Macquarie Securities South Africa Group
Consolidated Financial Statements
for the year ended 31 March 2015

General Information

Country of incorporation and domicile	South Africa
Company	Macquarie Securities South Africa Limited
Nature of business and principal activities	Macquarie Securities South Africa Limited and its consolidated trust, The MF Trust, (together, the Group) undertake Equity Derivative Trading, Origination and Equity Finance activities.
Directors	James Mason Graham Crawford Nicholas Luck James Burgess Duarte da Silva Duncan MacRobert Peter Gordon Timothy Leclercq
Registered office	Level 6, The District 41-45 Sir Lowry Road Woodstock Cape Town 7925
Business address	Level 6, The District 41-45 Sir Lowry Road Woodstock Cape Town 7925
Postal address	PO Box 50525 Waterfront Cape Town 8002
Holding company	Macquarie EMG Holdings Pty Ltd incorporated in Australia
Ultimate holding company	Macquarie Group Ltd incorporated in Australia
Bankers	Standard Bank of South Africa
Auditors	PricewaterhouseCoopers Inc. Chartered Accountants (S.A.)
Secretary	David Scheppening
Company registration number	2006/023546/06
Level of assurance	These consolidated financial statements have been audited in compliance with the applicable requirements of the Companies Act, 71 of 2008.
Preparers	The consolidated financial statements were internally compiled by: Richard Bedford and David Scheppening Chartered Accountants (SA)

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

Level of assurance

These consolidated financial statements have been audited in compliance with the applicable requirements of the Companies Act, 71 of 2008.

Preparers

Richard Bedford and David Scheppening
Chartered Accountants (SA)

Published

29 June 2015

Report of the Audit Committee

The Board Audit Committee ("BAC" or the "Committee") is constituted as a statutory committee in terms of the Companies Act No 71, 2008 ("Act"), and has an independent role with accountability to both the board and to shareholders of Macquarie Securities South Africa Limited ("MSSA" or the "Company"). The BAC operates under an approved charter, assigned by the MSSA board of directors (the "Board"), setting out the duties and responsibilities.

Composition of the Committee

The Committee currently comprises of three independent non-executive directors who are all suitably skilled, with all three members having relevant financial experience. The Committee is elected by the shareholders at the Company's annual general meeting ("AGM").

King III recommends that the chairman of the Board should not be a member of a company's audit committee. The chairman of the Board, Peter Gordon (the "Chairman"), currently serves on the Company's Committee due to the small size of the Board. The Board has considered the issue and believes that the Chairman's skills, knowledge and experience allow him to make a significant contribution to the Committee and to equip the Committee to perform its functions and the Board has therefore recommended that he continues to serve on the Committee.

Fees paid to the BAC members are disclosed in the notes to the Company's financial statements.

Internal audit

The Company's internal audit function is provided by an independent team within the MGL's Risk Management Group ("RMG"). The internal audit team has provided feedback to the Committee and has direct access to the Committee. The Committee is satisfied that the Company's internal audit function is independent and has the necessary resources and authority to enable it to discharge its duties.

Internal control

Systems of internal control are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and provide reasonable, but not absolute, assurance against misstatement or loss.

While the Board is responsible for the internal control systems and for reviewing their effectiveness, responsibility for their implementation and maintenance rests with executive management. The systems of internal control are based on Macquarie Group structures, together with written policies and procedures. These provide for segregation of duties, clearly-defined lines of authority and accountability.

The Committee has assessed the effectiveness of the internal control system based on information and explanations given by management, work done by the internal audit division and discussions with the external auditor on the results of the audit. Through this process no material matter has come to the attention of the Committee that caused its members to believe that the Group's system of internal controls and risk management is not effective and would not result in the preparation of reliable financial statements.

External audit

The Committee has evaluated the independence and expertise of PricewaterhouseCoopers Inc ("PwC") as the external auditor, being cognisant that PwC has been previously appointed as an auditor of the Company and any consultancy work or advisory work PwC may have performed for the Company, and has approved the terms of engagement and fees paid to PwC.

The external auditor has unrestricted access to the Group's records and management. PwC presents a report to the Committee on significant findings arising from the annual audit and is able to raise any areas of concern directly with the Committee. The Committee is satisfied that the external auditor is independent of the Group.

Non-audit services

Non-audit services provided by the external auditor may only be undertaken on approval by the Committee. These services should exclude any work which may be subject to external audit and could compromise the auditor's independence. All non-audit services undertaken during the year were approved in accordance with this policy.

Activities of the Board Audit Committee

The Committee met four times during the financial year. Minutes of the meetings of the Committee are presented at each Board meeting together with an update from the chairman of the Committee. Matters requiring action or improvement are identified and appropriate recommendations are made to the Board.

Report of the Audit Committee

Evaluation of the Head of Finance (South Africa)

The Committee is satisfied that the expertise and experience of the Head of Finance (South Africa) is appropriate to meet the responsibilities of the position. This is based on qualifications, level of experience and the Board's assessment of the financial knowledge of the Head of Finance.

Approval of the Annual Financial Statements

The Committee has reviewed the Company's annual financial statements and considered the Company's accounting practices and internal financial control to be appropriate. The Committee has recommended approval of the annual financial statements of the Company for the year ended 31 March 2015 to the Board.

Tim Leclercq
Chairperson: Board Audit Committee
23 June 2015

Report of Corporate Governance

Macquarie Securities South Africa Limited ("MSSA", the "Company") is a derivatives and securities dealer based in Cape Town. The Company is indirectly owned by Macquarie Group Limited ("MGL"), a global financial services provider listed on the Australian Securities Exchange ("ASX"). As an ASX-listed Company, MGL is required to report on the extent to which it has followed the governance recommendations of the ASX Corporate Governance Council.

During the 2014 financial year, MSSA converted from private to a public company under the South African Companies Act, 2008 (the "Act") on account of the fact that it issues freely transferable listed debt securities under its ZAR10,000,000,000 Debt Instrument Programme registered with the Johannesburg Securities Exchange ("JSE").

The oversight and governance of MSSA is performed by the board of directors (the "Board") and its committees. The Board is comprised of four executive directors, Graham Crawford, James Mason, James Burgess and Nicholas Luck and four non-executive directors, Duarte da Silva, Duncan MacRobert, Peter Gordon and Tim Leclercq. Each of Duncan MacRobert, Peter Gordon and Tim Leclercq are independent directors of the Company. Peter Gordon is chairman of the Board of Directors.

The Board has also formed a Board Audit Committee ("BAC") and a Social and Ethics Committee ("S&EC"). All members of the BAC are independent non-executive directors of MSSA, who also sit on the Board of MSSA. Graham Crawford, James Burgess and Duncan MacRobert are the members of the S&EC. Tim Leclercq is chairman of the BAC and Graham Crawford is chairman of the S&EC.

As an indirect subsidiary of MGL, the Company operates within the Macquarie Group's risk management framework. Under this framework, the risks which the Company is exposed to are managed on a globally consolidated basis for MGL as a whole, including all subsidiaries, in all locations. To facilitate this, Risk Management Group ("RMG") authority is required for all material risk acceptance decisions. RMG is independent of all other areas of the Macquarie Group and reports directly to the Managing Director and the Board of MGL. This internal approach to risk ensures management that risks in subsidiaries are subject to the same rigour and risk acceptance decisions as the parent company.

In the context of the Company's ownership structure and its operation within MGL's risk management framework, the Board believes it is appropriate to look to MGL's Corporate Governance Statement and MGL's Environmental, Social and Governance Reports as evidence of the Company's application of good governance within the Macquarie group. These reports are available on Macquarie's website.

Directors' Report

The directors have pleasure in submitting their report on the consolidated financial statements of Macquarie Securities South Africa Group for the year ended 31 March 2015.

1. 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, 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

The group recorded a net profit after tax for the year ended 31 March 2015 of R 54,570,952 (2014: R21,878,770).

Full details of the financial position, results of operations and cash flows of the group are set out in these consolidated financial statements.

2. Share capital

Refer to note 15 of the consolidated financial statements for detail of the movement in authorised and issued share capital.

3. Directorate

The directors in office at the date of this report are as follows:

Directors	
James Mason	
Graham Crawford	
Nicholas Luck	
James Burgess	
Duarte da Silva	Non-executive
Duncan MacRobert	Non-executive
Peter Gordon	Non-executive
Timothy Leclercq	Non-executive

4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Auditors

PricewaterhouseCoopers Inc. will continue in office as auditors for the company and its subsidiaries for 2015.

6. Secretary

The company secretary is Mr David Scheppening.

Postal address	
	PO Box 50525 Waterfront Cape Town 8002
Business address	
	Level 6, The District 41-45 Sir Lowry Road Woodstock Cape Town 7925

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act, 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated financial statements.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are 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 directors 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. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. 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.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the year to 31 March 2016 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

Peter Gordon
Director

James Mason
Director

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF MACQUARIE SECURITIES SOUTH AFRICA LIMITED

We have audited the consolidated and separate financial statements of Macquarie Securities South Africa Limited set out on pages 10 to 58, which comprise the statements of financial position as at 31 March 2015, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate 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 consolidated and separate 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 consolidated and separate 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

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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, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Macquarie Securities South Africa Limited as at 31 March 2015, and its consolidated and separate financial performance and its consolidated and separate 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 consolidated and separate financial statements for the year ended 31 March 2015, we have read the Report of the Audit Committee, the Report of Corporate Governance and the Directors' Report for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate 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 consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: NA Jacobs
Registered Auditor
Address
29 June 2015

Macquarie Securities South Africa Group

Consolidated Financial Statements for the year ended 31 March 2015

Statement of Financial Position as at 31 March 2015

		Group		Company	
Figures in Rand	Note(s)	2015	2014 Restated	2015	2014 Restated
Assets					
Non-Current Assets					
Property, plant and equipment	3	312,278	89,983	312,278	89,983
Investments in associates	4	420	300	420	300
Deferred tax	7	19,824,075	28,696,630	19,824,075	28,696,630
Loans at amortised cost	8	672,271,334	1,002,481,701	672,271,334	1,002,481,701
		692,408,107	**1,031,268,614**	**692,408,107**	**1,031,268,614**
Current Assets					
Intercompany assets	5	103,697,424	106,662,166	103,697,424	106,662,166
Financial assets at fair value through profit and loss	6	4,780,958,994	4,759,468,765	4,780,958,994	4,759,468,765
Current tax receivable		-	2,416,589	-	2,416,589
Loans at amortised cost	8	503,495,740	-	503,495,740	-
Trade portfolio assets	9	212,025,274	278,793,012	212,025,274	278,793,012
Derivative financial instruments	10	905,696,463	1,460,052,715	905,696,463	1,460,052,715
Collateral on securities borrowed	11	5,521,354,532	12,377,719,576	5,521,354,532	12,377,719,576
Trade and other receivables	13	630,270,920	95,665,834	630,270,920	95,665,834
Cash and cash equivalents	14	91,087,270	540,444,788	91,087,269	540,444,474
		12,748,586,617	**19,621,223,445**	**12,748,586,616**	**19,621,223,131**
Total Assets		**13,440,994,724**	**20,652,492,059**	**13,440,994,723**	**20,652,491,745**
Equity and Liabilities					
Equity					
Share capital	15	327,100	327,100	327,100	327,100
Reserves		4,299,502	4,299,502	4,299,502	4,299,502
Retained income		129,060,901	74,489,949	129,060,900	74,489,635
		133,687,503	**79,116,551**	**133,687,502**	**79,116,237**
Liabilities					
Non-Current Liabilities					
Loans from group companies	12	1,308,280,139	805,342,920	1,308,280,139	805,342,920
Issued debt	18	799,189,533	1,267,695,631	799,189,533	1,267,695,631
		2,107,469,672	**2,073,038,551**	**2,107,469,672**	**2,073,038,551**
Current Liabilities					
Loans from group companies	12	3,365,763,360	3,311,930,952	3,365,763,360	3,311,930,952
Derivative financial instruments	10	796,043,188	1,575,456,526	796,043,188	1,575,456,526
Financial liabilities at fair value through profit or loss	17	2,282,354,034	4,129,164,807	2,282,354,034	4,129,164,807
Issued debt	18	512,468,327	-	512,468,327	-
Trade and other payables	21	1,812,566,120	247,944,306	1,812,566,120	247,944,306
Collateral received on securities lent	19	1,913,652,660	8,882,836,921	1,913,652,660	8,882,836,921
Trade portfolio liabilities	20	516,989,860	353,003,445	516,989,860	353,003,445
		11,199,837,549	**18,500,336,957**	**11,199,837,549**	**18,500,336,957**
Total Liabilities		**13,307,307,221**	**20,573,375,508**	**13,307,307,221**	**20,573,375,508**
Total Equity and Liabilities		**13,440,994,724**	**20,652,492,059**	**13,440,994,723**	**20,652,491,745**

