Integrated Annual Report 2019

AVIOR

Discovering growth.

The Avior Group is an independent, globally recognised capital markets research and trading firm.

Avior is listed on the JSE. The Group's clients consist of institutional, corporate and private clients.

The specialised services in the business include in-depth and insightful JSE equity research, frontiers research, global trading, derivatives and fixed income trading, corporate broking and wealth services. The trading services offer both high-touch and electronic access to over 200 institutional clients, providing access to 31 equity markets.

The Group has a high reinvestment rate into its team and capabilities. The internal code of conduct seeks to minimise conflicts of interest, to put clients first. The services of the Avior Group have been consistently recognised in surveys such as the FM Survey and the JSE Spire Awards.

Avior has offices in Johannesburg and Cape Town in South Africa, in London in the UK and has recently established an office in the US.

Contents

By looking beyond what is
Equipped with the knowledge of what could be
Connecting to the potential of our clients
Understanding their aspirations and
Contributing to their success

For us that's

Discovering Growth

ABOUT THIS REPORT

/ Report Scope and Boundary, Material Matters, Disclaimer

Report Scope and Boundary, Material Matters, Disclaimer

Report Scope and Boundary

Avior is pleased to present the IAR for the period 1 May 2018 to 30 April 2019. An IAR of this nature is produced annually with the purpose to provide stakeholders with an overview of the market environment, strategic objectives, operations, business risks and governance framework for the respective reporting period. The IAR should be read together with the Group AFS for a comprehensive overview of the Avior Group.

This report is guided by the IIRC and the King IV™* report. The IIRC sets out six capitals, which businesses may integrate as part of their agenda and reporting, being financial, manufactured, human, intellectual, natural and social relationship capital. The Companies Act, the King IV™ principles and the JSE Listings Requirements form an integral part of the corporate governance framework within which the Avior Group operates. Avior welcomes the objectives set out in the King IV™ report and continuously strives to entrench the governance outcomes within the business and Avior's corporate governance framework.

Avior recognises that integrated reporting is a journey and the Company is committed to moving towards a more integrated approach to reporting by making incremental improvements on a year-on-year basis. In this IAR, improvements have been made to the business model, the six capitals and the disclosure on risk and risk mitigation.

Any disclosures on B-BBEE information only apply to the South African operations of the Avior Group.

Group Annual Financial Statements and Annual General Meeting Notice

The statutory AFS are prepared in accordance with IFRS, the JSE Listings Requirements and the requirements of the Companies Act.

The IAR includes the notice of AGM and these documents are available on Avior's website (www.avior.co.za). Printed copies are available on request from representatives of the Company Secretary, Melinda Gous or Andrea Botha (melinda@fusioncorp.co.za or andrea@fusioncorp.co.za). All shareholders will be provided with the date and time of the AGM via mobile phone text messages or email. If the email or mobile phone number of a shareholder is not available, the notice of the AGM together with the abbreviated AFS will be posted.

Materiality

Avior acknowledges the principle of materiality. Those matters that could substantively affect the ability of the organisation to create value over the short, medium or long term has been applied in determining the content of this IAR.

The most material issues that may affect Avior's ability to be sustainable includes:

- / The uncertain economic climate in South Africa and globally, especially the uncertainty facing emerging markets.
- / The related fluctuations in the value of the Rand.
- / Regulation of financial markets.

Within this context, the Group:

- / Continues to develop a diversified portfolio and services.
- / Progresses in the jurisdictional expansion and risk mitigation by establishing offices in the US.
- / Recruits and invests in high calibre staff.
- / Implements strict cost containment measures.
- / Takes all appropriate measures to ensure that the Group is resilient in the current climate.

Assurance

Avior applies a combined assurance model to ensure a coordinated approach to assurance activities. The Audit and Risk Committee oversees the assurance activities and the establishment of effective systems of internal control. This provides reasonable assurance that the financial and non-financial objectives of Avior are achieved in line with its strategy.

Forward Looking Statements

The IAR contains certain statements that are forward-looking. By their very nature, such statements cannot be considered guarantees of future outcomes as they are dependent on events and circumstances, the predictability of which is uncertain and not necessarily within the organisation's control. The Board therefore advises users of the IAR to exercise caution regarding the interpretation and use of any forward-looking statements in the report. Avior welcomes feedback via email at kevin@avior.co.za.

Accountability Statement of the Board of Avior

The Board acknowledges its responsibility to ensure the integrity of this IAR, which the Board believes addresses the material issues that have a bearing on the Group's capacity to create value and presents the integrated performance of the Group. This report was approved by the Board of Directors on 26 July 2019 and is signed on its behalf by:

Stephan David Price
Chairperson

Peter Koutromanos
CEO

*An original copy of the report has been signed by the Chairperson and the CEO.

ABOUT AVIOR

AVIOR

Our Values

Clients
- / Put the client first
- / Be agile and responsive

Relationships
- / Build respect through relationships
- / Apply intelligence to insight

Growth
- / Pursue growth and learning
- / Explore every opportunity

Integrity
- / Be transparent and honest
- / Own our actions

Our Mission

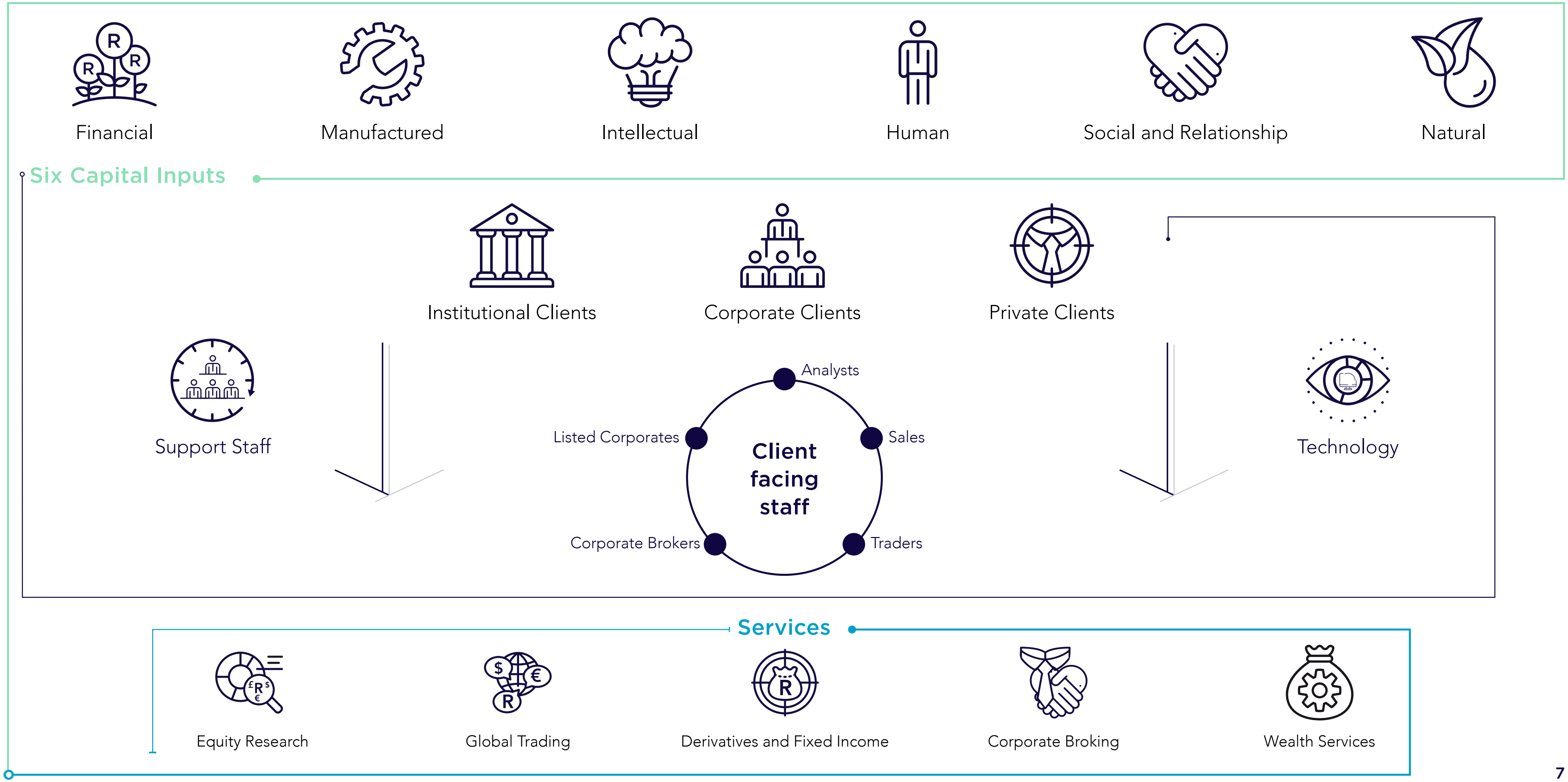
The Avior Group is a financial services firm that consistently delivers results through immense focus on client relationships combined with investment in rigorous research and analysis, technology and authentic people.

Our Vision

To be an emerging market leader in trade ideas, execution and platforms.

Business Model

Avior is the largest independent stockbroker and research firm in South Africa and ranked amongst the top 10 consistently for the past decade.



AVIOR

Value Creation

Value is created through deployment of each capital.

Capital	Value Created Per Capital
Financial Capital Shareholders	/ Revenue compounded annual growth rate since 2009 of 29% per annum / Market capitalisation of R87.8 million / Each subsidiary holds adequate levels of capital as required by their respective regulators
Manufactured Capital Clients	/ Customer relationship system with 2 300+ active users / Report management library (AviorLib) with database of over 6 500+ reports across 20+ sectors / Digitisation of 55+ processes in an online workflow stack
Intellectual Capital Clients value	/ Avior has a trusted brand that is recognised for high quality research, effective trade execution and deep market coverage / Internal analysts training programme with proven track record of producing top rated analysis
Human Capital Employees	/ 73 employees across the Avior Group / R96.2 million in staff remuneration paid during the year / R600 000 was allocated to staff training and development
Social and Relationship Capital Communities	/ Good standing with the Group's regulators / Various corporate social investment undertakings during the year
Natural Capital Resources	/ Limited footprint given the nature of the business / Avior promotes digitisation reducing paper consumption

Stakeholder Relationships

Avior believes that transparent and inclusive engagement with all its stakeholders is vital to creating value and achieving its strategic objectives.

The below reflects how Avior aims to continually engage its stakeholders.

Key Stakeholders

Clients

/ Avior website

/ One-on-one client updates and presentations

/ Quarterly and semi-annual broker reviews

/ Analyst roadshows

/ Corporate access roadshows

/ Twitter, Facebook and LinkedIn

Shareholders and Investment Community

/ Investor relations section on the Avior website

/ SENS announcements

/ Interim and annual reports

/ AGM

/ Twitter, Facebook and LinkedIn

/ Print, radio and television media

Employees

/ Encouraging and building a high developmental culture

/ Frequent communication and engagement with employees

/ Setting of measurable key performance indicators

/ Sharing articles related to the industry, investments and Avior

/ Communicating achievements of Avior and its employees

Regulators

/ Statutory reporting

/ Avior website

/ Director and appointed officer engagement

People and Reach

DIVERSITY

54 White staff
19 Black staff
16 Female
57 Male
18 Under 30 years

INTERNATIONAL PRESENCE

73 International staff members
6 London
23 Cape Town
42 Johannesburg
1 New York

ACTIVE MARKETS

99 Global
100+ South African

SHARES COVERAGE

89 JSE
18 African
22 Sectors

Non-Financial Highlights

FSCA
Authorised and regulated

JSE Member
Since Aug 2007
Authorised Financial Services Provider: FSP 45814

200+
Active institutional clients

250+
Corporate events

7
Corporate roadshows

Avior Summit

The 1st 2018 Summit was attended by 150 institutional investors and 50 corporates.

The 2nd 2019 Avior Summit built upon the first and was attended by 170 institutional investors and 76 corporates.

LSE Member
Stock member as of June 2018

The Avior Journey

2005
Founded
2 staff members

2007
Groombridge
Securities

2008
10 shares under coverage
Corporate Governance

2010
Africa research
and trading
2010 FM Survey
overall ranking
#9 Firm

2011
2011 FM Survey
overall ranking
#10 Firm

2012
Avior merges
with Groombridge

2013
2013 FM Survey
overall ranking
#8 Firm
#8 Equity

2014
2014 FM Survey overall ranking
#10 Firm equity research rank
#3 Unweighted
#1 Innovative research
Name change to Avior Capital Markets

2014
Added derivatives and
fixed income to trading
portfolio Avior acquires
offices in London, FCA
authorised broker dealer

2015
2015 FM Survey
overall ranking
#6 Weighted
#4 Unweighted

2016
Valdi trading
platform upgrade

2016
2016 FM Survey
overall ranking
#5 Weighted
#3 Unweighted

2017
JSE
Pre-listing

2017
2017 FM Survey
overall ranking
#5 Weighted
#3 Unweighted

2017
JSE
Listing

May 2018
2018 FM Survey
overall ranking
#6 Weighted
#4 Unweighted

June 2018
1st Avior
Summit hosted in
Johannesburg

December 2018
100+ local stocks under coverage
Dealing in equities, derivatives and fixed income
Corporate finance and sponsoring brokership
Offices in Johannesburg, Cape Town and London

2019
Representative in
New York
New branding roll-out
Namibian Investor
Conference

Group Structure

Avior Capital Markets Holdings Ltd ("Avior Holdings")
Registered office JHB, RSA
Operations JHB/CPT, RSA
Non-Securities Industry

/ 100%

Avior Capital Markets (Pty) Ltd ("ACM")
Registered office JHB, RSA
Operations JHB/CPT, RSA

/ 100%

Groombridge Nominees (Pty) Ltd ("Nominee company")
Registered office JHB, RSA
Operations JHB/CPT, RSA

/ 100%

Avior Capital Investments (RF) (Pty) Ltd ("Avior Investments")
Registered office JHB, RSA
Operations JHB/CPT, RSA
Investment Advisor

/ 100%

Avior Wealth (Pty) Ltd ("Avior ETF Funds")
Registered office JHB, RSA
Operations JHB/CPT, RSA
Investment Advisor

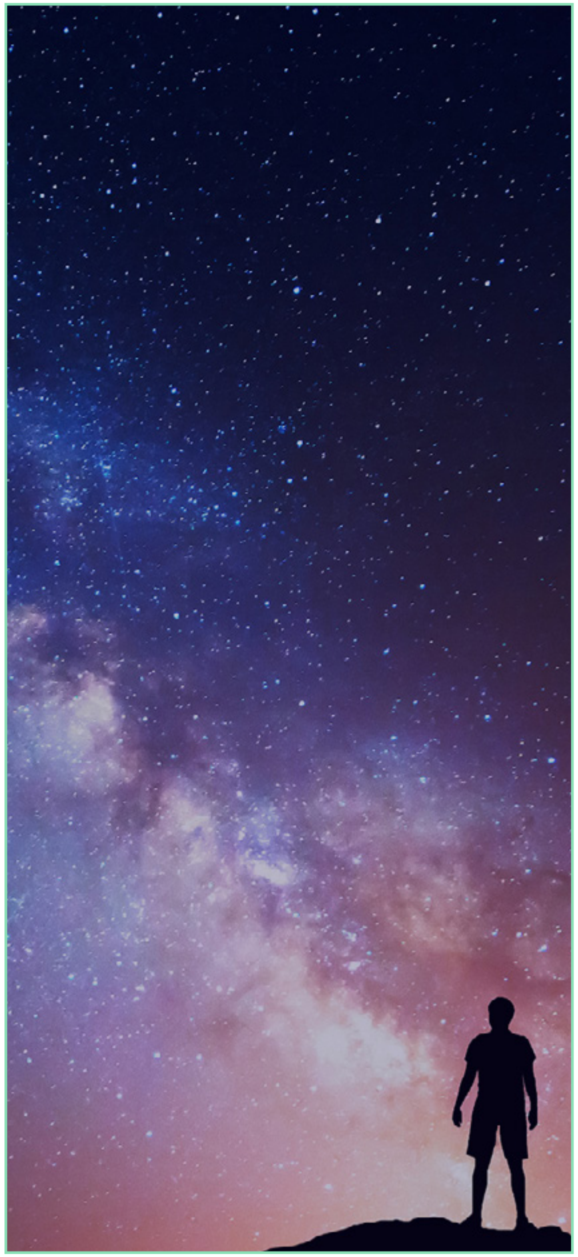
/ 100%

Avior Capital Markets International Ltd ("Avior International")
Registered office Airdrie, Scotland
Operations LDN, UK
UK Broker Dealer
FCA Regulated

/ 100%

Avior Capital Markets International Nominee Ltd ("Nominee Company")
Registered office Airdrie, Scotland
Operations LDN, UK

Avior Capital Markets US LLC ("Avior International US")
Registered Office, NY, USA
Operations Office NY, USA



Corporate Social Investment

Avior's values inform and underpin the way the business engages with its stakeholders. This carries through to our corporate and social investment initiatives, which include the imperative of meaningful transformation within South Africa and the financial services sector.

Committed to Skills Development

Avior believes that investment in skills development will have a long-term impact on the South African economy. This extends to specific financial services sector initiatives and a broader set of initiatives. Details of our initiatives are listed below.

Graduate Programme

The Avior Group seeks and recruits talented historically disadvantaged individuals to complement the team. The business runs an annual graduate programme to support this drive, typically within the trading and research analyst capabilities. This programme has proven highly successful, developing 20+ individuals. These individuals were retained within the business or subsequently moved to roles within the financial services sector. Currently the business has two talented individuals in the research equity team.

TSiBA

ACM has supported TSiBA since 2007. TSiBA is a private, not-for-profit business school in Cape Town. It provides first class tertiary education to previously disadvantaged individuals. It does so by using innovative funding models to reduce financial barriers to education.

LFP

For the second year in a row, ACM has sponsored two black disabled female learners through the training programmes at the LFP Training Academy. Learners are provided with basic life and business skills to support further studies or to pursue business careers. The learner's education and living costs are financed through this programme.

Committed to Our Communities

ACM acknowledges that broad-based growth, particularly in the SME segment, provides a strategic opportunity to break the cycle of poverty and income disparity.

Avior Supplier Development Programme

For the first time, ACM initiated a supplier development programme. The goal is to provide suppliers with financial and non-financial support to help achieve their full potential. Avior has provided one supplier with financial support in the current year.

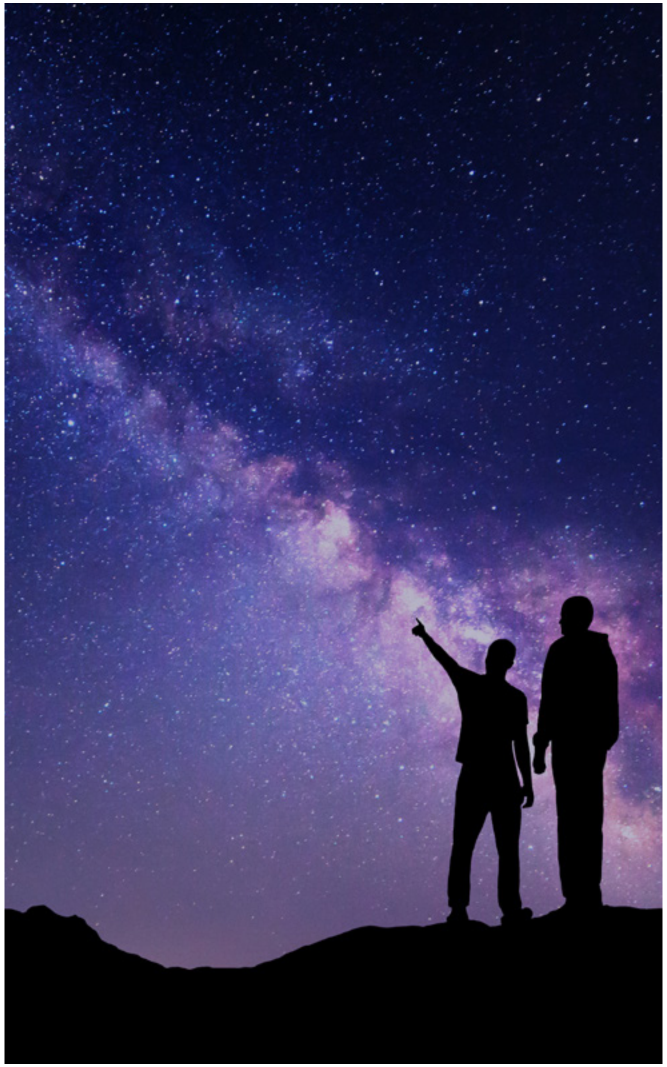
ASISA Enterprise and Social Development Fund

Since 2014, ACM has provided ongoing financial assistance to the ASISA Enterprise and Social Development Fund. The fund has provided financial support to 25+ SME funds and non-financial support to 550+ SMEs across a broad range of sectors.

Committed to Transformation

Since Avior's inception, the Company has been committed to B-BBEE. The significant changes introduced under the Revised Codes of Good Practice in December 2017 challenged Avior, leading to a non-compliant rating in FY19. Despite these challenges, Avior has achieved B-BBEE compliance with an increased total number of BEE points this year.

Ownership continues to remain a challenge, with the minimum number of points under this element not achieved.



AVIOR

Corporate Social Investment (Continued)

Scorecard

Element	Weighting	2019	2018
Ownership	25	0.00	0.14
Management control (includes employment equity)	20	8.13	5.33
Skills development	20	13.12	5.02
Enterprise and supplier development (includes preferential procurement)	35	27.81	11.33
Social economic development	5	8.00	1.12
Total points	105	57.06	24.83
Compliance level achieved		Level 8	Non-compliant

Ownership

Avior's shareholding is held by the two founders with a collective shareholding of 93.17%. This negatively impacts the ability to achieve a high score in this element. Avior is actively exploring opportunities to enhance the score but acknowledges that sustainable and meaningful value for shareholders and external stakeholders is a key criteria to be managed through this process.

Employment Equity

ACM is committed to employing and developing people from designated groups to further its employment equity objectives. A new employment equity committee was convened with improved representation. The intention is to drive the transformation agenda and enable the achievement of the 2022 employment equity goals. The committee meets regularly to discuss progress, identify and recommend steps to overcome barriers to affirmative action and ensure adherence to relevant legislation.

Refer to the next page which details the current work force profile and 2020 ambitions.

Skills Development

The Avior Group's key competitive advantage is idea generation. Supporting this is a dedication to constant learning and development of its staff. The Group sponsors staff to pursue several advanced accreditations or courses depending on their functional area. This includes the CFA programme for its research staff, of which 8 staff are sponsored and 3 of these staff members are black.

Supplier Development

ACM applies robust due diligence processes to ensure all investments meet the definition of B-BBEE supplier development criteria, have a strong business case and are sustainable and meaningful to the partners. ACM initiated its Supplier Development Programme in FY19, with the first supplier onboarded into the programme during this financial year. Supplier development is discussed on page 14.

Enterprise Development

ACM's support for ASISA Enterprise and Social Development Fund is discussed on page 14.

Preferential Procurement

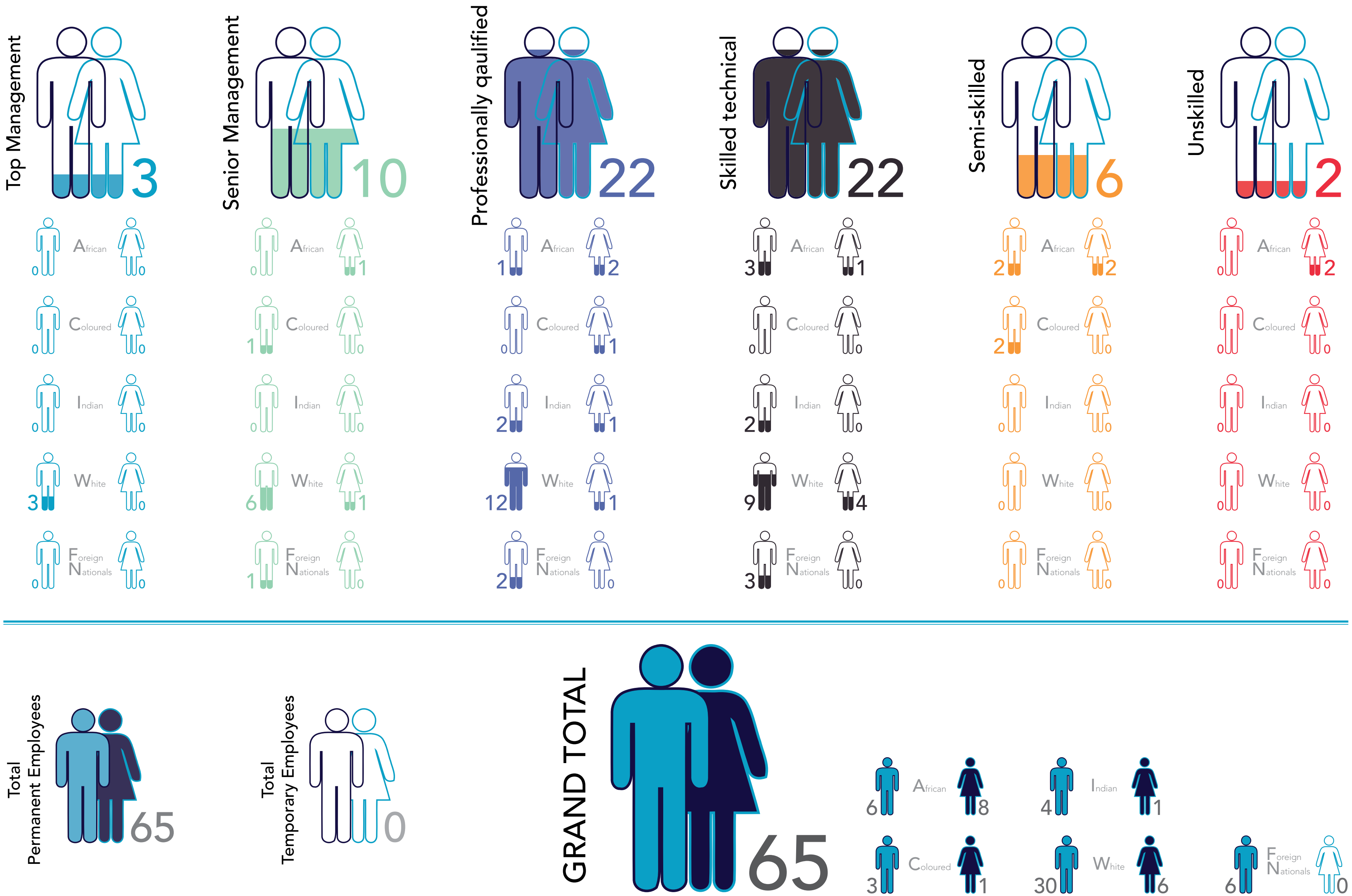
ACM's suppliers are regularly reviewed with the intention of optimising B-BBEE compliance. The challenge remains finding suitable local suppliers for ACM's core trading systems and services consumed.

