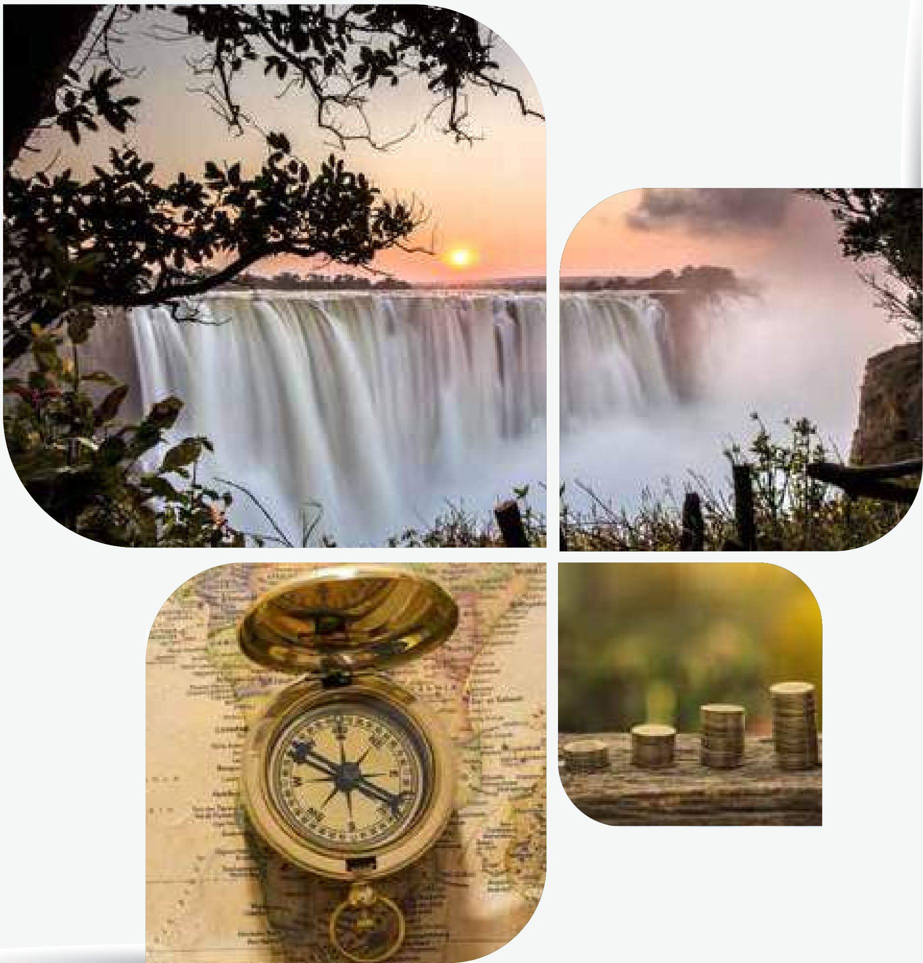
BRAINWORKS



Condensed Unaudited Consolidated Financial Statements

for the six months ended 30 June 2018

Brainworks Limited
(Incorporated in the Republic of Mauritius)
(Registration number 115883 C1/GBL)
(Share code: BWZ, ISIN MU0548S00000)

CONTENTS

CORPORATE INFORMATION

NON-EXECUTIVE DIRECTORS
Simon F.W. VILLAGE (Chairman)
Martin J. WOOD
Richard G. MUIRIMI
George S.J. BENNETT
Audrey M. MOTHUPI
Richard N. CHARRINGTON

EXECUTIVE DIRECTORS
Brett I. CHILDS (Chief Executive Officer)
Peter SAUNGWEME (Chief Finance Officer)

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COMPANY SECRETARY
Imara Trust Company (Mauritius) Limited
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Republic of Mauritius

REGISTERED OFFICE:
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Registration number: 115883 C1/GBL
JSE Share code: BWZ
ISIN: MU0548S00000

INDEPENDENT STATUTORY AUDITOR:
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Bryanston,
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Johannesburg,
South Africa

COMMENTARY

INTRODUCTION

The directors hereby present the condensed unaudited interim financial statements ("the interim financial statements") of Brainworks Limited ("the Company") together with its subsidiaries and associates ("the Group") for the period ended 30 June 2018.

FINANCIAL RESULTS

Revenue

The Group's revenue increased by 28% to close at US$31million relative to US$24million achieved during the 2017 comparable period. Revenue growth was recorded across all the Group's three main operating segments, with major growth being recorded by the hospitality segment. In line with the prior year, the hospitality segment remains the major contributor to Group total revenue, with contribution of 87% (US$27million) in line with same period in the prior year. Post elimination of intersegment revenues, the other business segments contributed US$4 million to the current period interim total revenues, up from US$3.2million recorded during the comparative period.

The hospitality business segment's revenue increased by 29% to close at US$27million compared to US$21million recorded over the same period in 2017. Both domestic and foreign revenue registered growth, achieving 26% and 32% respectively. The revenue growth was attributable to a 10 percentage points increase in occupancy rate from 45% reported last year to 55%. Occupancy growth was supported by strong performance from all the source markets, with local, international and regional rooms sold increasing by 16%, 26% and 22% respectively. The Group witnessed an exceptional increase in both local and foreign arrivals during what would have traditionally been trough periods. Improved hotel occupancy resulted in the average daily rate ("ADR") improving to US$97 from US$89 reported during the comparative period. As a result, revenue per available room ("RevPAR") firmed by 33% to US$53 from US$40 achieved last year.

Operating expenses

At US$20 million, the Group's operating expenses were relatively flat when compared to those recorded over the prior comparable period.

Finance costs

Total net finance charges for the period amounted to US$2.1million, 5% up from the US$2million recorded during the period ended 30 June 2017. The impact of the US$13.8 million (36%) reduction in the Group debt from US$38.3million at the beginning of the year to US$24.5million as at the end of the period under review did not yield a notable impact on the finance costs as the majority of this debt reduction was achieved towards the end of the period under review. The Group expects the impact to be more notable during the second half of the 2018 financial year.

Profitability

The Group recorded profit after tax of US$7.3million during the period under review, compared to losses of US$5.2million and US$8million for the interim period ended 30 June 2017 and year ended 31 December 2017 respectively. Growth in revenues against relatively flat operating expenses and other income of US$4.5million drove this strong performance.

Other income in particular includes profit realised from the disposal of the Group's equity investment in GetBucks Microfinance Bank Limited of US$3million, whilst the fair value gain from financial assets at fair value through profit or loss is largely driven by US$4.1million fair value gain recognised on reclassification of residual equity investment from investment in associate to financial assets at fair value through profit or loss.

These transactions are disclosed in note 7.

