

### Trading and financial performance

Retail trading conditions have deteriorated since July, with the weakening job market and ongoing economic uncertainty in the country limiting prospects for the group's lower to middle income target market.

Revenue increased by 8.3% to R2.8 billion. The trading environment became increasingly difficult in August and September owing to the impact of the slowing economy and the group's decision to early adopt the National Credit Regulator's affordability assessment regulations during the latter part of July which has proved challenging for consumers in our target market.

After showing encouraging growth of 15.5% for the four months to end July 2015, merchandise sales growth for the six months to September slowed to 8.8%. Excluding Beares, merchandise sales in Lewis and Best Home and Electric reflected no growth.

The group's store footprint increased to 724 with the opening of a net eight stores, including five Beares outlets.

Credit sales as a percentage of total sales settled at 65.9% (H1 2015: 69.7%) due mainly to the inclusion of the Beares chain which has a higher cash sales component.

The gross profit margin at 36.4% (H1 2015: 36.9%) is expected to improve during the second half of the year as newly introduced exclusive merchandise ranging gains traction.

Operating expenses grew by 14.5% owing mainly to the increased costs from the integration of the Beares chain. This includes an investment of R25.2 million for store refurbishment, marketing and brand building. Beares has a higher cost structure than the group's other brands and it is expected to take approximately three years to bring this in line with the rest of the group. Operating expenses were tightly managed and increased by 5.4% in Lewis and Best Home and Electric.

The group's operating margin at 14.7% (H1 2015: 18.4%) was impacted by slower sales growth, costs relating to Beares and the fact that the other revenue streams within Beares have not yet reached a level of maturity. Operating profit declined by 13.6% to R410 million.

Headline earnings reduced by R44.5 million to R286.6 million with diluted headline earnings per share 12.8% lower at 323 cents (H1 2015: 369 cents).

In August 2015 Global Credit Ratings affirmed the group's national long-term credit rating as 'A(za)' and the national short-term rating as 'A1(za)', with a stable outlook.

The group continues to be strongly cash generative. The board remains confident in the group's medium term prospects and has maintained the interim dividend at 215 cents per share.

Inventory was higher at the end of September 2015 owing mainly to increased stock levels for Beares and slower than expected sales in the last two months of the reporting period. Inventory levels are expected to normalise by year end.

### Debtor management

The high levels of indebtedness among the Lewis target market,

contributed to the credit application decline rate remaining high at 40.8%.

Debtor costs for the period increased by 16.7% owing to higher bad debts and an increase in the impairment provision from 22.3% to 24.1%, reflecting the slowdown in the consumer economy. Debtor costs as a percentage of net debtors moved from 6.8% to 7.4%.

The level of satisfactory paid customers was in line with the prior year at 68.1% (H1 2015: 67.9%).

### National Consumer Tribunal referral

The National Credit Regulator referred two of the group's subsidiaries, Lewis Stores and Monarch Insurance, to the National Consumer Tribunal ("NCT"). One of the allegations was the sale of loss of employment insurance to pensioners and self-employed customers. Following an internal investigation the group identified approximately fifteen percent of cases where loss of employment insurance policies were sold to pensioners and self-employed customers as a result of human error at store level and contrary to company policy. Lewis is currently refunding the premiums and interest totaling approximately R67.1 million to the affected customers.

### Accounting matters

The Board remains of the view that the audited 2015 consolidated annual financial statements present fairly in all material respects the consolidated financial position and performance of the Group.

Subsequently, the group has conducted a review of the appropriateness of the group's accounting policies and has identified the following restatements which are the result of clarifying certain accounting policies and the application thereof. The impact of these restatements is not material in relation to the appreciation of the audited 2015 financial statements and the interim financial statements to September 2015.

