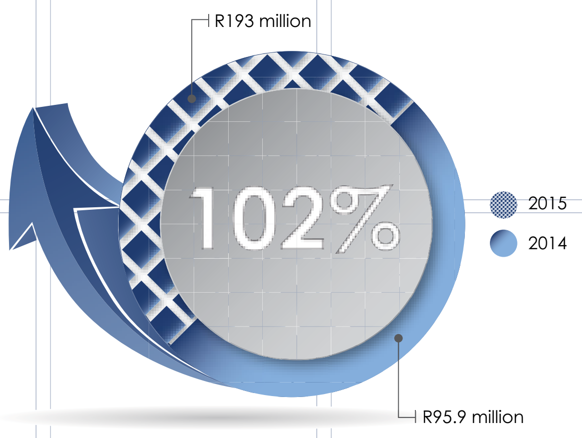
ALARIS
HOLDINGS

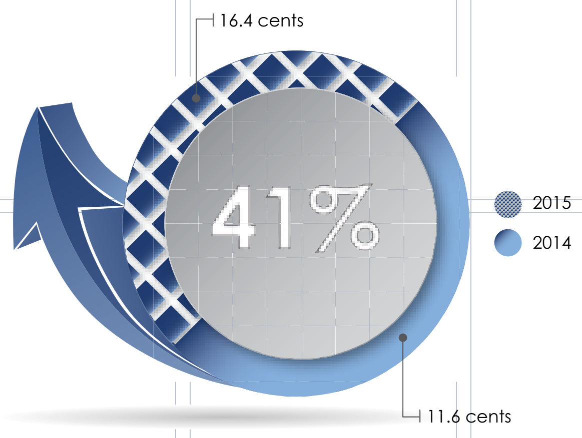
ALARIS OVERVIEW

Highlights

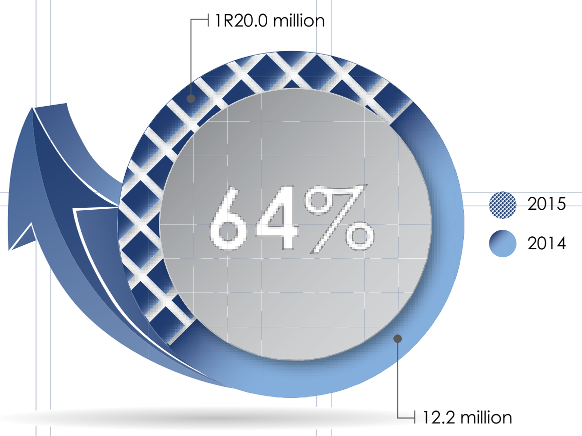
Revenue from continuing operations
Aucom consolidated for a full 12 months



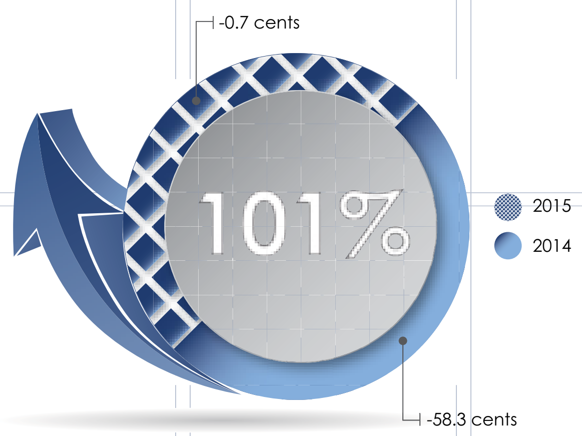
Normalised earnings per share
from continuing businesses



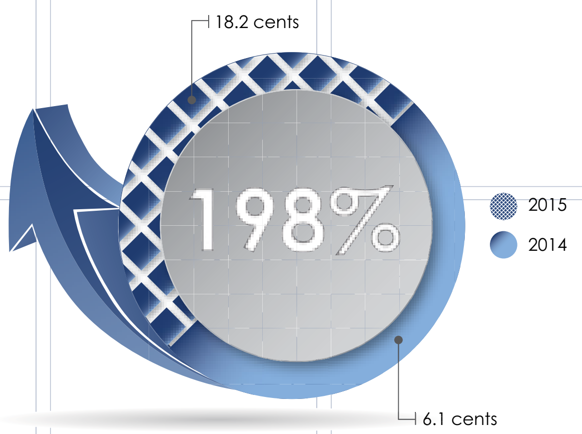
Normalised earnings
from continuing operations



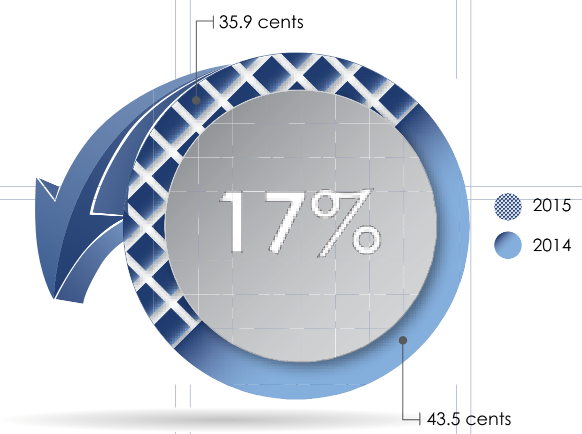
Continuing earnings per share
(EPS)



Continuing headline earnings per share
(HEPS)



Net tangible asset value
per share



Technology holding company listed on the JSE AltX since July 2008

ALARIS HOLDINGS

Alaris Antennas

Designs and manufactures specialised broadband antennas as well as other related radio frequency products

These products sell in the electronic warfare frequency spectrum monitoring communication test and measurement and other specialised markets.

Clients located across the globe mostly outside of SA (Americas Europe & Asia)

African Union Communications

Deigns sells and implements end-to-end turnkey systems for digital multmedia platforms.

Provides end to end solutions to radio and TV broadcasters. Well positioned to assist broadcasters with the migration to digital television.

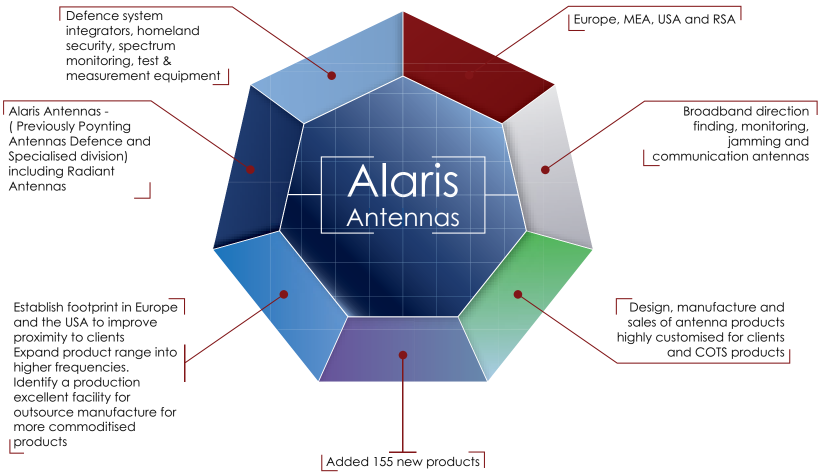
Clients located mostly in Africa with typically a 80% split SA and 20% rest of Africa.

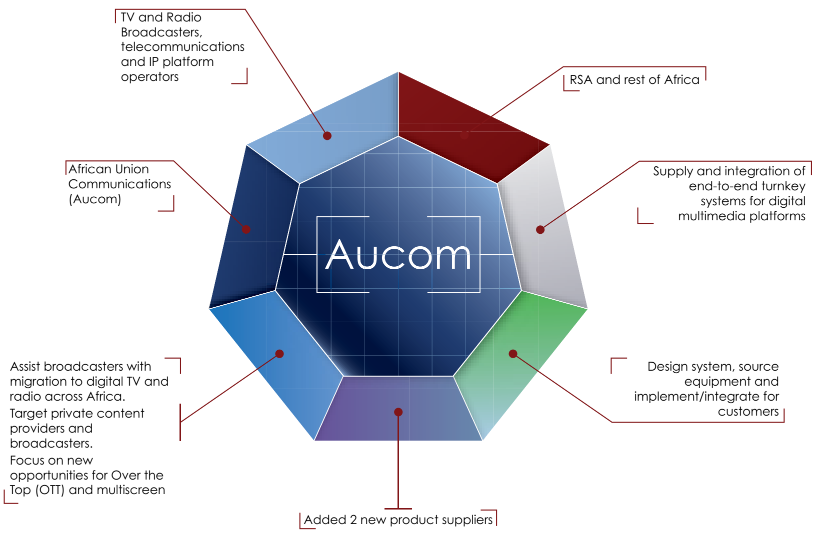
BUSINESS PROCESSES

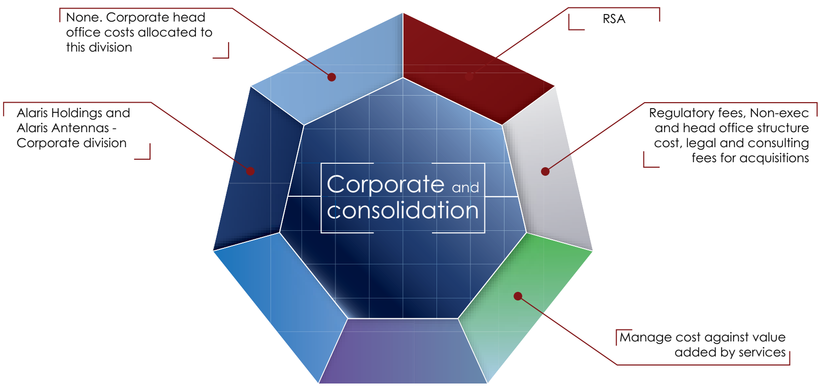
WHAT WE DO

The Group simplified its structure by disposing of the Compart businesses in December 2014, resulting in a more profitable and focused Group. It is important to note that the remaining businesses have the DNA and innovation which Alaris (formerly Poynting) is known for and in which we have built a track record of innovating profitably. The Group is now positioned around what it is good at. The Group remains focused on achieving growth (organic and acquisitive) and improving profitability in the near term.

The continuing operations are divided into three operating segments, namely Alaris Antennas, Aucom and "Corporate and consolidations"







WHERE WE OPERATE

Alaris' corporate offices are currently in the Gauteng province of South Africa.

The Aucom business has relationships with a number of world leading equipment manufacturers and acts as a system integrator for broadcasters throughout Africa.

The Alaris Antennas business has numerous distributors based around the world. We supply system houses with specialised antennas. This is primarily through system integrators and manufacturers who use custom-designed antennas as part of their product offering, and these constitute a valuable sales channel with good sustainability.

Major operations

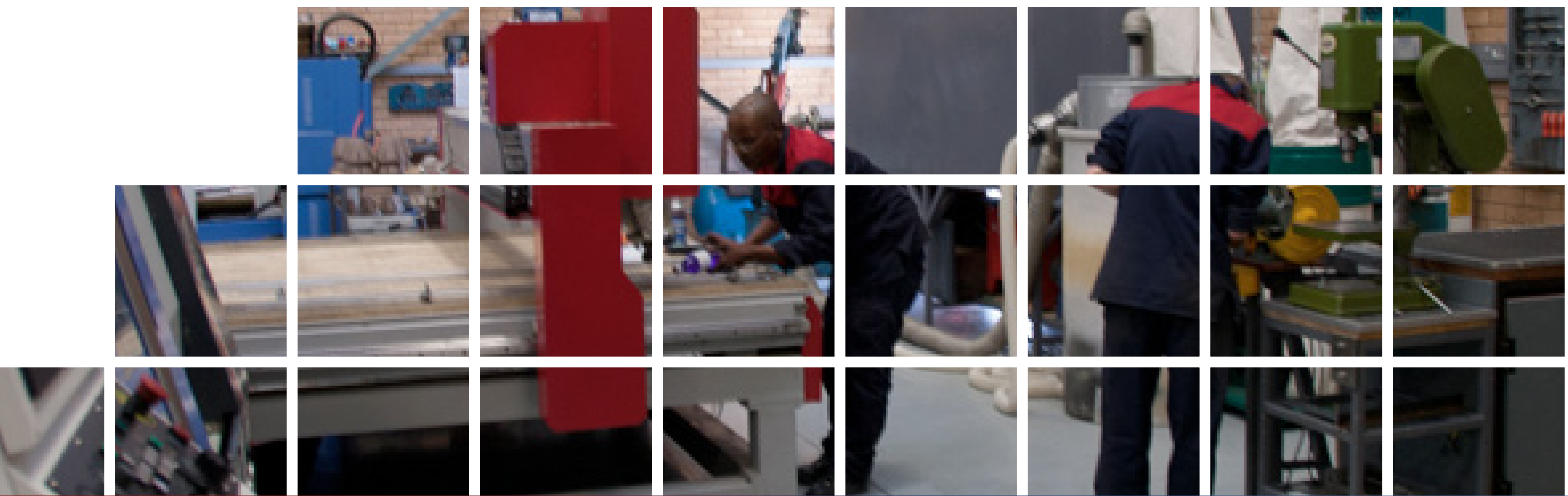
Alaris Antennas	African Union Communications (Aucom)
1 Travertine Avenue N1 Business Park Centurion, 0157 South Africa	394 Cliff Avenue Waterkloof Ridge X2 Pretoria South Africa

UNDERSTANDING OUR STAKEHOLDERS' INTERESTS

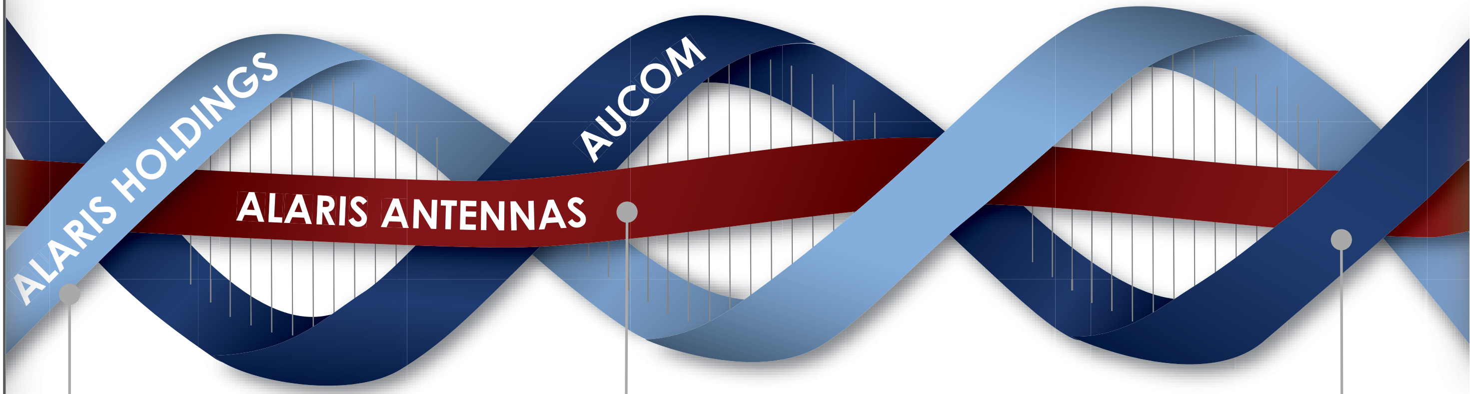
Stakeholder	Requirements	Engagement	Challenges	Status
Investors and shareholders	Generate sustainable returns for investors	Investor relations Financial results reporting and discussions Annual general meeting Individual engagements Clear strategy	Continuously delivering profitable growth results	Substantial growth in the size of the business which should result in improvement of earnings to support the share price
Clients	Our clients expect speedy response to requests by offering technical knowhow of innovative system solutions and system components, giving them the competitive edge	Understand client requirements by regular engagement with the client and offering applicable technical solutions that address the needs of the customer through product / solution development	Providing top quality innovative antennas and integrated multimedia systems at a market related price	The Group is experiencing a higher demand for its products
Partners	The distributors of our products require innovative solutions and technical support	High level communications and active day to day support	Ensuring that the distributors remain the leaders in the market place and expanding our global footprint	The Group has shown a steady increase in distributors and partners who actively promote our products

BUSINESS PROCESSES *(continued)*

Stakeholder	Requirements	Engagement	Challenges	Status
Employees	Ensuring personal growth	Strong emotional support and leadership interaction	Retaining key employees	Move of the Alaris Antennas business to new premises. The human resource department has implemented employee benefit programs. Internal and external training programs
	Inspiring and innovative platform for individuals to grow	Schedule training programs and social interaction		
	Being the employer of choice in our industry	Offer employee benefits, job security and internal career advancement		
Industry players	Being the preferred antenna and broadcasting company	Attending worldwide trade shows, offer effective and innovative antenna designs and system solutions	Ensuring that we are the leaders in the market	Attended worldwide trade shows and added various products to both companies' portfolio
Suppliers	Ensuring accurate orders and timely payments	Quality engineers visiting suppliers premises and engaging in discussions when new materials are required	Ensuring that suppliers supply quality products at reasonable prices	Quality team expanded to include focus on supplier audits to ensure quality products delivered on time
Community	Uplifting the community with social development programs	Staying abreast of community concerns and providing a platform for education	Ensuring that the community experience our company as a responsible citizen, adding value to the community and environment.	Involved in giveITback PC lab and setting up a solar powered training college for rural youth development.
Government and regulators	Complying with regulations	Meeting with relevant officials and regulators on a regular basis and actively staying involved in discussions regarding changes in regulations	Ensuring compliance as well as keeping abreast of developments	The Group is audited on a regular basis by independent third parties to ensure the required levels of compliance are maintained



WHAT IS OUR DNA?



1. Technology holding that invests horizontally to exploit its knowledge in terms of more of the same:
   - Offering of services / products
   - Focus on system houses and operators.
   - Focus on client intimacy.
   - Technology innovation to stay ahead of market and support clients (give our clients a competitive edge).

1. Provide customer solutions through innovative bespoke product design.
2. Provide competent technical advice by understanding our clients' needs.
3. Excellent service through rapid response.

1. Design end-to-end turnkey system solutions.
2. Provide competent technical advice and excellent service.
3. Involved in product specification process with partners (shaping opportunities).

MODERATING OUR BEHAVIOUR

Ethics

Alaris has always employed a multi-cultural employee team and engaged with customers and suppliers from a variety of cultures. Alaris hence considers racism, sexism and other forms of discrimination entirely unacceptable. This is communicated via our company policies and culture. Management ensures prompt reaction to eliminate any contradictory behaviour.

The Board constantly considers the short and long-term impacts of Alaris' strategy on the economy, society and the environment. Where possible our antennas are designed to ensure that the natural environment is not compromised.

All employees of the Group are required to maintain the highest ethical standards in ensuring that the Group's business practices are conducted in a manner which, in all circumstances, is above reproach. The Social and Ethics committee was established during the prior year and the responsibility of the committee is to ensure that Alaris and its employees act in a responsible manner so as to be a good corporate citizen.

Executive directors of the Group and its subsidiaries are required to confirm on an annual basis that they are not aware of any corruption or bribery that transpired in the day to day operations of the Group.

The impact of Alaris' decisions on internal and external stakeholders is monitored on a constant basis and feedback is investigated and resolved where possible.

Risk

The Board is ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner.

Risks are assessed on an on-going basis by management and any significant changes are discussed. Pre-emptive decisions are taken when risks are identified to minimise the impact of these risk factors on the economic, social and environmental responsibilities of Alaris.

Remuneration

The Group's remuneration policy is in-line with Alaris' strategies. Strict codes of conduct are in place to ensure that an honest and credible working environment is created and sustained. Target incentives which are, reviewed and approved by the remuneration committee, are in place to ensure that exceptional employees are rewarded for their efforts in a controlled and authorised manner.

A new Share Incentive Trust was created during this financial year where share options are allocated to certain staff as a mechanism to retain key staff.

Governance

The Company is committed to on-going and effective communication with stakeholders. It subscribes to a policy of sound corporate governance and open and timeous communication in line with JSE Listings Requirements.

ALARIS
ANTENNAS
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Villiers Joubert (53)
Pieter Nicolaas
de Waal (40)
Richard Charles
Willis (46)
Coenraad Petrus
Bester (59)
Gisela Therese
Heyman (36)
Juergen
Dresel (48)
Andries
Mellet (32)

Governance Team

Coenraad Petrus Bester (59)

BSc Eng (Elec) (UP) BSc Eng (Elec) Hons (Potch)
MBA (UP), OPM (Harvard Business School)
Independent Non-executive Chairman

Coen initially lectured in the faculty of Electronic Engineering at Potchefstroom University. From there he went on to become the founder and CEO of two companies. Following the sale of the second company to a listed entity, he founded BrainWorks Management in 1999. Amongst his responsibilities, he acts as mentor to a number of high-technology companies in the information, communications and electronics markets and serves on the boards of a number of such companies. Coen earned an Electronic Engineering Degree from the University of Pretoria and an Honours Degree in Electronic Engineering at the University of Potchefstroom. He completed an MBA at Pretoria University and an OPM course at Harvard Business School.

Juergen Dresel (48)

Dip.Ing. (TU Munich) MSc Eng (Elec) (Wits)
Chief Executive Officer (Appointed 19 December 2014)
Executive Director: Managing Director Alaris Antennas

Juergen completed his IT and Telecommunication studies with a Dipl. Ing degree at the Technical University of Munich, Germany in 1993. In 2000, he completed an MSc in electrical engineering at Wits University. Juergen started his engineering career with work that comprised antenna design and development in the frequency range from 10 kHz up to 6 GHz, antenna placement simulations, and project management. In 2005, Juergen took over the management of the defence section of Alaris Antennas where he concentrated his efforts on management and sales of large Defence-related projects.

Pieter Nicolaas de Waal (40)

BScEng(Mech) (Stell) MBA (Navarre)
Non-Executive Director

Nico began his career as an engineer with Baker Hughes Inc. (USA) in Scotland and the Middle East in the oil and gas exploration industry (1998-2000). He then specialised in strategy and operations work as a management consultant at McKinsey & Co. (2001-2007) and at SAB Miller (2008-2010). Nico joined the PSG Group in 2011 and is currently the Chief Executive Officer of PSG Private Equity.

Villiers Joubert (53)

B Ing (Elec) (Pretoria)
Executive Director : Managing Director Aucom

Villiers has over 27 years of experience in the broadcast and satellite communication industry. Mr Joubert is currently the Managing Director of African Union Communications Proprietary Limited, a major subsidiary of Alaris. After qualifying with a B Ing Electronics from the University of Pretoria, he worked for the SABC and proceeded to hold management positions in some of the leading private sector companies in the broadcast and satellite communication industry in South Africa.

Richard Charles Willis (46)

CA (SA)
Non - Executive Director

Richard qualified as a Chartered Accountant in 1994 after having completed his articles at Deloitte. Since then Richard has occupied various positions, both locally and internationally, including chief operating officer of Standard Private Bank and Melville Douglas and financial director of Virgin Money South Africa. Currently Richard is chief operating officer at Clive Douglas Investments Proprietary Limited.

Gisela Therese Heyman (36)

CA (SA)
Executive Director: Financial Director
(Appointed 1 June 2015)

Gisela qualified as a Chartered Accountant in 2005 after completing her articles with Deloitte. She started her corporate career as group accountant with Datacentrix, a complete ICT systems integrator, listed on the JSE. She spent the last three of the seven years with Datacentrix as the Group Financial Manager in charge of the full financial function. Subsequently, she was appointed as Financial Director of G4S Secure Solutions, a multinational UK listed organisation in the security industry. Her responsibility spanned from finance with strict working capital management to IT – and ERP systems, legal, company secretarial, procurement and logistics. She brings with her experience in finance, information systems and operations.

Andries Mellet (32)

CA(SA)
Non Executive Director

Resigned from Board on 24 October 2014 to take up position as Chief Operating Officer. Rejoined the Board on 8 October 2015 as alternate non-executive director.

Dries completed his articles with PWC and is a qualified chartered accountant. Dries was Financial Director of mCubed Holdings Limited between October 2010 and February 2011 and Financial Director of Capevin Holdings Limited between April 2012 and November 2013.

Dries is currently employed by PSG Private Equity, which invested in Alaris in December 2013.

Alaris Antennas' clients require products that are designed to their specifications, which are often integrated into systems offered by leading international system houses and as such, offer long-term secure revenues. Alaris' vision is to be the global, world class trusted antenna and RF subsystem partner to its customers and its mission is to deliver innovative, customised, high quality antenna and related RF product solutions to global RF system integrators speedily through technical and service excellence.

Aucom vision is to render advanced digital multimedia systems to South Africa and Africa at competitive pricing and establish itself as the market leader in Sub-Saharan Africa. Its mission is to deliver cost effective end-to-end turnkey system solutions by providing competent technical advice and excellent service.

The Group is striving to ensure that we are recognised as the preferred supplier of innovative RF products and multimedia system solutions locally and internationally.

The Group and its employees are committed to act honestly, fairly, ethically and with integrity and to conduct themselves in a professional, courteous and respectful manner and to create an environment of responsibility and accountability.

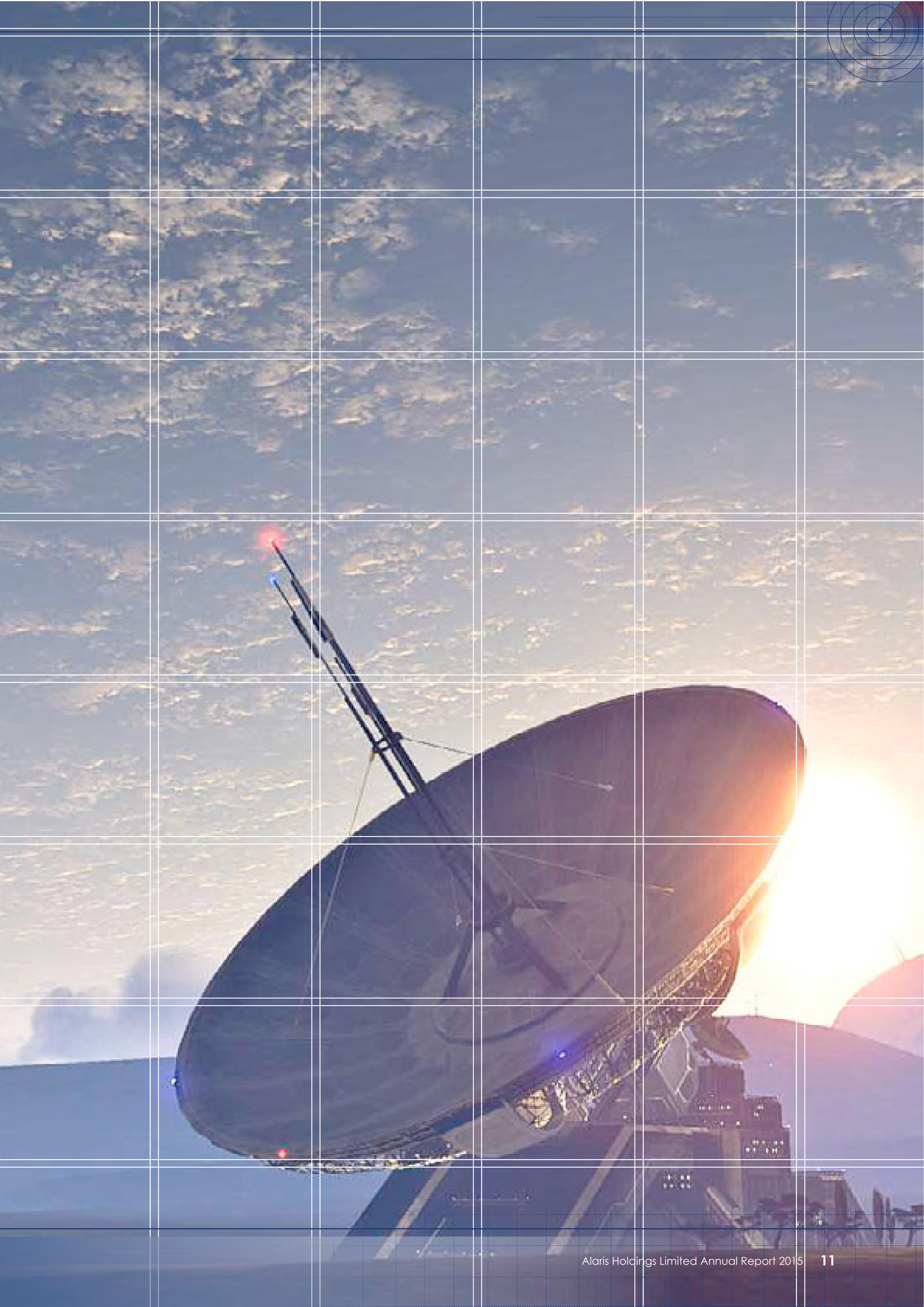
International acceptance and demand for our products is growing and we are developing a broader customer and product base.

The turnover of the Group has grown significantly with Alaris Antennas providing revenue growth of 15.4% and the consolidation of the Aucom business for a full 12 months in this financial year, adding an additional amount of R85.4 million compared to the prior year. The focus now will be on internal efficiencies and profitability.

The Board feels that we can continue to embark on more aggressive turnover growth by investment in new products, mergers and acquisitions and expansion of international market access and or product areas.