SIGNIFICANT TRANSACTIONS

The Group disposed of the following equity investments during the period under review:

COMMENTARY (CONTINUED)

SIGNFICANT TRANSACTIONS (CONTINUED)

a) Disposal of equity investment in GetBucks

During December 2017, the Group disposed of 163 769 298 of its shares (the "Shares") held in GetBucks Microfinance Bank Limited ("GetBucks") for a total consideration of US$5 453 518 ("the Transaction") to related parties as defined by the listing requirements of the JSE Limited. The JSE listing requirements prescribed that the Transaction be approved by the shareholders of the Company.

An extraordinary general meeting of shareholders of the Company was held on 4 May 2018 (the "Effective Date") and the requisite shareholder approvals to give effect to the Transaction were secured. The disposal of the Shares resulted in the Group's shareholding in GetBucks decreasing from 31.14 % to 16.14%.

The financial impact of the Transaction is disclosed in note 7.1.

The remaining 32 644 872 GetBucks shares were disposed of subsequent to the reporting date, resulting in the Group completing its exit from GetBucks. This transaction is more detailed on note 8.2.

b) Disposal of 100% equity investment in GetSure Life Assurance Company (Private) Limited

In line with the Group's strategy to completely exit the financial sercives sector, the Group sold its entire shareholding in GetSure Life Assurance Company (Private) Limited ("GetSure") on 30 June 2018. GetSure had hitherto been disclosed as part of "Financial services" on the Group's segment report.

The financial impact of the GetSure disposal is disclosed in note 10.

OUTLOOK

The second half of the year presents the Group's peak trading season. The Group expects conferencing and international market business to bolster performance, particularly in our Victoria Falls properties, where inward foreign arrivals have been on the increase. We anticipate that the New Victoria Falls Airport will continue to be a conduit for increased foreign arrivals into the destination. Various infrastructure projects accross the country, including Robert Gabriel Mugabe International Airport upgrade, Beitbridge to Chirundu road rehabilitation and Beitbridge border post development present opportunities which the Group is set to benefit from.

The real estate segment is expected to complete its maiden residential development project and sales thereof are expected to contribute to Group revenue growth for the year.

The Group will strive to achieve further debt reduction in the second half of the year.

FOR AND ON BEHALF OF THE BOARD

B. CHILDS
CHIEF EXECUTIVE OFFICER

P. SAUNGWEME
CHIEF FINANCE OFFICER

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

All figures in US$	**Notes**	**Unaudited 30 June 2018**	**Unaudited 30 June 2017**	**Audited 31 December 2017**
ASSETS				
Property and equipment		88 251 309	88 599 884	88 438 821
Investment property		21 876 764	23 982 605	22 254 000
Biological assets		-	165 137	-
Goodwill		8 261 050	8 261 050	8 261 050
Other intangible assets		-	219 195	152 906
Investments in associates	7	-	3 741 419	4 370 066
Deferred tax assets		728 068	813 984	1 343 037
Trade and other non-current assets		424 714	221 703	502 882
		119 541 905	**126 004 977**	**125 322 762**
Current assets				
Financial assets held at fair value through profit or loss	8	1 207 860	4 569 843	3 139 091
Inventory		7 800 178	5 597 521	7 151 702
Trade and other receivables		12 968 824	13 465 332	10 626 429
Cash and cash equivalents		8 986 825	4 600 243	10 544 319
		30 963 687	**28 232 939**	**31 461 541**
TOTAL ASSETS		**150 505 592**	**154 237 916**	**156 784 303**
EQUITY AND LIABILITIES				
Equity				
Stated capital	6.6	58 535 508	55 785 508	55 785 508
Other reserves		(952 394)	(928 090)	(916 141)
Retained earnings/(accumulated losses)		1 702 164	2 415 332	(3 394 300)
		59 285 278	**57 272 750**	**51 475 067**
Non controlling interests		35 082 830	31 177 055	34 151 255
Total equity		**94 368 108**	**88 449 805**	**85 626 322**
Non current liabilities				
Borrowings		6 446 362	12 291 921	9 935 373
Deferred tax liabilities		8 205 902	7 748 215	9 113 735
Trade payables		1 153 464	1 430 148	1 334 185
		15 805 728	**21 470 284**	**20 383 293**
Current liabilities				
Borrowings		18 035 313	25 027 059	28 388 655
Trade and other payables		22 252 329	17 817 315	19 014 783
Insurance liabilities		-	1 004 550	2 340 555
Income tax		44 114	468 903	1 030 695
		40 331 756	**44 317 827**	**50 774 688**
Total liabilities		**56 137 484**	**65 788 111**	**71 157 981**
TOTAL EQUITY AND LIABILITIES		**150 505 592**	**154 237 916**	**156 784 303**

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2018

All figures in US$	Notes	Unaudited 6 months ended 30 June 2018	Unaudited 6 months ended 30 June 2017	Audited Year ended 31 December 2017
Revenue	5	31 044 251	24 216 040	58 586 714
Cost of sales and other direct costs	5	(9 602 175)	(7 762 518)	(19 131 121)
Gross profit		**21 442 076**	**16 453 522**	**39 455 593**
Gain/(loss) from financial assets at fair value through profit or loss		3 812 373	(612 619)	(2 189 551)
Profit from disposal of associate	7.2	3 005 626	-	-
Loss from disposal of subsidiary	10.1	(947 341)	-	-
Other income		2 469 521	607 721	1 340 365
Operating expenses	5	(19 985 223)	(19 978 559)	(40 256 440)
		(11 645 044)	**(19 983 457)**	**(41 105 626)**
Operating profit/(loss) before finance cost		**9 797 032**	**(3 529 935)**	**(1 650 033)**
Net finance expense	**5**	**(2 099 406)**	**(1 911 834)**	**(4 242 066)**
Finance income		44 089	42 597	172 001
Finance expense		(2 143 495)	(1 954 431)	(4 414 067)
Share profit/(loss) of associates	7	512 289	574 383	(112 732)
Profit/(loss) before income tax		**8 209 915**	**(4 867 386)**	**(6 004 831)**
Income tax expense		(905 780)	(335 627)	(2 042 401)
Profit/(loss) for the period		**7 304 135**	**(5 203 013)**	**(8 047 232)**
Other comprehensive income				
Foreign currency translation (losses)/gains		(62 896)	11 663	32 399
Total comprehensive income/(loss) for the period		**7 241 239**	**(5 191 350)**	**(8 014 833)**
Profit/(loss) attributable to:				
Owners of the parent		5 674 352	(5 289 888)	(11 099 520)
Non-controlling interests		1 629 783	86 875	3 052 288
		7 304 135	**(5 203 013)**	**(8 047 232)**
Total comprehensive income/(loss) attributable to:				
Owners of the parent		5 638 099	(5 219 380)	(11 080 845)
Non-controlling interests		1 603 140	28 030	3 066 012
		7 241 239	**(5 191 350)**	**(8 014 833)**
Earnings/(loss) per share (cents)				
Basic	6.1	7.41	(6.99)	(14.68)
Diluted	6.2	7.41	(6.99)	(14.68)
Headline	6.3	(0.63)	(7.01)	(14.22)
Weighted average number of shares in issue	6.6	76 594 158	75 625 640	75 625 640
Number of shares in issue	6.6	78 531 196	75 625 640	75 625 640

