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The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities (including the impact of available carryback and carryforward periods), projected future taxable income and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will realize the benefits of these deductible differences and carryforwards and no valuation allowance was considered necessary by management as of 31 March 2015 and 31 December 2014.

The estimated tax losses available for set off against future taxable income is \$45.7M as of 31 March 2015 (31 December 2014: \$32.3M), these losses will not expire. We believe that it is more likely than not, based on our projections of future taxable income that we will generate sufficient taxable income to realize the benefits of the deferred tax asset.

6. Derivative financial instrument—Swap

<u>in US dollar</u>	<u>2015</u>	<u>2014</u>
Held at fair value		
Nedbank of South Africa Limited	224,681	53,069
The Standard Bank of South Africa Limited	687,582	491,192
Derivative financial liability	912,263	544,261

The Company has entered into an interest rate swap with Nedbank of South Africa Limited to pay fixed interest as follows:

Effective date: 16 November 2012

Notional amount at 31 March 2015: \$13,600,064.

The rate was fixed as follows:

(i) For the period from and including 31 December 2013 up to and excluding 31 December 2018, 7.20%

(ii) For the period from and including 31 December 2018 up to and excluding 31 December 2025, 9.00%.

The Company has entered into an interest rate swap with Standard Bank of South Africa Limited to pay fixed interest as follows:

Effective date: 16 November 2012

Notional amount at 31 March 2015: \$26,204,151.

The rate was fixed as follows:

(i) For the period from and including 31 January 2014 up to and excluding 31 December 2018, 7.40%

(ii) For the period from and including 31 December 2018 up to and excluding 31 December 2028, 9.50%