The following strengths and opportunities will give us an advantage over our competitors and will give us the opportunity to grow:

STRENGTH Need to capitalise on	**WEAKNESS** Need to shore	**OPPORTUNITY** Need to invest in	**THREAT** Need to identify
JSE AltX listed since 2008 resulting in steadily maturing organisation	Subsidiaries not operating in same market space, resulting in misaligned strategies impacting focus	Territorial growth	Not very liquid share
Strong statement of financial position – Cash available for investment	High cost of preference share due to delay in acquisitions	Improved investor relations	Market perception of performance of Aucom vs accounting treatment of investment
Aucom brings different market and strategy – diversifying the market risk of the Group	Current underperformance of Aucom against profit guarantee	Technological innovation to stay ahead of market	Multiple currently reducing could impact on acquisition deal structures
Profit growth of Alaris Antennas (CAGR 25% for the past 10 years)	Track record with acquisitions and complexities of deal structures	Blueprint Alaris Antennas to acquisitions (more of the same)	



CHAIRMAN'S REVIEW

Guided by WHY

How would your board react to the following agenda for your upcoming year?

1. Sell a part of the business that was core to the founding and listing of the company;
2. Part ways with the founder-CEO;
3. Make an off-shore acquisition comparable to the market capitalisation of the company; and
4. Amidst this all, achieve the best normalised-earnings performance in the history of the company.

As human beings, we all fear the unknown, yet we prefer not to know exactly how our future will play out. I guess we prefer believing that we will be "Ok." Or in the words of Jamal Malik of Slumdog Millionaire, that "everything will be all right in the end... if it's not all right, then it's not yet the end."

Thoughts like these crossed my mind quite a few times during the past year at Alaris. Would we have signed up for this agenda if we had the choice at the start of the year? Would you have?

You can imagine the number of meetings and robust discussions this agenda caused. The great thing though about robust conversations and compelling situations are that they force you to rediscover the core of the business. TED celebrity speaker and author Simon Sinek call's it simply the WHY of the business. Without clarity about your WHY, he claims, you cannot move meaningfully onto the WHAT and the HOW.

I mentioned in my previous report that we initiated a process in the latter half of 2014 to sell what once was core to our business, namely the Commercial Business Unit in order to focus on one of its off-springs, the Specialised Antenna business. We were truly lead in this by our WHY, namely to build a global, sustainable business based on own intellectual property.

Inevitably this raised the question about the type of leadership we needed to take the new-look business forward. In last year's report, I dealt extensively with the emotionally taxing period that lead to the departing of our founder-CEO, Dr. Andre Fourie. I also reported that we parted on good footing and in an amicable way. Another advantage of everybody being clear on the WHY.

Clarity on our WHY also made it easy to nominate our incoming CEO, Juergen Dresel. On behalf of the Board, I would like to congratulate Juergen with his formal appointment and sterling year-end results amidst all these changes. In the words of Simon Sinek: "Successful succession is more than selecting someone with an appropriate skill set - it's about finding someone who is in lockstep with the original cause around which the company was founded. Great second CEO's don't take the helm to implement their own vision of the future; they pick up the original banner and lead the company into the next generation."

Over and above taking on new responsibilities, Juergen immersed himself in the daunting task of making a US-based acquisition in support of our Specialised Antenna business. Our stakeholders who follow the Company closely will know that the acquisition of Washington-based ARA was unfortunately aborted close to being concluded post year-end. It was a tough call and a big disappointment. Again, we took heart from being clear on our WHY and stood by our decision.

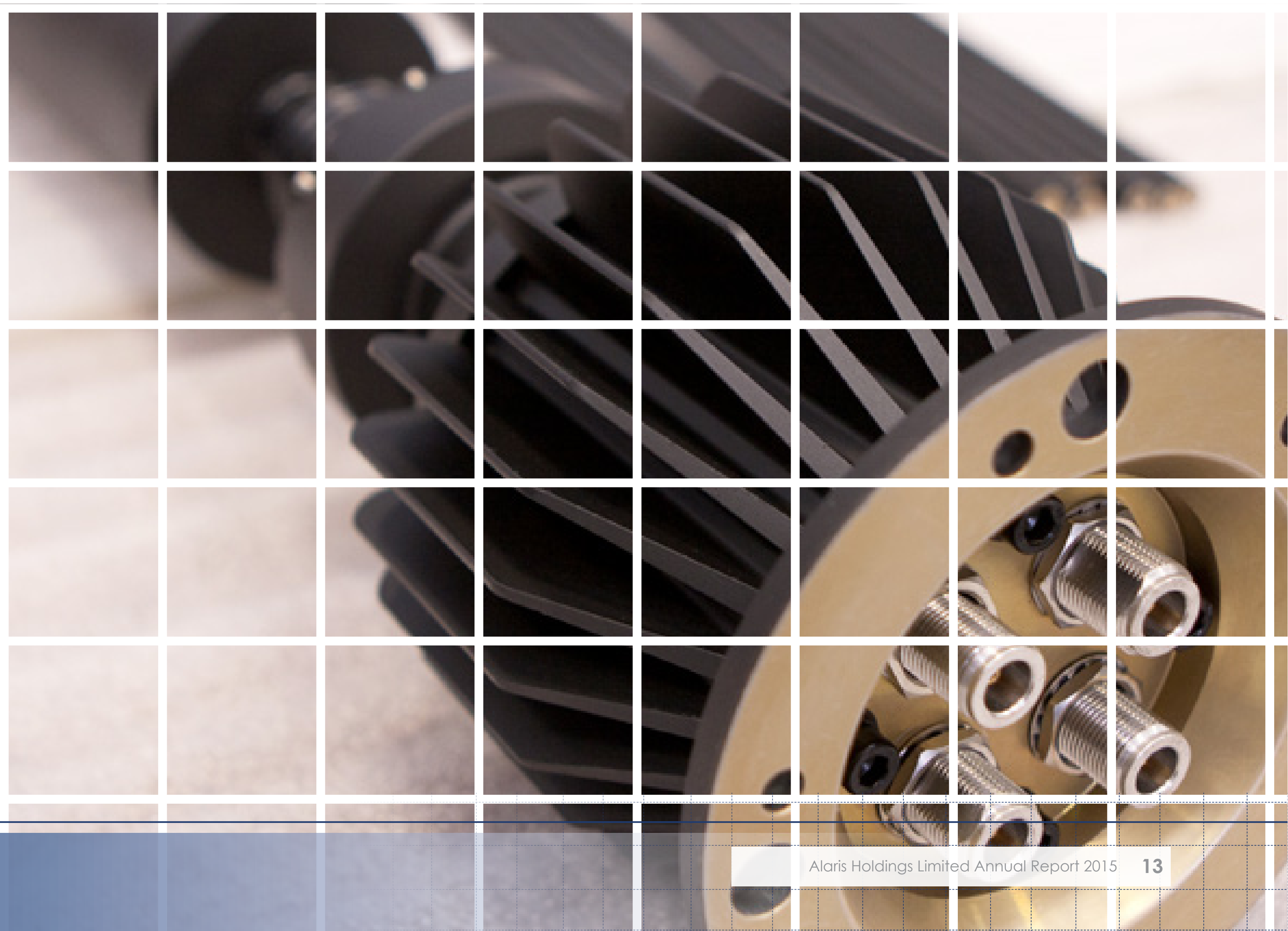
In the meantime, our operational teams stayed focused on their goals and indeed delivered the highest set of earnings in our history. To quote Sinek again: "It is not the genius at the top giving directions that makes people great. It is great people that make the guy at the top look like a genius." We salute you.

All this meant a very busy time at Board level. I want to thank members for their commitment and effort well beyond the normal call of duty. A special word of thanks to Zuko Kubukeli, who stepped down after selflessly serving for eight years.

We extend a hearty welcome to the new directors. Richard Willis re-joined as a non-executive director after having served on the board some years previously. Gisela Heyman joined as Financial Director a month before year-end. It soon became clear that she is a formidable lady in the way she took ownership of the finance department and the diversity of activities accompanying this busy period.

I am happy to report, at the end of this very busy year that we successfully managed our formidable agenda, and, "...it's not yet the end."

Coen Bester
Alaris Chairman



CEO'S REVIEW

The FY2015 brought significant changes to Alaris Holdings. In December 2014, Alaris' Board decided after long and careful consideration to dispose of all commercial activities, which were all loss-making at that point in time. Dr Andre Fourie, the Group's previous CEO, bought these commercial businesses together with the name 'Poynting' and elected to resign as CEO and focus on managing the newly acquired activities. This transaction (also known as "compart transaction") became effective by the end of December 2014.

The remaining entity had the contractual obligation to change its name. On the 4th of May 2015, the Holding company was renamed to Alaris Holdings Limited (ALH). "Alaris" has the meaning of "always on your side / troops of the wing" which talks to the fact that all the group companies' business concept is based on partnership with their clients.

The Group's structure complexity reduced significantly. Alaris Holdings (head office) is now holding two operating companies namely Alaris Antennas Proprietary Limited and African Union Communications Proprietary Limited (Aucom).

Alaris Holdings (Corporate and consolidation)

Alaris Holdings has been listed since July 2008 on the AltX of the JSE. It fulfils now the corporate head office functions for the Group. The head office structure and hence its cost has significantly changed compared to the previous year. Currently, there are three executive directors (J Dresel, V Joubert and GT Heyman) and three non-executive directors (CP Bester, PN de Waal and RC Willis) appointed in this entity. Listing costs, relevant audit fees and transaction costs are accounted for in the Holding.

The biggest expense in the FY2015 were the transactional costs for the attempted acquisition of RNS, ARA and the disposal of our commercial activities. ARA accounted for about 80% of these expenses.

Alaris Antennas

For Alaris Antennas FY2015 was a record year:

Revenue increased by 15% to R88.4 million from R76.7 million in the previous period, and Profit After Tax (PAT) grew by 29% to R20.9 million from R16.2 million in the previous period.

Alaris Antennas has grown (in revenue) over the last 10 years from a R10 million company to a R88.4 million company. This growth in FY2015 was achieved despite a four week industrial union strike in July 2014 as well as a R12 million order being removed from our open order book at the beginning of the FY2015.

The growth together with the considerable higher ratio between Commercial off-the-shelf (COTS) revenue and engineering related income required some changes and investments in FY2015 to make us "fit for the future". Additional capacity was required in:

- Logistics / procurement
- Quality
- Production
- Operations
- Support Engineering

We added 10 employees during FY2015 to our staff compliment. We outgrew our premises in Wynberg (Sandton) and moved to the N1 Business Park in Centurion.

The requirement for a new ERP system was mainly driven by the ratio shift from engineering income to more COTS income. The ERP system has been implemented with further updates required to optimise the full functionality and potential of the system.

Two additional CNC machines for metal processing have been added to the workshop in order to bolster the capacity of in-house production. With this investment we expect to achieve higher margins with our products and to be able to better control margins and delivery on time moving into the future.

Aucom

For Aucom FY2015 was a good year.

Revenue increased by 545% to R104.6 million from R19.2 million in the previous period (for the first time full 12 months are being reported, last year 5 months), and PAT (Profit After Tax) grew from a loss of R3.3 million to R7.3 million profit in FY2015 (12 months reporting).

A lot of effort and energy was invested during FY2015 into the African markets. Significant tenders were submitted in Ethiopia, Ghana and the DRC. These bids will be adjudicated and awarded in the near future.

The competition in these countries is mainly from China.

Accounting and our business

The biggest disappointment in the FY2015 was undoubtedly the 2 accounting restatements we had to endure due to the accounting treatment of the recallable shares which are part of the terms and conditions of the Aucom acquisition agreement. These restatements became necessary despite continuous intense and detailed consultation with the auditors, the JSE, the Designated Advisers and other consultants. It is my duty to apologise on behalf of the Company to our investors and other stakeholders. However, looking at the Aucom deal structure from a business perspective the deal structure is simple and has a lot of merit. But it seems hard to implement it in "accounting terms".

In order to provide the investor with meaningful insight about Alaris' continuing operations we present the following adjusted / normalised report, management has come up with the following measure.

Normalised earnings is calculated by adjusting profit for the fair value adjustment of the contingent consideration asset, goodwill impairment, loss on discontinued operations and profit (net after tax) on disposal of Compart and legal and consulting fees for acquisitions and disposals.

Normalised earnings per share is calculated by dividing normalised earnings by the weighted average number of ordinary shares in issue.

R'000	2015	Restated 2014
Total comprehensive income	**(5 124)**	**(97 754)**
Contingent consideration asset	(22 206)	-
Profit on disposal of discontinued operations	(2 395)	-
Losses incurred by discontinued operations	6 279	11 680
Legal and consulting costs for acquisitions and disposals	10 070	3 257
Impairment of goodwill	33 342	95 046
Normalised profit after tax for continuing operations	**19 966**	**12 229**
Alaris Antennas	20 944	16 214
Aucom	7 299	(3 302)
Corporate and consolidation	(8 277)	(683)
Weighted average number of ordinary shares in issue	121 697 691	105 610 735
Continuing operations - Normalised earnings per ordinary share (cents)	**16.41**	**11.58**

A strategic outlook

Alaris Holdings today has two legs it stands on:

- Alaris Antennas, which designs, develops, manufactures and sells antenna products and antenna subsystems, often in partnership with its clients.
- Aucom, which designs, develops, integrates, maintains, commissions and sells end-to-end turnkey multimedia solutions, often in partnership with its clients.

While Alaris Antennas is an innovative product solutions house and Aucom a system solution house both companies work intimately with their clients and partners. We win business through innovative product and system solutions, technical competency and trustworthy advice. We render technical and service excellence to our clients.

Aucom imports its equipment from the USA, Europe and Asia to offer turnkey solutions to radio and TV broadcasters in Sub-Saharan Africa. Alaris Antennas exports its products predominantly into Europe, but also into the USA and Asia.

Both companies businesses are mainly project orientated with little "annuity type" income. Alaris Antennas has been strategically striving to create more steady income streams by diversifying product ranges, clients and territories and successfully so. This has reduced the risk to the Company to some extent but big projects can still swing performance from one to the other period. Aucom's performance is even more influenced by large projects as most of its income is tender driven and derived only from the Sub-Saharan territory and not any other international markets. Aucom faces stiff competition from Chinese companies during the governmental tender process in various African countries. We will analyse our options during the course of FY2016 and make strategic calls about how to deal with these influences.

Alaris Antennas' biggest market is undoubtedly the USA. It will remain our objective to establish a direct footprint in the USA and in Europe.

Thank you

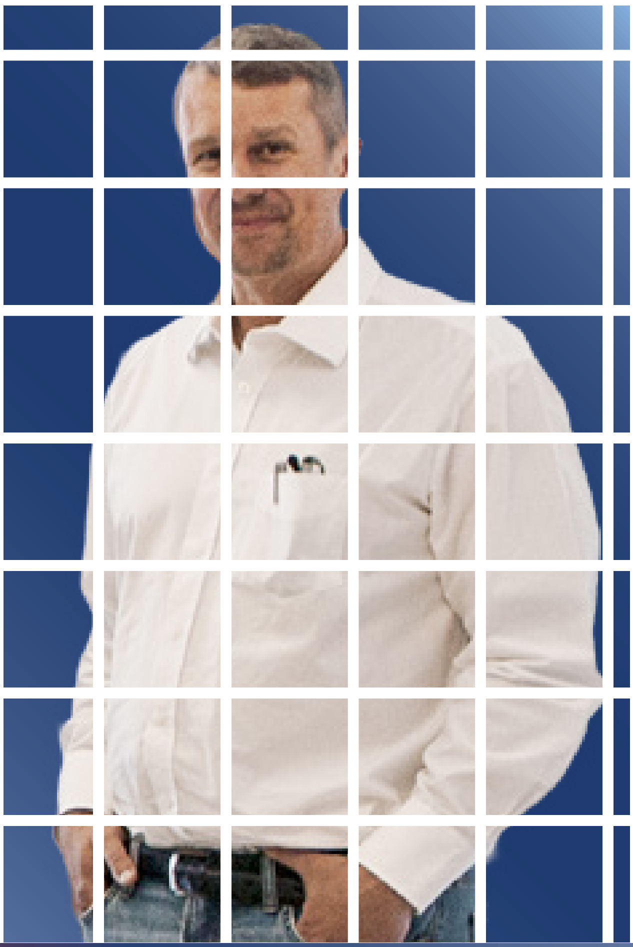
A big thank you to my fellow Board members for their advice and counsel, the executives of Alaris Holdings, Aucom and Alaris Antennas for their support and all the staff of the Group for their engagement throughout the year. On behalf of Alaris I also wish to express my appreciation for the support of your families. I know it is not always easy to find the correct balance between work and home.

I would like to express my sincere appreciation to our clients, distributors and agents who support us locally and globally and I would like to welcome and thank those who joined us new this year.

Last but not least my gratitude goes out to our shareholders, suppliers, auditors, designated advisors and all those who support us on an ongoing basis.

Jürgen Dresel

Group CEO



CORPORATE GOVERNANCE

The Board has led the Company in an ethical and responsible manner and remain committed to the principles of accountability, fairness and transparency. The Board recognises the need to conduct the affairs of the Company in compliance with the King Code of Governance Principles, as set out in the King III Report ("King III"). The Board is of the opinion that the Group has complied with King III in the past year, except where otherwise indicated. The Board will ensure that the principles and best practice recommendations that are applicable to the Group are implemented and complied with in the new financial year, while taking into account the practicalities of the environment in which the Group operates, the financial cost of compliance and the need to take action as appropriate.

Financial statements

In terms of the Companies Act, the Board is responsible for the preparation, integrity and fair representation of the consolidated annual financial statements of Alaris. The financial statements have been prepared in accordance with International Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial reporting Standards Council and the requirements of the Companies Act of South Africa and the Listing Requirements of the JSE. To enable the Board to fulfil its responsibilities, management sets standards and implements systems of internal control designed to provide certainty that assets are safeguarded, and that transactions are performed and recorded in accordance with the Company's policies and procedures. These standards and controls include proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

Board of directors

Alaris retains a unitary Board structure. The Board consists of three executive directors and three non-executive directors (two of them being independent). The non-executive directors are experienced professionals who make a significant contribution towards the Board's deliberations and decisions.

The roles of the Chairman and Chief Executive Officer (CEO) are separate with a clear division of responsibilities to ensure a balance of power and authority between them. The Board is of the opinion that this structure is effective and believes that an appropriate policy is in place to ensure that a balance of power and authority exists amongst directors, so that no one director has unfettered powers of decision-making. The Chairman is an independent non-executive director who, together with the CEO, provides leadership and guidance to the Board and encourages proper deliberation on all matters requiring the Board's attention while obtaining input from the other directors. The Board also has a policy detailing the procedures for appointments to the Board. Such appointments to the Board are formal and transparent and a matter for the Board as a whole. The Board is responsible for effective control over the affairs of the Company, including strategic and policy decision-making, financial control, risk management, communication with stakeholders, internal controls and the asset management process. Although the Audit and Risk committee is tasked with identifying, analysing and reporting on risk during the financial year, this was nevertheless part of the everyday function of the directors and was managed at Board level. Directors are entitled, in consultation with the Chairman, to seek independent professional advice about the affairs of the Company, at the Company's expense.

Board and board committee meetings

The Board retains overall accountability for the day-to-day management and strategic direction of the Company, as well as attending to the legislative, regulatory and best practice requirements. The Board ensures that the solvency and liquidity of the Company is continuously monitored and that the Company's performance and interaction with its stakeholders is guided by the Constitution and the Bill of Rights.

The Board has delegated authority to the CEO and executive management to run the day-to-day affairs of the Company. Accountability to shareholders remains paramount in Board decisions, and this is balanced against the demands of the regulatory environment in which the Company operates and the concerns of its other stakeholders. To assist the Board in discharging its collective responsibility for corporate governance, audit and risk-, remuneration- and social and ethics committees have been established, to which certain of the Board responsibilities have been delegated. Although the Board delegates certain functions to its committees, it retains ultimate responsibility for their activities.

Main role and responsibilities of the Directors

The Board has a formal charter setting out, inter alia, its composition, meeting frequency, and powers and responsibilities, particularly with regard to financial, statutory, administrative, regulatory and human resource matters. The charter sets out a clear division of responsibilities at Board level to ensure a balance of power and authority. The Board `Charter includes a formal schedule of the matters it oversees, including reviewing and guiding corporate strategy, risk policies, annual budgets and business plans and monitoring corporate performance. The Charter is reviewed annually.

The Chairman

The Chairman of the Board is an independent non-executive director. The roles of the Chairman and Chief Executive Officer remain separate. The Chairman's performance is evaluated annually.

Non-Executive Directors

The non-executive directors are not involved in the day-to-day business of the Company' nor are they full-time salaried employees of the Company and/ or any of its subsidiaries. All non-executive directors' appointments are formalised through letters of appointment. The non-executive directors enjoy no benefits from the Group for their services as directors, other than their fees and potential capital gains and dividends on their interests in ordinary shares.

Independence of directors

The independent non-executive directors are independent in terms of both King III and the JSE Listings Requirements. None of these directors participate in the share incentive scheme.

In addition, the independent non-executive directors:

- Are not representatives of any shareholder who has the ability to control or materially influence management or the Board;
- Are not employed by the Company or the Group in any executive capacity in the preceding three financial years;
- Are not members of the immediate family of an individual who is, or has been in any of the past three financial years, employed by the Company or the Group in an executive capacity;
- Are not professional advisers to the Company or the Group, other than in the capacity as a director;
- Were not suppliers or material suppliers to the Company or Group, or to clients of the Group;
- Have no material contractual relationship with the Company or Group; and
- Are free from any business or other relationship which could be seen to materially interfere with the individual's capacity to act in an independent manner.

Executive directors

The CEO's performance is evaluated annually by the Chairman and the remuneration committee members. The executive directors are individually mandated and are held accountable for:

- The implementation of the strategies and key policies determined by the Board;
- Managing and monitoring the business and affairs of the Company in accordance with approved business plans and budgets;
- Prioritising the allocation of capital and other resources; and
- Establishing the best management and operating practices.

Chief Executive Officer and delegation of authority

The CEO is tasked with the running of the business and the implementation of policies and strategies approved and adopted by the Board. The governance and management function of the CEO is aligned with that of the Board. In the delegation of responsibilities the CEO confers authority on management and is accountable for doing so. In this sense, the accountability of management is a direct reflection of the CEO's authority. Appropriate measures are in place and are communicated to management. Monitoring levels of authority are applied within the Group, particularly in regards to human resources, capital expenditure, procurement and contracts.

Board selection, appointment and rotation

Directors are appointed by means of a transparent and formal procedure, governed by the remuneration and nomination committee's terms of reference. The nomination committee is responsible for selecting and recommending the appointment of competent, qualified and experienced directors. The Board as a whole appoints directors, who are subject to an induction program. This process of the appointment is in line with the recommendations of King III. In terms of Article 24.7 of the Company's Memorandum of Incorporation, a third of the directors retire by rotation annually. The names of the directors eligible for re-election are submitted at the annual general meeting, accompanied by appropriate biographical details, as set out in the integrated annual report.

All directors are subject to re-election by shareholders at the first opportunity after their initial appointment.

Training and updating the knowledge of directors

Directors are supplied with the information necessary to discharge their responsibilities, individually and as a Board and in certain instances as Board committee members. All new directors are engaged in a formal orientation procedure. All directors have unhindered access to management, the Company Secretary and to any Company information (records, documents and property) which may in any way assist them in the responsible fulfilment of their duties. Directors are entitled to seek independent and professional advice relating to the affairs of the Company. The Company Secretary is responsible for providing the Chairman and directors, both individually and collectively, with advice on corporate governance, compliance with legislation and the Listings Requirements.

Company Secretary

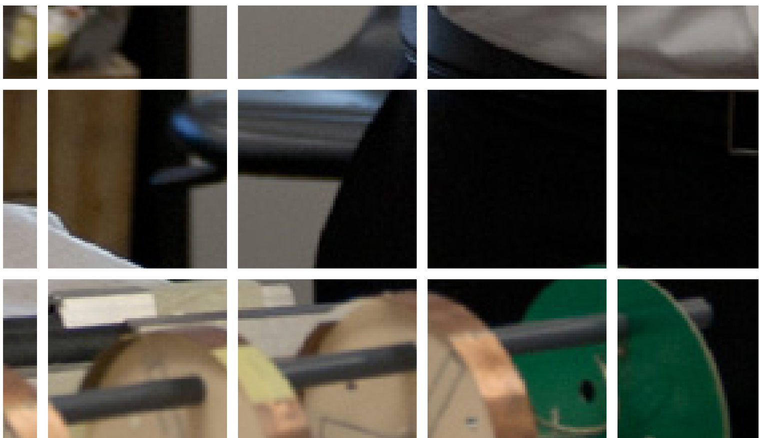
The Board of directors has considered the competence, qualifications and experience of the Company Secretary, which is an independent entity. The Company Secretary, Merchantec Proprietary Limited, is an approved Sponsor and Designated Adviser of the JSE. The Board is satisfied with the secretarial function that the relationship is at arms-length as well as with the experience of the senior members of the Company Secretary.

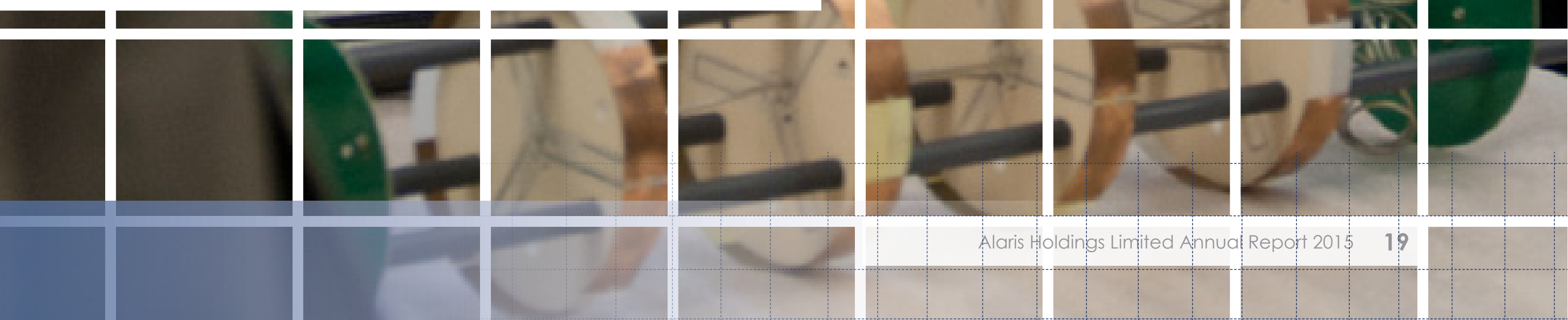
All directors have access to the advice and services of the Company Secretary. As highlighted in the Board Charter, the Company Secretary assists the Board in meeting its fiduciary obligation to the shareholders. In this regard, the Company Secretary's tasks include: developing and implementing policies and processes regarding corporate governance matters, assessing Board membership needs, ensuring the Board is appropriately constituted and proposing director candidates. The Company Secretary is responsible for the functions specified in the Companies Act. All meetings of shareholders, directors and Board sub-committees are properly recorded, as per the requirements of the Companies Act.

Committee structure

The directors have delegated specific functions to committees, to assist the Board in meeting their responsibilities. The Board has established standing committees in this regard. The Board committees are constituted with sufficient non-executive representation. The Board committees are subject to regular evaluation by the Board, so as to ascertain their level of performance and effectiveness.

The committees act in accordance with approved terms of reference, which are reviewed annually.





Group executive committee

Members of the Group executive committee		
APC Fourie	Group Chief Executive Officer (CEO)	Resigned 19 December 2014
J Dresel	Managing Director Alaris Antennas and Group CEO	Group CEO - 19 December 2014
BJ von Gottberg	Group Financial Director	Resigned 31 May 2015
GT Heyman	Group Financial Director	Appointed 1 June 2015
A Mellet	Group Chief Operating Officer	Resigned 31 August 2015
JSV Joubert	Managing Director - Aucom	

The responsibilities of the Group executive committee include:

- Monitoring and managing risk;
- Developing and implementing the Group strategic plan;
- Approving human resources policies and practices;
- Approving budgets and monitoring expenditure;
- Monitoring operational performance against agreed targets; and
- Adhering to financial and capital management policies.

Audit and Risk committee

Members of the audit and risk committee		
ZN Kubukeli *(Chairman)*	Independent Non-Executive Director	Resigned 8 April 2015
RC Willis *(Chairman)*	Independent Non-Executive Director	Appointed 1 February 2015
CP Bester	Independent Non-Executive Director	
PN de Waal	Non-Executive Director	Appointed 24 October 2014

The independent external auditors, the Designated Adviser, the Group CEO and the Group Financial Director attend the meetings by invitation. In terms of the Companies Act, shareholders are required to elect the members of this committee at each annual general meeting. The appointment of all members of this committee is subject to shareholders re-electing them as members of the committee at the annual general meeting, to be held on 27 January 2016.

Role of the committee

The committee is aware of the King III requirement to have three independent non-executive members and is striving to comply. The Company's external auditors attend meetings by invitation. The audit committee should meet at least twice a year and its role is to assist the Board by performing an objective and independent review of the Company's finance and accounting control mechanisms.

The Company maintains accounting and administrative control systems required for the current levels of operations. The Audit and Risk committee is a statutory committee, outlined by the Companies Act and the recommendations set out in King III. The Audit and Risk committee has an independent role, and is accountable to the Board. The committee's responsibilities include statutory duties prescribed by the Companies Act, activities recommended by King III, and responsibilities assigned by the Board.

