Group and Company Annual Financial Statements for the year ended March 31, **2019**

www.mixtelematics.com

MiX Telematics Limited
(Incorporated in the Republic of South Africa)
(Registration number 1995/013858/06)
JSE share code: MIX NYSE code: MIXT ISIN: ZAE000125316
("MiX Telematics" or "the Company" or "the Group")

MiX TELEMATICS
MOBILE INFORMATION EXCHANGE

Contents

Statement of directors' responsibility

for the year ended March 31, 2019

The directors are responsible for the preparation, integrity and fair presentation of the Annual Financial Statements of MiX Telematics Limited ("the Company") and its subsidiaries ("the Group"). The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, IFRS Interpretations Committee ("IFRIC") interpretations applicable to companies reporting under IFRS, SAICA Financial Reporting guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and in accordance with the requirements of the Companies Act No. 71 of 2008 ("the Companies Act"), and include amounts based on judgements and estimates made by management.

The directors consider that, having applied IFRS in preparing the financial statements, they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all IFRS that they consider applicable have been followed. The directors are satisfied that the information contained in the financial statements fairly presents the results of the operations and cash flows for the year, and the financial position of the Group and Company at year-end, in accordance with IFRS and the Companies Act.

The directors are also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the Annual Financial Statements, and to adequately safeguard, verify and maintain accountability of assets, as well as prevent and detect material misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year.

The Annual Financial Statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the Company or the Group will not remain a going concern for the foreseeable future, based on forecasts and available cash resources. These financial statements support the viability of the Group and the Company.

The Group's external auditors are Deloitte & Touche ("Deloitte") and their unmodified report is presented on pages 17 to 21. The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board of Directors and committees of the Board of Directors. The Board of Directors believe that all representations made to the independent external auditors during their audit are valid and appropriate.

The Annual Financial Statements set out on pages 1 to 8 and 17 to 127 were approved by the Board of Directors on June 28, 2019 and are signed on its behalf by:

R Frew
Chairperson of the Board

S Joselowitz
Chief Executive Officer

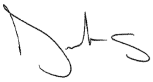
P Dell
Interim Chief Financial Officer

Midrand
June 28, 2019

Certificate of the Company Secretary

for the year ended March 31, 2019

In terms of the Companies Act No. 71 of 2008 ("the Companies Act"), we certify that, to the best of our knowledge and belief, the Company has lodged with the Companies and Intellectual Properties Commission, for the financial year ended March 31, 2019, all such returns as are required of a public company in terms of section 88 of the Companies Act and that all such returns are true, correct and up to date.



Statucor Proprietary Limited

Company Secretary

Midrand

June 28, 2019

Nature of business

MiX Telematics Limited ("MiX Telematics" or "the Company" or "the Group") is a company listed under the "MIX" share code in the Business Support Services sector on the Johannesburg Stock Exchange ("JSE"). The Company's American Depositary Shares ("ADSs'') are listed on the New York Stock Exchange ("NYSE") and traded under the symbol "MIXT". The Group's activities focus on fleet and mobile asset management solutions delivered as Software-as-a-Service. The Company's registered address is Matrix Corner, Howick Close, Waterfall Park, Bekker Road, Midrand, South Africa, 1686.

Accounting practices

The Annual Financial Statements of the Group and Company for the year ended March 31, 2019, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, IFRS Interpretations Committee ("IFRIC") interpretations applicable to companies reporting under IFRS, SAICA Financial Reporting guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act No. 71 of 2008 and the JSE Listings Requirements.

Review of results

The results of the Group and the Company have been set out in the attached financial statements, as set out on pages 1 to 8 and 17 to 127.

The Company's diluted adjusted earnings per ordinary share of 43.6 South African cents exceeded the high end of the fiscal 2019 financial guidance contained in our financial results announcement for the third quarter of fiscal 2019, issued on January 31, 2019, by 13.0%. Our financial guidance stated that we expected full year adjusted earnings per diluted ordinary share of 36.4 to 38.6 South African cents. The reason for the actual adjusted earnings per diluted ordinary share differing from the financial guidance is as a result of better than expected hardware and other revenue recorded during the fourth quarter of fiscal 2019, together with the benefits arising from strict cost management. In addition, the tax rate was 26.3% compared to the 28% - 31% range indicated in the financial guidance for fiscal year ended March 31, 2019, as a result of the recognition of deferred tax assets in our foreign operations.

The Company's subscription revenue, total revenue and adjusted EBITDA were all within 10.0% of our fiscal 2019 financial guidance contained in our financial results announcement for the third quarter of fiscal 2019, issued on January 31, 2019.

Changes to share capital

During the 2019 fiscal year, 6,684,570 (2018: 6,001,565) ordinary shares of no par value were issued as a result of employee share options and share appreciation rights exercised during the year.

During fiscal 2019 the Company repurchased 9,157,695 shares, as part of the share repurchase program detailed below, which were subsequently de-listed and now form part of the authorized unissued share capital of the Company.

At year-end, the authorized stated capital amounted to 1 billion ordinary shares of no par value and 100 million preference shares with no par value. The number of issued ordinary shares of no par value amounted to 601,947,020 at March 31, 2019 (2018: 604,420,145).

MiX Telematics Investments Proprietary Limited, a wholly owned subsidiary of the Company, holds 40,000,000 of the Company's ordinary shares of no par value, which were acquired under an approved general share repurchase program during fiscal 2016. These shares were held as treasury shares by the Group at the end of the current and prior financial years.

There were no changes in the Company's authorized number of ordinary shares during the year under review (2018: none) nor were there any changes to the Company's authorized number of preference shares during the year under review. No preference shares were issued during the year (2018: none).

Share repurchase program

On May 23, 2017, the MiX Telematics Board of Directors approved a share repurchase program of up to R270 million under which the Company may repurchase its ordinary shares, including ADSs. The Company may repurchase its shares from time to time at its discretion through open market transactions and block trades, based on ongoing assessments of the capital needs of the Company, the market price of its securities and general market conditions. This share repurchase program may be discontinued at any time by the Board of Directors, and the Company has no obligation to repurchase any amount of its securities under the program. The share repurchase program will be funded out of existing cash resources. During fiscal 2019 the Company repurchased 9,157,695 (2018: 5,015,660) shares for an aggregate repurchase consideration of R73.5 million (2018: R18.7 million). Subsequent to the repurchase, the shares were de-listed and now form part of the authorized unissued share capital of the Company. The maximum value of shares that may still be repurchased under the program is R177.8 million. The authority to repurchase shares will expire at the upcoming annual general meeting.

Acquisitions and disposals

The Group did not enter into any acquisitions or dispose of any businesses during the 2019 and 2018 fiscal years.

Dividends

During fiscal 2016 the Board of Directors reintroduced the Company's policy of paying regular dividends. Dividend payments are currently considered on a quarter-by-quarter basis.

Dividends declared during the current and prior fiscal years are set out in note 31 of the consolidated financial statements.

Directorate

The Board of Directors of the Company ("the Board") comprises:

Non-executive directors

R Frew (Chairperson of the Board)
R Bruyns (Lead Independent Director)*
E Banda (resigned July 4, 2018)
F Futwa (appointed July 4, 2018)*
I Jacobs*
F Roji-Maplanka*
A Welton*

Executive directors

S Joselowitz (Chief Executive Officer)
P Dell (Interim Chief Financial Officer)
C Tasker (Chief Operating Officer)

** Independent*

With effect from July 4, 2018, E Banda resigned from the Board. Following his resignation, F Futwa was appointed to the Board as an independent non-executive director with effect from July 4, 2018.

Details of directors' remuneration and shareholding are set out in notes 28 and 33 of the Annual Financial Statements.

Directors' interests

Please refer to note 33 of the Annual Financial Statements, which sets out directors' shareholdings and interests in contracts.

Service contracts

Neither the non-executive directors nor the executive directors have fixed-term employment contracts.

Subsidiaries

The subsidiary companies are set out in note 40 to the consolidated Annual Financial Statements.

Borrowing powers

In terms of the Memorandum of Incorporation of the Company, the borrowing powers of the Company are unlimited. The details of borrowings appear in note 15 of the consolidated Annual Financial Statements.

Going concern

The Board has reviewed the Company and Group cash flow forecast for the year ending March 31, 2020. On the basis of this review, and in light of the current financial position and existing borrowing facilities, the Board is satisfied that the Company and Group have access to adequate resources to continue in operational existence for the foreseeable future and are going concerns. The Board has continued to adopt the going concern basis in preparing the financial statements.

Litigation statement

Other than the judicial review proceedings against the Minister of Science and Technology, which are set out in note 29 to the consolidated Annual Financial Statements, the only other matters are:

- The Ugandan value added tax ("VAT") matter. The Ugandan Revenue Authorities ("URA") have reviewed MiX Telematics' cross-border services and assert that VAT is payable on these imported services in terms of the place of supply rules included within its local VAT legislation. MiX East Africa challenged this matter with the URA based on firstly, the interpretation of the law; and secondly, calculation errors by the URA. MiX East Africa appeared in front of the Tax Appeals Tribunal on a number of occasions to present its defence and will continue to do so. This matter is ongoing; and
- The referral by the Competition Commission of South Africa ("Commission") to the Competition Tribunal of South Africa ("Tribunal") on April 15, 2019. The Commission contends that the Group and a number of the Group's channel partners have engaged in market division. Should the Tribunal rule against MiX Telematics, the Company may be liable to an administrative penalty in terms of the Competition Act, No. 89 of 1998. The Group had cooperated fully with the Commission during its preliminary investigation. MiX Telematics cannot predict the timing of a resolution or the ultimate outcome of the matter, however, the Group and our external legal advisers continue to believe that we have consistently adhered to all applicable laws and regulations and that the referral from the Commission is without merit.

None of the directors are aware, at the date of this report, of any other pending or threatened proceedings, which may have or have had a material effect on the Group or Company's financial position.

Contingent liabilities

The Group's contingent liabilities are set out in note 34 to the consolidated Annual Financial Statements.

Events after reporting period

As per the announcement dated June 7, 2019, Anthony (Tony) Welton intends to retire from the Board and its committees with effect from September 30, 2019. Following Tony's retirement, it is expected that Fikile Futwa will be elected as the Chairperson of the Social and Ethics Committee in the event that Fundiswa Roji-Maplanka is elected as the Chairperson of the Audit and Risk Committee and relinquishes her Chairpersonship of the Social and Ethics Committee.

For further details on events after the reporting date please refer to note 36 of the consolidated Annual Financial Statements.

Changes to the Board committees

E Banda ceased to be a member of the Audit and Risk Committee on July 4, 2018.

F Futwa was appointed as a member of the Audit and Risk Committee on July 4, 2018.

There were no other changes to the Board committees during the 2019 fiscal year.

Auditors

Deloitte & Touche are the appointed auditors to the Company in accordance with section 90 of the Companies Act and also audit all of the subsidiaries.

Company Secretary

The company secretarial function is outsourced to Statucor Proprietary Limited ("Statucor").

Midrand
June 28, 2019

The MiX Telematics Limited Audit and Risk Committee ("the Committee") has pleasure in submitting this report for the year ended March 31, 2019, which has been approved by the Board. This report has been prepared in compliance with section 94(7)(f) of the Companies Act 71 No. of 2008 ("the Companies Act") and in accordance with the mandate given by the Board.

Terms of reference

The Committee has adopted comprehensive and formal terms of reference included in its charter, which have been approved by the Board and which are reviewed on an annual basis. The Committee charter is available on the MiX Telematics website.

Members of the audit and risk committee

Members of the Committee are formally nominated by the Board for re-election by shareholders. The individuals satisfy the requirements to serve as members of an audit committee as provided in section 94 of the Companies Act and ensure that the Committee has adequate knowledge and experience.

The Committee consists of the independent non-executive directors listed below. Their appointment to the Committee was approved at the annual general meeting held on September 27, 2018.

For the year ended March 31, 2019, the members of the Audit and Risk Committee were:

- A Welton (Chairperson)
- R Bruyns
- E Banda (resigned with effect July 4, 2018)
- F Roji-Maplanka
- F Futwa (appointed with effect July 4, 2018)

The qualifications and experience of the Audit and Risk Committee members can be seen on the MiX Telematics website — www.mixtelematics.com/about-us/leadership.

A Welton, an independent non-executive director of the Company, served as Chairperson of the Committee during the 2019 fiscal year. The Chairperson of the Social and Ethics Committee, F Roji-Maplanka, is a member of the Audit and Risk Committee and as such, attends all meetings due to the close working relationship between the two committees.

Members of the executive team, including the Chief Executive Officer and Interim Chief Financial Officer, and other members of senior management as required, attend committee meetings by invitation and have no voting rights. Similarly, external and internal auditors attend committee meetings by invitation and have no voting rights.

The Chairperson of the Committee reports to the Board at all Board meetings on the activities and recommendations of the Committee.

Eight meetings were held during the year under review, with two of those meetings being dedicated to risk management. Attendance of the members at the meetings can be viewed in the Governance Structures section of the annual report on page 18.

Financial reporting

The Committee reviewed the quarterly, interim and annual Group financial statements and annual Company financial statements culminating in a recommendation to the Board to adopt them. The review of the results included ensuring compliance with International Financial Reporting Standards ("IFRS") and the acceptability of the Company's accounting policies. This includes the appropriate disclosures in the Annual Financial Statements in accordance with IFRS as issued by the International Accounting Standards Board, IFRS Interpretations Committee ("IFRIC") interpretations applicable to companies reporting under IFRS, SAICA Financial Reporting guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council ("FRSC") and the requirements of the Companies Act and the JSE Listings Requirements.

It is the duty of the Committee to review the annual report filed on Form 20-F with the Securities and Exchange Commission ("SEC").

The Committee reviewed the processes in place for the reporting of concerns and complaints relating to reporting and accounting practices, internal audit, contents of the Group's and Company's financial statements, internal financial controls and any related matters. The Committee can confirm that there were no such complaints of substance during the year under review.

In accordance with paragraph 3.84(g)(ii) of the JSE Listings Requirements, the Committee confirms that the Company has established appropriate financial reporting procedures and that these procedures are operating effectively.

Independence of the external auditor

The Committee has satisfied itself through enquiry that the external auditor is independent as defined by the Companies Act, as well as in terms of New York Stock Exchange and SEC requirements.

A formal procedure governs the process for considering the provision of non-audit services by the external auditors, and the provision letters for such services are approved by the Committee in advance. The Committee has considered the nature and extent of any non-audit services conducted during the year and is satisfied that no breach in

procedure occurred. During the 2019 fiscal year, fees in respect of non-audit services amounted to R908,470.

The Committee has met with the external auditors without management present, to discuss the results of their audit and the overall quality of the Company's financial reporting. The Committee also discussed the expertise, resources and experience of the Company's finance function with the external auditors. No matters of concern were raised during those meetings.

The Committee has agreed to the budgeted audit fee for the 2019 financial year. Auditors' remuneration is disclosed in note 27 to the consolidated Annual Financial Statements and note 18 to the Company Annual Financial Statements. The Committee is of the view that this remuneration is appropriate.

As required in terms of the JSE Listings Requirements, the Committee has considered the information received from the auditors to allow the Committee to assess the suitability for appointment of the audit firm and the designated audit partner. The Committee has satisfied itself that the external auditors and the designated registered audit partner are accredited on the JSE list of auditors and advisers. The Committee further confirms that it has assessed the suitability for appointment of the external auditors and the designated audit partner.

The Committee has satisfied itself on the qualification and experience of the external auditor and is satisfied with the quality and level of the work performed by them.

The Committee has nominated for appointment Deloitte as external auditors and J Welch as the designated auditor, who in the opinion of the Committee are independent of the Company.

Combined assurance

There is an enterprise-wide system of internal control and risk management in all key operations to manage and mitigate risks. The combined assurance approach is integrated with the risk management process to assess assurance activities across the various lines of defense.

While the Committee is satisfied with the level of assurance provision for significant Group risks, the combined assurance approach will continue to be enhanced during the 2020 fiscal year.

In terms of coordinating assurance activities, the Committee reviewed the plans and work outputs of the external and internal auditors and concluded these were adequate to address all significant risks facing the business.

Internal audit

The Committee considered the effectiveness of the internal audit function and monitored adherence to the annual internal audit plan.

The internal audit plan for the year under review was approved by the Committee. All internal audit reports were reviewed and discussed at Committee meetings and, where appropriate, recommendations were made to the Board.

Internally, management, with the assistance of Ernst & Young Advisory Services Proprietary Limited, in their capacity as outsourced internal auditors, has reviewed the controls according to the scope of the approved internal audit plan, and presented their findings to the Audit and Risk Committee. Based on this review, nothing has come to the attention of the Committee to indicate any material weakness in internal financial controls.

Risk management

The Board takes overall responsibility for risk management with a process implemented for managing risk while delegating authority to the Audit and Risk Committee.

Risk is managed at an operational level with operations maintaining their own risk registers which are in turn consolidated at Group level. Risk registers are used at an operational level to manage the business. The Executive Committee is responsible for ensuring that the operations management considers and implements the appropriate risk responses. The Executive Committee ensures that risk management is performed on a continual basis and reports and presents to the Committee on this matter on an annual basis.

The Audit and Risk Committee reviews the risk management processes within the Company and reports back to the Board. On an annual basis, the Board reviews the Group risk register to ensure risks are being managed within a tolerable level and that sufficient attention is being paid to reducing items where the risk is considered unacceptable.

The Committee held two meetings dedicated to risk management during the year where matters of risk were discussed.

Current year key areas of focus

As part of the Committee's responsibilities, the Committee reviewed management reports on business continuity and privacy matters applicable to the Group in order to ensure that all material risks were addressed. The Committee also reviewed the key audit matters contained in the Independent Auditor's Report. The Committee reviewed various charters and policies as well as management reports on changes in accounting standards; such changes are described in the notes to the consolidated financial statements, set out on pages 28 to 104. The Committee reviewed reports from

assurance providers including: Internal audit reports and SOX reports in order to ensure that all material risks are addressed.

Future areas of focus

The Committee will continue to review relevant submissions and reports issued by assurance providers — both internal and external. The Committee will continue to monitor the organization's control environment and will engage with relevant persons — both internal and external — as required, in order to effectively discharge its responsibilities. Management will continue to review relevant reports and position papers prepared by management relating to accounting standard changes to ensure that all material risks are addressed.

Sarbanes Oxley compliance

Internally, management, with the assistance of Ernst & Young Advisory Services Proprietary Limited, in their capacity as outsourced internal auditors, has reviewed the internal financial controls throughout the year, as part of the Sarbanes Oxley ("SOX") compliance program, and presented their findings to the Committee. Although not required under the SOX program, all deficiencies were reported to the Committee during the year to document the progress as the SOX program matures across the Group. A number of internal control deficiencies were identified within certain operations during the performance of our SOX testing. These have been reported to the Committee and are dealt with by management in the ordinary course of business. Management will continue to monitor and resolve, where appropriate, IT access controls and segregation of duties conflicts, as the Group migrates from the current decentralized financial systems into one global integrated financial system. The Audit and Risk Committee is, however, satisfied that none of these deficiencies had a material effect for the purposes of the preparation and presentation of the financial statements for the fiscal year under review. The Group is subject to its first external audit SOX 404(b) attestation for the 2019 fiscal year as part of its form 20-F submission.

Expertise and experience of Financial Director and finance function

The Committee reviewed the performance and expertise of P Dell, who served as the Interim Group Chief Financial Officer during the fiscal year under review, and confirmed his suitability to hold office as Interim Group Chief Financial Officer in terms of the JSE Listings Requirements. The Committee has also considered and has satisfied itself of the appropriateness of the expertise and experience of the finance function and adequacy of resources employed in this function.

Annual report

The Committee considers all factors and risks that may impact the integrity of the annual report. The Committee has reviewed and discussed the audited financial statements with the external auditors and executive management as reported in the annual report. Unless specifically noted elsewhere and apart from the Annual Financial Statements set out on pages 22 to 125 that form part of the annual report no additional external assurance has been obtained for information contained in the annual report. The Committee is satisfied that the report complies with the Companies Act, the JSE Listings Requirements and IFRS and has therefore recommended the annual report for approval to the Board.

Going concern status

The Committee has considered the going concern status of the Company and the Group on the basis of review of the Annual Financial Statements and the information available to the Committee and recommended such going concern status for adoption by the Board. The Board statement on the going concern status of the Group and Company is contained on page 1 in the statement of directors' responsibility.

Discharge of responsibilities

The Committee is satisfied that during the financial year under review it has conducted its affairs, discharged its legal and other responsibilities as outlined in its charter, the Companies Act and King IV Report on Corporate Governance and SEC requirements. The Board concurred with this assessment.

A Welton

Chairperson of the Committee

June 28, 2019

We are pleased to report to you on the Nominations and Remuneration Committee's ("the Committee") activities during the 2019 fiscal year. The Committee executes its responsibilities in accordance with the mandate given by the Board.

In accordance with the requirements of the King IV Report on Corporate Governance ("King IV"), this report is made up of the following three sections:

- Background Statement;
- Remuneration Policy; and
- Remuneration Implementation Report.

Voting at the 2019 annual general meeting

In terms of the requirements laid out in King IV, shareholders will be required to vote on a non-binding advisory resolution on the following at the next annual general meeting:

- Remuneration Policy;
- Remuneration Implementation Report.

We encourage all shareholders to provide feedback and contributions regarding their position on the various voting requirements. We will engage with shareholders as and when required to resolve any potential material issues of concern.

In the event that more than 25% of shareholders exercise their voting rights against the approval of one or both of the Remuneration Policy and Remuneration Implementation Report, the Board will engage with the shareholders to address all legitimate objections and concerns.

Background Statement

For the year ended March 31, 2019, the members of the Committee were:

- R Bruyns (Chairperson)
- R Frew
- I Jacobs

The Committee normally invites the Group Chief Executive Officer to attend its meetings but he has no voting rights. He does not participate in discussions on his own remuneration, which is set by the Committee. The Committee meets at least on a quarterly basis.

Among other items, the Committee's Terms of Reference include:

- Attending to the remuneration and benefits of senior executives and executive directors;
- Advising on non-executive directors' fees and fees for those directors who are members of Board committees;
- Advising on senior executive and executive director appointments;
- Reviewing succession planning at an executive level;
- Confirming the Company's share incentive plan and the allocation of awards under the plan; and
- Selecting and recommending candidates for appointment to the Board.

Non-executive directors' fees are approved by shareholders at the annual general meeting.

King IV and the JSE Listings Requirements require the Remuneration Policy and Remuneration Implementation Report to be approved by shareholders and that certain senior executives' remuneration be disclosed. The Company obtained shareholder approval for its Remuneration Policy by way of a non-binding advisory vote at the annual general meeting held on September 26, 2018, achieving a 86.10% vote in favor of the Remuneration Policy. No adverse feedback from shareholders was received following the annual general meeting.

The Company will submit the Remuneration Policy and the Remuneration Implementation Report for a non-binding advisory vote to shareholders at the annual general meeting to be held on September 11, 2019.

No external consultants were used during the year.

The Committee is satisfied that the objectives of the Remuneration Policy were met during the reporting period, however, the Committee will continue to monitor the policy to ensure that the objectives are met, and any proposed changes will be tabled to the Board as and when required.

Current year key areas of focus

Areas of focus during the current year were:

- reviewing the packages of the executive and non-executive directors;
- reviewing performance targets and methodology applicable to the short and long-term incentives;
- establishing the future performance targets applicable to the short and long-term incentives;
- reviewing vesting of long-term incentives;
- reviewing salary increases for all executive employees;
- implementing an additional medium-term incentive program for key executives with challenging financial

performance criteria, which if achieved will unlock further shareholder value; and

- recommending to the Board the appointment of a non-executive director to the Board and its committees.

Future areas of focus

The Committee will focus on the following during the next financial year, and going forward:

- the overall remuneration structures, configuration and performance targets will be assessed against desired objectives and changes contemplated where required;
- considering management's recommendations for non-executive directors' fees and the fees for the Board sub-committees before recommending to the Board and then to shareholders for approval;
- implementing mechanisms for further aligning shareholder and management interests; and
- identifying and nominating non-executive Board candidates for approval by the Board.

Remuneration Policy

Principles of executive remuneration

MiX Telematics' Remuneration Policy is formulated to attract and retain high-caliber executives and motivate them to develop and implement the Company's business strategy in order to optimize long-term shareholder value. It is the intention that this Remuneration Policy should conform to best practice standards. The Remuneration Policy is framed around the following key principles:

- Total rewards are set at levels that are fair, responsible and competitive within the relevant market and in relation to MiX staff;
- Total incentive-based rewards are earned through the achievement of demanding growth and return targets consistent with shareholder interests over the short, medium and long term;
- Incentive plans, performance measures and targets are structured to operate soundly throughout the business cycle; and
- The design of long-term incentive plans is prudent and does not expose shareholders to unreasonable financial risk.

Elements of executive remuneration

Executive remuneration comprises the following four principal elements:

- Basic salary and allowances;
- Bi-annual incentive bonuses;
- Share incentive plans; and
- Retirement and other benefits.

The Committee seeks to ensure an appropriate balance between the fixed and performance-related elements of executive remuneration and between those aspects of the package linked to short-term financial performance and those linked to longer-term shareholder value creation. The policy related to each component of remuneration is summarized below.

Basic salary

The basic salary of each executive is subject to annual review and is set to be reasonable and competitive with reference to external market practice in similar companies, which are comparable in terms of size, market sector, business complexity, and international scope. Company performance, individual performance and changes in responsibilities are taken into account when determining annual basic salaries.

Bi-annual incentive bonus

All executives are eligible to receive a performance-related bi-annual cash bonus. The bonus is non-contractual and not pensionable. The Committee reviews bonuses at the half-year and at year-end and determines the level of bonus based on performance criteria set at the start of the performance period.

The criteria include targets relating to subscription revenue growth, operating profit, adjusted EBITDA targets, cash generated by operations and certain discretionary elements, aimed at fostering the correct behaviors within the Group, while encouraging long-term shareholder value creation and the successful achievement of the strategic objectives of the Group.

The bi-annual incentive bonus is available to executive directors, senior executives and selected employees. Bi-annual cash bonuses to senior executives and executive directors are approved by the Committee.

Share incentive plan

The Group has two share incentive plans in place.

TeliMatrix Group Executive Incentive Scheme

The TeliMatrix Group Executive Incentive Scheme is a share option plan and the award of share options to executive directors and senior executives is controlled by the Committee.

At the general meeting held on September 17, 2014, with the introduction and approval by shareholders of the MiX Telematics

Limited Long-Term Incentive Plan ("LTIP''), the TeliMatrix Group Executive Incentive Scheme was closed. Since the introduction of the LTIP, no further awards have been or will be made in terms of the TeliMatrix Group Limited Executive Incentive Scheme.

Historically, motivations for the award of share options were presented by the Chief Executive Officer to the Committee which, after review and consideration, recommended the award of such options as it deemed fit to the Board for approval. Selected participants received grants of share options, which are conditional rights to receive MiX shares at prices equal to the exercise price. Vesting of options is subject to time and performance conditions. The performance conditions and period were determined by the Board on a grant-by-grant basis in respect of each new grant of options.

The targets and measuring terms relating to each issue are detailed in the letter of grant. After vesting, the options will become exercisable. Upon exercise by a participant, the Company settles the value of the options by delivering MiX shares that will be issued out of authorized unissued MiX shares. These options are treated as equity-settled instruments.

MiX Telematics Limited Long-Term Incentive Plan

The MiX Telematics Limited Long-Term Incentive Plan ("LTIP'') provides for three types of grants to be issued, namely performance shares, retention shares and share appreciation rights ("SARs''). Under the LTIP awards may be issued to certain directors and key employees. These participants are determined by the Committee. Motivations for the awards are presented by the Chief Executive Officer to the Committee which, after review and consideration, recommends the award as it deems fit to the Board for approval. The award/exercise price of the SARs, performance shares and retention shares granted are equal to the closing market value of ordinary shares on the day preceding the date of the grant.

Vesting of performance shares, retention shares and SARs are subject to time and performance conditions. The performance conditions and period are determined by the Board on a grant-by-grant basis in respect of each new grant.

The targets and measuring terms relating to each issue are detailed in the letter of grant. After vesting, the retention and performance shares become immediately vested while the SARs will become exercisable.

To date, only SARs and performance shares have been issued under the LTIP.

The value of the difference between the exercise and grant price of the SARs and performance shares may be settled at the Company's option by delivering shares or by settling the value in cash. Because the Company intends to settle the SARs and performance shares by delivering shares and has not established a past practice of settling in cash, the SARs and performance shares are classified as equity-settled share-based payment awards.

Eligibility

Any senior employee with significant managerial or other responsibility, including any director holding salaried employment or office in the Group, is eligible to participate in a share incentive plan which is operated by the Group.

During the current financial year 1,500,000 SARs and 4,000,000 performance shares were granted (2018: 10,000,000 SARs and no performance shares). There were 25,921,250 SARs (2018: 28,038,750 SARs) and 3,800,000 performance shares (2018: Nil), with a weighted average award price of R3.60 and R10.00 respectively, outstanding at March 31, 2019, of which 4,418,750 SARs had vested (2018: 1,306,250 SARs). No performance shares had vested as the performance targets have not yet been reached.

Refer to note 13 of the consolidated Annual Financial Statements for further detail on the share options, SARs and performance shares.

Retirement plans and other benefits

Executives are remunerated on a cost-to-company basis and as part of their package are entitled to a car allowance, provident fund contributions, medical, death and disability insurance. The provision of these benefits is considered to be market competitive for executive positions.

Other matters affecting remuneration of directors

External appointments

Executive directors are not permitted to hold external directorships or offices without the approval of the Board, other than those of a personal nature.

