

NET 1 UEPS TECHNOLOGIES INC
Form 10-Q
May 07, 2015

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the quarterly period ended March 31, 2015

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND
EXCHANGE ACT OF 1934**

For the transition period from _____ To _____

Commission file number: **000-31203**

NET 1 UEPS TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction
of incorporation or organization)

98-0171860
(IRS Employer
Identification No.)

**President Place, 4th Floor, Cnr. Jan Smuts Avenue and Bolton Road
Rosebank, Johannesburg 2196, South Africa**

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **27-11-343-2000**

Not Applicable

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if

any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES NO

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

As of May 5, 2015 (the latest practicable date), 46,607,153 shares of the registrant's common stock, par value \$0.001 per share, net of treasury shares, were outstanding.

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NET 1 UEPS TECHNOLOGIES, INC.

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Part I. Financial Information

Item 1. Financial Statements

NET 1 UEPS TECHNOLOGIES, INC.
Unaudited Condensed Consolidated Balance Sheets

	Unaudited March 31, 2015	(A) June 30, 2014
(In thousands, except share data)		
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 111,002	\$ 58,672
Pre-funded social welfare grants receivable (Note 2)	2,853	4,809
Accounts receivable, net of allowances of March: \$2,347; June: \$1,313	136,520	148,067
Finance loans receivable, net of allowances of March: \$4,707; June: \$3,083	44,935	53,124
Inventory (Note 3)	12,095	10,785
Deferred income taxes	6,828	7,451
Total current assets before settlement assets	314,233	282,908
Settlement assets (Note 4)	651,615	725,987
Total current assets	965,848	1,008,895
PROPERTY, PLANT AND EQUIPMENT, net of accumulated depreciation of March: \$98,213; June: \$91,422	48,395	47,797
EQUITY-ACCOUNTED INVESTMENTS	930	878
GOODWILL (Note 6)	169,433	186,576
INTANGIBLE ASSETS, net (Note 6)	51,665	68,514
OTHER LONG-TERM ASSETS, including reinsurance assets (Note 5 and Note 7)	35,781	38,285
TOTAL ASSETS	1,272,052	1,350,945
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	15,341	17,101
Other payables	41,087	42,257
Current portion of long-term borrowings (Note 9)	-	14,789
Income taxes payable	10,215	7,676
Total current liabilities before settlement obligations	66,643	81,823
Settlement obligations (Note 4)	651,615	725,987
Total current liabilities	718,258	807,810
DEFERRED INCOME TAXES	11,841	15,522
LONG-TERM BORROWINGS (Note 9)	60,027	62,388
OTHER LONG-TERM LIABILITIES, including insurance policy liabilities (Note 7)	20,250	23,477
TOTAL LIABILITIES	810,376	909,197
COMMITMENTS AND CONTINGENCIES (Note 17)		
EQUITY		
COMMON STOCK (Note 10)		
Authorized: 200,000,000 with \$0.001 par value;		
	64	63

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Issued and outstanding shares, net of treasury - March:		
46,607,153; June: 47,819,299		
PREFERRED STOCK		
Authorized shares: 50,000,000 with \$0.001 par value;		
Issued and outstanding shares, net of treasury: March: -;	-	-
June: -		
ADDITIONAL PAID-IN-CAPITAL	213,264	202,401
TREASURY SHARES, AT COST: March: 18,057,228; June:	(214,520)	(200,681)
15,883,212		
ACCUMULATED OTHER COMPREHENSIVE LOSS	(131,415)	(82,741)
RETAINED EARNINGS	593,954	522,729
TOTAL NET1 EQUITY	461,347	441,771
NON-CONTROLLING INTEREST	329	(23)
TOTAL EQUITY	461,676	441,748
TOTAL LIABILITIES AND SHAREHOLDERS\$	1,272,052	\$ 1,350,945

EQUITY

(A) Derived from audited financial statements

See Notes to Unaudited Condensed Consolidated Financial Statements

NET 1 UEPS TECHNOLOGIES, INC.
Unaudited Condensed Consolidated Statements of Operations