The Audit and Risk committee is responsible for considering the following:

- The effectiveness of the Company's information systems and other systems of internal control;
- The effectiveness of the audit function;
- The reports of the external auditors;
- The integrated annual report and specifically the consolidated financial statements included therein;
- The accounting policies of the Company and any proposed revisions thereto;
- The external audit findings, reports and fees and the approval thereof; and
- The compliance with applicable legislation and requirements of regulatory authorities.

Evaluation of the consolidated Annual Financial Statements

The committee also comments on the financial statements, the accounting practices and the internal financial controls of the Company. The committee stays abreast of current and emerging trends in accounting standards.

The committee also reviews and discusses the consolidated annual financial statements with the independent external auditors and the Financial Director. The external auditor has unrestricted access to the Group's records and management.

Expertise and experience of the Financial Director and finance function

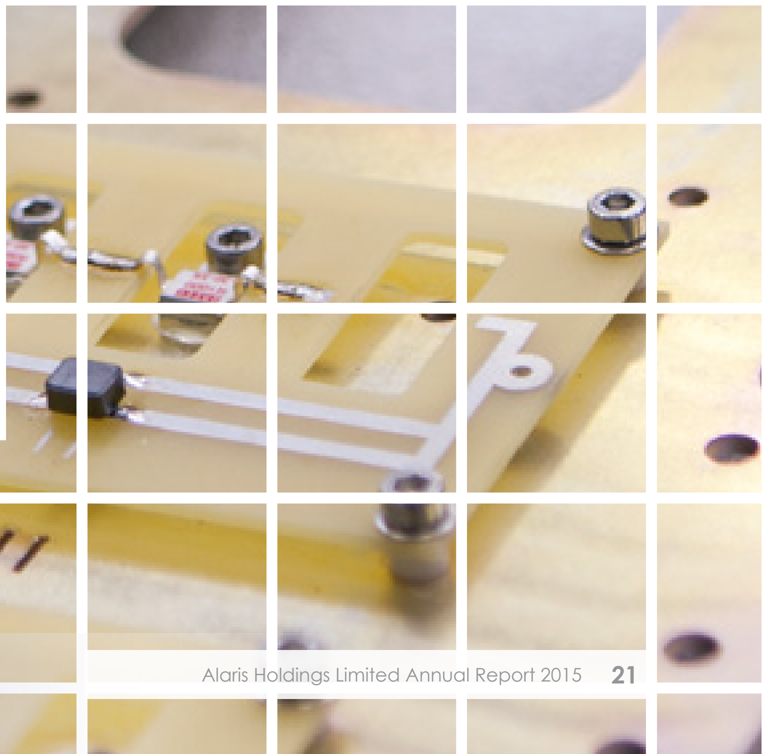
The audit committee has executed its responsibility in terms of paragraph 3.84(h) of the JSE Listings Requirements, and confirms that it is satisfied with the expertise and experience of the Financial Director, Mrs GT Heyman. The committee is satisfied with the overall expertise and adequacy of resources in the finance function, as well as the experience of the senior members of management responsible for it.

Internal audit

The internal audit function is an integral part of the corporate governance regime. The primary goal of the internal audit is to evaluate the Company's risk management, internal control and corporate governance processes, and to ensure that they are adequate and functioning correctly. The Audit and Risk committee is currently satisfied that the internal audit function is performed by the Group finance department. The Board, as a whole, also considers internal controls. While considering the information and explanations given by management, as well as discussions held with the external auditor on audit results, the committee is of the opinion that the system of internal financial controls are effective, and form a basis for the preparation of reliable financial statements.

Risk management

The Board is responsible for the risk management process, whilst management is accountable to the Board for designing, implementing and monitoring the process of risk management in the day-to-day activities of the Group.



Remuneration and nomination committee

Members of the remuneration and nomination committee		
PN de Waal (Chairman)	Non-Executive Director	Appointed 24 October 2014
CP Bester	Independent Non-Executive Director	

During the financial year, the remuneration and nomination committees were merged into one committee. The committee is aware of the King III requirement and is striving to comply by adding a third independent non-executive member to the remuneration committee. The Board believes that the current structure of the committee still provides the required independent views in terms of the responsibilities associated with both the nomination and the remuneration committee. Going forward, the nomination component of the Remuneration and Nomination committee meeting will be chaired by the chairman of the Board in accordance with the JSE Listings Requirements.

The committee acts in accordance with approved terms of reference. The purpose of the committee is mainly to ensure that appointments to the Board of directors are formal and transparent. Further to provide guidance to the Board to ensure that the Group's directors and senior executives are fairly rewarded for their individual contributions to the Group's overall performance and to demonstrate to all stakeholders that the remuneration of senior executive members of the Group is set by a committee of Board members who have no personal interest in the outcomes of their decisions and who will give due regard to the interests of all stakeholders and to the financial and commercial health of the Group. Details of the directors' remuneration are set out on note 33 of this integrated annual report. The Company upholds and supports the objectives of the Employment Equity Act 1998 (Act 55 of 1998). The Poynting Empowerment Trust has been wound up subsequent to year end. Alaris has implemented a new share incentive scheme in May 2015 that allows allocation of share options to management of the Group. The Company's employment policies are designed to provide equal opportunities, without discrimination, to every employee.

Remuneration policy

Alaris' remuneration strategy aims to create sustainable shareholder value by motivating and retaining competent leaders. We aim to attract knowledgeable engineers to grow the intellectual property value of the Group and to invent new ideas. Primary objectives include the need to have credible remuneration policies that enhance key business goals, address needs across the different cultures and drive performance.

Overview of remuneration

Non-executive directors receive monthly or quarterly remuneration as opposed to a fee per meeting. This recognises the responsibility of directors for the efficient control of the Company. A premium is payable to the chairperson of the Board, as well as to the chairpersons of the subcommittees. Remuneration is reviewed annually and is not linked to the Company's share price. The Board annually recommends remuneration of non-executive directors for approval by shareholders in advance. In remunerating executives, the Group aims to motivate and retain competent and committed leaders in its drive to create sustainable shareholder value. Remuneration is linked to key performance indicators and a portion of the remuneration is not guaranteed.

Alaris structures packages on a total cost-to-company basis. The Group implemented an employee benefit scheme which offers pension fund, death and disability and medical aid benefits. This allows individuals to structure their own pension, medical aid and other benefits. In addition, most executives qualify for individual and/or team performance incentives. Remuneration packages are reviewed annually and are monitored and compared with reported figures for similar positions to ensure they are fair and sensible. Refer to note 33 for detail on directors' remuneration.

Share-based incentive plans

Subsequent to the disposal of the ComPart business the shareholders approved at the general meeting held on 7 October 2015 that the existing Poynting Empowerment Trust scheme be wound up, as it no longer fulfilled its initial intended purpose.

A new share incentive scheme for key executives was approved by the board to incentivise individuals on a share based plan. The intention is to promote the effective participation in the Group of key employees and to incentivise and retain such employees.

Non-executive directors' terms of appointment

Appointments to the Board

The Board has a policy on procedures for the appointment and orientation of directors. The nomination committee periodically assesses the skills represented on the Board by non-executive directors and determines whether these meet the Company's needs. Directors are invited to give their input in identifying potential candidates.

Investment committee

Members of the investment committee		
ZN Kubukeli (Chairman)	Independent Non-Executive Director	Resigned 8 April 2015
PN de Waal	Non-Executive Director	Appointed 24 October 2014

The investment committee considered investments proposed by management regarding the Company and its subsidiaries and made such recommendations to the Board as it deemed necessary. The investment committee functioned independently from the Board, but under an approved term of reference from the Board. The primary purpose of the investment committee was to consider projects, acquisitions and the disposal of assets in line with the Group's overall strategy. This committee was disbanded in the second half of the financial year and the function will be fulfilled by the Group Executive committee.

Dealings in securities

In respect of dealings in securities of the Company as applies to the directors and the Company Secretary, the Chairman is required to authorise such dealings in securities, prior to deals being executed. An independent non-executive director is required to authorise the Chairman's dealings in securities, prior to deals being executed. All of the directors and the Company Secretary are aware of the legislation regulating insider trading.

A record of dealings by directors and the Company Secretary is retained by the Company Secretary. In accordance with the Listings Requirements of the JSE, the Company's directors and Company Secretary are prohibited from dealing in securities during closed periods.

Analysis of shareholding

Please see the analysis of shareholding report on page 37.

Social and ethics committee

Members of the social and ethics committee		
ZN Kubukeli (Chairman)	Independent Non-Executive Director	Resigned as director on 8 April 2015
RC Willis (Chairman)	Independent Non-Executive Director	Appointed to committee - 19 March 2015
R Ramnath-Kowlesar	Director of Alaris Antennas	Appointed to committee - 19 March 2015
CP Bester	Independent Non-Executive Director	Resigned from committee - 19 March 2015
A Mellet	Executive Director	Resigned from committee - 19 March 2015

Social and ethics committee (Continued)

The responsibilities of the Social & Ethics committee is to monitor the Company's activities, with regard to any relevant legislation, other legal requirements or prevailing codes of best practices, with regards to matters relating to:

- Social and economic development, The Employment Equity Act; and The Broad-Based Black Economic Empowerment Act;
- Good corporate citizenship, including the Company's; and
- Promotion of equality, prevention of unfair discrimination and reduction of corruption.

Even though no formal meeting were held in the financial year ending 30 June 2015, the committee members were in constant discussions relating to BBBEE and Social and economic development. A meeting has been held subsequent to year end and a more focused approach will be applied in the new financial year.

Ethics and values

All employees of the Company are required to maintain the highest ethical standards in ensuring that the Company's business practices are conducted in a manner which in all circumstances are above reproach. All executive directors of the Group and its subsidiaries are required to sign an anti-bribery declaration on an annual basis confirming that they are not aware of any circumstances which the Group participated in that would bring our ethics and values in dispute.

Employees

Alaris' employment policies allow for individuals, including individuals from historically disadvantaged backgrounds, to apply for bursaries. Employees are encouraged to improve their personal qualifications and several previously disadvantaged members are currently on study courses financed by Alaris. We also promote a healthy, secure and participative social and working environment for our staff and business associates.

Social responsibility

The Group contributed to community and social development by establish the Tshwane East Manufacturing Incubation Center. This was awarded a Level 1 BBEE rating. The Center supports the training of members of the Tshwane community who wish to enter into or advance their businesses in the manufacturing sector.

Aucom supported and contributed to establishing a fully fitted computer laboratory in a secondary school that accommodated between 12 to 24 students at time. Smaller projects include support to families in need by assisting with basic nutritional needs and school fees.

Political donations and affiliations

As a proudly South African concern, the Alaris Group supports the democratic system in South Africa and we do not make donations to individual political parties.

Going concern

The Board is satisfied that the Group has adequate resources to continue operating for the next 12 months and into the foreseeable future. The financial statements presented have been prepared on a going concern basis. The audit committee evaluates the Group's going concern status at each meeting and reports the findings to the Board.

Investor relations and communication with stakeholders

The Group communicates with shareholders, investors, analysts and regulators on a constant basis and public presentations are held when needed. Alaris believes that such communication is essential and endeavours to keep an open door policy with relevant stakeholders. Alaris outsourced the investor relations function to a company who manages the stakeholder relations and Group communications.

Designated Adviser

Merchantec Capital

Transfer Secretary

Computershare Investor Services Proprietary Limited

Shareholders can address shareholding related queries to: PO Box 61051, Marshalltown, South Africa, 2107.

Board Meetings

CP Bester *(Chairman)*

APC Fourie

J Dresel

BJ von Gottberg

GT Heyman

JSV Joubert

PN de Waal

ZN Kubukeli

RC Willis

A Mellet

PAJ Ebersohn

Remuneration and Nomination Committee

PN de Waal *(Chairman)*

CP Bester

Key:

- Present
- Apology
- Not in office
- Invitee

Audit and Risk Committee

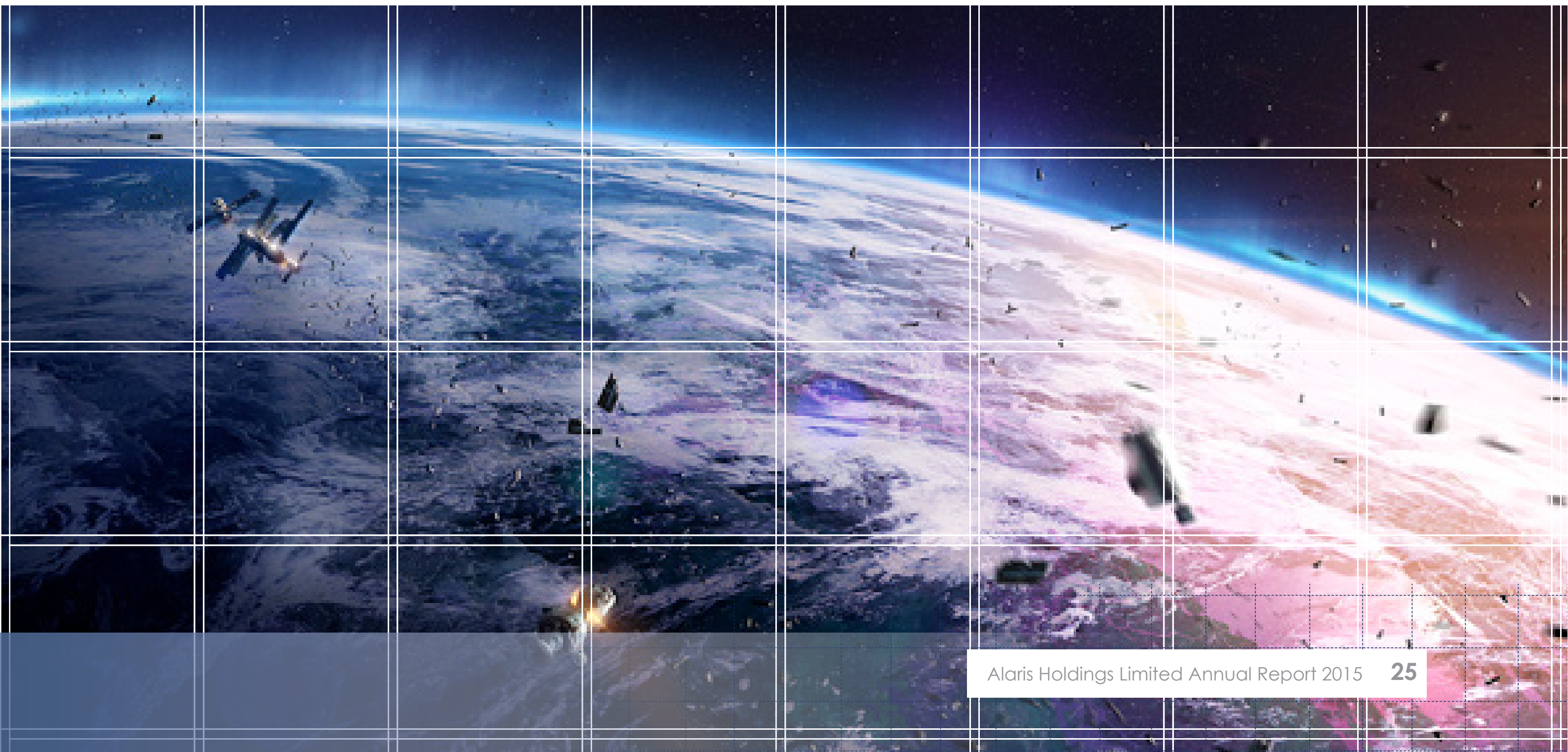
ZN Kubukeli

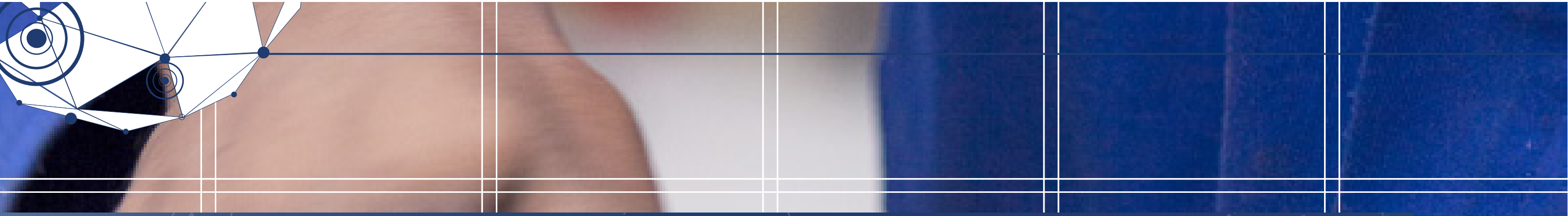
RC Willis

CP Bester

PN de Waal

A Mellet





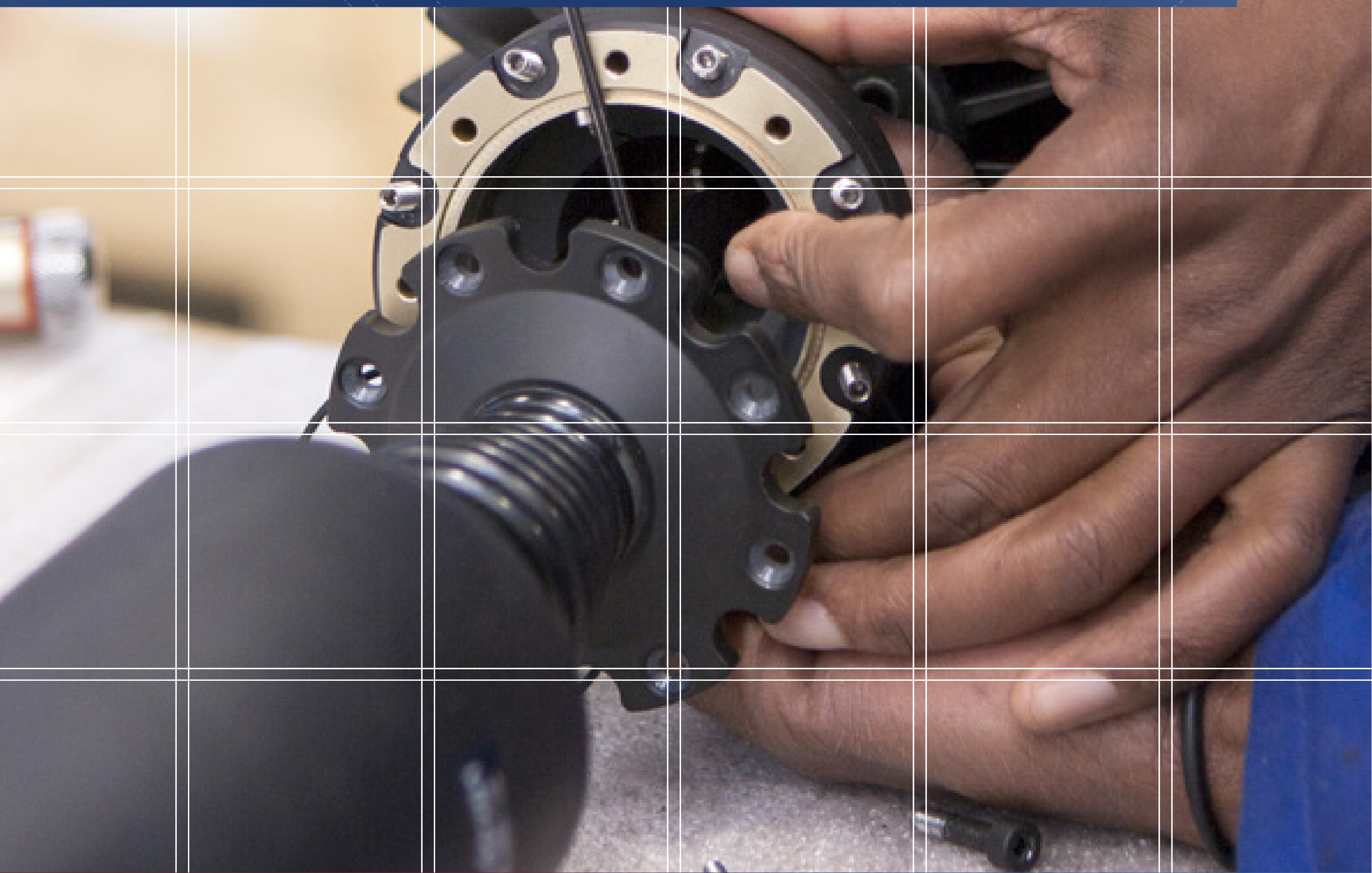
CORPORATE GOVERNANCE *(continued)*

Changes during the year:

- PAJ Ebersohn resigned as Financial Director on 10 September 2014.
- BJ von Gottberg was appointed as Financial Director on 10 September 2014 and resigned on 31 May 2015.
- ZN Kubukeli resigned as Independent Non-Executive Director on 8 April 2015.
- A Mellet resigned as Non-Executive Director on 24 October 2014.
- PN de Waal was appointed as Non-Executive Director on 24 October 2014.
- APC Fourie resigned as CEO and Director on 19 December 2014.
- RC Willis was appointed as Independent Non-Executive Director on 1 February 2015.
- GT Heyman was appointed as Group Financial Director on 1 June 2015.
- J Dresel was appointed as interim CEO on 19 December 2014 and as CEO on 25 June 2015.

Changes after year end:

- A Mellet appointed as alternate Non-Executive Director on 8 October 2015.



King III Application

King III Application

In recognition of the need to conduct the affairs of the Group according to the highest standards of corporate governance and in the interests of investor protection, the group's commitment to good governance is formalised in charters, policies and operating procedures. The Board is committed to achieving high standards of corporate governance, business integrity and ethics across all its activities.

The directors of the Group are satisfied that the group complies in all material aspects with the principles and spirit of King III. Based on the size of the company and after considering cost implications of the below, the group has elected not to apply the following recommendations contained in King III:

KING III PRINCIPLE AND RECOMMENDED PRACTISE	STATUS	EXPLANATION
The Board should ensure that there is an effective risk-based internal audit The Audit Committee should be responsible for overseeing of internal audit	Under review Under review	The Audit and Risk committee agreed that the internal audit function would be performed by the group finance department. The Board, as a whole, also considers internal controls. While considering the information and explanations given by management, as well as discussions held with the external auditor on audit results, the committee is of the opinion that the system of internal financial controls are effective, and forms a basis for the preparation of reliable financial statements
The Board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent	Under review	The Board consists of three non-executive directors of which two non-executives are independent and three executive directors. The Board agreed at this point that even with the above status a balance of power exists and due to the size of the Company will not appoint a third Independent non-executive director at this stage. This will be reviewed on an ongoing basis as and when the remuneration and nominations committee finds a suitable candidate.
Chairman of the Board not a member of the audit committee	Under review	The Chairman of the Board is currently a member of the Audit and Risk committee. The Chairman is one of the two Independent non-executives of the Board. To achieve majority of independent representation at the committee level this has been agreed by the Board at this point in time and will be reassessed at the time when a further independent non-executive is appointed to the Board.

The full KING III compliance list is available on the Alaris website at www.alarisholdings.co.za.

King III Application *(continued)*

Risk Management Report

Our ability to deliver on Alaris' business strategy depends on us being able to take calculated risks in a manner that does not jeopardise the interests of our stakeholders. Alaris has established a culture of managing existing, emerging or unpredictable risks. Various embedded processes and structures are in place to address our risk management needs. We have adopted an enterprise-wide approach to risk management, with every identified material risk included in a structured and systematic process of risk management.

The Board is responsible for the governance of risk by ensuring that an appropriate system and process of risk management is implemented and maintained. The Board has appointed and is assisted by the Audit & Risk committee which operates in terms of a formal charter. Its duties and activities include considering the risk management policy and plan, reviewing the effectiveness of the risk management activities, identifying the key risks facing the Group and ensuring appropriate responses to address these key risks.

Risks are tabled and quantified according to a risk matrix at each of the Audit and Risk Committee meeting, and at its meeting of 25 June 2015 main risks considered were the following:

Risks	IMPACT	PROBABILITY	MITIGATION ACTIONS	RESIDUAL RISK
Foreign competitors entering the Africa Market effecting Aucom growth	HIGH	LIKELY	Focus on customer relationships. Ensure to maintain or improve BBBEE rating. Diversify strategy to focus on private broadcasters.	High
Loss of key clients, reliance on small number of customers	HIGH	PROBABLE	Focus on customer relationships, expanding network of distributors and agents. Expand product portfolio	Moderate
Loss of key personnel	HIGH	PROBABLE	This has been addressed by implementing an employee benefit scheme for all staff and a shared incentive scheme for key executive management. Focus on succession planning.	High
ARA acquisition process.	HIGH	PROBABLE	Monitor compliance process and regular communication through legal council.	Moderate

- Events that may lead to risks materialising are identified within the generic risk framework.
- Events are then assessed to quantify probability and potential financial impact on the business if they materialise.
- Preventative actions (probability) and contingent actions (impact) are identified to mitigate these, as well as critical action plans (to be managed at the executive committee level).
- The overall assessment of risk is compared against the level of risk deemed acceptable by the Group.

The executive committee reports to the audit and risk committee on overall risk processes, identified events and mitigation action plans. The audit and risk committee, in turn, presents to the Board an overview of these potential risks, processes and critical actions.

The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

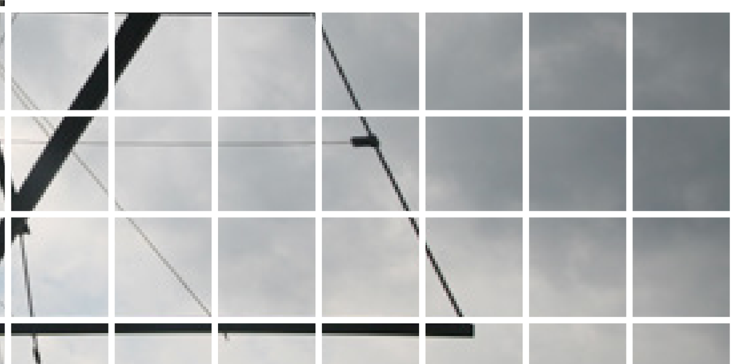
Overview of the year

This past financial year was marked by a myriad of changes. Some as a consequence of the changes in the Company structure, others due to the Group implementing more mature processes, systems and controls to facilitate the reporting requirements to enable us to take the Group into the future. The expertise in the team was bolstered by employing two CA's.

The ERP system was upgraded in the second half of the financial year and the implementation of further system automation on some operational aspects to be implemented in the 2016 financial year.

Accounting and financial statements

The mechanism of recallable shares linked to profit warranties in the Aucom acquisition and the relevant accounting treatment thereof has taken us on an in depth IFRS journey resulting in two restatements in this past financial year. Although the commercial grounds for the deal structure were sound, the accounting framework lacked clarity on how to treat the recallable shares in the statement of financial position and the relevant earnings per share calculations. The Group's 2014 integrated annual report was selected by the JSE pro-active financial monitoring panel for review, where the above issue was highlighted and after careful deliberation with our auditors, the JSE, our Designated Adviser and other technical advisors we agreed to restate our numbers to no longer reflect a contingent consideration liability, but reflect a contingent consideration asset for the shares estimated to be recalled based on expected profits up to the end of 2016. Subsequent to year end the JSE confirmed that the above matter has been accepted and is closed.

The Company has decided to implement a measure called normalised earnings (refer p. 15 for detailed reconciliation to PAT) to give a true reflection of the operational and recurring trading of the business. The need for this arose mainly as a consequence of the accounting treatment of the recallable shares in the Aucom transaction and the impact of these accounting entries distorting the financial numbers during the period where the profit warranty still applies.

The purchase consideration of Aucom was fixed when the transaction became unconditional and was paid for in shares. The purchase consideration was therefore impacted by the change in share price from 75 cents (the price when the transaction was originally negotiated) to 271 cents (the price when the transaction became unconditional and effective) resulting in goodwill being recognized of R148 million. Goodwill relating to the Aucom acquisition was impaired by R33.3 million (2014: R95 million) following an annual review of the estimated present value of future cash flows expected to be derived from the cash generating unit ("CGU") (value in use), using a pre-tax rate of 21.1% and a terminal value growth rate of 3% from 2017. The CGU referred to is based on the reportable segment (Aucom) as per note 3. Based on estimates for the 2016 budget the profit expectations were lower than the profit warranties for 2016 as per agreement and therefore the recoverable amount of the CGU of R19.9 million was estimated to be lower than its carrying amount resulting in a further impairment charge for the financial year.

The year end results contain a number of additional costs which were incurred at the corporate and consolidation level. This is the first year where the Group carried the full burden of the amortisation of intangibles in respect of the Aucom acquisition amounting to R2.1 million as well as the interest on the PSG preference shares issued on 30 June 2014 at 8.64% per annum. A complex accounting year-end in 2014 resulted in additional audit fees of R0.7 million being incurred, as well as the enhancement of the head office team through the appointment of a chief operating officer and a new Group financial director. Legal and consulting fees of R10.1 million were incurred in relation to the anticipated ARA acquisition and the Compart disposal.

Financial performance

The revenue of the Group has increased consistently over the past five years to reach a level of R193 million with a CAGR of 19%. Although the company has experienced some margin pressure, the Gross margin percentages remain healthy.

Cash generated from operations was near breakeven mainly due to large debtor balances that were recovered shortly after year end. A more focused approach will be applied to working capital management in the future to ensure that operational cash flow tracks more in line with the profits achieved in the business.

Treasury function

The Group has also implemented a central treasury function that gives more visibility of cash balances across the Group to enable management to implement a higher earning investment strategy for excess cash. Foreign currency management also forms part of this function to manage the Group's exposure to exchange rate fluctuation. The fact that a large portion of our revenue comes from exports creates a natural hedge. However the need for foreign currency will be determined by future acquisition opportunities and management will consider hedging large customer orders to lock in the advantage of a weak Rand if and when appropriate.

