



**ANNUAL
FINANCIAL
STATEMENTS**

for the year ended 31 March 2015

COMPANY NAME AND REGISTRATION NUMBER

Mediclinic International Limited
1983/010725/06

HEAD OFFICE ADDRESS AND REGISTERED OFFICE

Mediclinic Offices, Strand Road, Stellenbosch, 7600
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E-MAIL AND WEBSITE

info@mediclinic.com
www.mediclinic.com

DIRECTORS

Dr E de la H Hertzog (Chairman), DP Meintjes (Chief Executive Officer), CI Tingle (Chief Financial Officer), JJ Durand, JA Grieve (British), Prof Dr RE Leu (Swiss), Dr MK Makaba, N Mandela, TD Petersen, KHS Pretorius, AA Raath, DK Smith, PJ Uys, Dr CA van der Merwe, Dr TO Wiesinger (German)

COMPANY SECRETARY

Gert Hattingh

INVESTOR RELATIONS CONTACTS

Chief Financial Officer – Craig Tingle
Executive: Group Services – Gert Hattingh
ir@mediclinic.com

TRANSFER SECRETARIES

South Africa:
Computershare Investor Services Proprietary Limited
70 Marshall Street, Johannesburg, 2001
Postal address: PO Box 61051, Marshalltown, 2107
Tel: +27 11 370 7700 Fax: +27 11 688 7716

Namibia:

Transfer Secretaries (Proprietary) Limited
4 Robert Mugabe Avenue, Windhoek
Postal address: PO Box 2401, Windhoek
Tel: +264 61 227 647 Fax: +264 61 248 531

AUDITOR

PricewaterhouseCoopers Inc.
Stellenbosch

SPONSOR

South Africa:
Rand Merchant Bank (a division of FirstRand Bank Limited)

Namibia:

Simonis Storm Securities (Proprietary) Limited

LISTING

Sector: Non-cyclical Consumer Goods – Health
ISIN code: ZAE000074142

South Africa: JSE Limited
Share code: MDC

Namibia: Namibian Stock Exchange
Share code: MDC

MORE INFORMATION

These annual financial statements are published as part of a set of reports in respect of the financial year ended 31 March 2015, all of which are available on the Company's website at www.mediclinic.com.



Integrated Annual Report 2015



Annual Financial Statements 2015



Application of King III Principles 2015



Sustainable Development Report 2015

GLOSSARY

Please refer to the **glossary** of terms included in the integrated annual report of Mediclinic for the financial year ended 31 March 2015.



CONTACT US

We welcome the opinions and suggestions of all our stakeholders. For any suggestions or enquiries relating to our reports please contact:

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DIRECTORS' RESPONSIBILITY STATEMENT

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group 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 Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours 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 external auditors are responsible for independently auditing and reporting on the Group's financial statements. The annual financial statements have been examined by the Group's external auditors and their report is presented on page 7.

The annual financial statements have been prepared on a going concern basis and the directors believe that the Group will continue to be in operation in the foreseeable future.

The annual financial statements have been prepared in compliance with the applicable requirements of the Companies Act 71 of 2008. The preparation of the annual financial statements was supervised by the Chief Financial Officer, Mr CI Tingle CA(SA).

The annual financial statements and group financial statements as set out on pages 8 to 70, have been approved by the board of directors and are signed on their behalf by:



E de la H Hertzog
Chairman

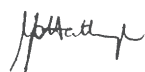


DP Meintjes
Chief Executive Officer

Stellenbosch
20 May 2015

CERTIFICATE BY THE COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the Group has filed with the Commissioner all such returns and notices as are required of a public company in terms of the Companies Act and that all such returns and notices are true, correct and up to date.



GC Hattingh
Company Secretary

Stellenbosch
20 May 2015

AUDIT AND RISK COMMITTEE REPORT

This report is presented by the Company's Audit and Risk Committee (the "Committee") in respect of the financial year ended 31 March 2015. It is prepared in accordance with the recommendations of King III and the requirements of the South African Companies Act, and describes how the Committee has discharged its statutory duties in terms of the Companies Act and its additional duties assigned to it by the Board in respect of the financial year ended 31 March 2015.

COMPOSITION AND MEETINGS

The Committee consists of four independent non-executive directors (as set out in the table below), who are suitably skilled and experienced. Three Committee meetings were held during the year. The attendance of the Committee meetings was as follows:

Committee member	Qualifications*	May 2014	Nov 2014	Mar 2015
DK Smith (Chairman)	B.Sc., FASSA	✓	✓	✓
JA Grieve	B.A. (Hons), CA	✓	✓	✓
TD Petersen	B.Comm. (Hons), CA(SA)	✓	✓	✓
AA Raath	B.Comm., CA(SA)	✓	✓	✓

* *Abridged curricula vitae of the current committee members appear on page 11 of the integrated annual report.*

The Group Chief Executive Officer, Chief Executive Officers of the operating platforms, Group Chief Financial Officer, Group Risk Manager and representatives of the internal and external auditors are invited to attend the Committee meetings.

ROLE AND FUNCTION OF THE COMMITTEE

The responsibilities and functioning of the Committee are governed by a formal mandate approved by the Board, which is reviewed annually.

The functioning of the Committee is evaluated annually by the members of the Committee and reviewed by the Board. No significant issues that require improvement were highlighted during the most recent evaluation conducted in 2015. The Committee is satisfied that it has fulfilled all its statutory duties and duties assigned to it by the Board during the financial year under review, as further detailed below.

More information about the functioning of the Committee and the matters dealt with in this report can be found in the **Corporate Governance Report** and the **Risk Management Report** included in the integrated annual report.

The Committee performs the function of an audit committee and a risk committee for the entire Group. The operating platforms report to the Committee on matters within the Committee's mandate.

External audit

During the period under review, the Committee nominated independent external auditors, PricewaterhouseCoopers Inc., approved their fees and determined their terms of engagement. The appointment is presented to the shareholders of the Company at the annual general meeting for approval. The Committee is satisfied that the Company's external auditors are independent of the Group and are thereby able to conduct their audit functions without any influence from the Group.

A formal policy in respect of the independence and the provision of non-audit services by the external auditors of the Group and its subsidiaries ensures the maintained independence of the external auditors. In terms of the policy, the Committee is responsible for determining the nature and extent of any non-audit services that the external auditors may provide to the Group and pre-approve any proposed contract with the external auditors for the provision of non-audit services to the Group.

Internal financial and accounting control

The Committee is responsible for assessing the Group's systems of internal financial and accounting control. In this regard the Committee has, inter alia, considered the reports from the internal and external auditors and satisfied itself about the adequacy and effectiveness of the Group's systems of internal control. The Committee also performed a review of the Company's Chief Financial Officer and the Group's finance function. Based on the review, the Committee has satisfied itself of the appropriateness of the expertise, resources and experience of the Group Chief Financial Officer and the finance function.

AUDIT AND RISK COMMITTEE REPORT continued

Internal audit

The internal audit function forms an integral part of the Group's enterprise-wide risk management ("ERM") to provide assurance on the effectiveness of the Group's risk management process and the system of internal control. Progress was made to integrate and align the combined assurance processes within the three operating platforms. The Committee is satisfied with the independence, quality and scope of the internal audit process.

Further details on the Group's internal audit functions are contained in the **Risk Management Report**.

Risk management

The Committee is integral in the implementation of the Group's ERM Policy by monitoring the risk management processes and systems of internal control for the Group through the review of the activities of its operating divisions in Southern Africa, Switzerland and the Middle East, the Group's internal and external auditors, and the Group's risk management function. Further details on the Group's risk management function are contained in the **Risk Management Report**.

The Committee is satisfied that the system, as well as the process of risk management, is effective.

Compliance

The Committee is responsible for reviewing any major breach of relevant legal and regulatory requirements. The Committee is satisfied that there has been no material non-compliance with laws and regulations.

Public reporting

The Committee is responsible for considering and making recommendations to the Board relating to the Group's integrated annual report, the financial statements and any other reports (with reference to the financial affairs of the Group) for external distribution or publication, including those required by any regulatory or statutory authority. The integrated annual report of the Company for the period under review has been approved by the Board upon the recommendation of the Committee.

The Committee is satisfied that it has complied with all its legal, regulatory and other responsibilities during the period under review.



DK Smith

Chairman: Audit and Risk Committee

Stellenbosch

19 May 2015

DIRECTORS' REPORT

TO THE SHAREHOLDERS FOR THE YEAR ENDED 31 MARCH 2015

NATURE OF ACTIVITIES

The main business of the Group is to enhance the quality of life of patients by providing comprehensive, high-quality healthcare services on a cost-effective basis.

The Group currently operates 52 hospitals in Southern Africa, 16 hospitals and three clinics in Switzerland, and two hospitals and 10 clinics in the UAE.

RESULTS

During the current financial year, the following occurred:

- the Group issued shares through an accelerated bookbuild offering and raised R3 114m after share issue costs;
- acquired businesses in Switzerland (Clinique La Colline and Swissana Clinic AG refer to note 31);
- took advantage of strong capital markets in Switzerland and refinanced its Swiss debt (refer to note 18);
- after Swiss interest rates became negative due the removal of the Swiss franc/euro peg, the Swiss interest rate cash flow hedge (R342m) became ineffective (refer to note 24); and
- Swiss income tax liabilities (R712m) relating to uncertain tax positions in respect of prior years, were released (refer to note 28).

As a result, the current year results are not comparative with the prior year.

	2015	2014
Revenue (R'm)	35 238	30 495
Headline earnings (R'm)	4 081	3 355
- per share (cents)	483.9	413.1
- diluted (cents)	474.9	404.4
Normalised headline earnings (R'm)	3 443	3 052
- per share (cents)	408.2	375.8
- diluted (cents)	400.6	367.8
Total assets (R'm)	79 179	70 534
Total liabilities (R'm)	46 017	45 143

The Segmental Report contains details of the operating platforms' results, total assets and total liabilities (refer to note 34).

The financial results are fully disclosed in the Group's consolidated financial statements and discussed in the Chief Financial Officer's Report.

SHARE CAPITAL

The authorised share capital remained unchanged during the year under review.

During the year, the Group successfully issued 41 000 000 shares and raised R3 114m (after share issue cost) through an accelerated bookbuild offering. The number of issued ordinary shares during at the year increased to 867 957 325 shares.

The Group's treasury shares comprise shares issued to the employee share trusts (the Mpilo Trusts) as well as treasury shares held through a wholly owned subsidiary. Further details are given in note 14 and note 28.

FORFEITABLE SHARE PLAN ("FSP")

During the year the Group allocated 248 727 (2014: nil) restricted shares to eligible employees under its FSP.

Further details may be found in the Remuneration Report included in the integrated report as well as in Note 14 and Note 25.

DISTRIBUTION TO SHAREHOLDERS

The board of directors has declared a final dividend of 75.5 cents (2014: 68.0) per ordinary share on 20 May 2015. This, together with the interim dividend of 31.0 cents (2014: 28.0) per share, brings the total dividend for the year to 106.5 cents (2014: 96.0) per share.

	2015 R'000	2014 R'000
Interim distribution of 31.0 cents (2014: 28.0 cents)	269 067	231 548
Final distribution of 75.5 cents (2014: 68.0 cents)	655 308	590 211
	924 375	821 759

MANAGEMENT

Remgro Management Services Ltd, a wholly owned subsidiary of Remgro Ltd, is a service company that provides limited specialised management services on request to the Group. The Group does not own any shares in this company.

DIRECTORS' REPORT

TO THE SHAREHOLDERS FOR THE YEAR ENDED 31 MARCH 2015 continued

HOLDING COMPANY, SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Remgro Ltd, through a wholly owned subsidiary, presently holds 41.35% (2014: 43.4%) of the issued ordinary shares. Details of subsidiaries, joint ventures and associates appear in the annexure on pages 72 to 75.

DIRECTORS AND SECRETARY

The names of the directors and secretary of the Company, as well as the latter's postal address, appear on the inside front cover.

No changes occurred in respect of director appointments and resignations for the period under review.

The Board recommends that directors' fees for services rendered during the past financial year be fixed at R6 164 586 (2014: R5 194 900) as set out on page 50.

DIRECTORS' INTERESTS

Details of the direct and indirect interest in the issued permanent capital structure of the Company by directors are set out on page 69. Indirect interests through listed public companies have not been taken into account. No material change in the interest of directors has taken place between the financial year end and the date of this report, except as indicated.

EVENTS AFTER THE REPORTING DATE

The directors are not aware of any matter or circumstance arising since the end of the financial year that would significantly affect the operations of the Group or the results of its operations.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF MEDICLINIC INTERNATIONAL LIMITED

We have audited the consolidated and separate financial statements of Mediclinic International Limited set out on pages 8 to 70, which comprise the statements of financial position as at 31 March 2015, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of

accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Mediclinic International Limited as at 31 March 2015, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the consolidated and separate financial statements for the year ended 31 March 2015, we have read the directors' report, the audit committee's report and the Certificate by the company secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.



PricewaterhouseCoopers Inc.

Director: NH Döman
Registered Auditor

Stellenbosch
20 May 2015

AS AT 31 MARCH 2015

GROUP

2014 R'm	2015 R'm		Notes	2015 R'm	2014 R'm
11 289	14 405	ASSETS			
-	-	Non-current assets		65 813	59 308
-	-	Property, equipment and vehicles	5	53 776	49 597
11 288	14 405	Intangible assets	6	11 565	9 210
-	-	Interest in subsidiary	7	-	-
-	-	Investment in associate	8	2	4
-	-	Investment in joint venture	9	65	67
-	-	Other investments and loans	10	93	68
-	-	Derivative financial instruments	21	10	60
1	-	Deferred income tax assets	11	302	302
-	-	Current assets		13 366	11 226
-	-	Inventories	12	1 074	904
-	-	Trade and other receivables	13	7 479	6 768
-	-	Current income tax assets		34	33
-	-	Cash and cash equivalents		4 779	3 521
11 289	14 405	Total assets		79 179	70 534
		EQUITY			
		Capital and reserves			
11 027	14 119	Stated and issued capital		14 141	11 027
-	-	Treasury shares		(265)	(249)
11 027	14 119	Share capital	14	13 876	10 778
103	103	Retained earnings	15	7 250	4 325
159	183	Other reserves	16	10 938	9 365
11 289	14 405	Attributable to equity holders of the Company		32 064	24 468
-	-	Non-controlling interests	17	1 098	923
11 289	14 405	Total equity		33 162	25 391
		LIABILITIES			
-	-	Non-current liabilities		38 078	36 899
-	-	Borrowings	18	27 927	28 704
-	-	Deferred income tax liabilities	11	7 729	7 251
-	-	Retirement benefit obligations	19	1 292	414
-	-	Provisions	20	665	492
-	-	Derivative financial instruments	21	465	38
-	-	Current liabilities		7 939	8 244
-	-	Trade and other payables	22	6 032	5 048
-	-	Borrowings	18	1 229	1 666
-	-	Provisions	20	429	376
-	-	Derivative financial instruments	21	21	-
-	-	Current income tax liabilities		228	1 154
-	-	Total liabilities		46 017	45 143
11 289	14 405	Total equity and liabilities		79 179	70 534

INCOME STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

COMPANY

GROUP

2014 R'm	2015 R'm		Notes	2015 R'm	2014 R'm
766	863	Revenue		35 238	30 495
-	-	Cost of sales		(19 887)	(17 189)
(3)	(4)	Administration and other operating expenses	23	(8 116)	(6 562)
763	859	Operating profit before depreciation (EBITDA)		7 235	6 744
-	-	Depreciation and amortisation	23	(1 512)	(1 239)
763	859	Operating profit		5 723	5 505
-	-	Other gains and losses	24	93	2
-	-	Income from associates		2	3
-	-	Loss from joint venture		(1)	-
-	-	Finance income		103	73
-	-	Finance cost	26	(1 179)	(1 221)
763	859	Profit before tax		4 741	4 362
-	-	Income tax expense	27	(206)	(776)
763	859	Profit for the year		4 535	3 586
		Attributable to:			
		Equity holders of the Company		4 297	3 385
		Non-controlling interests		238	201
				4 535	3 586
		Earnings per ordinary share attributable to the equity holders of the Company - cents			
		Basic	28	509.5	416.8
		Diluted	28	500.0	408.0