Social Economic Development

ACM's support for TSiBA is discussed on page 14.

Corporate Social Investment (Continued)

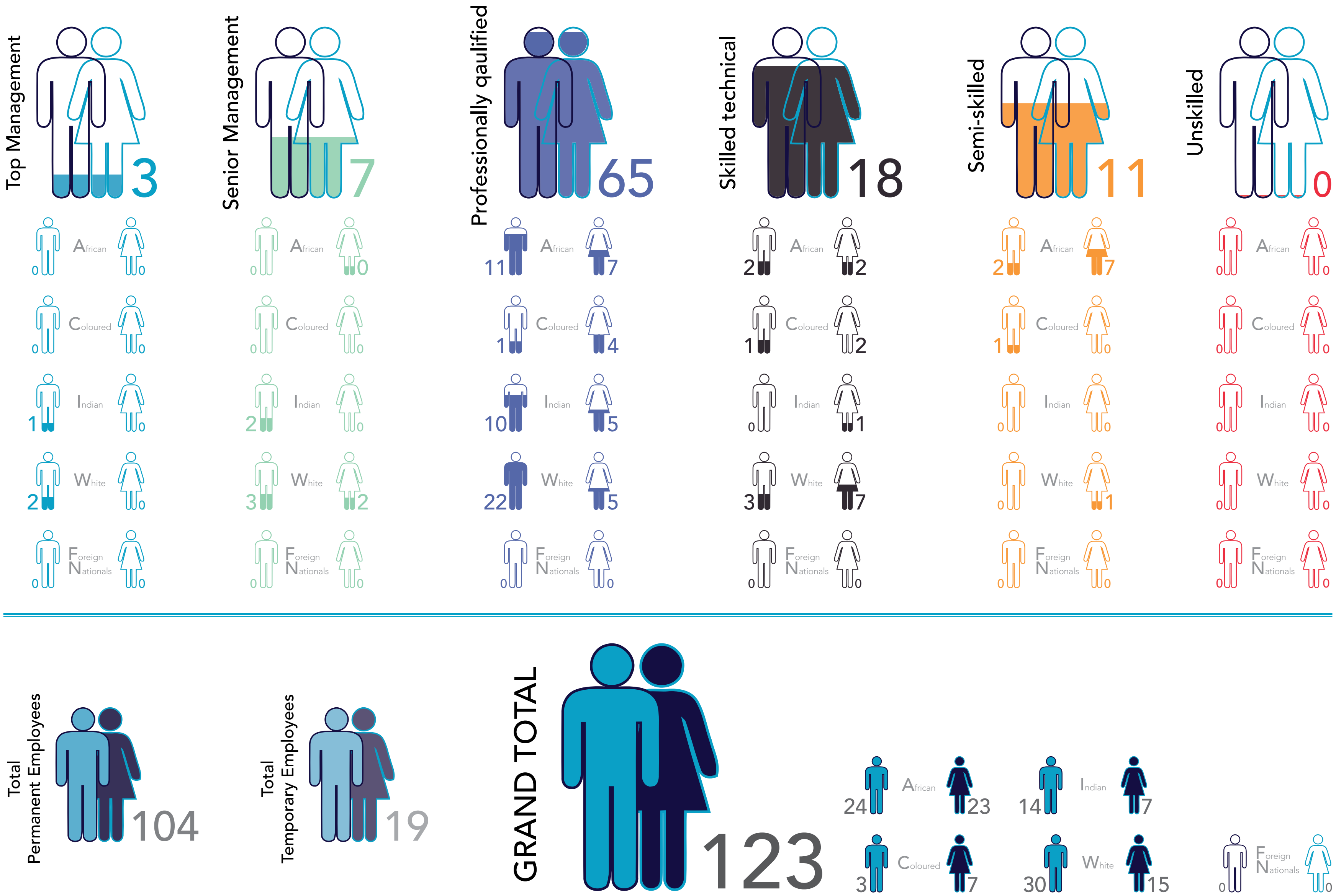
Total workforce profile* - 2019



* South Africa only

Corporate Social Investment (Continued)

Total workforce profile* - 2022 ambition



* South Africa only

PERFORMANCE AND BUSINESS CONTEXT

Chairperson's Report

Great progress has been made in the adjustment to being listed, and the business is stronger than ever across its operations and governance processes and procedures.

Despite being in a deep cyclical downturn, the business is positioned for the rebound and the traction that will result from investments into the UK and US offices.

The 2019 financial year marked the first full year as a listed company. Great progress has been made in the adjustment to being listed, and the business is stronger than ever across its operational, governance processes and procedures. Unfortunately, this has coincided with a deep cyclical downturn in trading volumes on the JSE, downward pressure on fees in the core equities and derivative trading businesses, and the adjustments required resulting from the implementation of MiFID II in Europe and the UK. As such, we do not believe that the Company's financial results in the current year are necessarily reflective of the incredible effort put in by the executive team and all the staff.

These market conditions are not unusual. The Company has therefore focused on strengthening its risk management and operational infrastructure, and ensured that selective investment into future growth areas in Europe and the US has continued. This has been carefully balanced with a focus on expense containment. In summary, the business is positioned for any cyclical rebound in trading volumes on the JSE, as well as traction that will result from the investments into the UK and US offices.

In the coming year, the Board and executive management will continue to focus on:

/ Growing the core equity and derivative trading businesses.

/ Governance and risk management.

/ Management of regulatory capital.

/ Continuing progress on transformation and empowerment.

/ Investing selectively in growth opportunities.

I would like to express the Board's gratitude to all stakeholders for their incredible effort during the year.

Stephan Price
Chairperson of the Board

CEO Report

The Avior Group has grown and matured from a startup to a business that can service clients in multiple geographies. The journey to this stage has been difficult and 2019 will mark the end of a long and sustained investment drive.

Our challenge in the coming year and beyond will be to bring this platform to account fo the benefit of all stakeholders.

Avior successfully maintained high market ratings with its South African client base and achieved commendable success in improving its ratings and compensation from MiFID II based accounts in the UK.

Avior is now rated in the Extel Survey. In the local FM Survey, Avior achieved an improvement in its overall ranking. We scored in 36 of 46 categories which highlights Avior's commitment to servicing Institutional Investors.

However, despite the difficult market conditions, Avior continued to execute its expansion strategy. Avior's historically prudent balance sheet management, and the Group's experienced and dedicated staff facilitated the successful execution. Avior's fully owned UK subsidiary is now well established as a FCA regulated entity and a member of the LSE. We have completed a substantial investment in this subsidiary which is now enabled with a full spectrum of trading and sales capabilities to service global clients in multiple geographies.

In addition, we have established a presence in the US and have commenced the process for obtaining the necessary licenses and approvals to act independently in addressing and serving large US based Institutional Investors.

Avior's focus on its strategy has resulted in a substantial increase in its addressable client base and an improvement in the services and capabilities we can offer our clients. To illustrate, Avior successfully hosted its first inaugural Summit in 2018, where 150 institutional investors and 50 corporate clients attended. The Summit continues to grow in attendance and is becoming an important event in stakeholders' diaries as the 2019 Summit was attended by 170 investors and 74 corporate clients.

Over and above its comprehensive and highly regarded research platform, Avior has grown its corporate access programme, allowing the Avior Group to score well in terms of service offerings to its clients. We believe this expansion will serve all stakeholders well, particularly if the market volumes recover.

During the period under review, Avior looked at several strategic acquisitions and a BEE transaction. Although these did not materialise, Avior will continue to assess transactions that will complement its capability and add stakeholder value.

The new Avior branding was launched in March 2019 and has been well received. It resonates strongly with the initial naming of the Group since Avior is one of the brightest stars in the night sky, but only visible from the southern hemisphere.

Avior Group has grown and matured from a startup to a business that can service clients in multiple geographies with numerous high-quality processes. The journey to this stage has been difficult and 2019 will mark the end of a long and sustained investment drive. Our challenge in the coming year and beyond will be to bring this platform to account for the benefit of all stakeholders.

I wish to thank all staff for their commitment and dedication in navigating some very challenging conditions and allowing Avior Group to be positioned for growth over the coming years.

Chief Executive Officer

Peter Koutromanos

FD Report

The combination of current market conditions and the initiation of several investments contributed to this year's current performance levels. A notable contributor was a collective Zimbabwean trade receivables impairment of R10.3 million (2018: R1.4 million).

Consequently, Avior generated a net loss for the period of R23.0 million (2018: profit R4.4 million) and HEPS declined 542% to -R15.68 cents (2018: 3.55 cents).

Overview of results

The markets in which we traded continued to experience a significant cyclical downturn. This was driven by deep uncertainty in both international and South African markets. This in turn adversely affecting Avior's core business.

During the current year, Avior applied its capital to support its five-year strategy, given the favourable cash and cash equivalent balances at the previous year end. The Group made several platform investments in its international operations, such as the United States expansion. This was balanced against its ongoing operational requirements.

The combination of current market conditions and the initiation of several investments contributed to this year's current performance levels. A notable contributor was a collective Zimbabwean trade receivables write-off of R10.3 million (2018: R1.4 million).

Avior generated a loss for the period of R23.0 million (2018: profit R4.4 million) and Headline Earnings per Share (HEPS) declined 542% to -R15.68c (2018: 3.55c).

Financial performance

Revenue decreased by 19% to R143.2 million (2018: R177.0 million). The primary drivers were declining trading volumes in Avior's core Equities and Derivatives and Fixed Income businesses. Equities trading revenue decreased by 18% to R95.1 million (2018: R116.2 million). Derivatives and Fixed Income trading revenue decreased by 39% to R26.1 million (2018: R43.0 million). The impact of MiFID II resulted in a decline in research revenue of 29% to R7.3 million (2018: R10.2 million). Other income increased by 28% to R5.3 million (2018: R4.2 million), which was largely due to increases in rental income, dividends and non-trading commission fees.

Operating expenses increased by 2.4% to R171.4 million (2018: R167.3 million). In response to current market conditions Avior implemented a cost saving programme. The intended outcome of these measures is highlighted in the decrease in platform trading costs of 8% to R21.4 million (2018: R23.2 million). Similarly, a decrease in employee benefits of 10% to R96.2 million (R106.8 million) was achieved, which included once-off restructuring costs of R2.9 million (2018: R0).

Net investment income decreased by 75% to R0.1 million (2018: R0.4 million), which was due to the changes in the underlying financial instrument mix and their interest rates.

The GBP's weakening against the USD in the current year relative to the prior year (Avior Capital Market International's working capital is often deployed in USD) and a strengthening of the Rand to the USD in the current year (Avior Capital Markets Proprietary Limited held large USD positions at the start of the current year) relative to the prior year largely contributed to the foreign exchange gain of R4.1 million (2018: loss R5.4 million).

Taxation decreased by 288% to a gain of R5.9 million (2018: expense R3.1 million), which was due to an increase in the deferred tax asset base driven by assessed tax losses across the Group's two primary operating entities, Avior Capital Markets Proprietary Limited and Avior Capital Markets International Limited.

[Continue to next page]

FD Report (Continued)

Financial position

Property, plant and equipment increased by 54% to R14.3 million (2018: R9.3 million), largely due to new assets acquired to fit-out the new London offices.

Deferred tax assets increased by 51% to R21.6 million (2018: R14.4 million). This movement relates primarily to cumulative assessed losses in the Group's entities and the recognition of a deferred tax gain, as already highlighted above.

Trade and other receivables increased by 47% to R13.2 million (2018: R8.9 million) driven by an increase in non-trade receivables. Included in net trade and other receivable figure is an impairment allowance for Zimbabwean trade receivables of R12.0 million (2018: R1.4 million).

Cash flow, liquidity and borrowings

Cash generated from operations declined by 426% to a negative cashflow of R45.7 million (2018: positive R14.0 million). Included in the current year's negative cashflow is an increase in the margin and collateral accounts of R16.3 million (2018: R2.5 million).

Cash and cash equivalents declined by 55% to R32.5 million (2018: R71.7 million) due to the loss for the year. In assessing Avior's liquidity, other financial instruments should be considered such as margin and collateral accounts and financial assets and liabilities through profit and loss. On this basis, liquid assets declined 33% to R55.4 million (2018: R82.2 million). Current assets exceed current liabilities by R45.2 million (2018: R72.0 million).

The Group has historically funded its own initiatives. This is reflected in a historic low gearing ratio, which increased to 26% (2018: 15%) on account of the finance lease relating to the new London offices. This was entered into to match cash outflows with future asset realisation.

Segment analysis

The Group has two segments, being the South African operations and the United Kingdom operations. Revenue and other income for South Africa, net of intercompany eliminations, decreased by 24% to R114.3 million and the United Kingdom increased by 11% to R34.2 million. The increase in the United Kingdom revenue was largely driven by the Zimbabwean revenue, which was subsequently impaired as above.

Prospects

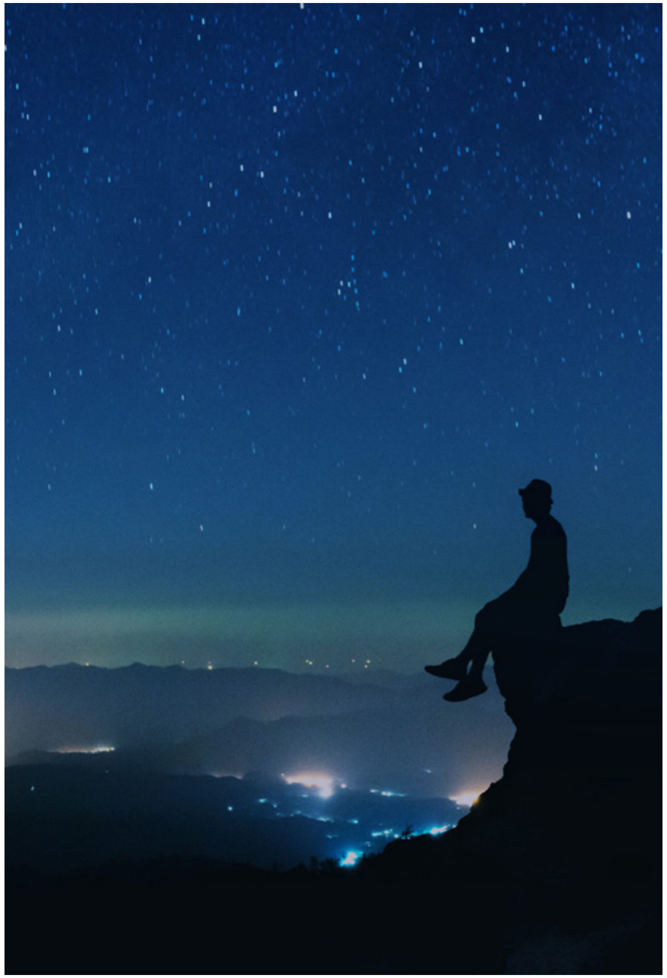
Global market conditions are likely to remain uncertain over the next 12 to 18 months and may deteriorate further. In South Africa, elevated levels of uncertainty are likely to persist as the market focuses on signs of structural and policy reforms.

Despite the current conditions the Group's strategy, as articulated in the 2018 IAR, remains unchanged as Avior continues to invest in its strategic initiatives. The goal is to continue to expand its high-touch services to a growing international client base, while leveraging its core research business.

Avior will also continue to focus on its cost saving programme to help ensure resilience in the current market, while continuing to enhance capacity and scale to take advantage of the next market cycle upturn.

Finance Director

Justin Larsen



Avior's Strategy Summary

Strategic Pillar 01

Consolidate the Core Business

Actions to achieve this:

- / Contain costs.
- / Automate processes.
- / Enhance B-BBEE score.
- / Enhance governance and control framework.
- / Enhance our staff proposition.

Strategic Pillar 02

Grow the Core Business

Actions to achieve this:

- / Improve visibility of core services to customers.
- / Rebuild underperforming services.
- / Realise investment in new services.

Strategic Pillar 03

Expand Beyond the Core Business

Actions to achieve this:

- / Expand into new markets (Emerging and developed markets).
- / Create new services (Complementary for the existing customer base and attract new customers).
  - / Provide deeper value to existing client segments.
  - / Attract new client segments.

Avior's Strategies

Overview

Avior's strategy is focused on the priorities outlined on page 23. This includes services development and geographic expansion to enhance its addressable customer base. From an operations perspective the Group aims to position itself to achieve a scalable, responsive and cost-effective platform, without averting growth. This will facilitate margin expansion and improved returns when the operating environment improves.

As highlighted in the 2018 IAR, a bold five-year strategy was defined. The Group is one year into this strategy and is pleased to report the Group has made good progress towards this ambition.

01

Consolidate the Core Business

Consolidating the core is about improving margins and creating a platform for scaled growth when the markets turn.

Contain costs

Avior has embarked on multiple cost saving initiatives to reduce the fixed cost base of the Group. Cost savings were achieved though service contract renegotiations, operating expense control and staff expense reduction. This will result in an estimated R15+ million cost saving in FY20. Avior remains committed to cost containment and it has implemented additional controls to ensure that costs are closely controlled across all divisions.

Automate processes

Process optimisation has enabled improved client service, cost efficiencies and the capability to scale existing operations. Avior optimised operating systems and automated internal processes through a stack of recently adopted workflow tools and automated reporting platforms.

Enhance our staff proposition

Avior has undertaken several initiatives to enhance it's staff proposition. The introduction of an annual goal setting cycle for employees and KPI's aligned to business goals has contributed to improved employee productivity and recognition. Several additional staff perks, for example sponsored skills development, further enhances our proposition.

Enhance governance and control framework

Avior is the strongest it has ever been from a governance and process perspective. Numerous improvements were made to Board reporting and engagement, thereby enhancing decision making and controls. Improved management reporting and enhanced divisional profitability analysis allowed Avior to track monthly progress and targets against effective strategy execution. Additionally, the appointment of new internal auditors and the execution of a three-year audit programme will continue to support the enhancement of Avior's control environment.

Enhance B-BBEE score

Avior's current B-BBEE contributor level is not representative of the firm's culture nor its commitment to this important imperative. Management acknowledges the requirements to address the areas of shortfall.

Avior has implemented a B-BBEE reporting tool (BEE123) to monitor the B-BBEE status on an ongoing basis. ACM has appointed a employment equity committee to evaluate B-BBEE targets set by management, to highlight any significant risks in the BEE score, to maintain the B-BBEE reporting tool and contribute to the improvement of an overall score.

In addition, Avior worked with several consultants to help ensure a meaningful change in the current year. Avior is pleased to note that it has achieved a Level 8 rating, and an overall point increase from 24.83 to 57.06.

Avior's Strategies (Continued)

02

Grow the Core Business

Avior's strategy to grow the business organically is centred around improving client service and enhancing current service offerings.

Existing services

Trading revenue growth is driven by client broker rankings, trading desk flows and the value perception and in turn commission rate. To offset the weaker operating environment and declining trading volumes, Avior has developed new services across the divisions and expanded to new geographies to grow its addressable client base. Avior has also embarked on a re-branding, which was well received by clients.

Equity research division

Numerous measures were taken to enhance Avior's relevance and engagement with clients. As a result, Avior is pleased to see an improvement in the depth of its rankings by featuring in 36 out of 46 categories in the recent FM Survey.

International trading division

Trading and compliance capabilities in the Equity research division's UK division were enhanced to accommodate previously under-serviced client segments. A significant part of FY19 was spent investing in these initiatives, and Avior anticipates further product realisation in FY20. Avior has also become an LSE member, to further support this capability.

Derivates and Fixed income division

Avior is focused on developing new services and expanding existing offerings into new markets. Avior is aiming to go live with several new initiatives in FY20.

Corporate broking division

Avior has continued to develop this capability by enhancing its Corporate Access product. This included an inaugural Namibia Summit and for a second year running, an expanded South African Summit. Avior will continue to actively develop this programme where it is meaningful to clients. To support Avior's international divisions, Avior has also focused on adding more depth to its international roadshow programme.

03

Expand Beyond the Core Business

This element of the strategy focuses on the longer-term growth drivers that will support the Group's five-year strategy revenue ambitions altough it does incur a heavier investment cycle.

New services

Avior has appointed new personnel to drive growth in the newly formed Private Wealth Services division. The compliance, accounting systems and retail platforms were also successfully implemented.

New geographies

Avior has appointed resources, operational capabilities and partnered with a local broker to penetrate the market in the US and beyond. In addition, Avior has enhanced its frontier coverage by expanding into the Middle East.

AVIOR

Award Summary

Avior continues to focus on delivering high-quality research and trading solutions for its client base, both in South Africa and globally.
This has been a key focus in the current year and underpins the current five-year strategy.
Avior is delighted that its efforts are acknowledged through recent industry leading rankings and award events. The awards confirm that Avior, as the largest independent sell-side firm in South Africa, is able to hold its own against significantly larger sell-side institutions and banks.

Extel Rankings
(Global asset manager rankings of sell-side firms):

For the first time ranked 11th in the 2018 Extel survey

FM Ranking the Analyst Awards
(South African asset manager rankings of sell-side firms):

Overall placed 6th in 2019, maintaining the same position relative to the prior year, on a fund manage AUM weighted basis

Ranked across a broader set of categories from 26 in 2018 to 36 in 2019

Top rated in Computer and Electronics and Risk Management

Runner-up in the Young Analyst Award

Ranked 4th or higher in 18 categories

2018 JSE Spire Awards
(South African stock exchange financial services awards ceremony):

Best research team: Quantitative research

Best agency broker: Bonds

Two 2nd places in Equity Delta One Derivatives and Equity Options

Risks and Opportunities

01

Strategic pillar:

Consolidate the Core Business

Risk:

The Group's ability to meet its financial obligations and the maintenance of working capital.

Probability: High

Impact: High

Mitigating controls:

/ Avior operates through an executive committee that manages a dashboard of metrics, designed to ensure that the Group has a good sense of how individual divisions perform.

/ Daily cash management is undertaken by the appropriate individuals with overall cash management undertaken by the FD.

/ Executive management assesses the profitability of individual divisions and the evaluated corrective measures required.

Risk:

Cost control weighing on growth or ability to service clients.

Probability: Medium

Impact: Medium

Mitigating controls:

/ Executive management assesses the feasiblity of the cost control measure and the impact on the business operations.

Risk:

Legal actions against the firm after retrenchments.

Probability: Low

Impact: Low

Mitigating controls:

/ An internal legal advisor performs a detailed review on contracts and retrenchment packages. External advisors are engaged where appropriate and insurance covers such risks.

Risks and Opportunities (Continued)

02

Strategic pillar:

Grow the Core Business

Risk:

Attracting and retaining high quality staff.

Probability: Medium

Impact: Medium

Mitigating controls:

/ Recruitment and assessment procedures go beyond the conventional. Decisions around key skills are discussed at different levels of the organisation.

/ Reward and incentive mechanisms are important and have been implemented at both the operating entity level and at a Group level. These include a combination of market-related salaries, short-term incentives, long-term incentives and regular policy reviews.

Risk:

B-BBEEE and transformation legislation and its increasing imperative means that the current level of compliance may result in market share loss.

Probability: High

Impact: High

Mitigating controls:

/ Senior management is committed to managing a sustainable B-BBEE strategy for the Group and has collaborated with several external advisors to develop such a strategy.

/ To enhance the management of B-BBEE, the Group deployed a B-BBEE monitoring tool, introduced a Employment Equity committee working team and reconstituted the employment policy.

Risk:

Competitive environment and regulatory changes may place pressure on growth.

Probability: Medium

Impact: Medium

Mitigating controls:

/ Several key hires across capabilities.

/ Excutive management focus and attention.

/ Review of product proposition and positioning in market.

Risk:

Non-compliance in terms of the regulations that govern the various business activities within the Group (e.g. JSE CAPAD rules)

Probability: High

Impact: High

Mitigating controls:

/ Dedicated personnel are appointed at an operational level to monitor compliance and interact with regulators as required.

/ Implementation and rollout of annual improvement projects and the regular monitoring of progress made.

Risks and Opportunities (Continued)

03

Strategic pillar:

Expand Beyond the Core Business

Risk:

Investing in activities that may not yield the required returns.

Probability: High

Impact: Low

Mitigating controls:

/ Strategy review and goal setting is embedded in regular interaction with executive management and divisional management.

/ Avior's strategy is formulated by the Group executives and heads of business based on the Group's objectives. This is documented with implementation monitored to ensure that progress is being made in order to achieve the desired objectives.

Risk:

Non-familiarity with regulations and operating environment dynamics in new jurisdictions (US).

Probability: Medium

Impact: Medium

Mitigating controls:

/ Due dilligence performed prior to expansion decision.

/ Appointment of experienced management in the US to ensure regulatory due diligence performed prior to expansion decision.

Risks and Opportunities (Continued)

04 Group Wide Risk

Risk:

Insufficient and/or inappropriate risk management and mitigation processes at Group and operational level.

Probability: Medium

Impact: Medium

Mitigating controls:

/ Avior assesses risk from the top-down, based on the potential risks to achieving its strategic objectives, while operating businesses consider risks that are particular to their respective businesses.

/ Risks are documented in risk registers which are submitted to the Group Audit and Risk Committee, where risks are categorised in terms of the priority they should be dealt with.

/ Dedicated personnel are appointed at operational level to execute on risk mitigating and control strategies.

/ Appointment of internal auditors and the execution of annual audit programmes in the current year.

Risk:

Significant reliance on information technology (IT) and communication systems. This is a pervasive risk that affects the Group as a whole.

Probability: High

Impact: High

Mitigating controls:

/ IT risks are incorporated into and managed together with the general risks.

/ Avior maintains an offsite disaster recovery site to ensure critical operations are not affected.

/ The Group has adopted a cloud strategy to ensure redundancy of operations in the event required.

Economic Context

Overview

Avior operates a cyclical business with its performance directly affected by market conditions.

Avior's 2019 results are therefore representative of the current environment.

South African developments

The financial year was characterised by reducing global liquidity, which had an exaggerated effect on emerging market assets. South African markets suffered from an additional decline in confidence due to poor GDP growth and political uncertainty in the run up to the May 2019 general elections. Government parastatal challenges, notably Eskom, and continued corporate governance failures further undermined investor sentiment relating to South African markets.

As a result, the JSE experienced an overall 12% year-on-year decline in cash equity value traded. This trend was marginally more pronounced among foreign investors where foreign cash equity value traded declined by 13%. Foreign investors were net sellers of R58 billion of cash equities.

Against this backdrop, the All Share index was flat for the year, and the Rand weakened by 14.7% relative to the Dollar. The MSCI SA index returned -10.6% in Dollars underperforming Emerging Markets which returned - 4.7%.

Institutional investors, Avior's key clients, were also under pressure as assets under management declined or remained stagnant. This was driven by poor fund performance given the current market conditions, reduced inflows or withdrawals due to deteriorating customer conditions, and an accelerated shift of funds to outside of South Africa.