Dividends vs growth

One of the growth strategies of the Group is to establish an international footprint through acquisition. Due to this, Alaris is conserving its cash resources and the Board has decided against declaring a dividend for the financial year ended 30 June 2015.

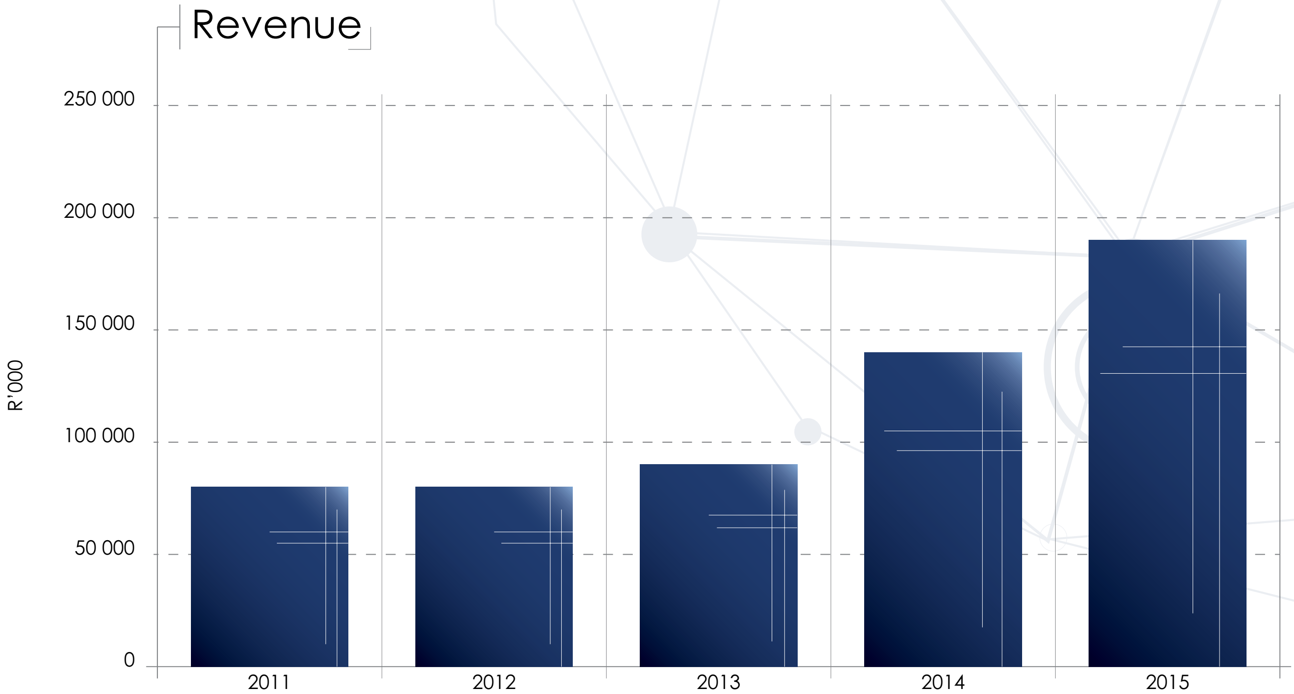
Although the Group has gone through various changes this past year, I believe the Group is well structured and has a competent team to pave the way for a prosperous future.

Gisela Heyman

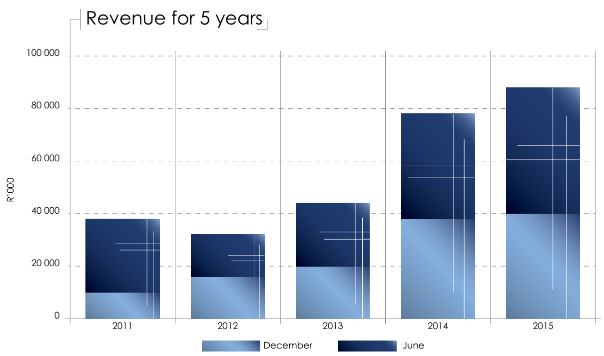
Group CFO

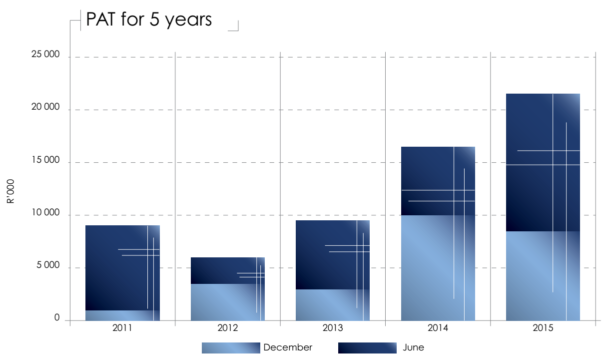
FINANCIAL OVERVIEW

Five year financial performance

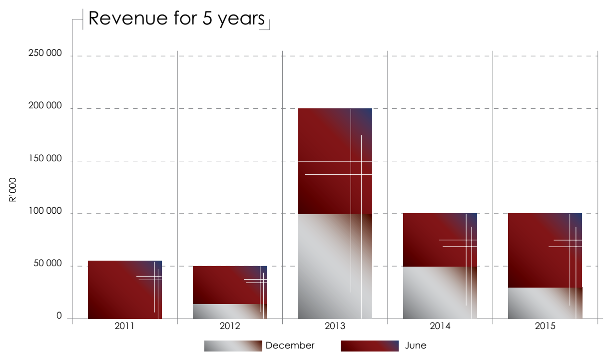


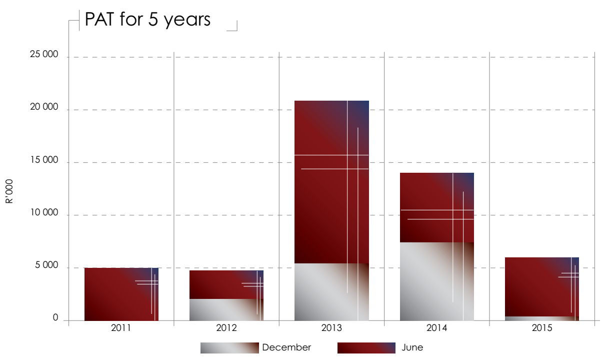
Alaris Antennas





Aucom





SUMMARY FINANCIAL INFORMATION

STATEMENT OF COMPREHENSIVE INCOME

R'000	2011	2012	2013	2014	2015
Continuing operations			Restated	Restated	
Revenue	81 550	80 970	89 743	132 126	**193 034**
Cost of Sales	(28 102)	(27 489)	(30 010)	(61 989)	**(103 300)**
Gross profit	53 448	53 481	59 733	70 137	**89 734**
GP%	65.54%	66.05%	66.56%	53.08%	**46.49%**
Other income	483	1 342	985	1 061	**898**
Operating expenses	(47 628)	(46 349)	(53 911)	(78 133)	**(72 880)**
Operating profit	6 303	8 474	6 807	(6 935)	**17 752**
Investment income	269	448	488	1 014	**3 312**
Impairment of goodwill	-	-	-	(95 046)	**(33 342)**
Contingent consideration asset	-	-	-	-	**22 206**
Finance costs	(730)	(387)	(58)	(162)	**(4 851)**
Profit / (loss) before taxation	5 842	8 535	7 237	(101 129)	**5 077**
Taxation	(1 077)	(1 302)	(277)	3 375	**(6 317)**
Profit/(loss) from continuing operations	**4 765**	**7 233**	**6 960**	**(97 754)**	**(1 240)**
Loss from discontinued operations	(2 155)	-	-	-	**(3 884)**
Profit / (loss) for the year	**2 610**	**7 233**	**6 960**	**(97 754)**	**(5 124)**
Other comprehensive income	-	-	-	-	**-**
Total comprehensive income	**2 610**	**7 233**	**6 960**	**(97 754)**	**(5 124)**
Total comprehensive income attributable to:					
Owners of the parent	2 609	7 241	6 960	(97 754)	**(5 124)**
Non-controlling interest	-	(8)	-	-	**-**
	2 609	7 233	6 960	(97 754)	**(5 124)**

STATEMENT OF CASH FLOWS

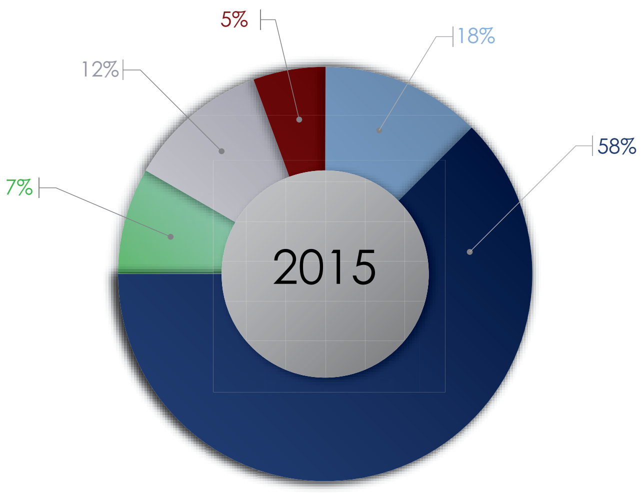
	2011	2012	2013	2014	2015
Net cash (used in) / from operating activities	5 780	21 085	6 451	7 922	**(927)**
Net cash used in investing activities	(3 939)	(7 203)	(14 321)	(16 354)	**(10 242)**
Net cash (used in) / from financing activities	(3 361)	(1 817)	2 823	75 804	**(2 468)**
Total cash and cash equivalents movement for the year	(1 520)	12 064	(5 047)	67 372	**(13 638)**
Cash disposed/acquired as part of business disposal/combination	-	-	-	6 626	**2 332**
Cash and cash equivalents at the beginning of the year	6 481	4 836	17 398	13 585	**85 821**
Effect of exchange rate movement on cash balances	(125)	498	1 234	(1 762)	**(129)**
Total cash and cash equivalents at end of the year	**4 836**	**17 398**	**13 585**	**85 821**	**74 386**

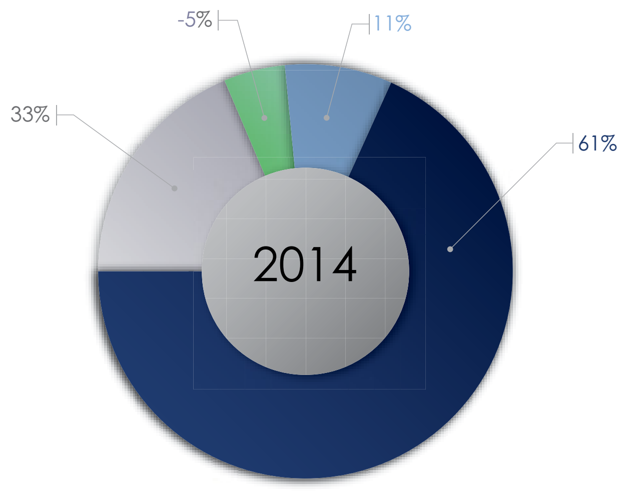
STATEMENT OF FINANCIAL POSITION

R'000	2011	2012	2013	2014	2015
			Restated	Restated	
Assets					
Non-Current Assets					
Plant and equipment	2 081	2 857	4 976	6 778	6 221
Goodwill	-	-	2 207	55 457	22 115
Intangible assets	9 993	9 986	11 767	24 707	13 408
Other financial assets	53	87	-	2 964	2 647
Contingent consideration asset	-	-	-	-	22 206
Deferred tax asset	-	-	-	280	1 541
	12 127	12 930	18 950	90 186	68 138
Current Assets					
Inventories	8 418	7 638	12 427	23 641	9 236
Other financial assets	886	326	171	5 630	8 165
Current tax receivable	13	13	413	3 191	1 665
Trade and other receivables	18 629	11 738	18 141	30 994	43 428
Cash and cash equivalents	4 851	17 398	14 402	85 871	74 386
	32 797	37 113	45 554	149 327	136 880
Total Assets	**44 924**	**50 043**	**64 504**	**239 513**	**205 018**
Equity and Liabilities					
Equity					
Share capital, preference shares and share premium	24 380	24 380	27 020	232 049	232 162
Share based payment reserve	221	150	123	123	406
Retained income	7 274	14 514	21 474	(76 279)	(117 242)
	31 875	39 044	48 617	155 893	115 326
Non-controlling interest	28	-	-	-	-
	31 903	39 044	48 617	155 893	115 326
Liabilities					
Non-Current Liabilities					
Loans and borrowings	1 448	158	300	114	-
Finance lease obligation	128	45	-	-	-
Other financial liability	-	-	4 000	-	911
Preference share liability	-	-	-	50 111	50 111
Deferred tax	57	1 359	900	1 957	2 146
	1 633	1 562	5 200	52 182	53 168
Current Liabilities					
Bank overdraft	16	-	817	50	-
Loans from shareholders	-	-	-	1 716	-
Loans and borrowings	470	115	245	192	-
Finance lease obligation	171	83	39	-	96
Trade and other payables	10 193	9 018	8 969	27 168	29 906
Current tax payable	438	-	-	9	1 138
Provisions	100	221	617	2 303	1 741
Other financial liability					3 643
	11 388	9 437	10 687	31 438	36 524
Total Liabilities	13 021	10 999	15 887	83 620	89 692
Total Equity and Liabilities	**44 924**	**50 043**	**64 504**	**239 513**	**205 018**

CONSOLIDATED VALUE ADDED STATEMENT

R'000	2015	2014
		Restated
Revenue	193 034	132 126
Net cost of raw materials, goods and services	(103 300)	(61 989)
Wealth created by trading operations	89 734	70 137
Other income	898	1 061
Finance income	3 312	1 014
Total wealth created	93 944	72 211
Distributed as follows		
Employees		
Salaries and other employee benefits	54 643	43 706
Providers of capital		
Finance cost	4 851	162
Providers of services		
General operating expenses	11 292	23 937
Government		
South African current tax	6 317	(3 375)
Retained for growth	16 842	7 782
Amortisation of intangible assets	8 931	8 818
Depreciation on plant and equipment	1 898	1 671
Net profit after dividend	6 013	(2 708)
	93 944	72 211





Employees Retained for groth Providers of capital Providers of services Government

Empowerment

Alaris has implemented a plan with the aim to improve the B-BBEE rating of Aucom from a current level four to a level three in the next two years on the Generic scorecard in the ICT sector. The impact of the revised B-BBEE scorecards which was promulgated in the first half of the year are being assessed on an ongoing basis and activities within the group will be adjusted accordingly.

Alaris Antennas Proprietary Limited achieved a level four B-BBEE rating based on the fact that this entity has not been operational for 12 months yet.

BBBEE Certificate Breakdown Aucom

BEE Elements	Weighting	2015	2014
Overall BEE Score	**100**	**65.02**	**68.23**
Ownership	20	21.71	17.71
Management	10	10	5.41
Employment Equity	10	0	5
Skills Development	**17**	4.22	4.11
Preferential Procurement	20	9.63	21
Enterprise Development	**11**	7.46	11
Socio-Economic Development	**12**	12	4

SHAREHOLDER ANALYSIS

	Number of shareholders	%	Number of shares	%
Shareholder spread				
1 – 1 000 shares	304	25.63%	182 039	0.11%
1 001 – 10 000 shares	501	42.24%	2 505 494	1.54%
10 001 – 50 000 shares	288	24.28%	6 372 991	3.92%
50 001 – 100 000 shares	47	3.96%	3 421 340	2.10%
100 001 – 1 000 000 shares	30	2.53%	7 773 884	4.78%
1 000 001 shares and over	16	1.35%	142 348 526	87.54%
Totals	1 186	100.00%	162 604 274	100.00%
			-	
Public/non-public shareholders				
Non-public shareholders				
Directors and associates	6	0.51%	96 391 738	59.28%
Share trust	1	0.08%	2 362 325	1.45%
Public shareholders	1 179	99.41%	63 850 211	39.27%
Totals	1 186	100.00%	162 604 274	100.00%

Directors and associates					
THE MAS TRUST (Villiers Joubert)	*	Director Subsidiary Aucom	Indirect	33 865 876	20.83%
PSG PRIVATE EQUITY	*	Associated Holding (PN De Waal)	Indirect	30 815 237	18.95%
T RASHAMA	**	Associate (Aucom)	Direct	15 350 000	9.44%
J DRESEL	**	Executive Director	Direct	8 136 726	5.00%
R RASHAMA	**	Director Subsidiary Aucom	Direct	8 123 899	5.00%
CP BESTER	**	Non-Executive Director	Direct	100 000	0.06%
				96 391 738	59.28%
Beneficial shareholders holding 5% or more					
THE MAS TRUST	*	Director Subsidiary Aucom		33 865 876	20.83%
PSG PRIVATE EQUITY	*	Associated Holding (PSG)		30 815 237	18.95%
ANDRIES PETRUS CRONJE FOURIE TRUST	*	Previous CEO (APC Fourie)		19 340 186	11.89%
T RASHAMA	**	Prescribed Officer (Aucom)		15 350 000	9.44%
INVESTEC FUNDS	*	Investor		10 333 364	6.35%
DR DC NITCH	**	Founder investor		9 834 098	6.05%
J DRESEL	**	Executive Director		8 136 726	5.00%
R RASHAMA	**	Director Subsidiary Aucom		8 123 899	5.00%
				135 799 386	83.52%

* Non-Beneficial ** Beneficial

Directors' interests in securities

No securities have been furnished by Alaris or its subsidiaries for the benefit of any director (other than above) or any other associate of any director.

There have been no changes in the directors' interests between 30 June 2015 and the date of approval of this integrated annual report.

A new share incentive scheme was implemented on 6 May 2015 where options have been allocated to certain directors of the Company. These options will vest equally from 2017 to 2020:

		Number of shares
J DRESEL	Executive Director	3 800 000
GT HEYMAN	Executive Director	500 000

Refer to note 18 - Share based payments, for details of the scheme.

The Empowerment Trust

Share Option Group 2015	2015 R'000	2014 R'000
Shares outstanding at the beginning of the year	955	1 184
Forfeited during the year	(23)	(62)
Exercised during the year	(154)	(167)
Shares left for distribution at year end	778	955

Options forfeited during the year

The initial option was offered to the employees effective 10 June 2010. In terms of the trust agreement employees are entitled to ownership of the shares if the option has been fully paid up and the following period has expired:

- 2 (two) years after the acceptance date, in respect of 33 1/3% (thirty three and a third percent) of the scheme shares, or part thereof
- 3 (three) years after the acceptance date, in respect of 33 1/3% (thirty three and a third percent) of the scheme shares, or part thereof
- 4 (four) years after the acceptance date, in respect of the balance of the scheme shares.

As some of the employees left the employment of Alaris Antennas prior to the 4th year they have forfeited the portion of the shares as per the trust agreement.

Termination of the Trust

Subsequent to year end the Trust was terminated based on a resolution passed at the general meeting held on 7 October 2015. The unissued shares were repurchased by the Group and cancelled on the 30th of October 2015.

ASSURANCE

Introduction

In respect of the level of assurance on information included in the integrated annual report and consolidated annual financial statements as set out below: The Audit and Risk committee ensures that a combined assurance model is applied to and provides a co-ordinated approach to all assurance activities. The level of assurance obtained in the integrated annual report was approved by the Audit and Risk committee and the Audit and Risk committee will continue to evaluate the level of assurance obtained taking into account the factors and risks identified that may impact on the integrity of the integrated annual report and regulatory requirements.

Financial information

Our consolidated financial statements were audited by our external auditor, KPMG Inc.

Non-financial information: Sustainability

No assurance was obtained on our sustainability measures. The Audit and Risk committee reviewed the disclosure of sustainability issues that may be commented on in the integrated annual report to ensure that it is reliable and does not conflict with the financial information and concluded that no additional external assurance are required on material sustainability issues.

Non- financial information: B-BBEE

The South African Broad-Based Black Economic Empowerment information for 2015 was verified by Empowerdex.

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The Group is engaged in the manufacture and retail of antennas and software and system integration
Directors	Coen Bester*^ (Chairman) Nico de Waal^ Jürgen Dresel # (CEO) Villiers Joubert Richard Willis*^ Gisela Heyman (Financial Director) *Independent ^Non-executive #German
Registered office	1 Travertine Avenue N1 Business Park Centurion 0157
Postal address	Private Bag X4, The Reeds Pretoria 0166
Bankers	Standard Bank
Auditors	KPMG Inc. Chartered Accountants (S.A.) Registered Auditor
Secretary	Merchantec Proprietary Limited
Company registration number	1997/011142/06
Level of assurance	These consolidated financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Index

The reports and statements set out below comprise the consolidated financial statements presented to the shareholders:

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Consolidated Statement of Financial Position	49
Consolidated Statement of Profit or Loss and other Comprehensive Income	50
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These consolidated financial statements have been audited in compliance with the applicable requirements of the Companies 2008 (Act 71 of 2008) as amended.

The consolidated financial statements were independently compiled by Gisela Heyman, Group CFO, CA(SA).

Published 18 December 2015

Audit Committee Report

Members of the Audit and Risk Committee

RC Willis (Chairman),
CP Bester
PN de Waal

This report, of the Audit and Risk committee, is presented to shareholders in compliance with the requirements of the Companies Act, 2008 (Act 71 of 2008) as amended. The independent external auditors and the designated advisors attend the meetings as and when required and J Dresel - Group CEO and G Heyman – Group Financial Director (previously BJ von Gottberg until his resignation on 31 May 2015) attend the meetings by invitation.

In terms of the Companies Act 2008, (Act 71 of 2008) as amended, shareholders are required to elect the members of this committee at each annual general meeting. The appointment of ZN Kubukeli, CP Bester and PN de Waal were subject to shareholders re- electing them as members of the committee at the annual general meeting, held in February 2015. ZN Kubukeli resigned from the committee on 8 April 2015. RC Willis was appointed as independent non-executive director on 1 February 2015 and was nominated to fulfil the role of chairman of the Audit and Risk Committee.

Meetings held by the Audit and Risk Committee

The audit committee performs the duties laid upon it by Section 94(7) of the Companies Act, 2008 (Act 71 of 2008) as amended by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors and the designated advisors. The chairman of the committee reports to the board after every audit and risk committee meeting held.

The committee's role

The Audit and Risk committee is a statutory committee, outlined by the new Companies Act and the recommendations set out in King III. The Audit and Risk committee has an independent role, and is accountable to the board. The committee's responsibilities include statutory duties prescribed by the Companies Act, activities recommended by King lll, and responsibilities assigned by the board.

External auditor independence

The committee, under section 90 of the Companies Act, has to consider the independence of the external auditors, as well as nominate a registered auditor for appointment by the Company. The committee is mandated to ensure that the appointment of the auditor complies with the provisions of the Companies Act, and any other legislation relating to the appointment of auditors. The committee was satisfied with the independence of the external auditors. It has recommended the reappointment of KPMG Inc. as the independent registered audit firm. The individual registered auditor was rotated from Gary Parker to Nick Southon. It was confirmed that the audit firm, and the designated auditor, are accredited as appearing on the JSE list of accredited auditors.

The committee determines the fees to be paid to the auditor, as well as the auditor's terms of engagement and authorizes the fee, after a clearly defined scope was agreed upon by the Company and the auditors. During the external audit evaluation process, the committee considered various criteria including audit planning, technical abilities, audit processes, quality control, business insight, independence and other relevant factors.

Non-Audit Services

The committee is to determine the nature and extent of any non-audit services that the auditor may provide to the Company. The only non-audit related services provided were a SENS review and the review of the Johannesburg Stock Exchange correspondence primarily with regards to the accounting treatment of the African Union Communications Proprietary Limited acquisition and the restatement thereof in the comparative financial year.

Evaluation of the consolidated financial statements

As part of its report to the board, the committee commented on the consolidated financial statements, the accounting practices and the internal financial controls of the Company. The committee stays abreast of current and emerging trends in accounting standards.

The committee confirms that they have reviewed and discussed the consolidated financial statements with the independent external auditors and financial director. The external auditor has unrestricted access to the Company and it's subsidiaries records and management. The auditor furnishes a written report to the committee on significant findings, arising from the annual audit and is able to raise matters of concern directly with the chairman of the committee. There were no limitations imposed on the scope of the external audit.

The committee has reviewed the consolidated and separate financial statements of the Company, and is satisfied that they comply with International Financial Reporting Standards and the Companies Act of South Africa.

The committee did not receive any concerns or complaints, within or outside the Company, relating to the accounting practices of the Company, the content or auditing of the Company's financial statements, the internal financial controls of the Company, or any related matter.

Expertise and experience of the financial director and finance function

The audit committee has executed its responsibility in terms of paragraph 3.84(h) of the JSE Listings Requirements, and confirms that it is satisfied with the expertise and experience of the financial director. Mr BJ von Gottberg who resigned on 31 may 2015 and Mrs G Heyman who was appointed on 1 June 2015. The committee is satisfied with the overall expertise and adequacy of resources in the finance function, as well as the experience of the senior members of management responsible for it.

Internal audit

The internal audit function is an integral part of the corporate governance regime. The primary goal of the internal audit is to evaluate the company's risk management, internal control and corporate governance processes, and to ensure that they are adequate and functioning correctly.

The position of the Audit and Risk committee was that the internal audit function would be performed by the Group finance department. The board, as a whole, also considers internal controls. While considering the information and explanations given by management, as well as discussions held with the external auditor on audit results, the committee is of the opinion that the system of internal financial controls is effective, and forms a basis for the preparation of reliable financial statements.

Risk management

The board is responsible for the risk management process, whilst management is accountable to the board for designing, implementing and monitoring the process of risk management in the day-to-day activities of the Group.

Responsibility of the audit committee

- Review risk management policies and processes
- Review risk philosophy, strategies and policies
- Ensure risk management is integrated into business operations
- Ensure management considers and implements appropriate risk responses
- Evaluate the basis and adequacy of insurance cover
- Ensure internal audit is aligned with risk management processes
- Identify emerging areas of risk
- Ensure compliance with legislation, regulation and governance codes, including King III
- Identify areas of governance non-compliance and propose remedial action after considering the risk matrix, the committee has nothing material to report.

Consolidated Annual Financial Statements

Following the review of the consolidated annual financial statements the audit committee recommend board approval thereof.

Approval of the Audit and Risk committee report

The committee confirms that it has functioned in accordance with its terms of reference for the 2015 financial year, and that its report to shareholders has been approved by the Board.

RC Willis
Chairman Audit and Risk Committee

15 December 2015

Directors' Responsibilities and Approval

The directors are responsible for the preparation and fair presentation of the consolidated annual financial statements of Alaris Holdings Limited, comprising the consolidated statement of financial position at 30 June 2015, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the accounting policies and notes to the financial statements, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and the Directors' Report.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the company and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the consolidated financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of consolidated annual financial statements

The consolidated annual financial statements of Alaris Holdings Limited, as identified in the first paragraph, were approved by the board of directors on 15 December 2015 and signed by

J Dresel
Authorised Director

GT Heyman
Authorised Director

Certificate by Company Secretary

In our capacity as Company Secretary, we hereby confirm, in terms of section 88(2)(e) of the Companies Act, 2008 (Act No.71 of 2008), as amended ("the Act"), that for the year ended 30 June 2015, the company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a company in terms of the Act and that all such returns are true, correct and up to date.

Merchantec

Merchantec Proprietary Limited
Company secretary

15 December 2015

Directors' Report

The directors submit their report on the consolidated financial statements of Alaris Holdings Limited and its subsidiaries for the year ended 30 June 2015.

1. **Incorporation**

The Company was incorporated on 11 July 1997 and obtained its certificate to commence business on the same day.

2. **Nature of business and principal activities**

The Group designs and manufactures specialised antennas and other related radio frequency (RF) products and provides end to end solutions for radio and TV broadcasters.

3. **Review of financial results and activities**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2008 (Act 71 of 2008) as amended. The accounting policies have been applied consistently compared to the prior year except where new Standards were adopted.

Based on feedback received from the JSE during its pro-active monitoring panel and after careful deliberation with our auditors the Group has decided to restate the 30 June 2014 numbers in relation to the treatment of the recallable shares issued as part of the Aucom acquisition in 2014. Refer to note 38 for the detail around the restatements.

Full details of the financial position, results of operations and cash flows of the Group are set out in these consolidated financial statements. The operating results and state of affairs of the Group are fully set out and in our opinion do not require any further comment.

4. **Share capital**

	2015 R'000	2014 R'000	2015 Number of shares	2014 Number of shares
Issued shares - ordinary shares	**8**	**9**	162 604 275	176 604 275
Issued shares - preference shares	**889**	**889**	**20 400 000**	**20 400 000**

Refer to note 17 of the consolidated financial statements for detail of the movement in authorised and issued share capital.

5. **Accounting policies**

The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial reporting Standards Council and the requirements of the Companies Act of South Africa and are consistent with those applied in the prior year. For new policies adopted during the current year refer to note 2.1 of the financial statements.

6. **Dividends**

The Company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the Board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the Board may decide not to declare dividends.

Given the current strategy regarding mergers and acquisitions, the Board believes that it would be more appropriate for the Company to conserve cash to ensure that the Company is best placed to implement its growth strategy. Therefore, the Board has resolved not to declare a dividend for the financial year ended 30 June 2015 (2014: R0).

