Spice Digital South Africa (Pty) Ltd
(Registration number 2011/010897/07)
Annual Financial Statements
for the year ended 31 March 2015

These annual financial statements were prepared by:
IE Sacks Accounting and Taxation Services CC

Sacks Rosin Neuhaus Inc.
Chartered Accountants (S.A.)
Registered Auditor

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Communication and related activities
Directors	Arun Nagar Ashish Shukla
Business address	8A-1 Sinosteel Plaza 159 Rivonia Drive Morningside Extension Sandton 0102
Holding company	Spice VAS (Africa) Pte Ltd incorporated in Singapore
Bankers	Standard bank
Auditors	Sacks Rosin Neuhaus Inc. Chartered Accountants (S.A.) Registered Auditor
Secretary	IE Sacks Accounting and Taxation Services CC
Company registration number	2011/010897/07
Tax reference number	9049617229
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

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

Level of assurance

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

Preparer

IE Sacks Accounting and Taxation Services CC

Published

30 April 2015

Spice Digital South Africa (Pty) Ltd
(Registration number 2011/010897/07)
Annual Financial Statements for the year ended 31 March 2015

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company 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 the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities 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 company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company 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 annual 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 company'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 company has or has access to adequate resources to continue in operational existence for the foreseeable future and as long as the subordination agreement referred to in note 4 remains in force.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 6 to 19, which have been prepared on the going concern basis which depends upon the subordination agreement referred to in note 4 remaining in force, were approved by the directors on 30 April 2015 and were signed on its behalf by:

Director

Sandton

30 April 2015

SACKS ROSIN NEUHAUS INC

Reg. No. 2009/001713/21

Chartered Accountants (S.A.)
Registered Auditors

DIRECTORS – BERNARD LEOPOLD NEUHAUS C.A. (S.A.), C.A. (SD), C.A. (L)
HILLY ROSIN C.A. (S.A.)

TELEPHONE: 011 640 2117
TELEFAX: 011 640 2125
EMAIL: wolffneuhaus@gmail.com

P O BOX 1105
HIGHLANDS NORTH
2037

10 BOUNDARY ROAD
ROUXVILLE
JOHANNESBURG
2192

Independent Auditors' Report

To the shareholder of Spice Digital South Africa (Pty) Ltd

We have audited the annual financial statements of Spice Digital South Africa (Pty) Ltd, which comprise the statement of financial position as at 31 March 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on 6 to 17.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual 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 whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual 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 annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual 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 annual financial statements present fairly, in all material respects, the financial position of Spice Digital South Africa (Pty) Ltd as at 31 March 2015, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act 71 of 2008.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the fact that the company incurred a net loss of R (12 704 988) (2014 - R9 193 378) for the year ended 31 March 2015 and as at that date, the company's total liabilities exceeded its total assets by R (30 168 396) (2014 - R 17 463 408). As stated in note 4 of the financial statements, the holding company has agreed to defer payment of the amount owing to them of R34 362 516 (2014 - R 19 593 374) and will continue to provide funding in the future to the company until such time as the assets, fairly valued exceed the liabilities of the company. These conditions indicate the existence of uncertainty which may cast doubt about the company's ability to continue as a going concern.

Other matter

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on pages 18 to 19 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Sacks Rosin Neuhaus Inc.
Registered Auditor

Per: H Rosin
Chartered Accountant (SA)
Registered Auditors

Directors' Report

The directors submit their report for the year ended 31 March 2015

1. Review of activities

Main business and operations

The company is engaged in communication and related activities and operates principally in South Africa.
Net loss of the company was R 12 704 988 (2014: loss R 9 193 378), after taxation of R - (2014, R -).

2. Going concern

We draw attention to the fact that at 31 March 2015, the company had accumulated losses of R (30 168 496) and that the company's total liabilities exceed its assets by R30 168 396.

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

The annual financial statements have been prepared on a liquidation basis. This basis presumes that all assets will be realised and liabilities settled within the following financial year

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company from the holding company until the company returns to profitability and that the subordination agreement referred to in note 4 of these annual financial statements will remain in force for so long as it takes to restore the solvency of the company
The fact that the total liabilities exceed the assets has not hindered the company's ability to pay its debts as they become due in the normal course of business and in view of the support rendered by the Holding Company

3. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year

4. Authorised and issued share capital

There were no changes in the authorised or issued share capital of the company during the year under review

5. Dividends

No dividends were declared or paid to the shareholder during the year.

6. Directors

The directors of the company during the year and to the date of this report is as follows.

Nationality	Changes
Arun Nagar	
Madhusudan Venkatachary	Resigned 30 March 2015
Subramanian Murali	Resigned 30 March 2015
Ashish Shukla	Appointed 30 March 2015

7. Secretary

The secretary of the company is I E Sacks Accounting And Taxation Services CC

8. Holding company

The company's holding company is Spice VAS (Africa) Pte Ltd.

