

Table of Contents

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 December 2014 and 2013.

The estimated tax losses available for set off against future taxable income is \$32.3M (2013: \$9.2M), 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.

**5. Derivative financial instrument—Swap**

<b>In US dollar</b>	<b>2014</b>	<b>2013</b>
Held at fair value		
Nedbank of South Africa Limited	(53,069)	365,546
The Standard Bank of South Africa Limited	(491,192)	68,439
	(544,261)	433,985

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 December 2014: \$14,291,458.

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 December 2014: \$27,744,390.

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%

The Company has designated the swap as a cash flow hedge and has satisfied itself as to the economic relationship between the swap and the variability in cash flows from borrowings.

<b>In US dollar</b>	<b>2014</b>	<b>2013</b>
<b>Fair value hierarchy</b>		
Level 2	(544,261)	433,985

The hierarchy categorizes the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

F-245