

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>1. PROPERTY, PLANT AND EQUIPMENT</b>				
<b>Cost</b>				
Land and buildings	5 043	4 997		
Leasehold improvements	–	10		
Other equipment and vehicles	83 024	75 093		
Plant and machinery	518	370		
	<b>88 585</b>	<b>80 470</b>		
<b>Accumulated depreciation</b>				
Land and buildings	(2 623)	(2 265)		
Other equipment and vehicles	(40 409)	(33 406)		
Plant and machinery	(221)	(145)		
	<b>(43 253)</b>	<b>(35 816)</b>		
<b>Carrying value</b>				
Land and buildings	2 420	2 732		
Leasehold improvements	–	10		
Other equipment and vehicles	42 615	41 687		
Plant and machinery	297	225		
	<b>45 332</b>	<b>44 654</b>		
<b>Movements in property, plant and equipment</b>				
<b>Balance at the beginning of the year</b>				
Land and buildings	2 732	3 745		
Leasehold improvements	10	10		
Other equipment and vehicles	41 687	46 180		
Plant and machinery	225	104		
	<b>44 654</b>	<b>50 039</b>		
<b>Additions</b>				
Land and buildings	36	–		
Other equipment and vehicles	7 812	3 317		
Plant and machinery	131	169		
	<b>7 979</b>	<b>3 486</b>		
<b>Business combinations</b>				
Other equipment and vehicles	–	898		
<b>Transfer to disposal group assets held for sale (refer to note 10)</b>				
Other equipment and vehicles	–	(1 351)		
<b>Disposals and transfers</b>				
Land and buildings	16	(651)		
Leasehold improvements	(10)	–		
Other equipment and vehicles	111	(223)		
Plant and machinery	17	(14)		
	<b>134</b>	<b>(888)</b>		

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>1. PROPERTY, PLANT AND EQUIPMENT continued</b>				
<b>Depreciation</b>				
Land and buildings	(364)	(362)		
Other equipment and vehicles	(6 995)	(7 086)		
Plant and machinery	(76)	(34)		
	<b>(7 435)</b>	<b>(7 482)</b>		
<b>Currency translation</b>				
Other equipment and vehicles	–	(48)		
<b>Balances at the end of the year</b>				
Land and buildings	2 420	2 732		
Leasehold improvements	–	10		
Other equipment and vehicles	42 615	41 687		
Plant and machinery	297	225		
	<b>45 332</b>	<b>44 654</b>		

A register of land and buildings is available for inspection at the registered office of the Company.

	Licences	Trademarks	Distribution rights	Customer contracts	Emission allowances	Gas rights	Inter-connection	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2. INTANGIBLE ASSETS</b>								
<b>Group 2015</b>								
Carrying value at the beginning of the year	–	–	–	7 861	3 055	17 328	819	29 063
Additions	–	–	–	17	–	659	6 593	7 269
Amortisation	–	–	–	(1 300)	–	(2 438)	(95)	(3 833)
Refund of cost	–	–	–	–	–	–	(57)	(57)
Transfers	–	–	–	–	–	(15)	–	(15)
Carrying value at the end of the year	–	–	–	6 578	3 055	15 534	7 260	32 427
Cost	–	–	–	17 258	3 055	36 135	7 361	63 809
Accumulated amortisation	–	–	–	(10 680)	–	(20 601)	(101)	(31 382)
	–	–	–	6 578	3 055	15 534	7 260	32 427
<b>Group 2014</b>								
Carrying value at the beginning of the year	10 443	671	11 352	9 239	3 055	19 705	–	54 465
Additions	–	123	4 230	–	–	42	825	5 220
Foreign exchange differences	(1 208)	–	708	–	–	–	–	(500)
Disposals	–	–	(202)	–	–	–	–	(202)
Amortisation	–	(75)	(3 617)	(1 378)	–	(2 419)	(6)	(7 495)
Transfers to disposal group held for sale (refer to note 10)	(9 235)	(719)	(12 471)	–	–	–	–	(22 425)
Carrying value at the end of the year	–	–	–	7 861	3 055	17 328	819	29 063
Cost	–	–	–	17 241	3 055	35 493	825	56 614
Accumulated amortisation	–	–	–	(9 380)	–	(18 165)	(6)	(27 551)
	–	–	–	7 861	3 055	17 328	819	29 063

**2. INTANGIBLE ASSETS continued**

The amortisation expense has been included in the line item depreciation and amortisation in the statement of comprehensive income.

The following useful lives were used in the calculation of amortisation:

Customer contracts	15 years
Emission allowances	*
Gas rights	12 – 20 years
Interconnection	10 – 20 years

\* Emission allowances consist of credits that need to be applied to nitrous oxide (“N<sub>2</sub>O”) emissions from internal combustion engines. These engines emit levels of N<sub>2</sub>O for which specific allowances are required in certain states of the United States of America. Certain assets acquired through the acquisition of a subsidiary, by Montauk Energy Holdings LLC, qualify for N<sub>2</sub>O allowances. These have been recognised at fair value at date of acquisition, have indefinite useful lives and as, a result, are not amortised. These assets are tested annually for impairment. There is currently no indicator for impairment.

**3. GOODWILL**

Arising on acquisition of shares in subsidiaries

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**Reconciliation of carrying value**

At the beginning of the year

10 537

- Cost

10 537

- Accumulated impairment

-

Effects of foreign exchange differences

(778)

Transfer to disposal group assets held for sale (refer to note 10)

(9 759)

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**4. SUBSIDIARY COMPANIES**

Shares at cost less

120 237

191 857

Amounts owing by subsidiary companies

-

10 044

120 237

201 901

Amounts owing to subsidiary companies

-

-

120 237

201 901

These loans were interest free and had no set repayment dates.

**Interests in subsidiaries**

Set out below are the Group’s principal subsidiaries at year-end. Unless otherwise stated the subsidiaries have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

Name of entity	Principal activities	Place of business/ Country of incorporation	% of effective interest held by the Group		% exercisable voting rights		% of effective interest held by the non-controlling interests ("NCI")	
			2015	2014	2015	2014	2015	2014
			%	%	%	%	%	%
<b>4. SUBSIDIARY COMPANIES</b>								
<b>continued</b>								
Johnnic Holdings USA, LLC*	Renewable energy	United States of America	100	100	100	100	–	–
Oceania Capital Partners Limited	Investment holding	Australia	–	68	–	68	–	32
Longkloof Limited	Media	Channel Islands	–	80	–	80	–	20
Crystal Brook Distribution Proprietary Limited	Media	South Africa	–	80	–	80	–	20

### Significant restrictions

There are no significant statutory, contractual or regulatory restrictions on the Group's ability to access or use the assets and settle the liabilities of the Group.