Global developments

The EU's MiFID II regulations were implemented at the start of 2018. MiFID II obligates sell-sides brokerages and banks to separately bill for research and trade execution. As communicated in 2018, MiFID II was anticipated to place pressure on these revenue streams. This has indeed materialised.

Research revenues across the sell-side declined dramatically as the market took time to recalibrate to a new billing model, and research budgets amongst institutional investors were reduced. Similarly, brokerage fees have declined to execution-only rates and trade volumes have shifted from formal exchanges to alternate trading venues.

From a macro-economic perspective, market uncertainty driven by sectoral regulatory scrutiny, ongoing trade-war disputes, political instability and waning GDP growth led to reduced trading volumes in the markets Avior trades in.

Business impact

Ongoing market conditions have resulted in reduced trading volumes, which affected Avior's equity and derivatives and fixed income businesses. Similarly, regulatory changes have impacted research revenues. However, it is anticipated that Avior's investments made to enhance its UK trading capabilities and its expansion into the US will substantially increase Avior's addressable client base and broaden its current product offerings to its clients.

Investment Thesis

Executing Avior's mission to be an emerging market leader in trade ideas, execution and platforms creates a compelling investment case:

Avior capital markets are uniquely positioned in South Africa

- **Market leading research:** High-quality research, supported by a strong track record of industry awards for research, and an innovative team with fresh ideas who are driven to create value for clients.
- **Organic growth:** Potential to gain market share in a challenging environment.
- **Geographic expansion:** UK, US and frontier markets.
- **New business ventures:** Avior's Wealth services, and Corporate broking.
- **Avior brand value:** Well established brand in the market.

Scalable business model, with long-term focus

- Flexible and nimble cost base allows for strong margin recovery in a positive macro environment.
- Unrelenting focus on clients.
- Investment decisions to achieve long-term market leadership rather than short-term profitability considerations.

Led by a strong entrepreneurial management team

- The CEO and Managing Director are the founders of the business, with deep market knowledge and strong client relationships.

Focused on sound governance and ESG practices

- Avior is committed to corporate governance in all aspects of its business. This is evident in all of the group's governance structures, policies and procedures.
- Supported by experienced, diverse and independent directors.
- A robust risk management policy and supporting procedures.

Collectively contribute to a sustainable growth and a positive social impact

- Market leadership can translate directly to higher revenue, higher profitability, greater capital velocity, and correspondingly stronger returns on invested capital.
- Strong historic earnings growth delivering, social benefits through staff upliftment.

CORPORATE GOVERNANCE

Board of Directors

Executive Directors

Peter Koutromanos (Chief Executive Officer)

BCom Hons, BCom Econ Science, MBA, CFA

Appointed 19 March 2015

Peter founded Avior in March 2005. He spent two years in fund management at Coronation Asset Management, another two years in equity sales at Investec and five years in equity sales at Merrill Lynch. Peter is a member of the JSE.

Kevin Mattison (Managing Director)

MBA, CFA

Appointed 19 March 2015

Kevin joined Avior in July 2005. He spent eight years at Investec Securities, FM Survey rated in all roles. He started his career at Canadian Imperial Bank of Commerce, Toronto, where he worked for seven years on IT and financial product management. Kevin is a member of the JSE.

Justin Larsen (Financial Director)

CA(SA)

Appointed 11 June 2018

Justin joined Avior in November 2017. Prior to joining Avior, he was the Head of Strategy at KPMG. Prior to that his experience was gained both in the UK and South Africa in finance and transformation roles at several blue-chip banks, which included UBS, Renaissance Capital, Standard Bank and RMB.

Independent Non-Executive Directors

Stephan David Price (Chairperson of the Board)

BSc, CFA, AMP (Harvard Business School)

Appointed 14 May 2018

Stephan has extensive experience in the financial services industry and spent approximately 19 years with the Alexander Forbes Group, during which time he served in various roles across investments and operations in both SA and the UK. He was actively involved in building one of the subsidiaries of the AF Group (Investment Solutions, now AF Investments) into a dominant investment business.

He has served on multiple boards both locally and in Jersey, and was part of the listing and delisting of the AF Group. He is experienced in leading large teams, developing and executing strategies and managing complex legal entities from a financial, operational, regulatory and transformation perspective.

Marilyn Ramplin (Director)

Derivatives and Regulatory Qualification – UK Securities Institute

Appointed 24 April 2017

Marilyn has a background as a hedge fund trader, investment banker with JP Morgan.

She has served as a technical advisor to regulators both locally and internationally, including the FSB and National Treasury. Marilyn is the founder of the Hedge Fund Academy in South Africa and is globally recognised as a specialist on credit counterparty risk and has advised clients such as the Bank of International Settlements.

Board and committee positions include Investment Solutions, JSE Clear, Strate, various Ashburton Investments entities and RMB CIS Manco.

Thabo Mokgathla (Director)

BCompt/CTA (Hons), CA (SA)

Appointed 18 June 2018

Thabo was the CEO and Executive Director of Nutritional Holdings Limited and served in various roles within the Royal Bafokeng Group. He held the position as Centre Manager at the Office of the Auditor-General (representative of North West Provincial Audit Committee) and was a Partner at Mokua and Associates Audit Firm. He has experience across various industries and has also lectured at the North-West University.

His board and committee positions include Astrapak, Hyprop Investments, Impala Platinum, Master Plastics, Miranda Mineral Holdings, Nutritional Holdings, RMI Holdings, South African Coal Mining Holdings and York Timber Holdings.

Corporate Governance Report

Governance Approach

The Board of Avior remains committed to exercising ethical and effective leadership and to govern the Avior Group in a manner that enables and supports the achievement of its five-year strategy ("Strategy 2022"), and to ensure long-term sustainability of the business. The Board is committed to achieving the four governance outcomes as advocated in King IV™ by continuing with the creation of an ethical culture, good performance, effective control and legitimacy.

Although the Avior Group operates in a regulated environment, the governance efforts are not merely to achieve regulatory and legislative compliance, but to ensure the Board performs and adds value to the Group through its oversight, leadership and strategic guidance.

The Board subscribes to the principles contained in the King IV™ Report and the application of the principles and practices are disclosed and explained in our King IV™ application report included herein. The Board recognises that best practice governance is a continuous journey and is committed to improvements in line with the size and business phase of Avior.

The Board believes that there are no material deficiencies in implementing the recommended practices to lay the foundation to achieve the stated outcomes of an ethical culture, good performance, effective control and legitimacy. Stakeholders will be updated on the status and improvements achieved as the business grows and matures.

Board Governance Structure

AVIOR

Board of Directors

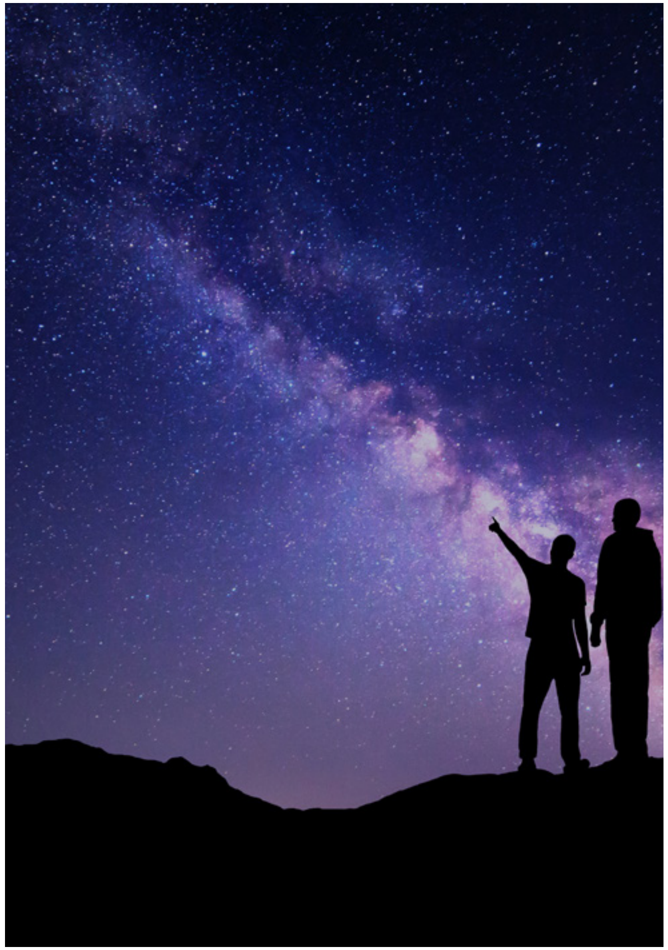
Audit and Risk Committee	Social, Ethics and Remuneration Committee

Roles and responsibility of the Board

- / Steers and sets strategic direction
- / Approves policy and planning
- / Oversees and monitors
- / Ensures consistency

Governance outcomes

- / Ethical culture
- / Good governance
- / Effective control
- / Legitimacy



Corporate Governance Report (Continued)

Board Composition

It is key to have directors on the Board with the appropriate skills and experience to provide value and direct the Company to achieving the Strategy 2022. There were a number of changes at the Board and the Committees during the year and a new Company Secretary was appointed.

These changes re-emphasised the importance of Board succession planning for a Company with a relatively small Board and the respective growth phase of the business.

The Board is confident that the changes are positive and contribute to the balance of skills, experience, diversity and power. There is a clear balance of power and authority at Board level.

The Board comprises six directors, being three Independent Non-Executive Directors and three Executive Directors. The Board believes its composition is suitable for the current growth phase of the business to execute the Strategy 2022.

The role of the Chairperson and the CEO is held separately and the Chair is an Independent Non-Executive Director.

Peter Koutromanos -
Appointed 19 March 2015
Board Attendance 5/6

Kevin Mattison -
Appointed 19 March 2015
Board Attendance 6/6

Justin Larsen -
Appointed 11 June 2018
Board Attendance 5/6

Stephan Price -
Appointed 14 May 2018
Board Attendance 6/6

Marilyn Ramplin -
Appointed 24 April 2017
Board Attendance 4/6

Thabo Mokgathla -
Appointed 18 June 2018
Board Attendance 5/6

Changes to the Board, Committees and Company Secretary:

/ Ateeqah Khan resigned as Company Secretary and Fusion Corporate Secretarial Services (Pty) Ltd was appointed as the Company Secretary effective 3 May 2018.

/ Elias Masilela resigned as an Independent Non-Executive Director and member of the Audit and Risk Committee and Chairperson of the Social and Ethics Committee and the Remuneration Committee effective 18 May 2018.

/ Octavia Matshidiso Matloa resigned as Independent Non-Executive Director and Chairperson of the Audit and Risk Committee and a member of the Social and Ethics Committee and the Remuneration Committee effective 18 May 2018.

/ Stephan David Price was appointed as an Independent Non-Executive Director and as a member of the Audit and Risk Committee, the Social and Ethics Committee and the Remuneration Committee of Avior effective 18 May 2018.

/ Justin Larsen was acting as the interim Financial Director and his full-time appointment as Financial Director was confirmed effective 11 June 2018.

/ Thabo Vincent Mokgatlha was appointed as an Independent Non-Executive Director, Chairperson of the Audit and Risk Committee and as a member of the combined Social, Ethics and Remuneration Committee effective 11 June 2018.

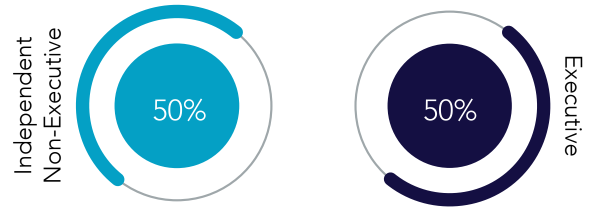
/ The Social and Ethics and Remuneration Committees of the Company was combined into a single committee, namely the Social, Ethics and Remuneration Committee effective 11 June 2018 with the following membership:

» Stephan Price (Chairperson);
» Marilyn Ramplin;
» Thabo Mokgathla;
» Peter Koutromanos; and
» Kevin Mattison.

/ Marilyn Ramplin resigned as Chairperson of the Board on 1 October 2018 and remains as an Independent Non-executive Director on the Company's Board.

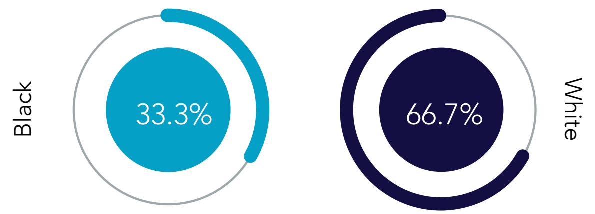
Corporate Governance Report (Continued)

Director Classification:



Gender Classification:

Race Classification:



Director Tenure:

Board Commitment and Independence

Both the effectiveness and ethical leadership of the Board are continuously considered, and any areas of concern are addressed as and when they arise.

The Board will be conducting an evaluation process in FY20 due to most of the Independent Non-Executive Directors now being in office for slightly more than a year. The Board is satisfied that it functions effectively and with the independence of Non-Executive Directors classified as such. The Board will report on the main findings and recommendations of the evaluation process in the next IAR.

All directors understand that they have to execute their duties with an independence of mind in an unfettered manner regardless whether they are Executive or Non-Executive Directors.

The Board is confident that the number of meetings, attendance and extent of debate on material issues enabled full execution of the duties and obligations as set out in the Board charter and Board annual plan.

Race and Gender Policies adopted by the Board

Avior, in line with its Race and Gender Policy, applies diversity at Board level and throughout the Group.

The aim is to continue with the diversification in all levels of the organisation to assist in creating a culture throughout the business. The aim is to create an environment where all employees feel engaged, supported and safe while making meaningful contributions to the business and helping to achieve its business goals.

Although the Company did not meet its employment equity target set for 2018, largely as a result of the impact of the distressed markets in which the Company operates, the Board remains committed to its 2022 target. The Board acknowledges that the delay in this regard will impact the 2022 target and it will therefore continually monitor the situation and report back to stakeholders.

Appointments to the Board

The Board as a whole and, where applicable, through the assistance of an ad hoc Nomination Committee considers the appointment of Directors through a formal and transparent process.

Newly appointed Directors are subject to a formal induction programme, which outlines their fiduciary duties and provides an in-depth understanding of the business. Directors are provided with ongoing briefing sessions.

All Non-Executive Directors have signed a letter of appointment and do not have a fixed-term appointment. In accordance with the Company's MoI, all Directors are to retire at each AGM. All retiring Directors are eligible for re-election. Directors appointed during the year are required to have their appointments ratified at the following AGM. There is no prescribed age for Directors.

It is confirmed that the CEO and FD are full-time employees of Avior.

Independent Professional Advice

Directors are entitled to seek independent professional advice at the Company's expense after consultation with the Chairperson of the Board. No Directors exercised this right during the period under review. Directors have unrestricted access to all Company information.

Executive Director Appointment

Executive Directors are appointed by the Board with the assistance of the ad hoc Nomination Committee for periods as the Board deems fit, on such terms as are set out in their appointment letters.

Corporate Governance Report (Continued)

Avior Board Committee Reports

Audit and Risk Committee

Current Membership

Thabo Mokgatlha (Chairperson) (2/2)	Stephan Price (2/2)	Marilyn Ramplin (2/2)

Invitees

Peter Koutromanos - CEO (2/2)	Kevin Mattison - MD (2/2)	Justin Larsen - FD (2/2)

Purpose of the Committee

The Audit and Risk Committee is a statutory committee of the Board appointed in terms of Section 94(7) of the Companies Act.

This report is to be read with the statutory report by the Audit and Risk Committee of how the Committee discharged its duties and responsibilities in the past year as contained in the AFS on page 58.

Future Focus

/ Improving the quality of the annual financial statements on a continual basis.

Continuing to strengthen internal financial controls.

Focus in Reporting Period

In addition to the matters as monitored by the Audit and Risk Committee terms of reference, the Committee had focused on the following matters:

/ Strengthening of the Committee's oversight over subsidiary annual financial statements.

/ Interrogating controls in place in specific areas, such as the SSI processes.

/ The appointment of a new internal auditor and the scope of the internal audit received extensive focus.

/ The improvement of the Group's risk frameworks which would continue to be a focus area.

/ The drivers of the current performance of the Avior Group were overseen and monitored.

/ Continuously considered capital adequacy.

/ Thabo Mokgatlha was appointed Chairperson of the Audit and Risk Committee on his appointment as an Independent Non-Executive Director on 6 June 2018.

Corporate Governance Report (Continued)

Social, Ethics and Remuneration Committee

Due to the size, nature and growth phase of Avior and to improve Board Committee efficiencies the Social and Ethics Committee and the Remuneration Committee were combined to create the Committee, being the Social, Ethics and Remuneration Committee ("SERC"), effective 11 June 2018.

The Board believes that the SERC has been effective in the FY19 for the current environment in which Avior operates. The Board will continue to monitor and evaluate the combination of the functions of the Committee.

Current Membership

Stephan Price (Chairperson) (2/2) | Thabo Mokgatlha (2/2) | Marilyn Ramplin (1/2)

Invitees

Peter Koutromanos - CEO | Kevin Mattison - MD | Justin Larsen - FD

Previous Membership Social and Ethics Committee

Elias Masilela (0/0) resigned as Director on 11 May 2018

Previous Membership Remuneration Committee

Elias Masilela (0/0) | Octavia Matshidiso Matloa (0/0)

Resigned as Directors on 11 May 2018

Purpose of the Committee

The SERC is a statutory committee of the Board and established in terms of Regulation 43 of the Companies Act.

The responsibilities of the Committee includes to moniter:

/ Social and economic development

/ Good corporate citizenship

/ the environment, health and public safety

/ Stakeholder relationships

/ Labour and employment

In terms of the Remuneration mandate this Committee assists the board in providing independent oversight of the key remuneration matters within Avior.

Future focus

/ B-BBEE remains a focus area.

/ Due to the specialised skills required to provide the services that Avior offers, the Committee will consider a recruitment policy.

/ The Committee has targeted specific stakeholders that it would like to build relationships with and this will continue to receive attention.

/ A formal training schedule will be put in place for Avior staff.

Corporate Governance Report (Continued)

Focus in Reporting Period

In addition to the matters monitored by the SERC as contained in the terms of reference, the Committee focused on the following matters:

/ Remuneration matters.

/ The senior management performance appraisal and evaluation process and structure had been completed and implemented.

/ The staff had been assessed against the new performance management framework.

/ The long-term incentive scheme for senior management had been completed and implemented.

/ The Group remuneration policy, Non-Executive Director fees and Director Short-Term Incentive policy were approved.

/ The Whistleblower policy had been approved and is being implemented.

The annual salary review had been conducted and a 7.1% increase for general staff had been approved and a 4.4% inflationary increase for the CEO and MD, the FD received a 20% increase with his appointment as the full-time FD.

/ The Avior skills development programme was considered and the workplace skills plan was noted.

/ The annual training report was noted.

/ Social and Ethics related matters.

/ The Social and Ethics policy statement was approved.

/ The Committee adopted an Avior Social and Ethics scorecard.

/ Avior achieved a level 8 B-BBEE score compared to previously being non-compliant and the Committee continues to pay attention to this matter.

Company Secretary

Fusion Corporate Secretarial Services (Pty) Ltd ("Fusion") was appointed on 3 May 2019 on resignation of Ateeqah Khan. The Company Secretary is responsible for providing governance advice and guidance, Board and Committee administration, and liaising with the CIPC and the JSE through the Designated Advisor. The Board members have access to legal and other expertise when required and at the cost of the Company through the Company Secretary. The Board is satisfied with the availability of legal and other expertise as provided by Fusion.

The Company Secretary maintains a professional relationship with Board members, giving direction on matters such as good corporate governance, if required. The Board assesses the qualifications, experience and competence of the Fusion team on an ongoing basis and remains satisfied. The Board is satisfied that an adequate arms-length relationship exist with the Company Secretary.

Remuneration Report

PART 1: BACKGROUND

The remuneration report for the financial year ended 30 April 2019 sets out the current remuneration policy, strategy, implementation and disclosure of remuneration for Executive Directors and Non-Executive Directors for Avior.

In FY2019, the team continued to assess performance against the five-year strategy, Strategy 2022, and to take measures to ensure the sustainability of the Avior Group. As a service company the retention of great people is key to ensure the delivery of the Strategy 2022 and beyond as a sustainable business.

The King IV™ Report was released in 2017 and Principles 14 notes that the Group must "...ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term".

To continue to align remuneration to ensure the strategic outcomes of the Avior Group are reached and to be in line with governance best practice, the SERC focused in-depth on the key elements of remuneration on all levels within the organisation.

Remuneration Philosophy

Avior must have the right people in the right positions. Thus the Group strives to offer remuneration packages that are competitive in the market.

Pay for performance is at the heart of the remuneration philosophy and all employees are encouraged to set and achieve ambitious goals aligned to the Avior Group strategy.

The key principles supporting the policy are:

/ Exceptional performance is recognised and rewarded.

/ All remuneration policies and practices are free from unfair discrimination based on disability, race, gender, age, religion, marital status and ethnic or social origin.

/ Employ on a total cost-to-company approach for remuneration.

/ Have a balance between short-term incentive schemes and long-term incentive schemes.

/ Short-term incentive schemes are designed to encourage, recognise and reward performance.

/ Long-term incentive schemes create a sense of ownership in the Avior Group and help to retain key staff members.

Ensuring that remuneration is done in a manner that is equitable to all stakeholders and sustainable for the business.

This Remuneration Report sets out the result of the work conducted by the SERC as approved by the Board on the following matters:

/ Ensuring the remuneration policy is aligned to and promotes the achievement of the strategic objectives of the Avior Group and encourages individual performance.

/ Ensuring that annual benchmarking is conducted on remuneration inclusive of benefits and incentives to Directors and employees.

/ Reviewing and approving the performance evaluations of the Executive Directors against agreed deliverables.

/ Reviewing short-term and long-term incentive schemes to ensure alignment to shareholder value creation and that the schemes are administered in terms of the rules.

/ Reviewing the remuneration of the Non-Executive Directors to ensure Avior is able to attract and retain the required skills and experience to ensure the strategy is executed and making recommendations to shareholders in this regard.

Remuneration Report (Continued)

PART 2: REMUNERATION POLICY

Remuneration Governance

The Board takes the ultimate responsibility for the remuneration policy and is assisted in fulfilling its responsibilities by the SERC. As indicated above the Board combined the Social and Ethics Committee and the Remuneration Committee on 11 June 2018 and consists of a majority of Independent, Non-Executive Directors. One of the key resposibilities of the SERC is to consider, agree on and recommend to the Board on overall remuneration policy and philosophy of the Avior Group.

Remuneration elements - Summary

The remuneration policy covers four remuneration elements:

/ Base compensation and benefits (financial and non-financial)
/ Short-term initiatives
/ Long-term initiatives
/ Base Compensation

Base compensation elements	
Description	**Base compensation elements**
Base pay is the cash component of the initial cost-to-company amount an employee is offered in exchange for services. It excludes benefits, bonuses or any other potential compensation or reward from Avior. The base pay can be expressed as an annual or monthly guaranteed salary.	The base pay compensation is reviewed annually and factors considered for determining a potential, but not guaranteed, increase are: / Cost of living escalation. / The performance of the staff member. / Compensation at competitors. **The need to retain the employee given:** / The value of the staff member's skills and expertise in the marketplace. / The retention of the staff member in light of meeting the Avior Group's strategic objectives. / The annual salary review process provides an opportunity to adjust salaries in line with the market, and takes place between January to February each year, with increases in March. **The SERC determines the:** / Overall percentage increase to the salary bill. / Considering the demand for scarce and critical skills. / Changes to the national cost of living. / Benchmarks where required. / Business performance. / Affordability.

Remuneration Report (Continued)

Benefits	
Description	**Benefits**
Depending on certain conditions, employees are eligible for these benefits over and above the base pay.	**Insured Benefits:** Permanent employees of Avior are eligible to join Avior's pension fund schemes. Employees contribute a minimum 2% of pensionable earnings towards the pension fund. The Group's contribution towards the employee's pension fund benefit starts at 2% and increases by 1% for each year of completed services, and is capped at 10%. **Medical Aid Scheme:** The medical aid premium is included in the total cost-to-company amount and is treated as a deduction from earnings. Medical aid membership, whether as a main or dependent, is a condition of employment and is mandatory. **Medical Aid Gap Cover Benefits:** Medical aid gap cover benefits are offered to all permanent employees. A monthly premium is paid by the Group on behalf of employees who register for this benefit. The condition for membership is that the employee has to be a member of a registered medical aid in South Africa. **Quarterly Performance-based Pay:** In certain operational areas of the business, performance is highly measurable. In these instances, guaranteed monthly salary is supplemented with performance-based-pay to reward staff for their contributions to the business. Targets are reviewed and adjusted as required at the discretion of management to drive continuous improvements in the areas concerned.

Short-Term Incentives	
Description	**Short-Term Incentives**
Short-term incentives are designed to encourage and reward performance over a 3 to 12 month period. A discretionary or contractual bonus may be granted as recognition and reward for performance against KPIs and noteworthy contributions. Targets are set at the company or divisional level using KPIs. Cross company calibration ensures alignment with the objectives and shareholders' interests of the Avior Group.	Bonuses, presented to the SERC and the Board for approval, are at the discretion of Avior and there is no guarantee nor promise to pay a discretionary bonus. **When assessing an individual's qualification for a bonus the following are considered:** / The individual's conformance with the culture, values and policies of the Avior Group. / New business identified. / Customer feedback. / Overall employment package competitiveness. / Achievement of KPI's. / Key financial ratios. / The Avior Group, company and divisional performance. / Final payments, in general, are based on the audited year-end results and take place in August.

Remuneration Report (Continued)

Executive Director Short-Term Incentives	
Description	Director Short-Term Incentives
Executive Director short-term incentives are based on a discretionary bonus pool.	Bonuses are approved by the SERC. The factors considered in determining the bonus pool, and the allocation at an individual Executive Director level, are determined based on financial and non-financial metrics, as described below. **The financial metrics are based on the following:** / Normalised HEPS growth - this is a key metric upon which share price appreciation and shareholder wealth creation is measured. / ROE - this is a prominent measure in the market amongst most stakeholders in business that have a high capital demand, as well as those that have proprietary investments on their balance sheet, as it is a good representation of management's effective use and return on shareholder's equity. / Specific revenue or net profit earned - successful projects, new business or division buildouts contribute to a sustainable business. **The non-financial metrics are based on the following:** / Clients and products - retention rates, customer segment growth, geographic expansion, business volumes and new products are considered key to business sustainability. / Leadership and human capital - incorporate relationships with management, business owners, shareholders, other stakeholders (e.g. analysts) which are key to successful and ongoing sustainability. / Risk and control - risk, processes and compliance are an essential element in ensuring sound corporate governance and effective decision making.

Remuneration Report (Continued)

Long-term Incentives	
Description	**Long-term Incentives**
Long-term incentives encourage alignment with long-term shareholder interests and used to drive longer-term performance, retain key people and create opportunities for individuals to share in the Avior Group's success.	The Avior Group has implemented the following share schemes to incentivise and/or retain eligible employees of Avior: / Employee performance and retention plan. / Staff are typically eligible for the share scheme after two years of employment. However, exceptions to the rule may be made based on, for example, staff performance and the strategic nature of the role or staff skills.