- The unearned premium reserve in Monarch has been correctly calculated in terms of the Short-Term Insurance Act by deducting an inter-company commission of 12.5%. This commission has now been eliminated on consolidation to reflect the reserve at 100% of unearned insurance premiums (previously 87.5%).
- In the past, revenue from maintenance contracts was recognised over a 24 month period. The group has amended its accounting policy to defer maintenance income, after the expiry of the supplier's warranty, on an expected cost basis which defers revenue in line with the expected cost of rendering the service.
- Currently 75% of income from reinsurance contracts is deferred over the contract period on a straight line basis. The policy has been amended to defer 100% of the unearned reinsurance premiums on a straight line basis.
- The contingency reserve is no longer required by the Short-term Insurance Act and has now been transferred to retained income.

The effect of these accounting changes, restatements, and the refund of premiums and interest is as follows:

In the financial year ended 31 March 2015, profit after tax reduced by R33.2 million, earnings per share reduced by 37.3 cents and the net asset value reduced by R375.4 million. In the six month period ended 30 September 2015, profit after tax increased by R0.4 million, and earnings per share increased by 0.4 cents.

The current and prior reporting period figures have been restated to take account of these adjustments. Refer to note 2 in the Notes to the financial statements for a detailed analysis of the changes and the effects of the restatements.

### Prospects

The current adverse trading conditions are not expected to improve in the short term. Consumer confidence remains muted and unemployment continues to impact the group's target market, with customers in the mining and agricultural sectors being under particular pressure.

Management remains confident in the growth prospects of Beares and will continue to refine the merchandise offering for the higher targeted LSM market.

The group is investing for growth and will continue to expand its footprint over the next six months.

### Dividend declaration

Notice is hereby given that an interim gross cash dividend of 215 cents per share in respect of the 6 months ended 30 September 2015 has been declared payable to holders of ordinary shares.

The number of shares in issue as of the date of declaration is 98 057 959.

The dividend has been declared out of income reserves and is subject to a dividend tax of 15%. The dividend for determining the dividend tax is 215 cents and the dividend tax payable is 32.25 cents for shareholders who are not exempt. The net dividend for shareholders who are not exempt will therefore be 182.75 cents. The dividend tax rate may be reduced where the shareholder is tax resident in a foreign jurisdiction which has a Double Tax Convention with South Africa and meets the requirements for a reduced rate.

The company's tax reference number is 9551/419/15/4.

The following dates are applicable to this declaration:

Last date to trade "cum" dividend	Friday 15 January 2016
Date trading commences "ex" dividend	Monday 18 January 2016
Record date	Friday 22 January 2016
Date of payment	Monday 25 January 2016

Share certificates may not be dematerialised or rematerialised between Monday 18 January 2016 and Friday 22 January 2016.

For and on behalf of the Board

<b>David Nurek</b> Independent non-executive chairman	<b>Johan Enslin</b> Chief executive officer	<b>Les Davies</b> Chief financial officer
Cape Town 9 November 2015		



### Income statement

Notes	6 months ended 30 Sept 2015 Unaudited Rm	% change	6 month ended 30 Sept 2014 Restated Unaudited Rm	12 months ended 31 March 2015 Restated Rm
<b>Revenue</b>	<b>2 797.8</b>	8.3%	2 582.9	5 660.8
Merchandise sales	1 226.8		1 127.9	2 591.5
Finance charges and initiation fees earned	722.3		640.7	1 326.4
Insurance revenue	456.6		458.9	979.9
Ancillary services	392.1		355.4	763.0
<b>Cost of merchandise sales</b>	<b>(780.6)</b>		(711.9)	(1 644.3)
<b>Operating Costs</b>	<b>(1 607.0)</b>		(1 396.1)	(2 918.8)
Employment costs	(475.5)		(420.9)	(880.8)
Administration and IT	(127.1)		(111.0)	(241.1)
Debtor costs	(468.1)		(400.9)	(858.1)
Marketing	(103.4)		(94.8)	(177.0)
Occupancy costs	(160.3)		(127.7)	(273.6)
Transport and travel	(110.4)		(103.5)	(215.8)
Depreciation and amortisation	(45.1)		(33.6)	(63.8)
Other operating costs	(117.1)		(103.7)	(208.6)
<b>Operating profit</b>	<b>410.2</b>	(13.6%)	474.9	1 097.7
Investment income	67.3		62.5	148.0
<b>Profit before finance costs</b>	<b>477.5</b>		537.4	1 245.7
<b>Net finance costs</b>	<b>(60.2)</b>		(57.9)	(123.3)
Interest paid	(71.7)		(67.9)	(138.7)
Interest received	6.2		7.9	12.2
Forward exchange contracts	5.3		2.1	3.2
<b>Profit before taxation</b>	<b>417.3</b>		479.5	1 122.4
Taxation	(119.3)		(138.3)	(316.2)
<b>Net profit attributable to ordinary shareholders</b>	<b>298.0</b>	(12.7%)	341.2	806.2