9. Auditors

Sacks Rosin Neuhaus Inc. will continue in office in accordance with section 90 of the Companies Act 71 of 2008

DIRECTOR: ARUN NAGAR

DIRECTOR ASHISH SHUKLA

Statement of Financial Position

Figures in Rand	Note(s)	2015	2014
Assets			
Non-Current Assets			
Property, plant and equipment	2	3 586 650	1 285 244
Intangible assets	3	1 395 731	804 491
		4 982 381	2 089 735
Current Assets			
Loans to group companies	4	6 410	
Trade and other receivables	5	1 556 014	765 423
Cash and cash equivalents	6	388 198	503 070
		1 950 622	1 268 493
Total Assets		6 933 003	3 358 228
Equity and Liabilities			
Equity			
Share capital	7	100	100
Accumulated loss		(30 168 496)	(17 463 508)
		(30 168 396)	(17 463 408)
Liabilities			
Current Liabilities			
Loans from group companies	4	34 456 170	19 593 374
Trade and other payables	8	2 645 229	1 228 262
		37 101 399	20 821 636
Total Equity and Liabilities		6 933 003	3 358 228

Director

Director

Statement of Comprehensive Income

Figures in Rand	Note(s)	2015	2014
Revenue	9	2 295 373	1 253 908
Cost of sales	10	(430 921)	(1 367 369)
Gross profit (loss)		**1 864 452**	**(113 461)**
Other income		198 210	1 562
Operating expenses		(14 767 650)	(9 073 221)
Operating loss		**(12 704 988)**	**(9 185 120)**
Investment revenue		-	255
Finance costs	11	-	(8 513)
Loss for the year		**(12 704 988)**	**(9 193 378)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(12 704 988)**	**(9 193 378)**
Total comprehensive loss attributable to:			
Owners of the holding company		(12 704 988)	(9 193 378)

Statement of Changes in Equity

Figures in Rand	Share capital	Accumulated loss	Total equity
Balance at 01 April 2013	**100**	**(8 270 130)**	**(8 270 030)**
Changes in equity			
Total comprehensive loss for the year	-	(9 193 378)	(9 193 378)
Total changes	-	(9 193 378)	(9 193 378)
Balance at 01 April 2014	**100**	**(17 463 508)**	**(17 463 408)**
Changes in equity			
Total comprehensive loss for the year	-	(12 704 988)	(12 704 988)
Total changes	-	(12 704 988)	(12 704 988)
Balance at 31 March 2015	**100**	**(30 168 496)**	**(30 168 396)**
Note(s)	7		

Statement of Cash Flows

Figures in Rand	Note(s)	2015	2014
Cash flows from operating activities			
Cash used in operations	14	(7 728 914)	(5 080 925)
Interest income		-	255
Finance costs		-	(8 513)
Net cash from operating activities		**(7 728 914)**	**(5 089 183)**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(2 689 198)	(320 413)
Proceeds on disposal of property, plant and equipment	2	38 000	1 562
Purchase of other intangible assets	3	(812 327)	(804 491)
Net cash from investing activities		**(3 463 525)**	**(1 123 342)**
Cash flows from financing activities			
Loss on forex on group loan		(3 778 819)	(1 932 181)
Movement of loans from group companies		14 856 386	8 586 574
Net cash from financing activities		**11 077 567**	**6 654 393**
Total cash movement for the year		**(114 872)**	**441 868**
Cash at the beginning of the year		503 070	61 202
Total cash at end of the year	6	**388 198**	**503 070**

Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management are required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the annual financial statements, are outlined as follows:

1.2 Property, plant and equipment

Property, plant and equipment are tangible items that:
- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

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

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	7 years
Motor vehicles	Straight line	10 years
IT equipment	Straight line	3 years
Glo Benin IT equipment project	Straight line	5 years
Leasehold improvements	Straight line	7 years

The residual value, depreciation method and useful life of each asset are reviewed at each higher (lower) if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.3 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are initially recognised at cost.

All research and development costs are recognised as an expense unless they form part of the cost of another asset that meets the recognition criteria.

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

Accounting Policies

1.3 Intangible assets (continued)

Item	Useful life
Software development costs	5 years

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

1.4 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, are measured at fair value through profit and loss.

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.

The tax liability reflects the affect of the possible outcomes of a review by the tax authorities.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences.

Deferred tax assets and liabilities are measured at an amount that includes the effect of the possible outcomes of a review by the tax authorities using tax rates that, on the basis of enacted or substantively enacted tax law at the end of the reporting period, are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax asset balances are reviewed at every reporting date. When necessary, a valuation allowance is recognised against the deferred tax assets so that the net amount equals the highest amount that is more likely than not to be realised on the basis of current or future taxable profit.