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2015

COMPANY

GROUP

2014 R'm	2015 R'm		Notes	2015 R'm	2014 R'm
763	859	Profit for the year		4 535	3 586
		Other comprehensive income			
		Items that may be reclassified to the income statement			
-	-	Currency translation differences	29	1 643	4 371
-	-	Fair value adjustment - cash flow hedges	29	(94)	29
				1 549	4 400
		Items that may not be reclassified to the income statement			
-	-	Actuarial gains and losses	29	(561)	138
-	-	Other comprehensive income, net of tax	29	988	4 538
763	859	Total comprehensive income for the year		5 523	8 124
		Attributable to:			
		Equity holders of the Company		5 287	7 922
		Non-controlling interests		236	202
				5 523	8 124

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2015

GROUP

	Stated and issued share capital (note 14) R'm	Treasury shares (note 14) R'm	Share- based payment reserve (note 16) R'm	Foreign currency translation reserve (note 16) R'm	Hedging reserve (note 16) R'm	Retained earnings (note 15) R'm	Share- holders' equity R'm	Non- controlling interests (note 17) R'm	Total equity R'm
Balance at 31 March 2013	11 027	(256)	140	4 827	(20)	1 488	17 206	796	18 002
Utilised by the Mpilo Trusts	-	7	-	-	-	-	7	-	7
Share-based payment expense	-	-	19	-	-	-	19	-	19
Transactions with non-controlling shareholders	-	-	-	-	-	2	2	24	26
Total comprehensive income for the year	-	-	-	4 370	29	3 523	7 922	202	8 124
Dividends paid	-	-	-	-	-	(688)	(688)	(99)	(787)
Balance at 31 March 2014	11 027	(249)	159	9 197	9	4 325	24 468	923	25 391
Shares issued	3 178	-	-	-	-	-	3 178	-	3 178
Share issue costs	(64)	-	-	-	-	-	(64)	-	(64)
Utilised by the Mpilo Trusts	-	6	-	-	-	-	6	-	6
Treasury shares purchased (Forfeitable Share Plan)	-	(22)	-	-	-	-	(22)	-	(22)
Share-based payment expense	-	-	24	-	-	-	24	-	24
Transactions with non-controlling shareholders	-	-	-	-	-	9	9	62	71
Total comprehensive income for the year	-	-	-	1 643	(94)	3 738	5 287	236	5 523
Dividends paid	-	-	-	-	-	(822)	(822)	(123)	(945)
Balance at 31 March 2015	14 141	(265)	183	10 840	(85)	7 250	32 064	1 098	33 162

COMPANY

Balance at 31 March 2013	11 027	-	140	-	-	72	11 239	-	11 239
Share-based payment expense	-	-	19	-	-	-	19	-	19
Total comprehensive income for the year	-	-	-	-	-	763	763	-	763
Dividends paid	-	-	-	-	-	(732)	(732)	-	(732)
Balance at 31 March 2014	11 027	-	159	-	-	103	11 289	-	11 289
Shares issued	3 178	-	-	-	-	-	3 178	-	3 178
Share issue costs	(64)	-	-	-	-	-	(64)	-	(64)
Share-based payment expense	-	-	24	-	-	-	24	-	24
Restricted shares under Forfeitable Share Plan	(22)	-	-	-	-	-	(22)	-	(22)
Total comprehensive income for the year	-	-	-	-	-	859	859	-	859
Dividends paid	-	-	-	-	-	(859)	(859)	-	(859)
Balance at 31 March 2015	14 119	-	183	-	-	103	14 405	-	14 405

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2015

COMPANY

GROUP

2014 R'm Inflow/ (outflow)	2015 R'm Inflow/ (outflow)		Notes	2015 R'm Inflow/ (outflow)	2014 R'm Inflow/ (outflow)
CASH FLOW FROM OPERATING ACTIVITIES					
-	-	Cash received from customers		35 298	30 116
(3)	(4)	Cash paid to suppliers and employees		(27 450)	(23 776)
(3)	(4)	Cash generated from operations	30.1	7 848	6 340
766	858	Dividends received		-	-
-	-	Interest received		103	74
-	-	Interest paid	30.2	(1 019)	(1 056)
-	-	Tax paid	30.3	(924)	(743)
763	854	Net cash generated from operating activities		6 008	4 615
CASH FLOW FROM INVESTMENT ACTIVITIES					
(31)	(3 087)	Investment to maintain operations	30.4	(1 215)	(926)
-	-	Investment to expand operations	30.5	(2 214)	(1 679)
-	-	Business combinations	31	(1 446)	(5)
-	-	Proceeds on disposal of property, equipment and vehicles	30.6	98	32
-	-	Disposal of subsidiary	32	45	-
-	-	Investment in joint venture		-	(2)
-	(3 109)	Loans granted		-	-
-	-	Insurance proceeds		158	40
(31)	-	Loans advanced		(25)	-
-	22	Proceeds from other investments and loans		5	1
732	(2 233)	Net cash generated/(utilised) before financing activities		1 414	2 076
CASH FLOW FROM FINANCING ACTIVITIES					
(732)	2 233	Proceeds of shares issued		3 178	-
-	(64)	Share issue costs		(64)	-
-	-	Distributions to non-controlling interests	17	(123)	(99)
(732)	(859)	Distributions to shareholders	30.7	(822)	(688)
-	-	Proceeds from borrowings		4 982	223
-	-	Repayment of borrowings		(7 443)	(1 074)
-	-	Refinancing transaction costs		(125)	-
-	(22)	Shares purchased (Forfeitable Share Plan)		(22)	-
-	-	Proceeds from disposal of treasury shares		5	7
-	-	Proceeds on disposal of non-controlling interest		73	26
-	-	Net increase in cash, cash equivalents and bank overdrafts		1 053	471
-	-	Opening balance of cash, cash equivalents and bank overdrafts		3 485	2 705
-	-	Exchange rate fluctuations on foreign cash		241	309
-	-	Closing balance of cash, cash equivalents and bank overdrafts	30.8	4 779	3 485

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

1. GENERAL INFORMATION

Mediclinic International Limited (“the Company”) and its subsidiaries (“the Group”) operate multi-disciplinary private hospitals.

The main business of the Group is to enhance the quality of life of patients by providing comprehensive, high-quality hospital services on a cost-effective basis.

The Company is a limited liability company incorporated and domiciled in South Africa. The address of its registered offices is:

Mediclinic Offices, Strand Road, Stellenbosch 7600.

The Company is listed on the JSE and the Company has a secondary listing on the Namibian Stock Exchange. A wholly owned subsidiary, Hirslanden AG, issued bonds on the SIX.

These annual financial statements have been approved for issue by the board of directors on 20 May 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS), including IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS, the requirements of the South African Companies Act 71 of 2008, as amended, and the Listings Requirements of the JSE Limited. The financial statements are prepared on the historical cost convention, as modified by the revaluation of certain financial instruments to fair value.

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements, are disclosed in note 4.

2.2 Consolidation and equity accounting

a) Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the

Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition until control is lost.

Adjustments to the financial statements of subsidiaries are made when necessary to bring their accounting policies in line with those of the Group.

All intra-company transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group’s interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions which result in changes in ownership levels, where the Company has control of the subsidiary both before and after the transaction, are regarded as equity transactions and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value, with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

b) Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt that are amortised as part of the effective interest and costs to issue equity, which are included in equity.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration

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that is deemed to be an asset or liability is recognised in accordance with IAS 39 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the recognition conditions of IFRS 3 Business Combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal company) that are classified as held-for-sale in accordance with IFRS 5 Non-current Assets Held-for-sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests arising from a business combination, which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, are measured either at the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRSs.

In cases where the Company held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding

held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the company at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

c) *Investment in associate*

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference

between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the income statement. Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the income statement.

d) Investment in joint venture

Investments in joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures. Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Segment reporting

Consistent with internal reporting, the Group's segments are identified as the three geographical operating platforms in Mediclinic Southern Africa, Mediclinic Switzerland and Mediclinic Middle East. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been

identified as the executive committee that makes strategic decisions. The executive committee comprises the executive directors and prescribed officers, as disclosed in note 25.

2.4 Property, equipment and vehicles

Land and buildings mainly comprise hospitals and offices. All property, equipment and vehicles are shown at cost less subsequent depreciation and impairment, except for land, which is shown at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on the other assets is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, as follows:

• Buildings:	10 – 100 years
• Leasehold improvements:	10 years or over the lease contract if shorter
• Equipment:	3 – 10 years
• Furniture and vehicles:	3 – 8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Profit or loss on disposals is determined by comparing proceeds with carrying amounts. These are included in the income statement.

2.5 Intangible assets

a) Trade names

Trade names that are deemed to have an indefinite useful life are carried at cost less accumulated impairment losses. Trade names that are deemed to have a finite useful life are capitalised at the cost to the Group and amortised on the straight-line basis over its estimated useful lifetime of 15 to 20 years. No value is placed on internally developed trade names. Expenditure to maintain trade names is accounted for against income as incurred.

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b) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities of the acquired subsidiary at the date of acquisition and the fair value of the non-controlling interest in the subsidiary. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates and joint ventures is included in investments in associates and joint ventures. Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate a potential impairment. Goodwill is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from business combinations in which goodwill arose. CGUs have been defined as certain hospital groupings within the Group.

c) Computer software

Acquired computer software licences and internally developed software programmes are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (1 – 5 years). Costs associated with maintaining computer software programmes or development expenditure that does not meet the recognition criteria are recognised as an expense as incurred.

2.6 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The recoverable amount is based on the value in use and is calculated by estimating future cash benefits that will result from each asset and discounting those cash benefits at an appropriate discount rate. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows

– CGUs. Non-financial assets, other than goodwill that suffered an impairment, are reviewed for possible reversal of the impairment at each reporting date.

2.7 Financial assets

The Group classifies its financial assets in the following categories: loans and receivables, available-for-sale financial assets and financial assets at fair value through profit and loss. The classification depends on the purpose for which the asset was acquired. Management determines the classification of its investments at initial recognition.

Purchases and sales of investments are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not subsequently carried at fair value through profit or loss.

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets. Loans and receivables are carried at amortised cost using the effective interest rate method.

Investments available-for-sale

Other long-term investments are classified as available-for-sale and are included within non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. These investments are carried at fair value. Unrealised gains and losses arising from changes in the fair value of available-for-sale investments are recognised in other comprehensive income in the period in which they arise. When available-for-sale investments are either sold or impaired, the accumulated fair value adjustments are realised and included in profit or loss.

Financial assets at fair value through profit and loss

These instruments, consisting of financial instruments held-for-trading and those designated at fair value through profit and loss at inception, are carried at fair value. Derivatives are also classified as held-for-trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these financial instruments are recognised in the income statement in the period in which they arise.

Impairment

At each reporting date the Group assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the receivables or a group of receivables is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. In the case of available-for-sale financial assets, a significant or prolonged decline in the fair value of the asset below its cost is considered an indicator that the investments are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from other comprehensive income and recognised in the income statement.

Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

2.8 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts, the legal enforceable right is not contingent of a future event and is enforceable in the normal course of business even in the event of default, bankruptcy and insolvency, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.9 Inventories

Inventories are valued at the lower of cost, determined on the first-in first-out method, or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.10 Trade and other receivables

Trade and other receivables are recognised at fair value and subsequently measured at amortised cost, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of

the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the provision is recognised in the income statement.

2.11 Cash and cash equivalents

Cash and cash equivalents consist of balances with banks and cash on hand and are classified as loans and receivables. Bank overdrafts are classified as financial liabilities at amortised cost and are disclosed as part of borrowings in current liabilities in the statement of financial position.

2.12 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. Hedges of a particular risk associated with a recognised liability or a highly probable forecast transaction are designated as a cash flow hedge. The Group uses interest rate swaps as cash flow hedges.

The Group documents, at inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 21. The hedging reserve in shareholders' equity is shown in note 16. On the statement of financial position hedging derivatives are not classified based on whether the amount is expected to be recovered or settled within, or after, 12 months. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedge relationship is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedge relationship is less than 12 months.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in other comprehensive income are recycled to the income statement in the periods when the hedged item affects profit or loss (for example, when the interest expense on hedged

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variable rate borrowings is recognised in profit and loss).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

2.13 Share capital

Ordinary shares are classified as equity. Shares in the Company held by wholly owned group companies are classified as treasury shares and are held at cost.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

2.14 Treasury shares

Treasury shares are deducted from equity until the shares are cancelled, reissued or disposed of. No gains or losses are recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. All consideration paid or received for treasury shares is recognised directly in equity.

2.15 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

2.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs are expensed when incurred, except for borrowing costs directly attributable to the construction or acquisition of qualifying assets. Borrowing cost directly attributable to the construction or acquisition of qualifying assets is added to the cost of those assets, until such time as the assets are substantially ready for their intended

use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use.

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation, as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

2.18 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and

it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Dividend withholding tax is payable at a rate of 15% on dividends distributed to shareholders. The tax is not attributable to the company paying the dividend but is collected by the company and paid to the tax authorities on behalf of the shareholder.

2.19 Employee benefits

a) Retirement benefit costs

The Group provides defined benefit and defined contribution plans for the benefit of employees, the assets of which are held in separate trustee-administered funds. These plans are funded by payments from the employees and the Group, taking into account recommendations of independent qualified actuaries.

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to make further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

Defined benefit plans

A defined benefit plan is a plan that is not a defined contribution plan. This plan defines an amount of pension benefit an employee will receive on retirement, dependent on one or more factors such as age, years of service and compensation. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the

benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in the income statement. A net pension asset is recorded only to the extent that it does not exceed the present value of any economic benefit available in the form of reductions in future contributions to the plan, and any unrecognised actuarial losses and past-service costs. The annual pension costs of the Group's benefit plans are charged to the income statement.

Incurred interest costs/income on the defined benefit obligations are recognised as wages and salaries.

b) Post-retirement medical benefits

Some group companies provide for post-retirement medical contributions in relation to current and retired employees. The expected costs of these benefits are accounted for by using the projected unit credit method. Under this method, the expected costs of these benefits are accumulated over the service lives of the employees. Valuation of these obligations is carried out by independent qualified actuaries. All actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

c) Share-based compensation

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

At the end of each reporting period, the group revises its estimates of the number of options that are expected to vest based

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on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

d) **Profitsharing and bonus plans**

The Group recognises a liability and an expense where a contractual obligation exists for short-term incentives. The amounts payable to employees in respect of the short-term incentive schemes are determined based on annual business performance targets.

2.20 Revenue recognition

Revenues are measured at the fair value of the consideration that has been received or is to be received and represent the amounts that can be received for services in the regular course of business when the significant risks and rewards of ownership have been transferred or services have been rendered. Discounts, sales taxes and other taxes associated with the revenues have to be deducted.

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, theatre, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used. Revenue is recorded and recognised during the period in which the hospital service is provided, based upon the estimated amounts due from patients and/or medical funding entities. Fees are calculated and billed based on various tariff agreements with funders.

Other revenues earned are recognised on the following bases:

a) **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest rate method.

b) **Dividend income**

Dividend income is recognised when the shareholders' right to receive payment is established.

c) **Rental income**

Rental income is recognised on a straight-line basis over the term of the lease.

With the exception of interest income, all the items above are presented as revenue.

2.21 Cost of sales

Cost of sales consists of the cost of inventories, including obsolete stock, which have been expensed during the year, together with personnel costs and related overheads which are directly attributable to the provision of services, but excludes depreciation and amortisation.

2.22 Leased assets

Leases of property, equipment and vehicles where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at commencement of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in interest-bearing borrowings. The interest element of the finance charges is charged to the income statement over the lease period. The property, equipment and vehicles acquired under finance leasing contracts are depreciated over the useful lives of the assets or the term of the lease agreement if shorter and transfer of ownership at the end of the lease period is uncertain.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.23 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's Board.

2.24 Foreign currency transactions

Transactions and balances

Transactions in foreign currencies are translated to the functional currency at the rates of exchange ruling on the dates of the transactions or valuation where items are remeasured. 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 the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income. Foreign exchange gains and losses are presented in the income statement within "Administration and other operating expenses".

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 it operates (the functional currency). The consolidated financial statements are prepared in South African rand, which is the Company's functional and presentation currency.