Non-Executive Director Remuneration	
Description	**Non-Executive Director Remuneration**
As the quality of the Board is determined by the quality of its members, it is key to ensure that the Non-Executive Directors are reasonably awarded for the efforts, commitment and the inherent risk taken on being a Director of Avior.	**The following principles apply to Non-Executive Director remuneration:** / Fees are structured as an annual retainer component. / Fees are reviewed annually and are proposed at the AGM for approval. / The Non-Executive Directors do not have contracts of employment with the Avior Group, are appointed in terms of the Company's MoI, as appointed by the shareholders at the AGM following their approval, and thereafter at the requisite intervals when they retire by rotation in terms of the MoI. / Regular assessment of independence and performance are conducted in respect of the Non-Executive Directors.

Remuneration Report (Continued)

PART 3: IMPLEMENTATION REPORT

Remuneration was implemented in line with the principles set out above.

Base Pay

The base pay was revised and implemented in line with the remuneration policy in that:

/ The annual salary review had been conducted and a 7.1% increase for general staff had been approved;

/ A 4.4% inflationary increase had been approved for the CEO and Managing Director;

/ With the confirmation of Justin Larsen as the full-time Financial Director a 20% increase was implemented.

Executive KPIs

The Board approved a balanced scorecard that links the strategy, vision, goals and objectives of Avior to measured targets that are assigned to a responsible executive.

Quarterly Commissions

The AWS staff quarterly commissions totalled R647 296.

Short-term incentives

Contractual bonuses of R9 252 651 and agreed bonuses of R225 000 were paid to the respective staff members.

Non-Executive Directors' Fees

The remuneration paid to non-executive directors while in office of the Company during the year ended FY2019 was a total of R629,000-00 as approved by shareholders by special resolution at the previous AGM. There was a re-allocation of fees amongst the Non-Executive Directors due to Stephan Price being appointed the Chair of the Board and of the Social, Ethics and Remuneration Committee ("SERC").

The following indicates the reallocation:

Non-Executive Director	Proposed 2018/2019 fees	Actual payment of 2018/2019 fees
Marilyn Ramplin (Chair of the Board until 1 Oct 2018)	R221 000	R179 000
Stephan Price (Chair of the Board as of 1 Oct 2018 and SERC Chair as of 11 Jun 2018)	R204 000	R246 000
Thabo Mokgatlha (Chair of Audit and Risk Committee)	R204 000	R204 000
Total	R629 000	R629 000

Given the current business environment the Non-Executive Director fees for 2019/2020 will remain the same as 2018/2019.

PART 4: SHAREHOLDER ENGAGEMENT

The Group's remuneration policy and the implementation thereof are placed before shareholders for consideration and approval under the terms of non-binding advisory votes at the following AGM as provided for in the JSE Listings Requirements and recommended by King IV™. In the event that 25% or more of the votes cast are recorded against either the remuneration policy resolution or the implementation resolution, then:

/ Executive management will engage shareholders to ascertain the reasons for dissenting vote.

/ Where considered appropriate, members of the remuneration committee may participate in these engagements with selected shareholders.

Executive management will make specific recommendations to the SERC as to how the legitimate and reasonable objections of shareholders might be addressed, either in the Group's remuneration policy or through changes on how the remuneration policy is implemented.

PART 5: APPROVAL

This Remuneration Report was recommended by the SERC for approval by the Board that was granted on 26 July 2019.

Stephan Price

Social, Ethics and Remuneration Committee Chair

King IV™ Disclosure

Principle 1

The governing body should lead ethically and effectively.

The Directors on the Board of Avior holds one another accountable for decision-making and ethical behavior. The Chairperson of the Board oversees this on an ongoing basis. This responsibility is contained in the Board Charter which includes the Board code of conduct.

No fraud or unethical behavior was detected during the external audit for the FY19 period.

Principle 2

The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.

The Board established a SERC responsible for monitoring and governance of the ethics of the Company. The role and responsibility of SERC is contained in a Board-approved terms of reference.

The Company's Values and Employee Handbook guides the interaction between employees, clients, stakeholders and suppliers. The Group also operate in terms of a Code of Ethics Policy.

Principle 3

The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.

SERC monitors the Company's activities in relation to Corporate Citizenship.

The Company participates in several social upliftment programmes such as the sponsorship of two disabled learners through the LFP Training Academy, the support of TSiBA College, a graduate internship programme and a supplier development programme.

King IV™ Disclosure (Continued)

Principle 4

The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

The CEO is mandated to implement the Company's strategy to ensure that the Company's ability to create value in a sustainable manner is illustrated throughout its business model.

The Board as a whole remains responsible for the governance of risk and has delegated this responsibility to the Audit and Risk Committee. This Committee assists the Board with the governance of risk and continue ensuring the monitoring of risks while ensuring that effective mitigating factors and plans are in place. This responsibility is contained in the Board Charter as well as the terms of reference of the Audit and Risk Committee.

See summary of risk inclusive of mitigating factors on pages 27 - 30 of the IAR.

Principle 5

The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.

The Board approved the IAR which informs stakeholders of the organisation's performance, as well as the medium and longer-term strategy. Also included is a summary of key risks and divisional performance overviews.

Principle 6

The governing body should serve as the focal point and custodian of the corporate governance in the organisation.

The Board acts in accordance with a Board Charter and is the focal point and custodian of corporate governance within the Company. The Board recognises that good governance can create shareholder value by enhancing long-term equity performance. The Board delegated some of its functions to board committees such as:

/ Audit and Risk Committee;

/ Social, Ethics and Remuneration Committee.

King IV™ Disclosure (Continued)

Principle 7

The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

The Board and its committees consider (on an annual basis) its composition in terms of balance of skills, experience, diversity, independence and knowledge and whether this enables it to effectively discharge its role and responsibilities.

The Board was satisfied that it comprises the appropriate balance of skills, experience, diversity, independence and knowledge to discharge its role. The Board will conduct a self-assessment of the Board and the reconstituted committees once the newly appointed directors have been in office for a year, being May 2019.

Principle 8

The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.

During the period under review, Stephan Price (Independent Non-Executive Director) was appointed as Chairperson of the Board, with. Marilyn Ramplin remaining as a member of the Board.

Currently, due to the size and composition of the Board, the Chairperson of the Board is the Chairperson of SERC Committee, which is not in line with the recommendations of King IV™. Consideration may include the appointment of an additional Independent Non-Executive Director to the Board to ensure full compliance in respect of the committee composition and the recommendations of King IV™.

The composition of the Audit and Risk Committee is fully compliant with the requirements of the Companies Act, as well as the recommendations of King IV™

Furthermore, there is a clear balance of power that ensures that no individual/s has/have undue/unfettered decision-making powers. The role of the CEO and Chairperson of the Board remained separate during the period under review.

Principle 9

The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.

The Board and all committees' terms of reference include the onus of annual assessments. Going forward, an annual assessment of the performance of the Board, its committees and the Company Secretary will continue to be conducted annually by way of internal evaluation processes.

King IV™ Disclosure (Continued)

Principle 10

The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and effective exercise of authority and responsibilities.

The Delegation of Authority between the Board and the CEO is largely governed by the principles of King IV™ and the requirements of the JSE. This delegation is also included in the Board Charter.

A Delegation of Authority policy and framework indicating the matters reserved for the Board and senior management was developed.

The interim FD was appointed on a permanent basis with effect from 11 June 2018. The FD oversees the finance function and is assisted by suitable qualified staff.

An assessment of the effectiveness of the FD's performance will be conducted annually by the Audit and Risk Committee and confirmed in the IAR. The Committee considered the expertise and qualifications of the finance function as a whole and was satisfied that the finance function has the necessary skills and qualifications.

Principle 11

The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.

The Audit and Risk Committee assists the Board with the governance of risk. The Board is aware of the importance of risk management as it is linked to the strategy, performance and sustainability of the Company.

The Audit and Risk Committee delegates to management the responsibility to continuously identify, assess, mitigate and manage risks within the operating environment. Risk Management is a standing agenda item of the Audit and Risk Committee.

Principle 12

The governing body should govern technology and information in a way that supports the organization setting and achieving its strategic objectives.

The Board, together with the Audit and Risk Committee, oversees the governance of information technology. The Board is aware of the importance of technology and information in relation to the Group's strategy. Risks concerning technology are a regular Board and committee agenda item and were a specific focus for internal audit in the FY19.

King IV™ Disclosure (Continued)

Principle 13

The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that it supports the organisation being ethical and a good corporate citizen.

The Board through the SERC, monitors compliance with the various regulations the Group is subject to.

There were no contraventions of areas of non-compliance for the period under review, relating to breaches of the requirements of the JSE and the Companies Act.

Principle 14

The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in short term, medium term and long term.

The Board, assisted by the SERC, ensures that staff members are remunerated fairly, responsibly, transparently and in line with industry standards to promote the creation of value in a sustainable manner. In this regard, the remuneration policy has been drafted and regularly considered by SERC and is tabled for a non-binding advisory vote at the AGM of shareholders.

These responsibilities are also contained in the terms of reference of SERC.

Principle 15

The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.

The Board is satisfied that the assurance results indicate an adequate and effective control environment and integrity of reports for better decision-making. The Board relied on the Audit and Risk Committee for the results that are presented in the IAR and approved same on recommendation of said Committee.

This responsibility is contained in the terms of reference of the Audit and Risk Committee and the Board Charter.

King IV™ Disclosure (Continued)

Principle 16

In the execution of its governance roles and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.

The Board acknowledges that key stakeholders are vital to the ongoing sustainability of the business. This is reflected in the stakeholder engagement model details on page 9 of the IAR.

Principle 17

The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests.

This principle is not applicable to Avior

ANNUAL FINANCIAL STATEMENTS

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Holding company for ACM which trades as a provider of financial services and other directly and indirectly related services as a member of the JSE Limited.
Directors	Koutromanos P Mattison K Larsen J Ramplin M Price S Mokgatlha T
Registered office	11th Floor South Tower 140 West Street Sandton 2196
Postal address	PO Box 651856 Benmore 2010
Bankers	Standard Bank Limited
Auditors	BDO South Africa Incorporated Chartered Accountants (SA) Registered Auditors
Secretary	Fusion Corporate Secretarial Services Proprietary Limited
Level of assurance	These consolidated financial statements were audited as required by the Company's Memorandum of Incorporation and Section 30(2)(a) of the Companies Act of South Africa.
Preparer	The consolidated annual financial statements were independently compiled by Northplan Chartered Accountants Incorporated under the supervision of the Finance Director, Justin Larsen CA(SA).
Issued	26 July 2019

Directors’ Responsibilities and Approval

The directors are responsible for the preparation and fair presentation of the consolidated annual financial statements of Avior as at 30 April 2019. These comprise the consolidated statements of financial position, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows and notes to the financial statements, including a summary of significant accounting policies.

The annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations as adopted by the International Accounting Standards Board; the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee; and financial pronouncements as issued by the Financial Reporting Standards Council; the manner required by the Companies Act of South Africa; and the JSE Listings Requirements and incorporate full and reasonable disclosure.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have reviewed the Group’s cash flow forecast for the next 12 months from the date of approval. In light of this review and the current financial position, they are satisfied that Avior Capital Market Holdings Limited and its subsidiaries have, and have access to, adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the annual financial statements.

The auditor is responsible for auditing and reporting on whether the consolidated annual financial statements are fairly presented in accordance with the applicable financial reporting frameworks.

APPROVAL OF CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

The consolidated annual financial statements of Avior, as identified in the first paragraph, were approved by the Board on 26 July 2019 and are signed on their behalf by:

Peter Koutromanos Chief Executive Officer

Justin Larsen Finance Director

Certificate by the Company Secretary

I declare that, since our appointment as company secretary on 3 May 2018 and to the best of my knowledge, the company has filed all such returns and notices as are required of a public company interms of the Companies Act, and that all such returns and notices are true, correct and up to date.

Melinda Gous

Fusion Corporate Secretarial Services Proprietary Limited

Company Secretary

Directors' Report

The directors have the pleasure in submitting their report on the consolidated annual financial statements of Avior for the year ended 30 April 2019. These consolidated annual financial statements were independently audited by the Group's auditors, BDO South Africa Incorporated.

1. Nature of business

Avior was incorporated in South Africa as a provider of financial services which includes stockbroking (i.e. equities, derivatives and fixed income), research, corporate broking as a member of the JSE Limited. The Group operates in four key regions being South Africa, Frontier markets (i.e. Africa and Middle East), the United Kingdom and the United States of America.

There have been no material changes to the nature of the Group's business from the prior year.

2. Review of financial results and activities

The Group recorded a net loss after tax for the year ended 30 April 2019 of R (22 963 093). This represented a decrease of 625% from the net profit after tax of the prior year of R4 368 220.

Group revenue decreased by 19% from R176 992 142 in the prior year to R143 286 149 for the year ended 30 April 2019

Group cash flows from operating activities decreased by 426% from R14 021 674 in the prior year to R(45 678 255) for the year ended 30 April 2019.

3. Share capital

Authorised	2019	2018
Ordinary shares	Number of shares	
	400 000 000	400 000 000

Issued	2019 R	2018 R	2019 Number of shares	2018 Number of shares
Ordinary shares	8 647 754	8 647 754	146 285 100	146 285 100

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

4. Control over unissued shares

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of section 38 of the Companies Act of South Africa. As this general authority remains valid only until the next AGM, the shareholders will be asked at that meeting to consider a special resolution to renew the general authority until the next AGM

5. Dividends

The Group's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the Board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the Board may pass on the payment of dividends.

Given the current state of the global economic environment, the Board believes that it would be more appropriate for the company to conserve cash and maintain adequate debt headroom to ensure that the company is best placed to withstand any prolonged adverse economic conditions. Therefore the Board has resolved not to declare a dividend for the financial year ended 30 April 2019.

6. Directorate

The directors in office at the date of this report and during the financial period under review are as follows:

Directors	Designation	Changes
Koutromanos P	Executive	
Mattison K	Executive	
Larsen J	Executive	
Matloa O	Non-executive Independent	Resigned 18 May 2018
Masilela E	Non-executive Independent	Resigned 18 May 2018
Ramplin M	Non-executive Independent	
Price S	Non-executive Independent	Appointed 14 May 2018
Mokgatlha T	Non-executive Independent	Appointed 06 June2018

Directors' Report (Continued)

7. Directors' interests in shares Interests in shares

Directors	2019 Direct	2018 Direct	2019 Indirect	2018 Indirect
Koutromanos P	-	-	88 951 533	87 228 364
Mattison K	47 334 370	46 420 593	-	-
	47 334 370	**46 420 593**	**88 951 533**	**87 228 364**

There has not been further transactions between year end and date of the report.

8. Events after the reporting period

Refer to note 34.

9. Going concern

Refer to note 33.

10. Auditors

BDO South Africa Incorporated continued in office as auditors for the Group for the 2019 financial year.

11. Secretary

The company secretary is Fusion Corporate Secretarial Services Proprietary Limited.

Audit and Risk Committee Report

The Avior Audit and Risk Committee (the AR Committee) is an independent statutory committee appointed by the Shareholders of the Group in terms of section 94 of the Companies Act, which committee also acts as the statutory audit committee of Avior's wholly owned subsidiaries.

The AR Committee operates in terms of a Board-approved Terms of Reference. It conducted its affairs in compliance with, and discharged its responsibilities in terms of, its Terms of Reference for the year ended 30 April 2019.

The AR Committee's roles and responsibilities include its statutory duties as defined in section 94(7) of the Companies Act and the responsibilities assigned to it by the Board which were performed as detailed below:

External audit

/ Considered and satisfied itself that the external auditor was independent and nominated BDO South Africa Incorporated for re-election as the external auditors of the Group, which re-appointment is to be confirmed by shareholders at the next Annual General Meeting.

/ Approved the external auditor's scope and fees in relation to the 2019 external audit engagement.

/ Determined the nature and extent of all non-audit related services performed.

/ Confirmed that the external auditors and the designated auditor are accredited by the JSE, as required in terms of paragraph 22.15 (h) of the JSE Listings Requirements.

/ Confirmed that no reportable irregularities had been identified or reported on by the external auditor under the Auditing Profession Act.

Internal audit

/ Reviewed and approved the annual internal audit plan and evaluated the independence, effectiveness and performance of the internal audit function.

/ Reviewed and approved the annual internal audit plan and evaluated the independence, effectiveness and performance of the internal audit function.

Adequacy and functioning of Avior Group's internal control

/ Reviewed the plans and work outputs of the external and internal auditors and concluded that these were adequate to address all significant financial risks facing the business.

/ As noted above, the committee also reviewed reporting around the adequacy of the internal controls and, based on this, concluded that there had been no material breakdowns in internal control, including financial controls, business risk management and the maintenance of effective material control systems.

Finance function and Finance Director

/ Satisfied itself of the appropriateness of the qualifications, expertise and experience of the Finance Director, Justin Larsen.

/ Considered the expertise, resources and experience of the finance function, and concluded that these were satisfactory.

Integrated report

/ Reviewed the integrated report, including the audit report on the financial statements prior to board approval.

/ Satisfied themselves that the financial statements were prepared on a going-concern basis.

/ Considered the appropriateness of accounting policies and any changes thereto and the adequacy of disclosures in the integrated report.

/ Reviewed the accounts and financial statements taken to ensure they present a balanced and comprehensive assessment of the position, performance and prospects of the Group.

Legal, regulatory and corporate governance requirements

/ Ensured the establishment and maintenance of effective processes for compliance with applicable statutory and regulatory requirements.

/ Monitored ongoing compliance with the Companies Act, the JSE Listings Requirements, the Financial Market Act, and all other applicable legislation, directives and governance codes.

/ Reviewed compliance matters that could have a significant impact on the financial statements.

Risk management and IT governance

/ Reviewed and approved the Group's risk management plan.

/ Reviewed the Group's risk registers containing pertinent risks.

/ Reviewed the Group's policies on the risk assessment and risk management and were satisfied with the risk management plan and policies.

Dividend

/ No dividends were declared for 30 April 2019.

RECOMMENDATION OF THE INTEGRATED REPORT FOR APPROVAL BY THE BOARD

Based on the information and explanations given by management and discussions with the internal auditor and the independent external auditor regarding the results of their audits, the committee is satisfied the financial statements of Avior and the Group for the year ended 30 April 2019 comply, in all material respects, complies with the requirements of the Companies Act of South Africa, International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and the JSE Listings Requirements.

Thabo Mokgatlha
Chairman of the Audit and Risk Committee

Independent Auditor's Report

To the shareholders of
Avior

Report on the Audit of the Consolidated Annual Financial Statements

Opinion

We have audited the consolidated annual financial statements of Avior and its subsidiaries ("the group") set out on pages 62 to 106, which comprise the consolidated statement of financial position as at 30 April 2019, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Avior and its subsidiaries as at 30 April 2019, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the group in accordance with sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018),* parts 1 and 3 of the of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards*) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion there on, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition (Note 3) The current market conditions and the significant volumes of revenue transactions during the year increases the risk of inappropriate revenue recognition. There is a risk that revenue is not recognized in accordance with the stated accounting policies and pricing mandates, or that income is recognized in a period to which it does not relate. The diversity of the group's activities results in a number of different revenue streams.	Our procedures included amongst others: / Determined whether the accounting treatment for all the significant revenue streams were in accordance with the relevant accounting standard. / Evaluated the impact of the new revenue standard (IFRS15) on revenue recognition effective for the current reporting period. / Used our information technology audit specialists to evaluate the general control environment and impact of service providers on the systems which initiate and recognise revenue.
In brokerage execution, a high volume of transactions relies on a highly automated environment, the failure of which could lead to significant financial loss to the group. The extent of audit effort to obtain audit evidence regarding accuracy, completeness and occurrence of the various revenue streams, and testing the automated environments, which initiate and recognize revenue, result in a key audit matter	/ Assessed and considered the appropriateness of the 3rd party factual findings report on the JSE systems to place reliance on the controls operating at the service organisation over the trading and Broker Deal Administration system ("BDA system"). / Agreed the brokerage revenue to the JSE BDA system reports for accuracy, completeness and existence and tested substantively a sample of trades to supporting documents, including trade instructions, mandates, contract notes, statements, client confirmations and receipts of fees to bank statements. / Evaluated the remaining revenue streams for accuracy, completeness and occurrence with reference to supporting documents for initiating the transactions, recording of the transactions as well as receipt of the revenue on a sample basis; / Verified the appropriate cut-off of revenues at year-end by testing a sample of transactions before and after year-end. / Used data analytic software to test manual adjustments to revenue for appropriateness and commercial substance. / Evaluated the adequacy and appropriateness of disclosures in the financial statements in terms of International Financial Reporting Standards (IFRS15).

Independent Auditor's Report (Continued)

Key audit matter	How our audit addressed the key audit matter
Recognition of deferred tax assets (Note 14) The group recognises deferred tax assets in terms of IAS 12, to the extent that it is probable that future taxable profits will be available to utilise all or part of the asset in future. When considering the availability of future taxable profits, significant judgement is applied by management when assessing the projections of future taxable income which are based on an approved business plan and cash flow forecasts given current economic conditions. Due to significant estimation and judgement involved by management and the work and effort from the audit team, this matter was considered to be a key audit matter	Our procedures included amongst others: / Evaluated management's assessment of the estimated manner in which the temporary differences, including the recoverability of the deferred tax assets, would be realised by agreeing to cash flow forecasts, business plans, and our knowledge of the business, including assessing company performance against previous forecasts. / Challenged the assumptions made by management for uncertain deferred tax positions to assess whether appropriate deferred tax provisions have been recognised and are based on the most probable outcome; / Involved our foreign tax specialists to evaluate the recognition and measurement of the deferred tax asset by analysing the deferred tax calculation for compliance with the relevant tax legislation. / Evaluated the adequacy and appropriateness of disclosures in terms of International Financial Reporting Standards (IAS 12).

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Avior Consolidated Annual Financial Statements for the year ended 30 April 2019", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Report, which is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 Directors for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group'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 directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 ISAs 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 consolidated financial statements.

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

/ Identify and assess the risks of material misstatement of the consolidated 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.

Independent Auditor's Report (Continued)

- 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 group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 group'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 consolidated 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 group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial in formation of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. Were main solely responsible for our audit opinion.

We communicate with the directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when,in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Avior for 2 years.

BDO South Africa Inc.

BDO South Africa Incorporated
Registered Auditors

D Botha
Director Registered Auditor

30 July 2019

Wanderers Office Park 52 Corlett Drive
Illovo, 2196

Statement of Profit or Loss and Other Comprehensive Income

	Notes	2019	2018
Revenue	3	143 286 149	176 992 142
Other income	4	5 306 455	4 155 747
Total revenue		**148 592 604**	**181 147 889**
Operating expenses	5	(171 365 844)	(167 315 991)
Impairment losses on financial assets	17.1	(10 318 200)	(1 351 142)
Profit from operations		**(33 091 440)**	**12 480 756**
Foreign exchange gains / (losses) for the year		4 159 771	(5 358 769)
Share of loss in equity-accounted investee	8	-	(50 000)
(Loss) / profit before taxation		**(28 829 573)**	**7 487124**
Taxation	9	5 866 480	(3 118 904)
(Loss) / profit for the year		**(22 963 093)**	**4 368 220**
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operation		4 359 852	(676 512)
Other comprehensive income / (loss) for the year net of taxation		**4 359 852**	**(676 512)**
Total comprehensive (loss) / income for the year		**(18 603 241)**	**3 691 708**
Basic and diluted earnings per share (cents)	10	(15.70)	2.99

Statement of Financial Position

as at 30 April 2019

Figures in Rand	Notes	2019	2018
Assets			
Non-Current Assets			
Property, plant and equipment	11	14 331 727	9 330 988
Intangible assets	12	472 299	703 003
Loans to prescribed officers, managers and employees	13	1 620 588	1 508 364
Deferred tax	14	21 635 205	14 371 676
Loan receivable	15	651 260	579 138
		38 711 079	26 493 169
Current Assets			
Loans to prescribed officers, managers and employees	13	1 127 147	797 516
Margin and collateral accounts	16	27 344 426	11 027 981
Trade and other receivables	17	13 173 902	8 945 038
Financial assets at fair value through profit or loss	18	6 135 649	47 946
Current tax receivable		2 641 773	2 641 773
Amounts receivable in respect of stock broking activities	19	250 347 192	373 499 993
Cash and cash equivalents	20	32 462 292	71 710 133
		333 232 381	468 670 380
Total Assets		371 943 460	495 163 549
Equity and Liabilities			
Equity			
Share capital	21	8 647 754	8 647 754
Reserves		(1 436 219)	(6 237 638)
Retained income		60 140 169	83 103 262
		67 351 704	85 513 378

Figures in Rand	Notes	2019	2018
Liabilities			
Non-Current Liabilities			
Finance lease liability	22	3 510 708	-
Loans from related parties	23	13 000 251	13 000 251
		16 510 959	13 000 251
Current Liabilities			
Trade and other payables	24	22 128 149	20 500 489
Financial liabilities at fair value through profit or loss	18	10 497 443	555 191
Finance lease liability	22	782 399	-
Operating lease liability	29	2 164 040	452 732
Loans from related parties	23	-	128 222
Current tax payable		608 180	268 327
Amounts payable in respect of stock broking activities	25	251 900 586	374 744 959
		288 080 797	396 649 920
Total Liabilities		304 591 756	409 650 171
Total Equity and Liabilities		371 943 460	495 163 549

Statement of Changes in Equity

Figures in Rand	Share capital R	Foreign currency translation reserve R	Share based payments reserve R	Total reserves R	Retained income R	Total equity R
Balance at 01 May 2017	**14 146**	**(5 561 126)**	**-**	**(5 561 126)**	**79 617 120**	**74 070 140**
Profit for the year	-	-	-	-	4 368 220	4 368 220
Other comprehensive income	-	(676 512)	-	(676 512)	-	(676 512)
Total comprehensive income for the year	**-**	**(676 512)**	**-**	**(676 512)**	**4 368 220**	**3 691 708**
Issue of shares	8 633 700	-	-	-	-	8 633 700
Purchase of own shares	(92)	-	-	-	(882 078)	(882 170)
Total contributions by and distributions to owners of company recognised directly in equity	**8 633 608**	**-**	**-**	**-**	**(882 078)**	**7 751 530**
Balance at 01 May 2018	**8 647 754**	**(6 237 638)**	**-**	**(6 237 638)**	**83 103 262**	**85 513 378**
Loss for the year	-	-	-	-	(22 963 093)	(22 963 093)
Other comprehensive income	-	4 359 852	-	4 359 852	-	4 359 852
Total comprehensive loss for the year	**-**	**4 359 852**	**-**	**4 359 852**	**(22 963 093)**	**(18 603 241)**
Share-based payment and deferred tax thereon	-	-	441 567	441 567	-	441 567
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**441 567**	**441 567**	**-**	**441 567**
Balance at 30 April 2019	8 647 754	(1 877 786)	441 567	(1 436 219)	60 140 169	67 351 704
Note	21					

Statement of Cash Flows

Figures in Rand	Notes	2019	2018
Cash flows from operating activities			
Cash (used in)/generated from operations	26	(46 430 423)	15 591 461
Investment income		1 963 312	2 191 252
Dividend income		574 325	49
Finance costs		(2 113 721)	(1 944 011)
Tax received / (paid)	27	328 252	(1 817 077)
Net cash from operating activities		**(45 678 255)**	**14 021 674**
Cash flows from investing activities			
Acquisition of property, plant and equipment	11	(1 280 668)	(7 888 819)
Proceeds on disposal of property, plant and equipment		172 478	70 976
Acquisition of intangible assets	12	-	(455 277)
Loans advanced to prescribed officers and employees		(703 734)	(845 915)
Receipts from loans to prescribed officers and employees		386 162	967 508
Loan advanced		(20 000)	-
Proceeds from/(repayment of) financial liabilities at fair value through profit or loss		6 968 223	(2 113 162)
(Acquisition of)/proceeds on disposal of financial assets at fair value through profit or loss		(6 087 703)	3 012 771
Loan advanced to equity-accounted investee		-	(310 000)
Acquisition of equity-accounted investee		-	(500 000)
Net cash from investing activities		**(565 242)**	**(8 061 918)**
Cash flows from financing activities			
Share issue	21	-	8 633 700
Repurchase of shares	21	-	(212 040)
Repayment of finance lease liability		(287 902)	-
Net cash from financing activities		**(287 902)**	**8 421 660**
Total cash movement for the year		**(46 531 399)**	**14 381 416**
Cash at the beginning of the year		71 710 133	63 435 808
Effect of exchange rate movement on cash balances		7 283 558	(6 107 091)
Total cash at end of the year	20	**32 462 292**	**71 710 133**

Accounting Policies

1. Significant accounting policies

Avior is a public company incorporated and domiciled in South Africa. Except for the changes explained in Section 2, the Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

1.1. Basis of preparation

1.1.1. Statement of compliance

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board the Johannesburg Stock Exchange (JSE) Listings Requirements, the requirements of the Companies Act, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council.