	Three months ended March 31,		Nine months ended March 31,	
	2015	2014	2015	2014
	(In thousands, except per share data)		(In thousands, except per share data)	
REVENUE	\$ 151,121	\$ 138,126	\$ 461,693	\$ 398,903
EXPENSE				
Cost of goods sold, IT processing, servicing and support	71,094	63,149	217,274	187,591
Selling, general and administration	38,001	40,586	118,122	121,916
Depreciation and amortization	10,060	10,442	30,391	30,245
OPERATING INCOME	31,966	23,949	95,906	59,151
INTEREST INCOME	4,211	3,438	11,888	9,993
INTEREST EXPENSE	941	1,734	3,360	5,712
INCOME BEFORE INCOME TAX EXPENSE	35,236	25,653	104,434	63,432
INCOME TAX EXPENSE (Note 16)	10,305	8,535	32,156	22,119
NET INCOME BEFORE EARNINGS FROM EQUITY-ACCOUNTED INVESTMENTS	24,931	17,118	72,278	41,313
EARNINGS FROM EQUITY-ACCOUNTED INVESTMENTS	65	52	233	202
NET INCOME	24,996	17,170	72,511	41,515
LESS (ADD) NET INCOME (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTEREST	638	(12)	1,690	(12)
NET INCOME ATTRIBUTABLE TO NET1	\$ 24,358	\$ 17,182	\$ 70,821	\$ 41,527
Net income per share, in United States dollars (Note 13)				
Basic earnings attributable to Net1 shareholders	\$ 0.52	\$ 0.38	\$ 1.51	\$ 0.91
Diluted earnings attributable to Net1 shareholders	\$ 0.52	\$ 0.37	\$ 1.51	\$ 0.90

See Notes to Unaudited Condensed Consolidated Financial Statements

NET 1 UEPS TECHNOLOGIES, INC.
Unaudited Condensed Consolidated Statements of Comprehensive Income

	Three months ended March 31,		Nine months ended March 31,	
	2015	2014	2015	2014
	(In thousands)		(In thousands)	
Net income	\$ 24,996	\$ 17,170	\$ 72,511	\$ 41,515
Other comprehensive income (loss)				
Net unrealized gain on asset available for sale, net of tax	648	327	422	288
Movement in foreign currency translation reserve	(11,596)	(2,134)	(49,182)	2,838
Total other comprehensive (loss) income, net of taxes	(10,948)	(1,807)	(48,760)	3,126
Comprehensive income	14,048	15,363	23,751	44,641
(Less) Add comprehensive (income) loss attributable to non-controlling interest	(601)	12	(1,604)	12
Comprehensive income attributable to Net1	\$ 13,447	\$ 15,375	\$ 22,147	\$ 44,653

See Notes to Unaudited Condensed Consolidated Financial Statements

NET 1 UEPS TECHNOLOGIES, INC.**Unaudited Condensed Consolidated Statement of Changes in Equity for the nine months ended March 31, 2015**
(dollar amounts in thousands)**Net 1 UEPS Technologies, Inc. Shareholders**

	Number of Shares	Amount	Number of Treasury Shares	Treasury Shares	Number of shares, net of treasury	Additional Paid-In Capital	Retained Earnings	Accumulated other comprehensive loss
Balance July 1, 2014	63,702,511	\$ 63	(15,883,212)	\$ (200,681)	47,819,299	\$ 202,401	\$ 522,729	\$ (82,741)
Repurchase of common stock (Note 10)			(1,837,432)	(9,151)	(1,837,432)			
Restricted stock granted (Note 12)	213,237				213,237			
Exercise of stock option (Note 12)	748,633	1	(336,584)	(4,688)	412,049	6,467		
Stock-based compensation charge (Note 12)						2,682		
Income tax benefit from vested stock awards						483		
Transactions with non-controlling interest (Note 10)						1,231	404	
Dividends paid to non-controlling interest								
Net income							70,821	
Other comprehensive loss (Note 11)								(48,671)
Balance March 31, 2015	64,664,381	\$ 64	(18,057,228)	\$ (214,520)	46,607,153	\$ 213,264	\$ 593,954	\$ (131,412)