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2018

		ATTRIBUTABLE TO OWNERS OF THE COMPANY						
All figures in US$	**Note**	**Stated Capital**	**Share capital and premium**	**Other reserves**	**(Accumulated losses)/ retained earnings**	**Total**	**Non-controlling interests**	**Total**
SIX MONTHS ENDED 30 JUNE 2018								
Balance as at 1 January 2018 (as previously stated)		**55 785 508**	**-**	**(916 141)**	**(3 394 300)**	**51 475 067**	**34 151 255**	**85 626 322**
Restatement as a result of adoption of IFRS 9	3.3.2	-	-	-	(442 888)	**(442 888)**	(325 481)	**(768 369)**
		55 785 508	**-**	**(916 141)**	**(3 837 188)**	**51 032 179**	33 825 774	**84 857 953**
Total comprehensive income:								
Profit for the period		-	-	-	5 674 352	**5 674 352**	1 629 783	**7 304 135**
Other comprehensive income for the period		-	-	(36 253)	-	**(36 253)**	(26 643)	**(62 896)**
Dividends declared and paid to non-controlling interests		-	-	-	-	**-**	(346 084)	**(346 084)**
Total comprehensive income for the period		**-**	**-**	**(36 253)**	**5 674 352**	**5 638 099**	**1 257 056**	**6 895 155**
Transactions with owners in their capacity as owners:								
Derecognition of treasury shares	6.6	2 750 000	-	-	(135 000)	**2 615 000**	-	**2 615 000**
		2 750 000	**-**	**-**	**(135 000)**	**2 615 000**	**-**	**2 615 000**
Balance as at 30 June 2018		**58 535 508**	**-**	**(952 394)**	**1 702 164**	**59 285 278**	**35 082 830**	**94 368 108**
SIX MONTHS ENDED 30 JUNE 2017								
Balance as at 1 January 2017		**-**	**58 535 508**	**(934 816)**	**7 705 220**	**65 305 912**	**31 085 243**	**96 391 155**
Total comprehensive income:								
Loss/(profit) for the period		-	-	-	(5 289 888)	**(5 289 888)**	86 875	**(5 203 013)**
Other comprehensive income		-	-	6 726	-	**6 726**	4 937	**11 663**
Total comprehensive income for the period		**-**	**-**	**6 726**	**(5 289 888)**	**(5 283 162)**	**91 812**	**(5 191 350)**
Transactions with owners in their capacity as owners:								
Conversion of par to no par value shares		58 535 508	(58 535 508)	-	-	**-**	-	**-**
Recognition of treasury shares	6.6	(2 750 000)	-	-	-	**(2 750 000)**	-	**(2 750 000)**
		55 785 508	**(58 535 508)**	**-**	**-**	**(2 750 000)**	-	**(2 750 000)**
Balance as at 30 June 2017		**55 785 508**	**-**	**(928 090)**	**2 415 332**	**57 272 750**	**31 177 055**	**88 449 805**

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2018 (CONTINUED)

		ATTRIBUTABLE TO OWNERS OF THE COMPANY						
All figures in US$	**Note**	**Stated Capital**	**Share capital and premium**	**Other reserves**	**Retained earnings/ (accumulated losses)**	**Total**	**Non-controlling interests**	**Total**
YEAR ENDED 31 DECEMBER 2017								
Balance as at 1 January 2017		**-**	**58 535 508**	**(934 816)**	**7 705 220**	**65 305 912**	**31 085 243**	**96 391 155**
Total comprehensive income:								
(Loss)/profit for the year		-	-	-	(11 099 520)	**(11 099 520)**	3 052 288	**(8 047 232)**
Other comprehensive income		-	-	18 675	-	**18 675**	13 724	**32 399**
Total comprehensive income for the year		**-**	**-**	**18 675**	**(11 099 520)**	**(11 080 845)**	**3 066 012**	**(8 014 833)**
Transactions with owners in their capacity as owners:								
Recognition of treasury shares		-	(2 750 000)	-	-	**(2 750 000)**	-	**(2 750 000)**
Conversion of shares to shares of no par value	6.6	55 785 508	(55 785 508)	-	-	**-**	-	**-**
Balance as at 31 December 2017		**55 785 508**	**-**	**(916 141)**	**(3 394 300)**	**51 475 067**	**34 151 255**	**85 626 322**

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2018

All figures in US$	Notes	Unaudited 6 months ended 30 June 2018	Unaudited 6 months ended 30 June 2017	Audited Year ended 31 December 2017
Operating cashflows before working capital changes		**5 420 300**	**(884 565)**	**6 337 178**
Working capital changes:				
Increase in inventory		(648 476)	(803 757)	(2 357 938)
(Decrease)/increase in trade and other receivables		(2 092 626)	312 994	(685 391)
Increase in trade and other payables		2 884 309	4 042 798	5 512 109
Cash generated from operations		**5 563 507**	**2 667 470**	**8 805 958**
Income tax paid		(1 623 606)	(298 267)	(581 123)
Interest received		44 089	42 597	172 001
Interest paid		(1 583 438)	(1 627 764)	(3 660 408)
Dividends received		61 375	108 988	283 178
Dividends declared and paid to non-controlling interests		(346 084)	-	-
Net cash generated from operating activities		**2 115 843**	**893 024**	**5 019 606**
Cash flows from investing activities				
Acquisition of financial assets at fair value through profit or loss		-	(289 500)	(435 680)
Proceeds from disposal of treasury shares	6.6.2	1 006 557	-	-
Proceeds from disposal of financial assets at fair value through profit or loss		2 641 497	-	90 000
Proceeds from disposal of property and equipment		565 262	413 334	983 315
Purchase of equipment		(2 371 212)	(1 712 043)	(3 276 078)
Capital expenditure on investment property		-	(6 370)	(62 267)
Cash and cash equivalents transferred on disposal of subsidiary	10.2	(482 511)	-	-
Net cash generated from/(used in) in investing activities		**1 359 593**	**(1 594 579)**	**(2 700 710)**
Cash flows from financing activities				
Proceeds from borrowings		88 296	6 279 405	19 125 974
Repayment of borrowings		(5 097 562)	(6 581 219)	(16 508 398)
Net cash (used in)/generated from financing activities		**(5 009 266)**	**(301 814)**	**2 617 576**
Net (decrease)/increase in cash and cash equivalents		**(1 533 830)**	**(1 003 369)**	**4 936 472**
Exchange (gains)/losses on cash and cash equivalents		(23 664)	10 602	14 837
Cash and cash equivalents at beginning of the period		10 544 319	5 593 010	5 593 010
Cash and cash equivalents at end of the period		**8 986 825**	**4 600 243**	**10 544 319**

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2018

1 GENERAL INFORMATION

Brainworks Limited (the "Company") and its subsidiaries and associates (together the "Group") has a diversified portfolio of business interests in hospitality, real estate, and energy logistics sectors in Zimbabwe.