### Earnings and dividends per share

	6 months ended 30 Sept 2015 Unaudited	% change	6 month ended 30 Sept 2014 Restated Unaudited	12 months ended 31 March 2015 Restated
<b>1. Weighted average no. of shares</b>				
Weighted average	88 829		88 817	88 840
Diluted weighted average	89 160		89 791	89 585
<b>2. Headline earnings (Rm)</b>				
Attributable earnings	298.0		341.2	806.2
Profit on disposal of assets and investments	(11.4)		(10.1)	(43.2)
Gain on acquisition of Beares	-		-	(12.0)
<b>Headline earnings</b>	<b>286.6</b>	(13.4%)	331.1	751.0
<b>3. Earnings per Share (cents)</b>				
Earnings per share	335.5	(12.7%)	384.2	907.5
Diluted earnings per share	334.2		380.0	899.9
<b>4. Headline earnings per share (cents)</b>				
Headline earnings per share	322.6		372.8	845.3
Diluted headline earnings per share	321.4		368.7	838.3
<b>5. Dividends per share (cents)</b>				
Dividends paid per share				
Final dividend 2015 (2014)	302.0		302.0	302.0
Interim dividend 2015	-		-	215.0
<b>Dividends declared per share</b>	<b>302.0</b>		302.0	517.0
Interim dividend 2016 (2015)	215.0		215.0	215.0
Final dividend 2015	-		-	302.0
<b>Dividends declared per share</b>	<b>215.0</b>		215.0	517.0

### Statement of comprehensive income

	6 months ended 30 Sept 2015 Unaudited Rm	6 month ended 30 Sept 2014 Restated Unaudited Rm	12 months ended 31 March 2015 Restated Rm
<b>Net profit for the year</b>	<b>298.0</b>	341.2	806.2
Movements in other reserves (recycle to income statement on disposal):	(29.8)	40.0	119.3
Fair value adjustment to available-for-sale investments	(50.4)	50.7	156.8
Disposal of available-for-sale investments	10.2	(10.9)	(40.6)
Foreign currency translation reserve	10.4	0.2	3.1
Retirement benefit remeasurements	-	-	(10.4)
Other comprehensive income	(29.8)	40.0	108.9
<b>Total comprehensive income for the period attributable to equity shareholders</b>	<b>268.2</b>	381.2	915.1