The consolidated financial statements were prepared under the supervision of J Larsen, CA(SA), the Group Finance Director.

1.1.2. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value and incorporate the principal accounting policies set out below.

1.1.3. Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Although estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

/ Note 5.1.2 - The use of an alternate valuation model to market price when measuring the grant date shareprice
/ Note 14 – Recognition of deferred tax asset relating to assessed losses
/ Note 17 – Trade and other receivables impairment
/ Note 33 – Going concern

1.2. Basis of consolidation

1.2.1. Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. The Group controls an entity when it has power over and is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity.

The financial statements of subsidiaries are consolidated from the date on which the Group acquires control up to the date that control ceases.

1.2.2. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.3. Translation of foreign currencies

1.3.1. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The financial statements are presented in South African Rand which is the Group's presentation currency.

Accounting Policies (Continued)

1.3.2. Transactions and balances

Transactions in foreign currencies are translated into the functional currency at the exchange rate ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation, at year-end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

1.3.3. Foreign operations

The results and financial position of foreign operations (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the Group's presentation currency are translated into the Group's presentation currency as follows:

- / Assets and liabilities are translated at the foreign exchange rate ruling at the financial year-end date.
- / Income and expenses are translated at average exchange rates for the year, to the extent that such average rates approximate rates ruling at the dates of the transactions.

Exchange differences arising on the translation are recognised directly in a separate component of other comprehensive income and presented in equity (foreign currency translation reserve). When a foreign operation is sold, such exchange differences are recognised in profit or loss as part of the gain or loss on sale.

1.4. Revenue

Revenue is measured at the transaction price, net of variable considerations (e.g. rebates) and the existence of a significant financing component in the contract. Revenue is recognised either at a point in time or over time, when the Group satisfies performance obligations by transferring the promised services to its customers.

1.4.1. Brokerage commissions

The Group enters into contracts with customers through the customer trading mandates signed by the customer. The performance obligations for this revenue type comprises of trade execution, settlement and custodian services, which together form a bundle of distinct trade execution services. Revenue is recognised on successful trade execution (T + 0) when the customer has access to substantially all the benefits of the trade.

1.4.2. Other fees

Other fees are typically associated with customer trading mandates but are non-brokerage commission related. These include custody fees, asset management fees and administrative type fees. Revenue is recognised when the related services is performed, and the performance obligation is met.

1.4.3. Research services and investment banking advisory fees

The Group provides research services to its clients which are typically billed on a monthly or ad-hoc basis. Access to research facilities represents a single combined performance obligation over which control is considered to transfer over time. The performance obligations include corporate access, access to research reports and access to research analysts.

The Group also provides investment banking advisory services to clients. Revenue is recognised on a contractual milestone basis when performance obligations are met.

1.5. Interest

1.5.1. Effective interest rate

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- / The gross carrying amount of the financial asset
- / The amortised cost of the financial liability

When calculating the effective interest rate for financial instruments, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit loss (ECL).

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Accounting Policies (Continued)

1.5.2. Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

1.5.3. Calculation of interest income and expenses

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

1.6. Employee benefits

1.6.1. Short-term employee benefits

Short-term employee benefits are expensed as the related service is rendered. The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

1.6.2. Post-retirement benefits

The Group contributes to a defined contribution plan based on a percentage of pensionable earnings earned by employees. The plan is held in separate trustee administered funds. Contributions to the plan are recognised in profit or loss in the period in which they become payable.

The contributions are expensed as the related services are provided. The Group does not operate a defined benefit plan.

1.6.3. Share-based payment transactions

The Group recognises the goods or services received or acquired in a share-based payment transaction when it obtains the goods or as the services are received. The Group recognises a corresponding increase in equity if the goods or services were received in an equity-settled share-based payment transaction, or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

The grant-date fair value of equity-settled share-based payment awards granted to employees is recognised as personnel expenses, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

In the Group's financial statements the current share-based payment scheme is treated as an equity-settled share-based payment, based on the nature of the arrangement (i.e. upon vesting shares are issued to employees). In the stand-alone financial statements of the Group's subsidiaries, the current share-based payment scheme is treated as a cash-settled share- based payment, based on the scheme arrangement that the subsidiary finances the employees' share purchase through a bonus award.

The temporary difference on which the deferred tax asset relating to the share-based payment is raised is the full amount of the liability raised in the subsidiary as this is the tax base of the arrangement. In an equity-settled share-based arrangement only a portion of the grant date fair value is recognised in profit or loss while the amount deducted for tax purposes is based on the carrying value of the subsidiary's liability on the annual reporting date. Therefore, in raising the deferred tax asset the credit amount is split between the amount accounted for in profit or loss (based on the expense recognised using the grant date fair value) and the amount accounted for in equity (the balance of the deferred tax asset).

Accounting Policies (Continued)

1.7. Financial instruments

1.7.1. Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at Fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. Transaction costs related to financial instruments designated at FVTPL are expensed immediately.

1.7.2. Classification of financial assets

The Group's financial assets have been classified into:

/ Amortised cost

/ Fair value through profit or loss (FVTPL)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

/ The asset is held within a business model whose objective is to hold assets to collect contractual cash flows

/ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest(SPPI)

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

1.7.3. Classification of financial liabilities

The Group's financial liabilities are classified as either:

/ Amortised cost

/ Fair value through profit or loss (FVTPL)

1.7.4. Subsequent measurement of financial instruments

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value recognised in profit or loss. Financial assets and liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

1.7.5. Offsetting

Financial assets and liabilities are offset and the net amounts presented in the statement of financial position only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.7.6. Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when they are extinguished, i.e. when the contractual obligation is discharged, cancelled, expires or when a substantial modification of the terms occur.

1.7.7. Fair value measurement

'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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with enough frequency and volume to provide pricing information on an ongoing basis.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

1.7.8. Loans (non-current and current)

Loans are financial assets with fixed or determinable payments that are not quoted in an active market and are typically held to maturity.

Accounting Policies (Continued)

1.7 Financial instruments (continued)

1.7.9. Margin and collateral accounts

These amounts primarily represent cash amounts or equity instruments relating to stock broking activities transferred as collateral against open derivative contracts (i.e. CFDs), scrip lending liabilities or margin risk requirements as per the JSE's settlement requirements. No set-off of receivables is permitted as the Group has no legal right to do so as the transactions are with different counter parties. The cash or equity instruments posted as collateral are typically returned to the Group upon fulfilment of obligations or completion of the underlying contracts. The current and prior year values all represent cash amounts at the respective period end.

1.7.10. Financial assets/liabilities at fair value through profit or loss

Financial instruments at fair value through profit or loss typically comprise cash equities instruments, both long and short positions, held both for proprietary, arbitrage or facilitation book purposes. They are principally acquired for purchasing and selling in the short term. No derivative instruments are traded on a proprietary basis.

1.7.11. Amounts receivable/payable in respect of stock broking activities

These amounts arise primarily from equities, derivatives and fixed income trading activities that the Group carries out on behalf of its clients, through its subsidiary ACM. The accounts receivable from stockbroking activities represents amounts due from clients for the purchases of instruments and the accounts payable from stockbroking activities represents amounts due to clients for the sales of instruments.

No set-off of receivables and payables is permitted as the Group has no legal right to do so as the transactions are with different counter parties with differing settlement dates. The Group must ensure the settlement of all transactions executed by them on behalf of clients. The Settlement Authority (which is a separate entity established in terms of the JSE Rules and Directives) is responsible for the management of the settlement of these transactions and the management of the risks associated with such settlement. In addition, the Group ensures that no purchase transaction takes place unless the controlled client has sufficient funds in their account, which are held at JSE Trustees Proprietary Limited, and on the sell side, that the client has sufficient equity securities in dematerialised form before a sale is executed

1.7.12. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in fair value. Cash and cash equivalents are measured at amortised cost which approximates fair value. Interest income from funds invested in loans and receivables is recognised as it accrues in profit or loss using the effective interest method. Finance costs comprises interest expense on borrowings and are recognised in profit or loss using the effective interest method.

1.8. Property, plant and equipment

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition of the asset. Property, plant and equipment is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Depreciation is recognised in profit orloss.

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

Item	Depreciation method	Average useful life
Computer equipment	Straight line	3 - 7 years
Furniture and fixtures	Straight line	7 years
Leasehold improvements	Straight line	Remainder of lease term
Motor vehicles	Straight line	3 years
Office equipment	Straight line	7 years

The residual value, useful life and depreciation method of each asset are reviewed at each reporting date. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Any gain or loss on derecognition of an item of property, plant and equipment is recognised in profit or loss.

Accounting Policies (Continued)

1.9. Intangible assets

Intangible assets that are acquired by the entity, which have finite useful lives, are recognised initially at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Subsequently expenditure is capitalised only when it increases the future economic benefits of the asset to which it relates.

The useful lives and amortisation method for intangible assets are reviewed at each reporting date.

Amortisation is calculated to write down the intangible assets, on a straight line basis over their estimated useful lives as follows:

Item	Useful life
Avior research and customer relationship management platform	5 years
Computer software	5 years

1.10. Leases

1.10.1. Finance leases

Assets held by the Group under leases that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased asset is initially measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term to produce a constant periodic rate of interest on the remaining balance of the liability.

1.10.2. Operating leases

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

1.11. Impairment

1.11.1. Financial instruments (including trade and other receivables)

The Group recognises ECLs on financial assets measured at amortised cost. The Group has applied the simplified approach in measuring ECLs for trade and other receivables, as they arise from the delivery of services to customers, qualifying for ECL treatment on a lifetime basis. The general approach is applied in measuring ECLs for other financial assets measured at amortised cost.

Under the general approach, the transition from recognising the 12-month expected credit losses (i.e. Stage 1) to lifetime expected credit losses (i.e. Stage 2) is based on the identification of a significant increase in credit risk risk over the remaining life of the instrument in comparison with the credit risk on initial recognition. When determining whether the credit risk has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the group's historical experience and informed credit assessment, which includes forward looking information.

A significant increase in credit risk can include:

/ 30 days past due.

/ Changes in economic or market conditions.

/ Changes in the operating results of a counter party.

/ Changes in the amount of financial support.

/ Expected or potential breaches in contractual terms.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Refer to note 31 for a definition of Stage 1 - 3, which is used under the general approach.

Accounting Policies (Continued)

1.11 Impairment (continued)

1.11.1. Financial instruments (including trade and other receivables) (Continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset at initial recognition.

Credit-impaired or in default financial assets

At each reporting date the Group assesses whether the financial assets carried at amortised cost are credit-impaired (i.e Stage 3) or in default. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Lifetime ECLs would be recognised for these financial assets.

Evidence that a financial asset is credit-impaired or in default includes the following observable data:

/ Significant financial difficulty of the counter party
/ A breach of contract such as a default
/ The restructuring of a facility or the original terms of a contract
/ They are handed over for legal processing

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount.

When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery of balances from customers or receivables.

However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Presentation of impairment in the Statement of Financial Position

Loss allowances or impairments for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

1.11.2. Non-financial assets

The carrying amounts of the Group's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.12. Tax

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, or directly in equity, except to the extent that the tax arises from:

/ A transaction or event which is recognised, in the same or a different period, in other comprehensive income or directly in equity.
/ A business combination.

Accounting Policies (Continued)

1.12.1. 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 at the reporting period.

1.12.2. Deferred tax assets and liabilities

Deferred tax is recognised for all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes, except to the extent that deferred tax 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 the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses 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.

Current and deferred tax assets and liabilities are offset if the entity has a legally enforceable right to offset current tax liabilities and assets, and the deferred tax liabilities and assets relate to income tax levied by the same tax authority on the same taxable entity.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. In assessing the appropriateness of the recognition of deferred tax assets relating to the accumulated assessed tax losses, the Group prepares a three year profitability forecast. This is used to determine the extent to which taxable profits will be generated by the entities in the Group to utilise the deferred tax assets.

1.13. Share capital and reserves

Shares issued by the Group are recognised at the value of the proceeds received less external costs directly attributable to the issue of shares. All transactions directly relating to the acquisition and sale or issue of shares in the Group, together with their associated costs, are accounted for in equity.

Own equity instruments of the Group which are acquired by it or by any of its subsidiaries are deducted from equity. Consideration paid or received on the purchase, sale, issue or cancellation of the Group's own equity instruments is recognised directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of own equity instruments.

1.14. Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

1.15. Segment reporting

Segments have been determined on the basis of operating results reviewed by the executive committee/executive directors, who are considered to be the chief operating decision makers, for the purposes of allocating resources and reviewing performance.

Accounting Policies (Continued)

2. New Standards and Interpretations

2.1. Standards and interpretations effective and adopted in the current year

The following new and revised Standards and Interpretations have been adopted in these financial statements.

IFRS 2 Classification and measurement of Share Based Payments Transactions

The amendments to the standards have no material impact on the consolidated financial statements.

IFRS 9: Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The Group adopted IFRS 9 in the current year and has retrospectively applied the standard to the previous period. No significant impact to the financial statements were noted.

Classification and measurement of financial instruments

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss FVTPL).

Even though the measurement categories are like IAS 39, the criteria for classification into these categories are significantly different. The table below details the original measurement categories under IAS39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets and financial liabilities at 30 April2018.

Financial assets	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Loan to prescribed officers, managers and employees	Loans and receivables	Amortised cost	2 305 880	2 305 880
Loan receivable	Loans and receivables	Amortised cost	579 138	579 138
Margin and collateral accounts	Loans and receivables	Amortised cost	11 027 981	11 027 981
Trade and other receivables	Loans and receivables	Amortised cost	4 888 364	4 888 364
Financial assets at fair value through profit or loss	Fair value through profit or loss	Fair value through profit or loss	47 946	47 946
Amounts receivable in respect of stock broking activities	Loans and receivables	Amortised cost	373 499 993	373 499 993
Cash and cash equivalents	Loans and receivables	Amortised cost	71 710 133	71 710 133
			464 059 435	464 059 435

2. New Standards and Interpretations (Continued)

2.1. Standards and interpretations effective and adopted in the current year (Continued)

Financial liabilities	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Loans from related parties	Amortised cost	Amortised cost	13 128 473	13 128 473
Trade and other payables	Amortised cost	Amortised cost	16 730 671	16 730 671
Financial liabilities at fair value through profit or loss	Fair value through profit or loss	Fair value through profit or loss	555 191	555 191
Amounts payable in respect of stock broking activities	Amortised cost	Amortised cost	374 744 959	374 744 959
			405 159 294	405 159 294

Impairment of financial assets

The IFRS 9 impairment model was changed from an "incurred loss" model from IAS 39 to an ECL model. The provision for impairment was made when there is objective evidence that the Group will not collect the original amount. Under the ECL model impairments are recognised earlier, as it is no longer necessary for a credit event to have occurred before a credit loss is recognised.

The new impairment model applies to financial assets measured at amortised cost. The Group measured impairment of trade and other receivables on a lifetime credit loss basis under the simplified approach. In instances where there are no historical impairments, management used its knowledge of the business to determine the potential impairment allowances. Based on this analysis, no additional impairments were made to balances at 30 April 2018 as the small impairment allowances noted were not considered material. This is after considering the nature of the business, being largely a cash business, its institutional client base and other regulated counter parties, which typically have a very low credit risk.

IFRS 15: Revenue

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

The Group adopted IFRS 15 in the current year and has retrospectively applied the standard to the previous period. No significant impact to the financial statements were noted.

The IFRS 15 introduced a five-step approach to revenue recognition. The adoption of IFRS 15 did not impact the measurement or timing of research, commission, fee and advisory services income from contracts with customers and the related assets and liabilities recognised by the Group. Accordingly, the impact on the comparative information is limited to new disclosure requirements.

2.2. Standards and interpretations not yet effective

In terms of IFRS, the group and company are required to include in their financial statement's disclosure about the future impact of standards and interpretations issued but not yet effective at the issue date.

All standards and interpretations will be adopted at their effective dates (except for the effect of those standards and interpretations that are not applicable to the entity). The group and company do not plan to adopt these standards early.

IFRS 16 Leases

IFRS16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of a low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. Therefore, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. The effective date of the standard is for years beginning on or after 01 January 2019. The expected implementation date of the standard is the 2020 financial year.

Accounting Policies (Continued)

2. **New Standards and Interpretations (Continued)**

2.2. **Standards and interpretations not yet effective (Continued)**

The Group is expected to adopt IFRS 16 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application, being 1 May 2019. Comparative figures will not be adjusted and the accumulative effect of applying this standard will be an adjustment to the opening balance of retained earnings.

The directors have assessed the impact of IFRS 16 and have determined that it would have the following material impact as at 30 April 2020 (i.e. initial application of the standard) on the financial statements:

Statement of Financial Position

Assets	R
Right of use asset	48 755 923
Accumulated depreciation	(11 166 594)
	37 589 329

Liabilities	R
Lease liability	47 011 610
Lease payments	(5 556 529)
Finance costs	3 238 251
	44 693 332

Statement of Comprehensive Income

Operating expenses	R
Depreciation - right of use asset	5 862 591
Financing cost	
Lease liability - finance costs	3 238 251
	9 100 842

Statement of Cash Flows

	R
Cash payments for the lease liability	2 318 278
Cash payments for the interest portion	3 238 251
	5 556 529

None of the other standards and amendments not yet effective will have a significant impact on the financial statements. All of the new standards and amendments will be adopted on their effective dates.

Notes to the Consolidated Annual Financial Statements

Figures in Rand	2019	2018
3. Revenue		
Revenue includes trading revenue and fees earned from advisory, brokerage commissions, other fees, private wealth (brokerage and asset administration) and research services.		
Equity brokerage commissions		
- Institutional clients	95 107 436	116 274 489
- Private wealth clients	4 423 597	1 326 815
Derivatives and bonds brokerage commission	26 115 324	42 987 865
Research services	10 974 199	12 989 460
Investment banking and advisory (corporate broking)	6 665 593	3 413 513
	143 286 149	**176 992 142**
Geographical markets		
UK	33 510 269	30 383 376
South Africa	109 775 880	146 608 766
	143 286 149	**176 992 142**
The Group's revenue disaggregated by pattern of revenue recognition is as follows:		
Services transferred at a point in time	125 646 357	160 589 169
Services transferred over time	17 639 792	16 402 973
	143 286 149	**176 992 142**

There are no contract assets and liabilities as at 30 April 2019, and the right to amounts receivable from customers is not conditional on something other than the passage of time.

Figures in Rand	2019	2018
4. Other income		
Bad debts recovered	274 200	240 000
JSE trustee fee	849 167	430 638
Management fees	173 269	483 587
Rental income	1 036 157	471 468
Insurance refund	781 843	18 011
Dividend income	574 325	49
Sundry income	518 722	446 849
Namibia summit income	139 628	-
Realised gain		
Financial instruments at fair value though profit or loss	3 933 173	2 069 292
Fair value adjustments		
Financial instruments at fair value though profit or loss	(2 974 029)	(4 147)
	5 306 455	**4 155 747**
5. Operating expenses		
Included in operating expenses are:		
Employee benefits (refer to 5.1 below)	96 230 353	106 775 691
Platform trading costs	21 428 532	23 229 489
Professional services (refer to 5.2 below)	10 144 849	9 792 303
Operating lease expense	9 491 731	6 710 224
Depreciation and amortisation	2 095 220	1 733 574
5.1 Employee benefits		
Salaries and contributions	58 535 575	77 058 912
Directors emoluments (refer to 5.1.1 below)	18 272 994	19 523 167
Other staff costs	50 633	193 407
Bonuses	9 426 845	3 443 102
Defined contribution plan	6 130 558	6 109 357
Non-executive directors fees (refer to 5.1.1 below)	592 171	447 746
Share based payment expense (refer to 5.1.2 below)	292 158	-
Restructuring costs	2 929 419	-
	96 230 353	**106 775 691**

Notes to the Consolidated Annual Financial Statements (Continued)

5.1.1 Directors emoluments and prescribed officers

2019

Executive	Emoluments	Pension fund	Performance bonus	Travel allowance	Total
Koutromanos P	6 698 304	615 843	-	-	7 314 147
Mattison K	4 623 028	432 132	-	24 000	5 079 160
Larsen J	1 705 393	32 767	-	-	1 738 160
Becker D	2 207 474	122 438	-	-	2 329 912
Haveron D	1 715 998	95 617	-	-	1 811 615
	16 950 197	**1 298 797**	**-**	**24 000**	**18 272 994**

Non-executive	Directors' fees	Pension fund	Performance bonus	Travel allowance	Total
Ramplin M	225 875	-	-	-	225 875
Price S	201 167	-	-	-	201 167
Mokgatlha T	165 129	-	-	-	165 129
	592 171	**-**	**-**	**-**	**592 171**

2018

Executive	Emoluments	Pension fund	Performance bonus	Travel allowance	Total
Koutromanos P	6 059 449	651 530	-	-	6 710 979
Mattison K	4 167 912	450 016	-	24 000	4 641 928
Tilly N	1 883 098	201 906	500 000	-	2 585 004
Larsen J	769 220	15 211	-	-	784 431
Becker D	2 063 533	77 363	883 957	-	3 024 853
David H	1 518 130	67 278	190 564	-	1 775 972
	16 461 342	**1 463 304**	**1 574 521**	**24 000**	**19 523 167**

Non-executive	Directors' fees	Pension fund	Performance bonus	Travel allowance	Total
Collier M	37 500	-	-	711	38 211
Matloa O	103 750	-	-	4 312	108 062
Ramplin M	150 000	-	-	-	150 000
Masilela E	150 000	-	-	1 473	151 473
	441 250	**-**	**-**	**6 496**	**447 746**

Notes to the Consolidated Annual Financial Statements (Continued)

5.1.2 Share based payment employee remuneration

Avior implemented two new staff share schemes, one with service conditions as well as performance targets, and the other with only service conditions in August 2018. Employees are awarded equity shares upon vesting over a 5 year period. These vesting conditions comprise service conditions or performance conditions tailored to the duties of the participant. The vesting dates are calendar year ends 3, 4 and 5 from the grant date. Shares are awarded for zero consideration by the employer. The bonus paid is based on the market value of a notional number of shares awarded. Employees have to be employed at the end of the agreed vesting period.

The first issue of share scheme awards was made on 6 August 2018 and 24 October 2018 respectively. Share scheme awards were made to employees of the Group's subsidiaries, being ACM and ACMI.

The directors considered whether the ruling market price was an appropriate indicator of fair value. In view of the highly illiquid nature of the share, the fact that the majority of share dealings in 2018 were directors dealings, and that there were very few dealings by market participants, the directors considered that the EBITDA multiples of comparable companies trading in liquid markets would be a more appropriate indicator of fair value. The staff share scheme was approved by the JSE prior to it's launch.