There are no contractual arrangements in place for the provision of financial support to any of the principal subsidiaries, nor has there been any financial or other support provided to these entities during the reporting period. There is no current intention of providing financial or other support to these entities.

### Non-controlling interests

As at 31 March 2015 there are no non-controlling interests that are material to the Group.

\* Name changed to Montauk Holdings USA, LLC subsequent to year-end.

## 5. DEFERRED TAX

### Movements in deferred taxation

	Group	
	2015	2014
	\$'000	\$'000
At the beginning of the year	–	94
Provisions and accruals	317	(532)
Assessed losses	2 370	1 405
Accelerated tax allowances	804	(1 549)
Other	–	(4)
Deferred tax asset not recognised	(3 491)	678
Transfer to disposal group assets held for sale	–	(92)
At the end of the year	–	–

### Analysis of deferred taxation

Provisions and accruals	2 316	1 999
Assessed losses	35 664	33 294
Accelerated tax allowances	(4 605)	(5 409)
Deferred tax asset not recognised	(35 860)	(32 369)
Federal tax credits	2 485	2 485
	–	–

The Group had unrecognised assessed loss assets of \$35 664 at 31 March 2015 (2014: \$32 369).

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>6. NON-CURRENT RECEIVABLES</b>				
Prepayments	–	18		
Letter of credit	2 509	1 532		
Other receivables	1 092	136		
These amounts are due between one to ten years and bear interest at rates ranging from 0% to 5% per annum.				
	<b>3 601</b>	<b>1 686</b>		
<b>Fair value of non-current receivables</b>				
The fair value of non-current receivables approximates the carrying value as market-related rates of interest are charged on these outstanding amounts. There were no impairment allowances on non-current receivable financial assets during the current or prior years.				
<b>7. INVENTORIES</b>				
Consumables and spares	921	728		
	<b>921</b>	<b>728</b>		
<b>8. OTHER FINANCIAL ASSETS</b>				
<b>Available for sale investments held at fair value</b>				
Other	–	203		
<b>Fair value through profit and loss</b>				
Energy price derivative	46	104		
	<b>46</b>	<b>307</b>		
Current	46	307		
Non-current	–	–		
	<b>46</b>	<b>307</b>		

**Fair value of derivative financial instruments carried at fair value through profit or loss**

Energy price derivative contracts of the Group are carried at their fair value on the statement of financial position and are subject to enforceable master netting agreements, which allow us to off-set recognised asset and liability fair value amounts on contracts with the same counterparty.

The net market value of all energy price derivative contracts at year-end was calculated by comparing the forward sale prices to the year-end spot prices. Changes in the market values are recognised immediately in profit or loss.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>9. TRADE AND OTHER RECEIVABLES</b>				
Trade receivables	1 712	3 252		
Other receivables	1 474	700		
	<b>3 186</b>	<b>3 952</b>		
<b>Fair value of trade receivables</b>				
Trade and other receivables	<b>3 186</b>	<b>3 952</b>		
<p>The carrying value approximates fair value because of the short period to maturity of these instruments.</p> <p><b>Trade receivables neither past due nor impaired</b> The credit quality of trade and other receivables that are neither past due nor impaired is assessed on an ongoing basis for individual debtors and based on repayment history.</p> <p><b>Collateral</b> The Group holds no collateral over the trade receivables which can be sold or re-pledged to a third party.</p> <p><b>Trade receivables past due but not impaired</b> At 31 March 2015 trade receivables of \$0.006 million (2014: \$nil) were past due but not impaired. These relate mainly to customers for whom there is no recent history of default. The aging analysis of these trade receivables is as follows:</p>				
30 to 60 days	3	–		
60 to 90 days	3	–		
More than 90 days	–	–		
<p>None of the financial assets that are fully performing have been renegotiated in the last year.</p> <p>The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:</p>				
US Dollar	<b>3 186</b>	<b>3 952</b>		
	<b>3 186</b>	<b>3 952</b>		

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable as shown above.

Certain trade and other receivables balances were transferred to disposal group assets held for sale in the prior year. Refer to note 10.

**10. DISPOSAL GROUP ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE**

Non-current assets classified as held for sale  
 Liabilities associated with the non-current assets held for sale

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
	-	123 080		
	-	(21 385)		
	-	101 695		
<b>10.1</b>	During the year ended 31 March 2014 a decision was made by the Company's board of directors to dispose of the Group's interest in HCI Investments Australia Proprietary Limited.			
	<b>Assets and liabilities associated with HCI Investments Australia Proprietary Limited classified as held for sale</b>			
Property, plant and equipment	-	439		
Goodwill	-	5 945		
Intangible assets	-	9 235		
Investments in joint ventures	-	30 148		
Other financial assets	-	517		
Deferred taxation	-	52		
Trade and other receivables	-	1 151		
Cash and cash equivalents	-	32 803		
Borrowings	-	(4 676)		
Trade and other payables	-	(867)		
Current portion of borrowings	-	(275)		
Taxation	-	(198)		
	-	74 274		

Refer to note 23.1 for details of operations related to the above assets and liabilities that have been classified as discontinued.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>10. DISPOSAL GROUP ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE continued</b>				
10.2 During the year ended 31 March 2014 a decision was made by the Company's board of directors to dispose of the Group's interest in Longkloof Limited.				
<b>Assets and liabilities associated with Longkloof Limited classified as held for sale</b>				
Property, plant and equipment	-	893		
Goodwill	-	3 814		
Intangible assets	-	13 190		
Investments in associates	-	8 796		
Deferred taxation	-	32		
Inventories	-	12		
Programme rights	-	948		
Other financial assets	-	1 761		
Trade and other receivables	-	4 839		
Cash and cash equivalents	-	6 905		
Trade and other payables	-	(5 581)		
Current portion of borrowings	-	(9 137)		
Taxation	-	(71)		
	-	26 401		
Refer to note 23.2 for details of operations related to the above assets and liabilities that have been classified as discontinued.				
10.3 During the year ended 31 March 2014 a decision was made by the Company's board of directors to dispose of the Group's interest in Crystal Brook Distribution Proprietary Limited.				
<b>Assets and liabilities associated with Crystal Brook Distribution Proprietary Limited classified as held for sale included in Media</b>				
Property, plant and equipment	-	19		
Deferred taxation	-	8		
Inventories	-	216		
Trade and other receivables	-	962		
Cash and cash equivalents	-	364		
Trade and other payables	-	(519)		
Taxation	-	(19)		
	-	1 031		

Refer to note 23.3 for details of operations related to the above assets and liabilities that have been classified as discontinued.