Statement of Comprehensive Income

		Group		Company	
Figures in Rand	Note(s)	2015	2014	2015	2014
Interest and similar income	22	819,779,787	703,947,369	819,779,785	703,947,354
Interest expense and similar charges	23	(788,538,118)	(567,039,102)	(788,538,118)	(567,039,104)
Net interest income		**31,241,669**	**136,908,267**	**31,241,667**	**136,908,250**
Net trading income/(loss)		165,607,106	(526,908)	165,607,421	(527,135)
Operating expenses		(133,405,268)	(115,782,857)	(133,405,268)	(115,782,857)
Operating profit	24	**63,443,507**	**20,598,502**	**63,443,820**	**20,598,258**
Profit before taxation		**63,443,507**	**20,598,502**	**63,443,820**	**20,598,258**
Taxation	25	(8,872,555)	1,280,268	(8,872,555)	1,280,268
Profit for the year		**54,570,952**	**21,878,770**	**54,571,265**	**21,878,526**
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		**54,570,952**	**21,878,770**	**54,571,265**	**21,878,526**
Total comprehensive income attributable to:					
Owners of the parent		54,570,952	21,878,770	54,571,265	21,878,526

Statement of Changes in Equity

Figures in Rand	Share capital	Other NDR	Retained income	Total equity
Group				
Balance at 01 April 2013	**327,100**	**4,269,609**	**52,611,179**	**57,207,888**
Total comprehensive income for the year	**-**	**-**	**21,878,770**	**21,878,770**
Employees share option scheme: Proceeds of shares issued	-	29,893	-	29,893
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**29,893**	**-**	**29,893**
Balance at 01 April 2014	**327,100**	**4,299,502**	**74,489,949**	**79,116,551**
Total comprehensive income for the year	**-**	**-**	**54,570,952**	**54,570,952**
Balance at 31 March 2015	**327,100**	**4,299,502**	**129,060,901**	**133,687,503**
Note(s)	15			
Company				
Balance at 01 April 2013	**327,100**	**4,269,609**	**52,611,109**	**57,207,818**
Total comprehensive income for the year	**-**	**-**	**21,878,526**	**21,878,526**
Employees share option scheme: Proceeds of shares issued	-	29,893	-	29,893
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**29,893**	**-**	**29,893**
Balance at 01 April 2014	**327,100**	**4,299,502**	**74,489,635**	**79,116,237**
Total comprehensive income for the year	**-**	**-**	**54,571,265**	**54,571,265**
Balance at 31 March 2015	**327,100**	**4,299,502**	**129,060,900**	**133,687,502**
Note(s)	15			

Statement of Cash Flows

		Group		Company	
Figures in Rand	Note(s)	2015	2014	2015	2014
Cash flows from operating activities					
Cash generated from (utilised by) operations	27	702,661,767	1,050,375,069	702,662,082	1,050,374,842
Interest received		841,115,385	661,294,308	841,115,383	661,294,293
Interest paid		(784,806,370)	(520,311,837)	(784,806,370)	(520,311,839)
Tax received	28	2,416,589	-	2,416,589	-
Net dividends manufactured on trading securities		(1,219,844,690)	(1,076,853,943)	(1,219,844,690)	(1,076,853,943)
Net cash generated from (utilised by) operating activities		**(458,457,319)**	**114,503,597**	**(458,457,006)**	**114,503,353**
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(307,443)	(73,300)	(307,443)	(73,300)
Sale of property, plant and equipment	3	-	56,814	-	56,814
Investment in associate		(120)	(300)	(120)	(300)
Net cash (utilised by) generated from investing activities		**(307,563)**	**(16,786)**	**(307,563)**	**(16,786)**
Cash flows from financing activities					
Proceeds from long-term debt		(157,080,575)	-	(157,080,575)	-
Proceeds on preference shares issued		200,000,000	75,000,000	200,000,000	75,000,000
Preference dividends paid		(33,512,061)	(19,509,271)	(33,512,061)	(19,509,271)
Net cash from financing activities		**9,407,364**	**55,490,729**	**9,407,364**	**55,490,729**
Total cash movement for the year		**(449,357,518)**	**169,977,540**	**(449,357,205)**	**169,977,296**
Cash at the beginning of the year		540,444,788	370,467,248	540,444,474	370,467,178
Total cash at end of the year	14	**91,087,270**	**540,444,788**	**91,087,269**	**540,444,474**

Accounting Policies

1. Presentation of Consolidated Financial Statements

The 2015 consolidated financial statements of the Group have been prepared in accordance with and containing information required by International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and comply with the South African Companies Act No. 71 of 2008. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the Company financial statements and all investees which are controlled by the Group.

The Group has control of an investee when it has power over the investee; it is exposed to or has rights to variable returns from involvement with the investee; and it has the ability to use its power over the investee to affect the amount of the investor's returns.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All intra-group transactions and balances are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Post acquisition income or losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions which result in changes in ownership levels, where the group has control of the subsidiary both before and after the transaction are regarded as equity transactions and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the consolidated financial statements, management may be required to make estimates and assumptions that affect the amounts represented in the consolidated financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated financial statements. Refer to the following notes where additional disclosure is made: Deferred Tax - Note 7; Derivative financial instruments - Note 10; Employee Share Option Scheme - Note 16; Financial liabilities at fair value - Note 17; Risk Management - Note 32; Valuation of financial instruments - Note 34 and Note 1.4 below - Fair Value Determination.

Management estimates are deemed to be reasonable based on available market information. In the event market information is not available, sensitivity analyses have been disclosed.

1.3 Property, plant and equipment

The cost of an item of property, 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

Accounting Policies

1.3 Property, plant and equipment (continued)

- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation.

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

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Equipment	3 to 5 years
Furniture and fixtures	5 years
Leasehold improvements	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.

The depreciation charge for each period is recognised in profit or loss.

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

1.4 Financial instruments

Classification

The group classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss - held for trading
- Financial assets at fair value through profit or loss - designated
- Held-to-maturity investment
- Loans and receivables
- Available-for-sale financial assets
- Financial liabilities at fair value through profit or loss - held for trading
- Financial liabilities at fair value through profit or loss - designated
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be reclassified out of the fair value through profit or loss category.

A financial asset classified as available-for-sale that would have met the definition of loans and receivables may be reclassified to loans and receivables if the entity has the intention and ability to hold the asset for the foreseeable future or until maturity.

Preference shares issued are classified as debt instruments.

1.4 Financial instruments (continued)

Initial recognition and measurement

Financial instruments are recognised initially when the group 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 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.

Transactions are recorded on trade date.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss include dividends but not interest.

Dividend income is recognised in profit or loss as part of net trading gain/loss when the group's right to receive payment is established.

Interest income and expense is recognised on an effective yield basis.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss. Dividends received on available-for-sale equity instruments are recognised in profit or loss when the group's right to receive payment is established.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm’s length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Accounting Policies

1.4 Financial instruments (continued)

Impairment of financial assets

At each reporting date the group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

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

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Financial instruments at fair value through profit or loss

This category has two sub-categories: financial instruments held for trading, and those designated at fair value through profit or loss at inception.

A financial instrument is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated as hedging instruments.

Financial instruments are designated at fair value through profit or loss when:

• It is part of a group of financial assets managed and evaluated on a fair value basis;

• Doing so significantly reduces measurement inconsistencies that would arise if the related derivatives were treated as held for trading and the underlying financial instruments were carried at amortised cost such as loans and advances to customers or banks and debt securities in issue;

• Financial instruments, such as debt securities held, containing one or more embedded derivatives which significantly modify the cash flows.

Financial instruments designated as available-for-sale

Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

1.4 Financial instruments (continued)

Loans to (from) group companies

These include loans to and from holding companies, fellow subsidiaries and subsidiaries and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than: (a) those that the entity intends to sell immediately or in the short term, which are classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss; (b) those that the entity upon initial recognition designates as available for sale; or (c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Trade and other receivables

Trade and other receivables are classified as loans and receivables and are initially measured at fair value and subsequently measured at amortised cost, using the effective interest rate method.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Offsetting financial instruments

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

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Derivatives

Derivative financial instruments, which are not designated as hedging instruments, consisting of futures, forwards, swap and options, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in profit or loss.

Changes in the fair value of derivative financial instruments are recognised in profit or loss as they arise.

Derivatives are classified as financial assets at fair value through profit or loss - held for trading.

The Group does not apply hedge accounting to derivatives.

1.4 Financial instruments (continued)

Held to maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity assets, the entire category would be reclassified as available for sale.

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the group has the positive intention and ability to hold to maturity are classified as held to maturity.

1.5 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.

An entity shall offset current tax assets and current tax liabilities if the entity has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

An entity shall offset deferred tax assets and deferred tax liabilities if the entity has a legally enforceable right to set off the recognised amounts; if they relate to income tax levied by the same taxation authority on the same taxable entity.

1.5 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 directly in equity, or
- a business combination.

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.

1.6 Leases

The leases entered into by the Group are primarily operating leases. The total payments made under operating leases are charged to operating expenses in the statement of comprehensive income on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

1.7 Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised within ‘interest income’ and ‘interest expense’ in the statement of comprehensive income using the effective interest method.

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

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

1.8 Dividends

Dividends are recognised in the statement of comprehensive income in net trading gains when the entity’s right to receive payment is established. Manufactured dividends are obligations created on borrowed equity positions and are recognised when the entity's obligation to make payment is established.

1.9 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.

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company’s shareholders.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Non-distributable reserves comprises paid up capital in relation to options expense.

Accounting Policies

1.10 Performance based remuneration

The ultimate parent entity, MGL, operates share-based compensation plans, which include options granted to employees and shares (including those delivered through the Macquarie Group Employee Retained Equity Plan (MEREP)) granted to employees under share acquisition plans. Information relating to these schemes is set out in note 16.

The entity recognises an expense (and equity reserve) for its awards granted to employees. The awards are measured at their grant dates based on their fair value and for each Performance Share Units (PSU) the number expected to vest. This amount is recognised as an expense over the respective vesting periods. Performance hurdles attached to PSUs under the MEREP are not taken into account when determining the fair value of the options and PSUs at grant date. Instead, these vesting conditions are taken into account by adjusting the number of equity instruments expected to vest.

Fair value of the share options granted is determined using prevailing exchange rates at that date. The Company funds the grant date fair value upfront to MGL. If vesting does not occur, MGL refunds the Company.

The Company recognises a liability and an expense for profit share remuneration to be paid in cash.

1.11 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.

The amount of a provision is the present value using the pre-tax rate of the expenditure expected to be required to settle the obligation.

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

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

1.12 Cash collateral on securities borrowed/lent and repurchase/reverse repurchase agreements

As part of its trading activities, the Group lends and borrows securities on a collateralised basis. The securities subject to the borrowing/lending are not derecognised from the balance sheets of the relevant parties, as the risks and rewards of ownership remain with the initial holder. Where cash is provided as collateral, the cash paid to third parties on securities borrowed is recorded as a receivable, while cash received from third parties on securities lent is recorded as a borrowing.

Repurchase transactions, where the Group sells securities under an agreement to repurchase, and reverse repurchase transactions, where the Group purchases securities under an agreement to resell, are conducted on a collateralised basis. The securities subject to the repurchase/reverse repurchase agreements are not derecognised from the balance sheets of the relevant parties, as the risks and rewards of ownership remain with the initial holder. Where cash is provided as collateral, the cash paid to third parties on the reverse repurchase agreement is recorded as a receivable, while cash received from third parties on the repurchase agreement is recorded as a borrowing.

Accounting Policies

1.12 Cash collateral on securities borrowed/lent and repurchase/reverse repurchase agreements (continued)

Fees and interest relating to stock borrowing/lending and repurchase/reverse repurchase agreements are recognised in the statement of comprehensive income, using the effective interest rate method, over the expected life of the agreements. The Group continually reviews the fair value of the securities on which the above transactions are based and, where appropriate, requests or provides additional collateral to support the transactions, in accordance with the underlying agreements.

Notes to the Consolidated Financial Statements

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. Adoption of the below standards and interpretations have had the following impact on measurement and disclosure.

IASB issues narrow-scope amendments to IAS 36, ‘Impairment of assets’ on recoverable amount disclosures

The amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal.

The effective date for the amendment is for years beginning on or after 1 January 2014.

The impact of the above amendment is not material.

Amendment to IAS 39 'Financial instruments: Recognition and measurement', on novation of derivatives and hedge accounting

The IASB has amended IAS 39 to provide relief from discontinuing hedge accounting when novation of a hedging instrument to a CCP meets specified criteria. Similar relief will be included in IFRS 9, ‘Financial Instruments’.