The following principal assumptions were used in the valuation:

1st tranche vesting	2nd tranche vesting	3rd tranche vesting
06 August 2021	06 August 2022	06 August 2023
24 October 2021	24 October 2022	24 October 2023
33% vesting	32% vesting	35% vesting

Fair value at grant date (06 August2018)(cents)	30	-
Fair value at grant date (24 October2018) (cents)	30	-
Share price at grant date (06 August2018)(cents)	74	-
Share price at grant date (24 October2018)(cents)	35	-

Reconciliation of shares awarded	Retention	Performance
Granted during the year	2 240 000	4 280 000
Cancelled due to resignation during the year	(90 000)	(200 000)
Balance at the end of the period	**2 150 000**	**4 080 000**
As at 30 April 2019, the following relating to the share scheme was recognised in the Group's results:		
Share-based payment expense	292 158	-
Share-based payment reserve	(292 158)	-
Deferred tax asset	231 213	-
Deferred tax (equity)	(149 408)	-
Deferred tax (profit or loss)	(81 805)	-

Figures in Rand	2019	2018
5.2 Professional fees		
Software development costs	-	1 339 216
External audit fees	1 183 744	1 206 679
Consulting and managed services	6 433 112	5 174 525
Legal fees	2 527 993	2 071 883
	10 144 849	9 792 303

Notes to the Consolidated Annual Financial Statements (Continued)

Figures in Rand	2019	2018
6. Investment income		
Bank and other interest	1 124 257	1 177 102
Margin and collateral interest	936 331	1 061 935
Interest on loans to related parties	124 283	151 098
	2 184 871	**2 390 135**
7. Finance costs		
Bank overdraft and other payables	508 276	359 761
Interest on loans from related parties	1 574 499	1 615 237
	2 082 775	**1 974 998**
8. Investment in equity accounted investee		
The Group disposed of its interest in A-Trade Proprietary Limited on 28 May 2018.		
Share of loss for the year limited to investment amounts	-	500 000
Elimination of inter company revenue share	-	(450 000)
	-	**50 000**
9. Income tax income /(expense)		
South African normal taxation		
Current period	-	512 191
Prior year correction	-	14 915
Foreign taxation		
Current period	11 601	15 197
	11 601	**542 303**

Figures in Rand	2019	2018
9. Income tax income / (expense)(continued)		
Deferred taxation - South Africa		
Current period	(3 614 141)	(143 530)
Deferred taxation - Foreign		
Current period	(2 263 940)	2 720 131
	(5 878 081)	**2 576 601**
	(5 866 480)	**3 118 904**
Reconciliation of the tax expense		
(Loss) / profit before taxation	(28 829 573)	7 487 124
Tax at the applicable tax rate of 28% (2018: 28%)	(8 072 280)	2 096 395
Tax effect of adjustments on taxable income		
Non-deductible expenses (not in production of income)	289 573	415 724
Non-deductible expenses (loss on disposal)	8 796	-
Deferred tax asset not recognised	99 699	1 253 636
Effect of differences in tax rate*	1 467 393	(661 766)
Prior year under provision of tax	-	14 915
Dividend income	(160 811)	-
Effect of tax rate change on deferred tax**	601 150	-
12H learnership allowance	(100 000)	-
	(5 866 480)	**3 118 904**
Effective tax rate	20.35%	41.66%

**UK corporate tax rate is determined at 19%*
***UK corporate tax rate will decrease from 19% to 17% from 1 April 2020.*

Notes to the Consolidated Annual Financial Statements (Continued)

10. (Loss) / earnings per Share

Basic and diluted (loss) / earnings per share

The calculations of basic and diluted (loss) / earnings per share at 30 April 2019 was based on the (loss) / profit attributable to ordinary shareholders of R(22 963 093) (2018: R4 368 220), and a weighted average number of ordinary shares outstanding of 146 285 100 (2018: 146 039 842) calculated as follows:

	2019 Gross	2019 Net	2018 Gross	2018 Net
(Loss) / profit attributable to ordinary shareholders (basic and diluted)	-	(22 963 093)	-	4 368 220
Adjustments to earnings:				
Loss on disposal of property plant and equipment	31 414	22 618	537 530	387 021
Impairment of property, plant and equipment	-	-	447 113	447 113
Insurance refunds	-	-	(18 011)	(12 968)
Headline (loss) / earnings attributable to ordinary shareholders		**(22 940 475)**		**5 189 386**
Basic and diluted (loss) / earnings per share (cents)			(15.70)	2.99
Headline and diluted headline (loss) / earnings per share (cents)			(15.68)	3.55
Weighted average number of ordinary shares (basic and diluted)				
Issued ordinary share at 01 May			146 285 100	141 457 900
Effect of shares issued/ (repurchased)			-	4 581 941
Weighted average number of ordinary shares at 30 April			**146 285 100**	**146 039 841**

Figures in Rand	2019	2018
Number of shares in issue	146 285 100	146 285 100

Shares awarded in terms of the two staff share schemes (refer note 5.1.2) are subject to service and performance conditions. None of the performance conditions were met at 30 April 2019 and therefore the potential shares were not dilutive at that date. However, in the event that the performance conditions may be met in future periods the shares will have a dilutive effect on earnings per share. For the retention scheme, the service conditions were met at 30 April 2019 and the potential shares are dilutive at that date. However, given the loss for the current year, the potential shares are anti-dilutive and do not qualify for inclusion in diluted earnings per share.

Notes to the Consolidated Annual Financial Statements (Continued)

11. Property, plant and equipment

Property, plant and equipment - Owned

	2019 Cost	2019 Accumulated depreciation	2019 Carrying value	2018 Cost	2018 Accumulated depreciation	2018 Carrying value
Computer equipment	4 386 589	(2 941 264)	1 445 325	4 228 978	(2 578 564)	1 650 414
Furniture and fixtures	2 565 268	(731 417)	1 833 851	2 280 250	(374 931)	1 905 319
Leasehold improvements	4 033 860	(933 896)	3 099 964	3 999 750	(325 623)	3 674 127
Motor vehicles	760 800	(306 547)	454 253	760 800	(222 283)	538 517
Office equipment	2 323 574	(499 245)	1 824 329	1 854 138	(291 527)	1 562 611
Total	14 070 091	(5 412 369)	8 657 722	13 123 916	(3 792 928)	9 330 988

Property, plant and equipment - Leased

	2019 Cost	2019 Accumulated depreciation	2019 Carrying value	2018 Cost	2018 Accumulated depreciation	2018 Carrying value
Computer equipment	659 555	(12 075)	647 480	-	-	-
Furniture and fixtures	1 945 337	(45 970)	1 899 367	-	-	-
Leasehold improvements	2 072 714	(35 190)	2 037 524	-	-	-
Office equipment	1 113 705	(24 071)	1 089 634	-	-	-
	5 791 311	(117 306)	5 674 005	-	-	-

Reconciliation of property, plant and equipment -2019

Property, plant and equipment - Owned

	Opening balance	Additions	Disposals	Depreciation	Total
Computer equipment	1 650 414	262 390	(77 585)	(389 894)	1 445 325
Furniture and fixtures	1 905 319	285 018	-	(356 486)	1 833 851
Leasehold improvements	3 674 127	34 110	-	(608 273)	3 099 964
Motor vehicles	538 517	-	-	(84 264)	454 253
Office equipment	1 562 611	699 150	(126 307)	(311 125)	1 824 329
	9 330 988	1 280 668	(203 892)	(1 750 042)	8 657 722

Notes to the Consolidated Annual Financial Statements (Continued)

11. Property, plant and equipment (Contiued)

Reconciliation of property, plant and equipment -2019 (Continued)

Property, plant and equipment - Leased

	Opening balance	Additions	Disposals	Foreign exchange movements	Depreciation	Total
Computer equipment	-	507 570	-	151 694	(11 784)	647 480
Furniture and fixtures	-	1 931 013	-	13 214	(44 860)	1 899 367
Leasehold improvements	-	2 072 715	-	(852)	(34 339)	2 037 524
Office equipment	-	1 012 895	-	100 228	(23 489)	1 089 634
	-	5 524 193	-	264 284	(114 472)	5 674 005

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Foreign exchange movements	Depreciation	Impairment loss	Total
Computer equipment	1 162 383	797 490	-	(2 131)	(307 328)	-	1 650 414
Furniture and fixtures	590 744	1 730 081	-	-	(208 556)	(206 950)	1 905 319
Leasehold improvements	475 578	3 790 054	(161 327)	-	(341 790)	(88 388)	3 674 127
Motor vehicles	623 683	-	-	-	(85 166)	-	538 517
Office equipment	762 263	1 571 194	(447 178)	-	(171 893)	(151 775)	1 562 611
	3 614 651	7 888 819	(608 505)	(2 131)	(1 114 733)	(447 113)	9 330 988

Property, plant and equipment encumbered as security

The ACMI fixed asset additions of R5 674 005 are provided as collateral against the financial leases entered into. This will remain in place until expiry of the lease term. Refer to note 22 for further detail regarding the finance lease. No further Group fixed assets are encumbered.

Notes to the Consolidated Annual Financial Statements (Continued)

12. Intangible assets

	2019 Cost	2019 Accumulated amortisation	2019 Carrying value	2018 Cost	2018 Accumulated amortisation	2018 Carrying value
Avior research and customer relationship management platform	939 314	(494 017)	445 297	939 314	(271 369)	667 945
Computer software	619 001	(591 999)	27 002	619 001	(583 943)	35 058
Total	1 558 315	(1 086 016)	472 299	1 558 315	(855 312)	703 003

Reconciliation of intangible assets - 2019

	Opening balance	Amortisation	Total
Avior research and customer relationship management platform	667 945	(222 648)	445 297
Computer software	35 058	(8 056)	27 002
	703 003	(230 704)	472 299

Reconciliation of intangible assets - 2018

	Opening balance	Additions	Amortisation	Total
Avior research and customer relationship management platform	419 454	414 997	(166 506)	667 945
Computer software	-	40 280	(5 222)	35 058
	419 454	455 277	(171 728)	703 003

In the current year, computer software has been reclassified to intangible assets. Comparative figures have been re-stated to show the impact of the change.

Notes to the Consolidated Annual Financial Statements (Continued)

13. Loans to prescribed officers, managers and employees

	2019	2018
Loans to prescribed officers, managers and employees		
At beginning of the year	2 305 880	2 946 505
Advances	703 734	845 915
Interest income	124 283	151 098
Repayments - cash	(386 162)	(967 508)
Repayments - repurchase of shares	-	(670 130)
	2 747 735	**2 305 880**
Non-current assets	1 620 588	1 508 364
Current assets	1 127 147	797 516
	2 747 735	**2 305 880**

The legacy share scheme loans are collateralised against Avior's shares, of which 95% of the loan balances are covered currently, assuming 60c per share (last price traded). Due to the nature of the collateral, the loans are treated as unsecured.

Refer to note 28 for further details regarding the loans.

Refer to note 31 for further details regarding impairment considerations.

Figures in Rand	2019	2018
14. Deferred tax		
Deferred tax asset		
Accruals	1 124 765	1 875 848
Property, plant and equipment	(329 092)	(44 945)
Straight lining of leases	394 082	126 765
Prepaid expenses	(232 864)	(975 561)
Intangible assets	(58 724)	(56 409)
Fair value adjustments	833 889	1 161
Unrealised profits on foreign exchange	470 595	803 767
Share scheme	229 730	-
	2 432 381	1 730 626
Tax loss available to set off against future taxable income	19 202 824	12 641 050
Total deferred tax asset	**21 635 205**	**14 371 676**

Figures in Rand	2019	2018
14. Deferred tax (Contiuned)		
Reconciliation of deferred tax asset		
At beginning of year	14 371 676	16 874 345
Accruals	(751 083)	868 783
Property plant and equipment	(284 147)	(67 125)
Tax loss available to set off against future taxable income	6 561 774	(2 646 199)
Income received in advance	-	(27 131)
Prepaid expenses	742 697	(534 142)
Fair value adjustments	832 728	4 250
Straight lining of leases	267 317	21 100
Unrealised profits on foreign exchange	(333 172)	(65 796)
Intangible assets	(2 315)	(56 409)
Share scheme	229 730	-
	21 635 205	**14 371 676**

The deferred tax assets include an amount of R2 887 052 and R16 315 772 which relates to carried forward tax losses for ACM and ACMI respectively. ACM made a loss in the current financial period and has a history of profits in recent years. Similarly, ACMI has incurred a loss for the current financial period, has carried a historical tax loss since acquisition in 2015, and has a history of profits in recent years.

In assessing the recoverability of the assessed losses, and hence the appropriateness of the recognition of a deferred tax asset, management has performed a detailed forecast analysis which indicates utilisation in the medium term, considering a protracted market slowdown, current period once-off costs, further potential cost mitigation measures if required, and the return on investments made in the current period. This analysis has supported the decision to recognise the deferred tax assets relating to accumulated assessed losses in the current period.

Notes to the Consolidated Annual Financial Statements (Continued)

Figures in Rand	2019	2018
15. Loan receivable		
Opening balance	579 138	750 000
Loan advanced	20 000	-
Prior period effective interest discounting	-	(218 681)
Effective interest	52 122	47 819
	651 260	**579 138**

The ASISA Enterprise Development Fund was founded by the Association of Savings and Investment South Africa (ASISA) for the purpose of assisting with the development of operational and financial capacity of B-BBEE enterprises and suppliers. The loan is unsecured and interest free. The loan is repayable in 7 years after the initial loan was granted on 30 April 2014. The loans receivable are not due as at year end.

Refer to note 31 for further details regarding impairment considerations.

Figures in Rand	2019	2018
16. Margin and collateral accounts		
JSE margin	313 602	4 008 976
CFD margin	-	890 054
Collateral - cash	17 054 091	6 128 951
Collateral - equity instruments	9 976 733	-
	27 344 426	**11 027 981**
17. Trade and other receivables		
Trade receivables	18 464 040	6 109 369
Allowance for impairment (trade receivables)	(12 032 057)	(1 351 142)
Prepaid expenses	4 135 998	4 055 233
Value Added Tax	929 584	1 441
Insurance refund	694 291	-
Other receivables	982 046	130 137
Total trade and other receivables	13 173 902	8 945 038

Figures in Rand	2019	2018
17.1 Reconciliation of impairment of trade receivables		
At beginning of the year	1 351 142	-
Increase in impairment allowance	10 318 200	1 351 142
Foreign currency translation	362 715	-
Closing balance	12 032 057	1 351 142

The increase in impairment allowance is due to the credit risk relating to Zimbabwean trade receivables.

Refer to note 31 for further details regarding impairment considerations.

Figures in Rand	2019	2018
17.2 Prepaid expenses		
Property, plant and equipment deposit	159 822	311 559
Rental	2 121 605	558 248
Software	897 591	1 838 415
Staff travel and other	132 641	175 441
Subscriptions	824 339	633 653
Summit and conferences	-	537 917
	4 135 998	4 055 233
Prepaid expenses will be utilised within 12 months after the year end.		
18. Financial assets / (liabilities) at fair value through profit or loss		
Stock account - long equity positions	6 135 649	47 946
Stock account - short equity positions	(8 748 800)	(555 191)
Stock positions - short spot bonds	(1 748 643)	-
	(4 361 794)	(507 245)
Current assets		
Financial assets at fair value through profit or loss	6 135 649	47 946
Current liabilities		
Financial liabilities at fair value through profit or loss	(10 497 443)	(555 191)

Notes to the Consolidated Annual Financial Statements (Continued)

Figures in Rand	2019	2018
19. Amounts receivable in respect of stock broking activities		
Amounts owing by clients in respect of transactions	250 347 192	373 499 993
Refer to note 31 for further details regarding impairment considerations.		
20. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	147	11 955
Bank balances	32 462 145	71 698 178
	32 462 292	**71 710 133**
21. Share capital		
Authorised		
Ordinary shares no par value	400 000 000	400 000 000
Movement in the number of shares issued:		
At the beginning of the year	146 285 100	141 457 900
New shares issued	-	5 755 800
Share buy-back	-	(928 600)
	146 285 100	**146 285 100**
Issued		
Ordinary shares no par value	8 647 754	8 647 754

22. Finance lease liability

The Group leases its assets (furniture, computer equipment, office equipment and leasehold improvements), which have a net carrying value of R1 899 367 (2018: R nil) for furniture and computer equipment with a net carrying value of R647 480 (2018: R0). Office equipment with a net carrying value R1 089 634 (2018: R0) and leasehold improvements of R2 037 524 (2018:R0) is also leased. The finance leases are in respect of the new office premises occupied by ACMI. The nature of the financing transaction was classified as a finance leases as the rental period aligns to the estimated economic lives of the assets concerned and the Group has the right to the assets at the end of the minimum lease term. The lease is a syndicated loan with an annual interest rate between 7-9%, entered into between March to May 2019.

Figures in Rand	2019	2018
Minimum lease payments due		
- Within one year	1 091 886	-
- Two - five years	4 065 531	-
	5 157 417	-
less: future finance charges	(864 310)	-
Present value of minimum lease payments	**4 293 107**	-
Present value of minimum lease payments due		
- Within one year	782 399	-
- Two - five years	3 510 708	-
	4 293 107	-
Non-current liabilities	3 510 708	-
Current liabilities	782 399	-

Notes to the Consolidated Annual Financial Statements (Continued)

Figures in Rand	2019	2018
23. Loans from related parties		
Shareholder loans		
Non-current liabilities		
K. Mattison	4 500 251	4 500 251
Stately Horse Properties Proprietary Limited	8 500 000	8 500 000
	13 000 251	13 000 251
Current liabilities		
K. Mattison	-	44 386
Stately Horse Properties Proprietary Limited	-	83 836
	-	128 222

On 4 April 2017, ACM entered into subordinated loan agreements with two of its shareholders being Stately Horse Properties Proprietary Limited and Kevin Mattison. The amounts loaned to ACM were R8 500 000 and R4 500 251 respectively. The terms of the loan are Prime + 2% with accrued interest settled on a monthly basis. The loans were made to improve ACM's Capital Adequacy Requirements in terms of the JSE Rules. There are no agreed expiry dates for the subordination. The subordination remains in place until the JSE, upon application to them, approves the settlement. Thus, no renewal is required for the subordination.

Figures in Rand	2019	2018
24. Trade and other payables		
Trade payables	11 526 048	9 191 763
Value Added Tax	442 924	1 533
Securities Transfer Tax and other taxes	4 522 258	3 768 285
Accrued expenses	1 382 287	742 439
Bonus accrual	561 332	3 443 102
Leave pay accrual	3 693 300	3 353 367
	22 128 149	20 500 489

Figures in Rand	2019	2018
25. Amounts payables in respect of stock broking activities		
Amounts owing to clients in respect of trade transactions	250 475 779	373 169 625
Gilt clearing house account	1 424 807	1 575 334
	251 900 586	374 744 959

Refer to note 31 for further details regarding the payables accounts.

Figures in Rand	2019	2018
26. Cash (used in)/generated from operations		
(Loss) / profit before taxation	(28 829 573)	7 487 124
Adjustments for:		
Depreciation and amortisation	2 095 220	1 286 461
Loss on disposals of property, plant and equipment	31 414	537 530
Net foreign exchange translation	(4 424 056)	5 358 769
Income from equity-accounted investee	-	50 000
Investment income	(2 087 595)	(2 390 134)
Dividend income	(574 325)	(49)
Finance costs	1 985 499	1 974 997
Fair value gains on financial assets at fair value through profit or loss	2 974 029	4 147
Impairment and discounting of loans receivable	(52 122)	478 651
Increase in operating lease accrual	1 711 307	75 358
Loss on disposal of equity-accounted investee	-	500 000
Impairment loss on property, plant and equipment	-	447 113
Share-based payment	292 184	-

Notes to the Consolidated Annual Financial Statements (Continued)

Figures in Rand	2019	2018
26. Cash (used in)/generated from operations		
Changes in working capital:		
Increase in trade and other receivables	(4 228 864)	(3 425 592)
Increase in margin and collateral accounts	(16 316 445)	(2 453 398)
Decrease/(increase) in amounts receivable in respect of stock broking activities	123 152 801	(326 526 093)
Increase / (decrease) in trade and other payables	684 476	(968 385)
(Decrease) / increase in amounts payables in respect of stock broking activities	(122 844 373)	333 154 962
	(46 430 423)	15 591 461
27. Tax (paid) refunded		
Balance at the beginning of the year	2 373 446	1 098 672
Current tax for the year recognised in profit or loss	(11 601)	(527 388)
Prior year under provision	-	(14 915)
Balance at the end of the year	(2 033 593)	(2 373 446)
	328 252	(1 817 077)

28. Related parties

28.1 Directors and key management

Details of directors' shareholding in the Group are disclosed in the directors' report. Directors' and key management remuneration are disclosed in note 5.1.

28.2 Loans to prescribed officers, managers and employees

Loans to prescribed officers, managers and employees comprise general staff loans, a UK prescribed officer loan and loans relating to a legacy share scheme.

	2019	2018
Share scheme staff loans	1 620 587	1 508 364
General staff loans (SA)	71 405	284 233
General staff loans (UK)	87 109	52 596
UK prescribed officer loan	968 634	460 687
	2 747 735	2 305 880

28. Related parties (continued)

The legacy share scheme loans were granted between 2012 and 2014 to staff to purchase shares in the non-listed entity, now known as ACM. The loans bear interest at Prime per annum secured by ordinary shares in the Group. Upon the AltX listing of Avior on 6 June 2017, the share holdings were exchanged for shares in the new holding company, Avior.

General staff loans (SA) are unsecured and do not exceed 2 years. The terms of the loan are Prime + 2% per annum and are deducted from employees' salaries on a monthly basis.

General staff loans (UK) are unsecured and do not exceed 1 year. The terms of the loan are 0% per annum and are deducted from employees' salaries on a monthly basis.

The UK prescribed officer's loan is unsecured. The terms of the loan are 3% per annum after three years from the loan commencement in April 2018. The loan is to be set off prior to this date against any bonuses declared.

The legacy share scheme staff loans did not meet the IFRS 2 share-based payment recognition and measurement criteria and were consequently accounted for in accordance with IFRS 9.

Refer to note 31 for further details regarding impairment considerations.

	2019	2018
28.3 Loans from related parties		
K Mattison - shareholder's loan	4 500 251	4 500 251
Stately Horse Properties Proprietary Limited - shareholder's loan	8 500 000	8 500 000
	13 000 251	13 000 251
Interest on loans paid to related parties		
K Mattison - shareholder's loan	544 958	559 141
Stately Horse Properties Proprietary Limited - shareholder's loan	1 029 541	866 418
Zazomia Trust - shareholder's loan	-	189 678
	1 574 499	1 615 237

Notes to the Consolidated Annual Financial Statements (Continued)

28.4 Stately Horse Properties Proprietary Limited scrip lending transaction

On 8 September 2017 Stately Horse Properties Proprietary Limited, which owns 58.1% of outstanding shares in Avior Capital Markets Holdings, became a client of ACM. Consequently, ACM entered into a securities lending transaction with Stately Horse Properties Proprietary Limited. At 30 April 2019 the short position was valued at R38 029 905 (2018: R42 780 491) and the equity collateral posted by Stately Horse Properties Proprietary Limited was valued at R50 217 262 (2018: R61 360 065) ACM earned total fees of R163 609 (2018: R84 148) relating to this transaction as at 30 April 2019. The terms of the agreement were at arms lengths and were aligned to the International Securities Lending Association standard terms. The equity collateral does not constitute Avior's shares.

28.5 Oakleaf

ACMI's directors, Dana Becker and David Haveron, are shareholders in Oakleaf Financial Limited (UK corporate entity). Commission sharing payments relating to certain brokerage revenue streams are made to the entity. These revenue streams were secured by the two directors prior to the acquisition of Avior Capital Markets International in 2015.

	2019	2018
Oakleaf balances and transactions		
Commission expense	199 724	1 098 233
Trade payable balance	204 669	1 084 149

28.6 Directors' participation in staff share scheme

	Grant date	Expiry date	Number of shares (Performance and retention)
Justin Larsen	06 August 2018	06 August 2021	132 000
		06 August 2022	128 000
		06 August 2023	140 000

29. Commitments Operating leases

The Group leases three office premises under operating lease arrangements. These are for its Johannesburg, Cape Town and London premises. The lease periods relating to the premises are 7 years, month-to-month and 10 years respectively. Lease payments are renegotiated at the appropriate time to reflect market rentals. The Group is not restricted from entering into any sub-lease arrangements, on condition that the lessor is informed. No contingent rent is payable. Two of the leased properties are currently sub-let by the Group.

	2019	2018
Future minimum lease payments	5 556 530	4 087 486
- Within one year		
- Two - five years	34 617 049	19 892 165
- Later than five years	19 935 769	9 667 495
	60 109 348	**33 647 146**
Amounts recognised in profit or loss	9 491 731	6 710 228
Lease expense		
Rental income from sub-letting	(1 036 157)	(471 468)
	8 455 574	**6 238 760**
Operating lease liability		
Straight lining of the lease-liability	2 164 040	452 732

30. Contingent liability not recognised in the financial statements

ACM is currently involved in arbitration proceedings instituted by a non-controlling shareholder of the Group for the payment of damages suffered in respect of certain alleged breaches of a sale agreement concluded during or about February 2012. The claimant claims for payment of an amount of R5 542 917, interest and costs, which is disputed by the Group and the other respondents who are, on the basis of legal advice obtained, confident of their prospects of successfully defending the matter. At this stage, the arbitration process is still ongoing. Accordingly, the directors are, save for the capital amount claimed, not in a position to determine the total estimated financial effect of the claim on the Group in so far as it relates to the interest and costs components. Depending on the outcome of the arbitration proceedings, the Group may be able to recover a portion of its legal expenses. The Group insurers have also been notified of the claim and have contributed towards the legal expenses incurred in respect of defending the claim.

Notes to the Consolidated Annual Financial Statements (Continued)

31. Risk management

Categories of financial instruments

Categories of financial assets

	Notes	2019 Financial assets at fair value through profit/(loss)	Financial assets at amortised cost	Equity and non-financial assets	Total
Non-current assets					
Property plant and equipment	11	-	-	14 331 727	14 331 727
Intangible assets	12	-	-	472 299	472 299
Deferred tax	14	-	-	21 635 205	21 635 205
Loans to prescribed officers, managers and employees	13	-	1 620 588	-	1 620 588
Loans receivable	15	-	651 260	-	651 260
		-	2 271 848	36 439 231	38 711 079
Current assets					
Loans to prescribed officers, managers and employees	13	-	1 127 147	-	1 127 147
Trade and other receivables	17	-	8 108 320	5 065 582	13 173 902
Margin and collateral accounts	16	9 976 733	17 367 693	-	27 344 426
Cash and cash equivalents	20	-	32 462 292	-	32 462 292
Financial assets at fair value through profit or loss	18	6 135 649	-	-	6 135 649
Current tax receivable		-	-	2 641 773	2 641 773
Amounts receivable in respect of stockbroking activities	19	-	250 347 192	-	250 347 192
		16 112 382	309 412 644	7 707 355	333 232 381
Total assets		16 112 382	311 684 492	44 146 586	371 943 460

Notes to the Consolidated Annual Financial Statements (Continued)

31. Risk management (continued)

	Notes	Financial assets at fair value through profit/ (loss)	Financial assets at amortised cost	Equity and non-financial assets	Total
			2018		
Non-current assets					
Property plant and equipment	11	-	-	9 330 988	9 330 988
Intangible assets	12	-	-	703 003	703 003
Deferred tax	14	-	-	14 371 676	14 371 676
Loans to prescribed officers, managers and employees	13	-	1 508 364	-	1 508 364
Loans receivable	15	-	579 138	-	579 138
		-	**2 087 502**	**24 405 667**	**26 493 169**
Current assets					
Loans to prescribed officers, managers and employees	13	-	797 516	-	797 516
Trade and other receivables	17	-	4 888 364	4 056 674	8 945 038
Margin and collateral accounts	16	-	11 027 981	-	11 027 981
Cash and cash equivalents	20	-	71 710 133	-	71 710 133
Financial assets at fair value through profit or loss	18	47 946	-	-	47 946
Current tax receivable		-	-	2 641 773	2 641 773
Amounts receivable in respect of stockbroking activities	19	-	373 499 993	-	373 499 993
		47 946	**461 923 987**	**6 698 447**	**468 670 380**
Total assets		**47 946**	**464 011 489**	**31 104 114**	**495 163 549**

Notes to the Consolidated Annual Financial Statements (Continued)

31. Risk management (continued)

Categories of financial liabilities

		2019			
	Notes	Financial assets at fair value through profit/ (loss)	Financial assets at amortised cost	Equity and non-financial assets	Total
Equity and liabilities					
Equity					
Share capital	21	-	-	8 647 754	8 647 754
Reserves		-	-	(1 436 219)	(1 436 219)
Retained income		-	-	60 140 169	60 140 169
				67 351 704	**67 351 704**
Liabilities					
Non-current liabilities					
Loans from related parties	23	-	13 000 251	-	13 000 251
Finance lease liability	22	-	-	3 510 708	3 510 708
			13 000 251	**3 510 708**	**16 510 959**
Current liabilities					
Amounts payable in respect of stock broking activities	25	-	251 900 586	-	251 900 586
Trade and other payables	24	-	17 162 967	4 965 182	22 128 149
Financial liabilities at fair value through profit or loss		10 497 443	-	-	10 497 443
Finance lease liability	22	-	-	782 399	782 399
Current tax payable		-	-	608 180	608 180
Operating lease liability		-	-	2 164 040	2 164 040
		10 497 443	**269 063 553**	**8 519 801**	**288 080 797**
Total Liabilities		**10 497 443**	**282 063 804**	**12 030 509**	**304 591 756**
Total Equity and Liabilities		**10 497 443**	**282 063 804**	**79 382 213**	**371 943 460**

Notes to the Consolidated Annual Financial Statements (Continued)

31. Risk management (continued)

		2018			
	Notes	Financial assets at fair value through profit/ (loss)	Financial assets at amortised cost	Equity and non-financial assets	Total
Equity and liabilities					
Equity					
Share capital	21	-	-	8 647 754	8 647 754
Reserves		-	-	(6 237 638)	(6 237 638)
Retained income		-	-	83 103 262	83 103 262
				85 513 378	**85 513 378**
Liabilities					
Non-current liabilities					
Loans from related parties	23	-	13 000 251	-	13 000 251
Current liabilities					
Amounts payable in respect of stock broking activities	25	-	374 744 959	-	374 744 959
Trade and other payables	24	-	16 730 671	3 769 818	20 500 489
Current tax payable		-	-	268 327	268 327
Operating lease liability		-	-	452 732	452 732
Loans from related parties	23	-	128 222	-	128 222
Financial liabilities at fair value through profit or loss		555 191	-	-	555 191
		555 191	**391 603 852**	**4 490 877**	**396 649 920**
Total Liabilities		**555 191**	**404 604 103**	**4 490 877**	**409 650 171**
Total Equity and Liabilities		**555 191**	**404 604 103**	**90 004 254**	**495 163 549**

Notes to the Consolidated Annual Financial Statements (Continued)

31. Risk management (continued)

Financial assets pledged as collateral for liabilities and contingent liabilities

ACM's pledges financial assets in the form of cash and listed equities as collateral for scrip lending liabilities that forms part of their stockbroking activities. Collateral is pledged in terms of Global Master Securities Lending Agreements ("GMSLA") for scrip lending liabilities. The terms contained in GMSLA agreements are universal in nature and requires collateral to be pledged at the same time that securities are borrowed and also allows for the substitution of collateral. The GMSLA specifically states that in the event of a default, as defined in the GMSLA, set off may be applied by the non-defaulting counterparty. At 30 April 2019, Avior pledged a total of R17 367 693 (2018: R11 027 981) in cash and R9 976 733 (2018: R0) in equity instruments.