Brainworks was incorporated in the Republic of Mauritius on 22 April 2013. The Company is domiciled in the Republic of Mauritius and has its registered office at c/o Imara Trust Company (Mauritius) Limited, Level 2 Silicone Avenue, Alexander House, 35 Ebène, Cybercity, Republic of Mauritius. The Company was listed on the Johannesburg Stock Exchange ("JSE") on 13 October 2017.

The Company is the holder of a Category 1 Global Licence under the Mauritius Companies Act 2001 and the Financial Services Act 2007.

2 BASIS OF PREPARATION

The condensed unaudited consolidated interim financial statements (the "interim financial statements") for the period ended 30 June 2018 have been prepared in accordance with the requirements of the JSE Limited Listings Requirements for interim reports. The Listings Requirements require interim reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), the preparation and disclosure requirements of International Accounting Standard 34 - Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council ("FRSC").

These interim financial statements have not been audited or reviewed by the Company's independent auditor.

The Chief Finance Officer, Peter Saungweme CA(Z), supervised the preparation of the interim financial statements. The accounting policies applied in the preparation of the interim financial statements are in terms of IFRS and are consistent with those applied in the previous interim financial statements for the period ended 30 June 2017 and year ended 31 December 2017, other than as described in note 3.

The interim financial statements do not contain all the notes of the type normally included in the annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2017, which were prepared in accordance with IFRS, and any public announcements made by the Company during the interim reporting period.

The interim financial statements are expressed in the United States of America dollar ("US$") and are prepared under the historical cost convention as modified by the fair valuation of financial assets at fair value through profit or loss and investment property.

3. ACCOUNTING POLICIES

The accounting policies adopted are prepared in accordance with IFRS and are consistent with those adopted in the preparation of the financial information for all the prior periods presented. Taxes on income in the interim period are measured using the tax rate that is expected to be applicable to the full year profit or loss.

3.1 New and amended standards adopted by the Group

a) IFRS 9 - Financial instruments

IFRS 9, 'Financial instruments', amended and effective 1 January 2018, replaces the guidance in IAS 39, Financial instruments: recognition and measurement, it includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

The Group had to change its accounting policies and make retrospective adjustments as a result of adopting IFRS 9 - Financial Instruments. The impact of the adoption of these standards and the new accounting policies are disclosed in 3.3 below.

b) IFRS 15 - Revenue from Contracts with Customers

IFRS 15, 'Revenue from contracts with customers', effective 1 January 2018, establishes principles for reporting useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

The standard resulted in changes in narratives for accounting policies but did not change the timing of revenue recognition for the Group.

The other standards and/or amendments that became effective during the period under review did not have an impact on the Group.

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2018 (CONTINUED)

3. ACCOUNTING POLICIES (CONTINUED)

3.2 Impact of standards issued but not yet adopted

IFRS 16 - Leases

IFRS 16 is effective on 1 January 2019, and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ("lessee") and the supplier ("lessor"). IFRS 16 is a far reaching change in accounting by lessees in particular.

Under IAS 17, 'Leases', lessees were required to make a distinction between a finance lease (on statement of financial position) and an operating lease (off statement of financial position). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short term leases and leases of low value assets. However, this exemption can only be applied by lessees.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group had cancellable operating lease arrangement for hotels leased from parties outside of the Group. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Group does not intend to adopt the standard before its effective date.

3.3 Impact of adoption of IFRS 9

This note explains the impact of the adoption of IFRS 9, "Financial instruments" on the Group's interim financial statements and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9, "Financial instruments" from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions in IFRS 9 (7.2.15) and (7.2.26), comparative figures have not been restated. The reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in the restated statement of financial position as at 31 December 2017, but are recognised in the opening retained earnings as at 1 January 2018.

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2018 (CONTINUED)

3. ACCOUNTING POLICIES (CONTINUED)

3.3 Impact of adoption of IFRS 9 (continued)

Classification and measurement

On 1 January 2018 (the date of initial application of IFRS 9), the Group's management assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories. The impact on classification and measurement of the classes of financial assets of the Group, as at 31 December 2017 on adoption of the new accounting policies is outlined below:

	IAS 39		IFRS 9	
Financial Assets	**Classification**	**Carrying amount US$**	**Classification**	**Carrying amount US$**
Listed equity security	Fair value through profit or loss	2 459 174	Fair value through profit or loss	2 459 174
Treasury bills	Fair value through profit or loss	679 917	Fair value through profit or loss	679 917
Trade receivables	Amortised cost (loans and receivables)	3 814 027	Amortised cost	3 128 584
Other receivables	Amortised cost (loans and receivables)	6 387 139	Amortised cost	6 166 486
Staff receivables	Amortised cost (loans and receivables)	928 145	Amortised cost	832 552
Cash and cash equivalents	Amortised cost (loans and receivables)	10 544 319	Amortised cost	10 544 319

Impairment of financial assets

The Group has financial assets that are subject to IFRS 9's new expected credit loss model. These comprise trade and other receivables, as well as cash and cash equivalents.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, no impairment loss was identified.

Impairment - trade and other receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and staff loans.

To measure the expected credit losses, the various categories of trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

On that basis, the loss allowance as at 1 January 2018 was determined as follows for trade receivables.

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2018 (CONTINUED)

3. ACCOUNTING POLICIES (CONTINUED)

3.3 Impact of adoption of IFRS 9 (continued)

Impairment of financial assets (continued)

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
1 January 2018						
Trade receivables						
Expected loss rate	6%	6%	8%	46%	96%	
Gross carrying amount	1 628 459	912 557	542 666	352 673	1 130 701	4 576 056
Loss allowance	(96 764)	(58 718)	(44 484)	(163 948)	(1 083 558)	(1 447 472)
Carrying amount	**1 531 695**	**853 839**	**498 182**	**188 725**	**47 143**	**3 128 584**

The loss allowances for trade receivables and other financial assets at armotised costs as at 31 December 2017 reconcile to the opening loss allowance on 1 January 2018 as follows:

All figures in US$	Trade receivables	Other financial assets at armotised cost	Total
As at 31 December 2017 - calculated under IAS 39	**762 029**	**629 106**	**1 391 135**
Increase in loss allowance charged to retained earnings	685 443	316 246	1 001 689
Opening loss allowance as at 1 January 2018 - calculated under IFRS 9	**1 447 472**	**945 352**	**2 392 824**

Impairment allowance of US$629 106 was allocated to trade receivables instead of other receivables as at 31 December 2017. The reallocation does not have an impact on previously disclosed total trade and other receivables disclosed on the statement of financial position.

