		2014 R'000	2013 R'000
6.	**INVESTMENTS IN GROUP COMPANIES AND RELATED LOANS**		
6.1	**Investments in and loans to subsidiaries**		
	Shares at cost less amounts written off	**3 012 304**	3 040 190
	Loans owing by subsidiaries less amounts written off	**31 565**	38 421
		3 043 869	3 078 611

Details are reflected below:

	Shares at cost R'000	Loans owing by subsidiaries R'000	Provision for impairment R'000
2014			
Activi Technology Services Proprietary Limited	*	—	—
Activi Deployment Services Proprietary Limited	5 060	—	—
Africa Prepaid Services Proprietary Limited[1]	61 520	75 644	(137 164)
Africa Prepaid Services Nigeria Limited[1]	14 000	17 510	(31 510)
Blue Label Distribution Proprietary Limited**	194 000	—	—
Blue Label Engage Proprietary Limited	2 735	—	—
Blue Label Investments Proprietary Limited	108 416	—	—
Blue Label One Proprietary Limited	40 000	—	—
BLT USA Inc.[2]	307	—	—
Budding Trade Proprietary Limited**	6 000	—	—
Cellfind SA Proprietary Limited	290 000	—	(141 841)
Cigicell Proprietary Limited	295	—	—
Datacel Direct Proprietary Limited	150 000	—	(16 073)
Gold Label Investments Proprietary Limited	29 400	180 201	(175 075)
Kwikpay SA Proprietary Limited**	22 500	—	—
Matragon Proprietary Limited**	*	—	—
Panacea Mobile Proprietary Limited	27 479	—	—
Simigenix Proprietary Limited	*	—	—
The Post Paid Company Proprietary Limited**	*	—	—
The Prepaid Company Proprietary Limited**	2 150 214	—	—
TicketPros Proprietary Limited	14 700	—	—
Transaction Junction Proprietary Limited	4 200	—	—
Uninex Proprietary Limited	*	976	—
Velociti Proprietary Limited	7 185	—	—
Ventury Group Proprietary Limited**	98 406	—	—
Virtual Voucher Proprietary Limited**	44 784	—	—
	3 271 201	274 331	(501 663)

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For the year ended 31 May 2014

6. INVESTMENTS IN GROUP COMPANIES AND RELATED LOANS (continued)

6.1 Investments in and loans to subsidiaries (continued)

	Shares at cost R'000	Loans owing by subsidiaries R'000	Provision for impairment R'000
2013			
Activi Technology Services Proprietary Limited	*	—	—
Activi Deployment Services Proprietary Limited	5 060	—	—
Africa Prepaid Services Proprietary Limited[1]	61 520	57 904	(119 424)
Africa Prepaid Services Nigeria Limited[1]	14 000	5 113	(19 113)
Blue Label Distribution Proprietary Limited**	194 000	—	—
Blue Label Engage Proprietary Limited	2 735	—	—
Blue Label Investments Proprietary Limited	108 416	—	—
Blue Label One Proprietary Limited	40 000	—	—
BLT USA Inc.	50 540	—	—
Budding Trade Proprietary Limited**	6 000	—	—
Celebia Holdings Limited	*	—	—
Cellfind SA Proprietary Limited	290 000	—	(141 841)
Cigicell Proprietary Limited	295	—	—
Datacel Direct Proprietary Limited	150 000	—	(16 073)
Gold Label Investments Proprietary Limited	29 400	187 055	(175 075)
Kwikpay SA Proprietary Limited**	22 500	—	—
Matragon Proprietary Limited**	*	—	—
Panacea Mobile Proprietary Limited	9 834	—	—
The Post Paid Company Proprietary Limited**	*	—	—
The Prepaid Company Proprietary Limited**	2 150 214	—	—
TicketPros Proprietary Limited	10 000	—	—
Transaction Junction Proprietary Limited	4 200	—	—
Uninex Proprietary Limited	*	976	—
Velociti Proprietary Limited	7 185	—	—
Ventury Group Proprietary Limited**	98 406	—	—
Virtual Voucher Proprietary Limited**	44 784	—	—
	3 299 089	251 048	(471 526)

* *Less than R1 000.*

** *These investments have been pledged as security to Investec Bank Limited in terms of the facility.*
For details on percentage held, country of incorporation and issued shares, refer to note 33 in the Group notes. Refer to notes 15 and 21 for details on impairments.