### Balance sheet

Notes	30 Sept 2015 Unaudited Rm	30 Sept 2014 Restated Unaudited Rm	31 March 2015 Restated Rm
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	362.1	329.2	352.9
Trademark	58.6	-	60.1
Deferred taxation	0.8	0.5	0.5
Retirement benefit asset	77.4	79.7	77.4
Insurance investments	1 707.4	1 554.1	1 715.6
	2 206.3	1 963.5	2 206.5
<b>Current assets</b>			
Inventories	518.7	425.1	420.3
Trade and other receivables	4 900.7	4 744.3	5 009.3
Insurance investments	106.2	160.1	127.0
Taxation	96.5	37.5	34.8
Cash on hand and deposits	247.4	268.2	222.3
	5 869.5	5 635.2	5 813.7
<b>Total assets</b>	<b>8 075.8</b>	7 598.7	8 020.2
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital and premium	107.5	102.5	110.8
Other reserves	454.8	412.4	492.4
Retained earnings	4 858.9	4 582.1	4 845.4
	5 421.2	5 097.0	5 448.6
<b>Non-current liabilities</b>			
Long-term interest-bearing borrowings	1025.0	1075.0	825.0
Deferred taxation	67.0	40.7	102.4
Retirement benefit liability	108.1	99.1	106.7
	1 200.1	1 214.8	1 034.1
<b>Current liabilities</b>			
Trade and other payables	275.6	286.5	283.8
Reinsurance and insurance liabilities	457.9	498.8	504.7
Short-term interest-bearing borrowings	721.0	501.6	749.0
	1 454.5	1 286.9	1 537.5
<b>Total equity and liabilities</b>	<b>8 075.8</b>	7 598.7	8 020.2

### Segmental report

Reportable segment	Lewis Rm	Best Home and Electric Rm	Beares Rm	Group Rm
<b>For the six months ended 30 September 2015 (unaudited)</b>				
Revenue	2 226.2	382.1	189.5	2 797.8
Operating profit	362.1	70.7	(22.6)	410.2
Operating margin	16.3%	18.5%	(11.9%)	14.7%
Segment assets	4 272.5	704.2	316.8	5 293.5
<b>For the six months ended 30 September 2014 (restated unaudited)</b>				
Revenue	2 144.4	374.3	64.2	2 582.9
Operating profit	396.7	72.3	5.9	474.9
Operating margin	18.5%	19.3%	9.2%	18.4%
Segment assets	4 219.1	689.0	131.2	5 039.3
<b>For the twelve months ended 31 March 2015 (restated)</b>				
Revenue	4 645.2	802.0	213.6	5 660.8
Operating profit	922.2	169.4	6.1	1 097.7
Operating margin	19.9%	21.1%	2.9%	19.4%
Segment assets	4 355.5	740.0	223.0	5 318.5

### Statement of changes in equity

	6 months ended 30 Sept 2015 Unaudited Rm	6 month ended 30 Sept 2014 Restated Unaudited Rm	12 months ended 31 March 2015 Restated Rm
<b>Share capital and premium</b>			
Opening balance	110.8	109.2	109.2
Cost of own shares acquired (treasury shares)	(38.2)	(26.6)	(26.5)
Share awards to employees	34.9	19.9	28.1
	<b>107.5</b>	<b>102.5</b>	<b>110.8</b>
<b>Other reserves</b>			
Opening balance	492.4	380.5	380.5
Other comprehensive income for the year	(29.8)	40.0	119.3
Share-based payment	10.6	11.0	19.7
Transfers to retained earnings	(18.4)	(19.1)	(27.1)
	<b>454.8</b>	<b>412.4</b>	<b>492.4</b>
<b>Retained earnings</b>			
Opening balance	4 845.4	4 509.9	4 509.9
Net profit attributable to ordinary shareholders	298.0	341.2	806.2
Distribution to shareholders	(268.0)	(268.2)	(459.3)
Share awards to employees	(34.9)	(19.9)	(28.1)
Transfers from other reserves	18.4	19.1	27.1
Retirement benefit remeasurements	-	-	(10.4)
	<b>4 858.9</b>	<b>4 582.1</b>	<b>4 845.4</b>
<b>Balance at the end of period</b>	<b>5 421.2</b>	<b>5 097.0</b>	<b>5 448.6</b>

