

Wipro SA Broad Based Ownership Scheme SPV (RF) (Proprietary) Limited
(Registration number 2014/009869/07)
Annual financial statements
for the year ended 31 March 2017

Smith Yong and Associates
Chartered Accountants (SA)
Registered Auditors
Issued 31 May 2017

Wipro SA Broad Based Ownership Scheme SPV (RF) (Proprietary) Limited

Annual Financial Statements for the year ended 31 March 2017

General Information

Country of incorporation and domicile	South Africa
Director	Sibongile Mguda
Registered office	2 Maude Street The Forum 10th Floor Sandton 2196
Business address	2 Maude Street The Forum 10th Floor Sandton 2196
Postal address	2 Maude Street The Forum 10th Floor Sandton 2196
Holding entity	Wipro South Africa Broad Based Ownership Trust incorporated in South Africa
Auditors	Smith Yong and Associates Chartered Accountants (SA) Registered Auditors
Company registration number	2014/009869/07
Preparer	The annual financial statements were independently compiled by: Alchemy Financial Services Incorporated Professional Accountants (SA)

Wipro SA Broad Based Ownership Scheme SPV (RF) (Proprietary) Limited

Annual Financial Statements for the year ended 31 March 2017

Index

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

Index	Page
Director's Responsibilities and Approval	3
Independent Auditor's Report	4 - 5
Director's Report	6
Statement of Financial Position	7
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11 - 13
Notes to the Annual Financial Statements	14 - 17

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

Detailed Income Statement	18
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Preparer

Alchemy Financial Services Incorporated
Professional Accountants (SA)

Published

31 May 2017

Wipro SA Broad Based Ownership Scheme SPV (RF) (Proprietary) Limited

Annual Financial Statements for the year ended 31 March 2017

Director's Responsibilities and Approval

The director is required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is his 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 International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual 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 judgements and estimates.

The director acknowledges that he is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the director to meet these responsibilities, the director 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 director is 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 director has reviewed the company's cash flow forecast for the year to 31 March 2018 and, in light of this review and the current financial position, he is satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing 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 pages 4 to 5.

The annual financial statements set out on page 6, which have been prepared on the going concern basis, were approved by the on 31 May 2017 and were signed on their behalf by:

Approval of financial statements



S Mguda

Independent Auditor's Report

To the shareholder of Wipro SA Broad Based Ownership Scheme SPV (RF) (Proprietary) Limited

Opinion

We have audited the Annual Financial Statements of Wipro SA Broad Based Ownership Scheme SPV (RF) (Proprietary) Limited set out on pages 7 to 17, which comprise the Statement of Financial Position as at 31 March 2017, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Annual Financial Statements, including a summary of significant accounting policies.

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of Wipro SA Broad Based Ownership Scheme SPV (RF) (Proprietary) Limited as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The director is responsible for the other information. The other information comprises the Director's Report as required by the Companies Act 71 of 2008 of South Africa, which we obtained prior to the date of this report. Other information does not include the Annual Financial Statements and our auditor's report thereon.

Our opinion on the Annual Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Annual Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Annual Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the director for the Annual Financial Statements

The director is responsible for the preparation and fair presentation of the Annual Financial Statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008, and for such internal control as the director determine is necessary to enable the preparation of Annual Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Annual Financial Statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the Annual Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Annual Financial Statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Annual Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Statements, including the disclosures, and whether the Annual Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Smith Yong and Associates
Chartered Accountants (SA)
Registered Auditors

31 May 2017

Wipro SA Broad Based Ownership Scheme SPV (RF) (Proprietary) Limited

Annual Financial Statements for the year ended 31 March 2017

Director's Report

The director has pleasure in submitting his report on the annual financial statements of Wipro SA Broad Based Ownership Scheme SPV (RF) (Proprietary) Limited for the year ended 31 March 2017.

1. Review of financial results and activities

The annual 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.

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

2. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

3. Dividends

A dividend of R2,800,000 was declared and paid during the year under review.

4. Directorate

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

Director
Sibongile Mguda

There have been no changes to the directorate for the year under review.

5. Events after the reporting period

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

6. Going concern

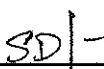
The director believes that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The director has satisfied himself that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The director is not aware of any new material changes that may adversely impact the company. The director is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

7. Auditors

Alchemy Audit Services Incorporated resigned as auditors and Smith Yong and Associates was appointed and will continue in office as auditors for the company for 2017.