Group entities

The results and financial position of all foreign operations that have a functional currency that is different from the Group's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the reporting date.
- Income and expenses for each income statement are translated at average exchange rates for the year.
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken directly to other comprehensive income. Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operation and translated at closing rates at the reporting date.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

In respect of the Group's financial instruments, normal business activities expose the Group to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance.

a) Market risk

i) Currency risk

Investments in foreign operations

The Group has investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies. Changes in the South African rand/Swiss franc and rand/UAE dirham exchange rate over a period of time will result in increased/decreased earnings.

In the case of corporate offshore transactions and or cross-border business combinations, generally forward cover contracts are

considered or taken out to minimise foreign currency risk. Currently there are forward cover contracts in place.

The impact of a 10% change in the South African rand/Swiss franc and the South African rand/UAE dirham exchange rates for a sustained period of one year is:

- profit for the year would increase/decrease by R221m (2014: increase/decrease by R185m) due to exposure to the South African rand/Swiss franc exchange rate;
- profit for the year would increase/decrease by R76m (2014: increase/decrease by R52m) due to exposure to the South African rand/UAE dirham exchange rate.

The following exchange rates were applicable during the year:

Average South African rand/Swiss franc exchange rate : CHF1 = R11.91
(2014: CHF1 = R11.05)

Closing South African rand/Swiss franc exchange rate : CHF1 = R12.55
(2014: CHF1 = R11.96)

Average South African rand/UAE dirham exchange rate : AED1 = R3.01
(2014: AED1 = R2.76)

Closing South African rand/UAE dirham exchange rate : AED1 = R3.32
(2014: AED1 = R2.88)

ii) Interest rate risk

The Group's interest rate risk arises from long-term borrowings as well as short-term deposits. Borrowings and short-term deposits issued at variable rates expose the Group to cash flow interest rate risk. Interest rate derivatives expose the Group to fair value interest rate risk. Group policy is to maintain an appropriate mix between fixed and floating rate borrowings and placings.

The Group manages its interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (primarily quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts.

In respect of financial assets, interest rate risk is managed by using approved counterparties that offer the best rates.

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Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's profit for the year would increase/decrease by R13m (2014: increase/decrease by R15m). This is mainly attributable to the Group's exposure to interest rates on its unhedged variable rate borrowings and cash.

iii) Other price risk

The Group is not materially exposed to commodity or any other price risk.

b) Credit risk

Financial assets that potentially subject the Group to concentrations of credit risk consist principally of cash, short-term deposits and trade and other receivables. The Group's cash equivalents and short-term deposits, are placed with quality financial institutions with a high credit rating. Trade receivables are represented net of the allowance for doubtful receivables. Credit risk with respect to trade receivables is limited due to the large number of customers comprising the Group's customer base, which consists mainly of medical schemes and insurance companies. The financial condition of these clients in relation to their credit standing is evaluated on an ongoing basis. Medical schemes and insurance companies are forced to maintain minimum reserve levels. The policy for patients that do not have a medical scheme or an insurance company paying for the Group's service, is to require a preliminary payment instead. The Group does not have any significant exposure to any individual customer or counterparty.

The Group is exposed to credit-related losses in the event of non-performance by counterparties to hedging instruments. The counterparties to these contracts are major financial institutions. The Group monitors its positions and limits the extent to which it enters into contracts with any one party.

The carrying amounts of financial assets included in the statement of financial position represents the Group's maximum exposure to credit risk in relation to these assets. At 31 March 2015 and 31 March 2014, the Group did not consider there to be a significant concentration of credit risk.

c) Liquidity risk

The Group manages liquidity risk by monitoring cash flow forecasts to ensure that it has sufficient cash to meet operational needs, while maintaining sufficient headroom on its undrawn borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

	2015 R'm	2014 R'm
The Group's unused overdraft facilities are:	1 687	1 798

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the required date of repayment. The table includes both interest and principal cash flows. The analysis of derivative financial instruments has been drawn up based on undiscounted net cash inflows/ (outflows) that settle on a net basis.

Financial liabilities	Contractual cash flows R'm	0 - 12 months R'm	1 - 5 years R'm	Beyond 5 years R'm
31 March 2015				
Interest-bearing borrowings	31 960	1 855	10 895	19 210
Derivative financial instruments	473	144	329	-
Trade payables	2 818	2 818	-	-
Other payables and accrued expenses	2 162	2 162	-	-
31 March 2014				
Interest-bearing borrowings	33 566	3 004	30 545	17
Derivative financial instruments	66	37	29	-
Trade payables	2 422	2 422	-	-
Other payables and accrued expenses	1 705	1 705	-	-

3.2 Fair value of financial instruments

The fair value of financial assets and liabilities are determined as follows:

Cash and cash equivalents, trade and other receivables and money market funds: The carrying amounts reported in the statement of financial position approximate fair values because of the short-term maturities of these amounts.

Borrowings and trade and other payables: The carrying amounts reported in the statement of financial position approximate fair values determined on the basis of a discounted cash flow methodology.

Financial assets at fair value through profit and loss: The fair value of these financial instruments is derived from quoted prices in active markets for identical assets.

Derivative financial instruments: Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

Available-for-sale financial assets: The carrying amounts reported in the statement of financial position are determined based on an appropriate valuation methodology.

Financial instruments that are measured at fair value in the statement of financial position, are disclosed by level of the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Input (other than quoted prices included within level 1) that is observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3 – Input for the asset or liability that is not based on observable market data (unobservable input).

3.3 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 18, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, retained earnings and other reserves and non-controlling interest as disclosed in notes 14, 15, 16 and 17 respectively. The Group's Audit and Risk Committee reviews the going concern status and capital structure of the Group annually. The Group balances its overall capital

structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt. The debt-to-adjusted capital ratios at 31 March 2015 and 31 March 2014 were as follows:

	2015 R'm	2014 R'm
Borrowings	29 156	30 370
Less: cash and cash equivalents	(4 779)	(3 521)
Net debt	24 377	26 849
Total equity	33 162	25 391
Debt-to-equity capital ratio	0.7	1.1

The debt-to-equity capital ratio improved.

4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) *Estimated impairment of goodwill and intangible asset*

The Group tests annually whether goodwill and the intangible asset with an indefinite useful life have suffered any impairment, in accordance with the accounting policy stated in note 2.5. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. The estimated figures assume a stable regulatory and tariff environment. Since 1 January 2012, a new financing and tariff system for mandatory basic insured patients in Switzerland was implemented. Although the new system is operational, there are still a number of areas that are still provisional and thus still uncertain, namely:

- DRG pricing finalisation for the base rates
- Hospital lists in some cantons not finalised, under debate or legally challenged
- Restrictions in cantonal legislation could impact the business
- Highly specialised medicine developments can impact the future medical mix
- Cantons subsidising public hospitals

These uncertainties can have an impact on the recoverability of the goodwill and intangible

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asset's recoverable amount. Also refer to the sensitivity analysis in respect of the discount rate and the growth rate in note 6.

There are currently uncertainties regarding the new financing and tariff system for mandatory basic insured patients in Switzerland since January 2012 which are not reflected in the underlying calculations. Since to date no rulings on hospitals' lists or DRGs have been made, so it is therefore not possible to assess the consequences for the Swiss business

b) Income taxes

The Group is subject to income taxes in South Africa, Namibia and Switzerland. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

c) Retirement benefits

The cost of defined benefit pension plans and post-retirement medical benefit liability obligations are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 19.

d) Share-based compensation to employees

The Group uses valuation models to calculate the IFRS 2 expense for share-based compensation to employees. These models require a number of assumptions to be made as input. These include financial assumptions as well as various assumptions around individual employee behaviour.

e) Indefinite life trade names

The estimation of the indefinite useful life of the Swiss trade names is based on the expectation that there is no foreseeable limit to the period over which the asset is expected to generate net cash flows for the Group. This expectation requires a significant degree of management judgement. Refer to note 6.

f) Property, equipment and vehicles

The estimation of the useful lives of property, equipment and vehicles is based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management. These depreciation rates represent management's current best estimate of the useful lives and residual values of the assets.

For a private hospital it is fundamentally important that the earnings potential of a building is maintained on a permanent basis. The Group therefore follows a structured maintenance programme with regard to hospital buildings with the specific goal to prolong the useful lifetime of these buildings.

g) Provision for tariff risks

Provisions were raised for risks related to Swiss tariff risk, including historic tariff disputes at various Swiss hospitals. The provisions are determined by management and represent an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 20.

h) Consolidation

The Group has less than 50% interest in a number of South African companies. The directors made an assessment in terms of IFRS 10 as to whether or not the Group has control. The directors concluded that it has control over these South African companies on the basis that the company is the largest single shareholder and is appointed as the managing agent through a comprehensive management agreement. Accordingly these results have been consolidated.

GROUP

	2015 R'm	2014 R'm
5. PROPERTY, EQUIPMENT AND VEHICLES		
Land – cost	14 009	13 313
Buildings	33 675	31 465
Cost	36 001	33 281
Accumulated depreciation	(2 295)	(1 816)
Accumulated impairment	(31)	-
Land and buildings	47 684	44 778
Equipment	3 600	3 093
Cost	8 793	7 368
Accumulated depreciation	(5 193)	(4 275)
Furniture and vehicles	705	638
Cost	2 531	2 073
Accumulated depreciation	(1 826)	(1 435)
Subtotal	51 989	48 509
Capital expenditure in progress	1 787	1 088
	53 776	49 597

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FOR THE YEAR ENDED 31 MARCH 2015 continued

GROUP

5. PROPERTY, EQUIPMENT AND VEHICLES

continued

At 1 April 2013

	Land and buildings R'm	Equipment R'm	Furniture and vehicles R'm	Total R'm
Cost	36 952	5 746	1 559	44 257
Accumulated depreciation	(1 240)	(3 258)	(1 037)	(5 535)
Net book value	35 712	2 488	522	38 722

Year ended 31 March 2014

Net opening book value	35 712	2 488	522	38 722
Capital expenditure	456	926	303	1 685
Exchange differences	7 720	366	59	8 145
Disposals	(6)	(13)	(4)	(23)
Reclassifications	-	(6)	6	-
Prior year capital expenditure completed	1 175	4	4	1 183
Impairment losses	-	(8)	-	(8)
Depreciation per income statement	(279)	(664)	(252)	(1 195)
Net closing book value	44 778	3 093	638	48 509

At 31 March 2014

Cost	46 594	7 368	2 073	56 035
Accumulated depreciation	(1 816)	(4 275)	(1 435)	(7 526)
Net book value	44 778	3 093	638	48 509

Year ended 31 March 2015

Net opening book value	44 778	3 093	638	48 509
Capital expenditure	907	971	357	2 235
Business combinations	12	128	14	154
Exchange differences	2 210	126	24	2 360
Disposals	(35)	(3)	(2)	(40)
Prior year capital expenditure completed	202	3	-	205
Impairment losses*	(31)	-	-	(31)
Depreciation per income statement	(359)	(718)	(326)	(1 403)
Net closing book value	47 684	3 600	705	51 989

At 31 March 2015

Cost	50 010	8 793	2 531	61 334
Accumulated depreciation	(2 295)	(5 193)	(1 826)	(9 314)
Accumulated impairment	(31)	-	-	(31)
Net book value	47 684	3 600	705	51 989

* An impairment charge was booked after the earnings potential of the original part of the Mediclinic Vergelegen Hospital building was significantly affected after a flood caused damage to the building.

GROUP

	2015 R'm	2014 R'm
5. PROPERTY, EQUIPMENT AND VEHICLES continued		
Capital expenditure		
Capital expenditure excluding expenditure in progress	2 235	1 685
Capital expenditure in progress	921	850
Total additions	3 156	2 535
To maintain operations	942	856
To expand operations	2 214	1 679

Property, equipment and vehicles with a book value of R43 432m (2014: R41 134) are encumbered as security for borrowings (see note 18).

Included in equipment is capitalised finance lease equipment with a book value of R25m (2014: R30m) (see note 18). Interest rates used to capitalise borrowing costs is 2.4% (2014: 2.4%) .

Land and buildings, and capital expenditure include capitalised interest of R29m (2014: R27m).

The register containing details of land and buildings is available for inspection by shareholders or their proxies at the registered office of the Company.

	Software and IT projects R'm	Trade names R'm	Goodwill R'm	Total R'm
6. INTANGIBLE ASSETS				
At 1 April 2013				
Cost	195	3 881	3 315	7 391
Accumulated amortisation and impairment	(95)	(14)	(3)	(112)
Net book value	100	3 867	3 312	7 279
Year ended 31 March 2014				
Net opening book value	100	3 867	3 312	7 279
Reacquired right*	-	260	-	260
Amortisation charge	(30)	(14)	-	(44)
Additions	70	-	-	70
Exchange differences	27	917	701	1 645
Net closing book value	167	5 030	4 013	9 210
At 31 March 2014				
Cost	317	5 058	4 016	9 391
Accumulated amortisation and impairment	(150)	(28)	(3)	(181)
Net book value	167	5 030	4 013	9 210
Year ended 31 March 2015				
Net opening book value	167	5 030	4 013	9 210
Amortisation charge	(81)	(28)	-	(109)
Additions	273	-	-	273
Business acquisitions	8	321	1 239	1 568
Exchange differences	17	289	317	623
Net closing book value	384	5 612	5 569	11 565
At 31 March 2015				
Cost	626	5 668	5 572	11 866
Accumulated amortisation and impairment	(242)	(56)	(3)	(301)
Net book value	384	5 612	5 569	11 565

* The Group reacquired the right to provide pathology services at the Group's hospitals in Dubai.

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6. INTANGIBLE ASSETS continued

Impairment testing of goodwill and indefinite life trade names

The carrying amounts of goodwill and the indefinite life trade names allocated to the Swiss hospital operations are significant in comparison to the total carrying amount of intangible assets. The impairment tests for goodwill and the indefinite life trade names are based on value-in-use calculations. These calculations use cash flow projections based on financial budgets covering a five-year period. The discount rates used reflect specific risks related to the hospital industry. These calculations indicate that there was no impairment in the carrying value of goodwill and the trade names.

	2015 R'm	2014 R'm
Carrying amount of Swiss goodwill	4 819	3 344
Carrying amount of Swiss indefinite life trade names	5 345	4 771
<i>Key assumptions used for value-in-use calculations are as follows:</i>		
<ul style="list-style-type: none"> Budgeted margins – the basis used to determine the value assigned to the budgeted margins is based on the margins achieved in the previous years, with a slight increase for expected efficiency improvements. The margins are driven by consideration of future admissions and case mix and based on past experience and management's assessment of growth. Discount rates – discount rates reflect management's estimate of the time value and the risks associated with the Swiss business. The weighted average cost of capital (WACC) has been determined by considering the respective debt and equity costs and ratios. The pre-tax discount rate applied to cash flow projections is 5.8% (2014: 6.1%). Growth rates – growth rates are based on budgeted figures and management's estimates. The estimated figures assume a stable regulatory and tariff environment. Cash flows beyond the five-year period are extrapolated using a 1.6% (2014: 2.0%) growth rate. 		
<p>For the goodwill, the recoverable amount calculated based on value in use exceeded the carrying value by approximately R5 872m (2014: R3 903m). A fall in growth rate to 1.1% (2014: 1.6%) (which will also include the possible effect of changes in budgeted margins) or a rise in discount rate to 6.2% (2014: 6.4%) would remove the remaining headroom.</p>		
Carrying amount of Middle East goodwill	611	530

Key assumptions used for value-in-use calculations are as follows:

- Management's projections have been prepared on the basis of strategic plans, knowledge of the market, and management's views on achievable growth in market share over the long-term period of five years.
- The discount rates applied to cash flows are based on the Group's weighted average cost of capital, with a risk premium reflecting the relative risks in the markets in which the businesses operate. The pre-tax discount rate applied to cash flow projections is 12% (2014: 9%).
- Growth rate estimates are based on a conservative view of the long-term rate of growth. The growth rates applied are between 5% and 10% (2014: 5% to 10%) with a terminal growth rate of 2% (2014: 2%).

Any sensitivity applied to the key assumptions above will have no significant impact on the value in use.