### Cash flow statement

	6 months ended 30 Sept 2015 Unaudited Rm	6 month ended 30 Sept 2014 Restated Unaudited Rm	12 months ended 31 March 2015 Restated Rm
<b>Cash flow from operating activities</b>			
Cash flow from trading	669.2	733.0	1 333.6
Change in working capital	(238.0)	(280.2)	(467.9)
Cash generated from operations	431.2	452.8	865.7
Interest and dividends received	61.0	57.8	113.1
Interest paid	(66.4)	(65.8)	(135.5)
Taxation paid	(203.8)	(191.6)	(337.9)
	<b>222.0</b>	<b>253.2</b>	<b>505.4</b>
<b>Cash flow from investing activities</b>			
Net disposals of insurance investments	(11.6)	45.9	48.2
Acquisition of property, plant and equipment	(58.0)	(38.9)	(86.7)
Purchase of Beares business	-	-	(66.6)
Proceeds on disposal of property, plant and equipment	6.9	4.1	11.7
	<b>(62.7)</b>	<b>11.1</b>	<b>(93.4)</b>
<b>Cash flow from financing activities</b>			
Dividends paid	(268.0)	(268.2)	(459.3)
Increase/(decrease) in long-term borrowings	200.0	75.0	(175.0)
Decrease in short-term borrowings	(50.0)	(300.0)	(50.0)
Purchase of own shares	(38.2)	(26.6)	(26.5)
	<b>(156.2)</b>	<b>(519.8)</b>	<b>(710.8)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3.1</b>	<b>(255.5)</b>	<b>(298.8)</b>
Cash and cash equivalents at the beginning of the period	173.3	472.1	472.1
<b>Cash and cash equivalents at the end of the period</b>	<b>176.4</b>	<b>216.6</b>	<b>173.3</b>
<b>Analysis of borrowings and facilities</b>			
<b>Borrowings</b>			
Long-term	1 025.0	1 075.0	825.0
Short-term	650.0	450.0	700.0
	<b>1 675.0</b>	<b>1 525.0</b>	<b>1 525.0</b>
<b>Cash and cash equivalents</b>			
Short-term facilities utilised	71.0	51.6	49.0
Cash on hand	(247.4)	(268.2)	(222.3)
	<b>(176.4)</b>	<b>(216.6)</b>	<b>(173.3)</b>
<b>Net borrowings</b>	<b>1 498.6</b>	<b>1 308.4</b>	<b>1 351.7</b>
Unutilised facilities:			
Banking facilities	926.4	1016.6	973.3
Domestic Medium-Term Note Programme	1 700.0	1 700.0	1 700.0
<b>Banking facilities and Domestic Medium-Term Note Programme</b>	<b>4 125.0</b>	<b>4 025.0</b>	<b>4 025.0</b>

### Key ratios

	6 month ended 30 Sept 2015	6 month ended 30 Sept 2014 Restated	12 months ended 31 March 2015 Restated
<b>Operating efficiency ratios</b>			
Gross profit margin (%)	36.4%	36.9%	36.6%
Operating profit margin (%)	14.7%	18.4%	19.4%
Number of stores	724	642	716
Number of permanent employees (average)	8 421	7 534	7 835
Trading space (sqm)	241 812	214 027	248 137
Inventory turn	3.3	3.5	3.9
Current ratio	4.0	4.4	3.8
<b>Credit ratios</b>			
Credit sales (%)	65.9%	69.7%	69.1%
Debtor costs as a % of the net debtors	7.4%	6.8%	13.9%
Debtors' impairment provision as a % of net debtors	24.1%	22.3%	20.9%
Arrear instalments on satisfactory paying accounts as a percentage of net debtors	9.8%	9.1%	9.3%
Arrear instalments on slow-paying and non-performing accounts as a percentage of net debtors	27.7%	26.5%	24.3%
Credit applications decline rate	40.8%	41.0%	40.2%
<b>Shareholder ratios</b>			
Net asset value per share (cents)	6 104	5 745	6 128
Gearing ratio	27.6%	25.7%	24.8%
Dividend payout ratio	70.7%	61.8%	62.9%
Return on average equity (after-tax)	11.0%	13.6%	15.4%
Return on average capital employed (after-tax)	9.6%	11.4%	13.0%
Return on average assets managed (pre-tax)	11.8%	14.2%	15.9%

- Notes:
- All ratios are based on figures at the end of the period unless otherwise disclosed.
  - The net asset value has been calculated using 88 808 000 shares in issue (2014: 88 715 000).
  - Total assets exclude the deferred tax asset.