The annual financial statements set out on page 6, which have been prepared on the going concern basis, were approved by the on 31 May 2017, and were signed on its behalf by:

Approval of financial statements



S Mguda

31 May 2017

Wipro SA Broad Based Ownership Scheme SPV (RF) (Proprietary) Limited

Annual Financial Statements for the year ended 31 March 2017

Statement of Financial Position as at 31 March 2017

Figures in Rand	Note(s)	2017	2016
Assets			
Non-Current Assets			
Investments in associate	2	137 610 000	137 610 000
Current Assets			
Trade and other receivables	3	3 600 000	8 943
Cash and cash equivalents	4	77 373	53 256
		3 677 373	62 199
Total Assets		141 287 373	137 672 199
Equity and Liabilities			
Equity			
Share capital	5	137 610 000	137 610 000
Retained income		541 996	(169 096)
		138 151 996	137 440 904
Liabilities			
Non-Current Liabilities			
Loan from related party	6	300 000	200 000
Current Liabilities			
Trade and other payables	7	2 835 377	31 295
Total Liabilities		3 135 377	231 295
Total Equity and Liabilities		141 287 373	137 672 199

Wipro SA Broad Based Ownership Scheme SPV (RF) (Proprietary) Limited

Annual Financial Statements for the year ended 31 March 2017

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	2017	2016
Other operating expenses		(79 683)	(113 630)
Operating loss	8	(79 683)	(113 630)
Investment income	9	3 601 746	2 933
Finance costs	10	(10 971)	-
Profit (loss) for the year		3 511 092	(110 697)
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		3 511 092	(110 697)

Wipro SA Broad Based Ownership Scheme SPV (RF) (Proprietary) Limited

Annual Financial Statements for the year ended 31 March 2017

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at 01 April 2015	137 610 000	(58 399)	137 551 601
Loss for the year	-	(110 697)	(110 697)
Other comprehensive income	-	-	-
Total comprehensive Loss for the year	-	(110 697)	(110 697)
Balance at 01 April 2016	137 610 000	(169 096)	137 440 904
Profit for the year	-	3 511 092	3 511 092
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	3 511 092	3 511 092
Dividends	-	(2 800 000)	(2 800 000)
Total contributions by and distributions to owners of company recognised directly in equity	-	(2 800 000)	(2 800 000)
Balance at 31 March 2017	137 610 000	541 996	138 151 996
Note(s)	5		

Wipro SA Broad Based Ownership Scheme SPV (RF) (Proprietary) Limited

Annual Financial Statements for the year ended 31 March 2017

Statement of Cash Flows

Figures in Rand	Note(s)	2017	2016
Cash flows from operating activities			
Cash generated from operations	13	(866 658)	(157 231)
Interest income		1 746	2 933
Dividend income		3 600 000	-
Finance costs		(10 971)	-
Tax received		-	(294 000)
Net cash from operating activities		2 724 117	(448 298)
Cash flows from investing activities			
Increase in loan from related party		100 000	200 000
Net cash from investing activities		100 000	200 000
Cash flows from financing activities			
Dividends paid	11	(2 800 000)	-
Total cash movement for the year		24 117	(248 298)
Cash at the beginning of the year		53 256	301 554
Total cash at end of the year	4	77 373	53 256

Wipro SA Broad Based Ownership Scheme SPV (RF) (Proprietary) Limited

Annual Financial Statements for the year ended 31 March 2017

Accounting Policies

Corporate information

Wipro SA Broad Based Ownership Scheme SPV (RF) (Proprietary) Limited is a public company incorporated and domiciled in South Africa.

The annual financial statements for the year ended 31 March 2017 were authorised for issue by the directors on 31 May 2017.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act 71 of 2008 of South Africa, as amended.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Investments in associates

Investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any cost directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

1.3 Financial instruments

Initial recognition and measurement

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

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

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

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

Loans to (from) group companies

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

Loans to group companies are classified as financial liabilities and measured at cost.

Wipro SA Broad Based Ownership Scheme SPV (RF) (Proprietary) Limited

Annual Financial Statements for the year ended 31 March 2017

Accounting Policies

1.3 Financial instruments (continued)

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

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.

1.4 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

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 an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

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.

Wipro SA Broad Based Ownership Scheme SPV (RF) (Proprietary) Limited

Annual Financial Statements for the year ended 31 March 2017

Accounting Policies

1.4 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, to other comprehensive income, 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.

1.5 Revenue

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

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

1.6 Translation of foreign currencies

Foreign currency transactions

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

At the end of the reporting period:

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

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.

Wipro SA Broad Based Ownership Scheme SPV (RF) (Proprietary) Limited

Annual Financial Statements for the year ended 31 March 2017

Notes to the Annual Financial Statements

Figures in Rand 2017 2016

2. Interest in Associate

Name of company	% holding 2017	% holding 2016	Carrying amount 2017	Carrying amount 2016
Wipro Technologies South Africa (Proprietary) Limited	30,50 %	30,50 %	137 610 000	137 610 000

The investment in Wipro Technologies South Africa (Proprietary) Limited consists of 37 shares of R1 each. The carrying amount of the associate is shown net of impairment losses.