See Notes to Unaudited Condensed Consolidated Financial Statements

NET 1 UEPS TECHNOLOGIES, INC.
Unaudited Condensed Consolidated Statements of Cash Flows

	Three months ended March 31,		Nine months ended March 31,	
	2015	2014	2015	2014
	(In thousands)		(In thousands)	
Cash flows from operating activities				
Net income	\$ 24,996	\$ 17,170	\$ 72,511	\$ 41,515
Depreciation and amortization	10,060	10,442	30,391	30,245
Earnings from equity-accounted investments	(65)	(52)	(233)	(202)
Fair value adjustments	(449)	110	(270)	49
Interest payable	(23)	30	1,276	1,696
Profit on disposal of property, plant and equipment	(64)	(26)	(295)	(42)
Stock-based compensation charge	731	922	2,682	2,820
Facility fee amortized	36	79	170	657
Decrease (Increase) in accounts receivable, pre-funded social welfare grants receivable and finance loans receivable	3,379	(6,443)	5,534	(67,521)
(Increase) Decrease in inventory	(26)	2,821	(2,771)	979
Increase (Decrease) in accounts payable and other payables	4,735	2,656	(7,654)	(10,895)
Increase in taxes payable	7,465	8,069	4,113	9,431
Decrease in deferred taxes	(1,467)	(1,141)	(2,025)	(3,019)
Net cash provided by operating activities	49,308	34,637	103,429	5,713
Cash flows from investing activities				
Capital expenditures	(6,307)	(4,848)	(24,822)	(17,309)
Proceeds from disposal of property, plant and equipment	163	123	777	2,124
Proceeds from sale of business (Note 14)	-	-	1,895	-
(Investment in equity in)	-	(25)	-	(25)
Repayment of loan by equity-accounted investment	-	-	-	-
Other investing activities	-	571	(29)	570
Net change in settlement assets	(188,315)	(277,912)	10,283	(21,409)
Net cash used in investing activities	(194,459)	(282,091)	(11,896)	(36,049)
Cash flows from financing activities				
Repayment of long-term borrowings (Note 9)	-	-	(14,128)	(87,008)
Long-term borrowings utilized	798	1,028	2,976	72,633
	-	-	(9,151)	-

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Acquisition of treasury stock (Note 10)				
Sale of equity to non-controlling interest (Note 10)	-	-	1,407	-
Dividends paid to non-controlling interest	(1,024)	-	(1,024)	-
Proceeds from issue of common stock	791	88	1,780	88
Payment of facility fee	-	-	-	(872)
Proceeds from bank overdraft	-	-	-	24,580
Repayment of bank overdraft	-	(23,335)	-	(23,335)
Acquisition of interests in KSNET (Note 10)	-	-	-	(1,968)
Net change in settlement obligations	188,315	277,912	(10,283)	21,409
Net cash provided (used in) by financing activities	188,880	255,693	(28,423)	5,527
Effect of exchange rate changes on cash	(3,708)	274	(10,780)	2,019
Net increase (decrease) in cash and cash equivalents	40,021	8,513	52,330	(22,790)
Cash and cash equivalents beginning of period	70,981	22,362	58,672	53,665
Cash and cash equivalents end of period	111,002	\$ 30,875	\$ 111,002	\$ 30,875

See Notes to Unaudited Condensed Consolidated Financial Statements

NET 1 UEPS TECHNOLOGIES, INC.
Notes to the Unaudited Condensed Consolidated Financial Statements
for the three and nine months ended March 31, 2015 and 2014

(All amounts in tables stated in thousands or thousands of United States Dollars, unless otherwise stated)

1. Basis of Presentation and Summary of Significant Accounting Policies

Unaudited Interim Financial Information

The accompanying unaudited condensed consolidated financial statements include all majority-owned subsidiaries over which the Company exercises control and have been prepared in accordance with US generally accepted accounting principles (GAAP) and the rules and regulations of the Securities and Exchange Commission for quarterly reports on Form 10-Q and include all of the information and disclosures required for interim financial reporting. The results of operations for the three and nine months ended March 31, 2015 and 2014, are not necessarily indicative of the results for the full year. The Company believes that the disclosures are adequate to make the information presented not misleading.