[1] *These loans bear interest at prime + 2% and have no fixed terms of repayment. All other loans are interest-free.*

[2] *On 1 April 2014 BLT USA Inc. distributed its loan to 2DFine Holdings Mauritius of R63 million to Blue Label Telecoms Limited as a dividend in anticipation of deregistration. 2DFine Holdings Mauritius is a joint venture of Gold Label Investments Proprietary Limited. This loan receivable is disclosed in note 7. The excess of R10 million represents dividends received from BLT USA Inc. and is included in other income. See note 15.*

6. INVESTMENTS IN GROUP COMPANIES AND RELATED LOANS (continued)

6.1 Investments in and loans to subsidiaries (continued)

In the prior year, TicketPros Proprietary Limited, Blue Label Engage Proprietary Limited, Panacea Mobile Proprietary Limited and Africa Prepaid Services Nigeria Limited were acquired. In the current year shares in Simigenix Proprietary Limited were acquired, as well as additional shares in Panacea Proprietary Limited, TicketPros Proprietary Limited and Africa Prepaid Services Proprietary Limited. Refer to note 26 in the Group notes for details of these acquisitions.

		2014 R'000	2013 R'000
6.2	**Investments in and loans to joint ventures**		
	Shares as at the beginning of the year	**164 826**	26 652
	Acquisition of joint venture	**89 316**	138 174
	Shares as at the end of the year	**254 142**	164 826
	Loans at the beginning of the year	**—**	27 829
	Loan granted to joint venture capitalised	**(89 316)**	(112 822)
	Loans granted to joint venture	**86 819**	84 993
	Unrealised foreign exchange profit on loans to joint ventures	**3 551**	—
	Loans at the end of the year	**1 054**	—
	Closing net book value	**255 196**	164 826

On 10 September 2013 a loan of R85.8 million was advanced to Blue Label Mexico S.A. de C.V. (BLM). This loan was capitalised on 18 December 2013. The difference of R3.5 million relates to foreign exchange movements.

There was no impairment of investment in joint ventures. The terminal growth rates applied was 3.5% (2013: 4.3%). The weighted average cost of capital used to discount these cash flows was 17.44% (2013: 17.8%). The discount rates used are pre-tax and reflect specific risks relating to the relevant companies.

The discount rate used when calculating the value-in-use calculations would need to be increased by 3% before any impairments would need to be recognised.

NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 May 2014

6. INVESTMENTS IN GROUP COMPANIES AND RELATED LOANS (continued)

6.2 Investments in and loans to joint ventures (continued)

		Date acquired	Country of incorporation	Percentage interest held
Blue Label Mexico S.A. de C.V.	Joint venture	23 February 2011	Mexico	40
Blue Label Mexico S.A. de C.V.*	Joint venture	1 September 2012	Mexico	5
Blue Label Mexico S.A. de C.V.*	Joint venture	1 January 2014	Mexico	0.57

In the current year there was a further capital contribution of R89.3 million to BLM. This resulted in a dilution of shares held by an outside shareholder increasing our shareholding to 45.57%.

	Assets R'000	Liabilities R'000	Revenues R'000	Loss R'000
2014				
Blue Label Mexico S.A. de C.V.	**393 801**	**58 777**	**2 865 340**	**(131 465)**
2013				
Blue Label Mexico S.A. de C.V.	349 286	73 551	1 742 863	(113 155)

* *On 1 September 2012, Blue Label Telecoms increased its shareholding in Blue Label Mexico S.A. de C.V. (BLM) by 5% for a consideration of R21.1 million. A further capital contribution of R89.2 million was paid to BLM during the prior year. The loan balance at 31 May 2012 of R27.8 million was capitalised during the prior year. In the current year, there was a further capital contribution of R89.3 million to BLM.*

	2014 R'000	2013 R'000
7. LOAN RECEIVABLE		
Interest-bearing loan receivable	**63 035**	—
	63 035	—

Interest-bearing loans bear interest at 10% per annum.