**10. DISPOSAL GROUP ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE continued**

10.4 During the year ended 31 March 2014 a decision was made by the Company's board of directors to dispose of the Group's interest in Deepkloof Limited.

**Assets and liabilities associated with Deepkloof Limited classified as held for sale included in Other**

Cash and cash equivalents  
 Trade and other payables

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash and cash equivalents	-	32		
Trade and other payables	-	(43)		
	-	(11)		

**11. ORDINARY SHARE CAPITAL**

**Authorised**

Ordinary shares of no par value

**Issued**

In issue in Company

	Number of shares			
	2015 '000	2014 '000	2015 \$'000	2014 \$'000
Authorised	200 000	200 000	-	-
Issued	135 256	135 256	166 202	166 202

Details of the issued share capital and share premium and changes during the current and prior year are as follows:

In issue at 31 March 2014  
 In issue at 31 March 2015

	Number of shares '000	Share capital \$'000
In issue at 31 March 2014	135 256	166 202
In issue at 31 March 2015	135 256	166 202

The unissued shares are under the control of the directors until the next annual general meeting.

**12. OTHER RESERVES**

FCTR at the beginning of the year  
 Disposal of subsidiaries  
 Exchange differences on translation  
 At the end of the year

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
FCTR at the beginning of the year	(4 616)	1 023	1 617	47
Disposal of subsidiaries	8 299	-	-	-
Exchange differences on translation	(950)	(5 639)	1 116	1 570
At the end of the year	2 733	(4 616)	2 733	1 617

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

## 13. BORROWINGS

Bank borrowings  
Other borrowings

Current portion of borrowings

Secured  
Unsecured

Borrowings in the prior year consisted of loans payable to fellow subsidiaries of the Company, which were repaid during the current year.

Borrowings of \$11.8 million in the current year consist of \$11.6 million in respect of a term loan and \$0.2 million in respect of a revolving credit facility from a commercial bank. The term loan facility is repayable in monthly instalments of \$0.1 million.

These borrowings are secured by all assets of the Group, except for Bowerman Power, a gas to energy development project, and \$1.2 million cash held by the Company.

Fixed rates  
Floating rates

Maturity of these borrowings is as follows:

Due within one year  
Due within two – five years  
Due after five years

### Analysis by currency

South African Rand  
United States Dollar

Weighted average effective interest rates (%)

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Bank borrowings	11 803	–	–	–
Other borrowings	–	34 082	–	34 082
	11 803	34 082	–	34 082
Current portion of borrowings	(1 200)	(34 082)	–	(34 082)
	10 603	–	–	–
Secured	11 803	–	–	–
Unsecured	–	34 082	–	34 082
	11 803	34 082	–	34 082
Fixed rates	–	34 082	–	34 082
Floating rates	11 803	–	–	–
	11 803	34 082	–	34 082
Due within one year	1 200	34 082	–	34 082
Due within two – five years	10 603	–	–	–
Due after five years	–	–	–	–
	11 803	34 082	–	34 082
South African Rand	–	34 082	–	34 082
United States Dollar	11 803	–	–	–
	11 803	34 082	–	34 082
Weighted average effective interest rates (%)	4.66	–	–	–

At 31 March 2015 the carrying value of borrowings approximates their fair value as market-related interest rates apply to these balances.

During the year the Group entered into a construction-to-term loan credit facility from a vendor financing company with capacity up to \$41 million for the development of a landfill gas-to-energy project, Bowerman Power. The facility is secured exclusively by the assets of the development project. As of 31 March 2015 no advances had been received by the Group on this facility.

Certain borrowings balances were transferred to disposal group assets held for sale in the prior year. Refer to note 10.

14. PROVISIONS

**Asset retirement obligations\***

Balance at the beginning of the year  
 Raised during the year  
 Balance at the end of the year

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Asset retirement obligations*</b>				
Balance at the beginning of the year	6 150	5 784		
Raised during the year	459	366		
Balance at the end of the year	6 609	6 150		
<b>Leave pay</b>				
Balance at the beginning of the year	166	144		
Raised during the year	404	276		
Utilised	(352)	(254)		
Balance at the end of the year	218	166		
<b>Staff bonuses</b>				
Balance at the beginning of the year	400	339		
Raised during the year	818	457		
Utilised	(456)	(396)		
Balance at the end of the year	762	400		
Total provisions	7 589	6 716		
Non-current	6 609	6 150		
Current	980	566		
	7 589	6 716		

**Asset retirement obligations\***

Asset retirement obligations are based on the Group's environmental plans, in compliance with current regulatory requirements. Provision is made based on the net present value of the rehabilitation of landfill gas sites.

**Leave pay**

This provision is raised in respect of accumulated annual leave days accrued to employees as the Group has a present legal obligation as a result of past services provided by the employee. The timing of the settlement is uncertain given the nature of the provision.

**Staff bonuses**

This provision is recognised when the Group has a present legal or constructive obligation as a result of past services provided by the employee. The timing and extent of claims settled remain uncertain until settlement occurs.

\* Previously named "Rehabilitation liability".

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>15. FINANCIAL LIABILITIES</b>				
<b>Financial liabilities carried at fair value through profit or loss</b>				
Energy price derivatives	329	–		
Current portion	306	–		
Non-current portion	23	–		
	<b>329</b>	<b>–</b>		
<b>Fair value of derivative financial instruments carried at fair value through profit or loss</b>				
Energy price derivative contracts of the Group are carried at their fair value on the statement of financial position and are subject to enforceable master netting agreements, which allow offsetting of the recognised asset and liability fair value amounts on contracts with the same counterparty.				
The net market value of all energy price derivative contracts at year-end was calculated by comparing the forward sale prices to the year-end spot prices. Changes in the market values for outstanding hedges are recognised immediately in profit or loss.				
<b>16. TRADE AND OTHER PAYABLES</b>				
Trade payables	1 096	333	–	–
Other payables	3 485	4 173	237	–
	<b>4 581</b>	<b>4 506</b>	<b>237</b>	<b>–</b>
<b>Fair value of trade and other payables</b>				
The carrying value approximates fair value because of the short period to settlement of these obligations.				
Certain trade and other payables balances were transferred to disposal group assets held for sale in the prior year. Refer to note 10.				
<b>17. COMMITMENTS</b>				
<b>Operating lease arrangements where the Group is a lessee:</b>				
Future leasing charges:				
– Payable within one year	198	164		
– Payable within two to five years	194	160		
– Payable after five years	63	212		
	<b>455</b>	<b>536</b>		
<b>Commitments for the acquisition of property, plant and equipment and intangibles</b>				
Contracted for but not provided in the financial statements	46 011	520		
Authorised but not contracted for	11 953	3 559		
	<b>57 964</b>	<b>4 079</b>		
Within one year	57 964	4 079		
More than one year	–	–		