Non-executive directors

Fees payable to non-executive directors are proposed and reviewed by the Committee and recommended to the Board, which in turn makes recommendations to shareholders with reference to the fees paid by comparable companies, responsibilities taken by the non-executive directors and the importance attached to the retention and attraction of high-caliber individuals. Non-executive directors, in accordance with the recommendations of King IV, do not participate in any incentive programs.

Non-executive	2019 Total R'000	2018 Total R'000
R Bruyns[1]	900	773
E Banda	130	486
C Ewing[1]	—	348
R Frew[1]	760	746
F Futwa[1]	371	—
I Jacobs	400	386
F Roji-Maplanka	600	292
A Welton	625	614
	3,786	3,645
Value added tax	305	266
	4,091	3,911

[1] *VAT included as part of certain invoices received. Directors' fees shown exclude VAT.*

Non-executive directors' fees

Non-executive directors' fees for the year ended March 31, 2019, as approved by the shareholders at the AGM on September 19, 2017, were as follows:

	R'000[2]
Director's fee	330
Chairperson (in addition to director's fee)	
– Board	360
– Lead Independent Director	240
– Audit and risk	240
– Nominations and remuneration	105
– Social and ethics	100
Committee fees (in addition to director's fee)	
– Audit and risk	170
– Nominations and remuneration	70
– Social and ethics	55

Non-executive directors' fees proposed for the forthcoming year are as follows:

	Per annum
Director's fee - current directors and future SA resident directors	R363,000
Director's fee - future US resident director[1]	Up to US$100,000
Chairperson (in addition to director's fee)	
– Board	R396,000
– Lead Independent Director	R264,000
– Audit and risk	R264,000
– Nominations and remuneration	R115,500
– Social and ethics	R110,000
Committee fees (in addition to director's fee)	
– Audit and risk	R187,000
– Nominations and remuneration	R77,000
– Social and ethics	R60,500

[1] *The proposed director's fee for US resident non-executive directors is a maximum proposed fee that the Board of Directors of MiX Telematics may, at its discretion pay to any newly appointed non-executive director who is a resident of the United States of America ("US") and will include any fee payable in respect of membership of the Audit and Risk Committee.*

The non-executive directors' fees will be put to the shareholders at the forthcoming annual general meeting on September 11, 2019.

The non-executive directors' fees have historically been reviewed by the Committee and approved by the shareholders every two years. The Committee believes the review should be considered on an annual basis going forward.

Executives' employment contracts

All executives' contracts are terminable on three calendar months' notice.

Non-executive directors' appointments are made in terms of the Company's Memorandum of Incorporation and are initially confirmed at the first annual general meeting of shareholders following their appointment, and thereafter directors are re-elected by rotation. Non-executive directors are provided with letters of appointment when appointed to the Board, but do not hold fixed-term contracts. During the 2019 fiscal year there were no payments for termination of office or restraint of trade payments.

Remuneration Implementation Report

No deviations from the policy were noted during the current financial year.

Non-executive directors' fees

Fees paid to the non-executive directors of the Company for the year ended March 31, 2019, are depicted below:

Non-executive	Director's fee R'000	Lead Independent Director R'000	Audit and Risk Committee R'000	Nominations and Remuneration Committee R'000	Social and Ethics Committee R'000	2019 Total R'000	2018 Total R'000
R Bruyns[1]	330	240	170	105*	55	900	773
E Banda[2]	86	—	44	—	—	130	486
C Ewing[1, 5]	—	—	—	—	—	—	348
R Frew[1]	690	—	—	70	—	760	746
I Jacobs	330	—	—	70	—	400	386
F Futwa[1, 3]	245		126			371	—
F Roji-Maplanka	330	—	170	—	100*	600	292
A Welton[4]	330	—	240*	—	55	625	614
	2,341	240	750	245	210	3,786	3,645
Value added tax	191	36	44	26	8	305	266
	2,532	276	794	271	218	4,091	3,911

[1] *VAT included as part of invoices received. Directors' fees shown exclude VAT.*

[2] *Resigned from the Board, and as a member of the Audit and Risk Committee with effect July 4, 2018.*

[3] *Appointed to the Board, and as a member of the Audit and Risk Committee with effect July 4, 2018.*

[4] *Resigned as a member of the Nominations and Remuneration Committee with effect from May 22, 2017.*

[5] *Resigned from the Board, and as a member of the Audit and Risk Committee, and chairperson of the Social and Ethics Committee with effect November 7, 2017.*

** Chairperson's fee included with committee member fee.*

Executives' remuneration

The table below provides an analysis of the emoluments paid to executives of the Company for the year ended March 31, 2019.

Executive committee ^	Salary and allowances R'000	Other benefits R'000	Retirement fund R'000	Performance bonuses[1] R'000	2019 Total R'000	2018 Total R'000
S Joselowitz	7,383	—	—	9,276	16,659	13,578
C Tasker	5,820	—	—	7,097	12,917	9,526
P Dell	1,950	180	77	2,774	4,981	3,765
G Pretorius	2,843	281	481	3,280	6,885	6,573
C Lewis	2,808	67	117	2,786	5,778	5,425
	20,804	528	675	25,213	47,220	38,867

[1] *Performance bonuses are based on actual amounts paid during the fiscal year.*

^ All prescribed officers of the Company are included as part of the executive committee.

Executive performance metrics

The bonuses disclosed in the Remuneration Implementation Report include the year-end bonus in respect of the fiscal year 2018 as well as the half-year bonus for fiscal year 2019. During fiscal year 2018, the Nominations and Remuneration Committee approved a bonus calculation methodology based on the KPIs and weightings shown in the table below. Where targets are exceeded, a proportion of the additional revenues and profits earned may be allocated to the executive profit pool.

	Financial KPI				Non-financial KPI	
	Subscription revenue growth		Profitability growth		Key deliverables	
	Weighting	Result versus target	Weighting	Result versus target	Weighting	Result versus target
S Joselowitz (CEO)	35.0%	Exceeded	35.0%	Exceeded	30.0%	Achieved
C Tasker (COO)	38.5%	Exceeded	31.5%	Exceeded	30.0%	Partially achieved
P Dell (Interim CFO)	35.0%	Exceeded	35.0%	Exceeded	30.0%	Achieved
G Pretorius (EVP Africa)	35.0%	Exceeded	35.0%	Exceeded	30.0%	Partially achieved
C Lewis (EVP Technology)	15.0%	Exceeded	15.0%	Exceeded	70.0%	Partially achieved

The COO's KPIs are based on the performance of both the Group and the Americas segment.

The EVP Africa's financial KPIs are based on the performance of the Africa segment, while the EVP Technology's profitability growth target is based on operating cost targets in the Central Services Organization.

Year-end bonus payments in respect of fiscal year 2019, which are to be paid in fiscal year 2020, will be disclosed in the fiscal year 2020 annual report. During fiscal year 2019, the Nominations and Remuneration Committee approved a bonus calculation methodology based on the KPIs and weightings shown in the table below. Shareholders will be updated with the actual results in the 2020 annual report.

	Financial KPI		Non-financial KPI
	Subscription revenue growth	Profitability growth	Key deliverables
	Weighting	Weighting	Weighting
S Joselowitz (CEO)	35.0%	35.0%	30.0%
C Tasker (COO)	38.5%	31.5%	30.0%
P Dell (Interim CFO)	35.0%	35.0%	30.0%
G Pretorius (EVP Africa)	42.0%	28.0%	30.0%
C Lewis (EVP Technology)	16.0%	24.0%	60.0%

Incentive plans

Executives participate in the Group's incentive plans, designed to recognize the contributions of senior staff to the growth in the Company's equity. Within limits imposed by shareholders, rights are allocated to senior executives and executive directors. The equity-linked compensation benefits for executives that were outstanding at year-end are set out below:

Telimatrix Group Executive Incentive Scheme - share options

	September 10, 2014 000s	Total 000s
C Tasker	1,500	1,500
G Pretorius	1,000	1,000
C Lewis	1,000	1,000
	3,500	3,500
Option strike price (cents per share)	411	
JSE share price on grant date (cents per share)	411	
Expiry date	September 10, 2020	
Performance condition:		
Minimum shareholder return of	10%	

Executives exercised 5,600,000, options during the year and full details of the options exercised are set out in note 13 to the Annual Financial Statements.

A total of 3,500,000 share options remain unexercised at an average price of R4.11 per share, of which 2,625,000 have vested and met their performance conditions. No share options were granted in the 2019 financial year (2018: nil).

LTIP - Share appreciation rights

	August 31, 2015 000s	May 30, 2016 000s	November 24, 2016 000s	May 30, 2017 000s	Total 000s
S Joselowitz*	1,000	1,000	—	1,100	3,100
C Tasker*	750	750	875	1,100	3,475
P Dell*	200	200	875	1,100	2,375
G Pretorius	500	500	875	1,100	2,975
C Lewis	500	500	875	1,100	2,975
	2,950	2,950	3,500	5,500	14,900
Award price (cents per share)	313	294	328	346	
JSE share price on grant date (cents per share)	319	289	328	346	
Expiry date	August 31, 2021	May 30, 2022	November 24, 2022	May 30, 2023	
Performance condition:					
Minimum shareholder return of	10%	10%	10%	10%	

** Executive director at March 31, 2019*

No SARs were exercised by Group executives during fiscal year 2019.

Performance shares

	November 5, 2018 000s	Total 000s
S Joselowitz*	400	400
C Tasker*	400	400
P Dell*	200	200
G Pretorius	400	400
C Lewis	400	400
	1,800	1,800

JSE share price on grant date (cents per share)	1,000
Performance targets[1]:	R'million
Cumulative subscription revenue for fiscal years 2019 and 2020	3,588
Cumulative Adjusted EBITDA for fiscal years 2019 and 2020	1,322

** Executive director at March 31, 2019*
[1] To be awarded the performance shares, the Company must achieve both the above constant currency targets.

Refer to note 13 of the Annual Financial Statements for further details on the performance shares.

Signed on behalf of the Nominations and Remuneration Committee.

R Bruyns
Chairperson of the Nominations and Remuneration Committee
June 28, 2019

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of MIX Telematics Limited (the Group) set out on pages 22 to 125, which comprise the statements of financial position as at March 31, 2019 and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group as at March 31, 2019 and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act No 71 of 2008, as amended, of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have not identified any key audit matters related to the Company.

Key audit matter	How the matter was addressed in the audit
Revenue Recognition	
First-time adoption of IFRS 15 Revenue from Contracts with Customers (IFRS 15)	
As disclosed in note 2.1.1.1, the Group adopted IFRS 15, effective April 1, 2018. In line with the transition requirements of the standard, the Group applied the modified retrospective cumulative catch-up approach. Under this approach, transitional adjustments are recognized in retained earnings, without restating the comparative period. In addition, under the practical expedient of the standard, the new requirements have only been applied to contracts that were not completed as of April 1, 2018. This note also discloses the effects of the new standard and the following accounting recognition changes are highlighted: 1. Costs incurred in obtaining a contract; 2. Significant financing components; and 3. Fixed escalations. The changes from the previous standard on Revenue recognition relate to the method in which revenue is recognized and reflects the change in methodology from a principle based on the transfer of risks and rewards to a depiction of transfer of goods and services to customers for a consideration. Given the judgement exercised in identifying performance obligations, and considering that this is a significant change in the accounting policy previously adopted, this is considered a key audit matter.	Our audit approach responded to the key audit matter by: • Evaluating the accounting policies and related accounting treatment per revenue stream against the requirements of IFRS 15. • Evaluating the design and testing the implementation of relevant controls with regards to the adoption of IFRS 15. • Evaluating the operating effectiveness of the identified relevant controls. • Evaluating the automated environments which initiate and record revenue and understanding the transaction flows. • Evaluating the design effectiveness and operating effectiveness of the controls related to information produced by the IT systems related to revenue. • Performing detail testing over a sample of contractual arrangements by considering the transfer of the products and or services related to the operations of the Group and evaluating the revenue recognition and calculations provided by management for recorded revenues ensuring compliance with IFRS 15. We are satisfied that the revenues recognized in note 22 is appropriate and in terms of the accounting policies as disclosed in the Revenue accounting policy note.
Competition commission enquiry	
As disclosed in note 34, on April 15, 2019 the Group received notice from the Competition Commission of South Africa ("Commission") that they have referred a matter to the Competition Tribunal of South Africa ("Tribunal"). The Commission contends that the Group and a number of its channel partners have engaged in market division schemes. The Complaint Referral relates to the nature of the Group's "dual distribution" route to market. IAS 37: Provisions, Contingent liabilities and Contingent assets requires transactions which meet the definition of contingent liabilities to be disclosed. The Group has a possible obligation related to this matter, the existence of which will only be confirmed based on the outcome of the legal proceedings. Given the significance of the possible obligation for the Group and the judgement applied to determine whether a legal obligation exists, this is considered a key audit matter.	Our Risk and Regulatory specialist assisted us in assessing the probability of a legal obligation. Our audit approach responded to the key audit matter by: • Enquiring of the Group's legal counsel and considering their evaluation of the possibility of a legal obligation; and • Evaluating the client prepared accounting paper outlining the application of the requirements of IAS 37: Provisions, Contingent liabilities and Contingent assets. We concur with the directors' view that based on all available evidence, there is only a possibility and not a probability that a legal obligation exists which requires an amount to be provided. Therefore, disclosing the contingent liability is appropriate for accounting purposes.

Other information

The directors are responsible for the other information. The other information comprises the Certificate of the Company Secretary, the Directors' Report, the report of the Audit and Risk Committee, as required by the Companies Act No 71 of 2008, as amended, of South Africa, as well as the Nominations and Remuneration Committee Report and Integrated Report, which we obtained prior to the date of this auditor's report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act No 71 of 2008, as amended, 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.

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group or Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group or Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Risk and Compliance Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Risk and Compliance Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Risk and Compliance Committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated December 4, 2015, we report that Deloitte & Touche has been the auditor of MiX Telematics Limited for 2 years.

Deloitte & Touche

Registered Auditor
Per: JAR Welch
Partner

June 28, 2019

Deloitte & Touche
Building 1, Deloitte Place
The Woodlands
Woodlands Drive
Woodmead

Consolidated statement of financial position

at March 31, 2019 and March 31, 2018

	Notes	March 31, 2019 R'000	March 31, 2018 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	6	**457,446**	334,038
Intangible assets	7	**955,646**	898,527
Capitalized commission assets	8	**54,066**	—
Deferred tax assets	18	**51,666**	40,717
Total non-current assets		**1,518,824**	1,273,282
Current assets			
Assets classified as held for sale	6	**17,058**	17,058
Inventory	9	**51,263**	57,013
Trade and other receivables	10	**376,475**	286,406
Taxation	29	**24,119**	30,373
Restricted cash	11	**20,187**	20,935
Cash and cash equivalents	12	**383,443**	308,258
Total current assets		**872,545**	720,043
Total assets		**2,391,369**	1,993,325
EQUITY			
Stated capital	13	**786,633**	846,405
Other reserves	14	**83,212**	(51,614)
Retained earnings		**881,819**	722,380
Equity attributable to owners of the parent		**1,751,664**	1,517,171
Non-controlling interest		**13**	10
Total equity		**1,751,677**	1,517,181
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	18	**139,049**	82,658
Provisions	19	**2,226**	2,132
Recurring commission liability		**1,798**	—
Capitalized lease liability	20	**31,183**	—
Total non-current liabilities		**174,256**	84,790
Current liabilities			
Trade and other payables	16	**399,869**	350,519
Capitalized lease liability	20	**10,745**	—
Taxation		**2,511**	2,832
Provisions	19	**22,049**	20,283
Bank overdraft	12	**30,262**	17,720
Total current liabilities		**465,436**	391,354
Total liabilities		**639,692**	476,144
Total equity and liabilities		**2,391,369**	1,993,325

The accompanying notes form an integral part of these financial statements.

Consolidated income statement

for the years ended March 31, 2019, March 31, 2018 and March 31, 2017

	Notes	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Revenue	22	**1,975,863**	1,712,482	1,540,058
Cost of sales		**(655,844)**	(586,963)	(498,785)
Gross profit		**1,320,019**	1,125,519	1,041,273
Other income/(expenses) – net	23	**1,009**	4,246	426
Operating expenses		**(982,116)**	(914,813)	(903,837)
Sales and marketing		**(199,209)**	(184,978)	(181,601)
Administration and other charges		**(782,907)**	(729,835)	(722,236)
Operating profit	24	**338,912**	214,952	137,862
Finance income/(costs) – net		**1,386**	(69)	10,391
Finance income	25	**12,286**	8,951	16,068
Finance costs	26	**(10,900)**	(9,020)	(5,677)
Profit before taxation		**340,298**	214,883	148,253
Taxation	29	**(137,962)**	(33,690)	(26,812)
Profit for the year		**202,336**	181,193	121,441
Attributable to:				
Owners of the parent		**202,336**	181,134	121,458
Non-controlling interest		*****	59	(17)
		202,336	181,193	121,441
Earnings per share				
Basic (R)	30	**0.36**	0.32	0.19
Diluted (R)	30	**0.35**	0.32	0.19

* *Amount less than R1,000*

The accompanying notes form an integral part of these financial statements.

Consolidated statement of comprehensive income

for the years ended March 31, 2019, March 31, 2018 and March 31, 2017

	Notes	**March 31, 2019 R'000**	March 31, 2018 R'000	March 31, 2017 R'000
Profit for the year		**202,336**	181,193	121,441
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss				
Exchange differences on translating foreign operations		**114,596**	(60,331)	(80,870)
Attributable to owners of the parent	14	**114,593**	(60,339)	(80,820)
Attributable to non-controlling interest		**3**	8	(50)
Taxation relating to components of other comprehensive income	14, 18, 29	**1,151**	(237)	(59)
Other comprehensive income/(loss) for the year, net of tax		**115,747**	(60,568)	(80,929)
Total comprehensive income for the year		**318,083**	120,625	40,512
Attributable to:				
Owners of the parent		**318,080**	120,558	40,579
Non-controlling interest		**3**	67	(67)
Total comprehensive income for the year		**318,083**	120,625	40,512

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity

for the years ended March 31, 2019, March 31, 2018 and March 31, 2017

	Notes	Attributable to owners of the parent					
		Stated capital* R'000	Other reserves** R'000	Retained earnings R'000	Total R'000	Non-controlling interest R'000	Total equity R'000
Balance at April 1, 2016		1,320,955	74,262	526,082	1,921,299	(1,491)	1,919,808
Total comprehensive income		—	(80,879)	121,458	40,579	(67)	40,512
Profit for the year		—	—	121,458	121,458	(17)	121,441
Other comprehensive loss		—	(80,879)	—	(80,879)	(50)	(80,929)
Total transactions with owners		(466,610)	2,247	(53,026)	(517,389)	—	(517,389)
Shares issued in relation to share options exercised		7,072	—	—	7,072	—	7,072
Share-based payment transaction		—	2,247	—	2,247	—	2,247
Dividends declared	31	—	—	(53,026)	(53,026)	—	(53,026)
Share repurchase		(473,682)	—	—	(473,682)	—	(473,682)
Balance at March 31, 2017		854,345	(4,370)	594,514	1,444,489	(1,558)	1,442,931
Total comprehensive income		—	(60,576)	181,134	120,558	67	120,625
Profit for the year		—	—	181,134	181,134	59	181,193
Other comprehensive (loss)/income		—	(60,576)	—	(60,576)	8	(60,568)
Total transactions with owners		(7,940)	13,332	(53,268)	(47,876)	1,501	(46,375)
Shares issued in relation to share options and share appreciation rights exercised	13	10,726	—	—	10,726	—	10,726
Share-based payment transaction	14	—	9,000	—	9,000	—	9,000
Share-based payment – excess tax benefit	14	—	5,833	—	5,833	—	5,833
Transactions with non-controlling interest	21	—	(1,501)	—	(1,501)	1,501	—
Dividends declared	31	—	—	(53,268)	(53,268)	—	(53,268)
Share repurchase	13	(18,666)	—	—	(18,666)	—	(18,666)
Balance at March 31, 2018		846,405	(51,614)	722,380	1,517,171	10	1,517,181
Adjustment on initial application of IFRS 15, IFRS 16 and IFRS 9***		—	—	24,675	24,675	—	24,675
Adjusted balance at April 1, 2018		846,405	(51,614)	747,055	1,541,846	10	1,541,856

Consolidated statement of changes in equity

for the years ended March 31, 2019, March 31, 2018 and March 31, 2017

	Notes	Attributable to owners of the parent				Non-controlling interest R'000	Total equity R'000
		Stated capital* R'000	Other reserves** R'000	Retained earnings R'000	Total R'000		
Total comprehensive income		—	115,744	202,336	318,080	3	318,083
Profit for the year		—	—	202,336	202,336	—	202,336
Other comprehensive income		—	115,744	—	115,744	3	115,747
Total transactions with owners		(59,772)	19,082	(67,572)	(108,262)	—	(108,262)
Shares issued in relation to share options and share appreciation rights exercised	13	13,776	—	—	13,776	—	13,776
Share-based payment transaction	14	—	12,140	—	12,140	—	12,140
Share-based payment – excess tax benefit	14	—	6,942	—	6,942	—	6,942
Dividends declared	31	—	—	(67,572)	(67,572)	—	(67,572)
Share repurchase	13	(73,548)	—	—	(73,548)	—	(73,548)
Balance at March 31, 2019		**786,633**	**83,212**	**881,819**	**1,751,664**	**13**	**1,751,677**

** Excludes 40,000,000 treasury shares held by MiX Telematics Investments Proprietary Limited ("MiX Investments"), a wholly owned subsidiary of the Group, which were acquired under the approved general share purchase program during fiscal 2016. See note 13.*

*** See note 14 for a composition of and movements in other reserves.*

**** See note 2.1.1.1 for additional information.*

The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows

for the years ended March 31, 2019, March 31, 2018 and March 31, 2017

	Notes	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Cash flows from operating activities				
Cash generated from operations	32.2	**541,432**	413,025	377,115
Interest received		**12,132**	8,576	14,737
Interest paid		**(4,976)**	(3,731)	(5,680)
Taxation paid		**(84,742)**	(64,662)	(62,601)
Net cash generated from operating activities		**463,846**	353,208	323,571
Cash flows from investing activities				
Purchases of property, plant and equipment	6	**(200,840)**	(238,646)	(180,230)
Proceeds on sale of property, plant and equipment and intangible assets		**2,222**	4,388	369
Purchases of intangible assets	7	**(85,618)**	(99,615)	(115,293)
Deferred consideration paid		**—**	—	(1,103)
Decrease in restricted cash		**2,724**	127	6,951
Increase in restricted cash		**(983)**	(8,389)	(3,588)
Net cash used in investing activities		**(282,495)**	(342,135)	(292,894)
Cash flows from financing activities				
Proceeds from issuance of shares	13	**13,776**	10,726	7,072
Share repurchase	13	**(73,548)**	(18,666)	(473,682)
Dividends paid to Company's owners		**(67,470)**	(53,201)	(52,966)
Repayments of capitalized lease liability	20	**(11,435)**	—	—
Acquisition of non-controlling interest	21	**—**	(1,353)	—
Net cash used in financing activities		**(138,677)**	(62,494)	(519,576)
Net increase/(decrease) in cash and cash equivalents		**42,674**	(51,421)	(488,899)
Net cash and cash equivalents at the beginning of the year		**290,538**	356,333	860,762
Exchange gains/(losses) on cash and cash equivalents		**19,969**	(14,374)	(15,530)
Net cash and cash equivalents at the end of the year	12	**353,181**	290,538	356,333

The accompanying notes form an integral part of these financial statements.

1. General information

MiX Telematics Limited (the "Company") is a public company which is incorporated and domiciled in South Africa. The Company's ordinary shares are publicly traded on the Johannesburg Stock Exchange (JSE: MIX) and its American Depositary Shares are listed on the New York Stock Exchange (NYSE: MIXT). The activities of the Company and its subsidiaries (the "Group") focus on fleet and mobile asset management solutions delivered as Software-as-a-Service. The address of the Company's registered office is Matrix Corner, Howick Close, Bekker Road, Waterfall Park, Midrand, South Africa, 1686. The financial statements were approved by the Board of Directors on June 28, 2019.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting 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 for the year ended March 31, 2019 have been prepared in accordance with:

- International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB");
- IFRS Interpretations Committee ("IFRIC") interpretations applicable to companies reporting under IFRS;
- SAICA Financial Reporting guides as issued by the Accounting Practices Committee;
- Financial Pronouncements as issued by the Financial Reporting Standards Council ("FRSC");
- the requirements of the South African Companies Act, No. 71 of 2008; and
- the JSE Listings Requirements.

The financial statements have been prepared in thousands of Rand (R'000) under the historical cost convention.

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

2.1.1 Changes in accounting policy and disclosures

2.1.1.1 New standards, amendments and interpretations adopted by the Group

Other than the effect of adopting IFRS 9, IFRS 15 and IFRS 16 as set out below, the other standards, amendments and interpretations which are effective for the financial year beginning on April 1, 2018 did not have a material impact on the Group.

Standards and amendments	Executive summary
IFRS 9 *Financial Instruments* (*"IFRS 9"*)	IFRS 9 addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 *Financial Instruments: Recognition and Measurement* with a single model that has only two classification categories: amortized cost and fair value. IFRS 9 also introduces a new impairment model and aligns hedge accounting more closely with an entity's risk management. The standard is effective for the Group from April 1, 2018. The Group has elected not to restate comparatives and recognized the transitional adjustments in retained earnings on the date of initial application. The most relevant change to the Group is the requirement to use an expected loss model instead of the incurred loss model when assessing the recoverability of trade and other receivables. Based on the expected loss model contained in IFRS 9, the increase in the provision for doubtful debts at April 1, 2018 was R3.2 million.
IFRS 15 *Revenue from Contracts with Customers* (*"IFRS 15"*)	IFRS 15 replaces IAS 18 *Revenue* and IAS 11 *Construction Contracts*. It is a single, comprehensive revenue recognition model for all contracts with customers and has the objective of achieving greater consistency in the recognition and presentation of revenue. In terms of the new standard, revenue is recognized based on the satisfaction of performance obligations, which occurs when control of goods or services transfers to a customer. The revenue standard is effective for annual periods beginning on or after January 1, 2018 and therefore is applicable for the Group from April 1, 2018. The standard permits a modified retrospective cumulative catch-up approach for the adoption, which the Group decided to apply. Under this approach the Group recognized transitional adjustments in retained earnings on the date of initial application (i.e. April 1, 2018), without restating the comparative period. Under the practical expedient, the new requirements have only been applied to contracts that were not completed as of April 1, 2018. The impact of applying IFRS 15 is as follows: **Costs incurred in obtaining a contract**: Commissions incurred to acquire contracts need to be capitalized and amortized, unless the amortization period is 12 months or less. Previously, the Group expensed commissions. Under IFRS 15, the amortization expense reflects the settlement of the related performance obligations, which, depending on the specific contract, may include hardware, installation, training and/or service. To the extent commission capitalized is commensurate, the commission attributable to service will be amortized over the minimum contractual period or, if shorter, the expected life of the contract. To the extent it is not commensurate, the commission capitalized that is attributable to service will be amortized over the expected life of the contract. The impact on the Group at April 1, 2018 was as follows: – Capitalized commission asset with a net book value of R45.3 million and – Additional recurring commission liability of R6.9 million. Recurring commission is commission which is payable for each month the customer remains with the Group. Since the commission relates to acquiring a customer contract, as part of the adoption of IFRS 15, a recurring commission liability is recognized at the date on which the contract is acquired. The measurement reflects the total commission payable over the minimum contractual period or, if shorter, the expected life of the contract, together with the effect of the time value of money, where significant. Under previous accounting the recurring commissions were accrued for on a monthly basis. Amortization expense of external commissions capitalized under IFRS 15 is recognized in cost of sales, while that of internal commissions is recognized in sales and marketing costs. Commissions not capitalized under the 12-month practical expedient are also classified in the same manner. This is in line with the previous income statement presentation of the commission expense.

Standards and amendments	Executive summary
IFRS 15 *Revenue from Contracts with Customers (“IFRS 15”)*	**Significant financing:** In respect of contracts for which the Group receives payment more than 12 months in advance, interest expense is accrued on the income received in advance liability. This results in the revenue being measured at a higher amount when it is recognized, compared to previous accounting. At April 1, 2018, the income received in advance liability (which is disclosed as ‘liabilities related to contracts with customers’) was R1.8 million higher than the balance at March 31, 2018. **Fixed escalations:** Fixed escalations are spread evenly over the contract period resulting in the related revenue being different to what is actually billed. In the earlier part of the contract, revenue will be higher than the amount billed, while in the latter part it will be lower. Previously, the Group recognized the increase in revenue due to fixed escalations only once the escalations were effective. A contract asset of R1.2 million was recognized on April 1, 2018, reflecting the amount by which revenue should have been higher under IFRS 15 in periods prior to March 31, 2018 as a result of straight-lining the fixed escalations.
IFRS 16 *Leases (“IFRS 16”)*	IFRS 16 replaces IAS 17 *Leases* and addresses the accounting and disclosures for leases. The standard provides a single lessee accounting model, requiring lessees to recognize right-of-use assets and lease liabilities for all leases, unless the lease term is 12 months or less or the underlying asset is a low-value asset. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting remaining substantially unchanged from its predecessor, IAS 17. IFRS 16 applies to annual reporting periods beginning on or after January 1, 2019, but can be early adopted. Given that the Group applied IFRS 15 from April 1, 2018, the Group decided to also adopt IFRS 16 from this date. The Group has chosen to apply the ‘simplified approach’ on adoption of IFRS 16 that includes certain relief related to the measurement of the right-of-use asset and the lease liability at April 1, 2018, rather than full retrospective application. Furthermore, the ‘simplified approach’ does not require a restatement of comparatives. The Group leases land and buildings, office equipment and vehicles which were previously treated as operating leases. The impact on the Group at April 1, 2018 was as follows: – Right-of-use asset with a net book value of R30.6 million; and – Lease liability (net of accruals/prepayments already recognized) of R32.6 million.