### Debtors' analysis

The company assesses each customer individually on a monthly basis and categorises customers into 13 payment categories. This assessment is integral to the calculation of the debtors' impairment provision and incorporates both payment behaviour and the age of the account. The 13 payment categories have been summarised into four main groupings of customers.

An analysis of the debtors book based on the payment ratings is set out below.

		No. of customers		Distribution of impairment provision %		
	No.	Sept 2015	Sept 2014	Sept 2015	Sept 2014	March 2015
<b>Satisfactory paid</b>		471 067	462 625	29.8	22.6	21.1
Customers who have paid 70% or more of amounts due over the contract period. The provision in this category results from the <i>in duplum</i> provision.	%	68.1%	67.9%	1.9%	1.7%	1.6%
<b>Slow payers</b>		55 647	53 912	155.8	127.7	140.4
Customers who have paid 65% to 70% of amounts due over the contract period. The provision in this category ranges from 12% to 72% of amounts due and includes an <i>in duplum</i> provision (2014: 11% to 74%)	%	8.1%	7.9%	10.3%	9.7%	10.9%
<b>Non-performing customers</b>		50 641	49 971	212.7	189.3	199.6
Customers who have paid 55% to 65% of amounts due over the contract period. The provision in this category ranges from 23% to 84% of amounts due (2014: 22% to 85%)	%	7.3%	7.3%	14.0%	14.3%	15.4%
<b>Non-performing customers</b>		113 869	115 220	1 120.2	981.5	933.2
Customers who have paid 55% or less of amounts due over the contract period. The provision in this category ranges from 31% to 100% of amounts due (2014: 27% to 100%)	%	16.5%	16.9%	73.8%	74.3%	72.1%
<b>Total</b>	No.	<b>691 224</b>	<b>681 728</b>	<b>1 518.5</b>	<b>1 321.1</b>	<b>1 294.3</b>
Debtors impairment as a % of net debtors				<b>24.1%</b>	<b>22.3%</b>	<b>20.9%</b>