3. Trade and other receivables

Amounts due from related parties	3 600 000	-
VAT	-	8 943
	<u>3 600 000</u>	<u>8 943</u>

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	<u>77 373</u>	<u>53 256</u>
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5. Share capital

Authorised

1 No Par value share	<u>-</u>	<u>-</u>
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Issued

1 No par value share	<u>137 610 000</u>	<u>137 610 000</u>
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6. Loans to (from) group companies

Holding entity

Wipro SA Broad-Based Ownership Trust	(300 000)	(200 000)
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The loan was unsecured, incurred interest at the Libor rate plus 200 basis points and has no fixed terms of repayment.

7. Trade and other payables

Amounts due to related parties	2 828 736	17 765
Other payables	6 641	13 530
	<u>2 835 377</u>	<u>31 295</u>

Wipro SA Broad Based Ownership Scheme SPV (RF) (Proprietary) Limited

Annual Financial Statements for the year ended 31 March 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
8. Operating profit (loss)		
Operating loss for the year is stated after charging (crediting) the following, amongst others:		
Expenses by nature		
The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:		
Other expenses	79 683	113 630
9. Investment income		
Dividend income		
From group entities:		
Associate - Local	3 600 000	-
Interest income		
From investments in financial assets:		
Bank and other cash	1 746	2 933
Total investment income	3 601 746	2 933
10. Finance costs		
Non-current borrowings	10 971	-
11. Dividends paid		
Dividends	(2 800 000)	-
12. Taxation		
Major components of the tax expense		
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	3 511 092	(110 697)
Tax at the applicable tax rate of 28% (2016: 28%)	983 106	(30 995)
Tax effect of adjustments on taxable income		
Provision for audit fees	1 860	1 548
Provision for audit fees prior year	(3 788)	(1 548)
Exempt income	(1 008 000)	-
Tax losses carried forward	26 822	30 995
	-	-

No provision has been made for 2017 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R (199 605) (2016: R 110 697).

Wipro SA Broad Based Ownership Scheme SPV (RF) (Proprietary) Limited

Annual Financial Statements for the year ended 31 March 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
13. Cash generated from (used in) operations		
Profit before taxation	3 511 092	(110 697)
Adjustments for:		
Dividend income	(3 600 000)	-
Interest income	(1 746)	(2 933)
Finance costs	10 971	-
Changes in working capital:		
Trade and other receivables	(3 591 057)	(8 836)
Trade and other payables	2 804 082	(34 765)
	<u>(866 658)</u>	<u>(157 231)</u>

14. Related parties

Relationships	
Holding company	Wipro South Africa Broad Based Ownership Trust
Associates	Refer to note 2

Related party balances

Loan accounts - Owning (to) by related parties		
Wipro SA Broad-Based Ownership Trust	(300 000)	(200 000)

Amounts included in Trade receivable (Trade Payable) regarding related parties

Wipro Technologies South Africa (Proprietary) Limited	3 600 000	(15 530)
Wipro SA Broad-Based Ownership Trust	(2 828 736)	(2 235)

Related party transactions

Dividend paid to (received from) related parties		
Wipro Technologies South Africa (Proprietary) Limited	(3 600 000)	-
Wipro SA Broad-Based Ownership Trust	2 800 000	-

Interest paid to (received from) related parties		
Wipro SA Broad Based Ownership Trust	10 971	-

15. Director's emoluments

Executive

2017

Sibongile Mguda	Director's fees	Total
	40 000	40 000

2016

Sibongile Mguda	Director's fees	Total
	40 000	40 000

Wipro SA Broad Based Ownership Scheme SPV (RF) (Proprietary) Limited

Annual Financial Statements for the year ended 31 March 2017

Notes to the Annual Financial Statements

Figures in Rand

2017

2016

16. Risk management

Financial risk management

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. The company uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (company treasury) under policies approved by the director. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the company's operating units. The director 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.

Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Interest rate risk

Based on the various scenarios, the company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the company raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the company borrowed at fixed rates directly. Under the interest rate swaps, the company agrees with other parties to exchange, at specified intervals (primarily quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts.

Credit risk

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

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

Foreign exchange risk

Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the company treasury. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the company use forward contracts, transacted with company treasury. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

Wipro SA Broad Based Ownership Scheme SPV (RF) (Proprietary) Limited

Annual Financial Statements for the year ended 31 March 2017

Detailed Income Statement

Figures in Rand	Note(s)	2017	2016
Other operating expenses			
Auditors remuneration - external auditors	8	(8 912)	(5 530)
Bank charges		(4 029)	(4 425)
Consulting and professional fees		(26 742)	(63 675)
Director's fees		(40 000)	(40 000)
		<u>(79 683)</u>	<u>(113 630)</u>
Operating loss	8	(79 683)	(113 630)
Investment income	9	3 601 746	2 933
Finance costs	10	(10 971)	-
Profit (loss) for the year		<u>3 511 092</u>	<u>(110 697)</u>