Summary of the impact at April 1, 2018 of adopting IFRS 9, IFRS 15 and IFRS 16:

IFRS 9 assets	(R3.2 million)
Trade and other receivables	(R3.2 million)
IFRS 15 assets	R46.5 million
Capitalized commission assets	R45.3 million
Trade and other receivables [1]	R1.2 million
IFRS 16 assets	R29.9 million
Property, plant and equipment	R30.6 million
Trade and other receivables [2]	(R0.7 million)
Total assets	**R73.2 million**
IFRS 15 liabilities	R8.7 million
Recurring commission liability (non-current)	R4.0 million
Trade and other payables [3]	R4.7 million
IFRS 16 liabilities	R31.9 million
Capitalized lease liability (non-current)	R23.3 million
Capitalized lease liability (current)	R8.8 million
Trade and other payables [2]	(R0.2 million)
Deferred tax liabilities	R7.9 million
Total liabilities	**R48.5 million**
Net increase in equity	**R24.7 million**

[1] *Contract assets related to fixed escalations.*

[2] *Reversal of lease prepayment and lease accruals under IAS 17 Leases. These have been reflected in the measurement of the lease liability under IFRS 16.*

[3] *Includes the current portion of additional recurring commission liability of R2.9 million and increase in liabilities related to contracts with customers due to significant financing adjustments of R1.8 million.*

Summary of the impact on fiscal 2019 results of adopting IFRS 9, IFRS 15 and IFRS 16:

The only material impact on the consolidated income statement for fiscal 2019 was a R7.9 million increase in finance costs. This was primarily as a result of IFRS 15 significant financing activity interest expense and IFRS 16 capitalized lease liability interest. The impact on every other line item in the condensed consolidated income statement for fiscal 2019 was not material.

The only adjustment to the statement of cash flows was an outflow of R11.4 million in respect of the capital portion of lease liability payments being recorded in cash flows from financing activities as a result of the adoption of IFRS 16. This outflow was previously accounted for as an operating lease expense and included under cash generated from operations.

2.1.1.2 New standards, amendments and interpretations not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for March 31, 2019 reporting periods and except for IFRS 16 have not been early adopted by the Group. Refer to note 2.1.1.1 above. Although none of these new accounting standards and interpretations that have not been early adopted by the Group are expected

to have a significant effect on the consolidated financial statements of the Group, more information about the effect of IFRIC 23 is provided below:

Interpretation	Executive summary
IFRIC 23 *Uncertainty over Income Tax Treatments ("IFRIC 23")*	IFRIC 23 is an interpretation that is effective for the Group from April 1, 2019, which provides guidance on the accounting for uncertain tax treatments. An uncertain tax treatment is a tax treatment for which there is uncertainty over whether the relevant tax authority will accept the tax treatment under tax law. Where such uncertainty exists and it is probable that the tax authority will accept the uncertain tax treatment in an entity's income tax filings, IFRIC 23 requires the calculation of taxable profit or loss, tax bases, unused tax loss, unused tax credits or tax rates to be determined consistently with the tax treatment used or planned to be used in its income tax filings. When it is not considered probable; the uncertainty should be reflected using the most likely amount or the expected value depending on which method is expected to better predict the resolution of the uncertainty. IFRIC 23 can either be applied fully retrospectively (if possible without using hindsight) or retrospectively with a cumulative catch-up adjustment against opening retained earnings at the date of adoption. The Group has decided to apply the cumulative catch-up approach. Uncertain tax positions are currently accounted for by the Group using a weighted average estimate regardless of whether it is probable that the tax treatment will be accepted. With regard to the uncertain tax positions as at March 31, 2019, it was not considered probable that the tax authority would accept the tax treatment. Accordingly, it is not expected that the adoption of IFRIC 23 will have a significant impact on opening retained earnings at April 1, 2019.

2.2 Consolidation

(a) Subsidiaries

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 to direct the relevant activities of the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position, respectively.

(b) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred, except if related to the issue of equity securities, in which case these costs are also included in equity.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognized directly in the income statement as a bargain purchase gain.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of acquisition. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Unwinding of the interest element is recognized in the income statement.

Contingent consideration is measured at fair value on acquisition date and classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in the income statement.

(c) Changes in ownership interests in subsidiaries without a change of control

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group, that is, transactions with the owners in their capacity as owners. For purchases from non-controlling interests, the difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified collectively as the executive committee and the Chief Executive Officer who make strategic decisions.

Sales between segments are carried out at cost plus a margin.

2.4 Foreign currency translation

(a) 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 the entity operates ("the functional currency"). The consolidated financial statements are presented in South African Rand ("R"), which is the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognized in the income statement.

Foreign exchange gains/(losses) are classified as "Finance income/(cost) – net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) Income and expenses for each income statement presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);

(iii) All resulting exchange differences are recognized in other comprehensive income; and

(iv) Equity items are measured at historical cost at the time of recording, translated at the rate on the date of the recording and are not retranslated to closing rates at reporting dates.

On consolidation, exchange differences arising from the translation of net investments in foreign operations are recognized in other comprehensive income. When a foreign operation is fully disposed of or sold (i.e. control is lost), exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale. A repayment/ capitalization of a net investment loan therefore does not result in any exchange differences being transferred from equity to the income statement unless it is part of a transaction resulting in a loss of control.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences are recognized in other comprehensive income.

2.5 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes all expenditure directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized 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. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. Repairs and maintenance are charged to the income statement in the reporting period in which they are incurred.

The cost of in-vehicle devices installed in vehicles (including installation and shipping costs) as well as the cost of uninstalled in-vehicle devices, is capitalized as property, plant and equipment. The Group depreciates installed in-vehicle devices on a straight-line basis over their expected useful lives, commencing upon installation, whereas uninstalled in-vehicle devices are not depreciated until installed. The related depreciation expense is recorded as part of cost of sales in the income statement.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to reduce their cost to their residual values over their estimated useful lives, as follows:

Property: Buildings	50 years
Plant and equipment	3 – 20 years
Motor vehicles	3 – 7 years
Other: Furniture, fittings and equipment	2 – 10 years
Computer and radio equipment	3 – 7 years
In-vehicle devices installed	1 – 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 (note 2.7).

Gains and losses on disposal of an asset are determined by comparing the proceeds with the carrying amount and are recognized within "Other income/(expenses) – net" in the income statement.

Right-of-use assets are included in property, plant and equipment on the statement of financial position, refer to note 2.25.1 for the accounting policy related to right-of-use assets.

2.6 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of businesses and represents the excess of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the acquirer's interest in the net fair value of the net assets acquired. Goodwill on acquisition of businesses is included in intangible assets. Gains and losses on the disposal of an entity include the carrying amount of the goodwill relating to the entity sold.

Goodwill is not amortized but is tested annually for impairment, or more frequently if events or changes in circumstances indicate a potential impairment, and is carried at cost less accumulated impairment losses. 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 the business combination in which the goodwill arose. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. The carrying amount of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs to sell. Impairment losses recognized as an expense in relation to goodwill are not subsequently reversed.

(b) Patents and trademarks

Separately acquired patents and trademarks are shown at historical cost. Patents and trademarks acquired in a business combination are recognized at fair value at the acquisition date. Patents and trademarks have a finite useful life and are subsequently carried at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated using the straight-line method to allocate the cost of patents and trademarks over their estimated useful lives (three to 20 years).

(c) Customer relationships

Customer relationships acquired in a business combination are recognized at fair value at the acquisition date. Customer relationships have a finite useful life and are subsequently carried at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated over the expected useful life of the customer relationship (two to 15 years) and reflects the pattern in which future economic benefits of the customer relationship are expected to be consumed. The useful life principally reflects management's view of the average economic life of the customer base and is assessed by reference to factors such as customer churn rates.

(d) Computer software, technology, in-house software and product development costs

Acquired computer software licenses are capitalized on the basis of costs incurred to acquire and bring the software into use. The acquired computer software licenses have a finite useful life and are subsequently carried at cost less accumulated amortization and accumulated impairment losses. These costs are amortized over their estimated useful lives (two to five years).

In-house software and product development costs that are directly attributable to the design, testing and development of identifiable and unique software and products, controlled by the Group, are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software or product so that it will be available for use;
- Management intends to complete the software or product and use or sell it;
- There is an ability to use or sell the software or product;
- It can be demonstrated how the software or product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and use or sell the software or product are available; and
- The expenditure attributable to the software or product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the intangible assets include software and product development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet the criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period if the criteria are subsequently met.

Costs, including annual licenses, associated with maintaining computer software programs are recognized as an expense as incurred.

Technology, in-house software and product development costs are capitalized on the basis of costs incurred to acquire and bring them into use. The recognized assets have a finite useful life and are subsequently carried at cost less accumulated amortization and accumulated impairment losses. In addition, they are amortized over their estimated useful lives (one to 17 years).

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life, goodwill and intangible assets that are not ready to use are not subject to amortization but are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized 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 cost to sell and value-in-use. In assessing the value-in-use, the estimated future cash flows are discounted to their present value using the pre-tax discount rate that reflects current market assessments on the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs, i.e. operating segments). Non-financial assets other than goodwill that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 Financial assets

The Group's financial assets comprise:

- Trade and other receivables
- Restricted cash
- Cash and cash equivalents

All of the Group's financial assets are held for the collection of the contractual cash flows and those cash flows represent solely payments of principal and interest. They are initially recognized at fair value (except for trade receivables) plus transaction costs that are directly attributable to the acquisition of the financial asset. Since the terms of payment are not more than 12 months, trade receivables are recognized initially at their fair value. Subsequent measurement is at amortized cost.

Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the income statement and presented in "Other income/(expenses) – net". Foreign exchange gains and losses are recognized directly in the income statement and presented in "Finance income/(costs) – net".

Regular way purchases and sales of financial assets are recognized on the trade date (the date on which the Group commits to purchase or sell the asset). Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

(a) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.

(b) Net cash and cash equivalents

Net cash and cash equivalents included in the statement of cash flows include cash on hand, deposits held on call with banks and bank overdrafts; all of which are available for use by the Group and have an original maturity of less than three months. Bank overdrafts are included within current liabilities on the statement of financial position.

(c) Restricted cash

Restricted cash includes short-term deposits and amounts held that are not highly liquid and is accounted for at amortized cost.

2.8.1 Impairment of financial assets

Impairment losses are recognized on an expected credit loss basis and are presented in administration and other charges in the income statement. Expected credit losses are probability-weighted estimates of credit losses. 12 month expected credit losses are recognized (other than for trade receivables for which lifetime expected credit losses are recognized – see below), until there has been a significant increase in credit risk, from which point, lifetime expected credit losses are recognized. 12 month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the entire expected life of the financial asset.

For impairment of trade and other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognized from initial recognition of the trade and other receivables, refer to note 10 for further details. Probability-weighted estimates of lifetime expected credit losses are determined for appropriate groupings of customers based on their credit characteristics. Historical losses are used as a starting point and adjusted to take account of current expectations of losses over the remaining life of the trade and other receivable.

Accounting policies applied until March 31, 2018

The Group has applied IFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

2.8.2 Classification

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables, finance lease receivables, restricted cash and cash and cash equivalents in the statement of financial position.

2.8.3 Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on the trade date (the date on which the Group commits to purchase or sell the asset). Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

2.8.4 Measurement

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Loans and receivables

Loans and receivables are subsequently carried at amortized cost using the effective interest method, less any impairment losses.

2.8.5 Impairment of financial assets

The Group assesses, at the end of each reporting period, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets 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 (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Loans and receivables

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other

financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognized in the income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in the income statement.

2.9 Fair value

Fair value is determined in accordance with IFRS 13 Fair Value Measurement and is categorized as follows:

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

The carrying amounts for cash and cash equivalents, restricted cash, trade and other receivables (excluding pre-payments), trade and other payables (excluding leave pay) and the current portion of leases approximate fair value due to their short-term nature.

2.10 Offsetting 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 recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.11 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out ("FIFO"), actual cost or weighted average cost basis, depending on the nature of the Group entity in which it is held. The cost of finished goods includes the cost of manufacturing as charged by third parties. It excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

2.12 Stated capital

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

Where any Group company purchases the Company's equity instruments (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the parent as treasury shares until the shares are canceled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the parent.

2.13 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method.

2.14 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, and financial assets, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset is recognized at the date of derecognition.

Non-current assets are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Non-current assets classified as held for sale are presented separately from the other assets in the statement of financial position.

2.15 Taxation

2.15.1 Current and deferred income taxes

The tax expense for the year comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively. In addition, to the extent the tax deduction in respect of equity-settled share-based payments exceeds the cumulative share-based payment expense, the tax is recognized directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company 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.

Determining how much tax to recognize when an uncertain tax position exists requires judgement. The Group applies the measurement principle in IAS 12 Income Taxes, when measuring the amount of tax to recognize related to an uncertain tax position. Therefore, the Group measures uncertain tax positions based on a weighted average estimate, taking into account all of the tax uncertainties related to the tax position taken.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; and neither are deferred tax liabilities nor deferred tax assets accounted for if they arise from the 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 tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

Deferred tax (‘outside basis’ deferred tax) relating to temporary differences arising from investments in subsidiaries is considered as follows:

- Deferred tax liabilities are recognized, except to the extent that the Group is able to control the timing of the reversal of the temporary differences, and it is probable that they will not reverse in the foreseeable future.
- Deferred tax assets are recognized only to the extent that it is probable the temporary differences will reverse in the foreseeable future and there is sufficient taxable profit available against which the temporary differences can be utilized.

Temporary differences arising from investments in subsidiaries in the consolidated financial statements are different from those arising in the Company financial statements. This is because in the Company financial statements, an investment in a subsidiary is carried at cost; whereas the carrying amount in the consolidated financial statements is the consolidated net assets of the subsidiary.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances 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.

2.15.2 Dividends tax

Dividend withholding tax is currently payable at a rate of 20% on dividends distributed to shareholders. This tax is not attributable to the Company but rather paid to the tax authorities on behalf of the shareholders through use of regulatory intermediaries, with only the net amount of the dividend being remitted to the shareholder.

2.16 Employee benefits

(a) Short-term benefits

Remuneration to employees in respect of services rendered during a reporting period is recognized as an expense in that reporting period. Provision is made for accumulated leave and for short-term benefits when there is no realistic alternative other than to settle the liability, and there is a formal plan and the amounts to be paid are determined before the time of issuing the financial statements.

(b) Defined contribution plan

The Group operates defined contribution plans. A defined contribution plan is one under which the Group pays a fixed percentage of employees' remuneration as contributions into a separate fund, and the Group will have no further legal or constructive obligations to pay additional contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans in respect of services rendered during a period are recognized as staff costs when they are due.

(c) Short-term incentives – bonus plans

The Group recognizes a liability and an expense for bonuses based on the achievement of defined key performance criteria. An accrual is recognized where the Group is contractually obliged or where there is a past practice that has created a constructive obligation.

(d) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits exclude any benefits which are dependent on future service. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, and involves payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.20 Share-based payments

Equity-settled

The Group operates equity-settled share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments of the Company. The equity instruments that may be granted in terms of the plans include share options, retention shares, performance shares and share appreciation rights, all of which entitle the holder to obtain shares in the Company. The fair value, determined at grant date, of the employee services received in exchange for the grant of equity instruments is recognized as an expense at Group level with a corresponding credit to equity. The total amount to be expensed is determined by reference to the grant date fair value of the equity instruments granted:

- Including any market performance conditions;
- Excluding the impact of any service and non-market performance vesting conditions (for example, remaining an employee of the entity over a specified time period); and

- Including the impact of any non-vesting conditions.

Non-market performance vesting conditions and service conditions are included in the assumptions about the number of equity instruments that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of equity instruments that are expected to vest based on the non-market vesting conditions and service conditions. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding entry to equity.

When equity-settled instruments are settled, the Company may elect to issue new shares or use treasury shares to settle its resultant obligations. For share options, the proceeds received, net of any directly attributable transaction costs, are credited to stated capital (as there are no par value shares).

The grant by the Company of equity-settled instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to those subsidiaries. The fair value of employee services received, measured by reference to the grant date fair value, is recognized over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity financial statements.

The Company has a recharge agreement with its South African subsidiaries, whereby the Company will recharge the relevant subsidiary an amount equal to the market value, at exercise date, of the shares issued to the participants of the plan upon exercise. A recharge asset is recognized in the parent entity financial statements from grant date of the equity-settled instruments for the expected recharge amount based on the proportion of the vesting period that has passed. The expected recharge amount reflects expected attrition and the current share price. The contra entry to the recharge asset is recognized against the relevant investment in subsidiary undertakings as it is considered a return of the afore-mentioned capital contribution. Once the carrying value of an investment in subsidiary undertakings has been reduced to nil, further recharges from that subsidiary are recognized in profit or loss as distributions.

The Group classifies awards issued with settlement alternatives as equity-settled when the Group holds the choice of settlement and there is no past practice of settling in cash. If the counterparty holds the choice of settlement, the award is classified as cash-settled.

Cash-settled

For cash-settled share-based payment transactions, the Group measures goods or services acquired and the liability incurred at the fair value of the liability. The liability and corresponding expense are recognized over the vesting period. Until the liability is settled, the Group shall remeasure the fair value of the liability at each reporting date and at the date of settlement, with any changes in fair value recognized in the income statement.

2.21 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses.

Provisions which are expected to be settled in a period greater than 12 months are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as an interest expense.

Provision for the estimated liability on all products under warranty is made on the basis of claims experience.

Provision for the estimated liability for maintenance costs is made on a per unit basis when the obligation to repair occurs.

Provision for the anticipated costs associated with the restoration of leasehold property (decommissioning provision) is based on the Group's best estimate of those costs required to restore the property to its original condition.

Restructuring provisions are recognized when the Group has developed a detailed formal plan for restructuring and has raised a valid expectation that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring and is recorded in administration and other charges in the income statement.

2.22 Revenue from contracts with customers

2.22.1 Recognition and measurement

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a good or a service to a customer.

The Group provides fleet and mobile asset management solutions to its customers, which comprise the provision of hardware and the rendering of services. Some customers obtain control of the hardware (where legal title transfers to the customer); while other customers do not (where legal title remains with the Group).

In instances where the customer obtains control of the hardware, which is typically upon installation or delivery to the customer, the hardware, the installation thereof and the service are each accounted for as separate performance obligations. In instances where the customer does not obtain control of the hardware, there is only a single performance obligation, namely the service.

Where a contract contains multiple performance obligations, the total transaction price is allocated to each one based on their relative standalone selling prices. The amount so allocated is then recognized as revenue as follows:

- **Hardware** – when delivered to the customer
- **Installation** – as the installation is done
- **Driver training and other services** – at the contractual hourly/daily rate as the training/service is performed
- **Service (subscriptions)** – over time as the service is provided

Revenue is shown net of discounts, value added tax, returns and after eliminating sales within the Group.

The Group distributes products to certain small fleet operators and consumers through distributors. Distributors act as agents and hardware revenue is only recognized when the distributor sells the hardware unit to the end customer. Once a unit is sold to a customer, the customer enters into a service agreement directly with the Group for the product. The obligation to supply the service and the credit risk rests with the Group. The service revenue is recognized when the service is rendered (i.e. on a monthly basis).

The Group also sells hardware to motor vehicle dealerships for fitment into their vehicle trading stock. These dealerships purchase the hardware from the Group and are considered principals because they obtain title to the hardware, bear the risks and rewards of ownership and accordingly control the hardware purchased. The buyer of the vehicle then enters into a service-only contract with the Group. Revenue is recognized upon sale of the hardware to the dealership and subscription revenue is recognized as the services are provided to the customer.

The Group distributes products to enterprise fleet customers through dealers. Dealers are considered principals in respect of the sale of hardware and revenue is recognized upon sale of the hardware unit to the dealer. Revenue from services is recognized as and when the service is provided to the dealers.

2.22.2 Costs incurred in obtaining a contract

Commissions incurred to acquire contracts are capitalized and amortized, unless the amortization period is 12 months or less. Under IFRS 15, the amortization expense reflects the settlement of the related performance obligations, which, depending on the specific contract, may include hardware, installation, driver training and/or other services. To the extent commission capitalized is commensurate, the commission attributable to service will be amortized over the minimum contractual period or, if shorter, the expected life of the contract. To the extent it is not commensurate, the commission capitalized that is attributable to service will be amortized over the expected life of the contract. Commission is considered commensurate with respect to a particular contract when equivalent/comparable commission is payable upon the extension or renewal of such a contract or upon the customer entering into a new contract. Typically, with regard to month-to-month contracts, commission payable is not considered commensurate for such contracts because no commission is payable as and when the customer extends each month by not giving notice. Accordingly, commission incurred on such contracts that is attributable to service is amortized over the expected life of the contract taking account of expected extensions/renewals.

Recurring commission is commission which is payable for each month the customer remains with the Group. Since the commission relates to acquiring a customer contract a recurring commission liability is recognized at the date on which the contract is acquired. The measurement reflects the total commission payable over the minimum contractual period or, if shorter, the expected life of the contract, together with the effect of the time value of money, where significant.

Amortization expense of external commissions capitalized is recognized in cost of sales, while that of internal commissions is recognized in sales and marketing costs. Commissions not capitalized under the 12-month practical expedient is also classified in the same manner.

2.22.3 Significant financing

In respect of contracts for which the Group receives payment more than 12 months in advance, interest expense is accrued on the income received in advance liability. This results in the revenue being measured at a higher amount when it is recognized.

2.22.4 Fixed escalations

Fixed escalations are spread evenly over the contract period resulting in the related revenue being different to what is actually billed. In the earlier part of the contract, revenue will be higher than the amount billed, while in the latter part it will be lower.

Accounting policies applied until March 31, 2018

The Group has applied IFRS 15 using the modified retrospective cumulative catch-up approach. Under this approach, the Group recognized the transitional adjustments in retained earnings on April 1, 2018, without restating the comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods or services in the ordinary course of the Group's activities. Revenue mainly includes amounts earned on the sale of hardware units, subscription service sales to customers and installation revenue. Revenue is shown net of discounts, value added tax, returns and after eliminating sales within the Group.

The Group offers certain arrangements whereby the customer can purchase a combination of the products and services as referred to above. Where such multiple element arrangements exist, the amount of revenue allocated to each element is based on the relative fair values of the various elements offered in the arrangement. When applying the relative fair value approach, the fair values of each element are determined based on the current market price of each of the elements when sold separately.

The Group recognizes revenue when the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities, as outlined below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Invoicing for the various products and services, when sold separately or as part of a multiple element revenue arrangement, occurs based on the specific contractual terms and conditions.

The Group distributes products to certain small fleet operators and consumers through distributors. Distributors act as agents and hardware revenue is only recognized when the distributor sells the hardware unit to the end customer. Once a unit is sold to a customer, the customer enters into a service agreement directly with the Group for the product. The obligation to supply the service and the credit risk rests with the Group. The service revenue is recognized when the service is rendered (i.e. on a monthly basis).

The Group also sells hardware to motor vehicle dealerships for fitment into their vehicle trading stock. These dealerships purchase the hardware from the Group and are considered principals because they obtain title to the hardware and bear the risks and rewards of ownership. The buyer of the vehicle then enters into a service-only contract with the Group. Revenue is recognized upon sale of the hardware to the dealership and subscription revenue is recognized as the services are provided to the customer.

The Group distributes products to enterprise fleet customers through dealers. Dealers are considered principals in respect of the sale of hardware and revenue is recognized upon sale of the hardware unit to the dealer. Similar to the relationship with consumers and small fleet customers originated through distributors, the responsibility for providing services rests with the Group and revenue is recognized as the service is rendered.

(a) Subscription revenue

Subscription revenue is recognized over the term of the agreement as it is earned. When contracted services are performed through a number of repetitive acts over the contract period, revenue is recognized on a straight-line basis over the contract period.

(b) Hardware sales

All hardware has value on a standalone basis. Revenue from hardware sales is recognized once the risks and rewards of ownership have transferred.

(c) Driver training and other services

Revenue is recognized at the contractual hourly/daily rate as the training is performed.

(d) Rental revenue

Where hardware is provided as part of a service contract the risk and rewards of ownership do not transfer and service revenue from the rental unit is recognized over the period of the service and included in subscription revenue.

(e) Installation revenue

Revenue earned from the installation of hardware in customer vehicles is recognized once the installation has been completed.

(f) Repair services

Revenue in respect of repair services, which forms part of the monthly subscription, is recognized on a monthly basis over the period of the service arrangement.

2.23 Interest income

Interest income is recognized on a time-proportion basis with reference to the principal amount receivable and the effective interest rate applicable.

2.24 Dividend income

Dividend income is recognized when the right to receive payment is established.

2.25 Leases

2.25.1 The Group as a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is reduced by impairment losses (refer to note 2.7), if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally the Group uses the lessee's incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of

the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in property, plant and equipment and lease liabilities in capitalized lease liabilities on the statement of financial position.

2.25.2 Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Group regards items that are below $5 000 to be low value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Accounting policies applied until March 31, 2018

The Group has applied IFRS 16 using the simplified approach. Under this approach, the Group recognized the transitional adjustments in retained earnings on April 1, 2018, without restating the comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the group's previous accounting policy.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.25.3 The Group as a lessee

Payments made under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

2.26 Dividend distribution

Any dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's Board of Directors.

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk, and price risk), credit risk, and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets as it relates to financial risks and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out under policies approved by the Board of Directors. The Board has provided approved formal policies covering specific areas, such as foreign exchange risk as well as cash management and banking facilities.

(a) Market risk

(i) *Foreign exchange risk*

The Group operates internationally and is exposed to foreign exchange risk arising from various currencies, primarily with respect to the United States Dollar, the South African Rand, the Euro, the Australian Dollar, the Brazilian Real and the British Pound.

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities and net investments in foreign operations are denominated in a currency that is not the entity's functional currency.

The Group has implemented a foreign currency hedging policy to limit the Group's exposure to fluctuations in foreign currencies. The foreign currency policy reduces exchange rate risk on certain recognized assets and liabilities based on economic hedging principles as opposed to using derivative financial instruments.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the assets of the Group's foreign operations is reduced as a result of assets and liabilities being denominated in the same foreign currencies.

As a result of our monetary assets being held in multiple currencies, the Group has significant foreign currency exposure.

A financial risk sensitivity analysis is presented in note 37.

(ii) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Group's cash flow interest rate risk arises from restricted cash, cash and cash equivalents and the bank overdraft. Bank overdrafts issued at variable rates expose the Group to cash flow interest rate risk, which is partly offset by financial assets held at variable rates (i.e. cash and cash equivalents and restricted cash). At March 31, 2019 and 2018 the Group had no interest-bearing borrowings except capitalized lease liabilities.

The Group is not exposed to fair value interest rate risk as the Group does not have any fixed rate interest-bearing financial instruments carried at fair value.

Interest rates are constantly monitored and appropriate steps are taken to ensure that the Group's exposure to interest rate fluctuations is limited. This includes obtaining approval from the Board for all changes to and new borrowing facilities entered into. Refer to note 37 for an interest rate risk sensitivity analysis.

(iii) *Price risk*

Currently the Group does not have significant price risk. The Group is not exposed to commodity price risk.

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. Credit risk arises from restricted cash, cash and cash equivalents as well as credit exposures to customers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position, net of impairment losses where relevant.

Credit risk relating to accounts receivable balances is managed by each local entity which is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. The Group has a policy in place governing the allowance for credit losses. Refer to note 10 for further discussion on the Group's credit risk management.

Cash investments are only placed with reputable financial institutions rated B and above (note 12). All changes in or new banking arrangements entered into are in line with the Board's approval framework. Refer to note 10 for further disclosure on credit risk.

(c) Liquidity risk

Liquidity risk is the risk that there will be insufficient funds available to settle obligations when they are due.

The Group has limited liquidity risk due to surplus cash balances and the recurring nature of its income, which generates strong cash inflows. The level of cash balances in the Group is monitored weekly and cash generated from operations is reviewed against planned cash flows on a monthly basis. In addition, working capital reviews are performed monthly.

Surplus cash is invested in interest-bearing current accounts and time deposits that are expected to readily generate cash inflows for managing liquidity risk.

In addition, the Group maintains headroom on its undrawn borrowing facilities to ensure that the Group does not breach borrowing limits on its borrowing facilities. Refer to note 38 for further disclosure on liquidity risk.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern while enhancing the returns for shareholders and ensuring benefits for other stakeholders. The Board of Directors monitors capital by reviewing the net cash position. The Company currently has no long-term borrowings and none of its overdraft facilities, as set out in note 15, were subject to any financial covenants during fiscal 2019 and fiscal 2018.

In order to maintain the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt, where applicable.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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 significant risk of causing a material adjustment to the financial position and financial performance of the Group within the next 12 months are outlined below:

(a) Maintenance provision

The Group, in some instances, offers maintenance services as part of its revenue contracts. Management estimates the related provision for maintenance costs per vehicle when the obligation to repair occurs.

(b) Current and deferred income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. Where applicable tax legislation is subject to interpretation, management makes assessments, based on expert tax advice, of the relevant tax that is likely to be paid and provides accordingly. When the final outcome is determined and there is a difference, this is recognized in the period in which the final outcome is determined.

Determining how much tax to recognize when an uncertain tax position exists requires judgement. The Group applies the measurement principle in IAS 12 *Income Taxes*, when measuring the amount of tax to recognize related to an uncertain tax position. Therefore, the Group measures uncertain tax positions based on a weighted average estimate, taking into account all of the tax uncertainties related to the tax position taken.

