



RH BOPHELO LIMITED
(Previously Newshel 1388 Proprietary Limited)
(Incorporated in the Republic of South Africa)
(Registration number: 2016/533398/06)
(JSE Share Code: RHB, ISIN: ZAE000244737)

Audited Annual Financial Statements

For the 3 month period ended 28 February 2017

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
for the 3 months period ended 28 February 2017

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The annual financial statements for the 3 month period ended 28 February 2017 set out on pages 8 to 14 were prepared by Mr Dion Mhlaba, BCom Honours.

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General Information

Name	:	RH Bophelo Limited
Registration number	:	2016/533398/06
Registered office	:	The Square, 3rd Floor 18 Melrose Boulevard Melrose Arch 2157
Investment manager	:	RH Bophelo Management Company Proprietary Limited The Square, 3rd Floor 18 Melrose Boulevard Melrose Arch 2157
Auditor	:	Deloitte and Touche

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Statement of director's responsibility statement

The director(s) are responsible for the preparation, integrity and fair presentation of the annual financial statements of RH Bophelo Limited. The financial statements presented on pages 8 to 14 are prepared in accordance with International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act, 71 of 2008, and include amounts based on judgements and estimates made by management.

The directors consider that in preparing the financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all International Financial Reporting Standards that they consider to be applicable have been followed. The directors are satisfied that the information contained in the financial statements fairly present the results of operations for the year and the financial position of the company at the end of the financial year.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company, and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, an endeavour is made to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The financial statements were prepared on the going concern basis. The assets of the company, fairly valued, exceed its liabilities. The directors are of the opinion that the company will continue as a going concern in the future.

The financial statements were audited by the independent auditors, Deloitte and Touche, to whom unrestricted access was given to all financial records and related information, including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The annual financial statements set out on pages 8 to 14 for the 3 month period ended 28 February 2017 were approved by the board of directors and are signed on its behalf by:

Director 

Dion Mhlaba

Date: 30 August 2017



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Registered Auditors
Audit & Assurance -
Gauteng

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INDEPENDENT AUDITOR'S REPORT To the Shareholders of RH Bophelo Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of RH Bophelo Limited set out on pages 9 to 14, which comprise the statement of financial position as at 28 February 2017 and the statement of changes in equity for the period then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of RH Bophelo Limited as at 28 February 2017 in accordance with International Financial Reporting Standards (IFRSs) 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 Financial Statements* section of our report. We are independent of the Company in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises Statement of Directors' Responsibility and Approval, and the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

National Executive: *LL Bam Chief Executive Officer *TMM Jordan Deputy Chief Executive Officer *MJ Jarvis Chief Operating Officer
*AF Mackie Audit & Assurance *N Sing Risk Advisory *NB Kader Tax TP Pillay Consulting S Gwala BPS *K Black Clients & Industries
*JK Mazzocco Talent & Transformation MG Dicks Risk Independence & Legal *TJ Brown Chairman of the Board

A full list of partners and directors is available on request

* Partner and Registered Auditor

B-BBEE rating: Level 2 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of RH Bophelo Limited (continued)

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of RH Bophelo Limited (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.



Deloitte & Touche
Registered Auditor
Per: Patrick Ndlovu
Partner
30 August 2017

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DIRECTORS REPORT

1. THE COMPANY

The company was incorporated on 13 December 2016. The current financial statements have been prepared for the 3 month period ended 28 February 2017.

2. PRINCIPAL ACTIVITIES

The company invests in a primarily in healthcare.

3. FINANCIAL RESULTS

The company has been dormant since incorporation and has no trading history, therefore, no statement of profit or loss and other comprehensive income and statement of cash flows have been presented.

3. DIVIDENDS

There were no dividends issued in the current period.

4. DIRECTORS' FEES AND REMUNERATION

The directors did not receive any fees and remuneration in the current period.