Impairment - other financial assets at armotised cost

Other financial assets at amortised cost include staff loans and other receivables. Applying the expected credit loss model resulted in the recognition of an additional loss allowance of US$316 246 on 1 January 2018 (previous loss allowance was US$625 282).

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2018 (CONTINUED)

3. ACCOUNTING POLICIES (CONTINUED)

3.3 Impact of adoption of IFRS 9 (continued)

3.3.2 Impact on the financial statements

The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included.

All figures in US$	31 December 2017 As originally presented	IFRS 9 adjustment	1 January 2018 Restated
Statement of financial position (extract)			
Non-current assets			
Trade and other non-current assets	502 882	(1 912)	500 970
Current assets			
Trade receivables	3 814 027	(685 443)	3 128 584
Other receivables at armotised cost	6 812 402	(314 334)	6 498 068
	10 626 429	**(999 777)**	**9 626 652**
Total assets	**11 129 311**	**(1 001 689)**	**10 127 622**
Non-current liabilities			
Deferred tax liabilities	(9 113 735)	233 320	(8 880 415)
Net assets	**2 015 576**	**(768 369)**	**1 247 207**
Equity			
Accumulated losses	**(3 394 300)**	**(768 369)**	**(4 162 669)**

3.3.3 Impact on accounting policies applied from 1 January 2018

Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

i) those to be measured subsequently at fair value (either through Other comprehensive income ("OCI"), or through profit or loss); and

ii) those to be measured at amortised cost.

The classification depends on each entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2018 (CONTINUED)

3. ACCOUNTING POLICIES (CONTINUED)

3.3 Impact of adoption of IFRS 9 (continued)

3.3.3 Impact on accounting policies applied from 1 January 2018 (Continued)

Impairment

From 1 January 2018, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

4 SIGNIFICANT ESTIMATES

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the table above.

5 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

Revenue

The revenue from external parties reported to the Executive Committee is measured in a manner consistent with how revenue is measured in the statement of comprehensive income. The Group does not rely on any one specific customer as none of its customers contribute a minimum of 10% of its revenue. There has been no change in the basis of measurement or segmentation since the last annual financial statements.

The amounts provided to the Executive Committee with respect to total assets are measured in a manner consistent with that of the annual financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Description of segments and principal activities

Entity	Segment	2017	2016	Principal activities
African Sun Limited	Hospitality	√	√	Hotel and hospitality operations
Dawn Properties Limited	Real estate	√	√	Property holding, development and consulting.
Getsure Life Assurance (Private) Limited	Financial services	**	√	Life assurance products and services
FML Logistics (Private) Limited	Other	√	√	Fuel transportation services
Brainworks Capital Management (Private) Limited	Other	√	√	Investment holding company in Zimbabwe
Brainworks Limited	Other	√	√	Ultimate parent company in Mauritius

√ - denotes that the respective entity was part of the Group during the relevant year.
** - The entire equity interest in this sudsidiary was disposed of on 30 June 2018. Refer to note 10 for further disclosures.

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2018 (CONTINUED)

5 SEGMENT INFORMATION (CONTINUED)

Summarised segment information

	UNAUDITED					
All figures in US$	**Hospitality**	**Real estate**	**Financial services**	**Other**	**Eliminations**	**Group**
Six months ended 30 June 2018						
Revenue						
- external customers	27 041 297	1 564 951	1 154 826	1 283 177	**-**	**31 044 251**
- internal customers	-	1 518 535	-		**(1 518 535)**	**-**
	27 041 297	**3 083 486**	**1 154 826**	**1 283 177**	**(1 518 535)**	**31 044 251**
Cost of sales and other related costs	(8 202 848)	-	(752 159)	-	**(647 168)**	**(9 602 175)**
Gross profit	**18 838 449**	**3 083 486**	**402 667**	**1 283 177**	**(2 165 703)**	**21 442 076**
Operating expenses	(16 474 665)	(1 626 098)	(655 633)	(2 382 926)	**1 154 099**	**(19 985 223)**
Share of loss of associates	-	-	302 654	209 635	**-**	**512 289**
Operating profit before finance costs	4 229 398	1 540 328	3 724 928	1 773 668	**(1 471 290)**	**9 797 032**
Net finance (costs)/income	(319 793)	(128 191)	59 135	(1 782 179)	**71 622**	**(2 099 406)**
Profit/(loss)before income tax	**3 909 605**	**1 412 137**	**3 784 063**	**(8 511)**	**(887 379)**	**8 209 915**
Total assets as at 30 June 2018	**38 515 034**	**100 082 392**	**-**	**72 938 231**	**(61 030 065)**	**150 505 592**
Total assets include:						
Property and equipment	22 072 977	62 998 405	-	3 544 362	**(364 435)**	**88 251 309**
Goodwill	8 261 050	-	-	-	**-**	**8 261 050**
	30 334 027	**62 998 405**	**-**	**3 544 362**	**(364 435)**	**96 512 359**
Total liabilities as at 30 June 2018	**25 329 277**	**11 827 907**	**-**	**27 259 657**	**(8 279 357)**	**56 137 484**

	UNAUDITED					
Six months ended 30 June 2017						
Revenue						
- external customers	21 012 102	1 071 739	795 068	1 360 589	(23 458)	**24 216 040**
- internal customers	-	1 139 672	-	-	(1 139 672)	**-**
	21 012 102	**2 211 411**	**795 068**	**1 360 589**	**(1 163 130)**	**24 216 040**
Cost of sales and other related costs	(6 700 874)	-	(393 473)	(668 171)	-	**(7 762 518)**
Gross profit	**14 311 228**	**1 071 739**	**401 595**	**692 418**	**(23 458)**	**16 453 522**
Operating expenses	(14 363 132)	(1 653 698)	(539 641)	(3 385 508)	(36 580)	**(19 978 559)**
Share of profit of associates	-	-	-	574 383	-	**574 383**
Operating (loss)/profit before finance costs	507 171	585 211	222 528	(1 044 407)	(3 800 438)	**(3 529 935)**
Net finance (costs)/income	(470 622)	(141 631)	73 574	(1 373 155)	-	**(1 911 834)**
Profit/(loss) before tax	36 550	443 580	296 102	(5 643 618)	-	**(4 867 386)**
Total assets as at 30 June 2017	**32 532 846**	**95 366 523**	**5 371 770**	**100 014 406**	**(79 047 629)**	**154 237 916**
Total assets include:						
Property and equipment	20 886 916	886 968	200 058	3 964 140	62 661 802	**88 599 884**
Goodwill	8 261 050	-	-	-	-	**8 261 050**
	29 147 966	**886 968**	**200 058**	**3 964 140**	**62 661 802**	**96 860 934**
Total liabilities as at 30 June 2017	**25 670 143**	**10 811 016**	**1 428 694**	**40 594 705**	**(12 716 447)**	**65 788 111**