The Company's interests in subsidiaries include certain loans denominated in foreign currencies which are repayable by agreement of both parties. Realization of such loans will result in taxable foreign exchange differences in accordance with prevailing legislation in South Africa. Although the Company controls the timing of the reversal of these temporary differences, given the volatility of the South African Rand and based on the Group's current assessment, it is not considered probable that the temporary difference relating to a loan between the Company and a South Africa subsidiary will not reverse in the foreseeable future. Hence, a deferred tax liability has been recognized in respect of these temporary differences (note 18).

The Group applies judgement when recognizing deferred tax assets in respect of tax losses. Deferred tax assets in respect of tax losses are recognized for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. In determining the level of future taxable profit that will be available the Group considers both an entity's historical profitability and estimates of future profitability and recognizes deferred tax for the whole or the part of the temporary difference that is more likely than not to be recovered. Where an entity has incurred historical losses, deferred tax assets are only recognized when the particular entity has shown a reasonable period of starting to return to profitability.

(c) Impairment estimates

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 2.7. Other assets are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

For the purposes of assessing impairment, assets are grouped into CGUs at the lowest levels for which there are separately identifiable cash flows. The recoverable amount is based on the CGU's value-in-use. These calculations require the use of estimates (see notes 6 and 7).

(d) Customer relationships

The useful life applied principally reflects management's view of the average economic life of the customer base and is assessed by reference to factors such as customer churn rates. An increase in churn rates may lead to a reduction in the estimated useful life.

(e) Product development cost

Product development cost directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recorded as intangible assets by the Group when the criteria in note 2.6 have been met. The assessment as to when these criteria have been met is subjective and capitalization has been based on management's best judgement of facts and circumstances in existence at year-end.

The useful lives of development costs capitalized are reviewed at least on an annual basis. The useful life estimates are based on historical experience with similar assets as well as anticipation of future events such as technological changes, which may impact the useful life. The residual values of product development costs are estimated to be zero.

(f) Provision for impairment of trade receivables

The Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognized from initial recognition of the trade receivables. Probability-weighted estimates of lifetime credit losses are determined for appropriate groupings of customers based on their credit characteristics. Historical losses are used as a starting point and adjusted to take account of current expectations of losses over the remaining life of the trade receivable. Changes to the expected credit losses provided for may be required if the financial condition of the Group's customers improves or deteriorates. An improvement in financial condition may result in lower actual write-offs. Historically, changes to the estimate of losses have not been material to the Group's financial position and results.

(h) Allocation between in-vehicle devices and inventory

The allocation between in-vehicle devices and inventory reflects the Group's estimates of how units are expected to be sold, thereby it is a significant area of judgement for the Group.

(i) Probability on the valuation of performance shares

The probability of the performance targets being met on the valuation of performance shares are based on management's best estimate of achieving such stretch targets. Management considers whether past actual results on the performance targets were achieved compared to past budgets and considers the most recent budgeted results for the three year strategic plan to determine the probability. Refer to note 13.

5. Segment information

Our operating segments are based on the geographical location of our Regional Sales Offices ("RSOs") and also include our Central Services Organization ("CSO"). CSO is our central services organization that wholesales our products and services to our RSOs who, in turn, interface with our end-customers, distributors and dealers. CSO is also responsible for the development of our hardware and software platforms and provides common marketing, product management, technical and distribution support to each of our other operating segments.

The chief operating decision maker ("CODM") reviews the segment results on an integral margin basis as defined by management. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified collectively as the executive committee and the Chief Executive Officer who make strategic decisions. In respect of revenue, this method of measurement entails reviewing the segmental results based on external revenue only. In respect of Adjusted EBITDA (the profit measure identified by the CODM), the margin generated by CSO, net of any unrealized intercompany profit, is allocated to the geographic region where the external revenue is recorded by our RSOs. The costs remaining in CSO relate mainly to research and development of hardware and software platforms, common marketing, product management and technical and distribution support to each of the RSOs. CSO is a reportable segment of the Group because it produces discrete financial information which is reviewed by the CODM and has the ability to generate external revenues.

Each RSO's results therefore reflect the external revenue earned, as well as the Adjusted EBITDA earned (or loss incurred) by each operating segment before the remaining CSO and corporate costs allocations. Segment assets are not disclosed as segment information is not reviewed on such a basis by the CODM.

The Group's CODM assesses the performance of the operating segments based on Adjusted EBITDA. Adjusted EBITDA is defined as the profit for the period before income taxes, net finance income/(costs) including foreign exchange gains/(losses), depreciation of property, plant and equipment including capitalized customer in-vehicle devices and right-of-use assets, amortization of intangible assets including capitalized in-house development costs and intangible assets identified as part of a business combination, share–based compensation costs, restructuring costs, profits/(losses) on the disposal or impairments of assets or subsidiaries, insurance reimbursements relating to impaired assets and certain litigation costs.

The segment information provided to the Group's CODM for the reportable segments for the year ended March 31, 2019 is as follows:

	Subscription revenue R'000	Hardware and other revenue R'000	Total revenue R'000	Adjusted EBITDA R'000
Regional Sales Offices				
Africa	969,377	75,029	1,044,406	484,497
Europe	140,539	69,218	209,757	67,796
Americas	292,577	36,386	328,963	152,575
Middle East and Australasia	226,020	97,474	323,494	145,887
Brazil	63,987	4,421	68,408	27,598
Total Regional Sales Offices	1,692,500	282,528	1,975,028	878,353
Central Services Organization	745	90	835	(156,894)
Total Segment Results	1,693,245	282,618	1,975,863	721,459
Corporate and consolidation entries	—	—	—	(118,674)
Total	1,693,245	282,618	1,975,863	602,785

The segment information provided to the Group's CODM for the reportable segments for the year ended March 31, 2018 is as follows:

	Subscription revenue R'000	Hardware and other revenue R'000	Total revenue R'000	Adjusted EBITDA R'000
Regional Sales Offices				
Africa	872,646	84,832	957,478	440,900
Europe	115,199	78,061	193,260	65,326
Americas	194,890	32,715	227,605	79,127
Middle East and Australasia	200,241	78,424	278,665	106,835
Brazil	50,735	3,695	54,430	16,747
Total Regional Sales Offices	1,433,711	277,727	1,711,438	708,935
Central Services Organization	904	140	1,044	(149,878)
Total Segment Results	1,434,615	277,867	1,712,482	559,057
Corporate and consolidation entries	—	—	—	(117,191)
Total	1,434,615	277,867	1,712,482	441,866

The segment information provided to the Group's CODM for the reportable segments for the year ended March 31, 2017 is as follows:

	Subscription revenue R'000	Hardware and other revenue R'000	Total revenue R'000	Adjusted EBITDA R'000
Regional Sales Offices				
Africa	772,224	86,945	859,169	344,077
Europe	113,223	64,108	177,331	52,369
Americas	121,462	38,957	160,419	26,804
Middle East and Australasia	199,474	104,976	304,450	91,149
Brazil	32,653	5,158	37,811	9,394
Total Regional Sales Offices	1,239,036	300,144	1,539,180	523,793
Central Services Organization	878	—	878	(127,828)
Total Segment Results	1,239,914	300,144	1,540,058	395,965
Corporate and consolidation entries	—	—	—	(94,352)
Total	1,239,914	300,144	1,540,058	301,613

The revenue from external parties reported to the Group's CODM is measured in a manner consistent with that in the income statement. There are no material non-cash items provided to the Group's CODM other than disclosed in the reconciliation of profit for the year to Adjusted EBITDA below.

During fiscal 2019, impairments to capitalized product development costs of R0.9 million within the CSO segment was recognized in profit or loss. During fiscal 2018, impairments to capitalized product development costs of R2.3 million within the Africa segment and R0.4 million within the CSO segment were recognized in profit or loss. During fiscal 2017, impairments to capitalized product development costs of R2.6 million within the Africa segment and R0.5 million within the CSO segment were recognized in profit or loss. During fiscal 2017, the Brazil segment recognized a reversal of impairment in respect of in-vehicle devices of R0.8 million in profit or loss.

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's CODM.

A reconciliation of Adjusted EBITDA to profit for the year is disclosed below.

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Reconciliation of Adjusted EBITDA to profit for the year			
Adjusted EBITDA	**602,785**	441,866	301,613
Add:			
Net profit on sale of property, plant and equipment and intangible assets	**586**	1,264	—
Reversal of impairment[1]	**—**	—	791
Decrease in restructuring cost provision	**—**	741	—
Less:			
Depreciation[2]	**(183,478)**	(151,945)	(98,508)
Amortization[3]	**(64,877)**	(63,926)	(44,734)
Impairment[4]	**(930)**	(2,696)	(3,166)
Share-based compensation costs	**(12,140)**	(10,352)	(3,311)
Equity-settled share-based compensation costs	**(12,140)**	(9,000)	(2,247)
Cash-settled share-based compensation costs	**—**	(1,352)	(1,064)
Net loss on sale of property, plant and equipment and intangible assets	**—**	—	(262)
Increase in restructuring cost provision[5]	**(3,034)**	—	(14,561)
Operating profit	**338,912**	214,952	137,862
Add: Finance income/(costs) – net	**1,386**	(69)	10,391
Less: Taxation	**(137,962)**	(33,690)	(26,812)
Profit for the year	**202,336**	181,193	121,441

(1) *The reversal of impairment of R0.8 million in fiscal 2017 related to in-vehicle devices in the Brazil segment.*

(2) *Includes depreciation of property, plant and equipment (including in-vehicle devices and right-of-use assets). The adoption of IFRS 16 during the year resulted in depreciation of right-of-use assets of R11.7 million being recorded in fiscal 2019.*

(3) *Includes amortization of intangible assets (including capitalized in-house development costs and intangible assets identified as part of a business combination).*

(4) *In fiscal 2019, asset impairments relate to the impairment of capitalized product development costs of R0.9 million in the CSO segment. In fiscal 2018, asset impairments related to the impairment of capitalized product development costs of R2.3 million in the Africa segment and R0.4 million in the CSO segment. In fiscal 2017, asset impairments related to the impairment of capitalized product development costs of R2.6 million in the Africa segment and R0.5 million in the CSO segment.*

(5) *Restructuring costs incurred in fiscal 2019 are described in note 19.*

Revenue generated by the South African-based operating segments of the Group (i.e. Central Services Organization and Africa, excluding East Africa) to its local and foreign-based customers amounted to R1,025.7 million (2018: R931.7 million, 2017: R836.2 million) for fiscal 2019, whereas revenue generated by the foreign-based segments of the Group (i.e. Europe, Americas, East Africa, Middle East, Brazil and Australasia) to its local and foreign-based customers amounted to R950.2 million (2018: R780.8 million, 2017: R703.9 million).

Total non-current assets other than financial instruments, capitalized commission assets and deferred tax assets located in South Africa is R685.8 million (2018: R615.9 million, 2017: R621.0 million), and the total of these non-current assets located in foreign countries is R325.7 million (2018: R260.8 million, 2017: R174.6 million). R257.8 million (2018: R208.5 million, 2017: R119.7 million) of these foreign non-current assets were located in Americas segment. These assets are allocated

based on the physical location of the asset and are stated before any inter-company eliminations. The numbers above exclude assets classified as held for sale disclosed in note 6.

6. Property, plant and equipment

	Property R'000	Plant, equipment, vehicles and other R'000	Computer and radio equipment R'000	In-vehicle devices uninstalled R'000	In-vehicle devices installed R'000	Total R'000
At April 1, 2017						
Cost	22,288	48,186	58,048	55,470	333,057	517,049
Accumulated depreciation and impairments	(4,777)	(33,315)	(45,728)	—	(139,109)	(222,929)
Net book amount	17,511	14,871	12,320	55,470	193,948	294,120
Year ended March 31, 2018						
Opening net book amount	17,511	14,871	12,320	55,470	193,948	294,120
Additions	—	4,090	4,630	229,528	—	238,248
Transfers	—	(613)	613	(232,050)	232,050	—
Assets classified as held for sale	(17,058)	—	—	—	—	(17,058)
Impairment (notes 5, 24, 30, 32.2)	—	(6)	(3)	—	—	(9)
Disposals*	—	(606)	(165)	—	(1,165)	(1,936)
Depreciation charge (notes 5, 24, 32.2)	(453)	(5,237)	(6,772)	—	(139,483)	(151,945)
Currency translation differences	—	(280)	(253)	(2,777)	(24,072)	(27,382)
– Cost	—	(1,103)	(985)	(2,777)	(33,762)	(38,627)
– Accumulated depreciation and impairments	—	823	732	—	9,690	11,245
Closing net book amount	—	12,219	10,370	50,171	261,278	334,038
At March 31, 2018						
Cost	—	47,066	46,735	50,171	470,545	614,517
Accumulated depreciation and impairments	—	(34,847)	(36,365)	—	(209,267)	(280,479)
Net book amount	—	12,219	10,370	50,171	261,278	334,038

	Property R'000	Plant, equipment, vehicles and other R'000	Computer and radio equipment R'000	In-vehicle devices uninstalled R'000	In-vehicle devices installed R'000	Total R'000
Year ended March 31, 2019						
Opening net book amount	—	12,219	10,370	50,171	261,278	334,038
Adjustment on initial application of IFRS 16	29,273	1,295	—	—	—	30,568
Additions	14,674	6,068	6,474	196,810	—	224,026
Transfers	—	(12)	12	(175,473)	175,473	—
Disposals**	—	(223)	(58)	—	(1,355)	(1,636)
Depreciation charge (notes 5, 24, 32.2)	(10,947)	(5,438)	(5,418)	—	(161,675)	(183,478)
Currency translation differences	5,668	432	356	5,005	42,467	53,928
– Cost	8,298	2,315	1,911	5,005	62,003	79,532
– Accumulated depreciation and impairments	(2,630)	(1,883)	(1,555)	—	(19,536)	(25,604)
Closing net book amount	38,668	14,341	11,736	76,513	316,188	457,446

Owned assets						
Year ended March 31, 2019						
Opening net book amount	—	12,219	10,370	50,171	261,278	334,038
Additions	—	5,626	6,474	196,810	—	208,910
Transfers	—	(12)	12	(175,473)	175,473	—
Disposals**	—	(223)	(58)	—	(1,355)	(1,636)
Depreciation charge (notes 5, 24, 32.2)	—	(4,662)	(5,418)	—	(161,675)	(171,755)
Currency translation differences	—	267	356	5,005	42,467	48,095
– Cost	—	2,016	1,911	5,005	62,003	70,935
– Accumulated depreciation and impairments	—	(1,749)	(1,555)	—	(19,536)	(22,840)
Net book amount	—	13,215	11,736	76,513	316,188	417,652
Cost	—	50,262	51,853	76,513	654,453	833,081
Accumulated depreciation and impairments	—	(37,047)	(40,117)	—	(338,265)	(415,429)
Net book amount	—	13,215	11,736	76,513	316,188	417,652

	Property R'000	Plant, equipment, vehicles and other R'000	Computer and radio equipment R'000	In-vehicle devices uninstalled R'000	In-vehicle devices installed R'000	Total R'000
Right-of-use assets						
Year ended March 31, 2019						
Opening net book amount	—	—	—	—	—	—
Adjustment on initial application of IFRS 16	29,273	1,295	—	—	—	30,568
Additions	14,674	442	—	—	—	15,116
Depreciation charge (notes 5, 24, 32.2)	(10,947)	(776)	—	—	—	(11,723)
Currency translation differences	5,668	165	—	—	—	5,833
– Cost	8,298	22	—	—	—	8,320
– Accumulated depreciation and impairments	(2,630)	143	—	—	—	(2,487)
Net book amount	38,668	1,126	—	—	—	39,794
Cost	66,502	2,745	—	—	—	69,247
Accumulated depreciation and impairments	(27,834)	(1,619)	—	—	—	(29,453)
Net book amount	38,668	1,126	—	—	—	39,794

Property, plant and equipment comprises owned and leased assets. The Group leases many assets including land and buildings, vehicles, machinery and IT equipment.

* *The historical costs and accumulated depreciation on fully depreciated assets which were retired and removed from the accounting records during fiscal 2018 included R1.2 million relating to plant, equipment, vehicles and other, R14.7 million relating to computer and radio equipment and R63.9 million relating to in-vehicle devices installed.*

** *The historical costs and accumulated depreciation on fully depreciated assets which were retired and removed from the accounting records during fiscal 2019 included R1.4 million relating to plant, equipment, vehicles and other, R0.2 million relating to computer and radio equipment and R55.6 million relating to in-vehicle devices installed.*

Additions of R224.0 million made in fiscal 2019 include non-cash additions of uninstalled in-vehicle devices of R9.0 million relating to the Central Services Organization segment and Americas segment, right-of-use of assets of R15.1 million and R0.5 million relating to other asset categories. R1.4 million was paid in the current fiscal year which related to uninstalled in-vehicle devices which were accrued and accounted for as non-cash additions in fiscal 2018 by the Central Services Organization. Additions of R238.2 million made in fiscal 2018 included non-cash additions of uninstalled in-vehicle devices of R1.4 million relating to the Central Services Organization segment. R1.9 million was paid in fiscal 2018 which related to uninstalled in-vehicle devices which were accrued and accounted for as non-cash additions in fiscal 2017 by the Central Services Organization.

Depreciation expense of R162.9 million (2018: R141.6 million, 2017: R85.8 million) has been charged to cost of sales. The remainder has been included in administration and other charges in the income statement.

Assets classified as held for sale

The assets classified as held for sale relate to the property held by the CSO segment. No impairment loss was recognized on reclassification of the property as held for sale as the fair value (estimated based on the recent market prices of similar properties in similar locations) less costs to sell is higher than the carrying amount. MiX Telematics has concluded agreements pertaining to a Broad-Based Black Economic Empowerment ("B-BBEE") transaction in which the sale of this property is included, refer below for additional information. The transaction is subject to certain conditions precedent which were fulfilled on May 17, 2019. The transaction is expected to be concluded during fiscal 2020.

B-BBEE Property Transaction
MiX has concluded a B-BBEE transaction which involves the following:

- Acquiring Erf 1335 Vorna Valley Extension 21 Township, Registration Division IR, Province of Gauteng situated in Midrand ("the Midrand property") for R44.0 million from TPF Investments (Pty) Ltd ("TPF"), which Midrand property is currently being leased from TPF. TPF is an associate of Robin Frew, the non-executive Chairperson of MiX Telematics and therefore the acquisition is a small related party transaction under the JSE Listings Requirements.
- In a back-to-back transaction, selling the Midrand property for R44.0 million, as well as the Group's property in Stellenbosch currently classified as held for sale (discussed above) for R23.5 million to Black Industrialists Group Property Management Company (Pty) Ltd ("BIG"). The Group will also provide loan funding to BIG for R9.0 million.
- Leasing both properties from BIG for an initial period of 5 years with an option to renew the lease for a further 5 years period.

	March 31, 2019 R'000	March 31, 2018 R'000
Non-current assets		
Property, plant and equipment	**457,446**	334,038
Current assets		
Assets classified as held for sale	**17,058**	17,058
Total property, plant and equipment	**474,504**	351,096

7. Intangible assets

	Goodwill	Patents and trademarks	Customer relationships	Product development costs	Computer software, technology, in-house software and other	Total
	R'000	R'000	R'000	R'000	R'000	R'000
At April 1, 2017						
Cost	618,910	3,155	40,165	265,637	130,131	1,057,998
Accumulated amortization and impairments	—	(2,229)	(16,942)	(89,848)	(67,079)	(176,098)
Net book amount	618,910	926	23,223	175,789	63,052	881,900
Year ended March 31, 2018						
Opening net book amount	618,910	926	23,223	175,789	63,052	881,900
Additions	—	31	5,300	65,342	23,965	94,638
Transfers	—	—	—	(365)	365	—
Disposals*	—	—	—	(1,188)	—	(1,188)
Amortization charge (notes 24 and 32.2)	—	(513)	(7,516)	(37,639)	(18,258)	(63,926)
Impairment loss (notes 5, 24, 30 and 32.2)	—	—	—	(2,687)	—	(2,687)
Currency translation differences	(7,266)	—	(356)	(235)	(2,353)	(10,210)
– Cost	(7,266)	—	(475)	(265)	(4,760)	(12,766)
– Accumulated amortization and impairments	—	—	119	30	2,407	2,556
Closing net book amount	611,644	444	20,651	199,017	66,771	898,527
At March 31, 2018						
Cost	611,644	1,031	44,990	312,338	145,387	1,115,390
Accumulated amortization and impairments	—	(587)	(24,339)	(113,321)	(78,616)	(216,863)
Net book amount	611,644	444	20,651	199,017	66,771	898,527
Year ended March 31, 2019						
Opening net book amount	**611,644**	**444**	**20,651**	**199,017**	**66,771**	**898,527**
Additions	**—**	**213**	**—**	**69,912**	**23,012**	**93,137**
Disposals**	**—**	**—**	**—**	**—**	**—**	**—**
Amortization charge (notes 24 and 32.2)	**—**	**(119)**	**(6,797)**	**(37,318)**	**(20,643)**	**(64,877)**
Impairment loss (notes 5, 24, 30 and 32.2)	**—**	**—**	**—**	**(930)**	**—**	**(930)**
Currency translation differences	**25,587**	**—**	**(9)**	**229**	**3,982**	**29,789**
– Cost	**25,587**	**—**	**1,053**	**374**	**7,737**	**34,751**
– Accumulated amortization and impairments	**—**	**—**	**(1,062)**	**(145)**	**(3,755)**	**(4,962)**
Closing net book amount	**637,231**	**538**	**13,845**	**230,910**	**73,122**	**955,646**
At March 31, 2019						
Cost	**637,231**	**1,244**	**46,043**	**365,665**	**166,832**	**1,217,015**
Accumulated amortization and impairments	**—**	**(706)**	**(32,198)**	**(134,755)**	**(93,710)**	**(261,369)**
Net book amount	**637,231**	**538**	**13,845**	**230,910**	**73,122**	**955,646**

** The historical costs and accumulated amortization on fully depreciated assets which were retired and removed from the accounting records during the 2018 year included R2.2 million relating to patents and trademarks, R13.9 million relating to product development costs and R4.3 million relating to computer software, technology, in-house software and other.*

*** The historical costs and accumulated amortization on fully depreciated assets which were retired and removed from the accounting records during the 2019 year included R17.0 million relating to product development costs and R9.3 million relating to computer software, technology, in-house software and other.*

In fiscal 2019, staff costs of R52.2 million (2018: R46.4 million, 2017: R54.6 million) have been capitalized to product development costs. In fiscal 2019, no staff costs were capitalized to in-house software (2018: Nil, 2017: R1.6 million).

Additions of R93.1 million were made during fiscal 2019 which includes non-cash additions of R2.3 million relating to capitalized development costs and R5.2 million relating to computer software. Additions of R94.6 million were made during 2018. In addition, R1.9 million relating to capitalized development costs and R3.1 million related to computer software, technology, in-house software and other intangibles were paid in fiscal 2018 which were accrued and accounted for as non-cash additions in 2017.

Amortization expense of R45.7 million (2018: R44.1 million, 2017: R30.1 million) has been charged to cost of sales. The remainder has been included in administration and other charges in the income statement.

During fiscal 2019, impairment to capitalized product development costs of R0.9 million within the CSO segment was recognized in profit or loss. During fiscal 2018, impairments to capitalized product development costs of R0.4 million within the CSO segment and R2.3 million within the Africa segment were recognized in profit or loss. The impairment losses have been included in administration and other charges in the income statement.

Included in product development costs is product development assets in progress with a net book amount of R36.1 million (2018: R32.1 million, 2017: R51.1 million). Computer software, technology, in-house software and other included internally generated in-house software in progress of R10.3 million (2018: Nil, 2017: R42.8 million).

Impairment tests for goodwill

Goodwill is allocated to the Group's CGUs identified within its operating segments. It should be noted that, as disclosed in note 5, while CSO is reported as a reportable segment excluding any inter-company revenue and related costs, it remains a CGU, as there remains an active market for the output produced by CSO. The impairment tests for goodwill have been performed on the same basis as the previous financial years.

A summary of the goodwill at operating segment level is presented below:

	March 31, 2018 R'000	Foreign currency translation differences R'000	**March 31, 2019 R'000**
Central Services Organization	103,119	—	**103,119**
Europe	108,624	15,001	**123,625**
Middle East and Australasia	46,851	10,586	**57,437**
Africa	353,050	—	**353,050**
Total	611,644	25,587	**637,231**

The recoverable amounts of all CGUs are determined based on value-in-use calculations, which use pre-tax cash flow projections based on approved financial budgets covering a three to five-year period. A five-year period was used to ensure that in respect of the Europe and Middle East and Australasia segments, stable cash flows are used for purposes of calculating terminal values included in the value-in-use calculations. These cash flows are based on the current market conditions and near-term expectations.

The key assumptions used for the value-in-use calculations are as follows:

2019	Central Services Organization	Africa	Europe	Middle East and Australasia
Discount rate				
– pre-tax discount rate applied to the cash flow projections (%)	17.9	17.8	9.0	11.1
Growth rate				
– growth rate used to extrapolate cash flow beyond the budget period (%)	5.5	5.5	2.0	2.3

2018	Central Services Organization	Africa	Europe	Middle East and Australasia
Discount rate				
– pre-tax discount rate applied to the cash flow projections (%)	17.1	17.3	9.2	13.3
Growth rate				
– growth rate used to extrapolate cash flow beyond the budget period (%)	5.4	5.4	2.2	2.9

The discount rates were calculated using the capital asset pricing model. These rates reflect specific risks relating to the relevant CGUs. The growth rate has been determined based on the expected long-term inflation outlook.

Goodwill sensitivity

Given the significant headroom that exists in the CGUs, management believes that a reasonable change in assumptions would not result in any goodwill impairments.

Europe goodwill sensitivity

To determine the recoverable amount of its investment in the Europe CGU, the Group calculated future net cash flows of the CGU and discounted them to their present value using the rates as indicated above. The calculation of the CGU's discounted net present value requires extensive use of estimates and assumptions about discount rates and budgeted cash flows. The budgeted cash flows at March 31, 2019 reflect the current market conditions for the European economy and near-term expectations. To the extent that anticipated new contracts do not materialize and the business strategy does not come to fruition, or key personnel are not retained, the forecasts could be negatively impacted.

At March 31, 2019, the date at which the impairment testing was performed, Europe CGU's recoverable amount exceeded the carrying amount by 33.5%. A 10.7% pre-tax discount rate, or a 33.5% decrease of the projected cash flows, would reduce the headroom for the Europe CGU to nil. This analysis assumes that all other variables remain constant.

8. Capitalized commission assets

	March 31, 2019 R'000	March 31, 2018 R'000
Net book value of asset recognized from costs incurred in obtaining a contract	54,066	*
Amortization recognized during the year	30,477	*
– Cost of sales	20,885	*
– Sales and marketing	9,592	*

** Due to the transition method chosen by the Group in applying IFRS 15, comparative information has not been restated to reflect the new requirements. Refer to note 2.1.1.1.*

Amortization expense of external commissions capitalized is recognized in cost of sales, while that of internal commissions is recognized in sales and marketing costs. Commission not capitalized under the 12-month practical expedient is also classified in the same manner. This is consistent with the income statement presentation of the commission expense for fiscal 2018.

9. Inventory

	March 31, 2019 R'000	March 31, 2018 R'000
Inventory – finished goods	**51,263**	57,013

During the current year an amount of R4.1 million (2018: R9.3 million) was recognized as a charge in cost of sales as a result of the write-down of inventory to net realizable value (notes 24 and 32.2).

10. Trade and other receivables

	March 31, 2019 R'000	March 31, 2018 R'000
Trade receivables	**344,551**	248,878
Contract asset related to fixed escalations	**207**	—
Sundry debtors	**43,189**	27,811
Less: Provision for impairment	**(43,768)**	(17,523)
Trade and other receivables – net	**344,179**	259,166
Pre-payments	**32,296**	27,240
	376,475	286,406

The ageing of trade and other receivables (excluding pre-payments) at the reporting date is as follows:

	Gross R'000	Provision for impairment R'000	Net R'000
2019			
Not past due	**223,979**	(5,425)	218,554
Past due by 1 to 30 days	**71,552**	(1,898)	69,654
Past due by 31 to 60 days	**26,547**	(1,069)	25,478
Past due by more than 60 days	**65,869**	(35,376)	30,493
Total	**387,947**	(43,768)	344,179

	Gross R'000	Provision for impairment R'000	Net R'000
2018			
Not past due	**173,157**	(334)	172,823
Past due by 1 to 30 days	**51,844**	(2,518)	49,326
Past due by 31 to 60 days	**24,763**	(3,732)	21,031
Past due by more than 60 days	**26,925**	(10,939)	15,986
Total	**276,689**	(17,523)	259,166

The carrying amounts of trade and other receivables are denominated in the following currencies:

	March 31, 2019 R'000	March 31, 2018 R'000
South African Rand	138,042	98,148
Australian Dollar	22,987	24,016
Brazilian Real	25,051	19,129
Euro	29,699	28,192
Great Britain Pound	16,301	18,883
Ugandan Shilling	4,659	3,515
United Arab Emirates Dirham	2,090	2,578
United States Dollar	133,166	91,105
Other	4,480	840
	376,475	286,406

Movements in the Group's provision for impairment of trade and other receivables are as follows:

	March 31, 2019 R'000	March 31, 2018 R'000
Opening balance	(17,523)	(13,346)
Adjustment on initial application of IFRS 9	(3,171)	*
Opening balance – restated	(20,694)	*
Increase in provision for impairment (note 32.2)	(29,725)	(24,143)
Amount written off during the year as irrecoverable**	7,861	19,354
Foreign currency translation differences	(1,210)	612
Closing balance	(43,768)	(17,523)

** Comparatives have not been restated under IFRS 9. Refer to note 2.1.1.1.*

*** Amounts written off are not subject to enforcement activity.*

From April 1, 2018 the Group measures the provision for impairment of trade and other receivables at an amount equal to lifetime expected credit losses as a result of IFRS 9. The initial application resulted in an increase of the provision at March 31, 2018 of R3.2 million, which was recognized against opening retained income. Prior to April 1, 2018, the provision for impairment was determined on an incurred loss basis. A loss was considered to have been incurred when there was objective evidence of impairment as a result of one or more loss events that had incurred.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is default) and the exposure at default. The assessment of the probability given default and loss given default is based on historical data adjusted by relevant forward-looking information. The exposure at default is represented by the asset's gross carrying amount at the reporting date.