Tax expenses

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 to equity.

Accounting Policies

1.6 Leases

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

Operating leases – lessee

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

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

1.7 Impairment of assets

The company assesses at each year date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any such indication , the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.8 Revenue

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

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

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.9 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.10 Foreign exchange

Foreign currency transactions

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

2. Property, plant and equipment

	2015			2014		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	416 238	(171 764)	244 474	487 832	(134 770)	353 062
Motor vehicles	762 925	(200 867)	562 058	762 925	(124 571)	638 354
IT equipment	341 464	(223 003)	118 461	313 923	(121 104)	192 819
Glo Benin IT equipment project	2 661 657	-	2 661 657	-	-	-
Leasehold improvements	174 180	(174 180)	-	174 180	(73 171)	101 009
Total	**4 356 464**	**(769 814)**	**3 586 650**	**1 738 860**	**(453 616)**	**1 285 244**

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	353 062	-	(47 424)	(61 164)	244 474
Motor vehicles	638 354	-	-	(76 296)	562 058
IT equipment	192 819	27 541	-	(101 899)	118 461
Glo Benin IT equipment project	-	2 661 657	-	-	2 661 657
Leasehold improvements	101 009	-	-	(101 009)	-
	1 285 244	**2 689 198**	**(47 424)**	**(340 368)**	**3 586 650**

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	422 754	-	(69 692)	353 062
Motor vehicles	600 415	107 930	(69 991)	638 354
IT equipment	77 275	212 483	(96 939)	192 819
Leasehold improvements	147 225	-	(46 216)	101 009
	1 247 669	**320 413**	**(282 838)**	**1 285 244**

The Glo Benin IT equipment project is a revenue sharing agreement with the operator Globacom located in Benin and all the IT equiopment acquired for this project were purchased from suppliers outside Sout Africa and delivered directly to and held at Globacom.

3. Intangible assets

	2015			2014		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Software development	1 616 818	(221 087)	1 395 731	804 491	-	804 491

Reconciliation of intangible assets - 2015

	Opening balance	Additions	Amortisation	Total
Software development	804 491	812 327	(221 087)	1 395 731

Reconciliation of intangible assets - 2014

	Opening balance	Additions	Total
Software development	-	804 491	804 491

Notes to the Annual Financial Statements

Figures in Rand	2015	2014

4. Loans to (from) group companies

Holding company

Spice VAS (Africa) Pte Ltd This loan is unsecured and interest free and the holding company has agreed to defer repayment of the amount owing until such time as the assets, fairly valued exceeds the liabilities of the company.	(34 362 516)	(19 593 374)

Fellow subsidiaries

Spice VAS Ghana Ltd	(57 354)	-
Spice VAS Tanzania Ltd	6 410	-
Spice Digital Nigeria Ltd	(36 300)	-
	(87 244)	**-**

The above loans are unsecured, interest free and have no fixed terms of repayment

Current assets	6 410	-
Current liabilities	(34 456 170)	(19 593 374)
	(34 449 760)	**(19 593 374)**

5. Trade and other receivables

Trade receivables	391 697	288 643
Prepayments	77 054	89 957
Deposits	314 901	325 651
VAT	721 771	61 172
Other receivables	50 591	-
	1 556 014	**765 423**

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	-	94
Bank balances	388 198	502 976
	388 198	**503 070**

7. Share capital

Authorised		
1000 Ordinary shares	1 000	1 000
Issued		
100 Ordinary shares	100	100

8. Trade and other payables

Trade payables	849 731	23 356
Imprest accounts	70 435	948
Taxes and duties	92 673	88 199
Other payables	1 632 390	1 115 759
	2 645 229	**1 228 262**

Notes to the Annual Financial Statements

Figures in Rand	2015	2014

9. Revenue

Sale of products and services	2 295 373	1 253 908

10. Cost of sales

Cost of products and services sold	430 921	1 367 369

11. Finance costs

Late payment of tax	-	8 513

12. Taxation

No provision has been made for 2015 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R23 197 955 (2014: R14 271 786).