The effective date for the amendment is for years beginning on or after 1 January 2014.

The impact of the above amendment is not material.

2.2 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 April 2015 or later periods:

IFRS 9 Financial instruments

Financial assets

IFRS 9 has three classification categories for debt instruments: amortised cost, fair value through other comprehensive income (‘FVOCI’) and fair value through profit or loss (‘FVPL’).

Classification under IFRS 9 for debt instruments is driven by the entity’s business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (‘SPPI’). An entity’s business model is how an entity manages its financial assets in order to generate cash flows and create value for the entity. That is, an entity’s business model determines whether the cash flows will result from collecting contractual cash flows, selling financial assets or both. If a debt instrument is held to collect, it may be classified as amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held in a portfolio where an entity both holds to collect assets’ cash flows and sells assets may be classified as FVOCI. Financial assets that do not contain cash flows that are SPPI must be measured at FVPL (for example, derivatives).

Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in other comprehensive income, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss.

Notes to the Consolidated Financial Statements

2. New Standards and Interpretations (continued)

Financial liabilities

The requirements in IAS 39 regarding the classification and measurement of financial liabilities have been retained, including the related application and implementation guidance.

Under the new standard, entities with financial liabilities designated at FVTPL recognise changes in the fair value due to changes in the liability's credit risk directly in OCI. There is no subsequent recycling of the amounts in OCI to profit or loss, but accumulated gains or losses may be transferred within equity.

However, if presenting the change in fair value attributable to the credit risk of the liability in OCI would create an accounting mismatch in profit or loss, all fair value movements are recognised in profit or loss. An entity is required to determine whether an accounting mismatch is created when the financial liability is first recognised, and this determination is not reassessed. The mismatch must arise due to an economic relationship between the financial liability and a financial asset that results in the liability's credit risk being offset by a change in the fair value of the asset.

Financial liabilities that are required to be measured at FVTPL (as distinct from those that the entity has designated at FVTPL), including financial guarantees and loan commitments measured at FVTPL, will continue to have all fair value movement recognised in profit or loss. Derivatives such as foreign currency forwards and interest rate swaps, or a bank's own liabilities that it holds in its trading portfolio, continue to have all fair value movements recognised in profit or loss.

Entities are allowed to early adopt the requirement to recognise in OCI the changes in fair value attributable to changes in an entity's own credit risk (from financial liabilities that are designated under the fair value option). This can be applied without having to adopt the remainder of IFRS 9.

Expected credit losses

IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. The ECL model constitutes a change from the guidance in IAS 39 and seeks to address the criticisms of the incurred loss model which arose during the economic crisis. In practice, the new rules mean that entities will have to record a day 1 loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables).

IFRS 9 contains a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate how an entity measures impairment losses and applies the effective interest rate method. Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL.

The model includes operational simplifications for lease and trade receivables.

Extensive disclosures are required, including reconciliations from opening to closing amounts of the ECL provision, assumptions and inputs and a reconciliation on transition of the original classification categories under IAS 39 to the new classification categories in IFRS 9.

Derecognition of financial instruments

The requirements in IAS 39 for determining when financial instruments are derecognised from the balance sheet have also been relocated to IFRS 9 without change.

Hedging

IFRS 9 relaxes the requirements for hedge effectiveness and, consequently to apply hedge accounting. Under IAS 39, a hedge must be highly effective, both going forward and in the past (that is, a prospective and retrospective test, with results in the range of 80%-125%). IFRS 9 replaces this bright line with a requirement for an economic relationship between the hedged item and hedging instrument, and for the 'hedged ratio' to be the same as the one that the entity actually uses for risk management purposes. Hedge ineffectiveness will continue to be reported in profit or loss. An entity is still required to prepare contemporaneous documentation; however, the information to be documented under IFRS 9 will differ.

The new requirements change what qualifies as a hedged item, primarily removing restrictions that currently prevent some economically rational hedging strategies from qualifying for hedge accounting.

IFRS 9 relaxes the rules on the use of some hedging instruments as follows:

2. New Standards and Interpretations (continued)

- IFRS 9 views a purchased option as similar to an insurance contract, such that the initial time value (that is, the premium generally paid for an at- or out-of-the-money option) must be recognised in profit or loss, either over the period of the hedge (if the hedge item is time related), or when the hedged transaction affects profit or loss (if the hedge item is transaction related). Any changes in the option's fair value associated with time value will be recognised in OCI.
- A similar accounting treatment to options can also be applied to the forward element of forward contracts and to foreign currency basis spreads of financial instruments. This should result in less volatility in profit or loss.
- Non-derivative financial items can be used as hedging instruments, provided they are accounted for at fair value through profit or loss, unless they are hedging foreign currency risk.

The accounting and presentation requirements for hedge accounting in IAS 39 remain largely unchanged in IFRS 9. However, entities will now be required to reclassify the gains and losses accumulated in equity on a cash flow hedge to the carrying amount of a non-financial hedged item when it is initially recognised. Additional disclosures are required under the new standard.

The effective date for the amendment is for years beginning on or after 1 January 2018.

Earlier application is permitted. IFRS 9 is to be applied retrospectively but comparatives are not required to be restated. If an entity elects to early apply IFRS 9 it must apply all of the requirements at the same time. Entities applying the standard before 1 February 2015 continue to have the option to apply the standard in phases.

The Group expects to adopt the amendment for the first time in the 2017 consolidated financial statements.

Management is assessing the impact on the Group's consolidated financial statements.

Amendments to IAS 1 – Disclosure initiative

The amendments clarify the guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendments form a part of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved.

The effective date for the amendment is for years beginning on or after 1 January 2016.

The Group expects to adopt the amendment for the first time in the 2017 consolidated financial statements.

It is unlikely that the standard will have a material impact on the Group's consolidated financial statements.

Amendments to IAS 16 and IAS 38 - Clarification of acceptable methods of depreciation and amortisation

The IASB has amended IAS 16, Property, plant and equipment and IAS 38, Intangible assets to clarify when a method of depreciation or amortisation based on revenue may be appropriate.

The amendment to IAS 16 clarifies that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate.

The amendment to IAS 38 establishes a rebuttable presumption that amortisation of an intangible asset based on revenue generated by using the asset is inappropriate. The presumption may only be rebutted in certain limited circumstances. These are:
 * Where the intangible asset is expressed as a measure of revenue; or
 * Where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

The effective date for the amendment is for years beginning on or after 1 January 2016.

The Group expects to adopt the amendment for the first time in the 2017 consolidated financial statements.

It is unlikely that the standard will have a material impact on the Group's consolidated financial statements.

Annual Improvements 2010-12 cycle

IFRS 8 Operating segments

2. New Standards and Interpretations (continued)

The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics.

IFRS 13 Fair value measurement

When IFRS 13 was published, paragraphs B5.4.12 of IFRS 9 and AG79 of IAS 39 were deleted as consequential amendments. This led to a concern that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases.

IAS 16 Property, plant and equipment, and IAS 38 Intangible assets

Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

The carrying amount of the asset is restated to the revalued amount. The split between gross carrying amount and accumulated depreciation is treated in one of the following ways:

either the gross carrying amount is restated in a manner consistent with the revaluation of the carrying amount, and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses; or

the accumulated depreciation is eliminated against the gross carrying amount of the asset.

IAS 24 Related party disclosures

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (‘the management entity’).

The reporting entity is not required to disclose the compensation paid by the management entity to the management entity’s employees or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided.

The effective date for the above amendments is for years beginning on or after 1 July 2014.

The Group expects to adopt the amendments for the first time in the 2016 consolidated financial statements.

It is unlikely that the standards will have a material impact on the Group's consolidated financial statements.

2. New Standards and Interpretations (continued)

Annual Improvements 2011-13 cycle

The amendments affect IFRS 1, IFRS 3, IFRS 13 and IAS 40. They are largely effective for annual periods beginning on or after 1 July 2014.

IFRS 1 First-time adoption of International Financial Reporting Standards

The basis for conclusions on IFRS 1 is amended to clarify that, where a new version of a standard is not yet mandatory but is available for early adoption; a first-time adopter can use either the old or the new version, provided the same standard is applied in all periods presented.

IFRS 3 Business combinations

The standard is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself.

IFRS 13 Fair value measurement

The amendment clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9.

The amendment is effective for annual periods beginning on or after 1 July 2014. An entity shall apply the amendment prospectively from the beginning of the first annual period in which IFRS 13 is applied.

IAS 40 Investment property

The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. The guidance in IAS 40 assists preparers to distinguish between investment property and owner-occupied property. Preparers also need to refer to the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination.

The amendment is effective for annual periods beginning on or after 1 July 2014, but can be applied to individual acquisitions of investment property before that date if, and only if, the information necessary to apply the amendment is available.

The effective date for the above amendments is for years beginning on or after 1 July 2014.

The Group expects to adopt the amendment for the first time in the 2016 consolidated financial statements.

It is unlikely that the standard will have a material impact on the Group's consolidated financial statements.

Annual Improvements 2012-14 cycle

IFRS 5 Non-current assets held for sale and discontinued operations

The amendment clarifies that, when an asset (or disposal group) is reclassified from ‘held for sale’ to ‘held for distribution’, or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such. This means that the asset (or disposal group) does not need to be reinstated in the financial statements as if it had never been classified as ‘held for sale’ or ‘held for distribution’ simply because the manner of disposal has changed. The amendment also rectifies an omission in the standard by explaining that the guidance on changes in a plan of sale should be applied to an asset (or disposal group) which ceases to be held for distribution but is not reclassified as ‘held for sale’.

2. New Standards and Interpretations (continued)

IFRS 7 Financial instruments: Disclosures

There are two amendments to IFRS 7.

1. Servicing contracts

If an entity transfers a financial asset to a third party under conditions which allow the transferor to derecognise the asset, IFRS 7 requires disclosure of all types of continuing involvement that the entity might still have in the transferred assets.

IFRS 7 provides guidance on what is meant by continuing involvement in this context. The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement. The amendment is prospective with an option to apply retrospectively. A consequential amendment to IFRS 1 is included to give the same relief to first-time adopters.

2. Interim financial statements

The amendment clarifies that the additional disclosure required by the amendments to IFRS 7, ‘Disclosure – Offsetting financial assets and financial liabilities’ is not specifically required for all interim periods, unless required by IAS 34. The amendment is retrospective.

IAS 19 Employee benefits

The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise. The assessment of whether there is a deep market in high-quality corporate bonds is based on corporate bonds in that currency, not corporate bonds in a particular country. Similarly, where there is no deep market in high-quality corporate bonds in that currency, government bonds in the relevant currency should be used. The amendment is retrospective but limited to the beginning of the earliest period presented.

IAS 34 Interim financial reporting

The amendment clarifies what is meant by the reference in the standard to ‘information disclosed elsewhere in the interim financial report’. The amendment further amends IAS 34 to require a cross-reference from the interim financial statements to the location of that information. The amendment is retrospective.

The effective date for the above amendments is for years beginning on or after 1 January 2016.

The Group expects to adopt the amendments for the first time in the 2017 consolidated financial statements.

It is unlikely that the standard will have a material impact on the Group's consolidated financial statements.

Amendment to IFRS 2, ‘Share based payment’

The amendment clarifies the definition of a ‘vesting condition’ and separately defines ‘performance condition’ and ‘service condition’.

The effective date for the amendment is for transactions occurring after 1 July 2014.

Amendment to IFRS 3, ‘Business combinations’

The standard is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32, ‘Financial instruments: Presentation’.

The standard is further amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss.

Consequential changes are also made to IFRS 9, IAS 37 and IAS 39.

The effective date for the amendment is for transactions occurring after 1 July 2014.

2. New Standards and Interpretations (continued)

It is unlikely that the standard will have a material impact on the Group's consolidated financial statements.