The Group considers that default has occurred when a receivable is more than 90 days past due or information determined internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Amounts provided for are generally written off when there is no expectation of recovering the amount, in accordance with the Group's write-off policy.

Overview of the Group's exposure to credit risk

The maximum exposure to credit risk at the reporting date is the carrying value of each receivable, net of impairment losses where relevant. Other than 16% of the gross receivable balance (excluding pre-payments) relating to four debtors at the end

of fiscal 2019 (2018: 11% of the gross receivable balance (excluding pre-payments) relating to two debtors), the Group has no significant concentration of credit risk, due to its spread of customers across various operations and geographical locations. The Group does not hold any collateral as security.

Trade receivables of R26.2 million (2018: R17.9 million) are pledged as security for the Group's overdraft facilities (notes 12 and 15).

Credit risk management

The Group minimizes credit risk by only dealing with creditworthy counterparties and performing adequate credit checks upon accepting new customers and determining credit limits. Credit approvals and other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Group reviews the recoverable amount of trade and other receivables individually, or for appropriate groupings of customers based on their credit characteristics, at the end of the reporting period to ensure that adequate provision is made for irrecoverable amounts. In this regard, the directors consider that the Group's credit risk is significantly reduced.

11. Restricted cash

	March 31, 2019 R'000	March 31, 2018 R'000
Cash securing guarantee issued in terms of the Mobile Telephone Networks Proprietary Limited incentive agreement (denominated in South African Rand)	**1,000**	1,000
Cash securing guarantees issued in respect of lease agreements entered into (denominated in South African Rand)	**393**	393
Tax refund received erroneously (denominated in South African Rand)	**7,188**	7,188
Cash securing guarantees issued in respect of products sold by MiX Telematics Europe Limited (denominated in Euro)	**1,276**	1,447
Cash securing guarantees issued in respect of MiX Telematics Middle East FZE relating to employee visas in the UAE (denominated in UAE Dirham)	**2,296**	3,616
Cash held for purposes of distribution to MiX Telematics Enterprise BEE Trust and MiX Telematics Fleet Support Trust beneficiaries (denominated in South African Rand)	**7,240**	6,257
Cash securing guarantees issued in respect of property lease agreements entered into by MiX Telematics Australasia (denominated in Australian Dollar)	**794**	1,034
	20,187	20,935

12. Net cash and cash equivalents

Net cash and cash equivalents included in the statement of cash flow comprise the following amounts which are included in the statement of financial position:

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Cash and cash equivalents	**383,443**	308,258	375,782
Bank overdraft (note 15)	**(30,262)**	(17,720)	(19,449)
	353,181	290,538	356,333

The credit quality of cash and cash equivalents that are not impaired can be assessed by reference to external credit ratings, based on the Fitch rating scales, as follows:

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Cash and cash equivalents			
AA	**138,700**	110,854	197,873
A	**98,339**	82,738	78,605
BBB	**38,383**	33,962	99,304
BB	**98,027**	80,704	—
B	**9,994**	—	—
	383,443	308,258	375,782

The carrying amounts of net cash and cash equivalents are denominated in the following currencies:

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Great Britain Pound	**43,866**	37,209	48,540
Brazilian Real	**9,995**	3,787	2,987
South African Rand	**208,144**	171,223	100,721
Australian Dollar	**21,898**	22,912	19,574
United States Dollar	**65,226**	48,354	178,768
Euro	**1,233**	4,300	4,649
Other	**2,819**	2,753	1,094
	353,181	290,538	356,333

13. Stated capital

	Number of shares 000s	Stated capital R'000
At April 1, 2017	563,435	854,345
Shares issued in relation to share options and share appreciation rights exercised	6,001	10,726
Share repurchase under the Share Repurchase Program	(5,016)	(18,666)
Balance at March 31, 2018	564,420	846,405
Shares issued in relation to share options and share appreciation rights exercised	6,685	13,776
Share repurchase under the Share Repurchase Program	(9,158)	(73,548)
Balance at March 31, 2019	**561,947**	**786,633**

The total authorized number of ordinary shares at the end of the financial year amounted to 1 billion shares (2018: 1 billion) with no par value. All issued shares are fully paid up and carry one vote per share and the right to dividends. There were no changes to the authorized number of ordinary shares during the current or prior financial year.

In terms of a special resolution approved in fiscal 2014 a new class of no par value shares, consisting of 100 million preference shares, was created. No preference shares have been issued to date.

MiX Investments, a wholly owned subsidiary of the Company, holds 40,000,000 of the Company's ordinary shares of no par value, which were acquired under an approved general share repurchase program during fiscal 2016. These shares were

held as treasury shares by the Group at the end of the current and prior financial years.

Share repurchases

On May 23, 2017, the MiX Telematics Board of Directors approved a share repurchase program of up to R270 million under which the Company may repurchase its ordinary shares, including American Depositary Shares ("ADSs"). The Company may repurchase its shares from time to time at its discretion through open market transactions and block trades, based on ongoing assessments of the capital needs of the Company, the market price of its securities and general market conditions. This share repurchase program may be discontinued at any time by the Board of Directors, and the Company has no obligation to repurchase any amount of its securities under the program. The repurchase program will be funded out of existing cash resources.

Fiscal 2018 purchase

During fiscal 2018 the following purchases had been made under the share repurchase program:

	Total number of shares repurchased	Average price paid per share [1] R	Shares canceled under the share repurchase program	Total value of shares purchased as part of publicly announced program R'000	Maximum value of shares that may yet be purchased under the program R'000
June 2017	**5,015,660**	**3.72**	**5,015,660**	**18,666**	**251,334**
	5,015,660		**5,015,660**	**18,666**	**251,334**

[1] *Including transaction costs.*

Subsequent to the repurchase, the shares were delisted and now form part of the authorized unissued share capital of the Company.

Fiscal 2019 purchase

During fiscal 2019 the following purchases had been made under the share repurchase program:

	Total number of shares repurchased	Average price paid per share [1] R	Shares canceled under the share repurchase program	Total value of shares purchased as part of publicly announced program R'000	Maximum value of shares that may yet be purchased under the program R'000
October 2018	**9,157,695**	**8.03**	**9,157,695**	**73,548**	**177,786**
	9,157,695		**9,157,695**	**73,548**	**177,786**

[1] *Including transaction costs.*

Subsequent to the repurchase, the shares were delisted and now form part of the authorized unissued share capital of the Company.

Fiscal 2017 specific share repurchase from related party

Fiscal 2017

On April 29, 2016, the Company entered into an agreement (the "share repurchase agreement") with Imperial Holdings Limited ("Imperial Holdings") and Imperial Corporate Services Proprietary Limited ("Imperial Corporate Services"), a wholly owned subsidiary of Imperial Holdings, to repurchase all 200,828,260 of the Company's shares held by Imperial Corporate Services (the "repurchase shares") at R2.36 per repurchase share, for an aggregate repurchase consideration of R474.0 million (the "repurchase"). At the general meeting held on August 1, 2016, shareholders of the Company approved

the repurchase in terms of the JSE Listings Requirements and the South African Companies Act, No. 71 of 2008, at which point the transaction was accounted for in terms of IFRS. The repurchase was implemented on August 29, 2016. Subsequent to the repurchase, the shares were delisted and now form part of the authorized unissued share capital of the Company.

In fiscal 2017, the financial effect of the transaction was as follows:

	R'000
Aggregate repurchase consideration	473,955
Impact of discounting related to the fiscal 2017 share repurchase transaction (note 25)	(3,222)
Transaction costs capitalized	2,949
Total share repurchase costs	473,682

Equity incentive plans

The Group has issued share incentives under two equity incentive plans, the TeliMatrix Group Executive Incentive Scheme and the MiX Telematics Long-Term Incentive Plan ("LTIP"), to directors and certain key employees within the Group. With the introduction of the LTIP, which was approved by shareholders in terms of an ordinary resolution during 2014, no further awards will be made in terms of the TeliMatrix Group Limited Executive Incentive Scheme going forward.

The LTIP is now being used to issue share incentives to employees and executive members within the Group. The LTIP provides for three types of grants to be issued, namely performance shares, retention shares or share appreciation rights ("SARs"). To date only SARs and performance shares have been issued.

The table below indicates the total number of awards under the LTIP which are available for issue:

	Number of awards
Reconciliation of number of awards available for issue under the LTIP	
Maximum number of awards that may be issued during the life of the LTIP	**120,000,000**
Issued in fiscal 2015	**(2,900,000)**
Number of awards available for issue as at March 31, 2015	**117,100,000**
Issued in fiscal 2016	**(11,835,000)**
Number of awards available for issue as at March 31, 2016	**105,265,000**
Issued in fiscal 2017	**(13,950,000)**
Number of awards available for issue as at March 31, 2017	**91,315,000**
Issued in fiscal 2018	**(10,000,000)**
Number of awards available for issue as at March 31, 2018	**81,315,000**
Issued in fiscal 2019	**(5,500,000)**
Number of awards available for issue as at March 31, 2019	**75,815,000**

Both equity incentive plans are discussed in further detail in the sections that follow.

Refer to note 24 for the total expense recognized in fiscal year 2019 in respect of equity-settled instruments granted to employees and directors.

Share options under the TeliMatrix Group Executive Incentive Scheme

Share options have been granted to directors and certain key employees within the Group. The exercise price of the options granted is equal to the weighted average market value of ordinary shares for the 20 days preceding the date of the grant. The options vest in tranches of 25% per annum, commencing on the second anniversary of the grant date and expire 6 years after the grant date. In addition to these vesting periods, the vesting of the share options granted are conditional on certain performance conditions being met, namely the share price on the associated measurement date being in excess of the target, after being reduced by the aggregate amount of dividends paid, or an annual total shareholder return in excess of 10%, taking into account any dividends paid during the vesting period, being achieved. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the total number of share options outstanding and their related weighted average exercise prices are as follows:

	Weighted average exercise price 2019 cents per share	**Number of options 2019 000s**	Weighted average exercise price 2018 cents per share	Number of options 2018 000s
Outstanding at the beginning of the year	**309**	**9,100**	266	14,613
Exercised	**246**	**(5,600)**	195	(5,513)
Forfeited	**—**	**—**	—	—
Expired	**—**	**—**	—	—
Outstanding at the end of the year	**411**	**3,500**	309	9,100
Exercisable at the end of the year	**411**	**2,625**	285	7,350

The weighted average remaining contractual life on share options outstanding at year-end is 1.45 years (2018: 1.31 years). Options exercised in fiscal 2019 resulted in 5,600,000 shares (2018: 5,512,500 shares) being issued at a weighted average exercise price of 246 cents per share (2018: 195 cents per share). The related weighted average share price at the time of exercise was 922 cents per share (2018: 608 cents per share).

Share options outstanding at the end of the fiscal year have the following exercise prices:

Annual shareholder return	**Grant date**	**Expiry date**	**Exercise price**	**March 31, 2019 000s**	March 31, 2018 000s
10%	November 7, 2012	November 7, 2018	246 cents	**—**	5,600
10%	September 10, 2014	September 10, 2020	411 cents	**3,500**	3,500
				3,500	9,100

No share options were granted during fiscal 2019 or fiscal 2018 under this scheme.

Group executives held the following share options outstanding at March 31, 2019 (summarized by grant date):

	September 10, 2014 000s	Total 000s
C Tasker[1]	1,500	1,500
G Pretorius	1,000	1,000
C Lewis	1,000	1,000
	3,500	3,500
Option strike price (cents per share)	411	
JSE share price on grant date (cents per share)	411	
Expiry date	September 10, 2020	
Performance condition		
Minimum shareholder return of	10%	

[1] *Executive director at March 31, 2019.*

No options were held by retired executives as at March 31, 2019.

Group executives held the following share options outstanding at March 31, 2018 (summarized by grant date):

	November 7, 2012 000s	September 10, 2014 000s	Total 000s
S Joselowitz[1]	2,500	—	2,500
C Tasker[1]	2,000	1,500	3,500
G Pretorius	1,100	1,000	2,100
C Lewis	—	1,000	1,000
	5,600	3,500	9,100
Option strike price (cents per share)	246	411	
JSE share price on grant date (cents per share)	300	411	
Expiry date	November 7, 2018	September 10, 2020	
Performance condition			
Minimum shareholder return of	10%	10%	

[1] *Executive director at March 31, 2018.*

No options were held by retired executives as at March 31, 2018.

The following share options were exercised by Group executives during fiscal 2019:

	Date of exercise	Options exercised	Grant date	Strike price (cents per share)	Performance condition (R share price or % minimum shareholder return)	Exercise date share price (cents per share)
S Joselowitz	August 21, 2018	2,500,000	November 7, 2012	246	10%	910
C Tasker	September 11, 2018	2,000,000	November 7, 2012	246	10%	907
G Pretorius	November 6, 2018	1,100,000	November 7, 2012	246	10%	1,030

The following share options were exercised by Group executives during fiscal 2018:

	Date of exercise	Options exercised	Grant date	Strike price (cents per share)	Performance condition (R share price or % minimum shareholder return)	Exercise date share price (cents per share)
C Tasker	November 29, 2017	2,000,000	January 3, 2012	154	10%	628
G Pretorius	August 8, 2017	400,000	November 07, 2012	246	10%	451
G Pretorius	November 22, 2017	750,000	January 3, 2012	154	10%	648
C Lewis	March 2, 2018	1,500,000	November 07, 2012	246	10%	600

Share appreciation rights

Under the LTIP, SARs may be issued to certain directors and key employees. The award price of the SARs granted is equal to the closing market value of ordinary shares on the day preceding the date of the grant. The SARs granted vest in tranches of 25% per annum, commencing on the second anniversary of the grant date and expire six years after the grant date. In addition to these vesting periods, the vesting of the SARs granted are conditional on a performance condition of an annual total shareholder return in excess of 10%, taking into account any dividends paid during the vesting period, being achieved.

Upon exercise of the SARs by participants, the Group will settle the value of the difference between the closing market value of ordinary shares on the day of settlement and the award price (if positive) by delivering shares, alternatively as a fall back provision only, by settling the value in cash.

Movements in the total number of SARs outstanding and their related weighted average award prices are as follows:

	Weighted average award price 2019 cents per share	Number of SARSs 2019 000s	Weighted average award price 2018 cents per share	Number of SARs 2018 000s
Outstanding at the beginning of the year	322	28,039	309	20,810
Granted on May 25, 2018	964	500	—	—
Granted on December 14, 2018	965	1,000	—	—
Granted on May 30, 2017	—	—	346	10,000
Exercised	306	(1,593)	310	(1,709)
Forfeited	320	(2,025)	314	(1,062)
Outstanding at the end of the year	360	25,921	322	28,039
Exercisable at the end of the year	312	4,419	313	1,306

The weighted average remaining contractual life on SARs outstanding at year-end is 3.55 years (2018: 4.38 years).

SARs exercised in fiscal 2019 resulted in 1,593,125 awards (2018: 1,708,750) being issued at a weighted average exercise price of 306 cents per award (2018: 310). The related weighted average share price at the time of exercise was 968 cents per award (2018: 464).

No SARs were exercised by Group executives during fiscal 2019 and fiscal 2018.

SARs outstanding at the end of the fiscal year have the following award prices:

Annual shareholder return	Grant date	Expiry date	Award price	March 31, 2019 000s	March 31, 2018 000s
10%	August 31, 2015	August 31, 2021	313	6,090	7,764
10%	May 30, 2016	May 30, 2022	294	5,369	6,525
10%	November 24, 2016	November 24, 2022	328	4,000	4,000
10%	May 30, 2017	May 30, 2023	346	8,962	9,750
10%	May 25, 2018	May 25, 2024	964	500	—
10%	December 14, 2018	December 14, 2024	965	1,000	—
				25,921	28,039

The weighted average grant date fair value of SARs granted during fiscal 2019 and fiscal 2018 was determined using a combination of the Monte Carlo Simulation option pricing model and the Binomial Tree option pricing model. The key drivers and assumptions input into the valuation models used to determine these values are disclosed below.

The volatility was calculated using a mixture of the Company's historical data as well as the share data of comparable companies for grants made in all financial years preceding 2019 and the Company's historical share data for grants made in the current year.

Group executives held the following SARs outstanding at March 31, 2019 (summarized by grant date):

	August 31, 2015 000s	May 30, 2016 000s	November 24, 2016 000s	May 30, 2017 000s	Total 000s
S Joselowitz[1]	1,000	1,000	—	1,100	3,100
C Tasker[1]	750	750	875	1,100	3,475
P Dell[1]	200	200	875	1,100	2,375
G Pretorius	500	500	875	1,100	2,975
C Lewis	500	500	875	1,100	2,975
	2,950	2,950	3,500	5,500	14,900
JSE share price on grant date (cents per share)	319	289	328	345	
Expiry date	August 31, 2021	May 30, 2022	November 24, 2022	May 30, 2023	
Performance condition					
Minimum shareholder return of	10%	10%	10%	10%	

[1] *Executive director at March 31, 2019.*

Group executives held the following SARs outstanding at March 31, 2018 (summarized by grant date):

	August 31, 2015 000s	May 30, 2016 000s	November 24, 2016 000s	May 30, 2017 000s	Total 000s
S Joselowitz[1]	1,000	1,000	—	1,100	3,100
C Tasker[1]	750	750	875	1,100	3,475
P Dell[1]	200	200	875	1,100	2,375
G Pretorius	500	500	875	1,100	2,975
C Lewis	500	500	875	1,100	2,975
	2,950	2,950	3,500	5,500	14,900
JSE share price on grant date (cents per share)	319	289	328	345	
Expiry date	August 31, 2021	May 30, 2022	November 24, 2022	May 30, 2023	
Performance condition					
Minimum shareholder return of	10%	10%	10%	10%	

[1] *Executive director at March 31, 2018.*

The salient details of SARs granted during fiscal 2019 are provided in the table below:

	Total shareholder return	Total shareholder return
Grant date	December 14, 2018	May 25, 2018
Grant date fair value (cents per share)	399.5	434.8
Award price (cents per share)	965	964
JSE share price on grant date (cents per share)	922	989
Expiry date	December 14, 2024	May 25, 2024
Performance conditions		
– Total shareholder return of (%)	10.0	10.0
Remaining contractual life at March 31, 2019	5.71	5.16
Valuation assumptions and drivers		
Volatility (%)	41.0	41.0
Anticipated forfeiture rate (%)	5.0	5.0
Anticipated dividend yield (%)	1.55	1.45
Annual risk-free interest rate (%)	7.52	7.05

The salient details of SARs granted during fiscal 2018 are provided in the table below:

	Total shareholder return
Grant date	May 30, 2017
Grant date fair value (cents per share)	128.4
Award price (cents per share)	346
JSE share price on grant date (cents per share)	345
Expiry date	May 30, 2023
Performance conditions	
– Total shareholder return of (%)	10.0
Remaining contractual life at March 31, 2018	5.17
Valuation assumptions and drivers	
Volatility (%)	41.5
Anticipated forfeiture rate (%)	5.0
Anticipated dividend yield (%)	3.84
Annual risk-free interest rate (%)	7.51

Performance shares

Under the LTIP, performance shares may be issued to certain directors and key employees. The performance shares granted vest immediately once the service and performance conditions have been met. Settlement takes place by delivering ordinary shares equal to the number of performance shares that have vested, alternatively as a fall back provision only, by settling the value in cash.

During fiscal 2019, the MiX Telematics Board of Directors authorized a supplemental performance share award under the LTIP. In terms of this award the Board has designated 8,000,000 ordinary shares, to be awarded to eligible employees if the Group achieves both of the following constant currency targets at March 31, 2020:

- Cumulative subscription revenue for the 2019 and 2020 fiscal years of R3,588 million; and
- Cumulative Adjusted EBITDA for the 2019 and 2020 fiscal years of R1,322 million.

The targets have been derived using an average forecast exchange rate of R13.8000 per $1.00.

Half of this supplemental equity grant of 4,000,000 ordinary shares, was made during November 2018. No commitments have been made towards potential individual participants in the second grant that may be made. As a result, only the first grant is being accounted for at this stage.

The scheme rules allow for a maximum of 5,000,000 performance shares to be granted in any financial year and for a maximum of 30,000,000 performance shares to be granted in aggregate over the life of the plan.

Movements in the total number of performance shares outstanding are as follows:

	Number of performance shares 2019 000s
Outstanding at the beginning of the year	—
Granted on November 05, 2018	4,000
Forfeited	(200)
Outstanding at the end of the year	3,800
Exercisable at the end of the year	—

The estimated weighted average remaining contractual life on performance shares outstanding at year-end is 1.31 years, which is based on an expected vesting date of June 14, 2020.

The grant date fair value of performance shares granted during fiscal 2019 was R5.87 per share. The fair value was determined by deducting the present value of expected dividends to be paid per share prior to vesting from the closing market price of the MiX Limited shares on grant date of R10.00. Since the period related to the performance targets commenced substantially before the service period (which commenced only on grant date), as required by IFRS 2, management's assessment of the probability of these targets being met was incorporated into the grant date fair value. The grant date fair value is not subsequently revised. This means that any changes in the share price as well as in management's assessment of meeting the performance targets are not taken into account. Accordingly, should the performance targets not be met, the share-based payment expense shall continue to be recognized on a cumulative basis to the extent that the service conditions are met.

The probability of achieving the performance conditions is considered to be an area of critical accounting estimate and judgement. Refer to notes 2.20 and 4 of the Group's accounting policies.

A 5% attrition rate due to staff departures has also been factored into the calculation of the number of performance shares expected to meet the service condition.

The salient details of performance shares granted during fiscal 2019 are provided in the table below:

	Performance shares
Grant date	November 05, 2018
Grant date fair value (cents per share)	587.2
JSE share price on grant date (cents per share)	1,000
Expiry date (estimated)*	June 14, 2020
Performance conditions (R'million)	
The following two constant currency targets both need to be met for the performance share awards to vest:	
– Cumulative subscription revenue for fiscal years 2019 and 2020 and	3,588
– Cumulative Adjusted EBITDA for fiscal years 2019 and 2020	1,322
The targets have been derived using an average forecast exchange rate of R13.8000 per $1.00	
Remaining contractual life at March 31, 2019	1.31
Valuation assumptions and drivers	
Probability (%)	60.0
Anticipated forfeiture rate (%)	5.0
Anticipated present value of dividends (cents per share)	21.4

**The vesting of which will occur on the finalization and sign-off of the audited financial statements for fiscal 2020 (vesting period) and will be subject to continued employment and the satisfaction of both the performance conditions being the performance targets listed above. Management expect the fiscal 2020 audit to be concluded around June 14, 2020.*

Group executives held the following performance shares at March 31, 2019 (summarized by grant date):

	November 05, 2018 000s	Total 000s
S Joselowitz[1]	400	400
C Tasker[1]	400	400
P Dell[1]	200	200
G Pretorius	400	400
C Lewis	400	400
	1,800	1,800
JSE share price on grant date (cents per share)	1,000	
Expiry date (estimated)	June 14, 2020	
Performance condition	**R'million**	
The following two constant currency targets both need to be met for the performance share awards to vest:		
Cumulative subscription revenue for fiscal years 2019 and 2020 and	3,588	
Cumulative Adjusted EBITDA for fiscal years 2019 and 2020	1,322	
The targets have been derived using an average forecast exchange rate of R13.8000 per $1.00		

[1] *Executive director at March 31, 2019.*

The remaining 2,000,000 performance shares outstanding at March 31, 2019 are held by other key employees that are not Group executives.

14. Other reserves

	March 31, 2019 R'000	March 31, 2018 R'000
Opening balance	**(51,614)**	(4,370)
Foreign currency translation*	**115,744**	(60,576)
– Movement for the year – Gross	**114,593**	(60,339)
– Tax effect of movement	**1,151**	(237)
Share-based payments (notes 24 and 32.2)	**19,082**	14,833
– Transaction	**12,140**	9,000
– Excess tax benefit	**6,942**	5,833
Transaction with non-controlling interests**	**—**	(1,501)
Closing balance	**83,212**	(51,614)
Foreign currency translation*	**157,970**	42,226
Reserve on transaction with non-controlling interest**	**(138,939)**	(138,939)
Share-based payments	**64,181**	45,099
Closing balance	**83,212**	(51,614)

* *The foreign currency translation reserve mainly results from the translation of the Group's foreign subsidiaries for which it is considered probable that temporary differences will not reverse in the foreseeable future. Refer to note 18 for details about deferred taxes recognized for related temporary differences.*

** *During fiscal 2008, the Group acquired a non-controlling equity interest held by a minority shareholder in one of its subsidiaries in exchange for a share consideration. R137.9 million (2018: R137.9 million) of the reserve represents the difference between the consideration paid and the Group's share in the net asset value of the subsidiary acquired which has been recorded in equity.*
The reserve on transaction with non-controlling interests included the transfer of Edge Gestao Empresarial Ltda's ("Edge") share of the historical losses of MiX Telematics Servicos De Tlematria E Rastremento De Veiculos Do Brazil Limitada ("MiX Brazil") from distributable reserves to non-controlling interests. R0.5 million, representing a reduction of the reserve, relates to the transaction with Edge in fiscal 2015, whereby Edge increased its non-controlling interest in MiX Brazil from 0.0025% to 5.0%. R1.5 million of the non-controlling interest relates to the acquisition of Edge's 5% interest in MiX Brazil by MiX Investments (Proprietary) Limited ("MiX Investments") during fiscal 2018 (note 21).

15. Borrowings

The Group and its subsidiaries have unlimited borrowing capacity as specified in their respective Memorandums of Incorporation.

Other than bank overdrafts, no new borrowings were raised by the Group during fiscal 2019 and fiscal 2018.

	Interest rate	March 31, 2019 R'000	March 31, 2018 R'000
Undrawn borrowing facilities at floating rates include:			
– Standard Bank Limited:			
Overdraft	Prime less 1.2%	**39,738**	52,280
Vehicle and asset finance	Prime less 1.2%	**8,500**	8,500
– Nedbank Limited overdraft	Prime less 2%	**10,000**	10,000
		58,238	70,780

The Standard Bank and Nedbank facilities have no fixed renewal date and are repayable on demand.

Included in the bank overdraft (note 12) is the following Standard Bank Limited facility which was secured by the following at March 31, 2019 and at March 31, 2018:

- Cross suretyships between the following Group companies:
  - MiX Telematics Africa Proprietary Limited;
  - MiX Telematics International Proprietary Limited; and
  - MiX Telematics Limited.
- An unrestricted cession of book debts by the following entities:
  - MiX Telematics Limited; and
  - MiX Telematics International Proprietary Limited.

The facility from Nedbank Limited is unsecured.

16. Trade and other payables

	March 31, 2019 R'000	March 31, 2018 R'000
Trade payables	**90,770**	98,094
Accruals	**200,502**	176,963
Revenue received in advance [1]	**88,552**	66,120
Recurring commission liability	**5,304**	*
Value added taxes	**11,280**	6,646
Other	**3,461**	2,696
	399,869	350,519

[1] The impact of adopting IFRS 15 on April 1, 2018 was a R1.8 million increase in revenue received in advance due to significant financing adjustments. Refer to note 2.1.1.1. Revenue of R42.3 million was recognized during fiscal 2019 that was included in the opening balance of the revenue received in advance liability at April 1, 2018.

** Comparatives have not been restated on adoption of IFRS 15. Refer to note 2.1.1.1.*

17. Retirement benefits

It is the policy of the Group to provide retirement benefits to all its South African, United Kingdom, United States, Brazilian, Romanian and Australian employees. All these retirement benefits are defined contribution plans and are held in separate trustee-administered funds. These plans are funded by members as well as company contributions. The South African plan is subject to the Pension Funds Act of 1956, the UK plan is subject to the United Kingdom Pensions Act 2008 and the Australian plan is subject to the Superannuation Guarantee Administration Act of 1992. In Brazil, the Group contributes to a mandatory state social contribution plan known as Regime Geral de Previdência Social ("RGPS"). In Romania there is a mandatory social security contribution paid to the state budget, as defined by the Pension Law (Law 263/2010) and the Fiscal Code (Law 227/2015). For the United States employees, a voluntary Internal Revenue Service section 401(k) tax-deferred defined contribution scheme is offered. The full extent of the Group's liability, in respect of the retirement benefits offered, is the contributions made, which are charged to the income statement as they are incurred. The total Group contribution to such schemes in 2019 was R29.2 million (2018: R27.1 million, 2017: R29.4 million) (note 24).