13. Auditors' remuneration

Fees	50 000	65 300
Tax and secretarial services	841	1 200
	50 841	**66 500**

14. Cash used in operations

Loss before taxation	(12 704 988)	(9 193 378)
Adjustments for:		
Depreciation and amortisation	340 368	282 838
Loss (profit) on sale of assets	9 424	(1 562)
Loss on foreign exchange	3 778 819	1 932 181
Interest received	-	(255)
Finance costs	-	8 513
Impairment loss	221 087	-
Changes in working capital:		
Trade and other receivables	(790 591)	1 040 577
Trade and other payables	1 416 967	850 161
	(7 728 914)	**(5 080 925)**

Notes to the Annual Financial Statements

Figures in Rand	2015	2014

15. Related parties

Relationships

Holding company	Spice VAS (Africa) Pte Ltd
Fellow subsidiary	Spice VAS Ghana Ltd
Fellow subsidiary	Spice VAS Tanzania Ltd
Fellow subsidiary	Spice Digital Nigeria Ltd

Related party balances

	2015	2014
Loan accounts - Owing (to) by related parties		
Spice VAS Africa Pte Ltd	(34 362 516)	(19 593 374)
Spice VAS Ghana Ltd	(57 534)	-
Spice VAS Tanzania Ltd	6 410	-
Spice Digital Nigeria Ltd	(36 300)	-
Compensation to director		
Salary	1 029 108	255 000

16. Directors' remuneration

Executive

2015

	Emoluments	Total
Director	1 029 108	1 029 108

2014

	Emoluments	Total
Director	255 000	255 000

17. Comparative figures

Certain comparative figures with regard to expenditure items in the detailed income statment have been reclassified for improved disclosure. There has been no impact on the net income of the company.

Detailed Income Statement

Figures in Rand	Note(s)	2015	2014
Revenue			
Rendering of services		2 295 373	1 253 908
Cost of sales			
Purchases		(430 921)	(1 367 369)
Gross profit (loss)		**1 864 452**	**(113 461)**
Other income			
Bad debts recovered		180 122	-
Other income		18 088	-
Interest received		-	255
Gains on disposal of assets		-	1 562
		198 210	**1 817**
Expenses (Refer to page 19)		**(14 767 650)**	**(9 073 221)**
Operating loss		**(12 704 988)**	**(9 184 865)**
Finance costs	11	-	(8 513)
Loss for the year		**(12 704 988)**	**(9 193 378)**

The supplementary information presented does not form part of the annual financial statements and is unaudited

Detailed Income Statement

Figures in Rand	Note(s)	2015	2014
Operating expenses			
Advertising, marketing and promotions		4 095 414	197 999
Auditors' remuneration	13	50 841	66 500
Bad debts		-	180 696
Bank charges		19 589	25 338
Computer expenses		5 487	108 125
Consulting fees		458 000	354 320
Consumables		41 139	4 963
Depreciation, amortisation and impairments		561 455	282 838
Employee costs		3 532 241	3 820 634
General expenses		30 488	500
Insurance		55 173	43 666
Lease rentals on operating lease		627 730	533 934
Legal and professional fees		162 113	473 768
Licence and permits		4 000	-
Loss on disposal of assets		9 424	-
Loss on exchange differences		3 778 819	1 932 181
Motor vehicle expenses		153 810	86 166
Placement fees		180 650	100 000
Postage		55 305	15 425
Printing and stationery		9 037	13 725
Repairs and maintenance		9 341	6 796
Reveiwers fees		18 400	-
Staff welfare		41 359	10 039
Subscriptions		-	8 131
Telephone and fax		217 911	258 188
Travel and accomodation - local		421 278	94 059
Travel and accomodation- overseas		139 833	356 716
Utilities		20 532	15 659
Vat (recovered) disallowed		(51 024)	82 855
Web expenses		110 176	-
Work permits		9 129	-
		14 767 650	**9 073 221**

Directors' Report

The directors submit their report for the year ended 31 March 2015.

1. Review of activities

Main business and operations

The company is engaged in communication and related activities and operates principally in South Africa].

Net loss of the company was R 12 704 988 (2014: loss R 9 193 378), after taxation of R - (2014: R -).

2. Going concern

We draw attention to the fact that at 31 March 2015, the company had accumulated losses of R (30 168 496) and that the company's total liabilities exceed its assets by R30 168 396 .

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

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company from the holding company until the company returns to profitability and that the subordination agreement referred to in note 4 of these annual financial statements will remain in force for so long as it takes to restore the solvency of the company.

The fact that the total liabilities exceed the assets has not hindered the company's ability to pay its debts as they become due in the normal course of business and in view of the support rendered by the Holding Company.

3. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year.

4. Authorised and issued share capital

There were no changes in the authorised or issued share capital of the company during the year under review.

5. Dividends

No dividends were declared or paid to the shareholder during the year.

6. Directors

The directorss of the company during the year and to the date of this report is as follows:

	Changes
Arun Nagar	
Madhusudan Venkatachary	Resigned 30 March 2015
Subramanian Murali	Resigned 30 March 2015
Ashish Shukla	Appointed 30 March 2015

7. Secretary

The secretary of the company is I E Sacks Accounting And Taxation Services CC.

8. Holding company

The company's holding company is Spice VAS (Africa) Pte Ltd.

9. Auditors

Sacks Rosin Neuhaus Inc. will continue in office in accordance with section 90 of the Companies Act 71 of 2008.