GROUP

2014 R'm	2015 R'm		2015 R'm	2014 R'm
		7. INTEREST IN SUBSIDIARY		
		<i>Unlisted</i>		
1	1	Shares at cost less amounts written off		
11 252	14 361	Due by subsidiary		
35	43	Equity-settled share based payment transactions		
35	55	Mpilo Trusts and share option scheme		
-	(12)	Forfeitable Share Plan		
11 288	14 405			
		The equity-settled share-based payment liability is amortised over the period of the Forfeitable Share Plan (note 14) and it is eliminated on consolidation.		
		Details appear on page 34.		
		8. INVESTMENT IN ASSOCIATE		
		<i>Unlisted</i>		
		Carrying value of investments in associates' equity		
		Opening balance	4	2
		Share in current year profits	2	3
		Distribution received	(3)	(2)
		Exchange differences	(1)	1
			2	4
		<i>The aggregate information of the associate that is not individually material:</i>		
		The Group's share of profit	2	3
		The Group's share of other comprehensive income	-	-
		The Group's share of total comprehensive income	2	3
		Aggregate carrying amount of Group's interest in this associate	2	4
		Details appear on page 75.		

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FOR THE YEAR ENDED 31 MARCH 2015 continued

GROUP

	2015 R'm	2014 R'm
9. INVESTMENT IN JOINT VENTURE		
<i>Unlisted</i>		
Carrying value of investment in joint venture		
Opening balance	67	65
Share in current year losses	(1)	-
(Loans repaid)/Additional amounts invested	(1)	2
	65	67
 <i>The aggregate information of joint venture that is not individually material:</i>		
The Group's share of loss	(1)	-
The Group's share of other comprehensive loss	-	-
The Group's share of total comprehensive loss	(1)	-
Aggregate carrying amount of Group's interest in this joint venture	65	67
 The joint venture is accounted for by using its financial information for the 12 months ended 31 December 2014 (2014: 31 December 2013), since it has a different financial year-end.		
 Details appear on page 75.		
10. OTHER INVESTMENTS AND LOANS		
<i>Unlisted – no active market</i>		
Loans and receivables*	71	48
Available-for-sale: Shares	22	20
	93	68
 Other investments and loans are held in the following currencies:		
Swiss franc (2015: CHF2m (2014: CHF2m))	22	22
South African rand	71	46
	93	68

* Supported by the underlying business's financial position, the credit quality of the loans is considered satisfactory.

COMPANY

GROUP

2014 R'm	2015 R'm		2015 R'm	2014 R'm
		11. DEFERRED TAX		
		Deferred income tax assets and deferred income tax liabilities are offset when there is a legally enforceable right of offset and when the deferred income tax relates to the same fiscal authority.		
		<i>The movement on the deferred tax account is as follows:</i>		
-	-	Opening balance	(6 949)	(5 943)
-	-	Income statement charge for the year (note 27)	(215)	444
		Business acquisitions (note 31)	(78)	-
		Exchange differences	(360)	(1 397)
		Charged to other comprehensive income (note 29)	175	(53)
-	-	Balance at the end of the year	(7 427)	(6 949)
		<i>The balance consists of:</i>		
		Property, equipment and vehicles	(7 074)	(6 734)
		Intangible assets	(1 268)	(1 128)
		Current assets	(81)	(82)
		Current liabilities	124	120
		Long-term liabilities	312	113
		Provisions	(158)	(144)
		Derivatives	101	(4)
		Tax losses carried forward	629	910
		Other	(12)	-
			(7 427)	(6 949)
-	-	Deferred income tax assets	302	302
-	-	Deferred income tax liabilities	(7 729)	(7 251)
-	-		(7 427)	(6 949)
		The deferred tax relating to current assets and current liabilities contains temporary differences that are most likely to realise in the next 12 months.		
		Unused tax losses not recognised as deferred tax assets		
		Expiry in 1 year	15	-
		Expiry in 2 years	15	-
		Expiry in 3 to 7 years	161	28
		No expiry	46	52
			237	80

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FOR THE YEAR ENDED 31 MARCH 2015 continued

GROUP

	2015 R'm	2014 R'm
12. INVENTORIES		
Inventories consist of:		
Pharmaceutical products	947	785
Consumables	116	106
Finished goods and work in progress	11	13
	1 074	904
The cost of inventories recognised as an expense and included in cost of sales amounted to R8 113m (2014: R7 012m).		
13. TRADE AND OTHER RECEIVABLES		
Trade receivables	5 607	5 064
Less provision for impairment of receivables	(333)	(248)
Trade receivables – net	5 274	4 816
Other receivables	2 205	1 952
	7 479	6 768
Trade and other receivables are categorised as loans and receivables. The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:		
South African rand*	1 230	1 162
Swiss franc	5 393	4 974
UAE dirham	856	632
	7 479	6 768
Included in the Group's trade receivables balance are trade receivables with a carrying value of R1 763m (2014: R1 602m) that are past due at the reporting date, but which the Group has not impaired as there has not been a significant change in credit quality and the amounts are still considered to be recoverable. The ageing of these receivables is as follows:		
Up to three months	1 265	983
Over three months	498	619
	1 763	1 602
Movement in the provision for impairment of receivables		
Opening balance	248	191
Provision for receivables impairment	180	150
Business combination	8	-
Exchange differences	23	17
Amounts written off as uncollectable	(126)	(110)
Balance at the end of the year	333	248

Amounts written off during the year relate to individually identified accounts that are considered to be irrecoverable.

Management considers the credit quality of the fully performing trade receivables to be high in light of the nature of these trade receivables as described in note 3.1(b).

Included in the Group's other receivables balance are other receivables with a carrying value of R13m (2014: R23m) that are past due at the reporting date. This is the net amount after deducting a provision of R9m (2014: R63m) made by the Group.

* Trade receivables to the value of R829m (2014: R782m) have been ceded as security for banking facilities.

COMPANY

GROUP

2014 R'm	2015 R'm		2015 R'm	2014 R'm
		14. STATED AND ISSUED CAPITAL		
		Ordinary shares		
		Authorised:		
		1 000 000 000 ordinary shares of no par value		
11 027	14 119	Issued:	14 141	11 027
11 027	11 027	Opening balance	11 027	11 027
-	3 178	Shares issued	3 178	-
-	(64)	Costs of shares issued	(64)	-
-	(22)	Restricted shares (Forfeitable Share Plan)		
		867 957 325 (2014: 826 957 325) ordinary shares of no par value		
		Unissued ordinary shares: 5% of the number of the ordinary shares in issue at 31 March 2014 are under the control of the directors in terms of a resolution of shareholders passed at the last annual general meeting. This authority remains in force until the next annual general meeting.		
		Treasury shares		
		13 483 505 (2014: 13 520 978) ordinary shares	(265)	(249)
		Opening balance	(249)	(256)
		Forfeitable Share Plan	(22)	-
		Utilised by the Mpilo Trusts	6	7
11 027	14 119		13 876	10 778

Movement in the number of ordinary shares outstanding

	Number	Number
At 1 April	813 436 347	813 049 684
Statutory shares in issue	826 957 325	826 957 325
Treasury shares	(13 520 978)	(13 907 641)
Shares issued	41 000 000	-
Repurchase of shares - Forfeitable Share Plan	(248 727)	-
Utilised by the Mpilo Trusts	286 200	378 670
Sold by wholly owned subsidiary	-	7 993
At 31 March	854 473 820	813 436 347
Statutory shares in issue	867 957 325	826 957 325
Treasury shares	(13 483 505)	(13 520 978)

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14. STATED AND ISSUED CAPITAL continued

Mpilo Trusts

The Mpilo Trusts were created in 2005 for purposes of an employee share scheme to introduce Mediclinic Southern Africa employees up to first line management level as shareholders of the Group. This share-based payment arrangement is accounted for as an equity-settled share-based payment transaction. The Mpilo Trusts held 13 234 778 (2014: 13 520 978) shares in the Company at year end. As qualifying employees leave prior to entitlement and shares become available further allocations were made to new and existing qualifying employees.

To date, the following allocations have been made:

Allocation	Qualifying date	Issue price	Participating shares*	Expiry date
First allocation	1 Dec 2005	R18.40	80	31 Dec 2015
Second allocation	1 Dec 2009	R18.08	50	31 Dec 2015
Third allocation	1 Dec 2010	R18.59	100	31 Dec 2015
Fourth allocation	1 Dec 2012	R17.20	70	31 March 2018

* Per qualifying employee for each completed year of service since previous allocation.

Movement in the number of Mpilo shares outstanding	Outstanding price per share	2015 Number	2014 Number
Outstanding at the beginning of the year	R17.50 (2014: R17.20)	12 529 590	13 831 960
Mpilo shares forfeited		(726 860)	(871 340)
Mpilo shares vested	R17.84 (2014: R17.42)	(286 200)	(431 030)
Outstanding at the end of the year	R17.82 (2014: R17.50)	11 516 530	12 529 590

The share-based payment charge relating to the Mpilo Trust grants is shown in note 16 and note 23.

Forfeitable Share Plan

The Mediclinic International Forfeitable Share Plan ("FSP") was approved by the Company's shareholders in July 2014 as a long-term incentive scheme for selected senior management (executive directors and prescribed officers as disclosed in note 25). This share-based payment arrangement is accounted for as an equity-settled share-based payment transaction.

Under the FSP, conditional share awards are granted to selected employees of the Group. The vesting of these shares is subject to continued employment, and is conditional upon achievement of performance targets, measured over a three-year period. The performance conditions for the year under review constitute a combination of:

- absolute total shareholder return ("TSR") (40% weighting); and
- normalised diluted headline earnings per share ("HEPS") (60% weighting).

Refer to the Remuneration Report for more details of the Forfeitable Share Plan.

		Weighted average fair value at grant date offer price	Number	Number
14. STATED AND ISSUED CAPITAL continued				
1 April 2014				n/a
Granted	R87.41	248 727		n/a
Forfeited		-		n/a
Vested		-		n/a
31 March 2015		248 727		n/a

A valuation has been determined and an expense recognised over a three-year period. The fair value of the TSR performance condition has been determined by using the Monte Carlo simulation model and for the fair value of the HEPS performance condition, consensus forecasts have been used. The share-based payment charge relating to the FSP is shown in note 16 and note 23.

The following assumptions have been used to determine the fair value of the TSR performance condition:

Risk-free rate	6.9%	n/a
Dividend yield	1.5%	n/a
Volatility	20%	n/a

COMPANY			GROUP	
2014 R'm	2015 R'm		2015 R'm	2014 R'm
15. RETAINED EARNINGS				
103	103	Company	103	103
		Subsidiaries and joint ventures	7 147	4 222
103	103		7 250	4 325
72	103	Opening balance	4 325	1 488
763	859	Profit for the year	4 297	3 385
(732)	(859)	Dividends paid	(822)	(688)
		Actuarial gains and losses	(559)	138
		Transactions with non-controlling shareholders	9	2
103	103	Balance at the end of the year	7 250	4 325

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015 continued

COMPANY

2014 R'm	2015 R'm
140	159
-	5
19	19
159	183
14	14
-	5
60	79
85	85
159	183

16. OTHER RESERVES

Share-based payment reserve

Opening balance	159	140
Forfeitable Share Plan	5	-
Mpilo Trust	19	19
Balance at the end of the year	183	159

Executive share option scheme	14	14
Forfeitable Share Plan	5	-
Mpilo Trusts (Employee share trusts)	79	60
Strategic black partners*	85	85

* During the financial year ending 31 March 2006, the difference between the fair value of the equity instruments issued in a BEE transaction and the fair value of the cash and other assets received was recognised as an expense (grant date) and this corresponding increase in equity was booked.

Foreign currency translation reserve

Opening balance	10 840	9 197
Currency translation differences	9 197	4 827
	1 643	4 370

Hedging reserve

Opening balance	(85)	9
Fair value adjustments of cash flow hedges, net of tax	9	(20)
Recycling of fair value adjustments of derecognised cash flow hedge, net of tax	(104)	29
	10	-

GROUP

2015 R'm	2014 R'm
159	140
5	-
19	19
183	159
14	14
5	-
79	60
85	85
10 840	9 197
9 197	4 827
1 643	4 370
(85)	9
9	(20)
(104)	29
10	-
10 938	9 365

GROUP

	2015 R'm	2014 R'm
17. NON-CONTROLLING INTERESTS		
Opening balance	923	796
Increase in non-controlling interests	62	24
Distributions to non-controlling interests	(123)	(99)
Share of total comprehensive income	236	202
Share of profit	238	201
Actuarial gains and losses	(2)	-
Currency translation differences	-	1
Non-controlling interests in hospital activities	1 098	923

Details of non-wholly owned subsidiaries that have material non-controlling interests:

Name	Profit allocated to non-controlling interests		Ownership interest held by NCI	
	2015 R'm	2014 R'm	2015 %	2014 %
Mediclinic (Pty) Ltd	21	13	3.4	2.2
Curamed Holdings (Pty) Ltd group	66	62	30.3	30.2

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before inter-group eliminations.

	2015 R'm	2014 R'm
Mediclinic (Pty) Ltd		
Current assets	1 002	1 344
Non-current assets	2 795	2 393
Current liabilities	(2 314)	(2 383)
Non-current liabilities	(422)	(342)
Equity attributable to owners of the Company	(960)	(940)
Non-controlling interests	(101)	(72)
Revenue	5 703	5 275
Profit for the year	579	584
Other comprehensive income	(19)	(11)
Total comprehensive income	560	573
Total comprehensive income allocated to non-controlling interests	21	13
Dividends paid to non-controlling interests	14	11
Net cash inflow from operating activities	816	1 020
Net cash outflow from investing activities	(669)	(586)
Net cash outflow from financing activities	(311)	(542)
Net cash outflow	(164)	(108)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015 continued

GROUP

	2015 R'm	2014 R'm
17. NON-CONTROLLING INTERESTS continued		
Curamed Holdings (Pty) Ltd group		
Current assets	676	591
Non-current assets	452	422
Current liabilities	(177)	(165)
Non-current liabilities	(36)	(24)
Equity attributable to owners of the Company	(628)	(567)
Non-controlling interests	(287)	(257)
Revenue	989	926
Profit for the year	220	203
Other comprehensive income	(6)	(1)
Total comprehensive income	214	202
Total comprehensive income allocated to non-controlling interests	66	62
Dividends paid to non-controlling interests	36	15
Net cash inflow from operating activities	274	195
Net cash outflow from investing activities	(51)	(35)
Net cash outflow from financing activities	(121)	(19)
Net cash inflow	102	141

GROUP

	2015 R'm	2014 R'm
18. BORROWINGS		
Secured long-term bank loans*	2 967	2 964
Long-term portion	2 950	2 950
Short-term portion	18	16
Capitalised financing costs – long term	(1)	(2)
The long-term bank loan bears interest at the 3 month Jibar variable rate plus a margin of 1.51% (2014: 1.31%) compounded quarterly, and is repayable on 2 June 2019.		
Preference shares*	2 010	2 009
Long-term portion	1 900	2 000
Short-term portion	111	10
Capitalised financing costs – long term	(1)	(1)
Dividends are payable monthly at a rate of 69% of prime overdraft rate. R100m shares must be redeemed on 1 September 2015 and 1 September 2016 and the balance of R1 800m on 2 June 2019.		
Secured long-term bank loan*	331	542
Long-term portion	220	330
Short-term portion	112	213
Capitalised financing costs – long term	(1)	(1)
The long-term bank loan bears interest at the 3 month Jibar variable rate plus a margin of 1.06% (2014: 1.06%) compounded quarterly, and the loan amortises until 8 October 2017.		
Secured long-term bank loan*	201	201
Long-term portion	200	200
Short-term portion	1	1
The long-term bank loan bears interest at the 3 month Jibar variable rate plus a margin of 1.31% (2014: 1.31%) compounded quarterly, and is repayable on 2 June 2019.		
Secured long-term bank loans	126	90
Long-term portion	113	77
Short-term portion	13	13
These loans bear interest at variable rates linked to the prime overdraft rate and are repayable in periods ranging between one and twelve years. Property, equipment and vehicles with a book value of R269m (2014: R258m) are encumbered as security for these loans. Net trade receivables of R13m (2014: R10m) have also been ceded as security for these loans.		
Bank overdraft*	-	36
Borrowings in Southern African operations	5 635	5 842