Fair value evaluation of the carrying amounts

Fair value information has not been provided for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

Amounts receivable/payable in respect of stock broking activities are short term in nature, and typically are subject to a T+3 settlement cycle, and hence their fair value approximates their carrying amount.

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's senior management oversees the management of these risks.

Market risk

Market risk is the risk that movements in market factors, such as foreign exchange rates, interest rates and equity prices, will reduce the Group's income or the value of its portfolios.

31. Risk management (continued)

Market risk management

The Group's market risk management objective is to manage and control market risk exposures in order to optimise return on risk while ensuring solvency.

As with liquidity risk senior management is responsible for ensuring the effective management of market risk throughout the Group. The authority and responsibility in relation to market risk management have been assigned to appropriate individuals in the Group.

The core market risk management activities are:

/ The identification of all key market risks and their drivers.

/ The independent measurement and evaluation of key market risks and their drivers.

/ Monitoring risks and reporting on them.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial assets which potentially subject the Group to concentrations of credit risk are: trade and other receivables, loans in current and non-current assets, amounts receivable in respect of stock broking activities, margin and collateral accounts and cash and cash equivalents.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty and client, but significant cyclical or geographic events could expose the business to a broader credit risk exposure.

The Group manages this risk by transacting with clients that have a good credit rating and a good standing in the market. The Group also appoints specific individuals to monitor credit risk on a daily and monthly basis, at a counterparty level. General credit terms on rendering services is 30 days and no interest is charged on outstanding balances.

The Group deposits cash surpluses with major banks of good credit standing to address the related credit risk.

Notes to the Consolidated Annual Financial Statements (Continued)

31. Risk management (continued)

Impairment of financial assets

The Group has three types of financial assets that are subject to the ECL model. These are loans, amounts receivable in respect of stock broking activities and margin and collateral accounts.

This section details the practical considerations relating to the implementation of the new impairment model under IFRS 9. Refer to section 1.11 for further information regarding the Group's impairment policies relating to financial assets at amortised cost.

Below is the maximum exposure to credit risk of the financial assets at reporting date:

	2019	2018
Loan receivable	651 260	579 138
Financial assets at fair value through profit or loss	6 135 649	47 946
Amounts receivable in respect of stock broking activities	250 347 192	373 499 993
Margin and collateral accounts	27 344 426	11 027 981
Trade and other receivables	8 108 320	4 876 915
Loans to prescribed officers, managers and employees	2 747 735	2 305 880
Cash and cash equivalents	32 462 292	71 710 133
	327 796 874	**464 047 986**

Ageing of trade and other receivables:

	2019	2018
Not past due	6 357 734	3 980 181
Past due 1 - 30 days	481 224	158 847
Past due 31 - 60 days	166 585	511 442
Past due 61 - 90 days	293 972	226 445
Past due more than 90 days	808 805	-
	8 108 320	**4 876 915**

Individual analysis of the trade receivables was performed and the balances were not considered in default,except for Zimbabwe trade receivables. The delays in settlement were due to standard commercial reasons. Of the 30+ days past due balances, R987 373 comprised Zimbabwean trade receivables (R2018: R737 887).

31. Risk management (continued)

Financial assets subject to the general impairment approach:

2019	Stage 1	Stage 2	Stage 3	Impairment	Total
Loan receivable	651 260	-	-	-	651 260
Amounts receivable in respect of stock broking activities	250 347 192	-	-	-	250 347 192
Margin and collateral accounts	17 367 693	-	-	-	17 367 693
Loans to prescribed officers, managers and employees	2 747 735	-	-	-	2 747 735
	271 113 880	-	-	-	**271 113 880**

2018	Stage 1	Stage 2	Stage 3	Impairment	Total
Loan receivable	579 138	-	-	-	579 138
Amounts receivable in respect of stock broking activities	373 499 993	-	-	-	373 499 993
Margin and collateral accounts	11 027 981	-	-	-	11 027 981
Loans to prescribed officers, managers and employees	2 305 880	-	-	-	2 305 880
	387 412 992	-	-	-	**387 412 992**

Notes to the Consolidated Annual Financial Statements (Continued)

31. Risk management (continued)

Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime ECLs.

The Group assesses the impairment of trade and other receivables on a portfolio basis grouping those that possess shared credit risk characteristics. These have been grouped based on their geographical area and ageing. Given the Group's client base does not have a history of default, management used their knowledge of the business to determine the potential impairment, also considering forward looking information. After applying this judgement, the default rates were determined to be not significant (e.g. 0.05% for "not past due") and no impairment allowance was provided for.

During the current year, several Zimbabwean trade receivables were identified as credit-impaired or in default, driven by the deteriorating economic conditions in the country. In determining the ECL allowance, management considered the recent settlement of a portion of the trade receivable balances post year end and potential dual-listed arbitrage opportunities to recover funds. The additional impairment allowance relating to these trade receivables amounted to R10 318 200 (2018: R1 351 142).

Other financial assets

For financial assets other than trade and other receivables, the Group applies the general impairment approach in determining the ECLs. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL) (i.e. Stage 1). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (i.e. Stage 2).

The Group also considers whether financial assets are credit-impaired (i.e. Stage 3) or in default. When there is no reasonable expectation of recovering the contractual cash flow, the financial assets are written-off.

The Group individually makes a judgmental assessment in determining the ECLs, using information relevant to the specific circumstances of the financial asset. Considerations could include evidence of partial recovery, probability of recovery, collateral provided and potential recoverability methods.

31. Risk management (continued)

Loans to prescribed officers, mangers and employees currently comprise loans to current employees of the business. The loans are collateralised against the Group's shares, in the case of the legacy share scheme, or could be recouped against future remuneration, should conditions relating to the loans change. Based on this assessment the ECL allowance is not significant. Historic staff settlements also support this assessment.

The loan receivable comprises the ASISA counterparty. Analysis of the counterparty's recent financials and historic records did not identify significant increases in the credit risk. Also, given the nature of the business, being an industry association, the ECL allowance is assessed as not significant.

Margin and collateral accounts comprise short term cash collateral deposits held with scrip lenders and the JSE, typically low credit risk counterparties. An analysis of historic impairments, for which there are none, the settlement of the balances post year end, and considering the contra-assets held in lieu of the cash collateral supports an assessment that the ECL allowance is not significant.

The Group groups its financial instruments into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: Includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECLs are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12months.

Stage 2: Includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECLs are recognised, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECLs are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the probability of default as the weight.

Stage 3: Includes financial assets that have objective evidence of impairment at the reporting date and are considered credit impaired or in default. For these assets, lifetime ECLs are recognised and interest revenue is calculated on the net carrying amount (that is, net of credit allowance).

Notes to the Consolidated Annual Financial Statements (Continued)

31. Risk management (continued)

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty defaultrates.

Credit rating	Rating	Rating Agency	2019	2018
Standard Bank	Baa3	Moody's	12 881 284	17 544 868
First National Bank	Baa3	Moody's	-	3 035 004
Bank of New York	A1	Moody's	38	5 073 100
Bank of Scotland	Baa2	Moody's	9 676 661	7 692 510
JP Morgan	A2	Moody's	-	38 352 695
TD Bank	A2	Moody's	615 688	-
Cowen	Not available	Not available	5 813 319	-
Saxo Bank	Not available	Not available	3 475 095	-
			32 462 085	71 698 177

Given the current credit ratings and historic counterparty default rates the carrying amounts are considered appropriate. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

31. Risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

The Group's approach to managing liquidity is to ensure, as far as possible, that it has sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

There were no breaches or defaults of any loan obligations during the current year.

Cash flow forecasts are prepared and adequate unutilised borrowing facilities are monitored. On a daily basis there are individuals who monitor the Group's cash holdings.

Notes to the Consolidated Annual Financial Statements (Continued)

31. Risk management (continued)

The table below summarises the maturity profile of the Group's financial liabilities:

Financial liabilities by category

2019	On demand	1 - 6 months	6 - 12 months	13 - 60 months	>60 months	Total
Amounts payable in respect of stock broking activities	251 900 586	-	-	-	-	251 900 586
Trade and other payables	17 162 967	-	-	-	-	17 162 967
Operating lease liability	-	1 382 261	781 779	-	-	2 164 040
Finance lease liability	-	332 631	351 802	3 608 674	-	4 293 107
Loans from related parties	-	-	-	-	13 000 251	13 000 251
Financial liabilities at fair value through profit or loss	10 497 443	-	-	-	-	10 497 443
	279 560 996	1 714 892	1 133 581	3 608 674	13 000 251	299 018 394

Financial liabilities by category

2018	On demand	1 - 6 months	6 - 12 months	13 - 60 months	>60 months	Total
Amounts payable in respect of stock broking activities	374 744 959	-	-	-	-	374 744 959
Trade and other payables	20 500 489	-	-	-	-	20 500 489
Operating lease liability	-	452 732	-	-	-	452 732
Loans from related parties	128 222	-	-	-	13 000 251	13 128 473
Financial liabilities at fair value through profit or loss	555 191	-	-	-	-	555 191
	279 560 996	452 732	-	-	13 000 251	409 381 844

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Sterling (GBP) and US Dollar (USD). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities. Foreign exchange translation exposure which arises from the translation of the Group's offshore operations into Rand is not considered a foreign currency exposure under IFRS. It is important to note that a growing portion of the Group's revenues are earned in foreign currencies and the volatility of these currencies relative to the Rand will impact the Group's Rand profit or loss and asset values.

The Group maintains cash balances with various offshore financial institutions to facilitate offshore trading on behalf of its clients. These foreign currency exposures are not hedged and are monitored by senior management.

Notes to the Consolidated Annual Financial Statements (Continued)

31. Risk management (continued)

Below are the carrying amounts of the foreign currency denominated assets and liabilities in South African Rand at reporting date:

	2019			2018		
	USD	GBP	Total	USD	GBP	Total
Current assets						
Trade and other receivables	-	793 463	793 463	-	366 591	366 591
Cash and cash equivalents	8 860 612	10 696 011	19 556 623	36 590 532	13 346 991	49 937 523
Net exposure	**8 860 612**	**11 489 474**	**20 350 086**	**36 590 532**	**13 713 582**	**50 304 114**

Foreign exchange as at conversion date

	2019	2018
ZAR/USD	14.33	12.37
ZAR/GBP	18.60	17.01

Foreign currency sensitivity analysis

The table below shows the Group's sensitivity to the percentage below in value of the Rand against the various currencies. The sensitivity analysis measures the impact on the Group's exposure in Rand (based on a change in the reporting date spot rate) and the impact on the Group's Rand profitability given a simultaneous change in all currencies to which the Group is exposed at reporting date. Given the volatility of the Rand in the current reporting period, a different percentage change per currency was used in certain of the currencies, based on the movement in the closing spot rates from the prior year and after consideration of post year-end currency fluctuations.

A positive number below indicates an increase in profit and equity following the stated percentage weakening of the Rand against the other currencies. For a strengthening of the Rand, there would be an equal and opposite impact on profit and equity and the balances below would be negative.

31. Risk management (continued)

The following variability in South African Rand per currency was used in the below foreign currency risk sensitivity analysis:

USD	10%	10%
GBP	10%	10%

	USD		GBP	
Sensitivity	**2019**	**2018**	**2019**	**2018**
Sensitivity of profit or loss	886 061	3 659 053	1 148 947	1 371 358
Sensitivity of equity, net of tax	717 710	2 963 833	930 647	1 110 800

The sensitivity of profit or loss post tax is deemed to be the same as the impact on equity. The tax rates used to determine the sensitivity of equity, net of tax are 28% for South Africa and 19% for the U.K.

Equity price risk

The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a daily basis.

The Group's equity price risk exposure is as follows:

	2019	2018
Listed financial assets at fair value through profit or loss		
Financial assets at fair value through profit or loss	6 135 649	47 946
Margin and collateral accounts	9 976 733	-
	16 112 382	47 946
Listed financial liabilities at fair value through profit or loss		
Financial liabilities at fair value through profit or loss	(10 497 443)	(555 191)
Net exposure	**5 614 939**	**(507 245)**

Notes to the Consolidated Annual Financial Statements (Continued)

31. Risk management (continued)

A change of 10% in the fair value of investment at the reporting date would have increased/(decreased) equity and profit or loss by the amount shown below. Assuming all other variables remain constant.

Effect on profit or loss and equity:

10% decrease before taxation	(561 494)	50 725
10% decrease after taxation	(404 276)	36 522

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. Interest earned or paid by the Group is generated as part of the Group's financing or investment decisions. The Group's policy is to monitor positions on a daily basis to ensure the risk is managed.

Financial assets and liabilities that are sensitive to interest rate risk and comprise those financial instruments carried at amortised cost. This includes cash balances, loans receivable and interest-bearing borrowings.

Interest rate sensitivity analysis

Short-term financial assets and liabilities carried at amortised cost whereby the effects of discounting are considered to be immaterial are reflected as "non-rate" in the sensitivity analysis. Non-interest bearing assets and liabilities carried at amortised cost are specifically classified as non-rate financial instruments.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) on the profit or loss and equity. The sensitivity of the profit or loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non–trading financial assets and financial liabilities held at 30 April 2019.

Assumptions

50bps increase in the local interest rates and 50bps in the foreign rates. This is senior management's forecast of the change in the interest rates based on market expectations.

31. Risk management (continued)

Financial assets by category

2019	Carrying amount	Interest	Sensitivity of profit or loss	Sensitivity of equity, net of tax
Loans receivable	651 260	Non-rate	-	-
Financial assets at fair value through profit or loss	6 135 649	Non-rate	-	-
Amounts receivable in respect of stock broking activities	250 347 192	Non-rate	-	-
Margin and collateral accounts	27 344 426	Non-rate	-	-
Trade and other receivables	8 108 320	Non-rate	-	-
Loan to prescribed officers, managers and employees	2 747 735	0.50%	13 739	10 367
Cash and cash equivalents	32 462 292	0.50%	162 311	125 665
	327 796 874		**176 050**	**136 032**

Financial liabilities by category

2019	Carrying amount	Interest	Sensitivity of profit or loss	Sensitivity of equity, net of tax
Amounts payable in respect of stock broking activities	251 900 586	Non-rate	-	-
Trade and other payables	17 162 967	Non-rate	-	-
Operating lease liability	2 164 040	Non-rate	-	-
Loans from related parties	13 000 251	0.50%	65 001	46 801
Financial liabilities at fair value through profit or loss	10 497 443	Non-rate	-	-
	294 725 287		**65 001**	**46 801**

The sensitivity of profit or loss post tax is deemed to be the same as the impact on equity. The tax rates used to determine the sensitivity of equity, net of tax are 28% for South Africa and 19% for the U.K.

Notes to the Consolidated Annual Financial Statements (Continued)

31. Risk management (continued)

Financial assets by category

2018	Carrying amount	Interest	Sensitivity of profit or loss	Sensitivity of equity, net of tax
Loans receivable	579 138	Non-rate	-	-
Financial assets at fair value through profit or loss	47 946	Non-rate	-	-
Amounts receivable in respect of stock broking activities	373 499 993	Non-rate	-	-
Margin and collateral accounts	11 027 981	Non-rate	-	-
Trade and other receivables	8 945 038	Non-rate	-	-
Loans to prescribed officers, managers and employees	2 305 880	0.50%	11 529	8 532
Cash and cash equivalents	71 710 133	0.50%	358 551	263 947
	468 116 109		**370 080**	**272 479**

Financial liabilities by category

2018	Carrying amount	Interest	Sensitivity of profit or loss	Sensitivity of equity, net of tax
Amounts payable in respect of stock broking activities	374 744 959	Non-rate	Non-rate	-
Trade and other payables	20 500 489	Non-rate	-	-
Operating lease liability	452 732	Non-rate	-	-
Loans from related parties	13 128 473	0.50%	65 642	47 263
Financial liabilities at fair value through profit or loss	555 191	Non-rate	-	-
	409 381 844		**65 642**	**47 263**

The sensitivity of profit or loss post tax is deemed to be the same as the impact on equity. The tax rates used to determine the sensitivity of equity, net of tax are 28% for South Africa and 19% for the U.K.

31. Risk management (continued)

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, which includes cash and cash equivalents disclosed, in note 20, the borrowings disclosed, in note 23 and equity as disclosed in the statement of financial position.

The JSE's Financial Resources Requirements Rule 4.55, read with directives DC, requires a minimum capital resource based on position risk, counterparty risk, foreign exchange risk, large exposure risk, custody risk and fixed expenditure risk. The Group monitors its capital adequacy requirements on a daily basis.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

There were no regulatory capital breaches and the Group had sufficient capital during the year.

Financial guarantee contracts

The Standard Bank of South Africa Limited has made available a bank guarantee facility of R5 000 000 to support Avior Capital Market Proprietary Limited's capital adequacy requirements in terms of the JSE rules. Payment under the guarantee will only be made upon receipt by the bank of the JSE's first written demand and will be paid into a trust account administered by the JSE. The guarantee is for the sole benefit of the JSE. This facility was not utilised during the current financial year. The current guarantee expired on 30 June 2019. The guarantee was not renewed.

Fair value hierarchy of financial instruments at fair value through profit or loss

The fair value of the financial instruments is the price that would be received for the sale of the assets or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date.

Notes to the Consolidated Annual Financial Statements (Continued)

31. Risk management (continued)

The Group classifies assets and liabilities measured at fair value using a fair value hierarchy that reflects whether observable or unobservable inputs are used in determining the fair value of the item. Fair value may be determined using unadjusted quoted prices in active markets for identical assets or liabilities where these are readily available and the price represents actual and regularly occurring market transactions. If this information is not available, fair value is measured using another valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Where a valuation model is applied and the Group cannot mark-to-market, it applies a mark-to-model approach, subject to valuation adjustments.

The quoted market price for assets held by the Group is based on unadjusted quoted prices and these financial instruments are classified as level 1 assets.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group derives the fair value using available observable data. These assets are classified as level 2 assets. As at 30 April 2019, there are no level 2 instruments.

If one or more significant inputs are not based on observable market data, the instrument is included in level 3. As at 30 April 2019 there are no level 3 instruments.

Financial assets at fair value through profit or loss

2019	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	6 135 649	-	-	6 135 649
Margin and collateral - equity	9 976 733		-	9 976 733
	16 112 382	-	-	16 112 382

2018	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	47 946	-	-	47 946

31. Risk management (continued)

Financial liabilities at fair value through profit or loss

2019	Level 1	Level 2	Level 3	Total
Equity instruments	8 748 800	-	-	8 748 800
Spot bonds	1 748 643		-	1 748 643
	10 497 443		-	10 497 443

2018	Level 1	Level 2	Level 3	Total
Equity instruments	555 191	-	-	555 191

32. Segment Analysis

The Group has two main reportable segments that compromise the structure used by the Executive Committee (Exco) to make key operating decisions and assess performance. The Group's reportable segments are operating segments that are differentiated by region (referred to as business segments). Each business segment utilises different technology and marketing strategies.

The measurement policies the Group uses for segment reporting under IFRS 8 are the same as those used in its financial statements, except that certain items are not included in arriving at the operating profit of the operating segments (post-employment benefit expenses). In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

The Group evaluates the performance of its reportable segments based on revenue from operations. The Group accounts for intersegment sales and transfers as if the sales and transfers were entered into under the same terms and conditions as would have been entered into in a market related transaction.

Segment information is presented per regions in which the Group operates: SA Region - This includes all the South African based companies (ACM, Avior Capital Investments (RF) Proprietary Limited, Avior Wealth Services Proprietary Limited, A-Trade Proprietary Limited (disposed in 2018) and Groombridge Nominees Proprietary Limited).

Notes to the Consolidated Annual Financial Statements (Continued)

32. Segment Analysis (continued)

UK Region - This includes the Group's foreign based subsidiary operating in the United Kingdom (ACMI) and its two dormant subsidiaries (Avior Capital Markets Nominee Ltd (UK), Avior Capital Markets US LLC (US).

There were no major customers from the reported segments representing more than 10% of revenue.

Audited April 2019	SA	UK	Total
Revenue from external customers	109 775 880	33 510 269	143 286 149
Inter segment revenue eliminated	11 184 078	410 435	11 594 513
Other income	4 541 156	765 299	5 306 455
	125 501 114	34 686 003	160 187 117
Operating expenses	(137 650 512)	(53 927 538)	(191 578 050)
Depreciation and amortisation	(1 884 282)	(210 938)	(2 095 220)
Investment income	2 158 948	793 557	2 952 505
Finance costs	(2 815 745)	(17 779)	(2 833 524)
Forex gains for the year	1 733 912	2 371 088	4 105 000
Income tax income	3 614 141	2 252 339	5 866 480
Segment loss	**(9 342 424)**	**(14 053 268)**	**(23 395 692)**
Segment assets	321 604 249	50 339 211	371 943 460
Segment liabilities	293 618 745	10 973 011	304 591 756
Revenue reconciliation			
Total revenue per reportable segments			154 880 662
Other income			5 306 455
Elimination of inter segment revenues			(11 594 513)
Entity's revenue per profit or loss statement			**148 592 604**
Profit or loss reconciliation			
Total profit per reportable segments			23 395 692
Elimination of inter segment profits			(432 599)
Entity's loss per profit or loss statement			**22 963 093**

32. Segment Analysis (continued)

Audited April 2018	SA	UK	Total
Revenue from external customers	146 020 303	30 971 902	176 992 205
Inter segment revenue eliminated	1 824 233	1 273 564	3 097 797
Other income	4 155 683	-	4 155 683
	152 000 219	32 245 466	184 245 685
Operating expenses	(150 730 862)	(19 747 415)	(170 478 277)
Depreciation and amortisation	(1 192 229)	(94 232)	(1 286 461)
Investment income	2 891 821	632 894	3 524 715
Finance cost	(2 609 769)	-	(2 609 769)
Forex gains/(losses) for the year	360 812	(5 719 581)	(5 358 769)
Income tax expense	(383 630)	(2 735 274)	(3 118 904)
Share of loss in equity accounted investee	(50 000)	-	(50 000)
	286 362	**4 581 858**	**4 868 220**
Segment assets	466 440 578	28 737 886	495 178 464
Segment liabilities	408 101 404	1 548 767	409 650 171
Revenue reconciliation			
Total revenue per reportable segments			180 090 003
Other income			4 155 683
Elimination of intersegment revenues			(3 097 797)
			181 147 889
Profit or loss reconciliation			
Total profit per reportable segments			4 868 220
Elimination of intersegment profits			(500 000)
			4 368 220

Notes to the Consolidated Annual Financial Statements (Continued)

33. Going concern

Given the performance of the Group during the current financial period, management has undertaken a detailed forecast in informing its representation regarding going concern. This assessment has considered a protracted market slowdown, current period once-off costs (e.g. Zimbabwean trade receivable impairment), current and potential cost mitigation measures (e.g. division restructures, staff restructures, supplier contract renegotiations), if required, and the availability of further financial support. In addition, management considered the current solvency and liquidity positions of the Group and its entities, acknowledging sufficient current assets to settle current liabilities and non-current assets exceeding non-current liabilities.

On this basis, the directors have satisfied themselves that the Group is a going concern. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation that may affect the Group in the near future.

34. Events after the reporting period

New Cape Town premises lease cancellation and potential landlord claim

ACM ("Avior") recently cancelled a commercial lease in respect of its planned Cape Town office relocation. The landlord disputes the validity of the cancellation and has given notice of its intention to institute a claim for alleged damages. Avior, on the basis of legal advice obtained, is confident of its prospects of successfully defending any potential claim.

35. Comparative figures

Immaterial reclassifications were made to the prior year's financial statements to enhance the comparability with the current year's financial statements and the current accounting standards adopted:

- Computer software was reclassified to intangible assets in the current year from property plant and equipment in the prior year.
- Impairment losses were disclosed separately in the statement of profit or loss and other comprehensive income.

As a result of the reclassification the statement of financial position and statement of cash flows and statement of profit or loss and other comprehensive income and the related notes to the financial statements were amended.