7. Directorate

The directors of the Company during the year and in office at the date of this report are as follows:

Directors	Office	Designation	Changes
CP Bester	Chairperson	Independent non-executive	
PN de Waal	Non-independent	Non-executive	Appointed 24 October 2014
J Dresel (German)	Group CEO	Executive	Appointed 19 December 2014
PAJ Ebersohn	Financial Director	Executive	Resigned 10 September 2014
APC Fourie	Chief Executive Officer	Executive	Resigned 19 December 2014
ZN Kubukeli	Independent	Non-executive	Resigned 8 April 2015
A Mellet	Chief Operating Officer Alternate non-independent	Executive Non-executive	Resigned 24 October 2014 Appointed 8 October 2015
BJ von Gottberg	Financial Director	Executive	Appointed 10 September 2014 Resigned 31 May 2015
GT Heyman	Group CFO and Financial Director	Executive	Appointed 1 June 2015
RC Willis	Independent	Non-executive	Appointed 1 February 2015

8. Interests in subsidiaries and joint venture

Joint Venture	**2015 %**	2014 %
Tshwane East Manufacturing Incubation Centre Proprietary Limited	**-**	49
Name of subsidiary		
African Union Communications Proprietary Limited	**100**	100
Poynting Antennas Proprietary Limited	**-**	100
Poynting Direct Proprietary Limited	**-**	100
Poynting Empowerment Trust (Special purpose entity)	**100**	100
Poynting Hong Kong Limited	**-**	100
Alaris Antennas Proprietary Limited	**100**	100

The 49% investment in the joint venture - Tshwane East Manufacturing Incubation Centre Proprietary Limited and their loan of R2 963 542 (2014) was disposed of as part of the below Compart disposal transaction.

The Company entered into an agreement whereby the Company disposed of its interests in Poynting Antennas (excluding the profitable Poynting DS and Poynting SS divisions) as well Poynting Direct, Poynting Hong Kong and a non-controlling interest in CrunchYard to an entity controlled by Dr Fourie ("NewCo"). This transaction is referred to as the Compart agreement later in the financial statements. Refer to note 8 for more detail.

9. Borrowing powers

In terms of the Memorandum of Incorporation of the Company, the borrowing powers of the Company are unlimited and the directors may exercise all powers to borrow money as they consider appropriate. However all borrowings by the Group are subject to board approval as required by the board delegation of authority.

10. Events after the reporting period

As per SENS announcement dated 11 September 2015, the acquisition agreement of 100% of the issued share capital of Antenna Research Associates Inc ("the ARA acquisition") was terminated. Not all the conditions, as specified in the ARA merger agreement, were fulfilled by ARA prior to the end date as specified in that agreement, and efforts to negotiate revised terms to address risks raised in light of the unfulfilled conditions were not successful.

Accordingly, Alaris has exercised its right to terminate the ARA merger agreement.

Alaris regrets the termination, especially considering the significant resources that were devoted to this acquisition. Management however, believes it was in the best interest of Alaris and its shareholders to terminate the Merger Agreement in light of the uncertainties created by the conditions that were not fulfilled and the inability to address the risks resulting therefrom. Alaris has however, used the experience to improve its understanding of the United States regulatory landscape and will continue to explore opportunities to further penetrate the United States market to bring value to Alaris and its shareholders.

The Poynting Empowerment Trust was wound up subsequent to year end. Alaris has implemented a new share incentive scheme in May 2015 that allows allocation of share options to management of the Group.

11. Going concern

The consolidated financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

12. Auditors

KPMG Inc. continued in office as auditors for the Company for 2015 in accordance with section 90 of the Companies Act, 2008 (Act 71 of 2008) as amended.

13. Company secretary

The secretary of the Company is Merchantec Proprietary Limited.

Postal address: PO Box 41480, Craighall, 2024

Business address: 2nd Floor, North Block, Hyde Park Office Tower, Cnr. 6th Road and Jan Smuts Avenue
Hyde Park, 2196

The Company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Act and such returns are true, correct and up to date.

Independent Auditors Report

To the Shareholders of Alaris Holdings Limited

We have audited the consolidated financial statements of Alaris Holdings Limited, which comprise the consolidated statement of financial position at 30 June 2015, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the accounting policies and notes to the financial statements, as set out on pages 49 to 104.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of 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 from 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 auditor considers internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated financial position of Alaris Holdings Limited at 30 June 2015, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other Reports Required by the Companies Act

As part of our audit of the financial statements for the year ended 30 June 2015, we have read the Directors' Report, the Audit Committee Report and the Certificate by Company Secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

KPMG Inc.
Registered Auditor

Per NH Southon
Chartered Accountant (SA)
Registered Auditor
Director

15 December 2015
KPMG
85 Empire Road
Parktown
Johannesburg

Consolidated Statement Of Financial Position

at 30 June 2015

R'000	Note	2015	Restated 2014
Assets			
Non-Current Assets			
Plant and equipment	4	6 221	6 778
Goodwill	5	22 115	55 457
Intangible assets	6	13 408	24 707
Contingent consideration asset	9	22 206	-
Investment in joint venture	10	-	2 964
Deferred tax assets	11	1 541	280
Other financial assets	12	2 647	-
		68 138	**90 186**
Current Assets			
Inventories	14	9 236	23 641
Other financial assets	12	8 165	5 630
Current tax receivable		1 665	3 191
Trade and other receivables	15	43 428	30 994
Cash and cash equivalents	16	74 386	85 871
		136 880	**149 327**
Total Assets		**205 018**	**239 513**
Equity and Liabilities			
Equity			
Equity attributable to owners of the Company			
Share capital and preference shares	17	8	9
Preference share capital	20	889	889
Share premium	17	231 265	231 151
Share-based payment reserve	18	406	123
Accumulated loss		(117 242)	(76 279)
Total Equity		**115 326**	**155 893**
Liabilities			
Non-Current Liabilities			
Loans and borrowings	19	-	114
Preference share liability	20	50 111	50 111
Other financial liabilities	21	911	-
Deferred tax liability	11	2 146	1 957
		53 168	**52 182**
Current Liabilities			
Bank overdraft	16	-	50
Loans and borrowings	19	96	1 908
Trade and other payables	22	29 906	27 168
Current tax payable		1 138	9
Provisions	23	1 741	2 303
Other financial liability	21	3 643	-
		36 524	**31 438**
Total Liabilities		**89 692**	**83 620**
Total Equity and Liabilities		**205 018**	**239 513**
Number of ordinary shares legally in issue, less treasury shares		160 241 950	174 087 720
Net asset value per ordinary share (cents)		71.97	89.55
Net tangible asset value per ordinary share (cents)		35.94	43.50

Net asset value is calculated by dividing total equity, by the number of ordinary shares legally in issue, being number of shares in issue less treasury shares.

Net tangible asset value is calculated by dividing total equity less contingent consideration asset, less goodwill and intangible assets, by the same number of ordinary shares legally in issue.

Consolidated Statement Of Profit Or Loss And Other Comprehensive Income
for the year ended 30 June 2015

R'000	Note	2015	Restated 2014
Continuing Operations			
Revenue	25	193 034	95 862
Cost of sales		(103 300)	(47 378)
Gross profit		**89 734**	**48 484**
Operating expenses		(71 982)	(37 993)
Operating profit	26	**17 752**	**10 491**
Finance income	27	3 312	797
Contingent consideration asset	9	22 206	-
Impairment of goodwill	5	(33 342)	(95 046)
Finance costs	28	(4 851)	(66)
Profit / (loss) before taxation		**5 077**	**(83 824)**
Taxation	29	(6 317)	(2 250)
Loss from continuing operations		**(1 240)**	**(86 074)**
Discontinued Operations	8		
Revenue	25	25 189	36 264
Cost of sales		(14 871)	(14 611)
Gross profit		**10 318**	**21 653**
Operating expenses		(17 639)	(39 079)
Operating loss	26	**(7 321)**	**(17 426)**
Finance income	27	101	217
Profit on disposal of discontinued operations	8	2 395	-
Finance costs	28	-	(96)
Loss before taxation		**(4 825)**	**(17 305)**
Taxation	29	941	5 625
Loss from discontinued operations		**(3 884)**	**(11 680)**
Total comprehensive income		**(5 124)**	**(97 754)**
Weighted average number of ordinary shares in issue		121 697 691	105 610 735
Weighted average number of diluted ordinary shares in issue		168 826 622	112 562 577
Total operations - Basic earnings per ordinary share (cents)	31	(2.91)	(66.24)
Total operations - Diluted basic earnings per ordinary share (cents)	31	(13.52)	(86.83)
Total operations - Headline earnings per ordinary share (cents)	31	15.22	(1.83)
Total operations - Diluted headline earnings per ordinary share (cents)	31	5.39	(2.39)
Total operations - Normalised earnings per ordinary share (cents)	32	16.41	11.58
Continuing operations - Basic earnings per ordinary share (cents)	31	(0.70)	(58.33)
Continuing operations - Diluted basic earnings per ordinary share (cents)	31	(11.22)	(76.46)
Continuing operations - Headline earnings per ordinary share (cents)	31	18.23	6.08
Continuing operations - Diluted headline earnings per ordinary share (cents)	31	8.53	7.98
Continuing operations - Normalised earnings per ordinary share (cents)	32	16.41	11.58

Consolidated Statement Of Changes In Equity
for the year ended 30 June 2015

R'000	Note	Share capital and preference shares	Share premium	Share based payment reserve	Acquisition reserve	Retained income / (accumu-lated loss)	Total equity
Balance at 01 July 2013		**5**	**27 015**	**123**	**(134 145)**	**21 475**	**(85 527)**
Restatement to balances for the year		**-**	**-**	**-**	**134 145**	**(97 754)**	**36 391**
Total comprehensive income for the year as previously stated		-	-	-	-	(107 159)	(107 159)
Prior period error (refer note 38)		-	-	-	134 145	9 405	143 550
Issue of shares for cash		1	25 279	-	-	-	25 280
Issue of preference shares		889	-	-	-	-	889
Issue of shares – for business combination		3	178 857	-	-	-	178 860
Balance at 30 June 2014 -restated		**898**	**231 151**	**123**	**-**	**(76 279)**	**155 893**
Total comprehensive income for the year		-	-	-	-	(5 124)	(5 124)
Shares repurchased - Compart	8	(1)	-	-	-	(35 839)	(35 840)
Share-based payment - new issue of options	18	-	-	397	-	-	397
Share options exercised	18	-	114	(114)	-	-	-
Balance at 30 June 2015		**897**	**231 265**	**406**	**-**	**(117 242)**	**115 326**

Consolidated Statement Of Cash Flows
for the year ended 30 June 2015

R'000	Note	2015	Restated 2014
Cash flows from operating activities			
Cash generated from operations	34	6 756	14 527
Finance income		3 413	1 013
Finance cost		(4 851)	(162)
Tax paid	35	(6 245)	(7 456)
Net cash (used in) / from operating activities		**(927)**	**7 922**
Cash flows from investing activities			
Acquisition of plant and equipment	4	(4 036)	(3 209)
Proceeds on sale of plant and equipment		66	61
Acquisition of intangible assets	6	(6 272)	(11 307)
Advance to related parties	10	-	(2 964)
Disposal of financial assets		-	1 065
Net cash used in investing activities		**(10 242)**	**(16 354)**
Cash flows from financing activities			
Proceeds on share issue	17	-	25 280
Repayment of loans and borrowings		(349)	(240)
Issue of preference shares	20	-	51 000
Cash realised on hedging fund		(193)	-
Repayment of shareholder loan		(1 716)	(197)
Finance lease payments		(210)	(39)
Net cash (used in) / from financing activities		**(2 468)**	**75 804**
Net (decrease) / increase in cash and cash equivalents for the year		(13 638)	67 372
Cash disposed / acquired as part of business disposal / combination	8&36	2 332	6 626
Cash and cash equivalents at the beginning of the year		85 821	13 585
Effect of exchange rate movement on cash balances		(129)	(1 762)
Total cash and cash equivalents at end of the year	16	**74 386**	**85 821**

1. Presentation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS's), and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial reporting Standards Council and the requirements of the Companies Act of South Africa and the Listing Requirements of the JSE. The financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, and incorporate the principal accounting policies set out below.

The financial statements of the Company are presented separately from the consolidated financial statements and have been approved by the directors.

These accounting policies are consistent with the previous period, except for new standards and interpretations, effective and adopted in the current year as presented in note 2.1.

1.1 Reporting entity

Alaris Holdings Limited ("the Company") is a company domiciled in South Africa. The address of the company's registered office is 1 Travertine Avenue, N1 Business Park, Centurion, 0157. The consolidated financial statements for the year ended 30 June 2015 comprise the company and all its subsidiaries (together referred to as "the Group" and individually as "Group entities").

All information has been presented in South African Rand which is the Group's functional currency. Amounts have been rounded to the nearest R1 000.

Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets acquired, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of assets or liabilities which arise as a result of the contingent consideration are recognised in profit or loss and are not affected against goodwill.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business Combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal Group) that are classified as held-for-sale in accordance with IFRS 5 Non-current assets held-for-sale and discontinued operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously in other comprehensive income or equity and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest at fair value and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

1.1 Reporting entity (continued)

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Consolidations

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the group's accounting policies.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and judgements and form assumptions that affect the reported amounts of the assets and liabilities, the reported revenue and costs during the periods presented therein, and the disclosure of contingent assets and liabilities at the reporting date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future and the resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the financial results of the financial position reported in the future periods are discussed below.

Contingent consideration asset

The fair value of the contingent consideration asset is estimated according to the expected percentage of shares subject to recall. Management has made certain estimates with regards to the estimated profits to be achieved by the Aucom business in 2016 based on the budget presented for that period. The calculation of the estimated shares subject to recall were based on these profit estimates.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

1.2 Significant judgements and sources of estimation uncertainty (continued)

The gross carrying value less impairment allowance of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Provisions

Provisions were raised based on management's best estimate of the expenditure required to settle the present obligation at the reporting date. Additional disclosure of these estimates of provisions are included in note 23.

Estimated impairment of goodwill

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 5. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (note 5).

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Classification of joint arrangements

The Group had joint control over Tshwane East Manufacturing Incubation Centre Proprietary Limited because the contractual arrangements set out that decisions relating to relevant activities can only be taken by unanimous consent of all parties to the arrangement. The directors have concluded that the arrangement was a joint venture up to the point the disposal per the Compart transaction.

Allowance for credit losses

Past experience indicates a reduced prospect of collecting debtors over the age of three months. Debtor's balances over the age of three months are regularly assessed by management and provided for at their discretion.

1.3 Plant and equipment

Cost of plant and equipment

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Company; and
- the cost of the item can be measured reliably.

Plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of plant and equipment and costs incurred subsequently to add or replace a part of it. If a replacement cost is recognised in the carrying amount of an item of plant and equipment, the carrying amount of the replaced part is derecognised. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the entity.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Day to day expenses incurred on plant and equipment are expensed directly in profit or loss for the period.

1.3 Plant and equipment (continued)

Depreciation of plant and equipment

Items of plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

These following useful lives have been applied in the current and prior periods.

Item	Average useful life
Plant and machinery	5 years
Furniture and fixtures	10 years
Motor vehicles	4 years
Office equipment	5 years
IT equipment	5 years
Computer software	2 years
Leasehold improvements	5 years
Production tooling	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

Depreciation commences when an asset is available for use. Depreciation is charged so as to write off the depreciable amount of items to their residual values, over the estimated useful lives using a method that reflects the pattern in which the asset's future economic benefit is expected to be consumed by the Group. Depreciation ceases at the earlier of the date the asset is classified as held for sale or the date it is derecognised.

Derecognition of plant and equipment

Derecognition occurs when an item of plant and equipment is disposed of, or when it is no longer expected to generate any further economic benefits.

The gain or loss arising from the derecognition of an item of plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

When a decision is made by the directors that an item of property, plant and equipment will be disposed of, and the requirements of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, are met, then those specific assets will be presented separately in the statement of financial position. The assets are measured at the lower of carrying amount and fair value less costs to sell, and depreciation on such assets ceases.

1.4 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when all the following are met:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

The intangible asset consists of the customer relationships, development expenditure for models, designs and prototypes incurred that is considered to possess the ability to ensure a future economic benefit, on a long-term basis in future. The expenditure could be measured reliably.

Development costs, mainly consisting of staff remuneration, are capitalised as incurred. Amortisation of intangible assets commences once the quarterly close out of the projects are done.

Intangible assets are subsequently measured at cost less any accumulated amortisation and accumulated impairment losses.

The residual value, amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows for current and comparative year:

Item	**Average useful life**
Models, designs and prototypes	5 years
Customer relationships	5 years

The amortisation charge is included under operating expenses in the statement of profit or loss and other comprehensive income.

1.5 Investments in subsidiaries

On acquisition of an entity which is controlled by the Group, the Group recognises the subsidiary's identifiable assets, liabilities and contingent liabilities at fair value, except for assets classified as held-for-sale which are recognised at fair value less costs to sell.

The consolidated financial statements incorporate the financial statements of the company, and its subsidiaries from the date that control commences until the date that control ceases. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

1.5 Investments in subsidiaries (continued)

Non-controlling interests are measured at their proportionate share of the acquirer's identifiable net assets at the acquisition date. Subsequently, any losses applicable to the non-controlling interest in excess of the non-controlling interest are also allocated against the interest of the non-controlling interest.

All intra-group transactions, balances, income, expenses and unrealised profit or loss on stock are eliminated on consolidation.

1.6 Investment in joint venture

An investment in a joint venture is carried at cost less any accumulated impairment and any share of post-acquisition earnings which are equity accounted in profit and loss.

1.7 Financial instruments

Classification

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, loans from shareholders and trade and other payables.

Non-derivative financial instruments are initially measured at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Derivative financial instruments comprise foreign exchange contracts and are designated as held for trading.

Derivative financial instruments

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

Non-derivative financial instruments

All non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses, except for those at fair value through profit or loss.

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

1.7 **Financial instruments (continued)**

Subsequent measurement

After initial recognition financial assets are measured as follows:

- Loans and receivables are measured at amortised cost using the effective interest method less any impairment losses.

After initial recognition financial liabilities are measured as follows:

- Other financial liabilities are measured at amortised cost using the effective interest method.

Gains and losses

A gain or loss arising from a change in a financial asset or financial liability is recognised as follows:

- Where financial assets and financial liabilities are carried at amortised cost, a gain or loss is recognised in profit or loss through the amortisation process and when the financial asset or financial liability is derecognised or impaired.
- A gain or loss on a financial asset or financial liability classified as at fair value through profit or loss is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the new amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends to either settle them on a net basis or to realize the assets and settle the liability simultaneously.

Derecognition of financial instruments

The Group derecognises financial assets only when the contractual rights to the cash flows from the asset expire; or it transfers the right to receive contractual cash flows in a transaction in which substantially all the risk and rewards of the ownership of the financial asset are transferred.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

I**mpairment of financial assets**

Financial assets, other than those at fair value through profit and loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For amounts due to the Group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered objective indicators of impairment.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. Impairment losses are calculated as the difference between the carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Loans to shareholders

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

Trade and other receivables

Trade and other receivables are classified as loans and receivables.

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

1.7 Financial instruments (continued)

Trade and other payables

Trade and other payables are classified as other financial liabilities and are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Cash and cash equivalent are measured at amortised cost which approximates their fair value.

Bank overdraft and borrowings

Bank overdraft and borrowings are classified as financial liabilities and are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

1.8 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Dividend withholding tax

Dividends withholding tax is a tax on shareholders receiving dividends and is applicable to all dividends declared on or after 1 April 2012.

The Company withholds dividends tax on behalf of its shareholders at a rate of 15% on dividends declared. Amounts withheld are not recognised as part of the Company's tax charge but rather as part of the dividend paid recognised directly in equity.

Where withholding tax is withheld on dividends received, the dividend is recognised at the gross amount with the related withholdings tax recognised as part of tax expense unless it is otherwise reimbursable in which case it is recognised as an asset.

1.8 Tax (continued)

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, in other comprehensive income or equity.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.10 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned by using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories is recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.10 Inventories (continued)

Work in progress

Work in progress consists of unfinished goods measured at the lower of cost and net realisable value. Once goods are completed they are transferred to Finished Goods.

1.11 Impairment of non-financial assets

The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash- generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units.

Irrespective of whether there is any indication of impairment, the Group tests goodwill acquired in a business combination for impairment annually. An impairment loss in respect of goodwill is not reversed.

The group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or accumulated amortisation is recognised immediately in profit or loss.

1.12 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

If the Group reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Consideration paid or received is recognised directly in equity.

Shares in the Group held by the Share Incentive Trust are classified as treasury shares. The cost of these shares is deducted from equity. The number of shares held is deducted from the number of issued shares and the weighted average number of shares in the determination of earnings per share. Dividends received on treasury shares are eliminated on consolidation.

The Group's redeemable preference shares are classified as financial liabilities, because they bear non-discretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

1.13 Share-based payments

Goods or services received or acquired in a share-based payment transaction are recognised when the goods or as the services are received. A corresponding increase in equity is recognised if the goods or services were received in an equity-settled share-based payment transaction or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions the goods or services received and the corresponding increase in equity are measured, directly, at the fair value of the goods or services received provided that the fair value can be estimated reliably.

If the fair value of the goods or services received cannot be estimated reliably, or if the services received are employee services, their value and the corresponding increase in equity, are measured, indirectly, by reference to the fair value of the equity instruments granted.

Vesting conditions which are not market related (i.e. service conditions and non-market related performance conditions) are not taken into consideration when determining the fair value of the equity instruments granted. Instead, vesting conditions which are not market related are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted are based on the number of equity instruments that eventually vest. Market conditions, such as a target share price, are taken into account when estimating the fair value of the equity instruments granted. The number of equity instruments are not adjusted to reflect equity instruments which are not expected to vest or do not vest because the market condition is not achieved.

If the share based payments granted do not vest until the counterparty completes a specified period of service, the Group accounts for those services as they are rendered by the counterparty during the vesting period, (or on a straight line basis over the vesting period).

If the share based payments vest immediately the services received are recognised in full.

In circumstances where the company is involved in a share based payment transaction among entities in the Group, the following is applied in the entity's separate financial statements:

- Where the company is the recipient of the goods or services, the transaction is measured as an equity settled share based payment transaction only if the awards are granted in its own equity instruments or if the entity has no obligation to settle the transaction. In all other cases, the transaction is measured as a cash settled share based payment transaction.
- Where the company settles the share based payment transaction and another entity in the company receives the goods or services, the entity recognises the transaction as an equity settled share based payment transaction only if it is settled in the entity's own equity instruments. In all other circumstances, the transaction is recognised as a cash settled share based payment transaction.

1.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care) are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.14 Employee benefits (continued)

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

1.15 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

These provisions include provisions for warranties.

Product warranties

Alaris warrants certain repairs on its products for 12 and 24 month periods. These warranties are provided for when the initial project is completed. Warranty repairs during the warranty period are monitored and written back against the provision when incurred.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

The present value is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of time value of money and risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities not arising on business combinations are not recognised. Contingencies are disclosed in note 37.

1.16 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.16 Revenue (continued)

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.17 Other income

Other income is recognised for amounts received or receivable outside the normal course of business when the following conditions have been satisfied:

- the amount of other income can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the Group.

1.18 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.19 Investment income and finance expense

Investment income comprises interest income on funds invested, dividend income, and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise of interest expense on bank overdraft, borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss using the effective interest method.

1.20 Trading operating (loss) / profit

Trading operating profit or loss comprises sale of goods, rendering of services and directly attributable costs, but excludes investment income, fair value adjustments, impairment of goodwill and finance cost.

1.21 Translation of foreign currencies foreign currency transactions

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign currency gains and losses are reported on a net basis.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

The use of financial derivatives is governed by the Group's policies approved by the Board of directors, which provide written principles on the use of financial derivatives consistent with the Group's risk management strategy.

Derivative financial instruments are initially measured at fair value on the contract date and are subsequently revalued to fair value at each reporting date. The Company designates certain derivatives as hedges of the change of fair value of recognised assets and liabilities ('fair value hedges'). Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, no longer qualifies for hedge accounting or the Company chooses to end the hedging relationship.

The Group policy to manage foreign exchange risk is to net off foreign debtors and bank balances against foreign creditors, and the remaining exposure is hedged via currency futures or options, with a maximum of R5 million of the total exposure left unhedged.

1.22 Earnings per share and headline earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

Headline EPS is calculated by dividing the headline profit or loss by the weighted average number of ordinary shares outstanding during the year.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

(The standards adopted did not have a significant impact on the Group.)

Standard/ Interpretation:	**Effective date: Years beginning on or after**
Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)	01 January 2014
IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets	01 January 2014
IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting	01 January 2014
IFRS 10, IFRS 12 and IAS 27 – Investment Entities	01 January 2014
Amendments to IFRS 2: Share based payment: Annual improvement project	01 July 2014
Amendments to IFRS 3: Business Combinations: Annual improvement project	01 July 2014
Amendments to IAS 24: Related Party disclosure: Annual improvement project	01 July 2014

2.2 New standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2015 or later periods:

Standard/ Interpretation:	**Effective date: Years beginning on or after**	**Expected impact:**
IFRS 9: Financial Instruments	01 June 2018	The impact of the standard is not material
IAS 1: Presentation of financial statements	01 January 2016	The impact of the standard is not material
Amendments to IFRS 7 - Financial instrument disclosure: Annual improvement project	01 July 2016	The impact of the standard is not material
Amendments to IAS19 - Employee benefits: Annual improvement project	01 January 2016	The impact of the standard is not material
Amendments to IAS 34 - Interim financial reporting: Annual Improvement Project	01 January 2016	The impact of the standard is not material
IAS 16 an IAS 38 - Clarification of Acceptable Methods of depreciation and amortisation	01 January 2016	The impact of the standard is not material
IFRS 15 - Revenue from contracts with customers	01 January 2018	The impact of the standard is still to be assessed
IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception	01 January 2016	The impact of the standard is not material
IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	01 January 2016	The impact of the standard is not material

3. Operating segments

The Group had three (2014: five) reportable segments, as described below, which are the Group's strategic divisions. Management has identified the segments based on the internal reports reviewed monthly by the Group's chief operating decision maker (CODM). The CODM at the reporting date is the Executive Committee. The responsibility of the Executive Committee is to assess performance and to make resource allocation decisions related to the individual operations of the Group. The disposal of the loss making operations and classifications thereof as discontinued required certain allocations to be reviewed as part of the split of the business. Subsequent to the disposal the business changed the segmental reporting within the business to reflect the new segments in which management regularly reviews business performance and allocate resources to segments. The revised segment financial information provided to and used by the CODM forms the basis of the segment information disclosure in these financial statements.

The business is considered from an operating perspective based on the products manufactured and sold. The operating segments comprise:

- Alaris Antennas: located in Centurion, Pretoria where it designs and manufactures specialised broadband antennas as well as other related radio frequency products.
- Aucom: located in Waterkloof, Pretoria, the business provides end-to-end turnkey solutions for radio and TV broadcasters. It designs, sells and implements integrated broadcasting systems and has specific expertise in digital television distribution, multiscreen as well as over-the-top (OTT) systems.
- Corporate and consolidation: located in Centurion, is a cost centre where costs relating to shared services and fees associated with being a listed company are included. Net funding costs, including the interest paid on the PSG preference shares are included here.

The Group operates internationally, across all continents.

Performance is measured based on earnings before interest, taxation, depreciation and amortisation, as well as PAT as included in the internal management reports. Management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within the industry. Sales between the segments are on an arm's length basis.

Intersegment revenues were not disclosed as the values were insignificant.