* Property and equipment with a book value of R2 695m (2014: R2 677m), cash and cash equivalents of R180m (2014: R223m) and trade receivables of R829m (2014: R782m) have been ceded as security for these borrowings.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015 continued

GROUP

	2015 R'm	2014 R'm
18. BORROWINGS continued		
Secured long-term bank loans	1 010	1 488
Long-term portion	682	1 212
Short-term portion	340	295
Capitalised financing costs – long term	(12)	(19)
This loan bears interest at variable rates linked to the 6M Libor and a margin of 2.75% and is amortising until June 2017. Properties with a book value of R1 503m (2014: R1 358m) are encumbered as security for this loan.		
Borrowings in Middle East operations	1 010	1 488
Secured long-term bank loans	19 530	19 916
Long-term portion	19 453	19 375
Short-term portion	626	1 076
Capitalised financing costs – long term	(549)	(535)
These loans bear interest at a variable rate linked to the 3M Libor plus 1.5% and 2.85% (2014: 3M Libor plus 2% and 3.5%) and is repayable by July 2020 (2014: December 2017 and June 2018). The loan is secured by: Swiss properties with a book value of R38 940m (2014: R36 811m); and Swiss bank accounts with a book value of R2 489m (2014: R1 126m).		
Listed bond	2 949	-
Long-term portion	2 949	-
Short-term portion	-	-
On 25 February 2015, the Group issued CHF145m 1.625% Swiss francs bonds and CHF90m 2.0% Swiss francs bonds to finance its expansion programme and working capital requirements. The bonds are repayable on 25 February 2021 and 25 February 2025 respectively.		
Secured long-term bank loan	-	3 090
Long-term portion	-	3 090
Short-term portion	-	-
The loan carried interest at 2.0% plus 12M Libor and was repayable by June 2018. The loan was secured by Swiss properties with a book value of R36 811m subordinate to the other loans.		
Secured long-term finance	32	34
Long-term portion	24	28
Short-term portion	8	6
These loans bear interest at interest rates ranging between 3% and 12% (2014: 4% and 12%) and are repayable in equal monthly payments in periods ranging from one to eight years. Equipment with a book value of R25m (2014: R30m) is encumbered as security for these loans.		
Borrowings in Swiss operations	22 511	23 040
Total borrowings	29 156	30 370
Short-term portion transferred to current liabilities	(1 229)	(1 666)
	27 927	28 704

GROUP

	2015 R'm	2014 R'm
19. RETIREMENT BENEFIT OBLIGATIONS		
Statement of financial position obligations for:		
Pension benefits	822	48
Post-retirement medical benefits	470	366
	1 292	414
Income statement charge for:		
Pension benefits	465	167
Post-retirement medical benefits	67	52
	532	219
(a) Pension benefits		
The Group's Swiss operations have five (2014: three) defined benefit pension plans, namely:		
Pensionskasse Hirslanden (cash balance plan)		
Vorsorgestiftung VSAO (cash balance plan)		
Radiotherapie Hirslanden AG; Pension fund at foundation "pro" (cash balance plan)		
Clinique La Colline SA; Pension fund at banque cantonal vaudois (cash balance plan)		
Swissana Clinic AG; Pension fund at foundation "Nest" (cash balance plan)		
Statement of financial position		
Amounts recognised in the statement of financial position are as follows:		
Present value of funded obligations	14 343	11 262
Fair value of plan assets	(13 521)	(11 214)
Net pension liability	822	48
The movement in the defined benefit obligation over the period is as follows:		
Opening balance	11 262	8 700
Current service cost	459	400
Interest cost	219	187
Employee contributions	424	348
Benefits paid	(135)	(97)
Actuarial (gain)/loss – experience	120	(54)
Actuarial demographical loss assumption	(311)	–
Actuarial financial loss assumption	1 361	–
Past-service cost	–	(241)
Acquisition	260	34
Settlements	–	(92)
Exchange differences	684	2 077
Balance at end of year	14 343	11 262

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015 continued

GROUP

	2015 R'm	2014 R'm
19. RETIREMENT BENEFIT OBLIGATIONS continued		
(a) Pension benefits continued		
The movement of the fair value of plan assets over the period is as follows:		
Opening balance	11 214	8 294
Employer contributions	485	401
Plan participants contributions	424	348
Benefits paid from fund	(135)	(97)
Interest income on plan assets	225	188
Return on plan assets greater/(less) than discount rate	503	135
Acquisition	175	28
Settlements	-	(88)
Administration cost paid	(12)	(12)
Exchange differences	642	2 017
Balance at end of year	13 521	11 214
Income statement		
Amounts recognised in the income statement are as follows:		
Current service cost	459	400
Past-service cost	-	(241)
Interest on liability	219	187
Interest on plan assets	(225)	(188)
Administration cost paid	12	12
Settlement gain	-	(3)
Total expense	465	167
Statement of comprehensive income		
Amounts recognised in other comprehensive income are as follows:		
Actuarial gain/(loss) – experience	(120)	54
Actuarial gain/(loss) due to liability assumption changes	(1 050)	-
Return on plan assets greater/(less) than discount rate	503	135
Total comprehensive income	(667)	189
Statement of financial position		
Opening net liability	48	406
Expense as above	465	167
Contributions paid by employer	(485)	(401)
Exchange differences	42	60
Actuarial (gain)/loss recognised in equity	667	(189)
Acquisitions	85	5
Closing net liability	822	48
Actual return on plan assets	728	323

GROUP

	2015 R'm	2014 R'm
19. RETIREMENT BENEFIT OBLIGATIONS continued		
(a) Pension benefits continued		
Principal actuarial assumptions on statement of financial position		
Discount rate	0.90%	2.00%
Future salary increases	1.50%	2.00%
Future pension increases	0.00%	0.00%
Inflation rate	1.00%	1.50%
Number of plan members		
Active members	8 219	7 447
Pensioners	640	581
	8 859	8 028
Experience adjustment		
On plan liabilities: (gain)/loss	120	(54)
On plan assets: gain/(loss)	(503)	(135)

	2015 R'm	2015 %	2014 R'm	2014 %
Asset allocation				
Quoted investments				
Fixed income investments	4 827	35.7	4 093	36.5
Equity investments	3 340	24.7	2 803	25.0
Real estate	1 474	10.9	1 368	12.2
Other	1 406	10.4	976	8.7
	11 047	81.7	9 240	82.4
Non-quoted investments				
Fixed income investments	40	0.3	56	0.5
Equity investments	189	1.4	168	1.5
Real estate	1 582	11.7	1 189	10.6
Other	663	4.9	561	5.0
	2 474	18.3	1 974	17.6
	13 521	100.0	11 214	100.0

	Base assumption	Change in assumption	Impact on defined benefit obligation	
Sensitivity analysis			Increase	Decrease
The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:				
Discount rate	0.9%	0.5%	(5.2%)	5.9%
Salary growth rate	1.5%	0.5%	0.8%	(0.8%)
Pension growth rate	0.0%	0.25%	2.3%	0.0%

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015 continued

	Change in assumption	Increase by 1 year in assumption	Decrease by 1 year in assumption
19. RETIREMENT BENEFIT OBLIGATIONS continued			
	1 year in expected lifetime of plan participant		
Life expectancy		2.2%	(2.2%)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credited method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Expected employer contributions to be paid to the pension plans for the year ended 31 March 2016 are R516m.

The weighted average duration of the defined benefit obligation is 13.4 years (2014: 11.8 years).

Additional disclosure

The Swiss defined benefit pension plans exposes the Group to some actuarial and investment risks.

Effective 1 January 2014, members of the pension plans of Klinik Stephanshorn AG were transferred to Pensionkasse Hirslanden, and members of the doctors' pension plan of Klinik Stephanshorn AG were transferred to Foundation VSAO. Inactive members of Klinik Stephanshorn AG were settled within the Zurich Insurance AG effective 1 January 2014.

The pension plans provide employees of the Hirslanden Group with post-employment, death-in-service and disability benefits in accordance with the Federal Law on Occupational Old-age. These are separate legal entities from the Hirslanden Group. The funds' governing bodies consists of an equal number of employer and employee representatives.

The benefits of the pension plans are substantially higher than the legal minimum. The employee's and employer's contributions are based on their insured salary and range from 1.25% to 15.5% for Pensionskasse Hirslanden and 14% for VSAO.

If an employee leaves the Hirslanden Group or the pension plans before reaching retirement age, legally he/she is to transfer the vested benefits to a new pension plan. On retirement, the participant may decide to withdraw the benefits as an annuity or a lump sum.

As per the pension law in Switzerland, benefits provided by the pension funds are financed through annual contributions. If insufficient investment returns or actuarial losses lead to a funding gap, the governing body is legally obliged to take actions to close this gap within five years to a maximum of seven years. Such actions may include additional contributions by the respective group companies and the beneficiaries.

19. RETIREMENT BENEFIT OBLIGATIONS continued

(b) Post-retirement medical benefits

The Group's Southern African operations have a post-retirement medical benefit obligation for employees who joined before 1 July 2012.

The Group accounts for actuarially determined future medical benefits and provide for the expected liability in the statement of financial position.

During the last valuation on 31 March 2015 a 7.1% (2014: 8.4%) medical inflation cost and a 8.1% (2014: 10.0%) interest rate were assumed. The average retirement age was set at 63 years (2014: 63 years).

The assumed rates of mortality are as follows:

During employment: SA 1972-77 tables of mortality

Post-employment: PA(90) tables

GROUP

	2015 R'm	2014 R'm
<i>Amounts recognised in the statement of financial position are as follows:</i>		
Opening balance	366	303
Amounts recognised in the income statement	67	52
Current service cost	28	25
Interest cost	39	27
Contributions	(8)	(6)
Actuarial gain recognised in other comprehensive income	45	17
Present value of unfunded obligations	470	366

The effect of a 1% movement in the assumed health cost trend rate is as follows:

	2015	
	Increase	Decrease
Defined benefit obligation	17%	(14%)
Aggregate of the current service cost and interest cost	19%	(16%)

Historical information: The present value of the Group's post-retirement medical benefits at 31 March 2013 was R303m, 2012: R343m and 2011: R303m.

Expected employer contributions to be paid to the post-retirement medical benefit liability for the year ended 31 March 2016 are R9m.

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FOR THE YEAR ENDED 31 MARCH 2015 continued

GROUP

20. PROVISIONS

Year ended 31 March 2014

	Employee benefits R'm	Legal cases and other R'm	Tariff risks R'm	Total R'm
Opening balance	295	12	380	687
Charged to the income statement	82	1	155	238
Utilised during the year	(38)	(2)	(134)	(174)
Unused amounts reversed	-	(2)	(30)	(32)
Exchange differences	61	2	86	149
Balance at the end of the year	400	11	457	868

At 31 March 2014

Current	41	5	330	376
Non-current	359	6	127	492
	400	11	457	868

Year ended 31 March 2015

Opening balance	400	11	457	868
Charged to the income statement	122	5	186	313
Utilised during the year	(40)	(1)	(11)	(52)
Unused amounts reversed	-	(4)	(102)	(106)
Exchange differences	45	-	26	71
Balance at the end of the year	527	11	556	1 094

At 31 March 2015

Current	53	5	371	429
Non-current	474	6	185	665
	527	11	556	1 094

(a) Employee benefits

This provision is for benefits granted to employees for long service.

(b) Legal cases and other

This provision relates to third-party excess payments for malpractice claims which are not covered by insurance and other costs for legal claims.

(c) Tariff risks

This provision relates to compulsory health insurance tariff risks in Switzerland and other tariff disputes at some of the Group's Swiss hospitals.

	2015 R'm	2014 R'm
Provisions are expected to be payable during the following financial years:		
Within one year	429	376
After one year but not more than five years	332	239
More than five years	333	253
	1 094	868

GROUP

	2015 R'm	2015 R'm	2014 R'm	2014 R'm
21. DERIVATIVE FINANCIAL INSTRUMENTS				
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps – cash flow hedges				
Non-current	10	465	60	38
Current	-	21	-	-
Total	10	486	60	38

Effective interest rate swaps

In order to hedge specific exposures in the interest rate repricing profile of existing borrowings, the Group uses interest rate derivatives to generate the desired interest profile. At 31 March 2015, the Group had six effective interest rate swap contracts (2014: six). The value of borrowings hedged by the interest rate derivatives and the rates applicable to these contracts are as follows:

	Borrowings hedged R'm	Fixed interest payable	Interest receivable	Fair value gain/(loss) for the year R'm
2014				
Beyond 5 years*	20 452	0.112% and 0.239%	3-month Swiss Libor	(78)
1 to 5 years**	2 115	5.5% – 8.37%	3-month Jibar	126
2015				
1 to 3 years**	1 905	5.5 – 8.4%	3-month Jibar	5
3 to 5 years**	275	7.6%	3-month Jibar	(4)

* The interest rate swap agreement resets every three months on 31 March, 30 June, 30 September and 31 December, with a final reset on 30 June 2018. There is no ineffective portion recognised in the profit and loss that arises from the cash flow hedge.

** The interest rate swap agreements reset every three months on 1 June, 1 September, 1 December and 1 March, with final resets on 2 December 2013, 1 December 2015 and 1 September 2017 respectively. There is no ineffective portion recognised in the profit and loss that arises from the cash flow hedges.

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FOR THE YEAR ENDED 31 MARCH 2015 continued

21. DERIVATIVE FINANCIAL INSTRUMENTS continued

Ineffective interest rate swaps

Due to the current negative interest rates in Switzerland, the hedge relationship in respect of the 3-month Swiss Libor interest rate swaps became ineffective since the interest on the borrowings is capped at a rate of 0% but is fully considered as interest payments on the swap. Hedge accounting discontinued from the previous reporting period when hedge effectiveness could be demonstrated, i.e. from 1 October 2014.

GROUP

	2015 R'm	2014 R'm
Opening balance	38	99
Fair value adjustments through other comprehensive income	(133)	(78)
Fair value adjustments booked through profit and loss	(342)	-
Exchange differences	(23)	17
Balance at the end of the period	(460)	38

	Nominal value R'm	Fixed interest payable	Interest receivable R'm
2015			
Beyond 4 years***	20 331	0.112% and 0.239%	3-month Swiss Libor

*** The interest rate swap agreement resets every three months on 31 March, 30 June, 30 September and 31 December, with a final reset on 31 March 2018 and termination date on 30 June 2018.

Based on the degree to which the fair values are observable, the interest rate swaps and the forward contracts are grouped as Level 2.

GROUP

	2015 R'm	2014 R'm
22. TRADE AND OTHER PAYABLES		
Trade payables	2 818	2 422
Other payables and accrued expenses	2 162	1 705
Social insurance and accrued leave pay	962	831
Value added tax	90	90
	6 032	5 048

GROUP

		2015 R'm	2014 R'm
23. EXPENSES BY NATURE			
Auditors' remuneration	- external audit	18	16
	- other services	10	7
Cost of inventories		8 113	7 012
Depreciation	- buildings	359	279
	- equipment	718	664
	- furniture and vehicles	326	252
Employee benefit expenses		15 452	12 827
Wages and salaries		14 699	12 416
Post-retirement medical benefits (note 19)		67	52
Retirement benefit costs – defined contribution plans		197	173
Retirement benefit costs – defined benefit plans (note 19)		465	167
Share-based payment expense (note 16)		24	19
Impairment of property, equipment and vehicles		31	8
Increase in impairment provision for receivables (note 13)		54	40
Maintenance costs		822	738
Managerial and administration fees		5	4
Operating leases	- buildings	472	383
	- equipment	37	33
Amortisation of intangible assets		109	44
Other expenses		2 989	2 683
General expenses		3 076	2 687
Profit on sale of equipment		(87)	(4)
		29 515	24 990
Classified as:			
Cost of sales		19 887	17 189
Administration and other operating expenses		8 116	6 562
Depreciation and amortisation		1 512	1 239
		29 515	24 990
24. OTHER GAINS AND LOSSES			
Realised gains on foreign currency forward contracts		32	-
Gain on disposal of subsidiary		34	-
Ineffective cash flow hedges		(342)	-
Gain on a bargain purchase		-	2
Discount on loan repayment		211	-
Insurance proceeds		158	-
		93	2

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GROUP

	2015 R'000	2014 R'000
25. DIRECTORS' REMUNERATION		
Executive	41 274	39 663
DP Meintjes	9 883	9 504
KHS Pretorius	6 115	5 829
CA van der Merwe	4 814	4 630
CI Tingle	7 667	7 360
TO Wiesinger	12 795	12 340
Non-executive fees	6 164	5 195
JJ Durand	388	336
JA Grieve	1 397	1 271
E de la H Hertzog	663	377
RE Leu	1 397	1 271
MK Makaba	215	196
N Mandela	284	253
TD Petersen	486	428
AA Raath	520	452
DK Smith	556	377
PJ Uys	258	234
	47 438	44 858

Detail for 2015 (R'000)	Salaries	Retirement fund	Other benefits ¹	Bonus ²	Long-term incentives ³	Total
Executive						
DP Meintjes	5 600	504	69	3 710	-	9 883
KHS Pretorius	3 495	315	36	2 269	-	6 115
CA van der Merwe	2 964	267	64	1 519	-	4 814
CI Tingle	4 359	392	29	2 887	-	7 667
TO Wiesinger	8 524	1 108	480	2 683	-	12 795
	24 942	2 586	678	13 068	-	41 274

Detail for 2014 (R'000)	Salaries	Retirement fund	Other benefits ¹	Bonus ²	Share options	Total
Executive						
DP Meintjes	5 172	465	27	3 840	-	9 504
KHS Pretorius	3 266	294	33	2 236	-	5 829
CA van der Merwe	2 770	249	31	1 580	-	4 630
CI Tingle	4 082	367	27	2 884	-	7 360
TO Wiesinger	7 846	1 028	394	3 072	-	12 340
	23 136	2 403	512	13 612	-	39 663

¹ Other benefits include medical aid, UIF and payment for accumulated leave.