18. Deferred tax

	March 31, 2019 R'000	March 31, 2018 R'000
Deferred tax liabilities		
Capital allowances for tax purposes	**79,800**	42,828
Intangible assets	**66,442**	57,084
Pre-payments	**3,012**	2,857
Deferred foreign currency gains	**84,978**	33,858
Capitalized commission assets	**13,805**	—
Right-of-use assets	**6,940**	—
Other	**2,108**	887
Gross deferred tax liabilities	**257,085**	137,514
Set-off of deferred tax balances	**(118,036)**	(54,856)
Net deferred tax liabilities	**139,049**	82,658
Deferred tax assets		
Revenue received in advance	**16,835**	15,730
Capital allowances for tax purposes	**27,720**	30,556
Provisions, accruals and lease straight-lining	**48,341**	33,910
Assessable losses	**43,140**	5,892
Share-based payments	**16,828**	8,187
Deferred foreign currency losses	**4,052**	—
Recurring commission liability	**1,078**	—
Capitalized lease liability	**7,592**	—
Expected credit losses	**1,022**	—
Other	**3,094**	1,298
Gross deferred tax assets	**169,702**	95,573
Set-off of deferred tax balances	**(118,036)**	(54,856)
Net deferred tax assets	**51,666**	40,717
Net deferred tax liability	**(87,383)**	(41,941)
The gross movement in net deferred tax assets/(liabilities) is as follows:		
Beginning of the year	**(41,941)**	(71,937)
Adjustment on initial application of IFRS 15, IFRS 16 and IFRS 9 (note 2.1.1.1)	**(7,923)**	—
Foreign currency translations	**1,563**	(578)
Credited to equity (note 14)	**8,093**	5,596
– Foreign currency translation on net investment loans	**1,151**	(237)
– Share-based payment - excess tax benefit	**6,942**	5,833
Income statement charge (note 29)	**(47,175)**	24,978
End of the year	**(87,383)**	(41,941)

Deferred foreign currency gains

Deferred foreign currency gains and losses comprise of taxable temporary differences arising on investments in subsidiaries in respect of which deferred tax has been recognized.

Recognition of deferred tax

Deferred tax at year-end has been recognized using the following corporate tax rates:

- South Africa 28% (2018: 28%)
- Australia 30% (2018: 30%)
- Brazil 34% (2018: 34%)
- Romania 16% (2018: 16%)
- Thailand 20% (2018: 20%)
- Uganda 30% (2018: 30%)
- United Arab Emirates 0% (2018: 0%)
- United Kingdom 17% (2018: 19%)
- United States of America 25% (2018: 27%)

Deferred tax assets are recognized for tax losses carried forward to the extent that the realization of the related tax benefit through future taxable profits is probable. The Group did not recognize deferred tax assets of R15.9 million (2018: R61.3 million) in respect of losses amounting to R67.0 million (2018: R237.3 million) at year-end. These tax losses can be carried forward indefinitely except for tax losses of R4.3 million in Thailand which expire after 5 years. During fiscal 2019 the Group raised a further net deferred tax asset of R3.6 million (2018: R0.6 million) after taking into account taxable temporary differences in respect of a portion of the tax losses available in the Europe, Americas and Brazil segments. These tax losses were incurred in prior years. Over the past years, the Europe, Americas and Brazil segments started returning to profitability resulting in a reassessment of their ability to utilize the tax losses and the recognition of a deferred tax asset for a portion thereof.

The movement in deferred tax assets and liabilities during the year, prior to taking into account the offsetting of deferred tax balances within the same tax jurisdiction, is as follows:

	March 31, 2018	Adjustment on initial application of IFRS 15, IFRS 16 and IFRS 9	Charged/ (credited) to the income statement (note 29)	Charged/ (credited) directly to equity (note 14)	Foreign currency translation differences	**March 31, 2019**
	R'000	R'000	R'000	R'000	R'000	**R'000**
Deferred tax liabilities						
Capital allowances for tax purposes	42,828	—	35,132	—	1,840	**79,800**
Intangible assets	57,084	—	9,285	—	73	**66,442**
Pre-payments	2,857	—	155	—	—	**3,012**
Deferred foreign currency gains	33,858	—	47,993	2,901	226	**84,978**
Capitalized commission assets	—	10,743	3,062	—	—	**13,805**
Right-of-use asset capitalized	—	1,165	5,775	—	—	**6,940**
Other	887	418	803	—	—	**2,108**
	137,514	12,326	102,205	2,901	2,139	**257,085**
Deferred tax assets						
Revenue received in advance	(15,730)	—	(1,097)	—	(8)	**(16,835)**
Capital allowances for tax purposes	(30,556)	—	2,905	—	(69)	**(27,720)**
Provisions, accruals and lease straight-lining	(33,910)	—	(13,969)	—	(462)	**(48,341)**
Assessable losses	(5,892)	—	(34,617)	—	(2,631)	**(43,140)**
Deferred foreign currency losses	—	—	—	(4,052)	—	**(4,052)**
Share-based payments	(8,187)	—	(1,699)	(6,942)	—	**(16,828)**
Recurring commission liability	—	(2,004)	926	—	—	**(1,078)**
Capitalized lease liability	—	(1,296)	(6,296)	—	—	**(7,592)**
Expected credit losses	—	(512)	(510)	—	—	**(1,022)**
Other	(1,298)	(591)	(673)	—	(532)	**(3,094)**
	(95,573)	(4,403)	(55,030)	(10,994)	(3,702)	**(169,702)**
Net deferred tax liability	41,941	7,923	47,175	(8,093)	(1,563)	**87,383**

The movement in deferred tax assets and liabilities during the prior year, prior to taking into account the offsetting of deferred tax balances within the same tax jurisdiction, is as follows:

	March 31, 2017	Charged/ (credited) to the income statement (note 29)	Charged/ (credited) directly to equity (note 14)	Foreign currency translation differences	March 31, 2018
	R'000	R'000	R'000	R'000	R'000
Deferred tax liabilities					
Capital allowances for tax purposes	33,616	9,185	—	27	42,828
Intangible assets	49,807	7,279	—	(2)	57,084
Pre-payments	2,815	68	—	(26)	2,857
Deferred foreign currency gains	61,616	(28,318)	237	323	33,858
Other	1,106	105	—	(324)	887
	148,960	(11,681)	237	(2)	137,514
Deferred tax assets					
Revenue received in advance	(14,304)	(1,426)	—	—	(15,730)
Capital allowances for tax purposes	(22,107)	(8,503)	—	54	(30,556)
Provisions, accruals and lease straight-lining	(28,731)	(5,572)	—	393	(33,910)
Assessable losses	(10,736)	4,713	—	131	(5,892)
Share-based payments	—	(2,354)	(5,833)	—	(8,187)
Other	(1,145)	(155)	—	2	(1,298)
	(77,023)	(13,297)	(5,833)	580	(95,573)
Net deferred tax liability	71,937	(24,978)	(5,596)	578	41,941

19. Provisions

	March 31, 2019 R'000	March 31, 2018 R'000
Product warranties		
Beginning of the year	**13,785**	11,538
Income statement charge	**2,993**	5,772
Utilized	**(5,916)**	(3,452)
Foreign currency translation differences	**401**	(73)
End of the year	**11,263**	13,785
Non-current portion	**(291)**	(516)
Current portion	**10,972**	13,269

The Group provides warranties on certain products and undertakes to repair or replace items that fail to perform satisfactorily. Management estimates the related provision for future warranty claims based on historical warranty claim information, the product lifetime, as well as recent trends that might suggest that past cost information may differ from future claims.

	March 31, 2019 R'000	March 31, 2018 R'000
Maintenance provision		
Beginning of the year	**4,429**	3,511
Income statement charge	**20,098**	13,695
Utilized	**(17,923)**	(12,604)
Foreign currency translation differences	**311**	(173)
End of the year	**6,915**	4,429
Non-current portion	**—**	—
Current portion	**6,915**	4,429

The Group provides for maintenance required related to ongoing contracts when the obligation to repair occurs. Management estimates the related provision for maintenance costs per unit based on the estimated costs expected to be incurred to repair the respective units.

	March 31, 2019 R'000	March 31, 2018 R'000
Decommissioning provision		
Beginning of the year	**1,616**	1,424
Finance costs (note 26)	**44**	213
Foreign currency translation differences	**275**	(21)
End of the year	**1,935**	1,616
Non-current portion	**(1,935)**	(1,616)
Current portion	**—**	—

The Group provides for the anticipated present value of costs associated with the restoration of leasehold property to its condition at inception of the lease, including the removal of items included in plant and equipment that is erected on leased land. The final cash outflow of these costs is not expected to occur in the next 12 months.

	March 31, 2019 R'000	March 31, 2018 R'000
Restructuring provision		
Beginning of the year	**24**	11,465
Income statement charge/(reversal) (note 24)	**3,034**	(741)
Utilized	**(2,278)**	(10,653)
Foreign currency translation differences	**4**	(47)
End of the year	**784**	24
Non-current portion	**—**	—
Current portion	**784**	24

Restructuring costs

2019

R3.0 million provision was raised in respect of restructuring plans implemented during fiscal 2019. R1.9 million was raised in the Middle East and Australasia segment and R1.1 million in the Africa segment. R2.3 million of the restructuring provision was utilized in respect of these restructuring plans during fiscal 2019.The remaining restructuring provision is expected to be utilized by the third quarter of fiscal 2020.

2018

R10.7 million of the restructuring provision was utilized in respect of the restructuring plans implemented during fiscal 2017 by the Europe and Middle East and Australasia segments. The total cost of the restructuring plans was expected to approximate R15.0 million. These costs consisted of estimated staff costs in respect of affected employees. R0.7 million was released during fiscal 2018. The remaining restructuring provision was expected to be utilized within the first quarter of fiscal 2019.

	March 31, 2019 R'000	March 31, 2018 R'000
Other provisions		
Beginning of the year	**2,561**	2,673
Income statement charge	**227**	224
Utilized	**—**	—
Foreign currency translation differences	**590**	(336)
End of the year	**3,378**	2,561
Non-current portion	**—**	—
Current portion	**3,378**	2,561

Other provisions

The provision in fiscal 2018 relates to taxation matters which may not be resolved in a manner that is favorable to the Group. The Group has raised provisions in respect of these matters based on estimates and the probability of an outflow of economic benefits and this should not be construed as an admission of legal liability.

	March 31, 2019 R'000	March 31, 2018 R'000
Total provisions		
Product warranties	**11,263**	13,785
Maintenance provision	**6,915**	4,429
Decommissioning provision	**1,935**	1,616
Restructuring provision	**784**	24
Other provisions	**3,378**	2,561
Total provision	**24,275**	22,415
Non-current portion	**(2,226)**	(2,132)
Current provision	**22,049**	20,283

20. Capitalized lease liability

The present value of the capitalized lease liability was determined by discounting the lease payments at the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 6.6%. For the reconciliation between operating lease commitments at March 31, 2018 and the capitalized lease liability recognized on initial application of IFRS 16, refer to note 35.

On adoption of IFRS 16, the Group has elected to apply the practical expedient that allows for all leases with a lease term ending within 12 months of initial application, i.e. by March 31, 2019, to be measured by straight-lining the payments associated with those leases over the lease term. The Group also used hindsight in determining the lease term for leases that include options to extend the lease term.

Refer to note 24 for the expense incurred during the year for short-term leases and leases of low value assets.

	March 31, 2019 R'000	March 31, 2018 R'000
Current	**10,745**	*
Non-current	**31,183**	*
Total capitalized lease liability	**41,928**	*
Reconciliation of total capitalized lease liability		
Opening finance lease liability	**—**	*
Adjustment on initial application of IFRS 16	**32,104**	*
Finance costs (note 26)	**2,214**	*
Additions	**15,116**	*
Capital repayments	**(11,435)**	*
Interest repayments	**(2,053)**	*
Foreign currency translation differences	**5,982**	*
Total capitalized lease liability	**41,928**	*

** The Group has applied the 'simplified approach' on adoption of IFRS 16 that includes certain relief related to the measurement of the right-of-use asset and the lease liability at April 1, 2018, rather than full retrospective application. Furthermore, the 'simplified approach' does not require a restatement of comparatives. Refer to note 2.1.1.1.*

The total cash outflow relating to capitalized leases for the year amounts to R13.5 million. For the Maturity analysis of the undiscounted contractual cash flows, refer to note 38.

21. Share-based payment liability

	March 31, 2019 R'000	March 31, 2018 R'000
Movement in share-based payment liability for the year		
Opening balance	—	—
Share-based payment expense recognized during the year	—	1,352
Payment made in settlement of the share-based payment liability	—	(1,353)
Foreign currency translation differences	—	1
Closing balance	—	—

MiX Brazil

In June 2014, the Group entered into a quotaholders agreement with Edge, whereby Edge was granted a 5% holding in the equity interest of MiX Brazil. Prior to this quotaholders agreement Edge held a non-controlling interest in MiX Brazil of 0.0025%. Edge is a Brazilian-based investment company controlled by Luiz Munhoz, the Managing Director of MiX Brazil. The increase in the equity interests granted to Edge was in respect of services provided by Luiz Munhoz to MiX Brazil, in his role as Managing Director of MiX Brazil. In terms of the quotaholders agreement, Edge had an option to transfer its interest in MiX Brazil back to the Group at fair value. The quotaholders agreement with Edge represented a cash-settled share-based payment.

In September 2017, Edge exercised the put option in the quotaholders agreement. In terms of the subsequent sale agreement MiX Investments (Proprietary) Limited acquired Edge's 5% equity interest in MiX Brazil for R1.4 million which increased the Group's interest in MiX Brazil to 100% during fiscal 2018. As a result during fiscal 2018, the Group recognized a cash-settled share-based payment expense and liability of R1.4 million, which was subsequently settled. The non-controlling interest related to MiX Brazil of R1.5 million was also transferred to other reserves within equity during fiscal 2018 (note 14).

22. Revenue

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Subscription revenue	**1,693,245**	1,434,615	1,239,914
Hardware revenue	**241,837**	227,752	222,315
Driver training, installation and other revenue	**40,781**	50,115	77,829
	1,975,863	1,712,482	1,540,058

The impact of adopting IFRS 15 on the Group's revenue from contracts with customers is described in note 2.1.1.1. Due to the transition method chosen by the Group in applying IFRS 15, comparative information has not been restated to reflect the new requirements. The impact of adopting IFRS 15 on the Group's revenue for fiscal 2019 was not material, therefore a reconciliation between the Group's revenue for fiscal 2019 under IAS 18 and IFRS 15 is not disclosed.

Refer to notes 8, 10 and 16 for contract balances from contracts with customers.

23. Other income/(expenses) – net

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Insurance reimbursement relating to operating costs	**—**	2,500	—
Profit/(loss) on disposal of property, plant and equipment and intangible assets (note 32.2)	**586**	1,264	(262)
Other	**423**	482	688
	1,009	4,246	426

24. Operating profit

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Operating profit is stated after accounting for the following charges:			
Amortization (notes 7 and 32.2)	**64,877**	63,926	44,734
Depreciation (notes 6 and 32.2)	**183,478**	151,945	98,508
Amortization of capitalized commission assets (notes 8 and 32.2)	**30,477**	—	—
Impairment of intangible assets (notes 7 and 32.2)	**930**	2,687	3,166
Impairment/(reversal of impairment) of property, plant and equipment (notes 6 and 32.2)	**—**	9	(791)
Restructuring costs (note 19)	**3,034**	(741)	14,561
Write-down of inventory to net realizable value (notes 9 and 32.2)	**4,112**	9,294	9,967
Research expenditure	**685**	1,624	2,398
Professional fees	**36,686**	32,689	22,358
Lease expenses	**12,863**	24,622	24,690
– Operating lease charges – premises, vehicles and equipment under IAS 17	*****	24,622	24,690
– Expenses relating to short-term leases under IFRS 16	**12,659**	*	*
– Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets under IFRS 16	**204**	*	*
Staff costs	**625,958**	601,656	587,474
– Salaries, wages and other costs	**584,648**	564,207	554,793
– Pension costs (note 17)	**29,170**	27,097	29,370
– Equity-settled share-based payments (notes 14 and 32.2)	**12,140**	9,000	2,247
– Cash-settled share-based payments (note 20)	**—**	1,352	1,064
Number of employees at the end of the year	**1,078**	1,054	1,056

** The Group's leases that were accounted for under IAS 17 in fiscal 2018 have been accounted for under IFRS 16 in fiscal 2019. Comparatives have not been restated under IFRS 16. Refer to note 2.1.1.1.*

25. Finance income

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Current accounts and short-term bank deposits	**10,274**	8,508	14,052
Finance lease receivable income	**—**	3	20
Tax authorities	**999**	303	—
Other	**630**	137	520
	11,903	8,951	14,592
Net foreign exchange gains	**383**	—	1,476
	12,286	8,951	16,068

26. Finance costs

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Overdraft	**(2,723)**	(2,324)	(2,259)
Impact of discounting related to the fiscal 2017 share repurchase transaction (note 13)	**—**	—	(3,222)
Other long-term loans	**—**	—	(50)
Decommissioning provision (note 19)	**(44)**	(213)	—
Capitalized lease liability (note 20)	**(2,214)**	*	*
Significant financing activity **	**(4,920)**	*	*
Recurring commission liability	**(802)**	*	*
Other	**(197)**	(1,410)	(146)
	(10,900)	(3,947)	(5,677)
Net foreign exchange losses	**—**	(5,073)	—
	(10,900)	(9,020)	(5,677)

* *Comparatives have not been restated on adoption of IFRS 15 and IFRS 16. Refer to note 2.1.1.1.*

** *The liability relating to the significant financing activity is included in revenue received in advance in note 16.*

27. Auditors' remuneration

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Auditors' remuneration	**11,259**	12,076	8,821

In fiscal 2019, auditors' remuneration includes R0.3 million (2018: R2.2 million) in respect of fees paid to PricewaterhouseCoopers Inc. and the balance relates to Deloitte & Touche.

28. Directors' and executive committee emoluments

Group	Directors' fees R'000	Salary and allowances R'000	Other benefits R'000	Retirement fund R'000	Performance bonuses[1] R'000	12 months R'000
2019						
Non-executive directors						
R Bruyns[2]	900	—	—	—	—	900
F Futwa[2],[3]	371	—	—	—	—	371
R Frew[2]	760	—	—	—	—	760
E Banda[4]	130	—	—	—	—	130
A Welton	625	—	—	—	—	625
I Jacobs	400	—	—	—	—	400
F Roji-Maplanka	600	—	—	—	—	600
	3,786	—	—	—	—	3,786
Value added tax[2]	305	—	—	—	—	305
Executive committee[5]						
S Joselowitz[6]	—	7,383	—	—	9,276	16,659
C Tasker[6]	—	5,820	—	—	7,097	12,917
P Dell[6]	—	1,950	180	77	2,774	4,981
G Pretorius	—	2,843	281	481	3,280	6,885
C Lewis	—	2,808	67	117	2,786	5,778
	4,091	20,804	528	675	25,213	51,311
2018						
Non-executive directors						
R Bruyns[2]	773	—	—	—	—	773
C Ewing[2],[7]	348	—	—	—	—	348
R Frew[2]	746	—	—	—	—	746
E Banda	486	—	—	—	—	486
A Welton	614	—	—	—	—	614
I Jacobs	386	—	—	—	—	386
F Roji-Maplanka[8]	292	—	—	—	—	292
	3,645	—	—	—	—	3,645
Value added tax[2]	266	—	—	—	—	266
Executive committee[5]						
S Joselowitz[6]	—	6,841	—	—	6,737	13,578
C Tasker[6]	—	5,393	—	—	4,133	9,526
P Dell[6]	—	1,844	100	71	1,750	3,765
G Pretorius	—	2,573	268	433	3,299	6,573
C Lewis	—	2,570	122	130	2,603	5,425
	3,911	19,221	490	634	18,522	42,778

Group	Directors' fees R'000	Salary and allowances R'000	Other benefits R'000	Retirement fund R'000	Performance bonuses[1] R'000	12 months R'000
2017						
Non-executive directors						
R Bruyns	794	—	—	—	—	794
C Ewing	570	—	—	—	—	570
R Frew[2]	566	—	—	—	—	566
E Banda	470	—	—	—	—	470
A Welton	650	—	—	—	—	650
M Lamberti[2], [9]	115	—	—	—	—	115
I Jacobs[10]	277	—	—	—	—	277
G Nakos[11]	—	—	—	—	—	—
	3,442	—	—	—	—	3,442
Value added tax[2]	95	—	—	—	—	95
Executive committee[5]						
S Joselowitz[6]	—	7,219	—	—	3,404	10,623
M Pydigadu[12]	—	2,101	98	80	1,206	3,485
C Tasker[6]	—	3,612	178	256	1,511	5,557
B Horan[13]	—	1,215	63	47	1,456	2,781
P Dell[14]	—	275	14	11	—	300
G Pretorius	—	2,096	129	335	1,147	3,707
C Lewis	—	2,328	—	144	1,099	3,571
	3,537	18,846	482	873	9,823	33,561

(1) *Performance bonuses are based on actual amounts paid during the fiscal year.*
(2) *Value added tax ("VAT") included as part of certain invoices received. Directors' fees shown exclude VAT.*
(3) *Appointed to the Board with effect July 4, 2018.*
(4) *Resigned from the Board with effect July 4, 2018.*
(5) *All prescribed officers of the Company are included as part of the executive committee.*
(6) *Executive director as at March 31, 2019, March 31, 2018 and March 31, 2017.*
(7) *Resigned from the Board with effect from November 7, 2017.*
(8) *Appointed to the Board with effect from October 3, 2017.*
(9) *Appointed to the Board with effect from November 19, 2014, resigned from the Board with effect from August 18, 2016.*
(10) *Appointed to the Board with effect from June 1, 2016.*
(11) *Appointed as alternate director to Mark Lamberti with effect from November 4, 2015. Subsequently resigned as alternate director to Mark Lamberti with effect from August 18, 2016.*
(12) *Resigned from the Board with effect from February 9, 2017.*
(13) *Resigned with effect from September 30, 2016.*
(14) *Appointed as Group executive committee member from February 1, 2017 and to the Board with effect from February 9, 2017. Executive director as at March 31, 2019, March 31, 2018 and March 31, 2017.*

The remaining related party transactions are set out in note 33.

29. Taxation

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Major components of taxation expense			
Normal taxation	**(90,787)**	(58,668)	(46,788)
– Current	**(87,540)**	(55,385)	(43,434)
– (Under)/Over-provision prior years	**1,318**	325	589
– Foreign tax paid	**(3,800)**	(2,880)	(3,711)
– Withholding tax	**(765)**	(728)	(232)
Deferred taxation (note 18)	**(47,175)**	24,978	19,976
– Current year	**(43,700)**	25,658	20,748
– Under-provision prior years	**(3,475)**	(680)	(772)
	(137,962)	(33,690)	(26,812)

Taxation recognized in other comprehensive income

	Before tax R'000	Tax impact R'000	After tax R'000
2019			
Exchange differences on translating foreign operations	**114,596**	**1,151**	**115,747**
	114,596	**1,151**	**115,747**

	Before tax R'000	Tax impact R'000	After tax R'000
2018			
Exchange differences on translating foreign operations	(60,331)	(237)	(60,568)
	(60,331)	(237)	(60,568)

	Before tax R'000	Tax impact R'000	After tax R'000
2017			
Exchange differences on translating foreign operations	(80,870)	(59)	(80,929)
	(80,870)	(59)	(80,929)

Tax rate reconciliation

The tax on the Group's profit before taxation differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the entities as follows:

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Profit before taxation	**340,298**	214,883	148,253
Tax at the applicable tax rate of 28%	**95,283**	60,167	41,511
Tax effect of:	**42,679**	(26,477)	(14,699)
– Income not subject to tax	**(557)**	(552)	—
– Expenses not deductible for tax purposes[1]	**5,014**	6,460	7,409
– Non-deductible/(non-taxable) foreign exchange movements[2]	**47,318**	(28,184)	(15,884)
– Withholding tax	**765**	728	232
– Utilization of prior year assessed losses[3]	**(5,497)**	(6,452)	(1,461)
– Foreign tax paid[4]	**3,800**	2,880	3,711
– Tax rate differential	**(3,317)**	(2,546)	1,281
– Deferred tax not recognized on assessed losses	**239**	517	4,049
– Deferred tax asset previously not recognized	**(3,598)**	(1,122)	(5,342)
– Under-provision prior years	**2,157**	355	183
– Tax incentives in addition to incurred cost[5]	**(6,049)**	(3,258)	(10,387)
– Share-based payment expense previously not deductible	**—**	(1,049)	—
– Imputation of controlled foreign company income	**2,438**	2,365	1,453
– Transfer pricing imputation	**78**	3,381	57
– Other	**(112)**	—	—
	137,962	33,690	26,812

(1) *These non-deductible expenses consist primarily of items of a capital nature and costs attributable to exempt income.*

(2) *The non-deductible/(non-taxable) foreign exchange movements arise as a result of the Group's internal loan structures.*

(3) *The utilization of assessed losses arises mainly in Europe, Brazil and the Americas where historical assessed losses are being utilized, refer to note 18.*

(4) *The foreign tax paid relates primarily to withholding taxes on revenue earned in jurisdictions where the Group does not have a legal entity.*

(5) *The tax incentives relate mainly to the section 11D allowance detailed below, as well as S12H learnership allowances received.*

The Group's weighted average tax rate is 40.5% (2018: 15.7%, 2017: 18.1%).

Section 11D allowances relating to tax assets recognized

MiX Telematics International Proprietary Limited ("MiX International"), a subsidiary of the Group, historically claimed a 150% allowance for research and development spend in terms of section 11D ("S11D") of the South African Income Tax Act No. 58 of 1962 ("the Act"). As of October 1, 2012, the legislation relating to the allowance was amended. The amendment requires pre-approval of development project expenditure on a project specific basis by the South African Department of Science and Technology ("DST") in order to claim a deduction of the additional 50% over and above the expenditure incurred (150% allowance). Since the amendments to S11D of the Act, MiX International had been claiming the 150% deduction resulting in a recognized tax benefit. MiX International has complied with the amended legislation by submitting all required documentation to the DST in a timely manner, commencing in October 2012.

In June 2014, correspondence was received from the DST indicating that the research and development expenditure on certain projects for which the 150% allowance was claimed in fiscal 2013 and fiscal 2014 did not, in the DST's opinion, constitute qualifying expenditure in terms of the Act. MiX International, through due legal process, had formally requested a review of the DST's decision not to approve this expenditure. While approvals were obtained for a portion of this project expenditure as a result of a further review performed by the DST in February 2017, we continue to seek approval for the remaining projects and as such the legal process is ongoing. In addition to the approvals that were subject to the legal process, further approvals have been obtained for certain project expenditure, relating to both current and prior financial years. However, at period end, an uncertain tax position remains in relation to S11D deductions in respect of which approvals remain pending.

Since the introduction of the DST pre-approval process, MiX International has recognized in the income statement cumulative tax incentives in addition to the incurred cost of R24.3 million in respect of S11D deductions, of which R3.8 million was recognized in the current financial year. R21.5 million relates to deductions in respect of development project expenditure which has been approved by the DST. R2.8 million relates to an uncertain tax position in respect of projects where approvals have not yet been received from the DST. If MiX International is unsuccessful in this regard, MiX International will not recover the R2.8 million raised at March 31, 2019.

The taxation receivable includes amounts due of R13.8 million in respect of S11D tax incentives at March 31, 2019 (2018: R17.7 million).

30. Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year.

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Profit attributable to owners of the parent	**202,336**	181,134	121,458
Weighted average number of ordinary shares in issue (000s)	**563,578**	561,088	629,626
Basic earnings per share (R)	**0.36**	0.32	0.19

Diluted

Diluted earnings per share is calculated by dividing the diluted profit attributable to owners of the parent by the diluted weighted average number of ordinary shares in issue during the year. Share options and share appreciation rights granted to employees under the TeliMatrix Group Executive Incentive Scheme and the MiX Telematics Long-Term Incentive Plan ("LTIP"), as disclosed in note 13, are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share if the required target share price or annual shareholder return hurdles (as applicable) would have been met based on the Company's performance up to the reporting date, and to the extent to which they are dilutive. Details relating to the share options and share appreciation rights are set out in note 13.

Performance share awards were issued for the first time during fiscal 2019. The performance share awards are not considered to be dilutive as the performance conditions have not been met. Share appreciation rights were issued for the first time during fiscal 2015 and there were no potentially dilutive share appreciation rights at March 31, 2017.

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Diluted profit attributable to owners of the parent	**202,336**	181,134	121,458
Weighted average number of ordinary shares in issue (000s)	**563,578**	561,088	629,626
Adjusted for:			
– potentially dilutive effect of share appreciation rights	**16,275**	7,230	—
– potentially dilutive effect of share options	**3,794**	5,663	2,193
Diluted weighted average number of ordinary shares in issue (000s)	**583,647**	573,981	631,819
Diluted earnings per share (R)	**0.35**	0.32	0.19

Adjusted earnings per share

Adjusted earnings per share is defined as profit attributable to owners of the parent, MiX Telematics Limited, excluding net foreign exchange gains/(losses) net of tax and share based compensation costs related to performance share awards net of tax, divided by the weighted average number of ordinary shares in issue during the period.

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Reconciliation of adjusted earnings			
Profit attributable to owners of the parent	**202,336**	181,134	121,458
Net foreign exchange (gains)/losses	**(383)**	5,073	(1,476)
IFRS 2 charge on performance share awards (note 13)	**5,110**	—	—
Income tax effect on the above components[1]	**47,382**	(29,403)	(15,307)
Adjusted earnings attributable to owners of the parent	**254,445**	156,804	104,675

[1] *The income tax effect is mainly influenced by the Group's internal loan structures (note 29).*

Basic

Basic adjusted earnings per share is calculated by dividing the adjusted earnings attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year.

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Adjusted earnings attributable to owners of the parent	**254,445**	156,804	104,675
Weighted average number of ordinary shares in issue (000s)	**563,578**	561,088	629,626
Basic adjusted earnings per share (R)	**0.45**	0.28	0.17

Diluted

Adjusted diluted earnings per share is calculated by dividing the diluted adjusted earnings attributable to owners of the parent by the diluted weighted average number of ordinary shares in issue during the year.