5. DIRECTORS

The director of the company during the year is :-
Quinton Zunga (appointed – 13 December 2016)
Katekani Dion Mhlaba (appointed – 23 June 2017)
Vuyokazi Phatheka Nomvalo (appointed – 23 June 2017)
Maunatlala Peter Mehlaphe (appointed – 23 June 2017)
Solomon Gabriel Motuba (appointed – 23 June 2017)
Kgaogelo Rachel Ntshwana (appointed – 23 June 2017)
John Rabagadi Oliphant (appointed – 23 June 2017)
Phetole David Sekete (appointed – 23 June 2017)

6. GOING CONCERN

The financial statements are prepared on the going concern basis, as the directors are of the view that the company has adequate financial resources to continue for the foreseeable future.

8. EVENTS SUBSEQUENT TO THE REPORTING DATE

The company was listed on the Johannesburg Stock Exchange and changed to public company on 12 July 2017. A total of R500 million in equity was raised on the day of the listing.
The company changed its name from Newshelf 1388 Proprietary Limited to RH Bophelo Limited on 25 July 2017 and the financial year-end has been changed from 31 December to 28 February on 23 June 2017.

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Statement of financial position

	<i>Notes</i>	Feb-17 R
Assets		
Current assets		
Cash and cash equivalents	4	1
Total assets		<u><u>1</u></u>
Capital and reserves		
Equity and liabilities		
Share capital	5	1
Total equity and liabilities		<u><u>1</u></u>

Statement of changes in equity

	Share capital
Issue of share capital	1
Balance as at 28 February 2017	<u><u>1</u></u>

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Notes to the financial statements

1. Reporting entity

RH Bophelo Limited (“The Company”) is legal entity registered in the Republic of South Africa. The company is involved in making equity, quasi-equity and equity related investments in healthcare, specifically in operational infrastructure, including health insurance, private hospital-related infrastructure, pharmaceuticals, retails and distributions, in South Africa.

RH Bophelo Management Company Proprietary Limited manages the investment and the administration activities of The Company.

The Company was incorporated on 13 December 2016.

2. Application of New and Revised International Financial Reporting Standards

In the current period, RH Bophelo have applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 July 2016.

New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant IFRSs were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IAS 1 Presentation of Financial Statements – Amendments resulting from disclosure initiative (Annual periods beginning on or after 1 January 2016).

IAS 7 Statement of Cash Flows – Amendments as result of the Disclosure initiative (effective 1 January 2017).

IAS 12 Income Taxes – Amendments regarding the recognition of deferred tax assets for unrealised losses (effective 1 January 2017).

IAS 16 Property, Plant and Equipment - Amendments regarding the clarification of acceptable methods of depreciation and amortisation (effective 1 January 2016)

IAS 16 Property, Plant and Equipment - Amendments bringing bearer plants into the scope of IAS 16 (effective 1 January 2016)

IAS 19 Employee Benefits - Amendments resulting from September 2014 Annual Improvements to IFRSs (effective 1 January 2016)

IAS 27 Separate Financial Statements - Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements (effective 1 January 2016)

IAS 28 Investments in Associates and Joint Ventures - Amendments regarding the application of the consolidation exception (effective 1 January 2016)

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Notes to the financial statements *(continued)*

New and revised IFRSs in issue but not yet effective *(continued)*

IAS 28 Investments in Associates and Joint Ventures - Amendments resulting from Annual Improvements 2014–2016 Cycle (clarifying certain fair value measurements) (effective 1 January 2016)

IAS 38 Intangible assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation (effective 1 January 2016)

IAS 40 Investment Property - Amendments to clarify transfers of property to, or from, investment property (effective 1 January 2018)

IAS 39 Financial Instruments: Recognition and Measurement – Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of portfolio of financial assets or financial liabilities when IFRS 9 is applied and to extend the fair value option to certain contracts that meet the ‘own use’ scope exception (effective 1 January 2018).