These financial statements should be read in conjunction with the financial statements, accounting policies and financial notes thereto included in the Company s Annual Report on Form 10-K for the fiscal year ended June 30, 2014. In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments (consisting only of normal recurring adjustments), which are necessary for a fair representation of financial results for the interim periods presented.

References to the Company refer to Net1 and its consolidated subsidiaries, unless the context otherwise requires. References to Net1 are references solely to Net 1 UEPS Technologies, Inc.

Recent accounting pronouncements adopted

In March 2013, the FASB issued guidance regarding *Parent s Accounting for the Cumulative Translation Adjustment Upon Derecognition of Certain Subsidiaries or Groups of Assets Within a Foreign Entity or of an Investment in a Foreign Entity*. This guidance requires that the parent release any related cumulative translation adjustment into net income only if the sale or transfer results in the complete or substantially complete liquidation of the foreign entity in which the subsidiary or group of assets had resided. The guidance is effective for the Company beginning July 1, 2014, and is applied prospectively. The adoption of this guidance did not have a material impact on the Company s financial statements.

Recent accounting pronouncements not yet adopted as of March 31, 2015

In May 2014, the FASB issued guidance regarding *Revenue from Contracts with Customers*. This guidance requires an entity to recognize revenue when a customer obtains control of promised goods or services in an amount that reflects the consideration to which the entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The guidance is effective for the Company beginning July 1, 2017. Early adoption is not permitted. The Company expects that this guidance will have a material impact on its financial statements and is currently evaluating the impact of this guidance on its financial statements on adoption.

In August 2014, the FASB issued guidance regarding *Disclosure of Uncertainties About an Entity s Ability to Continue as a Going Concern*. This guidance requires an entity to perform interim and annual assessments of its ability to continue as a going concern within one year of the date that its financial statements are issued. An entity must provide certain disclosures if conditions or events raise substantial doubt about the entity s ability to continue as a going concern. The guidance is effective for the Company beginning July 1, 2017. Early adoption is permitted. The

Company is currently assessing the impact of this guidance on its financial statements disclosure.

In February 2015, the FASB issued guidance regarding *Amendments to the Consolidation Analysis*. This guidance amends both the variable interest entity and voting interest entity consolidation models. The requirement to assess an entity under a different consolidation model may change previous consolidation conclusions. The guidance is effective for the Company beginning July 1, 2016. Early adoption is permitted. The Company is currently assessing the impact of this guidance on its financial statements disclosure.

2. Pre-funded social welfare grants receivable

Pre-funded social welfare grants receivable represents amounts pre-funded by the Company to certain merchants participating in the merchant acquiring system. The April 2015 payment service commenced on April 1, 2015, but the Company pre-funded certain merchants participating in the merchant acquiring system on the last two days of March 2015.

3. Inventory

The Company's inventory comprised the following categories as of March 31, 2015 and June 30, 2014.

	March 31, 2015	June 30, 2014
Finished goods	\$ 12,095	\$ 10,785
	\$ 12,095	\$ 10,785

4. Settlement assets and settlement obligations

Settlement assets comprise (1) cash received from the South African government that the Company holds pending disbursement to recipient cardholders of social welfare grants and (2) cash received from customers on whose behalf the Company processes payroll payments that the Company will disburse to customer employees, payroll-related payees and other payees designated by the customer.

Settlement obligations comprise (1) amounts that the Company is obligated to disburse to recipient cardholders of social welfare grants, and (2) amounts that the Company is obligated to pay to customer employees, payroll-related payees and other payees designated by the customer.

The balances at each reporting date may vary widely depending on the timing of the receipts and payments of these assets and obligations.