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>18. REVENUE</b>				
Sale of goods	29 428	31 956	–	–
<b>19. INVESTMENT INCOME</b>				
<b>Dividends</b>				
Subsidiaries	–	–	7 000	–
<b>Interest</b>				
Bank	41	4	34	–
	41	4	7 034	–
<b>20. FINANCE COSTS</b>				
Interest	(301)	(916)	–	–
<b>21. (LOSS)/PROFIT BEFORE TAXATION</b>				
The following items have been included in arriving at profit before taxation:				
Auditor's remuneration				
– Audit fees – current year	126	127	–	–
– Other services	1	5	–	–
Administrative fees	1 611	1 858	–	–
Consultancy fees	403	333	–	–
Operating lease charges				
– Premises	131	186	–	–
– Plant and equipment	9	8	–	–
Loss/(profit) on disposal of property, plant and equipment	–	3	–	–
Loss on disposal of subsidiaries	–	–	24 488	–
Commodity price mark-to-market adjustments	315	(1 743)	–	–
Secretarial fees	2	15	–	–
Staff costs	4 292	3 588	–	–
Listing and related fees	77	–	77	–
Loss on foreign currency exchange	–	–	54	–
<b>22. TAXATION</b>				
Current	(251)	–	(251)	–
Deferred	–	–	–	–
	(251)	–	(251)	–
<b>Reconciliation of tax rate</b>	%	%	%	%
Normal tax rate	28	28	28	–
Capital losses and non-deductible expenses	(50)	(123)	(40)	–
Non-taxable income including share of associates' income	13	8	11	–
Prior-year charges	–	45	–	–
Differential tax rates – CGT and foreign	6	42	–	–
Effective rate	(3)	–	(1)	–

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

## 23. DISCONTINUED OPERATIONS

Profit for the year from discontinued operations  
 Losses for the year from discontinued operations  
 Loss on disposal of subsidiaries

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
	699	429		
	(1 470)	(11 258)		
	(10 847)	–		
	<b>(11 618)</b>	<b>(10 829)</b>		
23.1 During the year ended 31 March 2014 a decision was made by the Company's board of directors to sell the Group's interest in HCI Investments Australia Proprietary Limited.				
The results of these operations have therefore been classified as discontinued operations for the Group.				
The effective disposal date was 17 October 2014.				
<b>Loss from discontinued operations relating to HCI Investments Australia Proprietary Limited</b>				
Revenue	3 744	6 711		
Operating and other costs	(4 136)	(7 703)		
Share of (loss)/profit of joint venture	688	(5 625)		
Fair value adjustments of investments	(65)	923		
Impairment of investment	153	–		
Net finance costs	357	583		
Profit before taxation	741	(5 111)		
Taxation	(195)	316		
	<b>546</b>	<b>(4 795)</b>		
<b>Cash flows from discontinued operations</b>				
Cash flows from operating activities	(277)	178		
Cash flows from investing activities	(4 816)	10 057		
Cash flows from financing activities	(394)	4 946		
	<b>(5 487)</b>	<b>15 181</b>		

Refer to note 10.1 for details of assets and liabilities relating to the above discontinued operation that have been classified as held for sale.

**23. DISCONTINUED OPERATIONS continued**

23.2 During the year ended 31 March 2014 a decision was made by the Company's board of directors to sell the Group's interest in Longkloof Limited.

The results of these operations have therefore been classified as discontinued operations for the Group.

The effective disposal date was 15 September 2014.

**Loss from discontinued operations relating to Longkloof Limited**

	Group 2015 \$'000	2014 \$'000	Company 2015 \$'000	2014 \$'000
Revenue	2 533	8 847		
Operating and other costs	(3 801)	(12 298)		
Share of losses of associated companies	(274)	(815)		
Investment surplus	-	-		
Impairment of assets	-	(2 520)		
Fair value adjustments of investments	19	175		
Net finance income	62	176		
Loss before taxation	(1 461)	(6 435)		
Taxation	(7)	(18)		
	<b>(1 468)</b>	<b>(6 453)</b>		

**Cash flows from discontinued operations**

Cash flows from operating activities	(2 530)	(684)		
Cash flows from investing activities	(1 605)	289		
Cash flows from financing activities	-	2 107		
	<b>(4 135)</b>	<b>1 712</b>		

Refer to note 10.2 for details of assets and liabilities relating to the above discontinued operation that have been classified as held for sale.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

## 23. DISCONTINUED OPERATIONS continued

23.3 During the year ended 31 March 2014 a decision was made by the Company's board of directors to sell the Group's interest in Crystal Brook Distribution Proprietary Limited.

The results of these operations have therefore been classified as discontinued operations for the Group.

The effective disposal date was 15 September 2014.

### Loss from discontinued operations relating to Crystal Brook Distribution Proprietary Limited

	Group 2015 \$'000	2014 \$'000	Company 2015 \$'000	2014 \$'000
Revenue	747	1 710		
Operating costs	(523)	(1 120)		
Net finance costs	-	6		
Profit before tax	224	596		
Taxation	(71)	(167)		
	<b>153</b>	<b>429</b>		

### Cash flows from discontinued operations

Cash flows from operating activities	1	176		
Cash flows from investing activities	(1)	(56)		
Cash flows from financing activities	-	-		
	<b>-</b>	<b>120</b>		

Refer to note 10.3 for details of assets and liabilities relating to the above discontinued operation that have been classified as held for sale.

23.4 During the year ended 31 March 2014 a decision was made by the Company's board of directors to sell the Group's interest in Deepkloof Limited.

The results of these operations have therefore been classified as discontinued operations for the Group.

The effective disposal date was 17 October 2014.