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2018 (CONTINUED)

5 SEGMENT INFORMATION (CONTINUED)

Summarised segment information

	AUDITED					
All figures in US$	**Hospitality**	**Real estate**	**Financial services**	**Other**	**Eliminations**	**Group**
Year ended 31 December 2017						
Revenue						
- external customers	51 827 232	2 161 573	1 880 963	2 716 946	-	**58 586 714**
- internal customers	-	2 970 210	-	-	(2 970 210)	**-**
	51 827 232	**5 131 783**	**1 880 963**	**2 716 946**	**(2 970 210)**	**58 586 714**
Cost of sales and other related costs	(15 444 453)	-	(2 343 465)	(1 343 203)	-	**(19 131 121)**
Gross profit/(loss)	**36 382 779**	**2 161 573**	**(462 502)**	**1 373 743**	**-**	**39 455 593**
Operating expenses	(31 022 450)	(2 919 369)	(1 118 175)	(7 437 786)	2 241 340	**(40 256 440)**
Operating profit(loss) before finance costs	6 905 535	4 228 147	(1 388 913)	(11 786 329)	391 527	**(1 650 033)**
Share of profit/(loss) of associates	-	-	829 745	615 289	(1 557 766)	**(112 732)**
Net finance costs/(income)	(1 046 123)	(327 280)	128 998	(3 165 296)	167 635	**(4 242 066)**
Profit/(loss) before tax	5 859 412	3 900 867	(430 170)	(14 336 336)	(998 604)	**(6 004 831)**
Total assets as at 31 December 2017	**39 226 663**	**97 987 352**	**5 926 758**	**78 456 611**	**(64 813 081)**	**156 784 303**
Total assets include:						
Property and equipment	21 284 122	63 326 245	144 583	4 063 741	(379 870)	**88 438 821**
Goodwill	8 261 050	-	-	-	-	**8 261 050**
	29 545 172	**63 326 245**	**144 583**	**4 063 741**	**(379 870)**	**96 699 871**
Total liabilities	**27 717 942**	**10 400 553**	**2 778 061**	**46 118 311**	**(15 856 886)**	**71 157 981**

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2018 (CONTINUED)

	All figures in US$	Unaudited 6 months ended 30 June 2018	Unaudited 6 months ended 30 June 2017	Audited Year ended 31 December 2017
6	**EARNINGS PER SHARE**			
6.1	Basic earnings/(loss) per share (cents)	7.41	(6.99)	(14.68)
6.2	Diluted earnings/(loss) per share (cents)	7.41	(6.99)	(14.68)
6.3	Headline loss per share (cents)	(0.63)	(7.01)	(14.22)
6.4	Diluted headline loss per share (cents)	(0.63)	(7.01)	(14.22)
6.5	**Reconciliation of earnings used in calculating earnings per share**			
	Earnings/(losses) attributable to owners of parent	5 674 352	(5 289 888)	(11 099 520)
	Adjusted to headline earnings as follows:			
	Loss from disposal of subsidiary	947 341	-	-
	Fair value gain on reclassification of investment in associate to financial assets held at fair value through profit or loss (note 7.1)	(4 082 299)	-	-
	Profit from disposal of investment in associate (note 7.2)	(3 005 626)	-	-
	Fair value loss on investment property	-	-	384 502
	Recycled foreign currency translation reserve	-	(11 663)	-
	(Profit)/loss from disposal of property and equipment	(162 931)	(5 100)	203 751
	Impairment of property and equipment	48 615	-	44 400
	Tax effect of headline earnings adjustments	40 823	-	(110 442)
	Total non-controlling effect of adjustments	54 077	4 937	(175 457)
	Headline losses attributable to owners of parent	**(485 648)**	**(5 301 714)**	**(10 752 766)**

	Number	Unaudited 6 months ended 30 June 2018	Unaudited 6 months ended 30 June 2017	Audited Year ended 31 December 2017
6.6	**Weighted average number of shares in issue**			
	Shares at the beginning of the period	75 625 640	863 061 948	863 061 948
	Share consolidation (note 6.6.1)	-	(776 755 753)	(776 755 753)
	Treasury shares (note 6.6.2)	-	(10 680 555)	(10 680 555)
	Derecognition of treasury shares (note 6.6.2)	968 518	-	-
	Shares at the end of the period	**76 594 158**	**75 625 640**	**75 625 640**
	Weighted average number of shares for basic earnings per share	76 594 158	75 625 640	75 625 640
	Weighted average number of shares for diluted earnings per share	76 594 158	75 625 640	75 625 640
	Number of shares in issue	78 531 195	75 625 640	75 625 640

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2018 (CONTINUED)

6 EARNINGS PER SHARE (CONTINUED)

6.6 Weighted average number of shares in issue (continued)

6.6.1 Share consolidation

In preparation of Brainworks Limited listing on the Johannesburg Stock Exchange in 2017, the Company consolidated the number of shares in issue on the basis of 1 new share for every 10 previously held.

6.6.2 Treasury shares

The treasury shares relate to shares in Brainworks Limited (the "Company") which are held by Brainworks Capital Management (Private) Limited ("BCM"). BCM is a wholly owned subsidiary of the Company. All the treasury shares are held through a nominee company called Adcone Holdings SA (the "nominee").

7 775 000 of the treasury shares arose from a 2015 Group re-organisation exercise which culminated in Brainworks Limited being the ultimate holding company, owning all the issued shares in BCM. BCM had hitherto been the holding company, holding all the issued shares of the Company. To achieve the Group re-organisation, the shareholders of BCM gave up their shares in BCM to Brainworks Limited as consideration, for which in return they received an equivalent number of shares with the same rights in Brainworks Limited.

At the time of the Group re-organisation, BCM had 7 775 000 of its own ordinary shares held as treasury shares, which shares were given up to Brainworks Limited. As consideration, BCM was issued with 7 775 000 ordinary shares in Brainworks Limited, which shares BCM holds through the nominee. The additional 2 905 556 which existed as at 31 December 2017 were acquired in January 2017 from the former Chief Executive Officer of the Company, in exchange for a receivable which was held by BCM.