3. Operating segments (continued)

R'000	Alaris Antennas	Aucom	Corporate and consolidation	Total continuing operations	Total discontinued operations
2015					
Segmental revenue	88 394	104 640	-	193 034	25 189
Operating earnings before interest, tax, depreciation and amortisation (EBITDA) *	30 885	8 523	(12 546)	26 862	(1 855)
Operating profit	26 108	8 371	(16 727)	17 752	(7 321)
Finance income	602	575	2 135	3 312	101
Finance cost	(1 914)	(262)	(2 675)	(4 851)	-
Profit on disposal of discontinued operations	-	-	-	-	2 395
Contingent consideration asset & goodwill impairment	-	-	(11 136)	(11 136)	-
Profit / (loss) before taxation	**24 796**	**8 684**	**(28 403)**	**5 077**	**(4 825)**
Taxation	(3 852)	(1 385)	(1 079)	(6 317)	941
Profit / (loss) for the year	**20 944**	**7 299**	**(29 482)**	**(1 240)**	**(3 884)**
Normalised earnings profit / (loss) for the year	**20 944**	**7 299**	**(8 277)**	**19 966**	**-**
** Operating EBITDA is EBITDA excluding contingent consideration asset raised and goodwill impairment*					
Reportable segment assets	93 722	38 939	72 357	205 018	-
Reportable segment liabilities	(13 721)	(13 933)	(62 038)	(89 692)	-
2014 - restated					
Segmental revenue	76 653	19 209	-	95 862	36 264
Operating earnings before interest, tax, depreciation and amortisation (EBITDA) *	23 624	(4 997)	(3 439)	15 188	(11 635)
Operating profit	19 807	(4 973)	(4 343)	10 491	(17 426)
Finance income	291	298	208	797	217
Finance cost	(37)	(29)	-	(66)	(96)
Contingent consideration asset & goodwill impairment	-	-	(95 046)	(95 046)	-
Profit / (loss) before taxation	**20 061**	**(4 704)**	**(99 181)**	**(83 824)**	**(17 305)**
Taxation	(3 847)	1 402	195	(2 250)	5 625
Profit / (loss) for the year	**16 214**	**(3 302)**	**(98 986)**	**(86 074)**	**(11 680)**
Normalised earnings profit / (loss) for the year	**16 214**	**(3 302)**	**(683)**	**12 229**	**-**
** Operating EBITDA is EBITDA excluding contingent consideration asset raised and goodwill impairment*					
Reportable segment assets	54 879	39 775	103 981	198 635	40 878
Reportable segment liabilities	(14 285)	(18 068)	(39 192)	(71 545)	(12 075)

4. Plant and equipment

R'000	2015 Cost	2015 Accumulated depreciation	2015 Carrying value	2014 Cost	2014 Accumulated depreciation	2014 Carrying value
Plant and machinery	4 791	(1 909)	2 882	5 957	(3 444)	2 513
Furniture and fixtures	630	(305)	325	764	(482)	282
Motor vehicles	230	(69)	161	616	(419)	197
Office equipment	79	(66)	13	393	(365)	28
IT Equipment	1 534	(955)	579	2 199	(1 476)	723
Computer software	2 209	(914)	1 295	2 051	(1 776)	275
Leasehold improvements	1 074	(453)	621	1 512	(940)	572
Production tooling	795	(463)	332	5 174	(3 003)	2 171
Other plant and equipment	45	(32)	13	45	(28)	17
	11 387	**(5 166)**	**6 221**	**18 711**	**(11 933)**	**6 778**

Reconciliation of plant and equipment - 2015

R'000	Opening balance	Additions	Disposals	Disposal of business	Transfers	Depreci-ation	Total
Plant and machinery	2 513	1 387	-	(342)	-	(676)	2 882
Furniture and fixtures	282	142	-	(30)	1	(70)	325
Motor vehicles	197	145	-	(132)	-	(49)	161
Office equipment	28	4	-	(13)	(1)	(5)	13
IT Equipment	723	388	(7)	(303)	-	(222)	579
Computer software	275	1 490	-	(119)	-	(351)	1 295
Leasehold improvements	572	463	(216)	(32)	-	(166)	621
Production tooling	2 171	17	-	(1 501)	-	(355)	332
Other plant and equipment	17	-	-	-	-	(4)	13
	6 778	**4 036**	**(223)**	**(2 472)**	**-**	**(1 898)**	**6 221**

4. Plant and equipment (continued)

Reconciliation of plant and equipment - 2014

R'000	Opening balance	Additions	Additions through business combin-ation	Disposals	Transfers	Depreci-ation	Total
Plant and machinery	1 170	1 057	-	-	803	(517)	2 513
Furniture and fixtures	173	50	130	-	-	(71)	282
Motor vehicles	161	90	-	-	-	(54)	197
Office equipment	29	-	6	-	-	(7)	28
IT equipment	443	423	65	(48)	-	(160)	723
Computer software	362	146	81	-	(79)	(235)	275
Leasehold improvements	1 524	-	-	-	(724)	(228)	572
Production tooling	1 112	1 443	-	-	-	(384)	2 171
Other plant and equipment	-	-	18	-	-	(1)	17
	4 974	**3 209**	**300**	**(48)**	**-**	**(1 657)**	**6 778**

Pledged as security

Plant and equipment with a carrying value of R96 000 (2014: R306 000) was ceded as security, refer note 19.

Assets subject to instalment sale agreements (carrying amount)

	2015 R'000	2014 R'000
Plant and machinery	92	199
Motor vehicles	-	59
Production tooling	4	48
	96	**306**

A register containing the information required by the Companies Act is available for inspection at the registered office of the Company.

5. Goodwill

R'000	2015 Cost	2015 Accumulated impairment	2015 Carrying value	2014 Cost	2014 Accumulated impairment	2014 Carrying value
Radiant Antennas	2 207	-	2 207	2 207	-	2 207
African Union Communications (Pty) Ltd	148 296	(128 388)	19 908	148 296	(95 046)	53 250
-	**150 503**	**(128 388)**	**22 115**	**150 503**	**(95 046)**	**55 457**

5. Goodwill (continued)

Reconciliation of goodwill - 2015

R'000	Opening balance	Additions through business combinations	Impairment loss	Closing balance
Radiant Antennas	2 207	-	-	2 207
African Union Communications (Pty) Ltd	53 250	-	(33 342)	19 908
	55 457	**-**	**(33 342)**	**22 115**

The goodwill impairment of R33.3 million (2014: R95 million) is reported in the Corporate and consolidation segment.

Reconciliation of goodwill - 2014

R'000	Opening balance	Additions through business combinations	Impairment loss	Closing balance
Radiant Antennas	2 207	-	-	2 207
African Union Communications (Pty) Ltd	-	148 296	(95 046)	53 250
	2 207	**148 296**	**(95 046)**	**55 457**

Goodwill related to Radiant Antennas

The Company entered into a Sale of Business Agreement, dated 10 July 2012, with Radiant Antennas Proprietary Limited ("Radiant") to acquire the business of Radiant as a going concern in order to expand business opportunities.

Cash generating unit

The Radiant business acquisition was incorporated in the Defence division cash generating unit effective 01 July 2012.

Impairment

Goodwill to the value of R2 207 122 was recognised from the Radiant transaction. The recoverable amount was determined as the value in use of the cash generating unit estimated on the net present value of the future cash flows, expected to be derived from the unit, using a pre-tax discount rate of 22.1% and terminal growth rate of 5%. The key assumptions are obtained from the budget for 2016 and business plans for the year there after. The recoverable amount was greater than the carrying value and hence no impairment was recognised.

	2015 R'000	2014 R'000
Goodwill related to African Union Communications		
Goodwill arising from the acquisition has been recognised as follows:		
Identifiable net assets as at 28 February 2014	-	22 222
Intangible assets (customer relationships)	-	10 451
Deferred tax thereon	-	(2 925)
Goodwill	-	148 296
Purchase price arising from the increase in the share price from 75c to 271c	**-**	**178 044**

5. Goodwill (continued)

The purchase consideration of Aucom was fixed when the transaction became unconditional and was paid for in shares. The purchase consideration was therefore impacted by the change in share price from 75 cents (the price when the transaction was originally negotiated) to 271 cents (the price when the transaction become unconditional and effective) resulting in goodwill being recognized of R148 million. Goodwill relating to the Aucom acquisition was impaired by R33.3 million (2014: R95 million) following an annual review of the estimated present value of future cash flows expected to be derived from the cash generating unit (value in use), using a pre-tax rate of 21.1% and a terminal value growth rate of 3% from 2017. The CGU referred to is based on the reportable segment (Aucom) as per note 3. Based on estimates for the 2016 budget the profit expectations were lower than the profit warranties for the year 2016 as per agreement and therefore the recoverable amount of the CGU of R19.9 million was estimated to be lower than its carrying amount resulting in a further impairment charge for the year.

A change of 1% in the pre-tax discount rate will result in a R2.3 million (7%) change in the impairment.

6. Intangible assets

R'000	2015 Cost	2015 Accumulated impairment	2015 Carrying value	2014 Cost	2014 Accumulated impairment	2014 Carrying value
Model, designs and prototypes	20 825	(15 081)	5 744	49 459	(34 506)	14 953
Customer relationships	10 451	(2 787)	7 664	10 451	(697)	9 754
	31 276	**(17 868)**	**13 408**	**59 910**	**(35 203)**	**24 707**

Reconciliation of Intangible assets - 2015

R'000	Opening balance	Additions	Disposal of business	Amortis-ation	Total
Model, designs and prototypes	14 953	6 272	(8 640)	(6 841)	5 744
Customer relationships	9 754	-	-	(2 090)	7 664
	24 707	**6 272**	**(8 640)**	**(8 931)**	**13 408**

Reconciliation of Intangible assets - 2014

R'000	Opening balance	Additions	Addition through business combina-tion	Amortis-ation	Total
Model, designs and prototypes	11 767	11 307	-	(8 121)	14 953
Customer relationships	-	-	10 451	(697)	9 754
	11 767	**11 307**	**10 451**	**(8 818)**	**24 707**

Internally generated intangible assets with finite useful lives

The intangible assets consist of the development expenditure for models, designs and prototypes incurred that is considered to possess the ability to ensure a future economic benefit, on a long-term basis in future. The expenditure could be measured reliably. The useful live is five years with no residual value.

The amortisation charge of R8.9 million (2014: R8.8 million) is included under operating expenses in the statement of profit or loss.

Total aggregate research and development cost incurred R9.1 million (2014: R15.5 million).

Additions through purchase of African Union Communications Proprietary Limited

Based on the valuation, amortisation of the customer relationships intangible asset will be R2 090 167 per year for the remaining period.

7. Interests in subsidiaries

	2015 %	2014 %
Joint Venture		
Tshwane East Manufacturing Incubation Centre Proprietary Limited	-	49
Name of subsidiary		
African Union Communications Proprietary Limited	100	100
Poynting Antennas Proprietary Limited	-	100
Poynting Direct Proprietary Limited	-	100
Poynting Empowerment Trust (Special purpose entity)	100	100
Poynting Hong Kong Limited	-	100
Alaris Antennas Proprietary Limited	100	100

Acquisition of subsidiary

On 28 February 2014 shareholders approved, the issue of 66 million shares at 75 cents in terms of the agreement for the acquisition of 100% of African Union Communications Proprietary Limited ("Aucom"), which amounted to R49 500 000.

Aucom, based in Pretoria, was founded in 2001 and focuses on providing professional products, systems integration and implementation and commissioning services to the broadcast and telecommunications market in Africa. This acquisition was a strategic investment into digital broadcast migration in order to expand the group's product portfolio.

In terms of IFRS3 (Business Combinations) the transaction had to be accounted for at the fair value of the shares at that date and the net present value of any contingent consideration. The share price at 28 February 2014 was 271 cents which valued the share consideration at R178.9 million (excluding contingent consideration for over performance) and under IFRS represented the fair value.

8. Disposal of subsidiaries

The Company entered into an implementation agreement ("Implementation Agreement") with, inter alia, its former CEO, Dr Andries Petrus Cronje Fourie ("Dr Fourie") and the trustees for the time being of the Andries Petrus Cronje Fourie Trust ("the Trust"), whereby the Company disposed of its interests in Poynting Antennas Proprietary Limited ("Poynting Antennas") (excluding the profitable Poynting DS and Poynting SS divisions) as well as Poynting Direct Proprietary Limited ("Poynting Direct"), Poynting Hong Kong Limited ("Poynting HK") and a non-controlling interest in CrunchYard Holdings Proprietary Limited ("CrunchYard") ("the Composite Sale") to an entity controlled by Dr Fourie ("NewCo")(the "Composite Transaction").

In terms of the Implementation Agreement, the Composite Sale purchase consideration was settled through the specific repurchase of 14 000 000 Alaris Holdings shares ("the Specific Repurchase").

In terms of the Composite Sale, NewCo acquired all the shares and loan claims in Poynting Antennas, Poynting Direct, Poynting HK and CrunchYard from the Company for a purchase consideration of R35 840 000 (which is equal to the 30 day volume weighted average trading price per share of the Company, on 1 December 2014, being R2.56, multiplied by 14 000 000) ("Purchase Consideration") which Purchase Consideration would remain outstanding on loan account ("NewCo Loan").

NewCo pledged to the Company 14 000 000 ordinary shares which it held in the Company, as security for NewCo's obligations pursuant to the NewCo Loan.

Approval of applicable regulatory bodies and shareholders was received and the Purchase Consideration was settled through the Specific Repurchase by the Company, on loan account, of 14 000 000 shares held by NewCo in the Company ("Alaris Holdings Loan"), where after such shares were cancelled; and the NewCo Loan and the Alaris Holdings Loan were offset.

8. Disposal of subsidiaries

	Note	2015 R'000
Identifiable net assets and liabilities disposed of		
Plant and equipment		2 472
Intangible assets		8 640
Investments		3 459
Inventories		11 981
Trade and other receivables		7 946
Cash and cash equivalents		(2 332)
Current tax assets		943
Deferred tax assets		1 509
Other financial liabilities		(37)
Trade and other payables		(1 136)
Total identifiable net assets disposed		**33 445**
Profit on disposal	34	2 395
Total consideration		**35 840**
Net cash outflow from disposal		
Cash disposed		(2 332)
Cash flows attributable to discontinued operations		
Cash flows from operating activities		2 362
Cash flows from investing activities		(2 368)
Cash flows from financing activities		(349)

9. Contingent consideration asset

As per the acquisition agreement of the subsidiary, African Union Communications ("Aucom") in 2013 49.5 million of the 66 million shares issued for the business combination are subject to recall, to be released to the sellers as profit warranties are met for the years ended 30 June 2014, 30 June 2015 and ending 30 June 2016, or recalled if warranties are not met in aggregate.

A contingent consideration asset was raised for the estimated value of recallable shares at the end of the earn out period which expires on 30 June 2016. The estimated number of shares recallable was based on the estimated cumulative performance of Aucom as a percentage of the cumulative earn out target to be achieved.

No contingent consideration asset was raised in the restated 2014 financial statements, consistent with the judgements made in that year that all shares would be issued. In the 2015 financial year a contingent consideration asset was recognised equal to the estimated claw-back of the original purchase price paid to the Aucom vendors should profit warranties not be achieved.

Refer to note 39 for further detail on significant judgements applied on the fair value of the asset.

	2015 R'000	2014 R'000
Opening balance	-	-
Fair value of contingent consideration asset at year end	22 206	-

10. Joint venture

R'000 Name of company	Ownership interest 2015	Ownership interest 2014	Carrying amount 2015	Carrying amount 2014
Tshwane East Manufacturing Incubation Centre Proprietary Limited	-	49%	-	*
* Amount smaller than R1 000				
The assets and liabilities of the joint venture comprise:				
Plant and equipment			-	1 348
Cash and cash equivalents			-	1 579
Long term loans			-	(2 999)
Net loss for the period			-	73

South Africa is the country of incorporation and is the same as the principle place of business for the joint venture and the percentage voting rights is equal to the percentage ownership for the joint venture. The investment in the joint venture was disposed as part of the Compart disposal. Refer note 8 for detail.

R'000	Ownership interest 2015	Ownership interest 2014	Carrying amount 2015	Carrying amount 2014
Loans to joint venture				
Tshwane East Manufacturing Incubation Centre Proprietary Limited			-	3 000
This loan is unsecured, bears no interest, has no repayment terms with a notice period of at least 367 days				
Impairment of loans to joint venture (49% of net loss)			-	(36)
			-	2 964
Loans to other related parties				
CrunchYard SA Proprietary Limited			-	146
The loan is interest bearing at prime plus 3% and is repayable on demand				
These loans are unsecured and have no fixed date of repayment.				
Non-current assets			-	2 964
Current assets			-	146
				3 110
Credit quality of loans to related parties				
No credit rating of loans to and from related parties have been performed.				
Fair value of loans to related parties				
Loans to joint venture			-	2 964
Loans to other related parties			-	146
			-	3 110

As of 30 June 2015, loans to related parties of R0 (2014: R35 968) were impaired and provided for. The above loans were disposed of as part of the Compart disposal. Refer note 8 for detail.

11. Deferred tax

	2015 R'000	2014 R'000
Deferred tax liability	(2 146)	(1 957)
Deferred tax assets	1 541	280
Total net deferred tax liability	**(605)**	**(1 677)**
Reconciliation of total net deferred tax liability		
At beginning of year	(1 677)	(900)
Increase in tax loss available for set off against future taxable income	-	1 898
Reversing temporary difference on plant and equipment	(97)	(43)
Originating / (reversing) temporary difference on intangible assets	105	(3 623)
Taxable temporary differences on finance lease	-	23
Deductible temporary differences on provisions	499	974
Income received in advance and Section 24 C allowance	(1 786)	-
Disposal of Compart	(1 509)	-
Prior year adjustment	3 860	(6)
Closing balance	**(605)**	**(1 677)**
Beginning of year	(1 677)	(899)
Acquired through business combinations	-	(4 077)
Disposal of Compart	(1 509)	-
Charged through profit or loss	2 581	3 299
Closing balance	**(605)**	**(1 677)**
Deferred tax balances consist of the following		
Tax losses available for set off against future taxable income	-	1 972
Temporary difference on plant and equipment	(256)	(274)
Temporary difference on intangible assets	(3 666)	(6 918)
Temporary difference on provisions	2 626	3 519
Income received in advance and Section 24 C allowance	691	-
Originating temporary difference on finance lease	-	23
	(605)	**(1 677)**
Unrecognised deferred tax balances		
Estimated tax losses available to set off against future taxable income	-	12 491
Recognised as deferred tax asset	-	(7 044)
Unrecognised estimated tax losses	**-**	**5 447**

The deferred tax assets and the deferred tax liability per statutory company relate to income tax in the same jurisdiction, and the law allows net settlement.

12. Other financial assets

	2015 R'000	2014 R'000
Derivatives at fair value through profit or loss - held for trading		
PSG Private Equity Proprietary Limited	981	1 174
The majority of the Group's transactions are concluded in its functional currency (South African Rand) with the result that its exposure to foreign currency risk from operating transactions is limited. The Group's finance department monitors the net foreign currency exposure, which is primarily represented by USD and EUR - denominated trade and other receivables, cash and cash equivalents and trade and other payables, ensuring that it remains within acceptable levels as set out in the Group's risk management policies and procedures. Should the net foreign exposure exceed the policy requirement, the Company will enter into a foreign exchange hedging agreement securing the value of the trade and other receivables by purchasing/selling currencies at their current three month spot prices.		
Amortised cost		
Loans and receivables		
On Demand TV Proprietary Limited	8 493	2 027
During the year the Group sold equipment to On Demand TV Proprietary Limited, which has 24 months repayment terms attached to the amounts receivable, and bears no interest. A similar agreement was reached with Harmonic International AG (Refer to note 21). The loan is secured based on the cession on the Companies bank account as well as cession of the underlying customer account. The loan bears no interest and is repayable in monthly payments with the final payment on 31 December 2016. (2014: The loan is unsecured, is repayable over 3 months with the final payment on 30 July 2014 and bears interest at 8 %)		
Deco File Interiors Close Corporations	620	620
The loan is unsecured, bears no interest and is repayable in full on 30 June 2017.		
Momentum Investment	718	1 663
This is a flexible investment option with 24 hour notice period and bearing interest at Money Market rates.		
Other related parties - CrunchYard SA Proprietary Limited	-	146
This loan is interest bearing at prime plus 3% and is repayable on demand.		
Total other financial assets	**10 812**	**5 630**
Non-current assets		
Loans and receivables designated at amortised cost	2 647	-
Current assets		
Fair value through profit or loss - held for trading	981	1 174
Loans and receivables designated at amortised cost	7 184	4 456
	10 812	**5 630**

13. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

R'000 2015	Loans and receivables at amortised cost	Fair value through profit and loss held for trading	Total
Trade and other receivables	38 602	-	38 602
Cash and cash equivalents	74 386	-	74 386
Other financial assets	9 831	981	10 812
	122 819	**981**	**123 800**

R'000 2014	Loans and receivables at amortised cost	Fair value through profit and loss held for trading	Total
Loans to related parties	3 109	-	3 109
Trade and other receivables	29 224	-	29 224
Cash and cash equivalents	85 821	-	85 821
Other financial assets	4 310	1 174	5 484
	122 464	**1 174**	**123 638**

14. Inventories

	2015 R'000	2014 R'000
Raw materials, components	5 027	6 022
Work in progress	1 472	7 116
Finished goods	3 046	12 696
Merchandise	-	321
	9 545	26 155
Allowance for obsolescence	(309)	(2 514)
	9 236	**23 641**
Allowance for obsolescence		
Opening balance	2 514	1 446
Disposal of Compart	(1 232)	-
Allowance (reversal) / increase	(973)	1 068
Closing balance	**309**	**2 514**

The allowance for obsolescence represents the inventory that has not been sold or used in manufacturing within the past 24 months. The movement in this allowance is based on the sale, usage or lack thereof in case of increase of items in the manufacturing process.

15. Trade and other receivables

	2015 R'000	2014 R'000
Financial assets		
Trade receivables	37 891	28 974
Deposits	615	250
Other receivables	96	-
	38 602	29 224
Non-financial assets		
Prepayments	3 292	220
VAT	1 534	1 353
Employee costs in advance	-	171
Other receivable	-	26
	4 827	1 770
Total trade and other receivables	**43 428**	**30 994**

Trade receivables ageing analysis

R'000 2015	Gross amount	Impairment provision	Net amount
Current	23 660	-	23 660
1 month past due	8 686	-	8 686
2 months past due	1 663	(894)	769
3 months and more past due	9 131	(4 355)	4 776
	43 140	**(5 249)**	**37 891**

R'000 2014	Gross amount	Impairment provision	Net amount
Current	6 500	-	6 500
1 month past due	8 700	-	8 700
2 months past due	5 570	(1 024)	4 546
3 months and more past due	12 518	(3 290)	9 228
	33 288	**(4 314)**	**28 974**

The carrying amount of trade receivables (net of impairment) are denominated in the following currencies:

	2015 R'000	2014 R'000
Rand	11 246	10 102
US Dollar	13 410	11 133
Euro	13 235	7 739
	37 891	**28 974**

The carrying amount of trade receivables (net of impairment) based on geographical area:

	2015 R'000	2014 R'000
South Africa	11 369	15 820
United kingdom	10 608	2 324
Rest of Africa	6 306	3 644
USA	4 195	1 486
Europe	3 866	2 796
Other	1 547	2 904
	37 891	**28 974**

15. Trade and other receivables (continued)

Customers contributing more then 10% of total revenue from continuing operations:

	2015 R'000	2015 % of group revenue	2014 R'000	2014 % of group revenue
Customer A (Aucom)	55 903	29%	11 814	12%
Customer B (Alaris Antennas)	20 052	10%	18 664	19%
	75 955		**30 478**	

Trade receivables comprise a widespread customer base. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Approximately 42% (2014: 72%) of the Group's revenue is attributable to sales transactions with 90 (2014: 72) international customers. The Group generally deals with corporates who have a sound credit rating. Credit risk is controlled by credit limits being set by experienced personnel. Where credit history has not been established with the Company, upfront payment or Letters of Credit (LC's) are required. Listing of overdue customer balances are reviewed monthly.

It is the policy of the Group to allow for 30-60 day payment terms.

Fair value of trade and other receivables

The fair value of trade and other receivables is equal to their carrying balances as the impact of discounting is not significant.

Reconciliation of provision for impairment of trade receivables:

	2015 R'000	2014 R'000
Opening balance	4 314	1 042
Disposal of subsidiaries	(1 865)	2 248
Charged to profit and loss	2 908	1 024
Amounts written off as uncollectable	(108)	-
	5 249	**4 314**

The maximum exposure to credit risk at the reporting date is the carrying value of each class of trade and other receivables mentioned above, cash and cash equivalents mentioned below and other financial assets in note 12.

16. Cash and cash equivalents

	2015 R'000	2014 R'000
Cash and cash equivalents consist of:		
Cash on hand	91	104
Bank balances	68 622	53 021
Short-term deposits	5 673	32 746
Bank overdraft	-	(50)
	74 386	**85 821**

The Group has a foreign exchange spot dealing facility of R6 000 000 (2014: R6 000 000)

Collateral for the security:

Omnibus suretyship of R16 100 000 between:

- Alaris Antennas Proprietary Limited
- Alaris Holdings Limited
- African Union Communications Proprietary Limited

The carrying value of cash and cash equivalents balance is equal to the fair value.

Cash and cash equivalents currencies

The carrying amount of cash and cash equivalents are denominated in the following currencies:

16. Cash and cash equivalents (continued)

R'000	Value in Foreign currency	Value in Rands
USD	3 231	39 642
EUR	152	2 076
GBP	3	52
Rands	-	32 616
		74 386

17. Share capital

	2015 R'000	2014 R'000
Authorised share capital		
2 000 000 000 Ordinary shares of R0.00005 each	**100**	**100**
1 837 395 725 unissued ordinary shares are under the control of the directors. This authority remains in force until the next annual general meeting.		

Issued share capital	Number of shares 2015	Number of shares 2014	Share capital 2015 R'000	Share capital 2014 R'000	Share premium 2015 R'000	Share premium 2014 R'000
Opening balance	176 604 275	94 604 275	9	5	231 151	29 715
Acquisition of company	-	66 000 000	-	3	-	178 857
Share options exercised during the year	-	16 000 000	-	1	114	25 279
Shares repurchased - Compart	(14 000 000)	-	(1)	-	-	-
	162 604 275	176 604 275	8	9	231 265	233 851
Treasury shares	(2 362 325)	(2 516 555)	-	-	-	(2 700)
	160 241 950	**174 087 720**	**8**	**9**	**231 265**	**231 151**

2 099 544 shares were repurchased from the Poynting Empowerment Trust, effective on 30 October 2015.

18. Share-based payments

R'000 Share Option Group 2015	Number	Weighted exercise price	Total value
Outstanding at the beginning of the year	955	0.11	123
Forfeited during the year	(23)		0
Exercised during the year	(154)	0.74	(114)
	778		9
Number of share options allocated during the year	6 300	2.10	6 927
Total options at the end of the year	**7 078**	**-**	**6 936**

18. Share-based payments (continued)

R'000 Share Option Group 2014	Number	Weighted exercise price	Total value
Outstanding at the beginning of the year	1 184	0.11	123
Forfeited during the year	(62)	-	-
Exercised during the year	(167)	-	-
	955	**-**	**123**

	2015 R'000	2014 R'000
Share based payment reserve		
Opening balance	123	123
Share options issued during the year	397	-
Share options exercised during the year	(114)	-
Closing balance	**406**	**123**

The above reserve reflects the weighted costs of future options that will be incurred by the Group based on issued options to date. Future allocations will be accounted for in a similar manner.

Information on options granted

Share options existing in prior year

Fair value was determined by reference to publications. The following inputs were used:

- Exercise price of R0.25,

- Spot price of R0.16,

- Expected volatility of 141.63%,

- Option life of four years in total,

- Expected dividend yield of 0%; and

- Risk-free rates of 7.15%, 7.33% and 7.49% for each of the three vesting periods.

Vesting periods were as on 03 June 2012, 03 June 2013 and 03 June 2014.

The board of directors of the Company made an offer to employees on behalf of the Trustees of the Poynting Empowerment Trust ("the Trust") to participate in the Trust. The offer consisted of the right to acquire a number of Scheme Shares in the Company and at the price determined by the Trust Deed provisions. The offer is governed by the provisions of the Trust Deed, the Companies Act and the JSE Listings Requirements.

Directors shall from time to time instruct the Trustees to offer the opportunity to acquire Rights and Options to purchase Allocation Shares or to acquire Scheme Shares to Eligible Applicants in respect of such number of Shares, which in aggregate, together with any Scheme Shares already in issue and/or the number of Allocation Shares at that time shall not exceed 20% (twenty percent) of the ordinary issued share capital of the Company at the date of the offer or such increased percentage as may from time to time be approved by the JSE and by the Company in a general meeting.

18. Share-based payments (continued)

When the Share Scheme Debt in respect of the offer have been paid in full by the Participant, a Participant shall, be entitled to the release of his Scheme Shares from the operation of this Scheme after the expiry of a period of:

- 2 (two) years after the Acceptance Date, in respect of 33% (thirty three and a third percent) of the Scheme Shares, or part thereof;

- 3 (three) years after the Acceptance Date, in respect of a further 33% (thirty three and a third percent) of the Scheme Shares, or part thereof;

- 4 (four) years after the Acceptance Date in respect of the balance of the Scheme Shares.

The number of Scheme Shares to be released are computed cumulatively.

Options forfeited

Options were forfeited as employees resigned prior to the 100% vesting period or elected not to exercise their options at the time of resignation.

Share options issued during the year

Fair value was determined by the Black - Scholes model. The following inputs were used:

- Exercise price of R2.10,
- Spot price of R2.39,
- Expected volatility of 46.93%,
- Option life of 5 years in total,
- Expected dividend yield of 0%; and
- Risk-free rates of 6.70%, 6.93%, 7.09% and 7.21% for each of the four vesting periods.

The options will vest in four equal tranches ending on 06 May 2017, 06 May 2018, 06 May 2019 and 06 May 2020.

The volatility of 46.93% was obtained by calculating the change in share price based on a 30 day volume weighted average price.

Vesting of shares occurs as follows:	**%**
2 years after grant date	25
3 years after grant date	25
4 years after grant date	25
5 years after grant date	25
	100

Analysis of outstanding scheme shares by maturity	**Weighted average strike price**	**Number**
06 May 2017	2.10	1 575 000
06 May 2018	2.10	1 575 000
06 May 2019	2.10	1 575 000
06 May 2020	2.10	1 575 000

19. Loans and borrowings

	2015 R'000	2014 R'000
Instalment sales agreement		
Finance lease liability		
ABSA Bank Limited Instalment sale agreement for a generator secured by first covering bond over plant and equipment. Refer to note 4. The loan bears interest at prime rate plus 0.8% and is repayable in instalments of R4 216 per month.	4	48
Standard Bank of South Africa Limited Instalment sale agreement for a welder secured by first covering bond over plant and equipment. Refer to note 4. The loan bears interest at prime rate minus 0.25% and is repayable in instalments of R5 347 per month.	-	5
Standard Bank of South Africa Limited Instalment sale agreement for a vehicle secured by first covering bond over motor vehicles. Refer to note 4. The loan bears interest at prime rate plus 3% and is repayable in instalments of R3 570 per month.	-	59
Standard Bank of South Africa Limited Instalment sale agreement for testing equipment secured by first covering bond over plant and equipment. Refer to note 4. The loan bears interest at prime rate plus 2% and is repayable in instalments of R9 700 per month.	92	194
	96	**306**
Non-current liabilities		
Finance lease liability	-	114
Current liabilities		
Finance lease liability	96	192
	96	**306**
Minimum instalment sales payments due		
- within one year	101	216
- in second to fifth year inclusive	-	119
	101	335
Less: future finance charges	(5)	(29)
Present value of minimum instalment sales payments	**96**	**306**
Present value of minimum instalment sales payments due		
- within one year	96	192
- in second to fifth year inclusive	-	114
	96	**306**
Loans from shareholders		
Current liabilities		
MAS Trust	-	765
R Rashama	-	286
T Rashama	-	665
	-	**1 716**

These loans are unsecured, interest free and have no fixed terms of repayments.