3. Property, plant and equipment

Group	2015			2014		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Furniture and fixtures	5,468,645	(5,443,642)	25,003	5,468,645	(5,405,569)	63,076
Leasehold improvements	15,544,530	(15,415,670)	128,860	15,422,419	(15,422,419)	-
Equipment	586,202	(427,787)	158,415	1,968,893	(1,941,986)	26,907
Total	**21,599,377**	**(21,287,099)**	**312,278**	**22,859,957**	**(22,769,974)**	**89,983**

Company	2015			2014		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Furniture and fixtures	5,468,645	(5,443,642)	25,003	5,468,645	(5,405,569)	63,076
Leasehold improvements	15,544,530	(15,415,670)	128,860	15,422,419	(15,422,419)	-
Equipment	586,202	(427,787)	158,415	1,968,893	(1,941,986)	26,907
Total	**21,599,377**	**(21,287,099)**	**312,278**	**22,859,957**	**(22,769,974)**	**89,983**

Reconciliation of property, plant and equipment - Group and company - 2015

	Opening balance	**Additions**	**Depreciation**	**Total**
Furniture and fixtures	63,076	-	(38,073)	25,003
Leasehold improvements	-	128,860	-	128,860
Equipment	26,907	178,583	(47,075)	158,415
	89,983	**307,443**	**(85,148)**	**312,278**

Reconciliation of property, plant and equipment - Group and company - 2014

	Opening balance	**Additions**	**Disposals**	**Depreciation**	**Total**
Furniture and fixtures	398,534	25,066	(36,572)	(323,952)	63,076
Leasehold improvements	255,161	-	-	(255,161)	-
Equipment	23,505	48,234	(20,242)	(24,590)	26,907
	677,200	**73,300**	**(56,814)**	**(603,703)**	**89,983**

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the company.

Notes to the Consolidated Financial Statements

	Group		Company	
Figures in Rand	2015	2014	2015	2014

4. Investments in associates

The following table lists all of the associates in the group:

Group and company

Name of company	% ownership interest 2015	% ownership interest 2014	Carrying amount 2015	Carrying amount 2014
PSIC Finance 3 (RF) (Pty) Ltd	30 %	30 %	300	300
Oakmont Finance (RF) (Pty) Ltd	30 %	- %	30	-
Bowood Investments (RF) (Pty) Ltd	30 %	- %	30	-
Newmarket Capital (RF) (Pty) Ltd	30 %	- %	30	-
Devon Finance (RF) (Pty) Ltd	30 %	- %	30	-
			420	300

All the above companies are registered in South Africa.

PSIC Finance 3 (RF) (Pty) Ltd conducts the business of issuing of cumulative redeemable preference shares and applying the proceeds to subscribe for cumulative redeemable preference shares.

The remaining four companies conduct the business of issuing of debentures and applying the proceeds to subscribe for debentures.

5. Intercompany assets

Due from related parties	103,697,424	106,662,166	103,697,424	106,662,166

R101m (2014: R103m) relates to accrued interest on collateral. The balance comprises unsettled receivables which are unsecured, bear interest at commercial rates and have no defined repayment terms but are due and payable on demand.

The carrying amount approximates the fair value.

Refer note 29 for related party disclosure.

6. Financial assets at fair value through profit and loss

Money Market instruments and funds	1,401,535,483	1,469,101,499	1,401,535,483	1,469,101,499
Term deposits managed on a fair value basis	3,213,374,672	2,628,221,333	3,213,374,672	2,628,221,333
Negotiable certificates of deposit	46,582,585	557,718,995	46,582,585	557,718,995
Unlisted investments	119,466,254	104,426,938	119,466,254	104,426,938
	4,780,958,994	**4,759,468,765**	**4,780,958,994**	**4,759,468,765**
Current assets				
At fair value through profit or loss	4,780,958,994	4,759,468,765	4,780,958,994	4,759,468,765

Fair value information

All financial assets at fair value through profit or loss were initially designated as such.

The maximum exposure to credit risk before any credit enhancements at the reporting date is the fair value of each class of asset mentioned above.

Notes to the Consolidated Financial Statements

	Group		Company	
Figures in Rand	2015	2014	2015	2014

7. Deferred tax

Deferred tax asset

Temporary differences on tangible fixed assets	7,483	33,955	7,483	33,955
Temporary differences on bonus provision	4,092,472	3,184,619	4,092,472	3,184,619
Temporary differences on unrealised foreign exchange losses	-	2,272,589	-	2,272,589
Temporary differences on other provisions	1,725,139	1,814,346	1,725,139	1,814,346
Temporary differences on tax losses available for set off against future taxable income	13,998,981	21,391,121	13,998,981	21,391,121
	19,824,075	**28,696,630**	**19,824,075**	**28,696,630**

Reconciliation of deferred tax asset / (liability)

At beginning of year	28,696,630	27,416,362	28,696,630	27,416,362
(Decrease)/increase in tax losses available for set off against future taxable income	(7,392,140)	2,477,583	(7,392,140)	2,477,583
Originating temporary difference on tangible fixed assets	(26,472)	(254,849)	(26,472)	(254,849)
Originating temporary difference on closing stock	-	(35,062)	-	(35,062)
Originating temporary difference on bonus provision	907,852	1,303,069	907,852	1,303,069
Originating temporary differences on other provisions	(89,206)	404,109	(89,206)	404,109
Originating temporary difference on unrealised foreign exchange losses	(2,272,589)	(2,614,582)	(2,272,589)	(2,614,582)
	19,824,075	**28,696,630**	**19,824,075**	**28,696,630**

Recognition of deferred tax asset

Recoverability of deferred tax asset is based on management forecasts which are regularly updated and assessed.

Management is confident that there will be sufficient taxable income from new products and trading strategies to utilise any tax assets in future years.

	Group		Company	
Figures in Rand	2015	2014	2015	2014

8. Loans at amortised cost

Non-current assets	672,271,334	1,002,481,701	672,271,334	1,002,481,701
Current assets	503,495,740	-	503,495,740	-
	1,175,767,074	**1,002,481,701**	**1,175,767,074**	**1,002,481,701**

Loans	502,339,235	329,386,041	502,339,235	329,386,041
Term deposits	673,427,839	673,095,660	673,427,839	673,095,660
	1,175,767,074	**1,002,481,701**	**1,175,767,074**	**1,002,481,701**

The loans are secured and mature within 1 to 3 years. R200m earns interest at 3 month Jibar + 0.7%, R302m earns interest at SA prime lending rate + 1.6%. The fair value of loans held at amortised cost is R476,136,431 (2014: R406,805,76) calculated using a discounted cash flow model. These have been classified as Level 2 of the Fair Value Hierarchy.

The term deposits mature between 1 and 3 years and bear interest at an average rate of 7.9% (2014: 7.32%). The fair value of term deposits held at amortised cost is R680,760,895 (2014: R688,426,106) calculated using a discounted cash flow model. These have been classified as Level 2 of the Fair Value Hierarchy.

9. Trade portfolio assets

Trade portfolio assets comprise listed equity securities which are held for trading and are classified as financial assets at fair value through profit or loss.

10. Derivative financial instruments

Derivative instruments entered into include futures, forwards, swaps and options predominantly in equity markets. These derivative instruments are used both for trading purposes and risk management of existing financial assets and liabilities.

All Derivatives, including those used for balance sheet hedging purposes, are recognised on the balance sheet and are disclosed as an asset where they have a positive fair value at balance date or as a liability where the fair value at balance date is negative.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently remeasured to their fair value. Fair values are obtained from quoted market prices in active markets and valuation techniques, including discounted cash flows and option pricing models as appropriate. Movements in the carrying amounts of derivatives are recognised through profit or loss.

Group and Company

2015 - Derivatives held for trading	**Assets**	**Liabilities**
OTC derivatives	111,488,858	-
Exchange traded equity futures	794,207,605	(796,043,188)
	905,696,463	**(796,043,188)**

2014 - Derivatives held for trading	**Assets**	**Liabilities**
OTC derivatives	225,774,774	(45,621,101)
Exchange traded equity futures	1,234,277,941	(1,529,835,425)
	1,460,052,715	**(1,575,456,526)**

11. Collateral on securities borrowed

Assets are pledged as collateral under repurchase agreements with other banks and for security deposits relating to local futures, options and stock exchange memberships. Collateral is placed on call, earns interest at commercial collateral rates and relates to the borrowing of equity securities.

Notes to the Consolidated Financial Statements

	Group		Company	
Figures in Rand	2015	2014	2015	2014

11. Collateral on securities borrowed (continued)

The related liability represents the fair value of securities that have been borrowed for which cash collateral has been pledged.

Group and Company

	2015 - Asset	2015 - Related Liability	2014 - Asset	2014 - Related Liability
Trading assets	5,521,354,532	(5,419,333,311)	12,377,719,576	(10,918,884,567)

Fair value approximates carrying value.

12. Loans from group companies

	Group 2015	Group 2014 Restated	Company 2015	Company 2014 Restated
Non-current liabilities	1,308,280,139	805,342,920	1,308,280,139	805,342,920
Current liabilities	3,365,763,360	3,311,930,952	3,365,763,360	3,311,930,952
	4,674,043,499	**4,117,273,872**	**4,674,043,499**	**4,117,273,872**

At beginning of the year	4,117,273,872	2,298,290,488	4,117,273,872	2,298,290,488
Advances	556,769,627	1,818,983,384	556,769,627	1,818,983,384
	4,674,043,499	**4,117,273,872**	**4,674,043,499**	**4,117,273,872**

All related party loans are unsecured and bear interest at commercial interest rates. R3.3 billion (2014: R3.2 billion) is repayable within 30 days. R1.3 billion (2014: R0.8 billion) is repayable in 3 years while the balance is due and payable. The carrying amount approximates the fair value. Refer note 29 for related party disclosure.

Comparative figures of R805,342,920 have been restated into non-current liabilities (Refer note 37).

13. Trade and other receivables

Trade receivables	8,017,948	13,549,213	8,017,948	13,549,213
Other receivables	73,998	1,986,048	73,998	1,986,048
Unsettled equity trades with JSE	622,178,974	80,130,573	622,178,974	80,130,573
	630,270,920	**95,665,834**	**630,270,920**	**95,665,834**

Fair value of trade and other receivables

The carrying amount of trade and other receivables approximates the fair value.

Trade and other receivables impaired

As of 31 March 2015, trade and other receivables of R 57,298 (2014: R 81,115) were impaired and provided for.

The ageing of these receivables is as follows:

6 to 12 months	57,298	81,115	57,298	81,115

14. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances and other cash equivalents	91,087,270	540,444,788	91,087,269	540,444,474

Notes to the Consolidated Financial Statements

	Group		Company	
Figures in Rand	2015	2014	2015	2014

15. Share capital

Number of shares authorised				
328,000 Ordinary shares of R1 each	328,000	328,000	328,000	328,000
50,000 no par value class "A" redeemable cumulative preference shares	50,000	50,000	50,000	50,000
100 no par value class "B" redeemable cumulative preference shares	100	100	100	100
12,557 no par value class "C" redeemable cumulative preference shares	12,587	12,557	12,587	12,557
75 no par value class "D" redeemable cumulative preference shares	75	75	75	75
100,000 no par value unclassified shares under s36(1)(c) of the Act	100,000	100,000	100,000	100,000
337,368 no par value unclassified shares under s36(1)(d) of the Act	337,368	337,368	337,368	337,368
	828,130	**828,100**	**828,130**	**828,100**

Number of shares issued:				
327,100 Ordinary shares of R1 each	327,100	327,100	327,100	327,100
125 no par value class "A" redeemable cumulative preference shares	125	125	125	125
96 no par value class "B" redeemable cumulative preference shares	96	96	96	96
12,557 no par value class "C" redeemable cumulative preference shares	12,587	12,557	12,587	12,557
75 no par value class "D" redeemable cumulative preference shares	75	75	75	75
	339,983	**339,953**	**339,983**	**339,953**

During the year the Company authorised and issued 30 no par value class "C" Redeemable cumulative preference shares for R300,000,000.

Issued - Rand				
Ordinary	327,100	327,100	327,100	327,100

All issued shares are fully paid.

Refer note 18 for preference shares issued.

16. Employee equity participation

Macquarie Group Employee Retained Equity Plan

Macquarie Group Limited (MGL) continues to operate the Macquarie Group Employee Retained Equity Plan (MEREP) in conjunction with remuneration arrangements. These arrangements included a decrease in the portion of staff profit share paid in cash and an increase in the portion delivered as equity, an increase in the proportion of deferred remuneration and cessation of new option grants under the Macquarie Group Employee Share Option Plan (MGESOP).

Award Types under the MEREP

Restricted Share Units (RSUs)

A RSU is a beneficial interest in a Macquarie share held on behalf of a MEREP participant by the plan trustee (Trustee). The participant is entitled to receive dividends on the share and direct the Trustee how to exercise voting rights in the share. The participant also has the right to request the release of the share from the Trust, subject to the vesting and forfeiture provisions of the MEREP.

The following is a summary of options which have been granted pursuant to the MEREP.

	2015 - No. of RSU Awards	2014 - No. of RSU Awards
RSUs in issue at the beginning of the financial year	40,004	42,715
Consolidation of one ordinary share into 0.9438 ordinary shares	-	(2,315)
Granted during year	2,247	3,277
Vested RSUs withdrawn from MEREP during the year	(13,575)	(3,673)
RSUs in issue at the end of the year	**28,676**	**40,004**

The weighted average fair value of the RSU Awards granted during the financial year was R577.49 or AU$59.80 (2014: R433.28 or AU$46.01).