2 905 556 treasury shares were disposed of to parties outside the Group for US$2 615 000, resulting in the recognition of a loss of US$135 000, which has been recognised directly in equity. US$1 006 557 of the total proceeds were received in cash, whilst the balance was used to settle a loan that was held by FML Logistics (Private) Limited. The 2 905 556 share have therefore been derecognized as treasury shares with effect from the same date. For earnings per share calculation purposes, these shares have been deemed to have been outstanding for only two months.

	All figures in US$	Unaudited 6 months ended 30 June 2018	Unaudited 6 months ended 30 June 2017	Audited Year ended 31 December 2017
6.7	**Net asset value per share**			
	Net assets (excluding non-controlling interests ("NCI"))	59 285 278	57 272 750	51 475 067
	Number of ordinary shares in issue	78 531 196	75 625 640	75 625 640
	Net asset value per share (cents)	**75.49**	**75.73**	**68.07**
6.8	**Net tangible asset value per share**			
	Net tangible assets	50 296 160	47 978 521	41 718 074
	Number of ordinary shares	78 531 196	75 625 640	75 625 640
	Net asset value per share (cents)	**64.05**	**63.44**	**55.16**
	Reconciliation of net asset to net tangible assets			
	Net assets (excluding NCI)	**59 285 278**	**57 272 750**	**51 475 067**
	Non-tangible assets	(8 989 118)	(9 294 229)	(9 756 993)
	Goodwill	(8 261 050)	(8 261 050)	(8 261 050)
	Deferred tax assets	(728 068)	(813 984)	(1 343 037)
	Other intangible assets	-	(219 195)	(152 906)
	Net tangible assets	**50 296 160**	**47 978 521**	**41 718 074**

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2018 (CONTINUED)

7 INVESTMENT IN ASSOCIATES

7.1 Disposal of investment in associate

During December 2017, the Group initiated disposal of 163 769 298 of its shares (the "Shares") held in GetBucks Microfinance Bank Limited ("GetBucks") for a total consideration of US$5 453 518 ("the Transaction") to related parties as defined by the listing requirements of the JSE Limited. Pending approval of the Transaction, the buyers advanced the Group the total consideration of US$5 453 518 as a loan bearing interest at 9% per annum which was going to be settled through delivery of the Shares on approval of the Transaction by the Company's shareholders. The interest accrued was also going to be settled by a commensurate number of shares at a pre-agreed price of US$0.0333 per share. The JSE listing requirements prescribed that the Transaction be approved by the shareholders of the Company.

An extraordinary general meeting of shareholders of the Company was held on 4 May 2018 (the "Effective Date") and the requisite shareholder approvals to give effect to the Transaction were secured.

The disposal of the 163 769 298 shares resulted in the Group's shareholding in GetBucks decreasing from 31.14 % to 16.14%. The Group concluded that the Transaction resulted in the loss of significant influence over GetBucks. As a result, the Group reclassified the remaining equity investment in GetBucks from investment in associates to financial assets at fair value through profit or loss with effect from the Effective Date.

The impact of the Transaction on the financial statements is as follows:

All figures in US$	Unaudited 6 months ended 30 June 2018	Unaudited 6 months ended 30 June 2017	Audited Year ended 31 December 2017
Balance as at the beginning of the period	4 370 066	3 276 024	3 276 024
Additional investment in GetCash	-	-	1 489 952
Share of profit/(loss) of associate	512 289	574 383	(112 732)
Dividends paid	(149 836)	(108 988)	(283 178)
Equity accounted carrying amount of total investment before the Transaction	**4 732 519**	**3 741 419**	**4 370 066**
Disposal in terms of the Transaction	(2 272 507)	-	-
Equity accounted carrying amount of remaining investment	**2 460 012**	**3 741 419**	**4 370 066**
Fair value gain on remeasurement of carrying amount of equity accounted investment to financial asset at fair value through profit or loss*	4 082 299	-	-
Transfer to financial assets at fair value through profit or loss	(6 542 311)	-	-
Balance as at the end of the period	**-**	**3 741 419**	**4 370 066**

** - included in "loss/(gain) from financial assets at fair value through profit or loss" in the statement of comprehensive income.*

The fair value of the investment in GetBucks as at the date of disposal of the shares was determined based on the Zimbabwe Stock Exchange price.

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2018 (CONTINUED)

7 INVESTMENT IN ASSOCIATES (CONTINUED)

7.2 Profit from disposal of associate

Included in "Other income" for the interim period ended 30 June 2018 is profit of US$3 005 626 realised from the disposal of the equity investment in GetBucks as disclosed above. The profit has been determined as follows:

All figures in US$	Unaudited 6 months ended 30 June 2018
Consideration received	5 453 518
Transaction costs	(175 385)
Net proceeds	**5 278 133**
Equity carrying amount of investment portion sold (note 7.1)	(2 272 507)
Profit on disposal of associate (included in "Other income")	**3 005 626**

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

All figures in US$	Unaudited 6 months ended 30 June 2018	Unaudited 6 months ended 30 June 2017	Audited Year ended 31 December 2017
Balance as at the beginning of the period	**3 139 091**	**4 892 962**	**4 892 962**
Purchases of treasury bills	-	289 500	435 680
Transfer from investment in associates (GetBucks shares) (note 7.1)	6 542 311	-	-
Fair value gains/(losses)	979 561	(612 619)	(2 189 551)
Disposals	(6 807 144)	-	-
MyBucks listed equity investment	(3 438 785)	-	-
Sale of GetBucks shares after reclassification from investment in associate (note 8.2)	(3 368 359)	-	-
Maturity of treasury bills	(155 773)	-	-
GetBucks shares given up to settle interest on a loan post reclassification from investment in associate (note 8.1)	(269 646)	-	-
Derecognition of financial assets at fair value through profit or loss on disposal of subsidiary (note 10.2)	(2 220 540)	-	-
Balance as at the end of the period	**1 207 860**	**4 569 843**	**3 139 091**
As at the end of the period:			
Financial assets at fair value through profit or loss comprise the following:			
Listed MyBucks shares	-	4 124 613	2 459 174
Treasury Bills	-	445 230	679 917
Listed GetBucks shares*	1 207 860	-	-
	1 207 860	**4 569 843**	**3 139 091**

** represents 32 644 872 shares at a Zimbabwe Stock Exchange listed price of US$0.037 per share.*

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2018 (CONTINUED)

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

8.1 Settlement of interest through delivery of GetBucks shares

As noted in note 7.1, the Group had a commitment to settle interest accruing on a US$5 453 518 loan ("the Loan). The total interest that accrued on the Loan amounted to US$242 681. The interest was calculated up to 7 June 2018 which was the settlement date of the interest. The Group transferred 7 287 734 GetBucks shares at the pre-agreed price of US$0.0333 per share. The fair value price per share based on the Zimbabwe Stock Exchange price on settlement date was US$0.037 per share. This resulted in the recognition of a loss of US$26 965. The GetBucks shares given up were derecognized at their aggregate fair value of US$269 646.