² Bonuses consist of the cash-based management incentive scheme and a 13th cheque.

³ Forfeitable share awards granted in 2014 to executive management (excluding DC le Roux) will vest in 2017 in terms of the Group's Forfeitable Share Plan. Refer to the Remuneration Report for more information.

None of the current executive directors have a fixed-term contract.

25. DIRECTORS' REMUNERATION continued

Prescribed officers

Remuneration and benefits paid and short-term incentives approved in respect of prescribed officers are as follows:

Detail for 2015 (R'000)	Salaries	Retirement fund	Other benefits ¹	Bonus ²	Long-term incentives	Total
GC Hattingh	2 664	240	34	1 380	-	4 318
DJ Hadley	5 201	238	27	2 211	-	7 677
TC Pauw ³	1 215	-	90	-	-	1 305
DC le Roux ⁴	1 538	139	53	666	n/a	2 396
	10 618	617	204	4 257	-	15 696

Detail for 2014 (R'000)	Salaries	Retirement fund	Other benefits ¹	Bonus ²	Share options	Total
GC Hattingh	2 473	222	31	1 427	-	4 153
DJ Hadley	4 440	288	17	1 856	-	6 601
TC Pauw	2 603	59	246	324	-	3 232
	9 516	569	294	3 607	-	13 986

¹ Other benefits include medical aid, UIF and payment for accumulated leave.

² Bonuses consist of the cash-based management incentive scheme and a 13th cheque.

³ Retired 31 July 2013 and appointed on contract as from 1 August 2013 till 31 August 2014.

⁴ Appointed 11 August 2014

Aggregate holding of the Forfeitable Share Plan for executive directors and prescribed officers

Detail for 2015	Opening balance	Shares awarded during the year	Date of award	Award vesting	Forfeited	Closing balance	Estimated value of long-term incentive R'000	Earliest date of vesting
Conditional benefit								
DP Meintjes	-	79 077	July 2014	-	-	79 077	5 391	May 2017
KHS Pretorius	-	31 690	July 2014	-	-	31 690	2 161	May 2017
CA van der Merwe	-	26 411	July 2014	-	-	26 411	1 801	May 2017
CI Tingle	-	44 320	July 2014	-	-	44 320	3 022	May 2017
TO Wiesinger*	-	28 010	July 2014	-	-	28 010	1 910	May 2017
GC Hattingh	-	23 575	July 2014	-	-	23 575	1 607	May 2017
DJ Hadley	-	15 644	July 2014	-	-	15 644	1 067	May 2017
	-	248 727		-	-	248 727	16 959	

* TO Wiesinger received a right to conditional shares to be delivered at the vesting date. This arrangement is provided for in terms of the FSP rules due to country-specific requirements.

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FOR THE YEAR ENDED 31 MARCH 2015 continued

COMPANY		GROUP		
2014 R'm	2015 R'm		2015 R'm	2014 R'm
		26. FINANCE COST		
		Interest expense	860	876
		Interest rate swaps	69	114
		Amortisation of capitalised financing costs	147	133
		Preference share dividend	128	125
		Derecognition of Swiss interest rate swap	4	-
		Less: amounts included in the cost of qualifying assets	(29)	(27)
			1 179	1 221
		27. INCOME TAX EXPENSE		
		Current tax		
-	-	Current year	(772)	(674)
		Previous year*	781	(546)
-	-	Deferred tax (note 11)	(215)	444
-	-	Taxation per income statement	(206)	(776)
		<i>Composition</i>		
-	-	South African tax	(551)	(504)
		Foreign tax	345	(272)
-	-		(206)	(776)
%	%		%	%
28.0	28.0	<i>Reconciliation of rate of taxation:</i>		
		Standard rate for companies (RSA)	28.0	28.0
		Adjusted for:		
		Capital gains tax	(0.6)	(0.1)
(28.1)	(28.1)	Non-taxable income	(0.6)	(1.3)
0.1	0.1	Non-deductible expenses	2.0	2.1
		Non-controlling interests' share of profit before tax	(0.3)	(0.2)
		Effect of different tax rates	(8.4)	(8.2)
		Utilisation of previously unrecognised tax losses	0.6	(15.0)
		Prior year adjustment	(16.4)	12.5
-	-	Effective tax rate	4.3	17.8

* R775m of this credit amount relates to the release of Swiss income tax liabilities in respect of historic uncertain tax positions.

GROUP

	2015 Gross R'm	2015 Income tax effect R'm	2015 Net R'm
28. EARNINGS PER ORDINARY SHARE			
Earnings reconciliation			
Profit attributable to shareholders			4 297
Remeasurements for:	(248)	32	(216)
Impairment of property	31	-	31
Insurance proceeds	(158)	18	(140)
Gain on disposal of subsidiary	(34)	-	(34)
Profit on disposal of property, equipment and vehicles	(87)	14	(73)
Headline earnings			4 081
Remeasurements for:	99	(737)	(638)
Realised gain on foreign currency forward contracts	(32)	-	(32)
Ineffective cash flow hedges	342	(65)	277
Swiss tax rate charges relating to prior years	-	(712)	(712)
Discount on loan repayment	(211)	40	(171)
Normalised headline earnings			3 443
	2014 Gross R'm	2014 Income tax effect R'm	2014 Net R'm
Profit attributable to shareholders			3 385
Remeasurements for:	(38)	8	(30)
Impairment of equipment	8	(2)	6
Insurance proceeds	(40)	9	(31)
Gain on a bargain purchase	(2)	-	(2)
Profit on disposal of property, equipment and vehicles	(4)	1	(3)
Headline earnings			3 355
Remeasurements for:	(241)	(62)	(303)
Past-service cost (note 19)	(241)	49	(192)
Swiss tax rate charges relating to prior years	-	(111)	(111)
Normalised headline earnings			3 052

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FOR THE YEAR ENDED 31 MARCH 2015 continued

GROUP

	2015	2014
28. EARNINGS PER ORDINARY SHARE continued		
Weighted average number of ordinary shares in issue for basic earnings per share		
Number of ordinary shares in issue at the beginning of the year	826 957 325	826 957 325
Weighted number of ordinary shares issued during the year	31 789 041	-
Weighted average number of ordinary shares issued during the year	-	2 764 076
Adjustment for equity raising (IAS 33 paragraph 26)*	605 825	-
Weighted average number of treasury shares	(15 966 885)	(17 637 842)
BEE shareholders**	(2 405 788)	(3 944 779)
Mpilo Trusts	(13 404 365)	(13 691 727)
Wholly owned subsidiary	-	(1 336)
Forfeitable Share Plan	(156 732)	-
	843 385 306	812 083 559
Weighted average number of ordinary shares in issue for diluted earnings per share		
Weighted average number of ordinary shares in issue	843 385 306	812 083 559
Weighted average number of treasury shares held in terms of the BEE initiative not yet released from treasury stock	15 932 404	17 636 506
BEE shareholders	2 405 788	3 944 779
Mpilo Trusts	13 404 365	13 691 727
Forfeitable Share Plan	122 251	-
	859 317 710	829 720 065
* The shares were issued at a price lower than the fair value of the shares before the equity capital raising in June 2014. As a result, the weighted average number of shares was adjusted in accordance with IAS 33 paragraph 26.		
** Represents the equivalent weighted average number of shares for which no value has been received from the BEE shareholders (Mpilo Investment Holdings 1 (RF) (Pty) Ltd and Mpilo Investment Holdings 2 (RF) (Pty) Ltd) in terms of the Group's black ownership initiative. These companies are structured entities that are not consolidated due to the Group not having control. The entities are financed by third parties with no recourse to the Group. To date, no value was received for an equivalent of 1 853 117 (2014: 3 311 795) shares issued to the strategic black partners.		
Earnings per ordinary share (cents)		
Basic	509.5	416.8
Diluted	500.0	408.0
Headline earnings per ordinary share (cents)		
Basic	483.9	413.1
Diluted	474.9	404.4
Normalised headline earnings per ordinary share (cents)		
Basic	408.2	375.8
Diluted	400.6	367.8

Normalised non-IFRS financial measures

The Group uses normalised earnings per share in evaluating performance and as a method to provide shareholders with clear and consistent reporting. The basis for the calculation is headline earnings per share in terms of the JSE Listings Requirements which is then adjusted for one-off and exceptional items.

GROUP

	2015 R'm	2014 R'm
29. OTHER COMPREHENSIVE INCOME		
Components of other comprehensive income		
Currency translation differences	1 643	4 371
Fair value adjustment – cash flow hedges	(94)	29
Actuarial gains and losses	(561)	138
Other comprehensive income, net of tax	988	4 538

	Attributable to equity holders of the Company (before tax) R'm	Tax charge attributable to equity holders of the Company R'm	Attributable to non- controlling interest (after tax) R'm	Total R'm
Year ended 31 March 2014				
Currency translation differences	4 370	–	1	4 371
Fair value adjustment – cash flow hedges	48	(19)	–	29
Actuarial gains and losses	172	(34)	–	138
Other comprehensive income	4 590	(53)	1	4 538

Year ended 31 March 2015

Currency translation differences	1 643	–	–	1 643
Recycling of fair value adjustments of derecognised cash flow hedge	13	(3)	–	10
Fair value adjustment – cash flow hedges	(132)	28	–	(104)
Actuarial gains and losses	(709)	150	(2)	(561)
Other comprehensive income	815	175	(2)	988

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015 continued

COMPANY

2014 R'm	2015 R'm
763	859
766	863
(3)	(4)
-	-
-	-
-	-
(3)	(4)
1	1
-	-
1	1
(1)	-
-	1

GROUP

30. CASH FLOW INFORMATION

30.1 Reconciliation of profit before taxation to cash generated from operations

Operating profit before interest and taxation	5 723	5 505
Non-cash items		
Share-based payment	24	19
Depreciation	1 403	1 195
Intangibles amortised	109	44
Impairment losses	31	8
Movement in provisions	135	33
Insurance proceeds	-	(40)
Movement in retirement benefit obligations	39	(178)
Profit on disposal of property, equipment and vehicles	(87)	(4)
Interest rate swap accrual	-	(7)
Dividends received	-	-
Operating income before changes in working capital	7 377	6 575
Working capital changes	471	(235)
Increase in inventories	(93)	(125)
Increase in trade and other receivables	(129)	(313)
Increase in trade and other payables	693	203

7 848 6 340

30.2 Interest paid

Finance cost per income statement	1 179	1 221
Non-cash items		
Amortisation of capitalised financing fees	(147)	(133)
Other non-cash flow finance expenses	(13)	(32)

1 019 1 056

30.3 Tax paid

Liability at the beginning of the year	(1 121)	(485)
Exchange differences	(6)	(159)
Provision for the year	9	(1 220)
	(1 118)	(1 864)
Liability at the end of the year	194	1 121
	(924)	(743)

30.4 Investment to maintain operations

Property, equipment and vehicles purchased	(942)	(856)
Intangible assets purchased	(273)	(70)
Loans to subsidiaries	-	-
	(1 215)	(926)

COMPANY		GROUP	
2014 R'm	2015 R'm	2015 R'm	2014 R'm
		30. CASH FLOW INFORMATION continued	
		30.5 Investment to expand operations	
		Property, equipment and vehicles purchased	(2 214) (1 679)
		30.6 Proceeds on disposal of property, equipment and vehicles	
		Book value of property, equipment and vehicles sold	40 23
		Profit per income statement	87 4
		Sales price receivable	(25) -
		Exchange differences	(4) 5
			98 32
		30.7 Distributions paid to shareholders	
		Dividends declared and paid during the year	(822) (688)
(732)	(859)		
		<p>The dividends paid during the current financial year (dividend numbers 34 and 35) were 99.0 cents per share (2014: 88.5 cents, dividend numbers 32 and 33). A final dividend (dividend number 36) in respect of the year ended 31 March 2015 of 75.5 cents per share was declared at a directors' meeting on 20 May 2015. These financial statements do not reflect this dividend payable.</p>	
		30.8 Cash and cash equivalents	
		For the purpose of the statement of cash flows, cash, cash equivalents and bank overdrafts include:	
		Cash and cash equivalents	4 779 3 521
		Bank overdrafts (note 18)	- (36)
			4 779 3 485
		<i>Cash, cash equivalents and bank overdrafts are denominated in the following currencies:</i>	
		South African rand*	1 491 1 324
		Swiss franc**	2 508 1 436
		UAE dirham***	779 724
		Euro	1 1
			4 779 3 485

* The counterparties have a minimum Baa2 credit rating by Moody's.

** The facility agreement of the Swiss subsidiary restricts the distribution of cash. The counterparties have a minimum A2 credit rating by Moody's and a minimum A credit rating by Standard & Poor's.

*** The counterparties have a minimum A1/P-1 credit rating by Moody's.

Cash and cash equivalents denominated in South African rands amounting to R180m (2014: R223m) have been ceded as security for borrowings (see note 18).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015 continued

GROUP

	2015 R'm Cash flow on acquisition	2014 R'm Cash flow on acquisition
31. BUSINESS ACQUISITIONS		
Clinique La Colline	1 333	-
Swissana Clinic AG Meggen	107	-
Radiotherapie Hirslanden AG	-	5
IMRAD SA	6	-
	1 446	5

Clinique La Colline

On 25 June 2014, Hirslanden acquired a 100% interest in the operating company of Clinique La Colline. Clinique La Colline is a private hospital based in Geneva, Switzerland.

The goodwill of R1 136m arising from the acquisition is attributable to the earnings potential of the business. None of the goodwill recognised is expected to be deductible for income tax purposes.

The following table summarises the consideration paid for Clinique La Colline Group, the fair value of assets acquired and liabilities assumed at the acquisition date.