The awards are measured at their grant dates based on their fair value and the number expected to vest. This amount is recognised as an expense evenly over the respective vesting periods and the equity provided is treated as a prepaid asset.

RSUs and PSUs relating to the MEREP plan for Executive Committee members, have been granted in the current year in respect of 2014. The fair value of each of these grants is estimated using Macquarie's share price on the date of grant, and for each PSU also incorporates a discounted cash flow method using the following key assumptions:
- interest rate to maturity: 3.62%
- expected vest dates of PSU: 1 July 2017 and 1 July 2018, and
- dividend yield: 5.02% per annum.

While RSUs, and PSUs for Executive Committee members, in respect of the current year's performance will be granted in the following financial year, MGL begins recognizing an expense (based on an initial estimate) from 1 April of the current financial year related to these future grants. The expense is estimated using MGL's share price as at 31 March 2015 (and for PSUs, also incorporates an interest rate to maturity of 2.61 per cent; expected vesting dates of PSU: 1 July 2018 and 1 July 2019; and a dividend yield of 4.76 per cent per annum) and the number of equity instruments expected to vest. In the following financial year, MGL will adjust the accumulated expense recognized for the final determination of fair value for each RSU, DSU and PSU when granted, and will use this valuation for recognizing the expense over the remaining vesting period.

MGL revises its estimates of the number of awards (including those delivered through MEREP) that are expected to vest annually. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

For the year ended 31 March 2015, compensation expense relating to the MEREP totaled R2.7m or AU$0.28m (2014: R3.5m or AU$0.37m).

Notes to the Consolidated Financial Statements

Participation in the MEREP is currently provided to the following Eligible Employees:
- staff other than Executive Directors with retained profit share (Retained Profit Share Awards) and staff who are promoted to Associate Director, Division Director or Executive Director, who receive a fixed allocation of MEREP awards (Promotion Awards);
- new Macquarie Group staff who commence at Associate Director, Division Director or Executive Director level are awarded a fixed number of MEREP awards depending on level (New Hire Awards).

Vesting periods are as follows:

- Retained profit share awards and Promotion awards for employees below Executive Directors vesting 1/3rd on or after each 1 July, in the 2nd, 3rd and 4th year following the year of grant

- New hire awards for all Director level staff vesting 1/3rd on each first day of a staff trading window on or after the 2nd, 3rd and 4th anniversaries of the date of allocation

In limited cases, the application form for awards may set out a different Vesting Period, in which case that period will be the Vesting Period for the Award. Staff in jurisdictions outside Australia may have a different vesting period due to local regulatory requirements.

For Retained Profit Share Awards representing 2014 retention, the allocation price was the weighted average price of the shares acquired for the 2014 purchase period, which was 14 May 2014 to 25 June 2014 inclusive (excluding the period from 22 May to 3 June 2014). That price was calculated to be AU$59.56 (2013 retention: AU$43.56).

Option Plan

MGL suspended new offers under the Macquarie Group Employee Share Option Plan (MGESOP) under remuneration arrangements which were the subject of shareholder approvals obtained at a General Meeting of MGL in December 2009. The last grant of Options under the MGESOP was on 8 December 2009. MGL does not currently expect to issue any further Options under the MGESOP.

The following is a summary of options which have been granted subsequent to the MGESOP:

	2015 - No. of Options	**2015 - Weighted average exercise price AU$**	**2014 - No. of Options**	**2014 - Weighted average exercise price AU$**
Outstanding at the beginning of the year	2,832	54.91	18,500	53.97
Adjustment of Options due to 0.9438 ordinary share consolidation	-	-	(168)	43.12
Exercised during the financial year	(2,832)	54.91	-	-
Lapsed during the year	-	-	(15,500)	53.91
Outstanding at the end of the year	-	-	2,832	54.91
Exercisable at the end of the year	-	-	2,832	54.91

For options exercised during the financial year the weighted average share price at the date of exercise was A$54.91 (2014: nil). There are no outstanding options as at 31 March 2015.

The exercise price for options outstanding at 31 March 2014 was AU$54.91.

The weighted average remaining contractual life when analysed by exercise price range was:

Exercise Price Range (AU$)	**2015 - No. of Options**	**2015 - Remaining life (years)**	**2014 - No. of Options**	**2014 - Remaining life (years)**
40-50	-	-	-	-
50-60	-	-	2,832	0.52
60-70	-	-	-	-
70-80	-	-	-	-

Notes to the Consolidated Financial Statements

The market value of shares issued during the year as a result of the exercise of these options was A$0.16 million (2014: nil).

The year end exchange rate was R9.23 (2014: R9.76).

17. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are recognised at fair value.

Group and Company

	2015	2014
Debt issued at fair value	2,085,843,736	3,918,440,635
Equity linked notes	196,510,298	210,724,172
	2,282,354,034	**4,129,164,807**

18. Issued debt

	2015 - Group	2014 - Group	2015 - Company	2014 - Company
Non-current liabilities	799,189,533	1,267,695,631	799,189,533	1,267,695,631
Current liabilities	512,468,327	-	512,468,327	-
	1,311,657,860	**1,267,695,631**	**1,311,657,860**	**1,267,695,631**

Group and Company	2015 Interest Rate %	2014 Interest Rate %	2015	2014
Listed debt - held at amortised cost	7.71	7.41	876,854,188	672,947,322
Unlisted debt - held at amortised cost	n/a	9.80	-	157,080,575
Preference shares issued - held at amortised cost	6.39	5.93	434,803,672	437,667,734
			1,311,657,860	**1,267,695,631**

The preference shares were issued at par, mature between 1 and 3 years and pay dividends at a rate linked to Prime.

The fair value of debt issued held at amortised cost is R1,324,637,333 (2014 - R1,288,520,105) calculated using a discounted cashflow model. These have been classified as Level 2 in the Fair Value Hierarchy.

	Group		Company	
Figures in Rand	2015	2014	2015	2014

19. Collateral on securities lent

Liabilities are pledged as collateral under repurchase agreements with other banks and for security deposits relating to local futures, options and stock exchange memberships. Collateral is placed on call and relates to the borrowing of equity securities.

The related asset represents the fair value of securities that have been lent for which cash collateral has been received.

Group and Company

	2015 - Liability	2015 - Related Asset	2014 - Liability	2014 - Related Asset
Trading liabilities	(1,913,652,660)	2,344,842,599	(8,882,836,921)	8,212,272,350

Collateral that is received is not disposed of or repledged except in a default scenario. There were no default scenarios during the periods under review. Fair value approximates carrying value.

20. Trade portfolio liabilities

Trading liabilities represent the quoted equity securities that the Group intends to buy back in the short term. These securities are measured at fair value through profit and loss and are held for trading.

21. Trade and other payables

Trade payables	9,159,639	82,308,839	9,159,639	82,308,839
Unsettled equity trades with JSE	1,774,971,267	144,664,175	1,774,971,267	144,664,175
VAT	2,570,767	5,528,919	2,570,767	5,528,919
Interest Withholding Tax payable	3,014,388	-	3,014,388	-
Accrued leave pay	1,261,742	1,083,212	1,261,742	1,083,212
Accrued bonus	14,615,971	11,373,641	14,615,971	11,373,641
Accrued expenses	6,481,660	2,504,365	6,481,660	2,504,365
Fees payable	490,686	481,155	490,686	481,155
	1,812,566,120	**247,944,306**	**1,812,566,120**	**247,944,306**

The carrying amount of trade and other payables approximates the fair value.

22. Interest and similar income

Interest income on deposits	428,040,949	337,172,911	428,040,947	337,172,896
Interest income on collateral pledged	391,738,838	366,774,458	391,738,838	366,774,458
	819,779,787	**703,947,369**	**819,779,785**	**703,947,354**

23. Interest expense and similar charges

Interest expense				
Loans from financial institutions	58,796,364	77,679,880	58,796,364	77,679,880
Interest on intercompany loans	157,377,438	164,588,583	157,377,438	164,588,585
Interest expense on collateral received	22,497,799	13,267,396	22,497,799	13,267,396
Interest on repurchase transactions	320,441,725	113,106,268	320,441,725	113,106,268
Interest on listed debt	229,424,792	198,396,975	229,424,792	198,396,975
	788,538,118	**567,039,102**	**788,538,118**	**567,039,104**

Notes to the Consolidated Financial Statements

	Group		Company	
Figures in Rand	2015	2014	2015	2014

24. Operating profit

Operating profit (loss) for the year is stated after accounting for the following:

Included in trading income/(losses) are the following:				
Net dividends manufactured on trading securities	(1,219,844,690)	(1,100,094,936)	(1,219,844,690)	(1,100,094,936)
Gains on instruments held for trading	1,463,566,842	1,061,932,150	1,463,566,842	1,061,932,150
(Losses)/gains on instruments at fair value through profit or loss	(65,395,347)	59,878,273	(65,395,347)	59,878,273
Other trading expenses	(12,719,699)	(22,242,395)	(12,719,699)	(22,242,395)
	165,607,106	**(526,908)**	**165,607,106**	**(526,908)**

Operating lease for premises	2,350,798	2,458,551	2,350,798	2,458,551
Depreciation on property, plant and equipment	85,148	603,703	85,148	603,703
Employee costs	62,035,661	47,406,704	62,035,661	47,406,704
Administration charges	31,762,377	34,246,845	31,762,377	34,246,845
Auditors remuneration	1,522,702	1,134,631	1,522,702	1,134,631
Communication costs	3,823,509	3,643,445	3,823,509	3,643,445
Professional fees	11,835,680	8,222,892	8,222,892	8,222,892
Other	19,989,393	18,066,086	19,989,393	18,066,086
Total operating expenses	**133,405,268**	**115,782,857**	**133,405,268**	**115,782,857**

25. Taxation

Major components of the tax (income)/expense

Current				
Local income tax - current period	-	-	-	-
Deferred				
Deferred tax	8,872,555	(1,280,268)	8,872,555	(1,280,268)

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	28 %	28 %	28 %	28 %
Effect of exempt income	(22)%	(100)%	(22)%	(100)%
Effect of non-deductible expenses	11 %	66 %	11 %	66 %
Effect of capital gain	(3)%	- %	(3)%	- %
Effective rate as per Statement of Comprehensive Income	**14 %**	**(6)%**	**14 %**	**(6)%**

Exempt income comprises dividends received and income that will be received as dividends. Non-deductible expenses comprises those costs related to the non-taxable dividends.

No provision has been made for 2015 tax as the group has no taxable income. The estimated tax loss available for set off against future taxable income is R 49,996,362 (2014: R 76,396,861).

26. Auditors' remuneration

Fees	1,386,037	1,134,631	1,386,037	1,134,631
Tax and other services	136,665	-	136,665	-
	1,522,702	**1,134,631**	**1,522,702**	**1,134,631**

Notes to the Consolidated Financial Statements

	Group		Company	
Figures in Rand	2015	2014	2015	2014

27. Cash generated from (utilised by) operations

Profit (loss) before taxation	63,443,507	20,598,502	63,443,820	20,598,258
Adjustments for:				
Depreciation and amortisation	85,148	603,703	85,148	603,703
Unrealised loss on foreign exchange	2,310,751	8,116,389	2,310,751	8,116,389
Net dividends manufactured on trading securities	1,219,844,690	1,100,094,936	1,219,844,690	1,100,094,936
Interest and similar income	(819,779,787)	(703,947,369)	(819,779,785)	(703,947,354)
Interest expense and similar charges	788,538,118	567,039,102	788,538,118	567,039,104
Movements in loan at amortised cost	(181,667,494)	-	(181,667,494)	-
Employee share options	-	29,893	-	29,893
Changes in working capital:				
Financial assets at fair value	(34,443,707)	(940,406,359)	(34,443,707)	(940,406,359)
Trade and other receivables	(534,605,085)	203,268,012	(534,605,085)	203,268,012
Loans from group companies	554,458,876	1,810,866,995	554,458,876	1,810,866,995
Loans to group companies	2,964,742	(41,370,585)	2,964,742	(41,370,585)
Trade portfolio assets	66,767,738	(241,172,735)	66,767,738	(241,172,735)
Derivative financial instruments	554,356,252	1,487,352,503	554,356,252	1,487,352,503
Collateral on securities borrowed	6,856,365,044	(3,402,904,358)	6,856,365,044	(3,402,904,358)
Trade and other payables	1,564,621,814	(6,225,455,143)	1,564,621,814	(6,225,455,143)
Financial liabilities at fair value	(1,815,987,656)	(390,400,824)	(1,815,987,656)	(390,400,824)
Derivative financial instruments	(779,413,338)	(1,203,557,645)	(779,413,338)	(1,203,557,645)
Collateral received on securities lent	(6,969,184,261)	8,879,896,921	(6,969,184,261)	8,879,896,921
Trade portfolio liabilities	163,986,415	121,723,131	163,986,415	121,723,131
	702,661,767	**1,050,375,069**	**702,662,082**	**1,050,374,842**

28. Tax refunded

Balance at beginning of the year	2,416,589	2,416,589	2,416,589	2,416,589
Balance at end of the year	-	(2,416,589)	-	(2,416,589)
	2,416,589	**-**	**2,416,589**	**-**

Notes to the Consolidated Financial Statements

29. Related parties

Relationships

Ultimate holding company	Macquarie Group Ltd
Holding company	Macquarie EMG Holdings (Pty) Ltd
Subsidiaries	The MF Trust

Related party transactions

Related party transactions comprise of inter-group charges for services provided and trading activities that comprise equity trading and financing activities. Intercompany funding relates to interest and foreign exchange movements on intercompany balances.