IFRS 2 Share based payment – Amendments to clarify the classification and measurement of share-based payment transactions (effective 1 January 2018)

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from September 2014 Annual Improvements to IFRSs (effective 1 January 2016)

IFRS 7 Financial Instruments: Disclosures – Amendments resulting from September 2014 Annual Improvements to IFRSs (effective 1 January 2016).

IFRS 7 Financial Instruments: Disclosures – Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 (effective 1 January 2018).

IFRS 7 Financial Instruments: Disclosures – Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2018).

IFRS 9 Financial Instruments – Finalized version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition (effective 1 January 2018). The Directors anticipate that these amendments will be applied in the financial statements for the annual periods beginning on the respective dates as indicated above. The Directors have not yet assessed the potential impact of the application of these amendments.

IFRS 10 Consolidated Financial Statements - Amendments regarding the application of the consolidation exception (Effective 1 January 2016)

IFRS 11 Joint Arrangements - Amendments regarding the accounting for acquisitions of an interest in a joint operation (effective 1 January 2016)

IFRS 12 Disclosure of Interests in Other Entities - Amendments regarding the application of the consolidation exception (effective 1 January 2016)

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Notes to the financial statements (*continued*)

New and revised IFRSs in issue but not yet effective (*continued*)

IFRS 12 Disclosure of Interests in Other Entities - Amendments resulting from Annual Improvements 2014–2016 Cycle (clarifying scope) (effective 1 January 2016)

IFRS 15 Revenue from contracts with customers – Original issue (effective 1 January 2018)

IFRS 16 Leases – Original issue (effective 1 January 2019)

3. Significant Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and in the manner required by the Companies Act of South Africa. These financial statements have been prepared on the historical cost basis, except where indicated otherwise.

Functional and presentation currency

Items included in the financial statements of RH Bophelo are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in South African Rand, which is also considered by the directors to be RH Bophelo’s functional currency.

Related parties

Parties are considered to be related, if one party has the ability to control the other party, has control of the reporting entity, exercises significant influence over the party in making financial and operating decisions or is a member of the key management personnel of the reporting entity. An entity is related to a reporting entity if both of them are members of the same group or one of them is either an associate or joint venture of the other entity. Related party can also arise if the entity is a post-employment benefit plan for the employee of the reporting entity.

Financial instruments

Financial assets and financial liabilities are recognised on RH Bophelo’s Statement of Financial Position when RH Bophelo become a party to the contractual provisions of the instruments.

Cash and cash equivalents

Cash is defined as cash on hand and cash in banks and investments in money market instruments with a maturity of three months or less.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by RH Bophelo Entity are recognised at the proceeds received, net of direct issue costs.

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Notes to the financial statements (*continued*)

4. Cash and cash equivalents

Cash	R 1
Total	R 1

5. Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

Name	R
Stated Capital	
<i>Authorised</i>	
10,000,000,000 ordinary shares with no par value	-
<i>Issued</i>	
1 ordinary shares with no par value	R 1
Total	R 1

As at 28 February 2017, Quinton Zunga held the issued share in the company.

6. Taxation

No provision has been made for taxation as the Company has no taxable income during the 3 month period ended 28 February 2017.

7. Employees

No remuneration was paid to the Directors or other members of key management personnel during the 3 month period ended 28 February 2017.

8. Subsequent events

The Company amended its share capital and issued the B Share on 30 March 2017. Furthermore, the Company was listed on the Johannesburg Stock Exchange on Wednesday, 12 July 2017. As this is a material transaction occurring post the year end date, the occurrence of such is classified as a subsequent event for reporting purposes.

The company changed from private to public company on the 12 July 2017, together with its name from Newshelf 1388 Proprietary Limited to RH Bophelo Limited on 25 July 2017. The financial year-end was changed from 31 December to 28 February on 23 June 2017.

The directors are not aware of any other material item that arose subsequent to 28 February 2017 that affect the financial statement as at the same date that should either be adjusted or disclosed.

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Notes to the financial statements *(continued)*

9. Comparative financial information

No comparative financial information has been presented as the Company was incorporated on 13 December 2016.