GROUP

	2015 R'm
Consideration at 25 June 2014	
Cash	1 361
Total consideration transferred	1 361
Recognised amounts of identifiable assets acquired and liabilities assumed	
Assets	
Property, equipment and vehicles	123
Intangible assets	322
Inventories	23
Trade and other receivables	179
Cash and cash equivalents	28
Total assets	675
Liabilities	
Borrowings	185
Derivative financial instrument	3
Other liabilities	3
Provisions	15
Pension liability	68
Deferred tax liabilities	81
Income tax payable	3
Trade and other payables	92
Total liabilities	450
Total identifiable net assets at fair value	225
Goodwill	1 136
Total	1 361

GROUP

	2015 R'm
31. BUSINESS ACQUISITIONS continued	
Acquisition-related costs of R9m have been charged to administrative expenses in the consolidated income statement.	
The fair value of trade and other receivables is R179m and includes trade receivables with a fair value of R164m. The gross contractual amount for trade receivables due is R172m, of which R8m is expected to be uncollectable.	
From the date of acquisition, Clinique La Colline has contributed R576m of revenue and R126m to the profit before tax of the Group. If the business combination had taken place at the beginning of the financial year, revenue from continuing operations would have been R757m and the profit before tax for the Group would have been R167m.	
Analysis of cash flow on acquisition	
Total consideration transferred	(1 361)
Net cash acquired with the subsidiary	28
Net cash flow on acquisition	(1 333)
Swissana Clinic AG Meggen	
On 8 August 2014, Hirslanden acquired a 100% interest in the operating company of Swissana Clinic AG Meggen. Swissana Clinic AG Meggen is a private hospital based in Meggen, Switzerland.	
The goodwill of R103m arising from the acquisition is attributable to the earnings potential of the business. None of the goodwill recognised is expected to be deductible for income tax purposes.	
The following table summarises the consideration paid for Swissana Clinic AG Meggen, the fair value of assets acquired and liabilities assumed at the acquisition date.	
Consideration at 8 August 2014	
Cash	108
Total consideration transferred	
Recognised amounts of identifiable assets acquired and liabilities assumed	
Assets	
Property, equipment and vehicles	31
Deferred tax assets	3
Inventories	6
Trade and other receivables	18
Cash and cash equivalents	1
Total assets	59
Liabilities	
Borrowings	21
Provisions	2
Pension liability	17
Trade and other payables	14
Total liabilities	54
Total identifiable net assets at fair value	5
Goodwill	103
Total	108

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015 continued

GROUP

	2015 R'm
31. BUSINESS ACQUISITIONS continued	
Acquisition-related costs of R1m have been charged to administrative expenses in the consolidated income statement.	
The fair value of trade and other receivables is R18m and includes trade receivables with a fair value of R14m. The gross contractual amount for trade receivables due is R15m, of which R0.5m is expected to be uncollectable.	
From the date of acquisition, Swissana Clinic AG Meggen has contributed R79m of revenue and R2m to the net profit before tax of the Group. If the combination had taken place at the beginning of the financial year, revenue from continuing operations would have been R112m and the loss before tax for the Group would have been R5m.	
Analysis of cash flow on acquisition	
Total consideration transferred	(108)
Net cash acquired with the subsidiary	1
Net cash flow on acquisition	(107)
IMRAD SA	
On 14 October 2014, Hirslanden acquired 80% of the share capital for R6m and obtained control of IMRAD SA. IMRAD SA aims to operate outpatient medical centres in Lausanne, Switzerland.	
The following table summarises the consideration paid for IMRAD SA, the fair value of assets acquired and liabilities assumed at the acquisition date.	
Consideration at 14 October 2014	
Cash	6
Total consideration transferred	
Recognised amounts of identifiable assets acquired and liabilities assumed	
Assets	
Intangible assets	7
Cash and cash equivalents	-
Total assets	7
80% of the identifiable net assets	6
Analysis of cash flow on acquisition	
Total consideration transferred	(6)
Net cash acquired with the subsidiary	-
Net cash flow on acquisition	(6)

IMRAD SA is not yet operational and therefore it has contributed R2m to the net loss before tax of the Group and no revenue was obtained. If the combination had taken place at the beginning of the financial year, the net loss before tax for the Group would have been R2m.

GROUP

	2015 R'm	2014 R'm
31. BUSINESS ACQUISITIONS continued		
Radiotherapie Hirslanden AG		
During the prior year, on 12 July 2013 the Group acquired 100% of the share capital of Radiotherapie Hirslanden AG for R9m and obtained control on 1 September 2013.		
		Fair value recognised on acquisition
Assets		
Trade and other receivables		19
Cash and cash equivalents		4
Liabilities		
Trade and other payables		(12)
Total identifiable net assets at fair value		11
Gain on bargain purchase		(2)
Purchase consideration transferred		9
Analysis of cash flow on acquisition		
Purchase consideration		(9)
Net cash acquired with the subsidiary		4
Net cash flow on acquisition		(5)

No goodwill arising from the acquisition and no transaction costs have been expensed.

From the date of acquisition, Radiotherapie Hirslanden AG has contributed R18m of revenue and R2m to the net loss before tax of the Group. If the business combination had taken place at the beginning of the year, revenue from continuing operations would have been R49m and the loss from continuing operations for the Group would have been R1m.

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FOR THE YEAR ENDED 31 MARCH 2015 continued

GROUP

	2015 R'm	2014 R'm
32. DISPOSAL OF SUBSIDIARY		
On 19 February 2015, the Group disposed of Med-Immo La Colline SA.		
Consideration received at 19 February 2015		
Consideration received in cash and cash equivalents	46	
Analysis of assets and liabilities over which control was lost		
Assets		
Property, equipment and vehicles	13	
Cash and cash equivalents	1	
Total assets	14	
Liabilities		
Borrowings	3	
Total liabilities	3	
Net assets disposed of	11	
Gain on disposal of subsidiary		
Consideration received	46	
Net assets disposed of	(12)	
Gain on disposal	34	
Total cash flow on disposal of subsidiary	46	
Less: cash and cash equivalents balance disposed of	(1)	
Net cash flow on disposal	45	
33. COMMITMENTS		
Capital commitments		
Incomplete capital expenditure contracts	1 979	2 200
Southern Africa	819	922
Switzerland	518	737
Middle East	642	541
Capital expenses authorised by the board of directors but not yet contracted	1 800	1 033
Southern Africa	1 506	795
Switzerland	154	96
Middle East	140	142
	3 779	3 233

These commitments will be financed from group and borrowed funds.

GROUP

	2015 R'm	2014 R'm
33. COMMITMENTS <i>continued</i>		
Financial lease commitments		
The Group has entered into financial lease agreements on equipment. The future non-cancellable minimum lease rentals are payable during the following financial years:		
Within 1 year	11	9
1 to 5 years	24	25
Beyond 5 years	9	14
	44	48
Operating lease commitments		
The Group has entered into various operating lease agreements on premises and equipment. The future non-cancellable minimum lease rentals are payable during the following financial years:		
Within 1 year	445	350
1 to 5 years	1 322	1 009
Beyond 5 years	2 578	2 278
	4 345	3 637
Income guarantees		
As part of the expansion of the network of specialist institutes in Switzerland and centres of expertise, the Group has agreed to guarantee a minimum net income to these specialists for a start-up period of three to five years. Payments under such guarantees become due if the net income from the collaboration does not meet the amounts guaranteed. There were no payments under the above-mentioned income guarantees in the reporting period, as the net income individually generated met or exceeded the amounts guaranteed.		
Total of net income guaranteed		
April 2015 to March 2016	32	8
April 2016 to March 2017	17	4
April 2017 to March 2018	8	2
April 2018 to March 2019	2	-
	59	14
Contingent liabilities		
Litigation		
The Group is not aware of any pending legal claims that are not covered by the Group's extensive insurance programmes.		

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34. SEGMENTAL REPORT

The reportable operating segments are identified as the three geographical reportable operating segments, namely: Mediclinic Southern Africa, Mediclinic Switzerland and Mediclinic Middle East.

Year ended 31 March 2015	Southern Africa R'm	Switzerland R'm	Middle East R'm	Total R'm
Revenue	12 323	18 610	4 305	35 238
EBITDA	2 676	3 619	940	7 235
Depreciation and amortisation	(394)	(983)	(135)	(1 512)
EBIT	2 282	2 636	805	5 723
Other gains and losses	158	(97)	-	61
Income from associate	-	2	-	2
Income from joint venture	(1)	-	-	(1)
Finance income	95	6	2	103
Finance cost	(415)	(983)	(49)	(1 447)
Taxation	(585)	379	-	(206)
Segment result	1 534	1 943	758	4 235
At 31 March 2015				
Investments in associates	-	2	-	2
Investments in joint venture	65	-	-	65
Capital expenditure	1 437	1 691	301	3 429
Total segment assets	9 496	65 129	4 547	79 172
Segment liabilities	7 854	45 244	2 282	55 380

Year ended 31 March 2014	Southern Africa R'm	Switzerland R'm	Middle East R'm	Total R'm
Revenue	11 205	15 874	3 416	30 495
EBITDA	2 453	3 539	752	6 744
Depreciation and amortisation	(302)	(801)	(136)	(1 239)
EBIT	2 151	2 738	616	5 505
Other gains and losses	-	2	-	2
Income from associate	-	3	-	3
Income from joint venture	-	-	-	-
Finance income	70	1	2	73
Finance cost	(473)	(848)	(95)	(1 416)
Taxation	(534)	(242)	-	(776)
Segment result	1 214	1 654	523	3 391
At 31 March 2014				
Investments in associates	-	4	-	4
Investments in joint venture	67	-	-	67
Capital expenditure	885	1 327	131	2 343
Total segment assets	8 295	58 226	3 716	70 237
Segment liabilities	7 903	43 688	2 476	54 067

GROUP

	2015 R'm	2014 R'm
34. SEGMENTAL REPORT <i>continued</i>		
Reconciliation of segment result, assets and liabilities		
Segment result		
Total profit from reportable segments	4 235	3 391
Unallocated corporate amounts:		
Other gains and losses	32	-
Elimination of intersegment loan interest	268	195
Profit for the year	4 535	3 586
Assets		
Total assets from reportable segments	79 172	70 237
Unallocated corporate assets	7	297
	79 179	70 534
Liabilities	55 380	54 067
Total liabilities from reportable segments	(9 363)	(8 924)
Elimination of intersegment loan	46 017	45 143
 The total non-current assets, excluding financial instruments and deferred tax assets per geographical location, are:		
 Southern Africa	6 106	5 183
Middle East	2 768	2 243
Switzerland	56 534	51 452
Entity-wide disclosures		
Revenue		
From South Africa	11 952	10 869
From foreign countries	23 286	19 626
 Revenues from external customers are primarily from hospital services.		
The total non-current assets, excluding financial instruments and deferred tax assets		
From South Africa	5 902	5 008
From foreign countries	59 506	53 870

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FOR THE YEAR ENDED 31 MARCH 2015 continued

COMPANY

GROUP

2014 R'm	2015 R'm		2015 R'm	2014 R'm
		35. RELATED-PARTY TRANSACTIONS		
		The major shareholder of the Group is Industrial Partnership Investments (Pty) Ltd (Remgro Ltd), which owns 41.35% (2014: 43.4%) of the issued shared capital.		
		The following transactions were carried out with related third parties:		
		i) Transactions with shareholders		
		Remgro Management Services Ltd (subsidiary of Remgro Ltd)		
		Managerial and administration fees	5	4
		Internal audit services	2	2
		Balance due to	-	-
		V & R Management Services AG (subsidiary of Remgro Ltd)		
		Administration fees	1	1
		ii) Key management compensation		
		<i>Directors</i>		
		Information regarding the directors' and prescribed officers' remuneration appears in note 25.		
		iii) Transactions with subsidiaries and associates		
		Mediclinic Investments (Pty) Ltd		
		Dividend received		
		Balance due from		
		Zentrallabor Zürich (ZLZ)		
		Fees earned	(22)	(22)
		Purchases	129	100
731 11 252	831 14 361			

36. STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

During the year, the following amendments to standards became effective:

- Amendments to IFRS 10 Consolidated Financial Statements
- Amendments to IFRS 12 Disclosure of Interests in Other Entities
- Amendments to IAS 27 Consolidated and Separate Financial Statements
- Amendments to IAS 32 Financial Instruments: Presentation
- Amendments to IAS 36 Impairment of Assets
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement

These amendments had no impact on the reported results or financial position of the Group.

Certain new and revised IFRSs have been issued but are not yet effective for the Group's 2015 financial year. The Group has not early adopted the new and revised IFRSs that are not yet effective.

New and revised IFRSs affecting mainly presentation and disclosure

IFRS 9 Financial Instruments (1 January 2018)

The new standard improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of IAS 39. IFRS 9 applies a consistent approach to classifying financial assets and replaces the numerous categories of financial assets in IAS 39, each of which had its own classification criteria. IFRS 9 also results in one impairment method, replacing the numerous impairment methods in IAS 39 that arise from the different classification categories.

IFRS 15: Revenue from Contracts with Customers (1 January 2017)

The new standard requires companies to recognise revenue to depict the transfer of goods or services to customers, that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, and provides guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements.

The following amendments to standards will have no material effect on the financial statements

- IFRS 10 and IAS 28 – Sale or contribution of assets between an investor and its associate or joint venture (1 January 2016)
- IFRS 10, IFRS 12 and IAS 28 Investment entities – Applying the consolidation exception (1 January 2016)
- IFRS 11 – Joint arrangements (1 January 2016)
- IFRS 14 Regulatory deferral accounts (1 January 2016)
- IFRS 15 Revenue from contracts with customers (1 January 2017)
- IAS 1 – Disclosure initiative (1 January 2016)
- IAS 16 and IAS 38 – Clarification of acceptable methods of depreciation and amortisation (1 January 2016)
- IAS 19 – Employee Benefits (1 July 2014)
- IAS 27 – Equity method in separate financial statements (1 January 2016)
- IFRS 2 Share-based payment (1 July 2014)

There are numerous other amendments to existing standards relating to the Annual Improvements process (2010-12 cycle (1 July 2014), 2011-13 cycle (1 July 2014) and 2012-14 cycle (1 January 2016)) that are not yet effective for the company. Each of these has been assessed, and will not have a material impact on the financial statements.

37. EVENTS AFTER THE REPORTING DATE

The directors are not aware of any matter or circumstance arising since the end of the financial year that would significantly affect the operations of the Group or the results of its operations.

ANALYSIS OF SHAREHOLDERS

AS AT 27 MARCH 2015

DISTRIBUTION OF ORDINARY SHAREHOLDERS

	Number of shareholders	Number of shares	%
Public shareholders	21 852	427 015 846	49.20
Non-public shareholders	28	440 941 479	50.80
- Directors, prescribed officers and their associates	10	5 890 376	0.68
- Directors of major subsidiaries and senior management* and their associates	12	236 175	0.03
- Own holdings (held by Medipark Clinic (Pty) Ltd as treasury shares)	1	805	0.00
- Industrial Partnership Investments (Pty) Ltd (Remgro)	1	358 869 121	41.35
- Black economic empowerment shareholders	4	75 945 002	8.75
	21 880	867 957 325	100.00

* The directors and employees listed here are those who are obliged to comply with the Group's Procedure on Dealings in Mediclinic Shares prohibiting such directors and employees to trade in Mediclinic shares during the Company's closed periods and unless they have obtained prior clearance to deal by the Chairman.

	Number of shares	%
Distribution of local and foreign beneficial shareholding	867 957 325	100.00
South African	697 113 576	80.32
Foreign	170 843 749	19.68

MAJOR SHAREHOLDERS

In terms of the principles of disclosure in accordance with section 56(7)(b) of the Companies Act, 71 of 2008, as amended, the following shareholders held a beneficial interest of 5% or more in the Company on 27 March 2015:

	Number of shares	%
Industrial Partnership Investments (Pty) Ltd (Remgro)	358 869 121	41.35
Government Employees Pension Fund	75 714 833	8.72
Black economic empowerment shareholders	75 945 002	8.75
- Mpilo Investment Holdings 2 (RF) (Pty) Ltd (Phodiso)	39 332 736	4.53
- Mpilo Investment Holdings 1 (RF) (Pty) Ltd (Circle Capital)	23 377 488	2.69
- The Mpilo Trust and The Mpilo Trust (Namibia)	13 234 778	1.52

DIRECTORS' AND PRESCRIBED OFFICERS INTERESTS¹

	2015				2014			
	Direct beneficial	Indirect beneficial	Held by associates	% of issued shares	Direct beneficial	Indirect beneficial	Held by associates	% of issued shares ³
<i>Directors</i>								
E de la H Hertzog	71 424	4 766 718	487 825	0.61	71 424	4 766 718	487 825	0.64
JJ Durand	-	-	-	-	-	-	-	-
JA Grieve	-	-	-	-	-	-	-	-
RE Leu	-	-	-	-	-	-	-	-
MK Makaba ²	-	-	-	-	-	-	-	-
N Mandela	-	-	-	-	-	-	-	-
DP Meintjes	150 801	-	-	0.02	175 801	-	-	0.02
TD Petersen	-	-	-	-	-	-	-	-
KHS Pretorius	130 000	-	-	0.01	130 000	-	-	0.02
AA Raath	-	-	-	-	-	-	-	-
DK Smith	-	-	-	-	-	-	-	-
CI Tingle	88 185	-	-	0.01	113 185	-	-	0.01
PJ Uys	-	-	-	-	-	-	-	-
CA van der Merwe	37 835	-	-	0.00	37 835	-	-	0.00
TO Wiesinger	-	-	-	-	-	-	-	-
	478 245	4 766 718	487 825	0.66	528 245	4 766 718	487 825	0.70

	2015				2014			
	Direct beneficial	Indirect beneficial	Held by associates	% of issued shares	Direct beneficial	Indirect beneficial	Held by associates	% of issued shares ³
<i>Prescribed officers</i>								
DJ Hadley	12 588	-	-	0.00	37 585	-	-	0.00
GC Hattingh	-	145 000	-	0.02	-	150 000	-	0.02
DC le Roux ⁴	-	-	-	-	n/a	n/a	n/a	-
TC Pauw ⁵	n/a	n/a	n/a	n/a	115 813	-	-	0.01
	12 588	145 000	0	0.02	153 398	150 000	0	0.04

There have been no changes in the directors' and prescribed officers' interests between 27 March 2015 and the approval of the annual financial statements on 20 May 2015.