### Loss from discontinued operations relating to Deepkloof Limited

Revenue	-	-		
Operating costs	(2)	(10)		
Loss before tax	(2)	(10)		
Taxation	-	-		
	<b>(2)</b>	<b>(10)</b>		

### Cash flows from discontinued operations

Cash flows from operating activities	(2)	(9)		
Cash flows from investing activities	-	38		
Cash flows from financing activities	-	-		
	<b>(2)</b>	<b>29</b>		

Refer to note 10.4 for details of assets and liabilities relating to the above discontinued operation that have been classified as held for sale.



**24. LOSS PER SHARE**

24.1 Loss per share as presented on the statement of comprehensive income is based on the weighted average number of 135 256 156 ordinary shares in issue (2014: 135 256 156).

24.2 Diluted loss per share is based on the weighted average number of 135 256 156 ordinary shares in issue (2014: 135 256 156).

Used in calculation of loss per share

**135 256** 135 256

Used in calculation of diluted loss per share

**135 256** 135 256

24.3 Headline loss per share (cents)

**(7.09)** (5.62)

– Continuing operations

**(6.52)** (3.96)

– Discontinued operations

**(0.57)** (1.66)

Diluted headline loss per share (cents)

**(7.09)** (5.62)

– Continuing operations

**(6.52)** (3.96)

– Discontinued operations

**(0.57)** (1.66)

Reconciliation of headline loss:

Loss attributable to equity holders of the parent

**(20 432)** (12 933)

IAS 16 loss/(profit) on disposal of plant and equipment

– – 3 3

IAS 28 impairment of associates and joint ventures

– – 2 520 2 016

IAS 27 loss from disposal/part disposal of subsidiary

**10 847** **10 847** – –

Remeasurements included in equity-accounted earnings

– – 4 911 3 325

Headline loss attributable to equity holders of the parent

**(9 585)** (7 589)

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000

	2015		2014	
	Gross \$'000	Net \$'000	Gross \$'000	Net \$'000

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

## 25. NOTES TO THE STATEMENTS OF CASH FLOWS

### 25.1 Cash generated (utilised) by operations

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Profit after taxation	(20 935)	(16 182)	(17 840)	–
Taxation	524	(131)	251	–
Depreciation and amortisation	12 355	14 975	–	–
Dividends received	(80)	–	(7 000)	–
Loss/(profit) on disposal of property, plant and equipment	–	3	–	–
Impairment of goodwill and investments	–	2 520	–	–
Equity-accounted (profits)/losses	(414)	6 440	–	–
Forex translation	(15)	–	54	–
Fair value adjustments	(105)	(1 098)	–	–
Investment income	(536)	(1 007)	(34)	–
Finance costs	455	1 154	–	–
Investment loss	10 847	–	24 488	–
Movement in provisions	479	466	10	–
Other non-cash items	395	(1 517)	–	–
	<b>2 970</b>	<b>5 623</b>	<b>(71)</b>	<b>–</b>

### 25.2 Changes in working capital

Inventory	(202)	69	–	–
Programming rights	–	127	–	–
Trade and other receivables	868	8 449	–	–
Trade and other payables	(2 472)	(3 171)	249	–
	<b>(1 806)</b>	<b>5 474</b>	<b>249</b>	<b>–</b>

### 25.3 Taxation paid

Unpaid at the beginning of the year	(289)	(131)	–	–
Charged to the income statement	(478)	(348)	(251)	–
Withholding tax	(33)	–	–	–
Foreign exchange difference	24	15	–	–
Unpaid at the end of the year	255	289	2	–
	<b>(521)</b>	<b>(175)</b>	<b>(249)</b>	<b>–</b>

25. NOTES TO THE STATEMENTS OF CASH FLOWS continued

25.4 Disposal of subsidiaries

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Property, plant and equipment	2 136	–		
Goodwill	9 441	–		
Intangible assets	21 297	–		
Deferred tax asset	153	–		
Investment in associates and joint ventures	71 428	–		
Trade and other receivables	8 010	–		
Programming rights	948	–		
Financial assets	6 695	–		
Inventories	235	–		
Cash and cash equivalents	36 069	–		
Borrowings	(13 539)	–		
Financial liabilities	(86)	–		
Trade and other payables	(4 010)	–		
Taxation payable	(245)	–		
	<b>138 532</b>	–		
Non-controlling interest	(24 855)	–		
Loss on disposal	(10 847)	–		
Cash and cash equivalents disposed of	(29 069)	–		
Net cash inflow	<b>73 761</b>	–		

25.5 Cash and cash equivalents

Bank balances and deposits	15 891	8 741	1 235	–
Cash in disposal group assets held for sale	–	40 104	–	–
	<b>15 891</b>	<b>48 845</b>	<b>1 235</b>	–

**Fair value of cash and cash equivalents**

The carrying value of cash and cash equivalents approximates fair value due to the short-term maturity of these instruments.

Certain cash and cash equivalent balances were transferred to disposal group assets held for sale in the prior year. Refer to note 10.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

## 26. SEGMENT INFORMATION

The following are the summarised results for the various reportable operating segments:

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Revenue</b>				
<b>Continuing operations</b>				
Renewable Energy****	29 428	31 956		
<b>Discontinued operations</b>				
Media and broadcasting	7 024	17 268		
Other	–	–		
	<b>7 024</b>	<b>17 268</b>		
<b>Segment result (loss before tax)</b>				
<b>Continuing operations</b>				
Renewable Energy****	(9 066)	(5 353)		
<b>Discontinued operations</b>				
Media and broadcasting	13 335	(4 471)		
Other	(24 953)	(6 358)		
	<b>(11 618)</b>	<b>(10 829)</b>		
<b>Assets</b>				
Media and broadcasting	–	60 510		
Renewable Energy****	101 404	89 131		
Other	–	62 570		
	<b>101 404</b>	<b>212 211</b>		
<b>Liabilities</b>				
Media and broadcasting			–	21 053
Renewable Energy****			24 303	11 206
Other			–	34 430
			<b>24 303</b>	<b>66 689</b>
<b>Fixed asset additions</b>				
Media and broadcasting*	939	325		
Renewable Energy****	7 979	3 161		
	<b>8 918</b>	<b>3 486</b>		
<b>Depreciation and amortisation</b>				
Media and broadcasting*			(1 087)	(478)
Renewable Energy****			(11 268)	(10 882)
			<b>(12 355)</b>	<b>(11 360)</b>
Amounts applicable to associates and joint ventures included above:				
	Equity-accounted earnings*	Investment in associates and joint ventures	Equity-accounted earnings*	Investment in associates and joint ventures***
	2015 \$'000	2015 \$'000	2014 \$'000	2014 \$'000
Other	414	–	(6 440)	38 944
<b>Impairments*</b>				
Media and broadcasting	–	(2 520)		

**26. SEGMENT INFORMATION continued**

Group income is attributable to the following geographical areas:

	Group	Company
	2015 \$'000	2014 \$'000
Australia*	3 744	6 711
Europe and United Kingdom*	2 223	7 001
South Africa*	747	1 710
United States of America	29 428	31 956
Other*	310	1 846
	<b>36 452</b>	<b>49 224</b>

Non-current assets\*\* of the Group are held in the following geographical areas:

	Group	Company
	2015 \$'000	2014 \$'000
Australia***	–	45 767
South Africa***	–	19
United Kingdom***	–	25 733
United States of America	77 759	73 717
Other***	–	960
	<b>77 759</b>	<b>146 196</b>

\* Included in discontinued operations.