5. Fair value of financial instruments

Initial recognition and measurement

Financial instruments are recognized when the Company becomes a party to the transaction. Initial measurements are at cost, which includes transaction costs.

Risk management

The Company seeks to reduce its exposure to currencies other than the South African Rand (ZAR) through a policy of matching, to the extent possible, assets and liabilities denominated in those currencies. In addition, the Company uses financial instruments in order to economically hedge its exposure to exchange rate and interest rate fluctuations arising from its operations. The Company is also exposed to equity price and liquidity risks as well as credit risks.

Currency exchange risk

The Company is subject to currency exchange risk because it purchases inventories that it is required to settle in other currencies, primarily the euro and US dollar. The Company has used forward contracts in order to limit its exposure in these transactions to fluctuations in exchange rates between the ZAR, on the one hand, and the US dollar and the euro, on the other hand.

Translation risk

Translation risk relates to the risk that the Company's results of operations will vary significantly as the US dollar is its reporting currency, but it earns most of its revenues and incurs most of its expenses in ZAR. The US dollar to ZAR exchange rate has fluctuated significantly over the past three years. As exchange rates are outside the Company's control, there can be no assurance that future fluctuations will not adversely affect the Company's results of operations and financial condition.

Interest rate risk

As a result of its normal borrowing and leasing activities, the Company's operating results are exposed to fluctuations in interest rates, which it manages primarily through regular financing activities. The Company generally maintains limited investment in cash equivalents and has occasionally invested in marketable securities.

5. Fair value of financial instruments (continued)

Risk management (continued)

Credit risk

Credit risk relates to the risk of loss that the Company would incur as a result of non-performance by counterparties. The Company maintains credit risk policies with regard to its counterparties to minimize overall credit risk. These policies include an evaluation of a potential counterparty's financial condition, credit rating, and other credit criteria and risk mitigation tools as the Company's management deems appropriate.

With respect to credit risk on financial instruments, the Company maintains a policy of entering into such transactions only with South African and European financial institutions that have a credit rating of BBB or better, as determined by credit rating agencies such as Standard & Poor's, Moody's and Fitch Ratings.

UEPS-based microlending credit risk

The Company is exposed to credit risk in its UEPS-based microlending activities, which provides unsecured short-term loans to qualifying customers. The Company manages this risk by performing an affordability test for each prospective customer and assigns a creditworthiness score, which takes into account a variety of factors such as other debts and total expenditures on normal household and lifestyle expenses.

Equity price and liquidity risk

Equity price risk relates to the risk of loss that the Company would incur as a result of the volatility in the exchange-traded price of equity securities that it holds and the risk that it may not be able to liquidate these securities. The market price of these securities may fluctuate for a variety of reasons, consequently, the amount the Company may obtain in a subsequent sale of these securities may significantly differ from the reported market value.

Liquidity risk relates to the risk of loss that the Company would incur as a result of the lack of liquidity on the exchange on which these securities are listed. The Company may not be able to sell some or all of these securities at one time, or over an extended period of time without influencing the exchange traded price, or at all.

Financial instruments

The following section describes the valuation methodologies the Company uses to measure its significant financial assets and liabilities at fair value.

In general, and where applicable, the Company uses quoted prices in active markets for identical assets or liabilities to determine fair value. This pricing methodology applies to Level 1 investments. If quoted prices in active markets for identical assets or liabilities are not available to determine fair value, then the Company uses quoted prices for similar assets and liabilities or inputs other than the quoted prices that are observable either directly or indirectly. These investments are included in Level 2 investments. In circumstances in which inputs are generally unobservable, values typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques. Investments valued using such techniques are included in Level 3 investments.

Asset measured at fair value using significant unobservable inputs - investment in Finbond Group Limited (Finbond)

The Company's Level 3 asset represents an investment of 156,788,712 shares of common stock of Finbond, which are exchange-traded equity securities. Finbond's shares are traded on the Johannesburg Stock Exchange (JSE) and the Company has designated such shares as available for sale investments. The Company has concluded that the market for Finbond shares is not active and consequently has employed alternative valuation techniques in order to determine the fair value of such stock. Finbond issues financial products and services under a mutual banking licence and also has a microlending offering. In determining the fair value of Finbond, the Company has considered amongst other things Finbond's historical financial information (including its most recent public accounts), press releases issued by Finbond and its published net asset value. The Company believes that the best indicator of fair value of Finbond is its published net asset value and has used this value to determine the fair value.