20. Preference share liability

20 400 000 Convertible Redeemable Preference Shares at R2.50 were issued at a premium of 3% and a dividend rate of 8.64%. They are redeemable on 30 June 2017.

	2015 R'000	2014 R'000
PSG Private Equity Proprietary Limited	51 000	51 000
Less: deemed capital	(889)	(889)
	50 111	**50 111**

21. Other financial liability

	2015 R'000	2014 R'000
Held at amortised cost		
Harmonic International AG	4 554	-
The liability is repayable in quarterly instalments in advance, with the last payment on 14 December 2016, and bears no interest.		
Non-current liability		
At amortised cost	911	-
Current liability		
At amortised cost	3 643	-
	4 554	**-**

22. Trade and other payables

	2015 R'000	2014 R'000
Financial liabilities		
Trade payables	8 438	15 699
Sundry loans	2	3
Other accrued expenses	14 908	4 329
	23 348	20 031
Non financial liabilities		
Payroll accruals	3 257	6 252
Operating lease liability	321	80
Income received in advance	2 980	805
	6 558	7 137
Total trade and other payables	**29 906**	**27 168**

Fair value of trade and other payables

There is no material difference between the fair value of trade and other payables and their carrying value.

22. Trade and other payables (continued)

	2015 R'000	2014 R'000
Operating lease liability		
Minimum lease payments due		
- within one year	1 910	934
- in second to fifth year inclusive	7 383	-
- later than five years	2 700	-
	11 993	**934**
Deferred operating lease liability	(321)	(80)

Operating lease payments represent rentals payable by the company for its office properties. Leases are negotiated for a term of six years and have option to renew after 5 years. There is an annual escalation of 8.5%. No contingent rent is payable.

23. Provisions

	2015 R'000	2014 R'000
Product warranty extension provision		
Opening balance	2 303	617
Provisions raised during the year	-	1 686
Utilised during the year	(90)	-
Disposal of Compart	(472)	-
Closing balance	**1 741**	**2 303**

Product warranties

The warranty provision represents management's estimate of the Group's liability under warranty periods granted on products, based on prior experience and industry averages for defective products.

Alaris warrants certain repairs on its products for 12 and 24 month periods. These warranties are provided for when the initial project is completed. Warranty repairs during the warranty period are monitored and written back against the provision when incurred. Although the warranty period spans over 24 months, an uncertainty exists on when repairs and relevant cash flows in relation to the warranty will materialise. Accordingly management has classified the warranty provision as a current liability.

There is no expected reimbursement from the manufacturer in respect of this provision.

24. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2015 R'000	Financial liabilities at amortised cost	Total
Preference share liability	50 111	50 111
Trade and other payables	23 348	23 348
Other financial liabilities	4 554	4 554
	78 013	**78 013**

2014 R'000	Financial liabilities at amortised cost	Total
Loans from shareholders	1 716	1 716
Preference share liability	50 111	50 111
Loans and borrowings	306	306
Trade and other payables	27 168	27 168
Bank overdraft	50	50
	79 351	**79 351**

25. Revenue

	2015 R'000	2014 R'000
Sale of goods	212 325	110 667
Rendering of services	5 898	21 459
	218 223	**132 126**

26. Operating profit / (loss)

	2015 R'000	2014 R'000
Operating profit / (loss) for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
-Contractual amounts	3 249	1 801
Equipment		
-Contractual amounts	203	254
	3 452	2 055
Profit on sale of plant and equipment	-	(12)
Impairment of Joint venture	-	36
Amortisation of intangible assets	8 931	8 818
Depreciation on plant and equipment	1 898	1 657
Employee costs	48 291	38 166
Share based payment expense	397	-
Foreign exchange (gains) / losses	(363)	1 014
Consultants	6 024	5 685
Legal fees	6 158	836

27. Finance income

	2015 R'000	2014 R'000
Interest income on cash and cash equivalents	3 413	1 013

28. Finance costs

	2015 R'000	2014 R'000
Interest expenses on financial liabilities at amortised cost	340	122
Interest on preference shares	4 506	12
Interest expense on late payment of tax	1	28
Other interest	4	-
	4 851	**162**

29. Taxation

	2015 R'000	2014 R'000
Local income tax	**7 957**	**(76)**
Current year	5 919	364
Capital gains tax	976	-
Prior year adjustment	1 062	(440)
Deferred	**(2 581)**	**(3 299)**
Current year	1 279	(3 305)
Prior year adjustment	(3 860)	6
	5 376	**(3 375)**

	2015 R'000	2014 R'000	2015 %	2014 %
Reconciliation of the tax expense				
Accounting profit	252	(101 129)		
Tax at the applicable tax rate of 28% (2014: 28%)	71	(28 316)	28.0	28.0
Tax effect of adjustments on taxable income				
Non-taxable income				
- Contingent consideration asset	(6 217)	-	(2 467.0)	0.0
- Other non-taxable income	-	(2 106)	0.0	2.1
- Profit on disposal of Compart	(671)	-	(266.2)	0.0
Non-deductible expenses	-	-	0.0	0.0
- Legal and consulting fees	2 758	-	1 094.4	0.0
- Interest on preference shares	1 368	-	542.9	0.0
- Impairment of goodwill	9 336	26 613	3 704.8	-26.3
- Other non-deductible expenses	553	-	219.4	0.0
- Capital gains tax on profit on disposal of Compart	976	-	387.3	0.0
Prior year adjustment	(2 798)	434	(1 110.3)	-0.4
	5 376	**(3 375)**	**2 133.3**	**3.4**

30. Dividends paid

No dividends were declared or paid to shareholders of the parent during the current or prior financial year.

31. Earnings per share

	2015	Restated 2014
Issued ordinary shares at closing per share register	162 604 275	176 604 275
Less: Treasury shares	(2 362 325)	(2 516 555)
Net number of shares issued outside the Group	160 241 950	174 087 720
Issued ordinary shares at closing per share register	162 604 275	176 604 275
Less: Treasury shares (closing balance) – old scheme	(2 362 325)	(2 516 555)
Shares repurchased / (issued) during the year	10 955 741	(51 931 780)
Less: Shares subject to recall (Aucom Escrow)	(49 500 000)	(16 545 205)
Basic weighted average number of shares	**121 697 691**	**105 610 735**
Add: Treasury shares	752 918	903 741
Add: Escrow shares	25 976 013	5 992 211
Add: PSG Private Equity preference shares	20 400 000	55 890
Diluted weighted average number of shares	**168 826 622**	**112 562 577**

	2015 R'000	Restated 2014 R'000
TOTAL OPERATIONS		
Earnings	(5 124)	(97 754)
Less: loss attributable to shares subject to recall	1 583	27 795
Basic earnings	**(3 541)**	**(69 959)**
Add: loss attributable to shares subject to recall	(1 583)	(27 795)
Less: fair value adjustments iro shares	(22 206)	-
Add back interest cost on PSG Private Equity preference shares	4 506	12
Diluted earnings	**(22 824)**	**(97 742)**
Earnings	(5 124)	(97 754)
Add: goodwill impairment	33 342	95 046
Add: capital gains tax on profit on sale of Compart	976	-
Less: profit on disposal of Compart	(2 395)	-
Headline earnings (including portion attributable to shares subject to recall)	**26 799**	**(2 708)**
Less: earnings attributable to shares subject to recall	(8 278)	770
Headline earnings	**18 521**	**(1 938)**
Add: earnings attributable to shares subject to recall	8 278	(770)
Less fair value adjustments iro shares	(22 206)	-
Add back interest cost on PSG Private Equity preference shares	4 506	12
Diluted Headline earnings	**9 099**	**(2 696)**
Basic earnings per ordinary share (cents)	(2.91)	(66.24)
Diluted basic earnings per ordinary share (cents)	(13.52)	(86.83)
Headline earnings per ordinary share (cents)	15.22	(1.83)
Diluted headline earnings per ordinary share (cents)	5.39	(2.39)

31. Earnings per share (continued)

	2015 R'000	Restated 2014 R'000
CONTINUING OPERATIONS		
Earnings	(1 240)	(86 075)
Less: loss attributable to shares subject to recall	383	24 475
Basic earnings - continued operations	**(857)**	**(61 600)**
Add: earnings/(loss) attributable to shares subject to recall	(383)	(24 475)
Less: fair value adjustments in respect of shares	(22 206)	-
Add back interest cost on PSG Private Equity preference shares	4 506	12
Diluted earnings	**(18 940)**	**(86 063)**
Earnings	(1 240)	(86 075)
Add: goodwill impairment	33 342	95 046
Headline earnings (including portion attributable to shares subject to recall)	**32 102**	**8 971**
Less: earnings attributable to shares subject to recall	(9 917)	(2 551)
Headline earnings	**22 185**	**6 420**
Add: earnings attributable to shares subject to recall	9 917	2 551
Less: fair value adjustments in respect of shares	(22 206)	-
Add: back interest cost on PSG Private Equity preference shares	4 506	12
Diluted Headline earnings	**14 402**	**8 983**
Basic earnings - continuing operations per ordinary share (cents)	(0.70)	(58.33)
Diluted basic earnings - continuing operations per ordinary share (cents)	(11.22)	(76.46)
Headline earnings - continuing operations per ordinary share (cents)	18.23	6.08
Diluted headline earnings - continuing operations per ordinary share (cents)	8.53	7.98

32. Normalised earnings per share

	Total Operations		Continuing Operations	
R'000	**2015**	**Restated 2014**	**2015**	**Restated 2014**
Profit/(loss) from operations for the year	(5 124)	(97 754)	(1 240)	(86 074)
Impairment of goodwill	33 342	95 046	33 342	95 046
Contingent consideration asset raised	(22 206)	-	(22 206)	-
Legal and consulting costs for acquisitions and disposal	10 070	3 257	10 070	3 257
Loss on discontinued operations	3 884	11 680	-	-
Normalised earnings	**19 966**	**12 229**	**19 966**	**12 229**
Normalised earnings per ordinary share (cents)	**16.41**	**11.58**	**16.41**	**11.58**

Normalised earnings is calculated by adjusting profit for the fair value adjustment of the contingent consideration asset, goodwill impairment, loss on discontinued operations and profit (net after tax) on disposal of Compart and legal and consulting fees for acquisitions and disposals.

Normalised earnings per share is calculated by dividing normalised earnings by the weighted average number of ordinary shares in issue.

33. Directors' emoluments

2015 Executive	**Emoluments R'000**	**Bonus R'000**	**Other benefits R'000**	**Total R'000**	
J Dresel	2 204	200	20	2 424	
JSV Joubert	1 361	75	-	1 436	
GT Heyman	223	-	1	224	Appointed 1 June 2015
PAJ Ebersohn	315	-	-	315	Resigned 10 September 2014
APC Fourie	817	-	-	817	Resigned 19 December 2014
BJ von Gottberg	1 899	-	-	1 899	Appointed 10 September 2014 & Resigned 31 May 2015
	6 819	**275**	**21**	**7 115**	

Non-Executive	**Compensation R'000**	
CP Bester	336	
A Mellet	21	Resigned 24 October 2014
ZN Kubukeli	117	Resigned 8 April 2015
PN de Waal	94	Appointed 24 October 2014
RC Willis	44	Appointed 1 February 2015
	612	

2014 Executive	**Emoluments R'000**	**Bonus R'000**	**Other benefits R'000**	**Total R'000**	
J Dresel	1 710	300	23	2 033	
JSV Joubert	1 440	360	–	1 800	Appointed 9 June 2014
PAJ Ebersohn	1 167	-	34	1 201	
APC Fourie	1 526	250	38	1 814	
	5 843	**910**	**95**	**6 848**	

Non-Executive	**Compensation R'000**
CP Bester	191
A Mellet	74
ZN Kubukeli	117
RC Willis	112
	494

In addition to their salaries, the group does not provide non-cash benefits to directors and executive officers and does not contribute to post-employment defined benefits on their behalf.

The director's direct and indirect shareholding of the Company control 59.28% of the voting shares of the Company.

34. Cash generated from operations

	Notes	2015 R'000	2014 R'000
Profit for the year		(5 124)	(97 754)
Adjustments for:			
Tax expense		5 376	(3 375)
Loss on foreign exchange		129	1 761
Depreciation and amortisation		10 829	10 476
Profit on sale of plant and equipment		158	(12)
Finance income		(3 413)	(1 013)
Finance costs		4 851	162
Contingent consideration asset raised		(22 206)	-
Impairment of goodwill		33 342	95 046
Profit on disposal of Compart	8	(2 395)	-
Share based payment expense		396	-
Movements in provisions		(524)	1 685
Changes in working capital:			
Inventories		2 424	(2 798)
Trade and other receivables and other financial assets		(25 515)	15 809
Trade and other payables and other financial liabilities		8 428	(5 460)
		6 756	**14 527**

35. Tax paid

	2015 R'000	2014 R'000
Balance at beginning of the year	3 182	413
Current tax for the year recognised in profit or loss	(7 957)	76
Disposal of Compart	(943)	-
Adjustment in respect of businesses sold and acquired during the year including exchange rate movements	-	(4 763)
Balance at end of the year	(527)	(3 182)
	(6 245)	**(7 456)**

36. Business combinations

	2015 R'000	2014 R'000
Identifiable assets and liabilities assumed		
Plant and equipment	-	300
Intangible assets (customer relationships)	-	10 451
Other financial assets	-	10 525
Deferred tax	-	(4 077)
Inventories	-	8 416
Loans to shareholders	-	(1 913)
Trade and other receivables	-	30 908
Less: provision for doubtful debts	-	(2 248)
Cash and cash equivalents	-	6 626
Current tax payable	-	(4 764)
Trade and other payables	-	(21 596)
Total identifiable net assets	-	32 628
Goodwill	-	148 296
		180 924
Consideration paid		
Equity - 66 000 000 ordinary shares in Alaris Holdings Limited	-	(180 924)
Net cash inflow on acquisition		
Cash acquired	-	6 626

African Union Communications Proprietary Limited

On 1 July 2013 African Union Communications Proprietary Limited shares were bought by issuing 66 million Alaris Holdings Limited shares at an issue price of 271 cents per share ("Share Consideration") subject to an earn-out structure ("the Acquisition"). In addition to the Share Consideration, the Sellers will receive an amount of 50% of the Actual Net Profit After Tax achieved during the financial years ending 30 June 2014, 30 June 2015 and 30 June 2016 ("Earn-Out Period") in excess of the minimum cumulative Net Profit After Tax of R38.0 million required to be achieved during such financial years. The effective date for accounting purposes was 28 February 2014, at which time the share price was 271 cents per share.

37. Related parties

Relationships

Subsidiaries	African Union Communications Proprietary Limited - 100% (2014: 100%)
	Alaris Antennas Proprietary Limited - 100% (2014: 100%)
Shareholder with significant influence	PSG Private Equity Proprietary Limited
Director JSV Joubert beneficiary and trustee	MAS Trust
Director JSV Joubert shareholder	On Demand TV Proprietary Limited
Joint venture	Tshwane East Manufacturing Incubation Centre Proprietary Limited – 0% (2014: 49%)
Entity with common shareholders and directors	Unitrade 946 Proprietary Limited
Members of key management	CP Bester PN de Waal J Dresel APC Fourie Resigned 19 December 2014 GT Heyman JSV Joubert ZN Kubukeli Resigned 8 April 2015 A Mellet Resigned 24 October 2014 BJ von Gottberg Resigned 31 May 2015 RC Willis R Rashama
Close family member of key management	M Dresel T Rashama

Key management personnel are those having authority and responsibility for planning and controlling the activities of the Group, directly or indirectly, including any director of the Group. The directors of the Group have been identified as key management personnel of the Group.

37. Related parties (continued)

	2015 R'000	2014 R'000
Related party balances		
Loan accounts - Owing by / (to) related parties		
CrunchYard SA Proprietary Limited	-	146
Tshwane East Manufacturing Incubation Centre Proprietary Limited	-	2 964
MAS Trust	-	(765)
R Rashama	-	(286)
T Rashama	-	(665)
Amounts included in trade receivables relating to related parties		
On Demand TV Proprietary Limited	4 546	613
Other financial assets		
On Demand TV Proprietary Limited	8 493	2 027
The loan has 24 month repayment terms and bears no interest.		
Related party transactions		
Rent paid to related parties		
Unitrade 946 Proprietary Limited	-	552
MAS Trust	445	391
Consulting project fees paid to related parties		
M Dresel (The spouse of J Dresel)	173	494
Sales to related parties		
On Demand TV Proprietary Limited	(15 754)	(789)

All related party balances and transactions were eliminated in consolidation except for those balances and transactions with joint ventures and directors.

Except where terms are mentioned above, all other outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within the normal credit terms. None of the balances is secured. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

38. Prior period error

- Shareholders are advised that during the preparation for the 2015 audit it came to the Company's attention that the earnings per share calculations (basic earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share) were incorrectly reported on for the unaudited six month period to 31 December 2014 and the audited full year to 30 June 2014.

  The total profits, cash generated by the business and the total amount of shares legally in issue were correctly reported and management believes that given the distortions in the financial statements following the Aucom transaction, these remain the most appropriate indicators to consider when evaluating business performance. The reason for the restatement primarily relates to the accounting complexities arising from the Aucom transaction, specifically the way the contingent consideration shares subject to recall and the earnings attributable thereto are treated in the respective per share calculations.

  As detailed in the circular to shareholders dated 31 January 2014, Alaris acquired Aucom for a purchase price of R49.5 million, which purchase price was settled by the issue of 66 million Alaris Shares (at the share price of 75 cents per share), of which 49.5 million shares are subject to a three year cumulative profit warranty of R38 million. The 66 million shares were issued to the vendors on the effective date of which 49.5 million shares were subject to 'recall' and were held in trust pending the release to the vendors as they meet their profit guarantees. IFRS requires the 49.5 million shares subject to recall, together with the related earnings attributable thereto, to be disregarded from the respective basic and headline earnings per share calculations. In respect of the diluted earnings per share calculations, IFRS requires the number of shares to be issued to be based on the position at the reporting date, rather than taking into account the expectations about the future.

- Based on feedback received from the JSE during its pro-active monitoring panel and after careful deliberation with our auditors the Group has decided to restate the 30 June 2014 numbers to no longer reflect the contingent consideration liability and acquisition reserve for the Aucom shares that are recallable under the contract. As a consequence the contingent consideration liability (R143.6 million), acquisition reserve (R134.1 million) and the fair value adjustment loss of R9.4 million was reversed in the 30 June 2014 numbers.

The impact of the above is reflected in the tables below.

Contingent consideration liability and acquisition reserve

		30 June 2014 R'000	
	Previously reported	**Adjustment**	**After restatement**
Statement of financial position			
Acquisition Reserve (Contingent Consideration)	134 145	(134 145)	-
Liability for contingent consideration	(143 550)	143 550	-
Opening retained earnings	107 159	(9 405)	97 754
	97 754	**-**	**97 754**

	Previously reported	Adjustment	After restatement
Profit or loss			
Fair value adjustment on contingent consideration	9 405	(9 405)	-

38. Prior period error (continued)

Earnings per share calculations

	30 June 2014 Restated	30 June 2014 As previously reported
Total operations		
Basic earnings per share (cents)	(66.24)	(101.59)
Diluted earnings per share (cents)	(86.83)	(85.94)
Headline earnings per share (cents)	(1.83)	(11.48)
Diluted headline earnings per share (cents)	(2.39)	(2.39)
Net asset value per ordinary share (cents)	89.55	84.15
Net tangible asset value per ordinary share (cents)	43.50	38.10
Continuing operations		
Basic earnings per share (cents)	(58.33)	(90.51)
Diluted earnings per share (cents)	(76.46)	(75.67)
Headline earnings per share (cents)	6.08	(0.41)
Diluted headline earnings per share (cents)	7.98	7.89

Previously Alaris also reported 'adjusted headline earnings from continuing operations per share' where, in addition to the headline earnings adjustment for goodwill impairment relating to Aucom, the Aucom contingent share consideration fair value adjustment was disregarded. Alaris has decided to discontinue the use of adjusted headline earnings from continuing operations. The Group will, going forward, disclose the 'normalised earnings from continuing operations' and the total number of shares legally in issue to further assist shareholders in understanding the underlying Group performance.

For further information, the following tables provide the numerators and denominators that are used in the per share calculations above:

Number of shares- restated (millions)	**30 Jun 2014**
Total shares legally in issue, as per share register	176.6
Total shares legally in issue, net of treasury shares	174.1
Weighted average number of shares in issue	105.6
Diluted weighted average number of shares	112.6

	Restated 30 Jun 2014
Total operations - R'000	
Loss after tax	(97 754)
Less loss attributable to shares subject to recall	27 795
Basic earnings	**(69 959)**
Add back loss attributable to shares subject to recall	(27 795)
Add back interest cost on PSG Private Equity Preference Shares	12
Diluted earnings	**(97 742)**
Profit after tax	**(97 754)**
Impairment of goodwill	95 046
Headline earnings (incl. portion attributable to shares subject to recall)	**(2 708)**
Less loss attributable to shares subject to recall	770
Headline earnings	**(1 938)**
Add back loss attributable to shares subject to recall	(770)
Add back interest cost on PSG Private Equity Preference Shares	12
Diluted Headline earnings	**(2 696)**

38. Prior period error (continued)

	30 Jun 2014
Continued operations - R'000	
Loss after tax	(86 074)
Less loss attributable to shares subject to recall	24 474
Basic earnings	**(61 600)**
Add back loss attributable to shares subject to recall	(24 475)
Add back interest cost on PSG Private Equity Preference Shares	12
Diluted earnings	**(86 063)**
Loss after tax	**(86 075)**
Impairment of goodwill	95 046
Headline earnings (incl. portion attributable to shares subject to recall)	8 971
Less earnings attributable to shares subject to recall	(2 551)
Headline earnings	**6 420**
Add back earnings attributable to shares subject to recall	2 551
Add back interest cost on PSG Private Equity Preference Shares	12
Diluted Headline earnings	**8 983**

39. Risk management

Financial instruments carried at fair value

The fair value of a financial instrument is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date.

The existence of published price quotations in an active market is the best evidence of fair value and, where they exist, they are used to measure the financial asset or financial liability. A market is considered to be active if transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis. Financial instruments fair valued using quoted prices would generally be classified as level 1 in terms of the fair-value hierarchy.

Fair value hierarchy

Fair value measurements are categorised into different levels in the fair value hierarchy based on inputs to valuation techniques used. The different levels are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Valuation of the contingent consideration asset

In terms of IFRS 13.24, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Management have considered a number of other indicators to determine the fair value of the contingent consideration shares. This included the 30 day Volume Weighted Average Price up to 30 June 2015, the impact of the Compart disposal on the share price post the effective date as well as the bid price available on 30 June 2015 by reference to the opening share price on 1 July 2015 and has valued the contingent consideration asset in respect of the contingent consideration shares at 219 cents per share, as per the closing price at 30 June 2015.

39. Risk management

The contingent consideration asset is a level 1 instrument as at 30 June 2015. The contingent consideration asset recognised in profit and loss amounted to R22 205 789.

A change of 10% in the fair value of contingent consideration asset at the reporting date would have increased/(decreased) equity and profit or loss by R2.2 million (2014: nil). This analysis assumes that all other variables remain constant.

Impairment

IFRS requires an annual review of the recoverable amount of the goodwill. The only goodwill indicating a possible impairment was goodwill from the Aucom acquisition. This was estimated based on the present value of the future cash flows expected to be derived from the cash generating unit (value in use), using a pre-tax discount rate of 21.10% and a terminal value growth rate of 3% from 2017. The key assumptions were derived from past performance at Aucom. The recoverable amount of the CGU was estimated to be lower than its carrying amount and an impairment of R33.3 million was required. A change of 1% in the pre-tax discount rate will result in a R2.3 million (7%) change in the impairment.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in notes 10, 19, 20, 21, 22, 23 & 24, cash and cash equivalents disclosed in note 16, and equity as disclosed in the statement of financial position.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The gearing ratio at 2015 and 2014 respectively were as follows:

	2015 R'000	2014 R'000
Total borrowings		
Loans from shareholders	-	1 716
Loans and borrowings	-	306
Other financial liabilities	911	-
Preference share liability	50 111	50 111
	51 022	52 133
Less: Cash and cash equivalents	74 386	85 821
Net debt / (asset)	(23 364)	(33 688)
Total equity	115 326	155 893
Total capital	91 962	122 205
Gearing ratio	25%	28%

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group applies an enterprise wide risk management framework to assess and report on risks including financial risks.

39. Risk management (continued)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Group's risk to liquidity is a result of the funds available to cover future commitments, which mainly relate to trade and other payables and the preference share liability. Current cash and cash equivalents are sufficient to ensure payment of the amounts due in the next 12 months.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored on a regular basis.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 2 and 5 years
At 30 June 2015	**R'000**	**R'000**
Preference share liability	4 406	55 315
Other financial liabilities	3 643	911
Finance lease liability	96	-
Trade and other payables	23 348	-
At 30 June 2014		
Loans from shareholders	1 716	-
Loans and borrowings	216	119
Preference share liability	4 406	59 825
Finance lease liability	192	114
Trade and other payables	20 111	-
Bank overdraft	50	-

Interest rate risk

The Group's exposure to interest rate risk mainly concerns financial liabilities / assets. Financial liabilities and assets consist of fixed rate, floating rate and non-interest bearing components. At present the Group hold a loan and receivable that is long-term in nature, issued to On Demand TV - refer note 37. The table below analyses the breakdown of financial instruments by type of interest rate:

	2015 Fixed R'000	2015 Floating R'000	2014 Fixed R'000	2014 Floating R'000
Financial assets				
Cash and cash equivalents	-	74 386	-	85 871
Financial liabilities				
Preference share liability	-	50 111	-	50 111
Bank overdraft	-	-	-	50
Loans and borrowings	-	-	-	306
	-	**50 111**	**-**	**50 467**

39. Risk management (continued)

Sensitivity analysis

A hypothetical increase/decrease in interest rates by 50 basis points, with all other variables remaining constant, would increase/decrease profits after tax and retained earnings by R250,555 (2014: R252,335). A hypothetical increase/decrease in interest rates by 100 basis points, with all other variables remaining constant, would increase/decrease profits after tax by R501,110 (2014: R504,670). The analysis has been performed for floating interest rate financial liabilities. The impact of a change in interest rates on floating interest rate financial liabilities has been assessed in terms of changing of their cash flows and therefore in terms of the impact on net expenses.

	2015		2014	
	50 basis point increase R'000	100 basis point increase R'000	50 basis point increase R'000	100 basis point increase R'000
Preference share liability	251	501	251	501
Overdraft, loans and borrowings	-	-	2	4
	251	**501**	**253**	**505**

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments, loans to related parties, other financial assets and trade debtors. The Group only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate. Credit guarantee insures all foreign debtors and bills Alaris on a monthly basis for the guarantees issued and maintained. Other financial assets are assessed on a customer by customer basis, using past experience and other factors.

Financial assets which expose the Group to credit risk at the reporting date were as follows:

	2015 R'000	2014 R'000
Financial instrument		
Loan to joint venture	-	3 109
Foreign exchange contract	981	1 174
Cash and cash equivalents	74 386	85 871
Trade and other receivables	38 602	29 224
Other financial assets at amortised cost	9 831	4 456
	123 800	**123 834**

39. Risk management (continued)

Foreign exchange risk

Management has set up a policy to require Group companies to manage their foreign exchange risk against their functional currency. The group companies hedge their net foreign exchange risk exposure with financial institutions where necessary. To manage their net foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward contracts and natural hedges due to significant number of invoices being done in foreign currency. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group risk management policy is to economically hedge the net exposure of anticipated cash flows (mainly export sales and purchase of inventory) in each major foreign currency for the subsequent 3 months.

At 30 June 2015, if the currency had weakened/strengthened by 10% against the US dollar with all other variables held constant, post-tax profit and retained earnings for the year would have been R 4 400 970 (2014: R 953 370) higher/lower, mainly as a result of foreign exchange gains or losses on translation of US dollar denominated trade receivables, financial assets at fair value through profit or loss and foreign exchange losses or gains on translation of US dollar denominated borrowings.

At 30 June 2015, if the currency had weakened/strengthened by 10% against the Euro with all other variables held constant, post-tax profit for the year would have been R792 530 (2014: R434 460) higher/lower, mainly as a result of foreign exchange gains or losses on translation of EURO denominated trade receivables.

At 30 June 2015, if the currency had weakened/strengthened by 10% against the GBP with all other variables held constant, post-tax profit for the year would have been R3 710 (2014: R6 280) higher/lower, mainly as a result of foreign exchange gains or losses on translation of GBP denominated trade receivables.