¹ The directors' and prescribed officers' interests disclosed above exclude the grants in terms of the Mediclinic International Forfeitable Share Plan. Refer to note 25 of the annual financial statements for details of the grants awarded.

² Dr MK Makaba holds a 3.65% interest in Phodiso Holdings Limited, which company is the holder of all the issued ordinary shares in Mpilo Investment Holdings 2 (RF) (Pty) Ltd, which holds a 4.53% interest in Mediclinic.

³ The percentage of issued shares for the previous year is calculated on the total number of issued shares (826 957 325) prior to the issue of 41 000 000 shares in June 2014.

⁴ Appointed 11 August 2014.

⁵ Retired 31 July 2013 and appointed on contract as from 1 August 2013 until 31 August 2014

ANALYSIS OF SHAREHOLDERS

AS AT 27 MARCH 2015 continued

SHAREHOLDING SPREAD

	Number of shareholders	%	Number of shares	%
1 – 1 000 shares	12 435	56.83	5 208 966	0.60
1 001 – 10 000 shares	7 861	35.93	23 709 509	2.73
10 001 – 100 000 shares	1 248	5.70	35 324 108	4.07
100 001 – 1 000 000 shares	276	1.26	79 665 431	9.18
Over 1 000 000 shares	60	0.27	724 049 311	83.42
	21 880	100.00	867 957 325	100.00

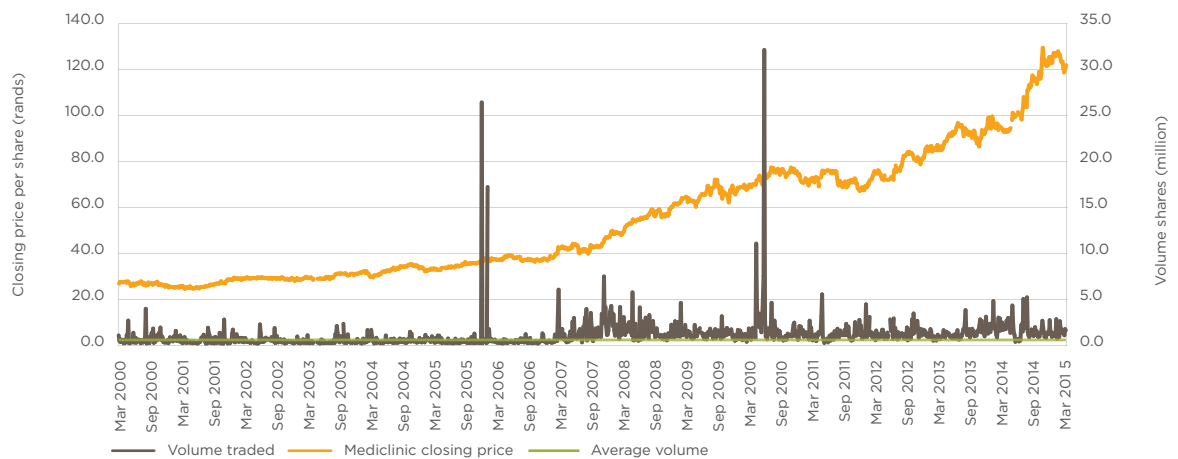
JSE SHARE PERFORMANCE

	2015	2014
Market capitalisation as at 31 March (R'000)	105 890 794	64 949 247
Price (cents per share)		
Last trading day in March	12 200	7 483
Highest	13 000	7 839
Lowest	7 085	6 037
Number of shares traded (000)	309 829	311 802

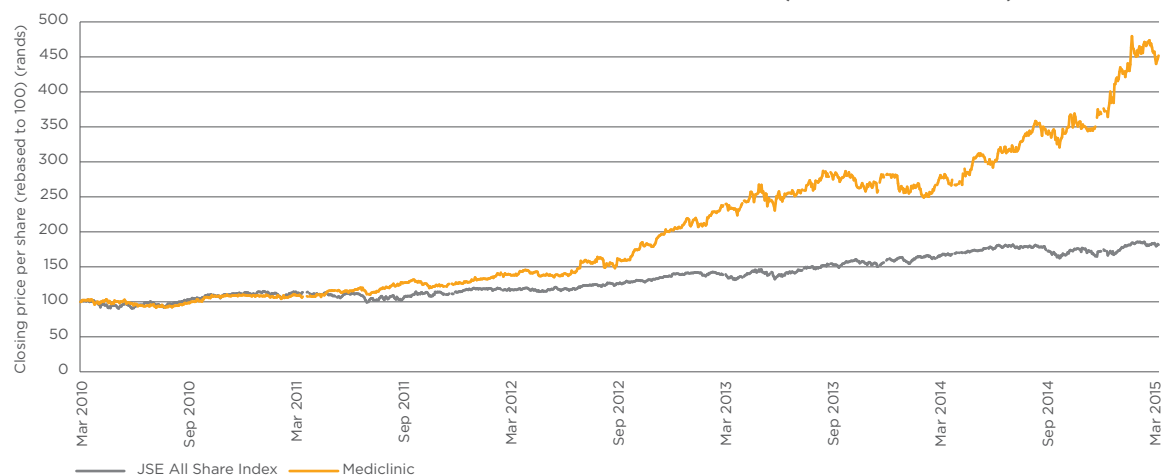
SHARE CLOSING PRICE FROM 2000 - 2015



TRADING STATISTICS (SHARE CLOSING PRICE AND VOLUME)



SHARE PERFORMANCE COMPARED TO JSE ALL SHARE INDEX (REBASED TO 100)



ANNEXURE – INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

AS AT 31 MARCH 2015

	Issued share capital		Interest in capital	
	2015 Rand	2014 Rand	2015 %	2014 %
SUBSIDIARIES				
Company				
Mediclinic Investments (Pty) Ltd	100	100	100.0	100.0
Group				
<i>Indirectly held through Mediclinic Investments (Pty) Ltd</i>				
Mediclinic Southern Africa (Pty) Ltd			100.0	100.0
Mediclinic Europe (Pty) Ltd			100.0	100.0
Mediclinic Middle East Investment Holdings (Pty) Ltd			100.0	100.0
Mediclinic CHF Finco Limited			100.0	100.0
Mediclinic Group Services (Pty) Ltd			100.0	100.0
<i>Indirectly held through Mediclinic Southern Africa (Pty) Ltd</i>				
Curamed Holdings (Pty) Ltd			69.8	69.8
Howick Private Hospital Holdings (Pty) Ltd*			50.0	49.1
Medical Human Resources (Pty) Ltd			100.0	100.0
Medical Innovations (Pty) Ltd			100.0	100.0
Mediclinic Head Office Hospital Shares			100.0	100.0
Mediclinic Finance Corporation (Pty) Ltd			100.0	100.0
Mediclinic Holdings (Namibia) (Pty) Ltd			100.0	100.0
Medipark Clinic (Pty) Ltd			100.0	100.0
Newcastle Private Hospital (Pty) Ltd*			15.1	15.0
Mediclinic Properties (Pty) Ltd			100.0	100.0
Mediclinic Paarl (Pty) Ltd*			74.6	74.7
Practice Relief (Pty) Ltd			100.0	100.0
Mediclinic Brits (Pty) Ltd			60.5	60.1
Mediclinic Tzaneen (Pty) Ltd*			49.4	49.4
Victoria Hospital (Pty) Ltd*			33.7	33.7
Mediclinic Centurion (Pty) Ltd			100.0	100.0
Mediclinic Lephalale (Pty) Ltd			86.3	84.6
Mediclinic Centurion Properties (Pty) Ltd			100.0	100.0
<i>Indirectly held through Mediclinic Holdings (Namibia) (Pty) Ltd</i>				
Mediclinic Properties (Windhoek) (Pty) Ltd			100.0	100.0
Mediclinic Windhoek (Pty) Ltd			96.6	96.6
Mediclinic Properties (Swakopmund) (Pty) Ltd			100.0	100.0
Mediclinic Capital (Namibia) (Pty) Ltd			100.0	100.0
Mediclinic Swakopmund (Pty) Ltd			97.3	97.3
Mediclinic Otjiwarongo (Pty) Ltd			94.0	94.0
<i>Hospital Investment Companies held through Mediclinic Southern Africa (Pty) Ltd</i>				
Mediclinic Bloemfontein Investments (Pty) Ltd			99.0	99.5
Mediclinic Cape Gate Investments (Pty) Ltd			92.8	93.6
Mediclinic Cape Town Investments (Pty) Ltd			99.1	99.3
Mediclinic Constantiaberg Investments (Pty) Ltd			77.1	83.9
Mediclinic Durbanville Investments (Pty) Ltd			99.8	99.8

	Interest in capital	
	2015 %	2014 %
Mediclinic Emfuleni Investments (Pty) Ltd	87.1	90.0
Mediclinic George Investments (Pty) Ltd	98.9	98.9
Mediclinic Highveld Investments (Pty) Ltd	98.7	98.8
Mediclinic Hoogland Investments (Pty) Ltd	99.2	99.3
Mediclinic Kathu Investments (Pty) Ltd	100.0	97.0
Mediclinic Klein Karoo Investments (Pty) Ltd	100.0	100.0
Mediclinic Legae Investments (Pty) Ltd	95.9	95.9
Mediclinic Louis Leipoldt Investments (Pty) Ltd	99.9	99.9
Mediclinic Milnerton Investments (Pty) Ltd	99.4	99.7
Mediclinic Morningside Investments (Pty) Ltd	84.8	89.9
Mediclinic Nelspruit Investments (Pty) Ltd	98.6	99.1
Mediclinic Panorama Investments (Pty) Ltd	99.5	99.7
Mediclinic Pietermaritzburg Investments (Pty) Ltd	78.3	83.8
Mediclinic Plettenberg Bay Investments (Pty) Ltd	94.5	94.5
Mediclinic Sandton Investments (Pty) Ltd	93.7	96.5
Mediclinic Secunda Investments (Pty) Ltd	81.5	84.0
Mediclinic Stellenbosch Investments (Pty) Ltd	90.9	94.0
Mediclinic Vereeniging Investments (Pty) Ltd	99.0	99.0
Mediclinic Vergelegen Investments (Pty) Ltd	94.5	95.8
Mediclinic Welkom Investments (Pty) Ltd	93.4	94.2
Mediclinic Worcester Investments (Pty) Ltd	99.3	99.9
Indirectly held through Mediclinic (Pty) Ltd		
Mediclinic Barberton (Pty) Ltd*°	77.0	77.0
Mediclinic Ermelo (Pty) Ltd*°	50.1	50.1
Mediclinic Hermanus (Pty) Ltd*	34.8	34.9
Mediclinic Kimberley (Pty) Ltd*	88.7	89.1
Mediclinic Limpopo Limited*°	50.0	50.0
Mediclinic Potchefstroom (Pty) Ltd*	88.3	94.6
Mediclinic Upington (Pty) Ltd*	40.8	40.8
Indirectly held through Howick Private Hospital Holdings (Pty) Ltd		
Howick Private Hospital (Pty) Ltd*	100.0	100.0
Indirectly held through Curamed Holdings (Pty) Ltd		
Curamed Hospitals (Pty) Ltd	100.0	100.0
Curamed Properties (Pty) Ltd	100.0	100.0
Mediclinic Thabazimbi (Pty) Ltd	75.0	75.0
Indirectly held through Mediclinic Europe (Pty) Ltd		
Mediclinic Holdings Netherlands B.V.	100.0	100.0
Mediclinic Luxembourg S.à r.l.	100.0	100.0
Hirslanden AG	100.0	100.0

* Controlled through long-term management agreements

° Operating through trusts or partnerships

ANNEXURE – INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

AS AT 31 MARCH 2015 continued

	Interest in capital	
	2015 %	2014 %
<i>Indirectly held through Hirlanden AG</i>		
AndreasKlinik AG	100.0	100.0
Hirlanden Bern AG	100.0	100.0
Hirlanden Freiburg AG	100.0	-
Hirlanden Klinik Aarau AG	100.0	100.0
Hirlanden Klinik Am Rosenberg AG	100.0	100.0
Hirlanden Lausanne SA	100.0	100.0
Klinik am Rosenberg Heiden AG	99.1	99.1
Klinik Belair AG	100.0	100.0
Klinik Birshof AG	99.7	99.7
Klinik Stephanshorn AG	100.0	100.0
Klinik St. Anna AG	100.0	100.0
Radiotherapie Hirlanden AG	100.0	100.0
Hirlanden Clinique La Colline SA	100.0	-
Clinique La Colline SA	100.0	-
Polyclinique La Colline SA	100.0	-
Swissana Clinic AG, Meggen	100.0	-
IMRAD SA	80.0	-
<i>Indirectly held through Mediclinic Middle East Investment Holdings (Pty) Ltd</i>		
Mediclinic Middle East Holdings Ltd	100.0	100.0
Emirates Healthcare Holdings Limited BVI	100.0	100.0
<i>Indirectly held through Emirates Healthcare Holdings Limited BVI</i>		
American Healthcare Management Systems Limited BVI	100.0	100.0
Mediclinic Al Quasis Clinic LLC	49.0	49.0
Mediclinic Mirdif Clinic LLC	49.0	49.0
Mediclinic Creek Hospital FZ LLC	100.0	100.0
Mediclinic Ibn Battuta Clinic LLC	49.0	49.0
Mediclinic Middle East Management Services FZ	100.0	100.0
Mediclinic Medical Stores Co LLC	49.0	49.0
Mediclinic Welcare Hospital LLC	49.0	49.0
Welcare World Health Systems Limited BVI	100.0	100.0
Welcare World Holdings Limited BVI	100.0	100.0
Mediclinic Beach Road LLC	49.0	49.0
Mediclinic Corniche Medical Centre LLC	100.0	49.0
Mediclinic Pharmacy LLC	100.0	49.0
Emirates Healthcare Limited BVI	100.0	100.0
Emirates Healthcare Estates Limited BVI	100.0	100.0

	Interest in capital	
	2015 %	2014 %
Indirectly held through Emirates Healthcare Holdings Limited BVI		
Mediclinic Clinics Investment LLC	49.0	49.0
Mediclinic City Hospital FZ LLC	100.0	100.0
Welcare Hospitals Limited BVI	100.0	100.0
All increases in the above shareholdings were paid for in cash.		
Indirectly held through Medipark Clinic (Pty) Ltd		
ER24 Holdings (Pty) Ltd	100.0	100.0
ER24 EMS (Pty) Ltd	100.0	100.0
JOINT VENTURES		
Wits University Donald Gordon Medical Centre (Pty) Ltd	49.9	49.9

	Interest in capital		Book value of investment	
	2015 %	2014 %	2015 R'm	2014 R'm
ASSOCIATES				
Group				
<i>Unlisted:</i>				
Zentrallabor Zürich, Zürich (ZLZ)*	57.0	46.0	2	4
			2	4

The nature of the activities of the associates is similar to the major activities of the Group.

* The Group does not have control and has less than 50% of voting rights.