8.2 Other disposal of GetBucks shares

Subsequent to the reclassification of the investment in GetBucks shares from investment in associate to financial assets at fair value through profit or loss, the Group disposed of 91 036 739 GetBucks shares to a third party ("the Buyer"). As consideration, the Buyer agreed to settle in full the Group's outstanding loan with GetBucks of US$3 064 219. The fair value of the shares transferred, based on the ZSE quoted price of US$0.037 per share was US$3 369 507. This resulted in the recognition of loss on disposal of US$305 288. The loss is included in "Other income".

9 FAIR VALUE MEASUREMENTS

9.1 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions, leasing transactions, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in 'inventories' or value in use in 'impairment of assets'.

9.2 Fair value hierarchy

Fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Group has the ability to access;

Level 2 - inputs are other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly. Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means; and

Level 3 - inputs are unobservable inputs for the asset or liability inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for the listed equities; and
- the fair values for treasury bills have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2018 (CONTINUED)

9 FAIR VALUE MEASUREMENTS (CONTINUED)

9.2 Fair value hierarchy (continued)

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels as follows:

All figures in US$	Level 1	Level 2	Level 3	Total
Recurring fair value measurements as at 30 June 2018				
Financial assets				
Financial assets at fair value through profit or loss:				
- Zimbabwe Stock Exchange listed equity securities	1 488 185	-	-	**1 488 185**
Recurring fair value measurements as at 30 June 2017				
Financial assets				
Financial assets at fair value through profit or loss:				
- Frankfurt Stock Exchange listed equity securities	4 124 613	-	-	4 124 613
- Treasury bills	-	-	445 230	445 230
Total	**4 124 613**	**-**	**445 230**	**4 569 843**
Recurring fair value measurements as at 31 December 2017				
Financial assets				
Financial assets at fair value through profit or loss:				
- Frankfurt Stock Exchange listed equity securities	2 459 224	-	-	2 459 224
- Treasury bills	-	-	679 867	679 867
Total	**2 459 224**	**-**	**679 867**	**3 139 091**

9.3 Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 30 June 2018 and 30 June 2017, and the year ended 31 December 2017:

	TREASURY BILLS		
All figures in US$	**Unaudited 6 months ended 30 June 2018**	**Unaudited 6 months ended 30 June 2017**	**Audited Year ended 31 December 2017**
At the beginning of the period/year	**679 867**	**155 730**	**155 730**
Treasury bills - purchased during the period/year	-	289 500	435 630
Treasury bills - matured during the period/year	(155 773)	-	-
Fair value gain recognised on Treasury bills	-	-	88 507
Derecognition on disposal of subsidiary (note 10.2)	(524 094)	-	-
Balance at the end of the period/year*	**-**	**445 230**	**679 867**

** the period/year end balance is included in "financial assets at fair value through profit or loss" on the statement of financial position.*

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2018 (CONTINUED)

10 DISPOSAL OF A SUBSIDIARY

On 30 June 2018, the Group sold 100% of its equity investment in GetSure Life Assurance Company (Private) Limited. The disposal was part of the Group's strategy to exit its financial services sector investments. GetSure had hitherto been disclosed as part of "Financial services" on the Group's segment report.

	All figures in US$	Unaudited 6 months ended 30 June 2018
10.1	**Loss on sale of subsidiary**	
	Consideration receivable	6 203 190
	Carrying amount of net assets sold (note 10.2)	7 150 531
	Loss on disposal (included in "Other income")	**(947 341)**
10.2	**Net assets sold on disposal of subsidiary**	
	The carrying amount of assets and liabilities as at the date of disposal (30 June 2018) were as follows:	
	Total assets	
	Investment property	380 000
	Equipment	127 774
	Intangible assets	130 809
	Financial assets at fair value through profit or loss	2 220 540
	Trade and other receivables	6 964 833
	Cash and cash equivalents	482 511
		10 306 467
	Total liabilities	
	Trade creditors	649 285
	Insurance liabilities	2 505 336
	Deferred tax liability	1 315
		3 155 936
	Net assets	**7 150 531**

11 MATERIAL RELATED PARTY TRANSACTIONS

Included in the current portion of the borrowings as at 30 June 2018 is an amount of US$2.5million due to Mr. Christopher Rokos which was advanced to the Company in December 2017. The loan, which is unsecured, bears interest at 15% per annum and is due for full repayment on demand.

Mr. Rokos has a significant indirect beneficial shareholding in the Company.

NOTES TO THE CONDENSED UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2018 (CONTINUED)

12 SUBSEQUENT EVENTS

Disposal of the Group's remaining investment in GetBucks

Subsequent to the reporting date, the Group sold its entire remaining shareholding in GetBucks of 32 644 872 shares to complete its strategy of exiting the financial services sector.

13 CONTINGENT LIABILITY

Tax claims against Brainworks Capital Management (Private) Limited

The Group is defending historical tax claims from the Zimbabwe Revenue Authority ("ZIMRA") arising from prior year assessments issued by ZIMRA to BCM in relation to Value Added Tax, Pay As You Earn, Income Tax and Withholding Tax. The total claims comprise of taxes of US$10.75million and penalties and interest of US$10.18million. Based on advice from independent legal counsel and tax experts that these claims are unsustainable, BCM filed an appeal with the relevant tax courts in Zimbabwe.

14 GOING CONCERN

As at 30 June 2018, the Group's current liabilities exceeded its current assets by US$9.4million. Loans maturing within the next 12 months amounted to US$18million, US$15million of which was jointly due by Brainworks Capital Management (Private) Limited and Brainworks Limited. The balance of US$3million was held at the operating subsidiaries level.

In spite of the working capital still being negative as at 30 June 2018, the current position reflects notable improvement relative to the negative working capital positions of US$16.1million and US$19.3million as at 30 June 2017 and 31 December 2017 respectively. The improvement is largely attributable to the reduction in total Group debt from US$37.3million as at 30 June 2017 to US$24.5million as at 30 June 2018.

The Group is continuously considering mechanisms to raise equity capital. Further announcements will be made as the Company progresses.

The Board has therefore not identified events or conditions that individually or collectively cast significant doubt on the ability of the Company and/or the Group to continue as a going concern.

15 DIVIDEND

No dividend was declared during the interim period.