\*\* Excludes financial instruments and deferred tax assets.

\*\*\* Included in disposal group assets held for sale in 2014.

\*\*\*\* Segment previously identified as "Natural Gas".

**27. RELATED PARTY TRANSACTIONS**

Key management compensation was paid as follows:

Salaries and other short-term employee benefits

**Trade and other payables**

HCI-Treasury Proprietary Limited

**Borrowings**

HCI-Treasury Proprietary Limited

Hosken Consolidated Investments Limited

	Group	Company
	2015 \$'000	2014 \$'000
Salaries and other short-term employee benefits	1 373	3 966
<b>Trade and other payables</b>		
HCI-Treasury Proprietary Limited	237	–
<b>Borrowings</b>		
HCI-Treasury Proprietary Limited	–	10 368
Hosken Consolidated Investments Limited	–	23 714

These borrowings accrued interest at nil percent and were repayable on demand.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

## 28. DIRECTORS' EMOLUMENTS

Group Year ended 31 March 2015	Board fees \$'000	Salary \$'000	Other benefits \$'000	Bonus \$'000	Total \$'000
<b>Executive directors</b>					
DR Herrman <sup>1*</sup>	–	109	16	–	125
SF McClain <sup>1**</sup>	–	95	15	–	110
<b>Non-executive directors</b>					
JA Copelyn <sup>***</sup>	4	–	–	–	4
MA Jacobson <sup>1#</sup>	3	–	–	–	3
A van der Veen <sup>1#</sup>	3	–	–	–	3
MH Ahmed <sup>2#****</sup>	4	–	–	–	4
N Jappie <sup>1#****</sup>	4	–	–	–	4
BS Raynor <sup>1#*****</sup>	19	–	–	–	19
TG Govender <sup>3</sup>	–	–	–	–	–
MJA Golding <sup>4</sup>	–	–	–	–	–
Y Shaik <sup>4</sup>	–	–	–	–	–
JG Ncgobo <sup>4</sup>	–	–	–	–	–
VE Mphande <sup>4</sup>	–	–	–	–	–
<b>Total</b>	<b>37</b>	<b>204</b>	<b>31</b>	<b>–</b>	<b>272</b>

# Actual fees determined in South African Rand.

<sup>1</sup> Appointed 31 August 2014.

<sup>2</sup> Resigned 1 May 2014; Reappointed 31 August 2014.

<sup>3</sup> Resigned 31 August 2014.

<sup>4</sup> Resigned 1 May 2014.

\* \$134 000, which is not included above, was paid as salary and bonuses by a subsidiary prior to appointment as director.

\*\* \$113 000, which is not included above, was paid as salary and bonuses by a subsidiary prior to appointment as director.

\*\*\* includes \$1 040 for remuneration committee fees and social and ethics committee fees.

\*\*\*\* includes \$1 040 for remuneration committee fees and audit committee fees.

\*\*\*\*\* includes \$1 040 for remuneration committee fees and audit committee and social and ethics committee fees.

\*\*\*\*\* includes \$1 040 for audit committee fees and \$15 000 board fees paid by subsidiary companies.

There were no directors' emoluments paid in the year ended 31 March 2014.

## 29. DIRECTORS' SHAREHOLDINGS

Group 31 March 2015	Direct beneficial		Indirect beneficial		Associates	
	Number	% holding	Number	% holding	Number	% holding
	<b>Non-executive directors</b>					
JA Copelyn	6 705 348	4.9	–	–	–	–
MA Jacobson	3 255 689	2.4	–	–	–	–
A van der Veen	813 272	0.6	–	–	–	–
BS Raynor*	91 541	0.1	–	–	–	–
<b>Directors that resigned during the year</b>						
TG Govender <sup>1</sup> **	258 815	0.2	20 706	0.0	12 731 899	9.4
MJA Golding <sup>2</sup> ***	8 424 770	6.3	1 646 291	1.2	–	–
<b>Total</b>	<b>19 549 435</b>	<b>14.5</b>	<b>1 666 997</b>	<b>1.2</b>	<b>12 731 899</b>	<b>9.4</b>

<sup>1</sup> Resigned 31 August 2014.

<sup>2</sup> Resigned 1 May 2014.

\* Acquired a further 151 037 shares on the market on various dates between 8 June and 10 July 2015.

\*\* An associate acquired a further 2 746 453 shares in terms of the mandatory offer to shareholders that closed on 15 May 2015. Sold 12 800 shares on 22 July 2015.

\*\*\* An indirect beneficial interest of 668 236 shares was disposed of subsequent to the reporting date on 29 May 2015.

No directors held an interest in the Company's shares as at 31 March 2014.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

## 30. BUSINESS COMBINATIONS

### 30.1 Subsidiary acquired subsequent to reporting date

	Principal activity	Date of acquisition	Proportion of shares acquired %
<b>Renewable natural gas</b>			
Leaf LFG US Investments, Inc.	Renewable natural gas	25/06/2015	100
<p>The acquisition was facilitated through the purchase of the Company's issued share capital. This subsidiary was acquired to expand the Group's business in the renewable natural gas sector.</p> <p>The acquisition was facilitated through the purchase of the entire issued share capital of Leaf LFG US Investments, Inc.</p>			

### 30.2 Cost of acquisition, net cash outflow on acquisition and analysis of assets and liabilities acquired

The following is an analysis of assets and liabilities acquired:

	Renewable natural gas \$'000
<b>Non-current assets</b>	
Property, plant and equipment	11 822
Other non-current assets	1 554
<b>Current assets</b>	
Other current assets	142
<b>Non-current liabilities</b>	
Borrowings	(6 246)
<b>Current liabilities</b>	
Other current liabilities	(2 790)
	<u>4 482</u>
Non-controlling interests	–
Goodwill	–
Cash balances acquired	–
<b>Total consideration</b>	<u>4 482</u>

Due to the proximity of the acquisition date to the date of issue of this report the cost of acquisition, net cash outflow on acquisition and analysis of assets and liabilities acquired is based on provisional accounting and is subject to fair value adjustments. The final determination of fair value of property, plant and equipment, other non-current assets and current liabilities may differ from the carrying value at which it is reflected in this analysis.