Group and company - 2015	Relationship	Inter-group charges R	Trading activities R	Intercompany funding R	Balance R
Macquarie First South Securities (Pty) Ltd	Other	3,153,018	-	-	(330,000)
Macquarie First South (Pty) Ltd		1,089,907	-	-	-
Macquarie Africa (Pty) Ltd	Other	(5,815,514)	-	-	1,230,922
Macquarie Bank Ltd	Other	5,069,543	(396,177,644)	(3,121,520)	100,653,311
Macquarie Corporate Holdings Ltd	Other	(98,679)	-	4,481,520	(60,648,915)
Macquarie EMG Holdings (Pty) Ltd	Parent	(18,314,971)	2,345,706,480	215,479	(3,301,867,299)
Delta1 Finance Trust	Other	-	78,194,603	-	(1,308,280,139)
Macquarie Financial Holdings Ltd	Other	8,151,869	14,329	-	(2,019,249)
Macquarie Group Ltd	Ultimate parent	(61,264)	-	-	1,687,562
Macquarie Group Services Australia (Pty) Ltd	Other	46,787,189	-	-	(895,706)
Macquarie Internationale Investments Ltd	Other	-	-	(52,516,571)	-
Macquarie Holdings (USA) Inc	Other	867,196	-	-	(100,972)
Macquarie Services (Hong Kong) Ltd	Other	814,919	-	-	-
International Life Solutions Pty Ltd	Other	(845,802)	-	-	120,656
Other Group Entities with balances <R200,000	Other	812,617	(2,226)	-	(226,248)
		41,610,028	**2,027,735,542**	**(50,941,092)**	**(4,570,676,077)**

Group and company - 2014	Relationship	Inter-group charges R	Trading activities R	Intercompany funding R	Balance R
Macquarie First South Securities (Pty) Ltd	Other	(2,602,273)	-	-	(350,473)
Macquarie First South (Pty) Ltd	Other	(686,764)	-	-	(54,375)
Macquarie Africa (Pty) Ltd	Other	3,131,302	-	(137,043)	157,592
Macquarie Bank Ltd	Other	1,609,259	331,823,343	620,881	103,058,596
Macquarie Corporate Holdings Ltd	Other	352,418	-	(4,707,928)	(95,490,931)
Macquarie EMG Holdings (Pty) Ltd	Parent	9,903,808	1,199,344,737	(48,313,715)	(3,212,365,971)
Macquarie Financial Holdings Ltd	Other	(7,320,452)	-	554,407	(3,489,099)
Macquarie Group Ltd	Ultimate parent	102,772	-	-	3,198,819
Macquarie Group Services Australia (Pty) Ltd	Other	(40,553,133)	-	(108,887)	(398,483)
Macquarie Internationale Investments Ltd	Other	28,742	-	48,802,840	673,095,660
Macquarie Holdings (USA) Inc	Other	(558,438)	-	-	(16,203)
Macquarie Services (Hong Kong) Ltd	Other	(943,022)	-	-	-
International Life Solutions (Pty) Ltd	Other	470,559	-	25,950	247,159
Delta 1 Finance Trust	Other	-	(9,942,920)	-	(805,342,920)
Other Group Entities with balances <R200,000	Other	(145,712)	1,070	(999)	(170,265)
		(37,210,934)	**1,521,226,230**	**(3,264,494)**	**(3,337,920,894)**

Notes to the Consolidated Financial Statements

29. Related parties (continued)

Companies classified as "Other" comprise other Macquarie Group companies and Joint Ventures.

Only directors are considered to be key management. Refer Note 31 for compensation paid to directors.

30. Interests in other entities

The Group engages in various transactions with Structured Entities (SE's). SE's are designed so that voting or similar rights are not the dominant factor in affecting an investor’s returns (e.g. decisions relate to administrative tasks only, and contractual arrangements determine the direction of activities). Generally, SE's do not have a range of operating and finance activities for which substantive decision-making is required continuously. The Group has interests in SE's that are involved in asset-backed financing.

Asset-backed financing
Asset-backed vehicles are used to provide tailored lending for the purchase or lease of assets transferred by the Group or its client. The assets are normally pledged as collateral to the lenders.

The Group engages in raising finance for assets, listed and unlisted securities. The Group may act as a lender or derivative counterparty.

Income received by the Group during the year from interests held at the reporting date relates to dividends and interest.

The Group’s interests in unconsolidated SE's include, but are not limited to, debt or equity investments, guarantees, liquidity agreements, commitments, fees from investment structures, and fees from derivative instruments that expose the Group to the risks of the unconsolidated SE. The Group does not have an interest where it: (i) is a counterparty to plain vanilla derivatives or purchases credit protection under a credit default swap; (ii) acts as underwriter or placement agent; (iii) provides administrative, trustee or other services to third party managed SE's; or (iv) transfers assets and does not have any other interest deemed to be significant in the SE.

The following table presents the carrying value and maximum exposure to loss (before the benefit of collateral and credit enhancements) of the Group’s interests in unconsolidated SE's as at 31 March 2015:

Group and Company

Carrying value of Asset-backed financing assets	**2015**	**2014**
Derivative assets	102,964,099	177,106,403
Financial assets at fair value through profit or loss	314,714,210	-
Trade and other receivables	23,599,677	-
Loan assets held at amortised cost	301,512,728	342,045,361
Total carrying value of assets	742,790,714	519,151,764
Maximum exposure to loss	742,790,714	519,151,764

Maximum exposure to loss is the carrying value for debt and equity held, the undrawn amount for commitments and the notional amounts of guarantees or derivative instruments. Notional amounts are adjusted for any liabilities already recognised.

Subordinated asset-backed interests are included within loans and derivative assets, involve unconsolidated SE's totaling R2.3 billion (2014: R2.2 billion), and the potential losses borne by others whose interests rank lower than the Group's is Rnil.

The amount of each individual SE represents either the assets of the SE (measured either at amortised cost excluding impairments or fair values if readily available); the principal amount of liabilities if there is nominal equity; or the notional amounts of derivatives if the SE was designed to primarily obtain exposure synthetically through derivative instruments. Size of the SE is based on the most current publicly available information to the Group.

In addition to the above structured entities include investments into the Blue Ink funds as disclosed in Note 34 and investments in money market funds. These money market funds are regulated under the the Collective Investment Schemes Control Act (No. 45 of 2002). The funds are classified as unconsolidated structured entities under IFRS and are disclosed in financial assets at fair value through profit or loss.

Notes to the Consolidated Financial Statements

30. Interests in other entities (continued)

Group and Company - 2015	% holding	Holding	Assets under management
Absa Money Market Fund (Institutional Class)	1.1%	545,874,556	47,785,617,261
Nedgroup Investments Money Market Fund (Class C2)	6.3%	753,270,715	11,965,034,176
STANLIB Corporate Money Market Fund (Class B4)	0.4%	102,390,213	25,233,704,615

31. Directors' emoluments

Group and Company

Executive

2015

	Emoluments
For services as directors	18,734,352

2014

	Emoluments
For services as directors	10,189,271

Variable remuneration received by the directors in the current year relates to financial performance of the prior year. A full schedule of directors' emoluments is included in Note 37.

32. Risk management

Risk Management Group

The risks which the Macquarie Group is exposed to are managed on a globally consolidated basis for both Macquarie Bank Limited ("MBL") and Macquarie Group Limited ("MGL") as a whole, including all subsidiaries, in all locations. Macquarie's internal approach to risk ensures that risks in subsidiaries are subject to the same rigour and risk acceptance decisions (i.e. not differentiating where the risk is taken within Macquarie).

Risk is an integral part of the MGL's businesses. The main risks faced by MGL are market risk, equity risk, credit risk, liquidity risk, operation risk, legal compliance risk and documentation risk. Responsibility for management of these risks lies with the individual businesses giving rise to them. It is the responsibility of the Risk Management Group ("RMG") to ensure appropriate assessment and management of these risks.

RMG is independent of all other areas of MGL, reporting directly to the Managing Director of MGL and the Board of MGL. The Head of RMG is a member of the Executive Committee of Macquarie Bank Limited and Macquarie Group Limited. RMG authority is required for all material risk acceptance decisions. RMG identifies, quantifies and assesses all material risks and sets prudential limits. Where appropriate, these limits are approved by the Executive Committee and the Board.

Notes to the Consolidated Financial Statements

32. Risk management (continued)

Capital risk management

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

The capital structure of the Macquarie Group consists of debt, which includes Redeemable Preference Shares disclosed in note 18 and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the Macquarie Group may adjust the amount of dividends paid to the shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

Capital adequacy and the use of regulatory capital are monitored by the Group’s management, employing techniques based on the guidelines of the JSE Securities Exchange, for supervisory purposes. The required information is filed with the JSE on a monthly basis.

JSE Capital requirements include a Fixed Expenditure Requirement, being the higher of 13 weeks fixed expenditure or R400,000 and Adjusted Liquid Capital Requirement, being liquid capital which complies with the minimum requirements calculated in accordance with the JSE Directive DC2, sufficient to meet its base requirement and its risk requirement.

The Company has complied with all externally imposed capital requirements during the period.

There have been no changes to the Macquarie Group's strategy for capital maintenance or externally imposed capital requirements from the previous year.

The table below reflects the Company's capital:

Company	**2015**	**2014**
Share capital	327,100	327,100
Reserves	4,299,502	4,299,502
Retained income	129,060,900	74,489,635
Redeemable preference shares	721,000,000	421,000,000
	854,687,502	**500,116,237**

32. Risk management (continued)

Financial risk management

The Macquarie Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Macquarie Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Macquarie Group's financial performance. The Macquarie Group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (Macquarie Group treasury) under policies approved by the Macquarie Group board. Macquarie Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Macquarie Group's operating units. The Macquarie Group board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Financial Instruments by category

Group and company - 2015

Assets as per Statement of Financial Position	Loans and receivables	Fair value through profit and loss	Available for sale	Total
Cash and cash equivalents	91,087,270	-	-	91,087,270
Collateral on securities borrowed	5,521,354,532	-	-	5,521,354,532
Financial assets designated at fair value	-	4,780,958,994	-	4,780,958,994
Loans at amortised cost	1,175,767,074	-	-	1,175,767,074
Derivative financial instruments (Held for trading)	-	905,696,463	-	905,696,463
Trade portfolio assets (Held for trading)	-	212,025,274	-	212,025,274
Other assets	630,270,920	-	-	630,270,920
Intercompany	103,697,424	-	-	103,697,424
	7,522,177,220	**5,898,680,731**	**-**	**13,420,857,951**

Liabilities as per Statement of Financial Position	Financial liabilities at amortised cost	Fair value through profit and loss	Available for sale	Total
Long-term debt	1,311,657,860	-	-	1,311,657,860
Loans from group companies	4,674,043,499	-	-	4,674,043,499
Derivative financial instruments (Held for trading)	-	796,043,188	-	796,043,188
Financial liabilities designated at fair value	-	2,282,354,034	-	2,282,354,034
Trade portfolio liabilities (Held for trading)	-	516,989,860	-	516,989,860
Trade and other payables	1,812,566,120	-	-	1,812,566,120
Collateral on securities lent	1,913,652,660	-	-	1,913,652,660
	9,711,920,139	**3,595,387,082**	**-**	**13,307,307,221**

Group and company - 2014

Assets as per Statement of Financial Position	Loans and receivables	Fair value through profit and loss	Available for sale	Total
Cash and cash equivalents	540,444,788	-	-	540,444,788
Collateral on securities borrowed	12,377,719,576	-	-	12,377,719,576
Financial assets designated at fair value	-	4,759,468,765	-	4,759,468,765
Loans at amortised cost	1,002,481,701	-	-	1,002,481,701
Derivative financial instruments (Held for trading)	-	1,460,052,715	-	1,460,052,715
Trade portfolio assets (Held for trading)	-	278,793,012	-	278,793,012
Other assets	95,665,834	-	-	95,665,834
Intercompany	106,662,166	-	-	106,662,166
	14,122,974,065	**6,498,314,492**	**-**	**20,621,288,557**

Notes to the Consolidated Financial Statements

32. Risk management (continued)

Liabilities as per Statement of Financial Position	Financial liabilities at amortised cost	Fair value through profit and loss	Available for sale	Total
Long-term debt	1,267,695,631	-	-	1,267,695,631
Loans from group companies	4,117,273,872	-	-	4,117,273,872
Derivative financial instruments	-	1,575,456,526	-	1,575,456,526
Financial liabilities designated at fair value	-	4,129,164,807	-	4,129,164,807
Trade portfolio liabilities	-	353,003,445	-	353,003,445
Trade and other payables	247,944,306	-	-	247,944,306
Collateral on securities lent	8,882,836,921	-	-	8,882,836,921
	14,515,750,730	**6,057,624,778**	**-**	**20,573,375,508**

Notes to the Consolidated Financial Statements

32. Risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn.

The Group's liquidity management process, as carried out within the Group and monitored by a separate team in Group Treasury, includes:

• Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. The Group maintains an active presence in global money markets.