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Diluted adjusted earnings attributable to owners of the parent	**254,445**	156,804	104,675
Diluted adjusted weighted average number of ordinary shares in issue (000s)	**583,647**	573,981	631,819
Diluted adjusted earnings per share (R)	**0.44**	0.27	0.17

Headline earnings per share

Headline earnings is a profit measure required for JSE-listed companies and is calculated in accordance with circular 4/2018 issued by the South African Institute of Chartered Accountants. The profit measure is determined by taking the profit for the period prior to certain separately identifiable re-measurements of the carrying amount of an asset or liability that arose after the initial recognition of such asset or liability net of related tax (both current and deferred) and related non-controlling interest.

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Reconciliation of headline earnings			
Profit attributable to owners of the parent	**202,336**	181,134	121,458
(Profit)/loss on disposal of property, plant and equipment and intangible assets (note 32.2)	**(586)**	(1,264)	262
Impairment of intangible assets (notes 5, 7 and 32.2)	**930**	2,687	3,166
Impairment/(reversal of impairment) of property, plant and equipment (notes 5, 6 and 32.2)	**—**	9	(791)
Non-controlling interest effects of adjustments	**—**	—	8
Income tax effect on the above components	**(85)**	(380)	(661)
Headline earnings attributable to owners of the parent	**202,595**	182,186	123,442

Basic

Basic headline earnings per share is calculated by dividing the headline earnings attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year.

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Headline earnings attributable to owners of the parent	**202,595**	182,186	123,442
Weighted average number of ordinary shares in issue (000s)	**563,578**	561,088	629,626
Basic headline earnings per share (R)	**0.36**	0.32	0.20

Diluted

Diluted headline earnings per share is calculated by dividing the diluted headline earnings attributable to owners of the parent by the diluted weighted average number of ordinary shares in issue during the year.

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Diluted headline earnings attributable to owners of the parent	**202,595**	182,186	123,442
Diluted weighted average number of ordinary shares in issue (000s)	**583,647**	573,981	631,819
Diluted headline earnings per share (R)	**0.35**	0.32	0.20

Net asset value per share

	March 31, 2019	March 31, 2018
Net asset value per share (R)	**3.12**	2.69
Net tangible asset value per share (R)	**1.32**	1.10

31. Dividends

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Dividends declared	**67,572**	53,268	53,026

During fiscal 2016 the Board decided to reintroduce the Company's policy of paying regular dividends. Dividend payments are currently considered on a quarter-by-quarter basis.

The following dividends were declared by the Company in fiscal 2019 (excluding dividends paid on treasury shares):

- In respect of the fourth quarter of fiscal 2018, a dividend of R16.9 million was declared on May 8, 2018 and paid on June 4, 2018. Using shares in issue of 564,420,145 (excluding 40,000,000 treasury shares), this equated to a dividend of 3 cents per share.
- In respect of the first quarter of fiscal 2019, a dividend of R16.9 million was declared on July 31, 2018 and paid on August 27, 2018. Using shares in issue of 564,634,076 (excluding 40,000,000 treasury shares), this equated to a dividend of 3 cents per share.
- In respect of the second quarter of fiscal 2019, a dividend of R16.8 million was declared on October 30, 2018 and paid on November 26, 2018. Using shares in issue of 561,807,639 (excluding 40,000,000 treasury shares), this equated to a dividend of 3 cents per share.
- In respect of the third quarter of fiscal 2019, a dividend of R16.9 million was declared on January 31, 2019 and paid on February 25, 2019. Using shares in issue of 561,807,639 (excluding 40,000,000 treasury shares), this equated to a dividend of 3 cents per share.

The following dividends were declared by the Company in fiscal 2018 (excluding dividends paid on treasury shares):

- In respect of the fourth quarter of fiscal 2017, a dividend of R11.3 million was declared on May 23, 2017 and paid on June 19, 2017. Using shares in issue of 563,514,561 (excluding 40,000,000 treasury shares), this equated to a dividend of 2 cents per share.
- In respect of the first quarter of fiscal 2018, a dividend of R14.0 million was declared on August 1, 2017 and paid on August 28, 2017. Using shares in issue of 558,898,901 (excluding 40,000,000 treasury shares), this equated to a dividend of 2.5 cents per share.

- In respect of the second quarter of fiscal 2018, a dividend of R14.0 million was declared on October 31, 2017 and paid on November 27, 2017. Using shares in issue of 559,418,095 (excluding 40,000,000 treasury shares), this equated to a dividend of 2.5 cents per share.
- In respect of the third quarter of fiscal 2018, a dividend of R14.0 million was declared on January 30, 2018 and paid on February 26, 2018. Using shares in issue of 562,320,145 (excluding 40,000,000 treasury shares), this equated to a dividend of 2.5 cents per share.

The following dividends were declared by the Company in fiscal 2017 (excluding dividends paid on treasury shares):

- In respect of the fourth quarter of fiscal 2016, a dividend of R15.2 million was declared on May 24, 2016 and paid on June 20, 2016. Using shares in issue of 761,337,500 (excluding 40,000,000 treasury shares), this equated to a dividend of 2 cents per share.
- In respect of the first quarter of fiscal 2017, a dividend of R15.3 million was declared on August 4, 2016 and paid on August 29, 2016. Using shares in issue of 763,087,500 (excluding 40,000,000 treasury shares), this equated to a dividend of 2 cents per share.
- In respect of the second quarter of fiscal 2017, a dividend of R11.3 million was declared on November 3, 2016 and paid on November 28, 2016. Using shares in issue of 563,434,240 (excluding 40,000,000 treasury shares), this equated to a dividend of 2 cents per share.
- In respect of the third quarter of fiscal 2017, a dividend of R11.2 million was declared on February 2, 2017 and paid on February 27, 2017. Using shares in issue of 563,434,240 (excluding 40,000,000 treasury shares), this equated to a dividend of 2 cents per share.

32. Cash flow statement

32.1 The following convention applies to figures other than adjustments:

Outflows of cash are represented by figures in brackets. Inflows of cash are represented by figures without brackets.

32.2 Reconciliation of profit for the year before taxation to cash generated from operations:

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Profit before taxation	**340,298**	214,883	148,253
Adjustments	**346,614**	279,727	197,023
– (Profit)/loss on disposal of property, plant and equipment and intangible assets (note 23)	**(586)**	(1,264)	262
– Depreciation (notes 6 and 24)	**183,478**	151,945	98,508
– Amortization (notes 7 and 24)	**64,877**	63,926	44,734
– Amortization of capitalized commission assets (notes 8 and 24)	**30,477**	*	*
– Impairment of intangible assets (notes 7 and 24)	**930**	2,687	3,166
– Impairment/(reversal of impairment) of property, plant and equipment (notes 6 and 24)	**—**	9	(791)
– Finance income (note 25)	**(11,903)**	(8,951)	(14,592)
– Finance costs (note 26)	**10,900**	3,947	5,677
– Equity-settled share-based payments (notes 14 and 24)	**12,140**	9,000	2,247
– Cash-settled share-based payments (notes 21 and 24)	**—**	1,352	—
– Foreign exchange losses/(gains) (notes 25 and 26)	**(383)**	5,073	(1,476)
– Impairment of receivables (note 10)	**29,725**	24,143	17,713
– Write-down of inventory to net realizable value (notes 9 and 24)	**4,112**	9,294	9,967
– Increase in provisions	**26,352**	18,950	31,821
– Lease straight-line adjustment	**—**	(384)	(213)
– Significant financing revenue adjustment	**(4,542)**	*	*
– Fixed escalations revenue adjustment	**1,037**	*	*
Cash generated from operations before working capital changes	**686,912**	494,610	345,276
Changes in working capital	**(145,480)**	(81,585)	31,839
– Decrease/(increase) in inventories	**1,638**	(39,858)	28,073
– (Increase)/decrease in trade and other receivables	**(123,733)**	(49,601)	17,404
– Increase in capitalized commission assets under IFRS 15	**(31,769)**	*	*
– Decrease in finance lease receivable	**—**	165	1,009
– Increase in trade and other payables	**70,430**	8,519	21,993
– Decrease in provisions	**(26,117)**	(26,709)	(32,854)
– Foreign currency translation differences on working capital	**(35,929)**	25,899	(3,786)
Cash generated from operations	**541,432**	413,025	377,115

** Due to the transition method chosen by the Group in applying IFRS 15, comparative information has not been restated to reflect the new requirements. Refer to note 2.1.1.1.*

33. Related party transactions

Directors' and executive committee members' interest

The list of directors and executive committee members and their beneficial interests declared in the Company's share capital at year-end held directly, indirectly and by associates were as follows:

	March 31, 2019			March 31, 2018		
	Direct 000s	Indirect 000s	Associate 000s	Direct 000s	Indirect 000s	Associate 000s
Non-executive						
R Bruyns	—	3,697	—	—	3,697	—
R Frew	—	63,848	70,261	—	63,848	70,261
A Welton	—	—	235	—	—	235
E Banda[1]	—	—	—	—	—	—
I Jacobs	241	14,296	—	241	14,296	—
F Roji-Maplanka[2]	—	—	—	—	—	—
F Futwa[3]	—	—	—	—	—	—
Executive						
S Joselowitz	23,842	—	—	26,342	—	—
C Tasker	2,907	—	2,428	2,057	—	2,428
P Dell	1	—	—	1	—	—
G Pretorius	690	—	—	338	—	—
C Lewis	1,525	—	—	1,525	—	—
	29,206	81,841	72,924	30,504	81,841	72,924

(1) *Resigned from the Board with effect from July 4, 2018.*
(2) *Appointed to the Board with effect from October 3, 2017.*
(3) *Appointed to the Board with effect from July 4, 2018.*

There have been no changes in the directors' or associates' shareholding between March 31, 2019 and the date of publication of the annual financial statements, other than the following:

- 180,000 ADS (equivalent to 4,500,000 MiX Telematics shares) sold on April 1, 2019, April 2, 2019, May 1, 2019, May 2, 2019, May 3, 2019, June 3, 2019, June 4, 2019 and June 5, 2019, by S Joselowitz (Group CEO) in terms of the previously announced Rule 10b5-1 Trading Plan under the Securities Exchange Act of 1934, as amended; and
- The trustees of The GAF Trust, a long-time shareholder of the Company, have decided to begin a process of unwinding the trust. As part of this process, on May 28, 2019 the GAF Trust distributed its ownership of 70,261,440 MiX Telematics shares to its underlying beneficiaries. R Frew (Non-executive director and Chairperson of the Board), is one of these beneficiaries and received 23,420,480 MiX Telematics shares in this off-market distribution. This increases R Frew's total direct and indirect beneficial ownership in the Company to 87,267,766 shares.

Interests in contracts

During the year under review, the following were disclosed as contractual arrangements that existed between the Group and parties outside of the Group, in which certain of the directors and executive committee members had interests:

Name of director	Related party	Nature of relationship with the Group
R Frew	TPF Investments Proprietary Limited	Lease agreement: Midrand office*
R Frew	Masalini Capital Proprietary Limited	Provides directors' services

**During the year a small related party transaction was entered into with TPF. Refer to note 6 for further details.*

A list of subsidiaries has been included in note 40.

Transactions with related parties and balances outstanding at year-end are as follows (excluding key management personnel emoluments):

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Sales of goods and services	**—**	—	22,263
– Imperial Group Limited*	**—**	—	22,263
Purchases of goods and services	**7,384**	8,277	11,206
– TPF Investments Proprietary Limited**	**7,384**	8,277	5,277
– Imperial Group Limited*	**—**	—	5,929

* *Related party until August 1, 2016. See "Fiscal 2017 specific share repurchase" in note 13 for additional information.*
** *Previously known as Thynk Property Fund Proprietary Limited.*

Refer to note 28 for key management personnel emoluments disclosure. Key management personnel include executive committee members.

The related parties included above are related to the Group due to certain shares in these entities being held by executive or non-executive directors of the Company or due to common directorships held.

There were no receivables from related parties at March 31, 2019, 2018 and 2017.

There were no payables to related parties at March 31, 2019, 2018 and 2017.

34. Contingencies

Service agreement

In terms of an amended network services agreement with Mobile Telephone Networks Proprietary Limited ("MTN"), MTN is entitled to claw back payments from MiX Telematics Africa Proprietary Limited, a subsidiary of the Group, in the event of early cancellation of the agreement or certain base connections not being maintained over the term of the agreement. No connection incentives will be received in terms of the amended network services agreement. The maximum potential liability under the arrangement is R39.1 million (2018: R43.7 million). No loss is considered probable under this arrangement.

Competition Commission of South Africa matter

On April 15, 2019 the Competition Commission of South Africa ("Commission") referred a matter to the Competition Tribunal of South Africa ("Tribunal"). The Commission contends that the Group and a number of our channel partners have engaged in market division. Should the Tribunal rule against MiX Telematics, the Group may be liable to an administrative penalty in terms of the Competition Act, No. 89 of 1998. The Group had cooperated fully with the Commission during its preliminary investigation. We cannot predict the timing of a resolution or the ultimate outcome of the matter, however, the Group and our external legal advisers continue to believe that we have consistently adhered to all applicable laws and regulations and that the referral from the Commission is without merit. We have therefore not made any provisions for this matter as yet.

35. Commitments

Capital commitments

At March 31, the Group had approved, but not yet contracted, capital commitments for:

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Property, plant and equipment	**—**	—	—
Intangible assets	**52,366**	56,406	58,036
	52,366	56,406	58,036

At March 31, the Group had approved and contracted capital commitments for:

	March 31, 2019 R'000	March 31, 2018 R'000	March 31, 2017 R'000
Property, plant and equipment	**40,070**	11,601	50,074
Intangible assets	**18,271**	17,046	24,726
	58,341	28,647	74,800

Capital commitments will be funded out of a mixture of working capital and cash and cash equivalents.

Lease commitments

At March 31, 2019, the Group had ongoing month-to-month lease contracts with respect of leases to which the 12-month practical expedient has been applied during fiscal 2019.

Operating leases until March 31, 2018 under IAS 17 *Leases* accounting

The Group leases various offices under operating lease agreements as defined in IAS 17 *Leases*. The leases have various terms and escalation clauses and renewal rights.

The future minimum lease payments in respect of land and buildings under non-cancellable operating leases are as follows:

	March 31, 2018 R'000	March 31, 2017 R'000
Land and buildings		
Within one year	12,324	15,201
One to five years	10,862	20,354
	23,186	35,555

The Group leases various office equipment and vehicles under non-cancellable operating lease agreements as defined in IAS 17 *Leases*. The lease terms are between one and five years with annual escalations up to 10% per annum. The Group is required to give up to three months' notice for the termination of these agreements.

The future minimum lease payments of office equipment and vehicles under non-cancellable operating leases are as follows:

	March 31, 2018 R'000	March 31, 2017 R'000
Office equipment		
Within one year	716	853
One to five years	674	495
	1,390	1,348
Vehicles		
Within one year	1,585	1,507
One to five years	1,617	1,626
	3,202	3,133

The lease expenditure charged to the income statement during fiscal 2018 and fiscal 2017 is disclosed in note 24.

The Group has adopted IFRS 16 from April 1, 2018, for information regarding capitalized lease liabilities recognized under IFRS 16 refer to note 20.

Reconciliation of operating lease commitments to IFRS 16 liability recognized on April 1, 2018

	March 31, 2019 R'000
Operating lease commitments at March 31, 2018	27,778
Discounted using the incremental borrowing rate at April 1, 2018 [2]	25,771
Recognition exemption for:	
– Short term leases	(5,010)
– Leases of low value assets	(1,186)
Extension and termination options reasonably certain to be exercised and variable lease payments based on an index or rate	12,529
Lease liabilities recognized at April 1, 2018 (note 20)	32,104

[2] *The weighted average lessee's incremental borrowing rate applied was 6.6%.*

36. Events after the reporting period

Other than the items below, the directors are not aware of any matter material or otherwise arising since March 31, 2019 and up to the date of this report, not otherwise dealt with herein.

Dividend declared

The Board of Directors declared in respect of the fourth quarter of fiscal 2019 which ended on March 31, 2019, a dividend of 4 South African cents per ordinary share that was paid on June 3, 2019.

B-BBEE Property Transaction

All of the conditions precedent related to the B-BBEE transaction were fulfilled on May 17, 2019. The transaction is expected to be concluded during fiscal 2020. Refer to note 6 for further information regarding this transaction.

37. Financial risk sensitivity analysis

Interest rate sensitivity

A change in the interest rate at the reporting date of 100 basis points for ZAR denominated instruments would have increased/(decreased) profit or loss before tax by the amounts shown below. A change in the interest rate at the reporting date of 10 basis points for USD denominated instruments is not material. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the year ended March 31, 2018.

		March 31, 2019 R'000	March 31, 2018 R'000
ZAR denominated instruments	Increase of 100 basis points	**1,803**	1,811
	Decrease of 100 basis points	**(1,803)**	(1,811)

** Amount less than R1,000.*

Foreign currency sensitivity

The Group has used a sensitivity analysis technique that measures the estimated change to profit or loss and equity of an instantaneous 5% strengthening or weakening in the functional currency against all other currencies, from the rate applicable at March 31, 2019, for each class of financial instrument with all other variables remaining constant. This analysis is for illustrative purposes only as, in practice, market rates rarely change in isolation.

The Group is exposed mainly to fluctuations in foreign exchange rates in respect of the South African Rand, Australian Dollar, United States Dollar, the British Pound, the Brazilian Real and the Euro. This analysis considers the impact of changes in foreign exchange rates on profit or loss.

A change in the foreign exchange rates to which the Group is exposed at the reporting date would have increased/(decreased) profit before taxation by the amounts shown below. The analysis has been performed on the basis of the change occurring at the end of the reporting period.

	Change in exchange rate %	Increase/(decrease) in profit before taxation: Result of weakening in functional currency R'000	Increase/(decrease) in profit before taxation: Result of strengthening in functional currency R'000
2019			
Denominated currency: Functional currency			
EUR:GBP	**5**	**1,075**	**(1,075)**
USD:GBP	**5**	**242**	**(242)**
USD:ZAR	**5**	**103**	**(103)**
EUR:ZAR	**5**	**33**	**(33)**
GBP:ZAR	**5**	**(5)**	**5**
ZAR:USD	**5**	**(24)**	**24**
EUR:USD	**5**	**119**	**(119)**
USD:AUD	**5**	**39**	**(39)**
AUD:ZAR	**5**	**50**	**(50)**
ZAR:GBP	**5**	**(98)**	**98**
ZAR:AUD	**5**	**(18)**	**18**
USD:BRL	**5**	**(24)**	**24**
2018			
Denominated currency: Functional currency			
EUR:GBP	5	710	(710)
USD:GBP	5	(149)	149
USD:ZAR	5	814	(814)
EUR:ZAR	5	368	(368)
GBP:ZAR	5	(78)	78
ZAR:USD	5	2	(2)
EUR:USD	5	231	(231)
USD:AUD	5	(33)	33
AUD:ZAR	5	598	(598)
ZAR:GBP	5	(22)	22
USD:BRL	5	(33)	33

38. Liquidity risk

Liquidity risk is the risk that there will be insufficient funds available to settle obligations when they are due.

The Group has limited risk due to the recurring nature of its income and the availability of liquid resources. The Group meets its financing requirements through a mixture of cash generated from its operations and its access to undrawn borrowing facilities (note 15). In addition, the Group holds the following cash resources:

	March 31, 2019 R'000	March 31, 2018 R'000
Cash and cash equivalents, net of overdrafts (note 12)	353,181	290,538

The table below analyzes the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Payable within 1 month or on demand R'000	Between 1 month and 1 year R'000	Between 1 year and 2 years R'000	Between 2 years and 5 years R'000	More than 5 years R'000	Total R'000
March 31, 2019						
Trade payables	50,742	40,028	—	—	—	90,770
Accruals and other payables	90,432	91,970	—	—	—	182,402
Bank overdraft	30,262	—	—	—	—	30,262
Capitalized lease liability	883	10,180	8,493	19,061	9,691	48,308
Recurring commission liability	171	6,700	1,845	—	—	8,716
Total	172,490	148,878	10,338	19,061	9,691	360,458
March 31, 2018						
Trade payables	58,085	40,009	—	—	—	98,094
Accruals and other payables	92,318	68,646	—	—	—	160,964
Bank overdraft	17,720	—	—	—	—	17,720
Total	168,123	108,655	—	—	—	276,778

There have been no significant changes in the Group's financial risk management described above relative to the prior year.

39. Exchange rates

The following major rates of exchange were used in the preparation of the consolidated financial statements:

		March 31, 2019	March 31, 2018	March 31, 2017
ZAR:USD	– closing	14.48	11.83	13.41
	– average	13.75	12.99	14.06
ZAR:GBP	– closing	18.90	16.60	16.75
	– average	18.03	17.21	18.42

40. List of Group companies

MiX Telematics Limited is the parent company of the MiX Telematics Group of companies outlined below. All of the entities listed below have been consolidated.

Name	Principal activity	Place of incorporation	Legal % ownership March 31, 2019 %	March 31, 2018 %
Direct				
MiX Telematics Investments Proprietary Limited	Treasury company	RSA	**100**	100
MiX Telematics Africa Proprietary Limited	Asset tracking and fleet management products and services	RSA	**100**	100
MiX Telematics International Proprietary Limited	Fleet management products and services and research and development	RSA	**100**	100
MiX Telematics Europe Limited	Fleet management products and services	UK	**100**	100
MiX Telematics North America Incorporated	Fleet management products and services	USA	**100**	100
MiX Telematics Serviços De Telemetria E Rastreamento De Veículos Do Brazil Limitada	Fleet management products and services	Brazil	**95**	95
Indirect				
MiX Telematics Middle East FZE	Fleet management products and services	UAE	**100**	100
MiX Telematics Enterprise SA Proprietary Limited [1]	Fleet management products and services	RSA	**85.1**	85.1
MiX Telematics Fleet Support Services Proprietary Limited	Fleet management products and services	RSA	**100**	100
MiX Telematics East Africa Limited	Fleet management products and services	Uganda	**99.9**	99.9
MiX Telematics Romania SRL [2]	Fleet management services	Romania	**99**	99
MiX Telematics (Thailand) Limited	Fleet management products and services	Thailand	**100**	100
MiX Telematics Australasia Proprietary Limited	Fleet management products and services	Australia	**100**	100
MiX Telematics Serviços De Telemetria E Rastreamento De Veículos Do Brazil Limitada(3)	Fleet management products and services	Brazil	**5**	5
MiX Telematics Sociedad De Responsabilidad Limitada De Capital Variable	Dormant	Mexico	**100**	—

[1] *The remaining shareholding in this company is owned by a structured entity, the MiX Telematics Enterprise BEE Trust (which holds a 14.9% interest in MiX Telematics Enterprise SA Proprietary Limited), which has been fully consolidated. Control of the structured entity was assessed when IFRS 10 Consolidated Financial Statements was adopted with effect from April 1, 2013 and there was no change to the historical accounting treatment applied by the Group. This trust was set up in prior years to invest in the specified Group company and to hold such investment for its beneficiaries.*

[2] *During fiscal 2015, MiX Telematics Middle East FZE incorporated MiX Telematics Romania SRL and obtained a 99% interest therein. The 1% non-controlling interest is held by management.*

[3] *MiX Investments Proprietary Limited acquired Edge's 5% equity interest in MiX Brazil during fiscal 2018.*

Company statement of financial position

at March 31, 2019 and March 31, 2018

	Notes	March 31, 2019 R'000	March 31, 2018 R'000
ASSETS			
Non-current assets			
Intangible assets	4	537	443
Interest in subsidiaries	5	1,671,345	1,634,623
Share recharge receivables - non-current portion	8	41,127	18,139
Total non-current assets		1,713,009	1,653,205
Current assets			
Receivables	6	3,551	1,797
Current tax asset	7	1,699	62
Share recharge receivables - current portion	8	18,973	11,103
Cash and cash equivalents	9	77,086	76,509
Total current assets		101,309	89,471
Total assets		1,814,318	1,742,676
EQUITY			
Stated capital	10	910,393	970,165
Other reserves	11	476,522	464,382
Retained earnings		360,320	240,729
Total equity		1,747,235	1,675,276
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	14	62,232	61,860
Total non-current liabilities		62,232	61,860
Current liabilities			
Payables	13	4,851	5,540
Total current liabilities		4,851	5,540
Total liabilities		67,083	67,400
Total equity and liabilities		1,814,318	1,742,676

The accompanying notes form an integral part of these financial statements.

Company income statement

for the years ended March 31, 2019 and March 31, 2018

	Notes	March 31, 2019 R'000	March 31, 2018 R'000
Dividend income		151,255	123,779
Operating income		36,302	160,472
Administration and other charges*		36,302	160,472
Operating profit	15	187,557	284,251
Finance income – net		6,204	3,426
Finance income	16	6,204	3,657
Finance costs	17	—	(231)
Profit before taxation		193,761	287,677
Taxation	19	(1,800)	(2,935)
Profit for the year		191,961	284,742

The accompanying notes form an integral part of these financial statements.

* Includes impairment loss reversals in both the 2019 and 2018 fiscal years, refer to note 5 for further details.

Company statement of comprehensive income

for the years ended March 31, 2019 and March 31, 2018

	March 31, 2019	March 31, 2018
	R'000	R'000
Profit for the year	**191,961**	**284,742**
Other comprehensive income for the year, net of tax	**—**	**—**
Total comprehensive income for the year	**191,961**	**284,742**

Company statement of changes in equity

for the years ended March 31, 2019 and March 31, 2018

	Notes	Stated capital R'000	Other reserves* R'000	Retained earnings R'000	Total equity R'000
Balance at April 1, 2017		978,105	455,382	13,055	1,446,542
Total comprehensive income		—	—	284,742	284,742
Profit for the year		—	—	284,742	284,742
Other comprehensive income		—	—	—	—
Total transactions with owners		(7,940)	9,000	(57,068)	(56,008)
Shares issued in relation to share options and share appreciation rights exercised	10	10,726	—	—	10,726
Share-based payment transaction	11	—	9,000	—	9,000
Share repurchase	10	(18,666)	—	—	(18,666)
Dividends declared	21	—	—	(57,068)	(57,068)
Balance at March 31, 2018		970,165	464,382	240,729	1,675,276
Total comprehensive income		—	—	191,961	191,961
Profit for the year		—	—	191,961	191,961
Other comprehensive income		—	—	—	—
Total transactions with owners		(59,772)	12,140	(72,370)	(120,002)
Shares issued in relation to share options and share appreciation rights exercised	10	13,776	—	—	13,776
Share-based payment transaction	11	—	12,140	—	12,140
Share repurchase	10	(73,548)	—	—	(73,548)
Dividends declared	21	—	—	(72,370)	(72,370)
Balance at March 31, 2019		**910,393**	**476,522**	**360,320**	**1,747,235**

* See note 11 for the composition of and movements in other reserves.

The accompanying notes form an integral part of these financial statements.

Company statement of cash flows

for the years ended March 31, 2019 and March 31, 2018

	Notes	March 31, 2019 R'000	March 31, 2018 R'000
Cash flows from operating activities			
Cash used in operations	22.2	(23,539)	(15,372)
Interest received		3,727	3,647
Dividends received		151,255	123,779
Income tax paid		(3,021)	(2,251)
Net cash generated from operating activities		128,422	109,803
Cash flows from investing activities			
Purchase of intangible assets	4	(213)	(28)
Share recharges received from subsidiaries		4,411	1,098
Net cash from investing activities		4,198	1,070
Cash flows from financing activities			
Proceeds from issuance of shares	10	13,776	10,726
Share repurchase	10	(73,548)	(18,666)
Dividends paid to Company's owners		(72,271)	(57,000)
Loans repaid by subsidiaries		—	16,360
Net cash used in financing activities		(132,043)	(48,580)
Net increase in cash and cash equivalents		577	62,293
Net cash and cash equivalents at the beginning of the year		76,509	14,216
Net cash and cash equivalents at the end of the year	9	77,086	76,509

The accompanying notes form an integral part of these financial statements.

1. General information

MiX Telematics Limited (the "Company") is a public company which is incorporated and domiciled in South Africa. The Company's shares are publicly traded on the Johannesburg Stock Exchange (JSE:MIX) and its American Depositary Shares are listed on the New York Stock Exchange (NYSE:MIXT). The activities of the Company are that of an investment holding company and the activities of the Company and its subsidiaries (the "Group") focus on fleet and mobile asset management solutions delivered as Software-as-a-Service. The address of the Company's registered office is Matrix Corner, Howick Close, Bekker Road, Waterfall Park, Midrand, South Africa, 1686. The annual financial statements were approved by the Board of Directors on June 28, 2019.

2. Summary of significant accounting policies

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

Basis of preparation

The annual financial statements of the Company for the year ended March 31, 2019 have been prepared in accordance with:

- International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB");
- IFRS Interpretations Committee ("IFRIC") interpretations applicable to companies reporting under IFRS;
- SAICA Financial Reporting guides as issued by the Accounting Practices Committee;
- Financial Pronouncements as issued by the Financial Reporting Standards Council ("FRSC");
- the requirements of the South African Companies Act, No. 71 of 2008; and
- the JSE Listings Requirements.

The Company financial statements have been prepared in thousands of Rand (R'000) under the historical cost convention, except for share recharge receivables which are measured at fair value.

Refer to pages 28 to 48 in the MiX Telematics Limited consolidated annual financial statements for a summary of the significant accounting policies, which are consistent with the accounting policies used in the preparation of the Company's financial statements. The accounting policy for investments in subsidiaries is set out below. For the accounting policy for share recharges refer note 2.20 in the MiX Telematics Limited consolidated annual financial statements.

The new accounting standards effective for the first time during the current year had no material impact on the financial statements of the Company. Refer to note 2.1.1.1 to note 2.1.1.2 in the MiX Telematics Limited consolidated annual financial statements for a summary of new standards, amendments and interpretations not yet effective.