## 31. FINANCIAL RISK MANAGEMENT

### 31.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including commodity risk, currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the treasury departments of the major operating units under policies approved by their boards of directors. Their boards provide principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, use of derivative financial instruments and non-derivative financial instruments, and investing excess liquidity. Credit risk is also managed at an entity level for trade receivables.

#### 31.1.1 Market risk

##### *Currency risk*

During the current and prior years the Group was exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and the Euro. Foreign exchange risk arose from exposure in the foreign operations due to trading transactions in currencies other than the functional currency. Subsequent to the Group's disposal of its interests in the United Kingdom, South Africa and Australia in the current year, its foreign exchange risk is insignificant. The Group secures its debt denominated in US Dollar in the offshore entities with assets and cash flows of those offshore operations (where the functional currency of these entities is US Dollars). As a result no forward cover contracts are required on this debt. Foreign currency import and exports within the Group were managed using forward exchange contracts.

The following significant exchange rates applied during the year:

	Average rate		Reporting date	
	2015	2014	2015	2014
Australian Dollar	0.93	0.93	N/A	0.92
South African Rand	0.09	0.10	0.08	0.09

The Australian Dollar average rate for 2015 applied only until the disposal date of the Australian operations.

A 10% strengthening of the functional currency against the following currencies at 31 March would have increased/(decreased) profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. This analysis is performed on the same basis for 2014.

	Profit/(loss)	
	2015 \$'000	2014 \$'000
Australian Dollar	(55)	28
South African Rand	27	44

A 10% weakening of the functional currency against the above currencies at 31 March would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

## 31. FINANCIAL RISK MANAGEMENT continued

### 31.1 Financial risk factors continued

#### 31.1.1 Market risk

The following carrying amounts were exposed to foreign currency exchange risk:

##### Trade and other receivables

Australian Dollar	–	1 150
South African Rand	–	961

##### Other financial assets

Australian Dollar	–	517
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##### Cash and cash equivalents

Australian Dollar	–	32 803
South African Rand	1 235	364

##### Trade and other payables

Australian Dollar	–	(867)
South African Rand	236	(538)

##### Borrowings

Australian Dollar	–	(4 951)
South African Rand	–	(34 082)

##### Interest rate risk

The Group's primary interest rate risk arises from long-term borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk.

At 31 March the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount	
	2015 \$'000	2014 \$'000
<b>Fixed rate instruments</b>		
Financial assets	15 891	8 741
Financial liabilities	–	–
<b>Variable rate instruments</b>		
Financial assets	–	–
Financial liabilities	(11 803)	–

##### Fair value sensitivity analysis for fixed rate instruments

A change of 100 basis points in interest rates would have increased or decreased profit after tax by \$0.1 million (2014: \$nil).

##### Other price risk

The Group is not exposed to commodity price risk other than energy commodity prices (electricity and natural gas). In order to mitigate the risks associated with the fluctuations in energy commodity prices from time to time the Group enters various hedging arrangements to fix prices for portions of expected production volumes. A change of 1% in the gas price would have increased/decreased post-tax profits by \$0.1 million (2014: \$0.1 million). The analysis assumes that all other variables remain constant.

## 31. FINANCIAL RISK MANAGEMENT continued

### 31.1 Financial risk factors continued

#### 31.1.2 Credit risk

The Group has no significant concentrations of credit risk. Overall credit risk is managed at entity level. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to the Group's customer base, including outstanding receivables and committed transactions. For banks and financial institutions, only board-approved parties are accepted. The Group has policies that limit the amount of credit exposure to any financial institution. Trade receivables comprise a large, widespread customer base and the Group performs ongoing credit evaluations of the financial condition of its customers. The utilisation of credit limits are regularly monitored. Refer note 9 for further credit risk analysis in respect of trade and other receivables. No credit limits were exceeded during the year under review, and management does not expect any losses from non-performance by these counterparties.

The table below shows the Group's maximum exposure to credit risk by class of asset:

	Carrying amount	
	2015 \$'000	2014 \$'000
Energy price derivatives	46	104
Receivables	6 574	5 638
Cash and cash equivalents	15 891	48 845
	<b>22 511</b>	<b>54 587</b>

#### 31.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the treasury functions of the major subsidiaries aims to maintain flexibility in funding by keeping committed credit lines available. Management monitors rolling forecasts of the Group's liquidity headroom on the basis of expected cash flow and the resulting borrowing position compared to available credit facilities. This process is performed during each financial year-end and monitored by the board on an ongoing basis.

The table below analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than one year \$'000	Between two and five years \$'000	Over five years \$'000
<b>At 31 March 2015</b>			
Bank and other borrowings	1 200	10 603	–
Trade and other payables	4 581	–	–
	<b>5 781</b>	<b>10 603</b>	<b>–</b>
<b>At 31 March 2014</b>			
Bank and other borrowings	34 082	–	–
Trade and other payables	4 506	–	–
	<b>38 588</b>	<b>–</b>	<b>–</b>

#### Defaults and breaches on loans

There were no breaches or defaults on the repayment of any loans payable during the current or prior year.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

## 31. FINANCIAL RISK MANAGEMENT continued

### 31.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and provide optimal returns for shareholders through maintaining an optimal capital structure. The Group defines capital as equity funding provided by shareholders and debt funding from external parties. Shareholder funding comprises permanent paid up capital, share premium, revenue reserves and other reserves being revaluation reserves (if any) and foreign currency translation reserves together with loans from shareholders. The board's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The board of directors monitors the cost of capital, which the Group defines as the weighted average cost of capital, taking into account the Group's internally calculated cost of equity (shareholder funding) and long-term cost of debt assumptions. The board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound equity position. The Group's debt capacity and optimal gearing levels are determined by the cash flow profile of the Group and are measured through applicable ratios such as net debt to earnings before interest, tax, depreciation and amortisation ("EBITDA") and interest cover. In order to maintain or adjust the capital structure, in the absence of significant investment opportunities, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