Foreign currency exposure at the end of the year

	2015 *FC'000	2015 R'000	2014 *FC'000	2014 R'000
Trade debtors, USD 1 346 908 (2014: USD 1 058 056) receivable 30 June 2015	$1 347	16 304	$1 058	11 133
Trade debtors, EUR 1 022 275 (2014: EUR 532 143) receivable 30 June 2015	€1 022	13 932	€532	7 739
Cash and cash equivalents, USD 3 230 579 (2014: USD 342 863)	$3 231	39 642	$343	3 674
Cash and cash equivalents, EUR 152 424 (2014: EUR 517 916)	€152	2 076	€518	7 578
Cash and cash equivalents, GBP 2 668 (2014: GBP5 794)	£3	52	£6	105
Other financial assets, USD 739,796 (2014: USD 0)	$740	8 493	-	-
Trade payables, USD 25 176 (2014: USD(153 026))	$25	302	$(153)	(1 647)
Trade payables, EUR (367 114) (2014: EUR(635 582))	€(367)	(5 237)	€(635)	(9 423)
Trade payables, CNY 0 (2014: CNY(698 127))	¥-	-	¥(698)	(1 189)
Other financial liability, USD(368 933) (2014: USD0)	$(369)	(4 554)	-	-

39. Risk management (continued)

Exchange rates used for conversion of foreign items were:

	2015	2014
Closing exchange rate used for conversion of foreign items were:		
USD	12.29	10.61
EUR	13.63	14.54
GBP	19.31	18.17
CNY	2.01	1.70
Average exchange rates used during the year		
USD	11.45	10.61
EUR	13.71	14.45
GBP	17.98	18.05
CNY	1.86	1.72

*Foreign currency ("FC")

The Group reviews its foreign currency exposure, including commitments on an ongoing basis.

40. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

41. Events after the reporting period

The acquisition agreement of 100% of the issued share capital of Antenna Research Associates Inc ("the ARA acquisition") was terminated as announced to the public on 11 September 2015. Shareholders are hereby advised that not all the conditions, as specified in the ARA merger agreement, were fulfilled by ARA prior to the end date as specified in that agreement, and efforts to negotiate revised terms to address risks raised in light of the unfulfilled conditions were not successful.

Accordingly, Alaris has exercised its right to terminate the ARA merger agreement.

Alaris regrets the termination, especially considering the significant resources that were devoted to this acquisition. Management however, believes it was in the best interest of Alaris and its Shareholders to terminate the Merger Agreement in light of the uncertainties created by the conditions that were not fulfilled and the inability to address the risks resulting therefrom. Alaris has however, used the experience to improve its understanding of the United States regulatory landscape and will continue to explore opportunities to further penetrate the United States market to bring value to Alaris and its shareholders.

The repurchase of 2 099 544 shares from the Poynting Empowerment Trust, was approved at the general meeting held on 7 October 2015. The repurchase was effective on 30 October 2015.

Notice of Annual General Meeting

If you are in any doubt as to what action you should take in respect of the following resolutions, please consult your Central Securities Depository Participant ("CSDP"), broker, banker, attorney, accountant or other professional adviser immediately.

Notice is hereby given that the eighth Annual General Meeting ("Annual General Meeting") of shareholders of Alaris will be held at 10:00 on Wednesday, 27 January 2016 at 1 Travertine, N1 Business Park, Old Johannesburg Road, Centurion, 0157, for the purpose of considering, and, if deemed fit, passing, with or without modification, the resolutions set out hereafter.

The board of directors of the Company ("the Board") has determined that, in terms of section 62(3)(a), as read with section 59 of the Companies Act, 2008 (Act 71 of 2008), as amended ("the Companies Act"), the record date for the purposes of determining which shareholders of the Company are entitled to participate in and vote at the Annual General Meeting is Friday, 15 January 2016. Accordingly, the last day to trade Alaris shares in order to be recorded in the Register to be entitled to vote will be Friday, 8 January 2016.

1. To receive, consider and adopt the annual financial statements of the Company and the Group for the financial year ended 30 June 2015, including the reports of the auditors, directors and the Audit and Risk Committee.

2. To re-elect, Coenraad Petrus Bester who, in terms of Article 24.7 of the Company's Memorandum of Incorporation, retires by rotation at this Annual General Meeting but, being eligible to do so, offers himself for re-election.

3. To elect, Richard Willis in terms of Article 24.2 of the Company's Memorandum of Incorporation, as a member of the Company's Board.

4. To elect, Gisela Heyman, in terms of Article 24.2 of the Company's Memorandum of Incorporation, as a member of the Company's Board.

An abbreviated curriculum vitae in respect of the directors offering themselves for election / re-election appear on page 9 of the integrated annual report to which this notice is attached.

5. To appoint, Richard Willis as a member and Chairperson of the Company's Audit and Risk Committee.

6. To re-appoint, Coenraad Petrus Bester as a member of the Company's Audit and Risk Committee.

7. To re-appoint, Pieter Nicolaas de Waal as a member of the Company's Audit and Risk Committee.

An abbreviated curriculum vitae in respect of each member of the Audit and Risk Committee appears on page 9 of the integrated annual report to which this notice is attached.

8. To confirm the re-appointment of KPMG Inc. as independent auditors of the Company with Nicholas Southon, being the individual registered auditor who has undertaken the audit of the Company for the ensuing financial year and to authorise the directors to determine the auditors' remuneration.

Voting and proxies

The minimum percentage of voting rights required for each of the resolutions set out in item number 1 to 8 above to be adopted of this Annual General Meeting is more than 50% (fifty percent) of the voting rights exercised on each of the resolutions by shareholders present or represented by proxy at the Annual General Meeting.

As special business, to consider and, if deemed fit, to pass, with or without modification, the following resolutions:

9. SPECIAL RESOLUTION NUMBER 1

Non-executive Directors' remuneration

"Resolved that, in terms of the provisions of section 66(9) of the Companies Act the annual remuneration payable to the non-executive directors of Alaris for their services as directors of the Company for the financial year ending 30 June 2016, be and is hereby approved as follows:

Type of fee	Approved fee in ZAR for the year ended 30 June 2015	Proposed fee in ZAR for the year ending 30 June 2016
Board		
Chairperson*	R210 000	R230 000
Member	R 55 000	R 58 500
Audit Committee		
Chairperson	R 65 000	R 70 000
Member	R 40 000	R 42 500
Human Resources and Remuneration Committee		
Chairperson	R 30 000	R 32 500
Member	R 15 000	R 16 000

* *The chairperson of the Board does not receive additional remuneration if he/she is a member of, or chair of, any subcommittee of the Board.*

** *The nomination, investment and the Social and Ethics Committee members do not receive any additional remuneration if he/she is a member of, or chair of, any subcommittee of the Board.*

Explanatory note

In terms of section 66(9) of the Companies Act, a company is required to pre-approve the payment of remuneration to non-executive directors for their services as directors for the ensuing financial year by means of a special resolution passed by shareholders of the Company within the previous two years.

It should be noted that pre-approval of remuneration to the non-executive directors for their services as directors for the year ended 30 June 2015 was obtained at the Annual General Meeting held on 27 February 2015 and consequently pre-approval of remuneration to the non-executive directors for their services as directors for the year ending 30 June 2016 is being sought at the Annual General Meeting.

Special resolutions to be adopted at this Annual General Meeting require approval from at least 75% (seventy five percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the Annual General Meeting.

10. ORDINARY RESOLUTION NUMBER 1

Approval of remuneration policy

"Resolved that the remuneration policy of the directors of Alaris ("directors"), as set out on page 22 of the integrated annual report to which this notice is attached, be and is hereby approved as a non-binding advisory vote of shareholders of the Company in terms of the King III Report on Corporate Governance."

Ordinary resolutions to be adopted at this Annual General Meeting require approval from a simple majority, which is more than 50% (fifty percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the Annual General Meeting.

NOTE: King III recommends that the Company's remuneration policy be tabled to shareholders for a non-binding advisory vote at each Annual General Meeting.

11. **ORDINARY RESOLUTION NUMBER 2**

Control of authorised but unissued ordinary shares

"Resolved that the authorised but unissued ordinary shares in the capital of the Company be and are hereby placed under the control and authority of the directors of the Company and that the directors be and are hereby authorised and empowered to allot and issue all or any of such ordinary shares, or to issue any options in respect of all or any of such ordinary shares, to such person/s on such terms and conditions and at such times as the directors may from time to time and in their discretion deem fit, subject to the provisions of sections 38 and 41 of the Companies Act, the Memorandum of Incorporation of the Company and the JSE Listings Requirements of JSE, as amended from time to time."

Ordinary resolutions to be adopted at this Annual General Meeting require approval from a simple majority, which is more than 50% (fifty percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the meeting.

12. **ORDINARY RESOLUTION NUMBER 3**

Approval to issue ordinary shares, and to sell treasury shares, for cash

"Resolved that the directors of the Company and/or any of its subsidiaries from time to time be and are hereby authorised, by way of a general authority, to –

- allot and issue, or to issue any options in respect of, all or any of the authorised but unissued ordinary shares in the capital of the Company; and/or
- sell or otherwise dispose of or transfer, or issue any options in respect of, ordinary shares in the capital of the Company purchased by subsidiaries of the Company,

for cash, to such person/s on such terms and conditions and at such times as the directors may from time to time in their discretion deem fit, subject to the Companies Act, the Memorandum of Incorporation of the Company and its subsidiaries and the JSE Listings Requirements of JSE Limited ("the JSE") from time to time.

The JSE Listings Requirements currently provide, *inter alia,* that:

- the securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- any such issue may only be made to "public shareholders" as defined in the JSE Listings Requirements and not to related parties;
- the number of ordinary shares issued for cash shall not in any one financial year in the aggregate exceed 25% (twenty five percent) of the number of listed securities, excluding treasury shares, as at the date of this notice, being 40 126 183 securities. Any securities issued under this authorisation during the period of 15 (fifteen) months from the date of this authorisation granted will be deducted from the aforementioned 40 126 183 listed securities. In the event of a sub-division or a consolidation the authority will be adjusted to represent the same allocation ratio;
- this general authority will be valid until the earlier of the Company's next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given;
- an announcement giving full details, including the number of securities issued, the average discount to the weighted average traded price of the securities over the 30 (thirty) business days prior to the date that the issue is agreed in writing between the issuer and the parties subscribing for securities, and in respect of the issue of options and convertible securities, the effects of the issue on the statement of financial position, net asset value per share, net tangible asset value per share, the statement of comprehensive income, earnings per share, headline earnings per share and, if applicable, diluted earnings and headline earnings per share, or in respect of an issue of shares, an explanation, including supporting information (if any), of the intended use of the funds, will be published when the Company has issued securities representing, on a cumulative basis within the earlier of the Company's next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given, 5% (five percent) or more of the number of ordinary shares in issue prior to the issue;

12. ORDINARY RESOLUTION NUMBER 3 (continued)

- in determining the price at which an issue of ordinary shares may be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price of such securities measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the issuer and the party subscribing for the securities; and
- whenever the Company wishes to use ordinary shares, held as treasury stock by a subsidiary of the Company, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of ordinary shares."

Under the JSE Listings Requirements, ordinary resolution number 3 must be passed by a 75% (seventy five percent) majority of the votes cast in favor of the resolution by all members present or represented by proxy at the Annual General Meeting.

13. SPECIAL RESOLUTION NUMBER 2

General approval to acquire shares

"Resolved, by way of a general approval that the Company and/or any of its subsidiaries from time to time be and are hereby authorised to acquire ordinary shares in the Company in terms of sections 46 and 48 of the Companies Act and the JSE Listings Requirements.

The JSE Listings Requirements currently provide, *inter alia,* that:

- the acquisition of the ordinary shares must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counter party;
- this general authority shall only be valid until the earlier of the Company's next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date of passing of this special resolution;
- in determining the price at which the Company's ordinary shares are acquired in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the weighted average of the market value at which such ordinary shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date on which the transaction is effected;
- at any point in time, the Company may only appoint one agent to effect any acquisition/s on its behalf;
- the acquisitions of ordinary shares in the aggregate in any one financial year may not exceed 20% (twenty percent) of the Company's issued ordinary share capital;
- the Company may only effect the repurchase once a resolution has been passed by the Board confirming that the Board has authorised the repurchase, that the Company has passed the solvency and liquidity test ("test") and that since the test was done there have been no material changes to the financial position of the Group;
- the Company or its subsidiaries may not acquire ordinary shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements; and
- an announcement will be published once the Company has cumulatively repurchased 3% (three percent) of the number of the ordinary shares in issue at the time this general authority is granted ("initial number"), and for each 3% (three percent) in aggregate of the initial number acquired thereafter."

13. **SPECIAL RESOLUTION NUMBER 2 (continued)**

Explanatory note

The purpose of this special resolution number 2 is to obtain an authority for, and to authorise, the Company and the Company's subsidiaries, by way of a general authority, to acquire the Company's issued ordinary shares.

It is the intention of the directors of the Company to use such authority should prevailing circumstances (including tax dispensations and market conditions) in their opinion warrant it.

Special resolutions to be adopted at this Annual General Meeting require approval from at least 75% (seventy five percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the Annual General Meeting.

13.1 Other disclosure in terms of Section 11.26 of the JSE Listings Requirements

The JSE Listings Requirements require the following disclosure, which are contained in the integrated annual report of which this notice forms part:

- major shareholders of the Company – page 37; and
- share capital of the Company – page 82.

13.2 Material change

There have been no material changes in the affairs or financial position of the Company and its subsidiaries since the Company's financial year end and the date of this notice.

13.3 Directors' responsibility statement

The directors, whose names are given on page 9 of the integrated annual report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 2 and certify that to the best of their knowledge and belief there are no facts in relation to special resolution number 2 that have been omitted which would make any statement in relation to special resolution number 2 false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that special resolution number 2 together with this notice contains all information required by law and the JSE Listings Requirements in relation to special resolution number 2.

13.4 Adequacy of working capital

At the time that the contemplated repurchase is to take place, the directors of the Company will ensure that, after considering the effect of the maximum repurchase and for a period of 12 (twelve) months thereafter:

- the Company and its subsidiaries will be able to pay their debts as they become due in the ordinary course of business;
- the consolidated assets of the Company and its subsidiaries, fairly valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the Company and its subsidiaries;
- the issued share capital and reserves of the Company and its subsidiaries will be adequate for the purpose of the ordinary business of the Company and its subsidiaries; and
- the working capital available to the Company and its subsidiaries will be sufficient for the Group's requirements.

Special resolutions to be adopted at this Annual General Meeting require approval from at least 75% (seventy five percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the meeting.

14. SPECIAL RESOLUTION NUMBER 3

Financial assistance for subscription of securities

"Resolved that, as a special resolution, in terms of section 44 of the Companies Act, the shareholders of the Company hereby approve of the Company providing, at any time and from time to time during the period of two years commencing on the date of this special resolution number 3, financial assistance by way of a loan, guarantee, the provision of security or otherwise, as contemplated in section 44 of the Companies Act, to any person for the purpose of, or in connection with, the subscription for any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company, provided that:

14.1 the Board, from time to time, determines (i) the specific recipient, or general category of potential recipients of such financial assistance; (ii) the form, nature and extent of such financial assistance; (iii) the terms and conditions under which such financial assistance is provided; and

14.2 the Board may not authorise the Company to provide any financial assistance pursuant to this special resolution number 3 unless the Board meets all those requirements of section 44 of the Companies Act which it is required to meet in order to authorise the Company to provide such financial assistance."

Purpose of special resolution number 3

The purpose of this special resolution number 3 is to grant the Board the authority to authorise the Company to provide financial assistance to any person for the purpose of, or in connection with, the subscription for any option or securities issued or to be issued by the Company or a related or inter-related company.

Special resolutions to be adopted at this Annual General Meeting require approval from at least 75% (seventy five percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the meeting.

15. SPECIAL RESOLUTION NUMBER 4

Loans and other financial assistance to directors

"Resolved that, as a special resolution, in terms of section 45 of the Companies Act, the shareholders of the Company hereby approve of the Company providing, at any time and from time to time during the period of two years commencing on the date of this special resolution number 4, any direct or indirect financial assistance (which includes lending money, guaranteeing a loan or other obligation, and securing any debt or obligation) as contemplated in section 45 of the Companies Act to a director or prescribed officer of the Company, or to a related or inter-related company or corporation or to a member of any such related or inter-related corporation or to a person related to any such company, corporation, director, prescribed officer or member provided that:

15.1 the Board, from time to time, determines (i) the specific recipient or general category of potential recipients of such financial assistance; (ii) the form, nature and extent of such financial assistance; (iii) the terms and conditions under which such financial assistance is provided, and

15.2 the Board may not authorise the Company to provide any financial assistance pursuant to this special resolution number 4 unless the Board meets all those requirements of section 45 of the Companies Act which it is required to meet in order to authorise the Company to provide such financial assistance."

15. SPECIAL RESOLUTION NUMBER 4 (continued)

Purpose of special resolution number 4

The purpose of this special resolution number 4 is to grant the Board the authority to authorise the Company to provide financial assistance as contemplated in section 45 of the Companies Act to a director or prescribed officer of the Company, or to a related or inter-related company or corporation, or to a member of a related or inter-related corporation, or to a person related to any such company, corporation, director, prescribed officer or member.

Special resolutions to be adopted at this Annual General Meeting require approval from at least 75% (seventy five percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the meeting.

Notice given to shareholders of the Company in terms of section 45(5) of the Companies Act of a resolution adopted by the Board authorising the Company to provide such direct or indirect financial assistance in respect of special resolution number 4:

(a) by the time that this notice of Annual General Meeting is delivered to shareholders of the Company, the Board will have adopted a resolution ("Section 45 Board Resolution") authorising the Company to provide, at any time and from time to time during the period of two years commencing on the date on which special resolution number 4 is adopted, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act (which includes lending money, guaranteeing a loan or other obligation, and securing any debt or obligation) to a director or prescribed officer of the Company or of a related or inter-related company, or to a related or inter-related company or corporation, or to a member of any such related or inter-related corporation, or to a person related to any such company, corporation, director, prescribed officer or a member;

(b) the Section 45 Board Resolution will be effective only if and to the extent that special resolution number 4 is adopted by the shareholders of the Company, and the provision of any such direct or indirect financial assistance by the Company, pursuant to such resolution, will always be subject to the Board being satisfied that (i) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act, and (ii) the terms under which such financial assistance is to be given are fair and reasonable to the Company as referred to in section 45(3)(b)(ii) of the Companies Act; and

(c) in as much as the Section 45 Board Resolution contemplates that such financial assistance will in the aggregate exceed one-tenth of one percent of the Company's net worth at the date of adoption of such resolution, the Company hereby provides notice of the Section 45 Board Resolution to shareholders of the Company. Such notice will also be provided to any trade union representing any employees of the Company.

16. ORDINARY RESOLUTION NUMBER 4

Signature of documents

"Resolved that each director of the Company be and is hereby individually authorised to sign all such documents and do all such things as may be necessary for or incidental to the implementation of those resolutions to be proposed at the Annual General Meeting convened to consider the resolutions which are passed, in the case of ordinary resolutions, or are passed and registered by the Companies and Intellectual Property Commission, in the case of special resolutions."

Ordinary resolutions to be adopted at this Annual General Meeting require approval from a simple majority, which is more than 50% (fifty percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the Annual General Meeting.

17. OTHER BUSINESS

To transact such other business as may be transacted at the Annual General Meeting of the Company.

Voting and proxies

Special resolutions to be adopted at this Annual General Meeting require approval from at least 75% (seventy five percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the meeting. Ordinary resolutions to be adopted at this Annual General Meeting require approval from a simple majority, which is more than 50% (fifty percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the meeting.

A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or proxies to attend and act in his/her stead. A proxy need not be a member of the Company. For the convenience of registered members of the Company, a form of proxy is attached hereto.

The attached form of proxy is only to be completed by those ordinary shareholders who:

- hold ordinary shares in certificated form; or
- are recorded on the sub-register in "own name" dematerialised form.

Ordinary shareholders who have dematerialised their ordinary shares through a CSDP or broker without "own name" registration and who wish to attend the Annual General Meeting, must instruct their CSDP or broker to provide them with the relevant Letter of Representation to attend the meeting in person or by proxy and vote. If they do not wish to attend in person or by proxy, they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

Proxy forms should be forwarded to reach the transfer secretaries, Computershare Investor Services Proprietary Limited, at least 48 (forty eight) hours, excluding Saturdays, Sundays and public holidays, before the time of the meeting.

Kindly note that meeting participants, which includes proxies, are required to provide reasonably satisfactory identification before being entitled to attend or participate in a shareholders' meeting. Forms of identification include valid identity documents, driver's licenses and passports.

Merchantec Proprietary Limited
Company Secretary
15 December 2015
Johannesburg

Alaris Holdings Limited
(formerly Poynting Holdings Limited)
Incorporated in the Republic of South Africa
(Registration number 1997/011142/06)
Share code: ALH ISIN: ZAE000201554
("**Alaris**" or "**the Company**" or "**the Group**")

FORM OF PROXY

For use only by ordinary shareholders who:

- hold ordinary shares in certificated form ("certificated ordinary shareholders"); or
- have dematerialised their ordinary shares ("dematerialised ordinary shareholders") and are registered with "own-name" registration,

at the eighth Annual General Meeting of shareholders of the Company to be held at 1 Travertine Avenue, N1 Business Park, Old Johannesburg Road, Centurion, 0157, at 10:00 on Wednesday, 27 January 2016 and any adjournment thereof.

Dematerialised ordinary shareholders holding ordinary shares other than with "own-name" registration who wish to attend the Annual General Meeting must inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the Annual General Meeting and request their CSDP or broker to issue them with the relevant Letter of Representation to attend the Annual General Meeting in person or by proxy and vote. If they do not wish to attend the Annual General Meeting in person or by proxy, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

These ordinary shareholders must not use this form of proxy.

Name of beneficial shareholder

Name of registered shareholder

Address

Telephone work ( ) Telephone home ( ) Cell:

being the holder/custodian of ____ ordinary shares in the Company, hereby appoint (see note):

1. or failing him / her,

2. or failing him / her,

3. the Chairperson of the meeting,

as my/our proxy to attend and act for me/us on my/our behalf at the Annual General Meeting of the company convened for purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat ("resolutions") and at each postponement or adjournment thereof and to vote for and/or against such resolutions, and/or abstain from voting, in respect of the ordinary shares in the issued share capital of the Company registered in my/our name/s in accordance with the following instructions:

		Number of ordinary shares		
		For	**Against**	**Abstain**
1.	To receive, consider and adopt the annual financial statements of the company and Group for the financial year ended 30 June 2015			
2.	To approve the re-election as director of Coenraad Petrus Bester who retires by rotation			
3.	To elect Richard Willis as a member of the Company's Board			
4.	To elect Gisela Heyman as a member of the Company's Board			
5.	To approve Richard Willis as member and Chairperson of the Audit and Risk Committee			
6.	To appoint Coenraad Petrus Bester as a member of the Company's Audit and Risk Committee			
7.	To appoint Pieter Nicolaas de Waal as a member of the Company's Audit and Risk Committee			
8.	To confirm the re-appointment of KPMG Inc. as auditors of the Company together with Nicholas Southon as the individual registered auditor for the ensuing financial year			
9.	**Special resolution number 1** Approval of the non-executive directors' remuneration			
10.	**Ordinary resolution number 1** Approval of the remuneration policy			
11	**Ordinary resolution number 2** Control of authorised but unissued ordinary shares			
12.	**Ordinary resolution number 3** Approval to issue ordinary shares, and to sell treasury shares, for cash			
13.	**Special resolution number 2** General approval to acquire shares			
14	**Special resolution number 3** Financial assistance for subscription of securities			
15.	**Special resolution number 4** Loans and other financial assistance to directors			
16.	**Ordinary resolution number 4** Signature of documents			

Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable.

A member entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend and act in his stead. A proxy so appointed need not be a member of the Company.

Signed at on 2015 / 2016

Signature

Assisted by (if applicable)

Notes to proxy

1. The form of proxy must only be completed by shareholders who hold shares in certificated form or who are recorded on the sub-register in electronic form in "own name".
2. All other beneficial owners who have dematerialised their shares through a CSDP or broker and wish to attend the Annual General Meeting must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.
3. A shareholder entitled to attend and vote at the Annual General Meeting may insert the name of a proxy or the names of two alternate proxies (none of whom need be a shareholder of the company) of the shareholder's choice in the space provided, with or without deleting "the Chairperson of the meeting". The person whose name stands first on this form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those proxy(ies) whose names follow. Should this space be left blank, the proxy will be exercised by the Chairperson of the meeting.
4. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. If an "X" has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholders or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
5. A vote given in terms of an instrument of proxy shall be valid in relation to the Annual General Meeting notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the ordinary shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall have been received by the transfer secretaries not less than 48 hours before the commencement of the Annual General Meeting.
6. If a shareholder does not indicate on this form that his/her proxy is to vote in favor of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the Annual General Meeting be proposed, such proxy shall be entitled to vote as he/she thinks fit.
7. The Chairperson of the Annual General Meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
8. A shareholder's authorisation to the proxy including the Chairperson of the Annual General Meeting, to vote on such shareholder's behalf, shall be deemed to include the authority to vote on procedural matters at the Annual General Meeting.
9. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
10. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company's transfer secretaries or waived by the Chairperson of the Annual General Meeting.
11. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the transfer secretaries of the Company.
12. Where there are joint holders of ordinary shares:
    - any one holder may sign the form of proxy;
    - the vote(s) of the senior ordinary shareholders (for that purpose seniority will be determined by the order in which the names of ordinary shareholders appear in the Company's register of ordinary shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
13. **Forms of proxy should be lodged with or mailed to Computershare Investor Services Proprietary Limited**

Hand deliveries to:	**Postal deliveries to:**
Computershare Investor	Computershare Investor
Services Proprietary Limited	Services Proprietary Limited
Ground Floor,	PO Box 61051
70 Marshall Street	Marshalltown
Johannesburg, 2001	2107

    to be received by no later than 10:00 on Monday, 25 January 2016 (or 48 hours before any adjournment of the Annual General Meeting which date, if necessary, will be notified on SENS).
14. A deletion of any printed matter and the completion of any blank space need not be signed or initialed. Any alteration or correction must be signed and not merely initialed.
15. Summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act:

    A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the relevant shareholders' meeting.

    A proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.

    The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder.

    The appointment of a proxy is revocable by the shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph.

    If the instrument appointing the proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Company's Memorandum of Incorporation to be delivered by the Company to the shareholder, must be delivered by the Company to (a) the shareholder, or (b) the proxy or proxies, if the shareholder has (i) directed the Company to do so in writing; and (ii) paid any reasonable fee charged by the Company for doing so.

    Attention is also drawn to the "Notes to proxy".

    The completion of a form of proxy does not preclude any shareholder from attending the Annual General Meeting.

ELECTION FORM FOR ELECTRONIC POST

18 December 2015

Dear Alaris Holdings Limited Shareholder

Notice of publication of annual financial statements for the financial year ended 30 June 2015

Alaris Holdings Limited hereby gives notice in terms of section 31(1) of the Companies Act, 2008 (Act 71 of 2008), as amended, to all its shareholders of the publication of the annual financial statements of the Company for the financial year end 30 June 2015.

A copy of the annual financial statements of the company may be obtained by a shareholder, without charge:

1. By downloading a copy of the annual financial statements from the company's website www.alarisholdings.com, or
2. By requesting a copy of the annual financial statements from Alaris by means of either:
   a. Email: Investor@alaris.co.za
   b. Post to Private Bag X4, The Reeds, Pretoria, 0061

   or
3. By requesting post-delivery as per the records on file with your current brokers.

(Please note that the integrated annual report 2015 will only be available in electronic format unless a specific hard copy is requested.)

Yours faithfully

J Dresel

CORPORATE INFORMATION

ALARIS HOLDINGS LIMITED
(incorporated in the Republic of South Africa)
www.alarisholdings.co.za

Directors

CP Bester*^ (Chairman),
PN de Waal^,
J Dresel # (CEO),
JSV Joubert,
RC Willis*^,
GT Heyman (Financial Director)

*Independent ^Non-executive #German

Business address and registered office

1 Travertine Avenue,
N1 Business Park,
Old Johannesburg Road,
Centurion, 0157
(Private Bag X4,
The Reeds,
Pretoria, 0166)

Designated Adviser

Merchantec Proprietary Limited
Registration Number 2008/027362/07
2nd Floor, North Block,
Hyde Park Office Tower,
Corner 6th Rd and Jan Smuts Ave,
Hyde Park, 2196
(PO Box 41480,
Craighall, 2024)

Company Secretary

Merchantec Proprietary Limited

Transfer Secretaries

Computershare Investor Services Proprietary Limited
Registration Number 2004/003647/07
Ground Floor,
70 Marshall Street,
Johannesburg, 2001
(PO Box 61051,
Marshalltown, 2107)

Auditors

KPMG Inc.

Bankers

Standard Bank

PRINCIPAL SUBSIDIARIES

Alaris Antennas Proprietary Limited

Registration Number 2013/048197/07

Alaris Antennas Division

Managing Director: J Dresel

1 Travertine Avenue,

N1 Business Park,

Old Johannesburg Road,
Centurion, 0157

Tel +27 (0)11 034 5300

African Union Communications Proprietary Limited

Registration Number 1999/000409/07

Aucom Division

Managing Director: JSV Joubert

394 Cliff Avenue,
Waterkloof Ridge X2,
Pretoria

Tel +27 (0)12 001 867039

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HOLDINGS

www.alarisholdings.co.za