35. Comparative figures (continued)

The impact of the reclassification is as follows:

	Previously reported	After reclassification
Statement of Profit or Loss and Other Comprehensive Income		
Operating expenses	168 667 133	167 315 991
Impairment losses on financial assets	-	1 351 142
	168 667 133	**168 667 133**
Statement of Financial Position		
Non-current assets		
Property, plant and equipment	9 366 046	9 330 988
Intangible assets	667 945	703 003
	10 033 991	**10 033 991**
Statement of Cash Flows		
Acquisitions of property, plant and equipment	(7 929 099)	(7 888 819)
Acquisitions of intangible assets	(414 997)	(455 277)
	(8 344 096)	**(8 344 096)**

Notes to the Consolidated Annual Financial Statements (Continued)

36. Analysis of shareholders

As at 30 April 2019

Shareholder profile

Analysis of shareholding

Distribution	Number of shareholdings	%	Number of shares held	%
Banks/Brokers	3	4.00	45 847	0.03
Endowment Fund	1	1.33	300	0.00
HedgeFunds	2	2.67	1 658 262	1.13
Individuals	64	85.33	55 394 258	37.87
Private Companies	2	2.67	88 951 533	60.81
Trusts	3	4.00	234 900	0.16
	75	100.00	146 285 100	100.00

Range of shareholding	Number of shareholdings	%	Number of shares held	%
1 - 1 000 shares	28	37.33	6 304	0.00
1 001 - 10 000 shares	13	17.34	47 165	0.04
10 001 - 100 000 shares	15	20.00	909 656	0.62
100 001 - 1 000 000 shares	13	17.33	5 899 572	4.03
1 000 001 shares and over	6	8.00	139 422 403	95.31
	75	100.00	146 285 100	100.00

36. Analysis of shareholders (continued)

Shareholder spread analysis

To the best knowledge of the directors and after reasonable enquiry, as at 30 April 2019, the spread of shareholders, as defined in the JSE's listing requirements,were:

Public/non-public shareholding split	Number of shareholdings	%	Number of shares held	%
Non-public shareholders:	4	5.33	136 285 903	93.16
Directors and Associates of company shareholdings	4	5.33	136 285 903	93.16
Public shareholders	71	94.67	9 999 197	6.84
	75	100.00	146 285 100	100.00

Beneficial shareholders holding 3% or more	Number of shares	%
Koutromanos P	88 951 533	60.81
Mattison K	47 334 370	32.36
	136 285 903	93.17

All shareholders are South African.

ANNUAL GENERAL MEETING

Notice of the Annual General Meeting

Notice is hereby given of the annual general meeting of shareholders of Avior Capital Markets Holdings Limited ("the Company"/"Avior") to be held at Avior Capital Markets Holdings Limited, on the 11th Floor, South Tower, 140 West Street, Sandton at 14:00 on Thursday, 7 November 2019 (the "AGM").

PURPOSE

The purpose of the AGM is to consider if deemed fit passing with or without modification, the resolutions as set out below.

Annual Financial Statements

Presentation of the audited annual financial statements of the Company, including the reports of the directors and the Audit and Risk Committee as required interms of section 30 of the Companies Act for the year ended 30 April 2019. The annual report, of which this notice forms part, contains the summarised group financial statements and the aforementioned reports. The annual financial statements, including the unmodified audit opinion, are available on Avior's website at www.avior.co.za, or may be requested and obtained in person, at no charge, at the registered office of Avior during office hours.

Social, Ethics and Remuneration committee Report

As required in terms of Regulation 43 of the Companies Act, the Chairperson of SERC will report to shareholders at the AGM on the matters within its mandate.

ORDINARY RESOLUTIONS

For any of the ordinary resolutions numbers 1 to 5 (inclusive) and 7 to 9 to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof. For ordinary resolution number 6, at least 75% of voting rights must be exercised in favour thereof.

Re-election of Directors

1. Ordinary Resolution Number 1.1

"Resolved that Ms Marilyn Ramplin, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers herself for re-election, be and is hereby re-elected as a Director."

2. Ordinary Resolution Number 1.2

"Resolved that Mr Peter Koutromanos, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as a Director."

3. Ordinary resolution number 1.3

"Resolved that Mr Kevin Mattison, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as a Director."

4. Ordinary Resolution Number 1.4

"Resolved that Mr Justin Larsen, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as a Director."

5. Ordinary Resolution Number 1.5

"Resolved that Mr Thabo Vincent Mokgatlha, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as a Director."

6. Ordinary Resolution Number 1.6

Resolved that Mr Stephan David Price, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as a Director."

Explanatory note:

The reason for ordinary resolution number 1.1 – 1.6 is that the memorandum of incorporation of the Company, the Listings Requirements of the JSE and, to the extent applicable, the Companies Act, require that all directors rotate at every AGM of the Company and, being eligible, may offer themselves for re-election as Directors. A brief curriculum vitae of the Directors up for re-election to the Board appears on page 34 of the IAR.

Appointment of the Members of the Audit and Risk Committee of the Company

Note: For the avoidance of doubt, all references to the Audit and Risk Committee of the Company is a reference to the audit committee as contemplated in the Companies Act.

7. Ordinary Resolution Number 2.1

"Resolved that Mr Thabo Vincent Mokgatlha, being eligible, be and is hereby appointed as a member and the Chairperson of the Audit and Risk Committee of the Company, as recommended by the Board of directors of the Company, until the next AGM of the Company."

Notice of the Annual General Meeting (Continued)

8. Ordinary Resolution Number 2.2

"Resolved that Mr Stephan David Price, being eligible, be and is hereby appointed as a member of the Audit and Risk Committee of the Company, as recommended by the Board of directors of the Company, until the next AGM of the Company."

9. Ordinary Resolution Number 2.3

"Resolved that Ms Marilyn Ramplin, being eligible, be and is hereby appointed as a member of the Audit and Risk Committee of the Company, as recommended by the Board of directors of the Company, until the next AGM of the Company."

Explanatory note:

The reason for ordinary resolutions numbers 2.1 to 2.3 (inclusive) is that the Company, being a public listed company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each AGM of the Company.

A brief curriculum vitae of the Directors being appointed as Audit and Risk Committee members appears on page 34 of the IAR.

10. Appointment Of Auditor
Ordinary Resolution Number 3

"Resolved that BDO be and is hereby re-appointed as auditor of the Company for the ensuing year on the recommendation of the Audit and Risk Committee of the Company, and to note that the individual registered auditor who will undertake the audit during the financial year ending 30 April 2020 is Mr Daniel Botha."

The reason for ordinary resolution number 3 is that the Company, being a public listed company, must have its financial results audited and such auditor must be appointed or re-appointed each year at the AGM of the Company as required by the Companies Act.

11. Non-Binding Endorsement of Avior Remuneration Policy
Ordinary Resolution Number 4

"Resolved that the Company's remuneration policy, as set out on pages 41 - 46 of this IAR, be and is hereby endorsed by way of a non-binding advisory vote."

Explanatory note:

The reason for ordinary resolution number 4 is that King IV™ recommends, and the Listings Requirements require, that the remuneration policy of a company be tabled for a non-binding advisory vote by shareholders at each annual general meeting of the company. This enables shareholders to express their views on the remuneration policy adopted. The effect of ordinary resolution number 4, if passed, will be to endorse the Company's remuneration policy.

Ordinary resolution number 4 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements. However, the Board will take the outcome of the vote into consideration when considering amendments to the Company's remuneration policy.

12. Non-Binding Advisory Vote on Avior Implementation Report on the Remuneration Policy
Ordinary Resolution Number 5

"Resolved that the Company's implementation report with regard to its remuneration policy, as set out on pages 41 - 46 of this IAR, be and is hereby endorsed by way of a non-binding vote."

The reason for ordinary resolution number 5 is that King IV™ recommends that the implementation report on a company's remuneration policy be tabled for a non-binding advisory vote by shareholders at each AGM of the company. This enables shareholders to express their views on the implementation of a company's remuneration policy. The effect of ordinary resolution number 5, if passed, will be to endorse the Company's implementation report in relation to its remuneration policy. Ordinary resolution number 7 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements. However, the Board will take the outcome of the vote into consideration when considering amendments to the Company's remuneration policy and its implementation.

13. General Authority to Issue Ordinary Shares for Cash
Ordinary Resolution Number 6

"Resolved that the Directors of the Company be and are hereby authorised, by way of a general authority, to allot and issue any of the Company's unissued shares for cash as they in their discretion may deem fit, without restriction, subject to the provisions of the Company's MoI, the Companies Act and the JSE Listings Requirements, provided that:

/ the approval shall be valid until the date of the next AGM of the Company, provided it shall not extend beyond fifteen months from the date of this resolution;

Notice of the Annual General Meeting (Continued)

- the general issues of shares for cash under this authority may not exceed, in the aggregate, 15% of the Company's issued share capital (number of securities) of that class as at the date of this notice of AGM, it being recorded that ordinary shares issued pursuant to a rights offer to shareholders, shall not diminish the number of ordinary shares that comprise the 15% of the ordinary shares that can be issued in terms of this ordinary resolution. As at the date of this notice of AGM, 15% of the Company's issued ordinary share capital (net of treasury shares) amounts to 21 942 765 ordinary shares;
- in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of such shares, as determined over the 30 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the securities. The JSE will be consulted for a ruling if the securities have not traded in such 30 business day period;
- any such issue will only be made to public shareholders as defined in paragraphs 4.25 to 4.27 of the JSE Listings Requirements and not to related parties;
- any such issue will only be comprised of securities of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue; and
- in the event that the securities issued represent, on a cumulative basis, 5% or more of the number of securities in issue prior to that issue, an announcement containing the full details of such issue shall be published on SENS."

Explanatory Note:

For listed entities wishing to issue shares for cash (other than issues by way of rights offers) in consideration for acquisitions and/or to duly approved share incentive schemes, it is necessary for the board of the Company to obtain the prior authority of the shareholders in accordance with the Listings Requirements and the MoI of the Company. Accordingly, the reason for ordinary resolution number 8 is to obtain a general authority from shareholders to issue shares for cash in compliance with the JSE Listings Requirements and the MoI of the Company.

For this resolution to be adopted, at least 75% of the shareholders present in person or by proxy and entitled to vote on this resolution at the AGM must cast their vote in favor of this resolution.

14. General Authority to Directors to Allot and Issue Authorised but Unissued Ordinary Shares Ordinary Resolution Number 7

"Resolved that the authorised but unissued ordinary shares in the capital of the Company be and are hereby placed under control and authority of the Directors of the Company and that the Directors of the Company be and are hereby authorised and empowered to allot, issue and otherwise dispose of such ordinary shares to such person or persons on such terms and conditions and at such times as the Directors of the Company may from time to time and in their discretion deem fit, subject to the provisions of the Companies Act, the MoI of the Company and the Listings Requirements, when applicable, such authority to remain in force until the next AGM."

In terms of the Company's MoI the Board may, with the prior approval of the shareholders at a shareholders meeting, subject to the statutes and the approval of the Issuer Regulation Division of the JSE (where necessary), issue authorised but unissued shares in the Company to such person or persons on such terms and conditions and with such rights or restrictions attached thereto as the Directors may determine from time to time.

15. Signing Authority Ordinary Resolution Number 8

"Resolved that, subject to the passing of the ordinary and special resolutions at the AGM, any Director of the Company or the Company Secretary shall be and is hereby authorised to sign all documentation and perform all acts which may be required to give effect to such ordinary and special resolutions."

Explanatory Note:

The resolution grants authority to any Director or the Company Secretary to carry out, execute all documentation and do all such things as they may in their discretion consider necessary or appropriate in connection with and to implement and give effect to the ordinary resolutions above and special resolutions below.

SPECIAL RESOLUTIONS

For any of the special resolutions numbers 1 to 4 to be adopted, at least 75% of the voting rights exercised on each special resolution must be exercised in favour thereof.

Notice of the Annual General Meeting (Continued)

16. Remuneration of Non-Executive Directors: Special Resolution Number 1

"Resolved, in terms of section 66(9) of the Companies Act, that the Company be and is hereby authorised to remunerate its directors for their services as directors on the basis set out below, provided that this authority will be valid until the next AGM of the Company:

Marilyn Ramplin	R179 000
Stephan Price (Chair)	R246 000
Thabo Mokgatlha	R204 000

Explanatory Note

Special resolution number 1 is for the Company to obtain the approval of shareholders by way of a special resolution for the payment of remuneration to its Non-Executive Directors in accordance with the requirements of the Companies Act.

The effect of special resolution number 1 is that the Company will be able to pay its Non-Executive Directors for the services they render to the Company as Directors without requiring further shareholder approval until the next AGM of the Company.

17. Loans or Other Financial Assistance to Directors Special Resolution Number 2: Inter-Company Financial Assistance

"Resolved, in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, that the Board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the Board of the Company may deem fit to any company or corporation that is related or inter-related ("related" or "inter-related" will herein have the meaning attributed to it in section 2 of the Companies Act) to the Company, on the terms and conditions and for amounts that the Board of the Company may determine, provided that the aforementioned approval shall be valid until the date of the next AGM of the Company."

Explanatory Note

The reason for and effect of special resolution number 2 is to grant the Directors of the Company the authority, until the next AGM of the Company, to provide direct or indirect financial assistance to any company or corporation which is related or inter-related to the Company. This means that the Company is, inter alia, authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

18. Financial Assistance for the Subscription of Securities Special Resolution Number 3: Financial Assistance for the Subscription and/or Purchase of Shares in the Company or a Related or Inter-Related Company

"Resolved, in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, that the Board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act) that the Board of the Company may deem fit to any company or corporation that is related or inter-related to the Company ("related" or "inter-related" will herein have the meaning attributed to it in section 2 of the Companies Act) and/or to any financier who provides funding by subscribing for preference shares or other securities in the Company or any company or corporation that is related or inter-related to the Company, on the terms and conditions and for amounts that the Board of the Company may determine for the purpose of, or in connection with the subscription of any option, or any shares or other securities, issued or to be issued by the Company or a related or inter-related company or corporation, or for the purchase of any shares or securities of the Company or a related or inter-related company or corporation, provided that the aforementioned approval shall be valid until the date of the next AGM of the Company."

Explanatory Note

The reason for and effect of special resolution number 3 is to grant the Directors the authority, until the next AGM of the Company, to provide financial assistance to any company or corporation which is related or inter-related to the Company and/or to any financier for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the Company or any related or inter-related company or corporation. This means that the Company is authorised, inter alia, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for options, shares or securities in the Company or its subsidiaries. A typical example of where the Company may rely on this authority is where a subsidiary raised funds by way of issuing preference shares and the third-party funder requires the Company to furnish security, by way of a guarantee or otherwise, for the obligations of its subsidiary to the third-party funder arising from the issue of the preference shares.

The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

In terms of and pursuant to the provisions of sections 44 and 45 of the Companies Act, the Directors of the Company confirm that the Board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the Company, that immediately after providing any financial assistance as contemplated in special resolution numbers 2 and 3 above:

/ the assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company);

Notice of the Annual General Meeting (Continued)

- the Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months;
- the terms under which any financial assistance is proposed to be provided will be fair and reasonable to the Company; and
- all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the Company as contained in the Company's MoI have been met.

19. Share Repurchases by the Company and its Subsidiaries

Special resolution number 4: Share buy-back by Avior and its subsidiaries

"Resolved, as a special resolution, that the Company and the subsidiaries of the Company be and are hereby authorised, as a general approval, to repurchase any of the shares issued by the Company, upon such terms and conditions and in such amounts as the Directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the MoI of the Company and the Listings Requirements of the JSE, including, *inter alia*, that:

- the general repurchase of the shares may only be implemented through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- this general authority shall only be valid until the next AGM of the Company, provided that it shall not extend beyond fifteen months from the date of this resolution;
- an announcement must be published as soon as the Company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue on the date that this authority is granted, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
- the general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the Company's issued share capital at the time the authority is granted;
- a resolution has been passed by the Board of Directors approving the purchase, that the Company has satisfied the solvency and liquidity test as defined in the Companies Act and that, since the solvency and liquidity test was applied, there have been no material changes to the financial position of the Company and its subsidiaries ("the Group");
- the general repurchase is authorised by the Company's MoI;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for the five business days immediately preceding the date that the transaction is effected. The JSE will be consulted for a ruling if the Company's securities have not traded in a five business day period;
- the Company may at any point in time only appoint one agent to effect any repurchase(s) on the Company's behalf; and
- the Company may not affect a repurchase during any prohibited period as defined in terms of the Listings Requirements unless there is a repurchase programme in place, which programme has been submitted to the JSE in writing prior to the commencement of the prohibited period and executed by an independent third party, as contemplated in terms of paragraph 5.72(h) of the Listings Requirements."

The JSE Listings Requirements require the following disclosures, which appear in the IAR:

Directors and management – refer to page 34

Major shareholders – refer to page 106

Directors' interests in ordinary shares – refer to page 106

Share capital of the Company – refer to page 56

Litigation statement

The Directors, whose names appear on page 34 of the IAR of which the Notice of Annual General Meeting forms part, except as disclosed on page 90 and 105 are not aware of any legal or arbitration proceedings that are pending or threatened, that may have or had in the recent past, being at least the previous 12 months, a material effect on Avior's' financial position.

Notice of the Annual General Meeting (Continued)

Material changes

Other than the facts and developments reported on in the IAR, there have been no material changes in the financial or trading position of the Company and its subsidiaries since the date of signature of the Audit and Risk Committee report and up to the date of the Notice of Annual General Meeting.

The Directors have no specific intention, at present, for the Company or its subsidiaries to acquire any of the Company's shares but consider that such a general authority should be put in place should an opportunity present itself to do so during the year, which is in the best interests of the Company and its shareholders.

The Directors are of the opinion that it would be in the best interest of the Company to extend such general authority and thereby allow the Company or any of its subsidiaries to be in a position to acquire the shares issued by the Company through the order book of the JSE, should the market conditions, tax dispensation and price justify such an action.

Explanatory Note

The reason for and effect of special resolution number 4 is to grant the Directors a general authority in terms of its MoI and the Listings Requirements for the acquisition by the Company or by a subsidiary of the Company of shares issued by the Company on the basis reflected in special resolution number 4. The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

In terms of section 48(2) (b)(i) of the Companies Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of a Company. For the avoidance of doubt, a pro rata repurchase by the Company from all its shareholders will not require shareholder approval, save to the extent as may be required by the Companies Act.

20. OTHER BUSINESS

To transact such other business as may be transacted at an AGM or raised by shareholders with or without advance notice to the Company.

OTHER DISCLOSURE IN TERMS OF SECTION 11.20 OF THE JSE LISTING REQUIREMENTS

1. The Directors of the Company or its subsidiaries will only utilise the general authority to repurchase shares of the Company as set out in special resolution number 4 to the extent that the Directors, after considering the maximum number of shares to be purchased, are of the opinion that the position of the Company and its subsidiaries ("Group") would not be compromised as to the following:
   - The Group's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of this AGM and for a period of 12 months after the repurchase;
   - The consolidated assets of the Group will at the time of the AGM and at the time of making such determination be more than the consolidated liabilities of the Group. The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of the Group;
   - The ordinary capital and reserves of the Group after the repurchase will remain adequate for the purpose of the business of the Company for a period of 12 months after the AGM and after the date of the share repurchase; and
   - The working capital available to the Group after the repurchase will be sufficient for the Group's requirements for a period of 12 months after the date of the notice of the AGM.
2. General information in respect of major shareholders, material changes and the share capital of the Company is contained in the IAR of which this notice forms part, as well as the full set of annual financial statements, being available on Avior's website at www.avior.co.za or which may be requested and obtained in person, at no charge, at the registered office of Avior during office hours.
3. The Directors, whose names appear on page 34 of the IAR of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this notice of AGM contains all information required by the Listings Requirements.

Notice of the Annual General Meeting (Continued)

Voting

1. The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the Company ("the Share Register") for purposes of being entitled to receive this notice is Thursday, 8 August 2019.
2. The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at this AGM is Friday, 25 October 2019, with the last day to trade being Tuesday, 22 October 2019.
3. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairperson of the AGM and must accordingly bring a copy of their identity document, passport or driver's license to the AGM. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.
4. Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a shareholder of the Company. A form of proxy, which sets out the relevant instructions for its completion, is enclosed for use by a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the AGM. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the AGM.
5. The instrument appointing a proxy and the authority (if any) under which it is signed must reach the transfer secretaries of the Company at the address provided on the inside back cover of this IAR by not later than 14:00 on 5 November 2019 provided that any form of proxy not delivered to the transfer secretary by this time may be handed to the chairperson of the AGM prior to the commencement of the AGM, at any time before the appointed proxy exercises any shareholder rights at the AGM.
6. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the AGM in person, will need to request their Central Securities Depository Participant ("CSDP") or broker to provide them with the necessary authority in terms of the custody agreement entered into between such shareholders and the CSDP or broker.
7. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the AGM and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.
8. Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held.

By order of the Board

Form of Proxy

AVIOR CAPITAL MARKETS HOLDINGS LIMITED
Incorporated in the Republic of South Africa (Registration number: 2015/086358/06)
Share code: AVR ("Avior" or "the Company")

Form of proxy – for use by certificated and own-name dematerialised shareholders only

For use at the AGM of ordinary shareholders of the Company to be held at Avior Capital Markets Holdings Limited, at Avior Capital Markets Offices, 11th Floor, South Tower, 140 West Street, Sandton on 7 November 2019 ("the AGM").

I/We (Full name in print)

of (address)

Telephone: (Work)	Telephone: (Home)	Cell phone:

being the registered holder of shares in the Company, hereby appoint:

or failing him/her

or failing him/her

the chairperson of the AGM,

as my/our proxy to attend, speak and vote for me/us at the AGM for purposes of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat and at any adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name(s), in accordance with the following instruction (see notes):

	Number of shares		
	In favour	Against	Abstain
Ordinary Resolution Number 1.1 Reappointment: M Ramplin			
Ordinary Resolution Number 1.2 Reappointment: P Koutromanos			
Ordinary Resolution Number 1.3 Reappointment: K Mattison			
Ordinary Resolution Number 1.4 Reappointment: J Larsen			
Ordinary Resolution Number 1.5 Reappointment: T Mokgatlha			
Ordinary Resolution Number 1.6 Reappointment: S Price			
Ordinary Resolution Number 2.1 Appointment of T Mokgatlha as a member and the Chairperson of the Audit and Risk Committee			
Ordinary Resolution Number 2.2 Appointment of S Price as a member of the Audit and Risk Committee			
Ordinary Resolution Number 2.3 Appointment of M Ramplin as member of the Audit and Risk Committee			

Form of Proxy (Continued)

	Number of shares		
	In favour	Against	Abstain
Ordinary Resolution Number 3 Re-appointment of External Auditor			
Ordinary Resolution Number 4 Non-Binding advisory note on the remuneration policy			
Ordinary Resolution Number 5 Non-Binding advisory note on the implementation report			
Ordinary Resolution Number 6 General Authority to issue shares for cash			
Ordinary Resolution Number 7 General authority to Directors to allot and issue authorised but unissued ordinary shares			
Ordinary Resolution Number 8 Signing Authority			
Special Resolution Number 1 Remuneration of Non-Executive Directors			
Special Resolution Number 2 Intercompany financial assistance in terms of section 45 of the Companies Act			
Special Resolution Number 3 Financial assistance in terms of section 44 of the Companies Act			
Special Resolution Number 4 General authority to repurchase shares			

Number of shares

Please indicate your voting instruction by way of inserting the number of shares or by a cross in the space provided.

Signed at ______________________ on this ______________ day of ______________ 2019.

Signature(s) ____

Assisted by
(where applicable) ______________________________ (state capacity and full name)

Each Avior shareholder is entitled to appoint one or more proxy(ies) (who need not be a shareholder(s) of the Company) to attend, speak and vote in his/her stead at the AGM.

Please read the notes on the overleaf.

Notes to Form of Proxy (Continued)

NOTES

An Avior shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting "the chairperson of the AGM". The person whose name appears first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.

An Avior shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the chairperson of the AGM, if he/she is the authorised proxy, to vote in favour of the resolutions at the meeting, or any other proxy to vote or to abstain from voting at the meeting as he/she deems fit, in respect of all the shares concerned. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or his/her proxy.

When there are joint registered holders of any shares, any one of such persons may vote at the meeting in respect of such shares as if he/she was solely entitled thereto, but, if more than one of such joint holders be present or represented at any meeting, that one of the said persons whose name stands first in the register in respect of such shares or his/ her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member, in whose name any shares stand, shall be deemed joint holders thereof.

For administrative purposes forms of proxy should kindly be completed and returned to be received by the transfer secretaries of the Company, 4AX (1st Floor, Cedarwood House, Ballywoods Office Park, 33 Ballyclare Drive, Bryanston, 2121), by no later than 14:00 midday 5 November 2019 provided that any form of proxy not delivered to the transfer secretary by this time may be handed to the chairperson of the AGM prior to the commencement of the AGM, at any time before the appointed proxy exercises any shareholder rights at the AGM.

Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).

Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer secretaries or waived by the chairperson of the AGM.

The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person.

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- *a shareholder of a company may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder*
- *a proxy may delegate her or his authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing such proxy*
- *irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder*
- *any appointment by a shareholder of a proxy is revocable unless the form of instrument used to appoint such proxy states otherwise*
- *if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company*
- *a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise*
- *if the instrument appointing a proxy or proxies has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's memorandum of incorporation to be delivered to a shareholder must be delivered by such company to:*
- *the relevant shareholder; or*
- *the proxy or proxies, if the relevant shareholder has: (i) directed such company to do so, in writing and (ii) paid any reasonable fee charged by such company for doing so.*

Abbreviations and Terms

Abbreviation	Description
AGM	Annual General Meeting
AltX	JSE's Alternative Exchange
Avior / the Company	Avior Capital Markets Holdings Limited
Avior Group / the Group / the business	Avior Capital Markets group of companies
ACM	Avior Capital Markets (Pty) Ltd
ACMI	Avior Capital Markets International (Pty) Ltd
Board	The Board of Directors of Avior
BDO / the external auditors	BDO South Africa Incorporated
Business / the business	The business conducted within the Avior Group
B-BBEE	Broad-Based Black Economic Empowerment
Chair / Chairperson	The Chairperson of the Board
CIPC	Companies and Intellectual Property Commission
Companies Act	Companies Act 71 of 2008
EE	Employment Equity
EU	European Union

Abbreviation	Description
FM Survey	Financial Mail Ranking the Analyst survey
GDP	Gross Domestic Product
HEPS	Headlines Earnings per Share
IAR	Integrated Annual Report
IIRC	International Integrated Reporting Council
IFRS	International Financial Reporting Standards
JSE	Johannesburg Stock Exchange Limited
LSE	London Stock Exchange
King IV™ / King IV™ Report	King IV Report on Corporate Governance for South Africa 2016 the copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved
MiFID II	Markets in Financial Instruments Directive
Report / IAR	Avior Integrated Annual Report for the year ending 30 April 2019
SENS	Stock Exchange News Service

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