### 31.3 Fair value estimation

IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Level 1 – Quoted prices available in active markets for identical assets or liabilities

Level 2 – Inputs used, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly

Level 3 – Fair value determined by valuation that uses inputs that are not based on observable market data

The following items are measured at fair value:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Group 2015</b>				
<b>ASSETS</b>				
<b>Financial assets at fair value through profit or loss</b>				
Energy price derivative	–	46	–	46
<b>Available-for-sale financial assets</b>				
Other	–	–	–	–
<b>Total assets</b>	<b>–</b>	<b>46</b>	<b>–</b>	<b>46</b>
<b>LIABILITIES</b>				
<b>Financial liabilities at fair value through profit or loss</b>				
Energy price derivatives	–	329	–	329
<b>Total liabilities</b>	<b>–</b>	<b>329</b>	<b>–</b>	<b>329</b>
<b>Group 2014</b>				
<b>ASSETS</b>				
<b>Financial assets at fair value through profit or loss</b>				
Energy price derivative	–	104	–	104
<b>Available-for-sale financial assets</b>				
Other	–	–	203	203
<b>Total assets</b>	<b>–</b>	<b>104</b>	<b>203</b>	<b>307</b>
<b>LIABILITIES</b>				
<b>Financial liabilities at fair value through profit or loss</b>				
Energy price derivatives	–	–	–	–
<b>Total liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

**31. FINANCIAL RISK MANAGEMENT continued**

**31.3 Fair value estimation continued**

The following table presents the changes in level 3 financial instruments for the year:

	<b>Other \$'000</b>
<b>Group 2015</b>	
<b>Assets</b>	
Carrying value at the beginning of the year	203
Transfer	(203)
Carrying value at the end of the year	—
<b>Group 2014</b>	
<b>Assets</b>	
Carrying value at the beginning of the year	311
Disposals	(108)
Carrying value at the end of the year	203

**32 SUBSEQUENT EVENTS**

Subsequent to the reporting date the following significant events have occurred:

- In May 2015 the Group sold \$9.9 million of emission reduction credits (“ERCs”). ERCs are generated by creating permanent emission reductions that exceed the amount of reductions required under State or federal law, regulation, attainment demonstrations, or other enforceable mechanisms. The Group generated ERCs through the installation and operation of new pollution control equipment at a high-btu facility, and there is no cost basis associated with ERCs.
- In June 2015, 100% of the shares in the capital of Leaf LFG US Investments, Inc. were acquired. Refer note 30.

Other than as previously detailed in this report, the directors are not aware of any event or circumstance occurring between the reporting date and the date of this report that materially affects the results of the Group or Company for the year ended 31 March 2015 or the financial position at that date.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

## 33 FINANCIAL INSTRUMENTS

An analysis of the Group's and Company's assets and liabilities, classified by financial instrument classification, are set out below:

	Loans and receivables	
	2015 \$'000	2014 \$'000
<b>Group</b>		
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>3 601</b>	<b>1 686</b>
Property, plant and equipment	–	–
Goodwill	–	–
Intangible assets	–	–
Deferred tax	–	–
Non-current receivables	<b>3 601</b>	<b>1 686</b>
<b>Current assets</b>	<b>19 077</b>	<b>12 693</b>
Inventories	–	–
Programme rights	–	–
Other financial assets	–	–
Trade and other receivables	<b>3 186</b>	<b>3 952</b>
Taxation	–	–
Cash and cash equivalents	<b>15 891</b>	<b>8 741</b>
Disposal group assets held for sale	–	47 228
<b>Total assets</b>	<b>22 678</b>	<b>61 607</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>	–	–
Borrowings	–	–
Financial liabilities	–	–
Long-term provisions	–	–
<b>Current liabilities</b>	–	–
Trade and other payables	–	–
Financial liabilities	–	–
Current portion of borrowings	–	–
Taxation	–	–
Provisions	–	–
Disposal group liabilities held for sale	–	–
<b>Total liabilities</b>	–	–
<b>Company</b>		
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>120 237</b>	<b>191 857</b>
Subsidiary companies	<b>120 237</b>	<b>191 857</b>
<b>Current assets</b>	<b>1 235</b>	–
Cash and cash equivalents	<b>1 235</b>	–
<b>Total assets</b>	<b>121 472</b>	<b>191 857</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>	–	–
Current portion of borrowings	–	–
Trade and other payables	–	–
Taxation	–	–
<b>Total liabilities</b>	–	–

Financial liabilities at amortised cost		Non-financial instruments		Available for sale		Fair value through profit or loss		Total	
2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
-	-	77 759	73 717	-	-	-	-	81 360	75 403
-	-	45 332	44 654	-	-	-	-	45 332	44 654
-	-	-	-	-	-	-	-	-	-
-	-	32 427	29 063	-	-	-	-	32 427	29 063
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	3 601	1 686
-	-	921	728	-	203	46	104	20 044	13 728
-	-	921	728	-	-	-	-	921	728
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	203	46	104	46	307
-	-	-	-	-	-	-	-	3 186	3 952
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	15 891	8 741
-	-	-	73 748	-	-	-	2 104	-	123 080
-	-	78 680	148 193	-	203	46	2 208	101 404	212 211
10 603	-	6 609	6 150	-	-	23	-	17 235	6 150
10 603	-	-	-	-	-	-	-	10 603	-
-	-	-	-	-	-	23	-	23	-
-	-	6 609	6 150	-	-	-	-	6 609	6 150
1 200	34 082	5 562	5 072	-	-	306	-	7 068	39 154
-	-	4 581	4 506	-	-	-	-	4 581	4 506
-	-	-	-	-	-	306	-	306	-
1 200	34 082	-	-	-	-	-	-	1 200	34 082
-	-	1	-	-	-	-	-	1	-
-	-	980	566	-	-	-	-	980	566
-	4 951	-	16 434	-	-	-	-	-	21 385
11 803	39 033	12 171	27 656	-	-	329	-	24 303	66 689
-	-	-	10 044	-	-	-	-	120 237	201 901
-	-	-	10 044	-	-	-	-	120 237	201 901
-	-	-	-	-	-	-	-	1 235	-
-	-	-	-	-	-	-	-	1 235	-
-	-	-	10 044	-	-	-	-	121 472	201 901
-	34 082	238	-	-	-	-	-	238	34 082
-	34 082	-	-	-	-	-	-	-	34 082
-	-	237	-	-	-	-	-	237	-
-	-	1	-	-	-	-	-	1	-
-	34 082	238	-	-	-	-	-	238	34 082