Investments in subsidiaries

The Company accounts for its share interest and loan investments in its subsidiaries at cost. Acquisition related expenses are expensed as they are incurred. The cost is adjusted to reflect changes in consideration arising from contingent consideration amendments where it relates to facts and circumstances existing on acquisition date.

The Company has provided loan funding to certain of its subsidiaries which are non-interest-bearing (except for the loan with America which earns market related interest) and repayable upon agreement of both parties. These loan balances are considered to be monetary items classified as part of the net interest in the underlying subsidiary and therefore impairment is considered in aggregate for the total interest that the Company holds in its underlying subsidiaries by comparing the recoverable amount of the underlying business to the total interest held. Refer to note 5 for further details.

When the loans are equity in nature, the foreign exchange revaluations are not recognized in the Company.

Critical accounting estimates and judgements

The Company tests annually whether interests in subsidiaries have suffered any impairment in accordance with the accounting policy stated in note 2.7 of the MiX Telematics Limited consolidated annual financial statements. Other assets are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. These calculations require the use of estimates. Refer to note 5 of the Company annual financial statements for further detail.

3. Financial risk management

3.1 Financial risk factors

Refer to note 3.1 in the MiX Telematics Limited consolidated annual financial statements for details regarding the financial risk management of financial risk factors which are consistent with those applied for the Company.

3.2 Capital risk management

Refer to note 3.2 in the MiX Telematics Limited consolidated annual financial statements for details regarding the financial risk management of capital risk factors which are consistent with those applied for the Company.

3.3 Fair value estimation

The carrying amounts for cash and cash equivalents, other receivables (excluding pre-payments) and other payables approximate their fair value due to their short-term nature. Refer to note 2.9 in the MiX Telematics Limited consolidated annual financial statements for details regarding the financial risk management of fair value estimation which are consistent with those applied for the Company.

4. Intangible assets

	Patents and trademarks R'000
At April 1, 2017	
Cost	1,001
Accumulated amortization	(492)
Net book amount	509
Year ended March 31, 2018	
Opening net book amount	509
Additions	28
Amortization charge (notes 15, 22.2)	(94)
Closing net book amount	443
At March 31, 2018	
Cost	1,029
Accumulated amortization	(586)
Net book amount	443
Year ended March 31, 2019	
Opening net book amount	**443**
Additions	**213**
Amortization charge (notes 15, 22.2)	**(119)**
Closing net book amount	**537**
At March 31, 2019	
Cost	**1,242**
Accumulated amortization	**(705)**
Net book amount	**537**

The amortization expense of R119,000 (2018: R94,000) is included in "Administration and other charges" in the income statement.

5. Interest in subsidiaries

	March 31, 2019 R'000	March 31, 2018 R'000
Shareholding		
– 1,000 shares (100%) (2018: 100%) in MiX Telematics Africa Proprietary Limited	**136,560**	151,127
– 739,672 shares (100%) (2018: 100%) in MiX Telematics International Proprietary Limited	**416,105**	430,204
– 100 shares (100%) (2018: 100%) in MiX Telematics Investments Proprietary Limited	**1,265**	348
– 8,301,420 shares (100%) (2018: 100%) in MiX Telematics Europe Limited	**199,105**	198,861
– 5,913,927 shares (100%) (2018: 100%) in MiX Telematics North America Incorporated	**27,214**	23,109
– 1,999,950 quotas (95%) (2018: 95%) in MiX Telematics Serviços De Telemetria E Rastreamento De Veículos Do Brazil Limitada (reversal of impairment in current year)	**9,326**	6,829
Loans to		
MiX Telematics Europe Limited ("MiX Europe")	**9,723**	8,540
MiX Telematics North America Incorporated ("MiX North America")	**17,442**	16,099
MiX Telematics Serviços De Telemetria E Rastreamento De Veículos Do Brazil Limitada ("MiX Brazil")	**259**	251
MiX Telematics Investments Proprietary Limited ("MiX Investments")	**854,346**	799,255
– MiX Telematics Investments Proprietary Limited US Dollar loan	**854,346**	854,346
– MiX Telematics Investments Proprietary Limited – impairment	**—**	(55,091)
	1,671,345	1,634,623

Movements

The movement in shareholding interests in subsidiaries includes the effect of share options, performance shares and share appreciation rights ("SARs") granted to employees of the respective subsidiary companies, resulting in the expensed fair value of the options, performance shares and SARs being recognized as an equity contribution by the Company to the respective subsidiary. The investment in MiX Investments increased as a result of this equity contribution by the Company to MiX Telematics Australasia Proprietary Limited an indirect subsidiary of the Company held through MiX Investments.

In addition the Company has a recharge agreement (implemented in fiscal year 2018) with its South African subsidiaries, whereby the Company will recharge the relevant subsidiary an amount equal to the market value, at exercise date, of the shares issued to the participants of the plan. A share recharge receivable (note 8) is recognized for the future recharges expected to be received based on attrition rates, percentage of vesting and the share price at year end. The contra entry to the receivable is deducted from the cost of the investment in the specific subsidiary.

The increase in the investment in MiX Brazil is due to the reversal of prior year impairments discussed below.

The movement in the loan to MiX Europe during the current fiscal year, is due to foreign exchange movements. The movement in the US Dollar loan to MiX Investments is due to the reversal of impairments on this loan.

The reversal of the impairment in respect of the MiX Investments loan is discussed below.

Additional information in respect of loans to subsidiaries

The loan to MiX North America is unsecured, denominated in South African Rand, earned market related interest of 8.0% per annum in fiscal year 2019 and is repayable upon agreement of both parties. The loan is considered to be part of the Company's interest in subsidiaries.

The loan to MiX Europe is denominated in UK Pound, the loan to MiX Brazil is denominated in Brazilian Real and the loan to MiX Investments is denominated in US Dollar respectively. These loans are unsecured, bear no interest, are repayable upon agreement of both parties and are considered to be part of the Company's interest in subsidiaries.

From April 1, 2017 the nature of the MiX Investments loan changed to equity.

Reversal of impairments and prior year impairments

The interests in MiX Investments and MiX Brazil (which include the equity shareholding and loans above) were tested for impairment as at March 31, 2019. Based on the impairment testing performed, the carrying values of these interests were less than their respective recoverable amounts resulting in impairment losses from previous years being reversed.

The following impairments were reversed:

- MiX Investments loan - R55.1 million (2018: R171.2 million impairment reversal)
- MiX Brazil loan - Nil (2018: R0.3 million impairment reversal)
- MiX Brazil Investment - R2.2 million (2018: R6.8 million impairment reversal)

The impairment on the loan to Brazil of R0.3 million in fiscal 2018 was reversed as the prior year's reversal was first applied to the loan and the remaining reversal applied to the investment in Brazil.

Reversal of MiX Investments impairments

During fiscal year 2019 an impairment loss of R55.1 million (2018: R171.2 million) was reversed in respect of the loan to MiX Investments which is considered part of the net investment in MiX Investments. MiX Investments is a domestic treasury company for the Group funded by the Company. The recoverable amount in respect of the total investment in MiX Investments was determined using value in use and is categorized as level 3 of the fair value hierarchy. The recoverable amount at March 31, 2019 was R1,137.1 million (2018: R799.2 million).

The recoverable amount of the total investment in MiX Investments increased substantially during fiscal year 2019 and 2018 as a result of a significantly higher MiX Limited share price of R9.54 at 31 March 2019 (2018: R7.39 and 2017: R3.40). MiX Investments holds 40 million shares in MiX Limited. In addition, the Group's investment in the Middle East and Australia operations is held by MiX Investments. Improved trading conditions and profitability in these operations contributed to the increased recoverable amount of the equity investment in Middle East and Australia held by MiX Investments.

The value in use of the total investment was determined as the aggregate of the current value of the underlying assets less debt (excluding the loan from the Company).

	Basis of current value	Valuation technique	March 31, 2019 R'million	March 31, 2018 R'million
Assets				
Cash and cash equivalents	Fair value	Face value	**2.8**	10.2
Current tax asset	Fair value	Face value	**3.9**	2.0
Deferred tax asset	Fair value	Face value	**4.1**	—
40 million shares in MiX Telematics Limited	Fair value	Quoted share price	**381.6**	294.8
Investment in Middle East and Australia	Value in use	Discounted cash flow	**389.3**	228.4
Loans to other Group Companies	Fair value	Discounted cash flow	**355.8**	263.9
Debt (excluding loan from the Company)				
Trade and other payables	Fair value	Face value - short term accruals	**(0.4)**	(0.1)
Total fair value			**1,137.1**	799.2
Original cost			**854.3**	854.3
Remaining impairment			**—**	55.1

Key assumptions in respect of material assets in the valuation are as follows:

	March 31, 2019	March 31, 2018
40 million shares in MiX Telematics Limited:		
- MiX Limited share price at year end	**R9.54**	R7.39
Investment in Middle East and Australia:		
- Growth rate on cash flows in the Middle East and Australia	**2.3%**	2.9%
- Pre-tax discount rate used to value the investment in the Middle East and Australia	**11.1%**	13.3%
Loans to other Group companies:		
In order to determine the fair value of the loans management obtained comparable interest rates for loans with similar terms from third party banks and applied a discounted cash flow technique. The following interest rates were applied to the loans:		
- Brazil loans denominated in Brazilian Reals	**11.6%**	12.1%
- Europe loans denominated in British Pounds	**5.0%**	5.2%
- North America loans denominated in United States Dollars	**3.4%**	5.5%
- East Africa loans denominated in United States Dollars	**10.0%**	9.0%

6. Receivables

	March 31, 2019 R'000	March 31, 2018 R'000
Pre-payments	3,291	1,542
Sundry debtors*	260	255
	3,551	1,797

** Includes related party balances as disclosed in note 23.*

Sundry debtors are neither past due nor impaired.

The carrying amounts of other receivables are denominated in the following currencies:

	March 31, 2019 R'000	March 31, 2018 R'000
South African Rand	2,396	883
US Dollar	1,155	914
	3,551	1,797

The fair value of receivables approximates their carrying amounts as the impact of discounting is not considered material due to the short-term nature of the receivables. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above. The Company has no significant concentration of credit risk. The Company does not hold any collateral as security.

7. Current tax asset

	March 31, 2019 R'000	March 31, 2018 R'000
Tax receivable	1,699	62

8. Share recharge receivables

	March 31, 2019 R'000	March 31, 2018 R'000
MiX Telematics Africa Proprietary Limited	27,941	14,268
MiX Telematics International Proprietary Limited	27,474	13,615
MiX Telematics Enterprise SA Proprietary Limited	4,685	1,359
	60,100	29,242
Short term portion	18,973	11,103
Long term portion	41,127	18,139

The measurement of the recharge receivables considers the year end share price for fiscal year 2019 of R9.54 (2018: R7.39), the attrition rate for fiscal year 2019 of 5% (2018: 5%) of the underlying grants in respect of share appreciation rights and performance shares and reflects the credit risk of the subsidiary's ability to make payment when due. The current assessment of credit risk is considered to be immaterial. In determining the calculation the recharge receivables the probability of meeting non-service conditions, which is the 10% shareholder return on the share appreciation rights and the probability of the performance shares being awarded, which was 60% for fiscal 2019 are also considered.

Refer to note 13 in the MiX Telematics Limited consolidated annual financial statements for details regarding the performance shares.

9. Cash and cash equivalents

Cash and cash equivalents are denominated in South African Rands.

	March 31, 2019 R'000	March 31, 2018 R'000
Cash and cash equivalents	**77,086**	76,509

The credit quality of cash and cash equivalents, can be assessed by reference to external credit ratings.

	March 31, 2019 R'000	March 31, 2018 R'000
Cash and cash equivalents		
AA	**75,500**	68,003
BB	**1,586**	8,506
	77,086	76,509

The maximum exposure to credit risk at the reporting date is the carrying value of the cash and cash equivalents mentioned above.

10. Stated capital

	Number of shares 000s	Stated capital R'000
At April 1, 2017	603,435	978,105
Shares issued in relation to share options and SARs exercised	6,001	10,726
Share repurchase under the Share Repurchase Program	(5,016)	(18,666)
Balance at March 31, 2018	604,420	970,165
Shares issued in relation to share options and SARs exercised	6,685	13,776
Share repurchase under the Share Repurchase Program	(9,158)	(73,548)
Balance at March 31, 2019	**601,947**	**910,393**

Refer to note 13 in the MiX Telematics Limited consolidated annual financial statements where further disclosures in respect of stated capital and the share repurchases effected during the current and previous financial years have been made.

11. Other reserves

Share-based payment reserve

	March 31, 2019 R'000	March 31, 2018 R'000
Opening balance	39,266	30,266
Share-based payments (note 14 in the MiX Telematics Limited consolidated annual financial statements)	12,140	9,000
Closing balance	51,406	39,266

Common control reserve arising from disposal of subsidiary

	March 31, 2019 R'000	March 31, 2018 R'000
Opening balance	425,116	425,116
Movement	—	—
Closing balance	425,116	425,116

Total other reserves	476,522	464,382

During July 2016, MiX Investments acquired 100% of the issued share capital in MiX Telematics Australasia Proprietary Limited, from the Company for a total cash consideration of R483.3 million. As a result, MiX Telematics Australasia Proprietary Limited became an indirect subsidiary of the Company. The gain on the disposal of MiX Telematics Australasia Proprietary Limited was recorded as part of the common control reserve above in fiscal 2017.

12. Borrowings

The Company has unlimited borrowing capacity as specified in its Memorandum of Incorporation.

No new borrowings were raised by the Company during the 2019 and 2018 fiscal years.

	Interest rate	March 31, 2019 R'000	March 31, 2018 R'000
Undrawn borrowing facilities at floating rates are:			
— Standard Bank Limited: Vehicle and asset finance	Prime less 1.2%	8,500	8,500
		8,500	8,500

13. Payables

	March 31, 2019 R'000	March 31, 2018 R'000
Accruals	**4,345**	5,131
Other	**506**	409
	4,851	5,540

The carrying amounts of payables are denominated in the following currencies:

	March 31, 2019 R'000	March 31, 2018 R'000
South African Rand	**4,424**	5,101
US Dollar	**427**	439
	4,851	5,540

The fair values of accruals and other payables approximate their book values as the impact of discounting is not considered material due to the short-term nature of the payables.

14. Deferred tax

	March 31, 2019 R'000	March 31, 2018 R'000
Deferred tax liabilities		
Capital allowances	30	13
Pre-payments	82	61
Deferred foreign currency gains	62,120	61,786
Gross deferred tax liabilities	62,232	61,860
Set-off of deferred tax balances	—	—
Net deferred tax liabilities	62,232	61,860
The gross movement in net deferred tax liabilities is as follows:		
Beginning of the year	61,860	61,912
Income statement charge (note 19)	372	(52)
End of the year	62,232	61,860

Deferred tax at year-end has been recognized using the corporate tax rate of 28% (2018: 28%).

The movement in deferred tax assets and liabilities during the year is as follows:

	March 31, 2018 R'000	Charged/(credited) to the income statement (note 19) R'000	March 31, 2019 R'000
Deferred tax liabilities			
Capital allowances	13	17	30
Pre-payments	61	21	82
Deferred foreign currency gains*	61,786	334	62,120
	61,860	372	62,232

	March 31, 2017 R'000	Charged/(credited) to the income statement (note 19) R'000	March 31, 2018 R'000
Deferred tax liabilities			
Capital allowances	13	**	13
Pre-payments	79	(18)	61
Deferred foreign currency gains*	61,820	(34)	61,786
	61,912	(52)	61,860

** From April 1, 2017 the nature of the MiX Investments loan changed to equity. No foreign exchange gains or losses giving rise to deferred tax were recorded against the loan from this date.*
*** Amount less than R1,000*

15. Operating profit

Operating profit is stated after accounting for the following charges:

	March 31, 2019 R'000	March 31, 2018 R'000
Amortization (notes 4, 22.2)	119	94
Professional fees	6,225	3,002
Reversal of impairment (note 5)	(57,320)	(178,303)
Investor-related costs	4,186	4,352
Directors' fees (note 20)	4,091	3,911

16. Finance income

	March 31, 2019 R'000	March 31, 2018 R'000
Current accounts and short-term bank deposits	3,727	3,657
Inter-company interest (note 23)	1,343	—
Interest from the South African Revenue Services	45	—
	5,115	3,657
Net foreign exchange gains	1,089	—
	6,204	3,657

17. Finance costs

	March 31, 2019 R'000	March 31, 2018 R'000
Net foreign exchange losses	—	231
	—	231

18. Auditors' remuneration

	March 31, 2019 R'000	March 31, 2018 R'000
Auditors' remuneration	5,030	5,634

In fiscal year 2019, auditors' remuneration included R0.3 million (2018: R2.0 million) in respect of fees paid to PricewaterhouseCoopers Inc. (the previous auditors of the Company) and the balance related to Deloitte & Touche.

19. Taxation

	March 31, 2019 R'000	March 31, 2018 R'000
Major components of taxation expense		
Normal taxation	(1,428)	(2,987)
Deferred taxation (note 14)	(372)	52
— Current year	(372)	52
	(1,800)	(2,935)

Tax rate reconciliation

The tax on the Company's profit before taxation differs from the theoretical amount that would arise using the tax rate applicable to profits of the Company as follows:

	March 31, 2019 R'000	March 31, 2018 R'000
Profit before taxation	193,761	287,677
Tax at the applicable tax rate of 28%	54,253	80,550
Tax effect of:	(52,453)	(77,615)
– Dividend not subject to tax	(42,351)	(34,658)
– Expenses not deductible for tax purposes	5,720	4,813
– Reversal of impairment (note 5)	(16,050)	(49,924)
– Imputation of controlled foreign company income	1,624	1,767
– Transfer pricing imputation	27	387
– Over provision prior years	(1,423)	—
	1,800	2,935

20. Directors' and executive committee emoluments

Please refer to note 28 in the MiX Telematics Limited consolidated annual financial statements for disclosure relating to directors' emoluments for the Company.

21. Dividends

	March 31, 2019 R'000	March 31, 2018 R'000
Dividends declared	72,370	57,068

During fiscal 2016 the Board decided to reintroduce the Company's policy of paying regular dividends which going forward will be considered on a quarter-by-quarter basis.

The following dividends were declared by the Company in fiscal 2019:

- In respect of the fourth quarter of fiscal 2018, a dividend of R18.1 million was declared on May 8, 2018 and paid on June 4, 2018. Using shares in issue of 604,420,145, this equated to a dividend of 3 South African cents per share.

- In respect of the first quarter of fiscal year 2019, a dividend of R18.1 million was declared on July 31, 2018 and paid on August 27, 2018. Using shares in issue of 604,634,076, this equated to a dividend of 3 South African cents per share.

- In respect of the second quarter of fiscal year 2019, a dividend of R18.1 million was declared on October 30, 2018 and paid on November 26, 2018. Using shares in issue of 601,807,639, this equated to a dividend of 3 South African cents per share.

- In respect of the third quarter of fiscal year 2019, a dividend of R18.1 million was declared on January 31, 2019 and paid on February 25, 2019. Using shares in issue of 601,807,639, this equated to a dividend of 3 South African cents per share.

22. Cash flow statement

22.1 The following convention applies to figures other than adjustments:

Outflows of cash are represented by figures in brackets. Inflows of cash are represented by figures without brackets.

22.2 Reconciliation of profit for the year before taxation to cash used in operations:

	March 31, 2019 R'000	March 31, 2018 R'000
Profit before taxation	**193,761**	287,677
Adjustments	**(214,660)**	(305,414)
– Dividend income – subsidiary companies	**(151,255)**	(123,779)
– Amortization (notes 4, 15)	**119**	94
– Finance income (note 16)	**(5,115)**	(3,657)
– Foreign exchange (gains)/losses (note 17)	**(1,089)**	231
– Impairment reversals (note 5, 15)	**(57,320)**	(178,303)
Cash used in operations before working capital changes	**(20,899)**	(17,737)
Changes in working capital	**(2,640)**	2,365
– (Increase)/decrease in receivables	**(1,858)**	1,966
– (Decrease)/increase in payables	**(782)**	399
Cash used in operations	**(23,539)**	(15,372)

23. Related party transactions

Directors' and executive committee members' interest

Refer to note 33 in the MiX Telematics Limited consolidated annual financial statements for disclosure relating to directors' and executive committee members' beneficial interests declared in the Company's share capital at year-end.

Interests in contracts

Refer to note 33 in the MiX Telematics Limited consolidated annual financial statements for disclosure relating to contractual agreements that exist between the Company and companies outside of the Group, in which certain directors and executive committee members have interests.

Transactions with related parties and balances outstanding at year-end are as follows (excluding key management personnel emoluments):

	March 31, 2019 R'000	March 31, 2018 R'000
Share recharge receivables (included in note 8)	60,100	29,242
MiX Telematics Africa Proprietary Limited	27,941	14,268
MiX Telematics International Proprietary Limited	27,474	13,615
MiX Telematics Enterprise SA Proprietary Limited	4,685	1,359
Year-end balance of receivables and loans	881,789	824,145
– MiX Telematics North America Incorporated (included in note 5)	17,442	16,099
– MiX Telematics Europe Limited (included in note 5)	9,723	8,540
– MiX Telematics International Proprietary Limited - RSA Fleet (included in note 6)	5	—
– MiX Telematics Investments Proprietary Limited (included in note 6)	14	—
– MiX Telematics Serviços De Telemetria E Rastreamento De Veículos Do Brazil Limitada (included in note 5)*	259	251
– MiX Telematics Investments Proprietary Limited (included in note 5)*	854,346	799,255
Dividends received	151,255	123,779
– MiX Telematics International Proprietary Limited	71,654	38,533
– MiX Telematics Africa Proprietary Limited	79,601	85,246
Dividends paid	4,800	3,800
– MiX Telematics Investments Proprietary Limited	4,800	3,800
Interest received	1,343	—
– MiX Telematics North America Incorporated**	1,343	—

**Impairment reversals of R55.1 million (2018: R171.2 million) and R Nil (2018: R0.3 million) were recognized against loans receivable from MiX Telematics Investments Proprietary Limited and MiX Telematics Servicos De Telemetria E Rastreamento De Veiculos Do Brazil Limitada during the current financial year (note 5). No provisions were raised against receivables from related parties as at March 31, 2019.*

***During fiscal year 2019, the Company commenced charging the subsidiary interest on its loan at a market related interest rate of 8.0%.*

The parties identified as related to the Company are mainly subsidiaries of the Group directly or indirectly controlled by the Company.

The receivables from related parties arise mainly from inter-company loans as disclosed under note 5.

For information in respect of directors and executive committee emoluments, refer to note 28 of the MiX Telematics Limited consolidated annual financial statements.

In respect of shares options, performance shares and SARs held by directors and executives in terms of the Group's equity incentive plans, refer to note 13 of the MiX Telematics Limited consolidated annual financial statements.

24. Commitments

Capital commitments

At year-end, the Company had no approved and contracted capital commitments in respect of intangible assets and property, plant and equipment (2018: RNil).

25. Events after the reporting period

Other than the item below, the directors are not aware of any matter material or otherwise arising since March 31, 2019 and up to the date of this report, not otherwise dealt with herein.

Dividend declared

The board declared in respect of the fourth quarter of fiscal year 2019 which ended on March 31, 2019 a dividend of 4 South African cents per ordinary share that was paid on June 3, 2019.

26. Financial risk sensitivity analysis

Interest rate sensitivity

A change of 100 basis points in the interest rate at the reporting date would have increased/(decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the year ended March 31, 2018.

	March 31, 2019 R'000	March 31, 2018 R'000
Increase of 100 basis points	**771**	765
Decrease of 100 basis points	**(771)**	(765)

Foreign currency sensitivity

The Company has used a sensitivity analysis technique that measures the estimated change to profit or loss and equity of an instantaneous 5% strengthening or weakening in the functional currency against all other currencies, from the rate applicable at March 31, 2019, for each class of financial instrument with all other variables remaining constant. This analysis is for illustrative purposes only as, in practice, market rates rarely change in isolation.

The Company is exposed mainly to fluctuations in foreign exchange rates in respect of the South African Rand, US Dollar, UK Pound and Brazilian Real. This analysis considers the impact of changes in foreign exchange rates on profit or loss.

A change in the foreign exchange rates to which the Company is exposed at the reporting date would have increased/(decreased) profit before taxation by the amounts shown below.

The analysis has been performed on the basis of the change occurring at the end of the reporting period.

	Change in exchange rate %	Increase/(decrease) in profit before taxation: Result of weakening in functional currency R'000	Increase/(decrease) in profit before taxation: Result of strengthening in functional currency R'000
2019			
Denominated currency: Functional currency			
USD:ZAR	5%	(10)	10
GBP:ZAR	5%	486	(486)
BRL:ZAR	5%	13	(13)
2018			
Denominated currency: Functional currency			
USD:ZAR	5%	(12)	12
GBP:ZAR	5%	427	(427)
BRL:ZAR	5%	13	(13)

27. Liquidity risk

Liquidity risk is the risk that there will be insufficient funds available to settle obligations when they are due.

The Company meets its financing requirements through a mixture of cash generated from its operations, which consists primarily of dividends received from subsidiaries, and available cash liquid resources as disclosed in note 9. In addition, the Company has access to undrawn borrowing facilities (note 12).

The table below analyzes the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Payable within 1 month or on demand R'000	Between 1 month and 1 year R'000	Between 1 year and 2 years R'000	Between 2 years and 5 years R'000	More than 5 years R'000
March 31, 2019					
Accruals and payables	2,177	2,674	—	—	—
Total	2,177	2,674	—	—	—
March 31, 2018					
Accruals and payables	1,911	3,629	—	—	—
Total	1,911	3,629	—	—	—

There have been no significant changes in the Company's financial risk management described above relative to the prior year.

28. List of subsidiary companies

Refer to note 40 of the MiX Telematics Limited consolidated annual financial statements for a list of entities owned and controlled by the Company.

For details regarding loans to subsidiary entities, refer to notes 5 and 23.

Analysis of ordinary shareholders

as at March 31, 2019

Shareholder spread	Number of shareholdings	% of total shareholdings	Number of shares	% of shares in issue
1 - 1,000 shares	716	43.58	219,034	0.04
1,001 - 10,000 shares	587	35.73	2,400,295	0.40
10,001 - 100,000 shares	272	16.56	8,715,443	1.45
100,001 - 1,000,000 shares	52	3.16	17,217,718	2.86
1 000 001 shares and over	16	0.97	573,394,530	95.26
Total	**1,643**	**100**	**601,947,020**	**100**
Distribution of shareholders				
American Depositary Share - normal*	3	0.18	374,884,775	62.28
American Depositary Share - treasury shares**	—	—	24,348,850	4.05
Trusts	55	3.35	72,903,374	12.11
Private Companies	34	2.07	67,762,913	11.26
Retail Shareholders	1,431	87.10	29,026,886	4.82
Treasury***	1	0.06	15,651,150	2.60
Custodians	15	0.91	9,451,669	1.57
Collective Investment Schemes	28	1.70	2,357,554	0.39
Retirement Benefit Funds	15	0.91	2,071,395	0.34
Scrip lending	1	0.06	870,000	0.14
Assurance Companies	7	0.43	853,173	0.14
Investment partnerships	5	0.30	659,710	0.11
Close corporations	21	1.28	419,529	0.07
Public Companies	2	0.12	316,325	0.05
Stockbrokers and Nominees	14	0.85	224,201	0.04
Managed Funds	2	0.12	75,041	0.01
Unclaimed Scrip	3	0.18	38,396	0.01
Insurance Companies	1	0.06	13,840	—
Foundations and Charitable Funds	3	0.18	11,332	—
Medical Aid Funds	1	0.06	4,907	—
Control Accounts	1	0.06	2,000	—
Total	**1,643**	**100**	**601,947,020**	**100**
Shareholder type				
Non-Public Shareholders	**15**	**0.98**	**223,969,539**	**37.22**
Directors and executive committee members' interests	**14**	**0.92**	**183,969,539**	**30.57**
– Directors and executive committee members (Direct Holding)	6	0.43	29,205,171	4.86
– Directors (Indirect and Associates Holding)	8	0.49	154,764,368	25.71
Treasury	**1**	**0.06**	**40,000,000**	**6.65**
– MiX Telematics Investments (Pty) Ltd***	1	0.06	40,000,000	6.65
Public Shareholders	1,628	99.02	377,977,481	62.79
Total	**1,643**	**100**	**601,947,020**	**100**

* *Held by BNY Mellon as American Depository Shares and listed on the New Year Stock Exchange.*

** *These treasury shares are owned by MiX Telematics Investments Proprietary Limited, a 100% owned subsidiary of MiX Telematics Limited, in the form of American Depositary Shares. The shares are held by BNY Mellon as American Depositary Shares and are listed on the New York Stock Exchange.*

**** Held by MiX Telematics Investments Proprietary Limited, a 100% owned subsidiary of MiX Telematics Limited, as treasury shares.*

Beneficial shareholder with a holding greater than 5% of the shares in issue

		Total shareholding	% of shares in issue
GAF Family Trust		70,261,440	11.67
Masalini Capital (Pty) Ltd		60,410,880	10.04
MiX Telematics Investments (Pty) Ltd*		40,000,000	6.65
Total		**170,672,320**	**28.36**
Total number of shareholders	**1,643**		
Total number of shares in issue	**601,947,020**		
JSE share price performance			
Opening price April 2, 2018	R7.39		
Closing price March 29, 2019	R9.54		
Closing High for the period	R10.97		
Closing Low for the period	R7.29		
Number of shares in issue	601,947,020		
Volume traded during period	59,709,332		
Ratio of volume traded to shares issued (%)	9.92		

** Includes 24,348,850 shares held in ADS Accounts*

Administration

as at March 31, 2019

MiX Telematics Limited
Incorporated in the Republic of South Africa
Registration number: 1995/013858/06
JSE share code: MIX
NYSE code: MIXT
ISIN code: ZAE000125316

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