• Monitoring balance sheet liquidity ratios against internal and regulatory requirements; and

• Managing the concentration and profile of debt maturities.

Funding approach

Sources of liquidity are regularly reviewed by a separate team in the Group to maintain a wide diversification by currency, geography, provider, product and term.

Sources of liquidity include short term liquid assets, raising short term debt, uncommitted money market lines and cross border borrowing from Macquarie Group entities.

Contractual undiscounted cash flows

The table below summarises the maturity profile of the group's financial liabilities as at 31 March based on contractual undiscounted repayment obligations. Repayments which are subject to notice are treated as if notice were given immediately.

Group - 2015	**At Call**	**3 months or less**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**
Trade portfolio liabilities	-	516,989,860	-	-	-
Collateral on securities lent	-	1,913,652,660	-	-	-
Debt issued at amortised cost	-	522,528,549	42,694,173	846,449,738	-
Derivative financial instruments	-	789,906,053	6,335,887	-	-
Financial liabilities at fair value through profit or loss	-	943,012,032	910,283,510	531,170,459	-
Intercompany	63,896,063	3,301,867,299	87,895,803	1,404,582,647	-
Other liabilities	-	1,812,566,120	-	-	-
	63,896,063	**9,800,522,573**	**1,047,209,373**	**2,782,202,844**	**-**

Group - 2014 Restated	**At Call**	**3 months or less**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**
Trade portfolio liabilities	-	353,003,445	-	-	-
Collateral on securities lent	-	8,882,836,921	-	-	-
Debt issued at amortised cost	-	59,047,045	192,348,366	1,229,669,823	-
Derivative financial instruments	-	1,247,789,596	15,137,378	37,432,924	-
Financial liabilities at fair value through profit or loss	-	3,003,306,314	903,875,355	325,006,040	-
Intercompany	-	3,311,930,952	-	805,342,920	-
Other liabilities	-	247,944,306	-	-	-
	-	**17,105,858,579**	**1,111,361,099**	**2,397,451,707**	**-**

Notes to the Consolidated Financial Statements

32. Risk management (continued)

Company - 2015	At Call	3 months or less	3 to 12 months	1 to 5 years	Over 5 years
Trade portfolio liabilities	-	516,989,860	-	-	-
Collateral on securities lent	-	1,913,652,660	-	-	-
Debt issued at amortised cost	-	522,528,549	42,694,173	846,449,738	-
Derivative financial instruments	-	789,906,053	6,335,887	-	-
Financial liabilities designated at fair value	-	943,012,032	910,283,510	531,170,459	-
Intercompany	63,896,063	3,301,867,299	87,895,803	1,404,582,647	-
Other liabilities	-	1,812,566,120	-	-	-
	63,896,063	**9,800,522,573**	**1,047,209,373**	**2,782,202,844**	**-**

Company - 2014 Restated	At Call	3 months or less	3 to 12 months	1 to 5 years	Over 5 years
Trade portfolio liabilities	-	353,003,445	-	-	-
Collateral on securities lent	-	8,882,836,921	-	-	-
Debt issued at amortised cost	-	59,047,045	192,348,366	1,229,669,823	-
Derivative financial instruments	-	1,247,789,596	15,137,378	37,432,924	-
Financial liabilities at fair value through profit or loss	-	3,003,306,314	903,875,355	325,006,040	-
Intercompany	-	3,311,930,952	-	805,342,920	-
Other liabilities	-	247,944,306	-	-	-
	-	**17,105,858,579**	**1,111,361,099**	**2,397,451,707**	**-**

Interest rate risk

Interest rate risk of the Company is managed on a globally consolidated basis for Macquarie Group as a whole, including all subsidiaries, in all locations. Macquarie Group's internal approach to risk (i.e. not differentiating where the risk is taken within Macquarie Group) ensures that risks in subsidiaries are subject to the same rigour and risk acceptance decisions.

The Group is exposed to the general South African interest rate market, the table below indicates the Group’s exposure to movements in interest rates as at 31 March.

Interest rate risk - Group and Company	2015 - Movement in interest rate	2015 - Sensitivity of profit before tax	2014 - Movement in interest rate	2014 - Sensitivity of profit before tax
South African Rand	+50 Bps	955,980	+50 Bps	(2,427,600)
South African Rand	- 50 Bps	(955,980)	- 50 Bps	2,427,600

32. Risk management (continued)

Credit risk

Credit risk is defined as the risk of a counterparty failing to complete its contractual obligations when they fall due. The consequent loss is either the amount of the loan not paid back, or the loss incurred in replicating a trading contract with a new counterparty.

The responsibility for approval of credit exposures is delegated to specific individuals by the Macquarie Group Board. Credit risk analysis is focused on ensuring that risks have been fully identified and that the downside risk is properly understood and acceptable. After this analysis is undertaken, limits are set for an acceptable level of potential exposure. All wholesale limits and ratings are reviewed at least once a year, or more frequently if necessary.

All credit exposures are monitored regularly against limits.

Credit exposures for loans are evaluated as either the full current face value or, for distressed debt, the acquisition cost when acquired in the secondary market. Exposures for derivatives depend on potential future asset prices. To mitigate credit risk, the Group makes use of margining and other forms of collateral or credit enhancement techniques where appropriate.

All wholesale exposures are allocated to a Macquarie rating on a scale that broadly corresponds to Standard & Poor's and Moody's Investor Services credit ratings. Each Macquarie rating maps to a Probability of Default estimate.

All wholesale counterparties and certain individual facilities are assigned a Loss Given Default estimate reflecting the estimated economic loss in the event of default occurring.

Macquarie wholesale ratings broadly correspond to Standard & Poor's credit ratings as follows:

Credit Rating	*Internal Rating*	*External Rating*
Investment Grade	MQ1 to MQ8	AAA to BBB
Below Investment Grade	MQ9 to MQ16	BB+ to C
Default	MQ99	Default

All loan assets are subject to recurring review and assessment for possible impairment. Where there is a deteriorating credit risk profile, the exposures are monitored on a monthly basis through the CreditWatch reports. The business remains responsible for the management of the counterparty and of the risk position, but RMG oversight is increased to ensure that positions are managed for optimal outcomes. When counterparties default, RMG and the business work together to resolve the issues and ensure provisioning is adequate.

A review of the credit portfolio that involves monitoring credit concentrations by counterparty, country, risk type, industry and credit quality is carried out quarterly and reported to the Macquarie Group Board semi-annually. Policies are in place to regulate large exposures to single counterparties or groups of counterparties.

The Macquarie Group has a country risk framework which covers the assessment of country risk and the approval of country risk limits. Where appropriate the country risk is covered by political risk insurance.

The balances disclosed in the credit risk tables below exclude financial assets that are subject to risks other than credit risk, such as equity investments, commodities, interests in associates and joint ventures or bank notes and coins.

Collateral and credit enhancements held

Cash and cash equivalents

No collateral is held in relation to cash and cash equivalents. These exposures are monitored daily per counterparty against internally approved risk limits.

Loan assets held at amortised cost

Macquarie lends to clients for investment and financing purposes. Where Macquarie lends for investment, Macquarie holds the investment as collateral. Of the loans held at amortised cost, R301m is fully collateralised.

Other financial assets at fair value through profit or loss

32. Risk management (continued)

Included in financial assets designated at fair value are term deposits of R920m which are supported by liabilities of R911m with limited recourse. Therefore the Group is not exposed to the credit risk of these assets.

Derivative financial instruments

Derivatives may be traded on an exchange (exchange traded) or they may be privately negotiated contracts, which are usually referred to as Over The Counter (OTC) derivatives.

Exchange traded contracts have reduced credit risk as the counterparty is a clearing house that is responsible for risk managing their members to ensure the clearing house has adequate resources to fulfil its obligations when they become due. Members are required to provide initial margins in accordance with the exchange rules in the form of cash or securities, and provide daily variation margins in cash to cover changes in market values.

Macquarie has exchange traded derivatives with positive replacement values (and for which counterparties would have had to place margin) as at 31 March 2015 of R794 million. Macquarie has also placed margins on proprietary positions with exchanges, the balance at 31 March 2015 being R83 million, which is recorded in Cash and cash equivalents.

For OTC derivative contracts, Macquarie often has master netting agreements (usually ISDA Master Agreements) with certain counterparties to manage the credit risk. The credit risk associated with positive replacement value contracts is reduced by master netting arrangements that in an event of default requires balances with a particular counterparty covered by the agreement (eg derivatives and cash margins) to be terminated and settled on a net basis. Macquarie also often executes a Credit Support Annex in conjunction with a master netting agreement, which facilitates the transfer of margin between parties during the term of arrangements, to mitigate counterparty risk arising from changes in market values of the derivatives.

Trade and other receivables

Other assets include R622m of unsettled equity trades which are traded on exchange. They have reduced credit risk as our counterparty is a clearing house responsible for settling the balances.

Collateral on securities borrowed

Securities borrowed are fully collateralised with highly liquid securities as they require collateral to be in excess of the loaned amount. The Group has credit exposure relative to excess collateral placed relative to the underlying securities borrowed.

Notes to the Consolidated Financial Statements

32. Risk management (continued)

Group - 2015	Investment grade	Below investment grade	Past due or individually impaired	Total
Cash and cash equivalents	5,656,007	85,431,263	-	91,087,270
Collateral on securities borrowed	5,423,524,532	97,830,000	-	5,521,354,532
Financial assets designated at fair value	4,335,910,410	445,048,584	-	4,780,958,994
Loans at amortised cost	874,245,515	301,521,559	-	1,175,767,074
Derivative financial instruments	794,207,605	111,488,858	-	905,696,463
Trade and other receivables	630,196,921	73,999	-	630,270,920
Intercompany	103,697,424	-	-	103,697,424
	12,167,438,414	**1,041,394,263**	**-**	**13,208,832,677**

Group - 2014	Investment grade	Below investment grade	Past due or individually impaired	Total
Cash and cash equivalents	11,642,357	528,802,431	-	540,444,788
Collateral on securities borrowed	12,357,414,645	20,304,931	-	12,377,719,576
Financial assets designated at fair value	4,627,109,173	132,359,592	-	4,759,468,765
Loans at amortised cost	673,095,660	329,386,041	-	1,002,481,701
Derivative financial instruments	1,250,096,531	209,956,184	-	1,460,052,715
Trade and other receivables	93,679,786	1,986,048	-	95,665,834
Intercompany	106,662,166	-	-	106,662,166
	19,119,700,318	**1,222,795,227**	**-**	**20,342,495,545**

Company - 2015	Investment grade	Below investment grade	Past due or individually impaired	Total
Cash and cash equivalents	5,656,006	85,431,263	-	91,087,269
Collateral on securities borrowed	5,423,524,532	97,830,000	-	5,521,354,532
Financial assets designated at fair value	4,335,910,410	445,048,584	-	4,780,958,994
Loans at amortised cost	874,245,515	301,521,559	-	1,175,767,074
Derivative financial instruments	794,207,605	111,488,858	-	905,696,463
Trade and other receivables	630,196,921	73,999	-	630,270,920
Intercompany	103,697,424	-	-	103,697,424
	12,167,438,413	**1,041,394,263**	**-**	**13,208,832,676**

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Trade and other receivables	93,679,786	1,986,048	-	95,665,834
Intercompany	106,662,166	-	-	106,662,166
	19,119,700,318	**1,222,795,227**	**-**	**20,342,495,545**

The mappings of external credit ratings are in line with those used by the Macquarie Group. Where appropriate, credit mitigants are in place including collateral, security structures and economic hedging.