5. Fair value of financial instruments (continued)**Financial instruments (continued)***Asset measured at fair value using significant unobservable inputs investment in Finbond Group Limited (Finbond) (continued)*

The fair value of these securities as of March 31, 2015, represented approximately 1% of the Company's total assets, including these securities. The Company expects to hold these securities for an extended period of time and it is not concerned with short-term equity price volatility with respect to these securities provided that the underlying business, economic and management characteristics of the company remain sound.

Derivative transactions - Foreign exchange contracts

As part of the Company's risk management strategy, the Company enters into derivative transactions to mitigate exposures to foreign currencies using foreign exchange contracts. These foreign exchange contracts are over-the-counter derivative transactions. Substantially all of the Company's derivative exposures are with counterparties that have long-term credit ratings of BBB or better. The Company uses quoted prices in active markets for similar assets and liabilities to determine fair value (Level 2). The Company has no derivatives that require fair value measurement under Level 1 or 3 of the fair value hierarchy.

The Company's outstanding foreign exchange contracts are as follows:

As of March 31, 2015

Notional amount	Strike price	Fair market value price	Maturity
EUR 706,205.00	ZAR 14.8645	ZAR 13.0822	April 20, 2015
EUR 512,865.00	ZAR 14.9455	ZAR 13.1517	May 20, 2015
EUR 526,263.00	ZAR 15.0345	ZAR 13.2305	June 22, 2015
EUR 526,263.00	ZAR 15.1145	ZAR 13.3002	July 20, 2015
EUR 526,263.00	ZAR 15.2025	ZAR 13.3786	August 20, 2015
EUR 526,263.00	ZAR 15.2944	ZAR 13.4595	September 21, 2015
EUR 526,263.00	ZAR 15.3809	ZAR 13.5353	October 20, 2015
EUR 509,516.00	ZAR 15.4728	ZAR 13.6178	November 20, 2015
EUR 529,865.00	ZAR 15.5654	ZAR 13.7004	December 21, 2015
EUR 526,663.00	ZAR 15.6625	ZAR 13.7827	January 20, 2016

As of June 30, 2014

Notional amount	Strike price	Fair market value price	Maturity
EUR 182,272.50	ZAR 15.2077	ZAR 14.5803	July 21, 2014
EUR 182,272.50	ZAR 15.3488	ZAR 14.5803	July 21, 2014
EUR 180,022.50	ZAR 15.4228	ZAR 14.6542	August 20, 2014
EUR 180,022.50	ZAR 15.2819	ZAR 14.6542	August 20, 2014
EUR 180,022.50	ZAR 15.3623	ZAR 14.7367	September 22, 2014
EUR 180,022.50	ZAR 15.5041	ZAR 14.7367	September 22, 2014
EUR 181,570.50	ZAR 15.5739	ZAR 14.8119	October 20, 2014
EUR 181,570.50	ZAR 15.4316	ZAR 14.8119	October 20, 2014
EUR 180,022.50	ZAR 15.6552	ZAR 14.8982	November 20, 2014
EUR 180,022.50	ZAR 15.5136	ZAR 14.8982	November 20, 2014

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EUR 180,022.50	ZAR 15.5970	ZAR 14.9874	December 22, 2014
EUR 180,022.50	ZAR 15.7391	ZAR 14.9874	December 22, 2014
EUR 174,424.50	ZAR 15.8119	ZAR 15.0671	January 20, 2015
EUR 174,424.50	ZAR 15.6729	ZAR 15.0671	January 20, 2015

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5. Fair value of financial instruments (continued)

The following table presents the Company's assets and liabilities measured at fair value on a recurring basis as of March 31, 2015, according to the fair value hierarchy:

Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
--	--	--