There was a write down to assets related to African Bank Limited of R1m (2014: Rnil).

Intercompany balances have been classified according to Macquarie Group Ltd's credit rating.

32. Risk management (continued)

Foreign exchange risk

Foreign currency exposures arise from related party cost recoveries. No hedges have been entered to cover this risk.

Management monitors the exposure and minimises the risk through regular settlement of inter-group balances. All foreign exchange exposures are reviewed by management on a monthly basis.

The table below indicates the foreign currency markets to which the Group had significant exposure at 31 March on its intercompany assets.

Foreign currency exposure at the end of the reporting period

Group and Company

Foreign exchange	Movement in rate	2015 - Sensitivity of profit before tax	2014 - Sensitivity of profit before tax
AUD	+10%	75,646	(5,464,278)
EUR	+10%	(16)	(126,993)
GBP	+10%	104,459	(3,664,439)
HKD	+10%	(25,131)	(418,211)
USD	+10%	(10,794)	(466,992)
AUD	-10%	(75,646)	5,464,278
EUR	-10%	16	126,993
GBP	-10%	(104,459)	3,664,439
HKD	-10%	25,131	418,211
USD	-10%	10,794	466,992

Market risk

Market risk is the exposure to adverse changes in the value of the Group's trading portfolios as a result of changes in market prices or volatility. The Group is exposed to the following risks in each of the major markets in which it trades:

Equities: changes in the price and volatility of individual equities, equity derivatives, equity baskets and equity indices, including the risks arising from equity underwriting activity;

Interest rates: changes in the level, shape and volatility of yield curves, the basis between different interest rate securities and derivatives and credit margins;

Market risk of the Group is managed on a globally consolidated basis for Macquarie Group Limited ["MGL"] as a whole, including all subsidiaries, in all locations. Macquarie Group's internal approach to risk (i.e. not differentiating where the risk is taken within Macquarie) ensures that risks in subsidiaries are subject to the same rigour and risk acceptance decisions.

Equity Price Risk

The table below indicates the equity markets to which the Group had significant exposure at year end on its trading investment portfolio:

Group and Company

	Movement in equity price - %		Sensitivity of profit before tax - R	
Equity price risk	**2015**	**2014**	**2015**	**2014**
Listed and unlisted securities - South Africa	10%	10%	10,123,264	1,287,658
Listed and unlisted securities - South Africa	-10%	-10%	(10,123,264)	(1,287,658)

33. Off-balance sheet items

Non-cash collateral

Securities including shares, NCDs and bonds have been pledged and received during the year as collateral. Legal title to these securities passes from the lender to the borrower although the lender retains the right to recall the securities at any time. Assets pledged as security are never removed from the balance sheet and assets received as collateral are never recognised on the balance sheet.

The collateral is measured at fair value. These instruments are subject to master netting arrangements.

Group and Company	**2015**	**2014**
Collateral pledged	1,096,033,866	260,000,000
Liability related to collateral pledged	(991,783,080)	(248,318,266)
Collateral received	(305,873,840)	(5,075,320)
Asset related to collateral received	228,591,634	5,345,130
	26,968,580	**11,951,544**

Notes to the Consolidated Financial Statements

34. Valuation of financial instruments

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

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

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

- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The carrying value of the assets and liabilities approximate the fair value of those assets and liabilities for all classes disclosed below.

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

Group - 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
Trade portfolio assets	212,025,274	-	-	212,025,274
Derivative financial instruments	794,207,606	85,696,681	25,792,176	905,696,463
Financial assets at fair value through profit or loss	-	4,661,492,741	119,466,253	4,780,958,994
	1,006,232,880	**4,747,189,422**	**145,258,429**	**5,898,680,731**
Trade portfolio liabilities	(516,989,740)	-	-	(516,989,740)
Derivative financial instruments	(796,043,188)	-	-	(796,043,188)
Financial liabilities at fair value through profit or loss	-	(2,177,248,687)	(105,105,347)	(2,282,354,034)
	(1,313,032,928)	**(2,177,248,687)**	**(105,105,347)**	**(3,595,386,962)**

Group - 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Trade portfolio assets	278,792,996	-	-	278,792,996
Derivative financial instruments	1,234,277,940	225,774,774	-	1,460,052,714
Financial assets at fair value through profit or loss	-	4,655,067,158	104,401,607	4,759,468,765
	1,513,070,936	**4,880,841,932**	**104,401,607**	**6,498,314,475**
Trade portfolio liabilities	(353,003,426)	-	-	(353,003,426)
Derivative financial instruments	(1,529,835,425)	(45,621,101)	-	(1,575,456,526)
Financial liabilities at fair value through profit or loss	-	(4,034,516,270)	(94,648,537)	(4,129,164,807)
	(1,882,838,851)	**(4,080,137,371)**	**(94,648,537)**	**(6,057,624,759)**

Notes to the Consolidated Financial Statements

Company - 2015	Level 1	Level 2	Level 3	Total
Trade portfolio assets	212,025,274	-	-	212,025,274
Derivative financial instruments	794,207,606	85,696,681	25,792,176	905,696,463
Financial assets at fair value through profit or loss	-	4,661,492,741	119,466,253	4,780,958,994
	1,006,232,880	**4,747,189,422**	**145,258,429**	**5,898,680,731**
Trade portfolio liabilities	(516,989,740)	-	-	(516,989,740)
Derivative financial instruments	(796,043,188)	-	-	(796,043,188)
Financial liabilities at fair value through profit or loss	-	(2,177,248,687)	(105,105,347)	(2,282,354,034)
	(1,313,032,928)	**(2,177,248,687)**	**(105,105,347)**	**(3,595,386,962)**

Company - 2014	Level 1	Level 2	Level 3	Total
Trade portfolio assets	278,792,996	-	-	278,792,996
Derivative financial instruments	1,234,277,940	225,774,774	-	1,460,052,714
Financial assets at fair value through profit or loss	-	4,655,067,158	104,401,607	4,759,468,765
	1,513,070,936	**4,880,841,932**	**104,401,607**	**6,498,314,475**
Trade portfolio liabilities	(353,003,426)	-	-	(353,003,426)
Derivative financial instruments	(1,529,835,425)	(45,621,101)	-	(1,575,456,526)
Financial liabilities at fair value through profit or loss	-	(4,034,516,270)	(94,648,537)	(4,129,164,807)
	(1,882,838,851)	**(4,080,137,371)**	**(94,648,537)**	**(6,057,624,759)**

During the year there were no transfers of securities from Level 1 to Level 2 of the fair value hierarchy.

The following tables shows a reconciliation from beginning balances to ending balances for fair value measurements in Level 3 of the fair value hierarchy:

Group and Company - 2015	Derivative Financial Instruments	Financial assets at fair value through profit or loss	Financial liabilities at fair value through profit or loss
	R	R	R
Opening balance	-	104,401,607	94,648,537
Transfers to Level 2	12,937,488	-	-
Purchases	10,298,291	-	-
Total gains and losses in profit or loss	2,556,396	15,064,646	10,456,810
	25,792,175	**119,466,253**	**105,105,347**

Group and Company - 2014	Derivative Financial Instruments	Financial assets at fair value through profit or loss	Financial liabilities at fair value through profit or loss
	R	R	R
Opening balance	184,750,324	-	-
Transfers to Level 2	(184,750,324)	-	-
Purchases	-	103,000,000	93,019,586
Total gains and losses in profit or loss	-	1,401,607	1,628,951
	-	**104,401,607**	**94,648,537**

All of the gains and losses included in profit and loss for the period are included as net trading income in the statement of comprehensive income.

Notes to the Consolidated Financial Statements

During the year there were transfers out of Level 3 of the fair value hierarchy. This is due to the unobservable input driving less than 20% of the valuation. Unobservable inputs for derivative instruments include dividends and volatilities, while for financial instruments at fair value through profit and loss the fund prices are unobservable due to market data not being available.

The financial assets at fair value through profit and loss in level 3 represent investments into unlisted funds where the value is based on the Net Asset Value of the fund.

The financial liability at fair value through profit and loss in level 3 represents notes linked to the unlisted fund investments. As such, the Group has limited exposure to the underlying funds.

Sensitivity of Level 3 assets	**Change in variable**	**2015 - Sensitivity of profit before tax**	**2014 - Sensitivity of profit before tax**
Derivative financial instruments	20%	12,356,353	Not applicable
Financial assets at fair value through profit or loss	10%	11,946,625	10,440,161
Financial liabilities at fair value through profit or loss	10%	(12,019,140)	(10,494,099)
Derivative financial instruments	-20%	(14,020,443)	Not applicable
Financial assets at fair value through profit or loss	-10%	(11,946,625)	(10,440,161)
Financial liabilities at fair value through profit or loss	-10%	12,019,140	10,494,099

The details of the funds are as follows:

Group and Company - 2015	**% Holding**	**Holding R**	**Assets under management R**
Blue Ink Fixed Income Fund	9.3	59,255,743	635,470,476
Blue Ink Long Short Aggressive Fund	6.7	60,210,510	900,892,737

Group and Company - 2014	**% Holding**	**Holding R**	**Assets under management R**
Blue Ink Fixed Income Fund	10.4%	51,755,805	495,609,465
Blue Ink Long Short Aggressive Fund	11.2%	52,645,802	471,453,547

All of the gains and losses included in profit and loss for the period are included as net trading income in the statement of comprehensive income.

35. Contingent liabilities and commitments

Operating lease commitments

Where a Group company is the lessee, the future minimum lease payments under non-cancelable operating leases are as follows:

Group and Company

Lease of premises	**2015**	**2014**
No later than 1 year	221,580	2,420,968
Later than 1 year but less than 5 years	-	221,580
	221,580	**2,642,548**

36. Segment reporting

The business can be classified in three distinct segments. The trading segment contains the revenue generating activities comprising of derivative trading and providing financial solutions for corporate clients. The treasury segment contains capital management and stocklending activities which support the trading business and hence all amounts relating to the treasury segment are "inter-segment". The corporate head office contains support costs not allocated to the first two segments. It is not an operating segment, but reconciles to that of the group/company as a whole.

Segments have been classified based on the grouping that management uses for key decision making. Internal financial reporting is segregated in this manner for group reporting purposes. The Group is monitored as part of the global Macquarie Securities Group. Decision makers review financial information monthly at the segment level. The executive directors as described in the Report on Corporate Governance acts as the chief operating decision maker.

Group

2015	Trading	Treasury	Corporate Head Office	Total
Net interest income/(loss)	19,874,903	10,504,805	861,961	31,241,669
Net trading gain	140,448,953	4,042,976	21,115,177	165,607,106
Net profit/(loss)	69,733,724	380,955	(6,674,172)	63,440,507

2015	Trading	Treasury	Corporate Head Office	Total
Net Asset Value at year end	53,271,773	(16,364,737)	96,780,467	133,687,503

2014	Trading	Treasury	Corporate Head Office	Total
Net interest income	110,149,547	39,651,160	(12,892,440)	136,908,267
Net trading (loss)/gain	10,698,014	(15,110,059)	3,885,137	(526,908)
Net profit/(loss)	40,118,564	13,829,164	(33,349,226)	20,598,502

2014	Trading	Treasury	Corporate Head Office	Total
Net Asset Value at year end	78,273,877	177,707,226	(176,864,866)	79,116,237

Company

2015	Trading	Treasury	Corporate Head Office	Total
Net interest income	19,874,901	10,504,805	861,961	31,241,667
Net trading (loss)/gain	140,449,268	4,042,976	21,115,177	165,607,421
Net profit/(loss)	69,737,037	380,955	(6,674,172)	63,443,820

2015	Trading	Treasury	Corporate Head Office	Total
Net Asset Value at year end	53,271,772	(16,364,737)	96,780,467	133,687,502

2014	Trading	Treasury	Corporate Head Office	Total
Net interest income	110,149,530	39,651,160	(12,892,440)	136,908,250
Net trading (loss)/gain	10,697,788	(15,110,059)	3,885,136	(527,135)
Net profit/(loss)	40,118,321	13,829,164	(33,349,227)	20,598,258

2014	Trading	Treasury	Corporate Head Office	Total
Net Asset Value at year end	78,274,193	177,707,226	(176,864,868)	79,116,551

37. Reclassification of prior year figures

During the year the Group restated the current to non-current split of Loans from group companies. This gives a better representation of the liquidity related to the liabilities.

The prior year figures were reclassified as follows:

Group and company - 2014	**As previously stated - R**	**Reclassification - R**	**Restated - R**
Non-current liabilities - Loans from group companies	-	805,342,920	805,342,920
Current liabilities - Loans from group companies	4,117,273,872	(805,342,920)	3,311,930,952
	4,117,273,872	**-**	**4,117,273,872**