### Notes to the financial statements

- Basis of reporting**  
The group's interim financial statements have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) including IAS34 (Interim Financial Reporting), and in compliance with the Listing Requirements of the JSE. The accounting policies are consistent with those applied in the annual financial statements for the year ended 31 March 2015, except for the restatements set out in note 2.
- Restatements**  
The group has performed a review of the appropriateness of its accounting policies and has identified the following restatements which are the result of clarifying certain accounting policies and the application thereof. The impact of these restatements are not material to the appreciation of the audited 2015 financial statements and the current interim financial statements under review.
  - Two group subsidiaries, Lewis Stores (Pty) Ltd ("Lewis") and Monarch Insurance Company Limited ("Monarch") were referred by the National Credit Regulator ("NCR") to the National Consumer Tribunal in July 2015. Details of this matter has been set out in note 6.
  - The effect of the above was a restatement, which reduced the profit attributable to ordinary shareholders for the six months ended 30 September 2014 ("September 2014 period") by R 2.1 million and retained income as at 31 March 2014 by R 35.4 million.
  - The unearned premium reserve ("UPR") in Monarch Insurance Company Limited, the insurance subsidiary, has been correctly calculated in terms of the Short-Term Insurance Act by taking into account commission paid to a fellow subsidiary of 12.5%. On calculating the group UPR, the 12.5% intercompany commission has now been eliminated to reflect the reserve at 100% of unearned insurance premiums as opposed to the 87.5% provided.
  - The effect of the above was a restatement, which increased the profit attributable to ordinary shareholders for the September 2014 period by R 6.6 million and reduced retained income as at 31 March 2014 by R 123.3 million.
  - The accounting policy in respect of maintenance contracts has been amended to recognise revenue from maintenance contracts as follows:
    - income is deferred until the expiry of the suppliers warranty.
    - for the two years of the maintenance contract, revenue will be recognised on an expected cost basis which defers revenue in line with the expected cost of rendering the service under the maintenance contract.
  - The effect of the above was a restatement, which reduced the profit attributable to ordinary shareholders for the September 2014 period by R 9.2 million and retained income as at 31 March 2014 by R 92.2 million.
  - Income from reinsurance contracts is deferred over the period of the related reinsurance contract. The basis of the deferral, which has been consistently applied, resulted in approximately 75% of the unearned reinsurance premiums being deferred on a straight line basis over the period of the contract with the remaining balance being recognised in income.
  - The application of the accounting policy has been revised to defer 100% of the unearned reinsurance premiums on a straight line basis over the period of the related reinsurance contract. The accounting policy has been updated accordingly.
  - The effect of the above was a restatement, which increased the profit attributable to ordinary shareholders for the September 2014 period by R 5.7 million and reduced retained income as at 31 March 2014 by R 91.3 million.
  - With effect from 1 January 2012, the group elected to retain the contingency reserve even though it was no longer required by the Short-term Insurance Act. This policy has been withdrawn and the contingency reserve of R 55.6 million transferred to retained income as at 31 March 2014.

### Notes to the financial statements (continued)

In terms of IAS 8, the relevant comparative information has been restated and the effect on the financial statements is as follows:

	6 months ended 30 Sept 2015 Unaudited Rm	6 month ended 30 Sept 2014 Restated Unaudited Rm	12 months ended 31 March 2015 Restated Rm
<b>Effect on Comprehensive Income:</b>			
Increase/(decrease) in insurance revenue	0.4	16.1	(1.5)
Increase/(decrease) in ancillary services	2.2	(12.7)	(41.0)
Increase in interest paid	(2.0)	(2.0)	(3.6)
Increase/(decrease) in profit before taxation	0.6	1.4	(46.1)
(Increase)/decrease in taxation	(0.2)	(0.4)	12.9
Effect on net profit attributable to ordinary shareholders	0.4	1.0	(33.2)
<b>Movement in other comprehensive income (contingency reserve)</b>	-	(2.5)	0.2
Effect on total comprehensive income	0.4	(1.5)	(33.0)
<b>Effect on Earnings per Share:</b>			
Increase/(decrease) in earnings per share (cents)	0.4 cents	1.2 cents	(37.3 cents)
Increase/(decrease) in diluted earnings per share (cents)	0.4 cents	1.1 cents	(37.0 cents)
<b>Effect on Total Assets:</b>			
Decrease in trade and other receivable	(368.0)	(354.8)	(386.6)
	<b>(368.0)</b>	<b>(354.8)</b>	<b>(386.6)</b>
<b>Effect on Total Liabilities:</b>			
Increase in Reinsurance and insurance liabilities	152.7	119.0	134.7
Decrease in deferred taxation	(145.7)	(132.6)	(145.9)
	<b>7.0</b>	<b>(13.6)</b>	<b>(11.2)</b>
<b>Effect on Net Asset Value:</b>			
Increase/(decrease) in Comprehensive Income	0.4	(1.5)	(33.0)
Decrease in opening retained income	(319.6)	(286.6)	(286.6)
Decrease in Other Reserves	(55.8)	(53.1)	(55.8)
	<b>(375.0)</b>	<b>(341.2)</b>	<b>(375.4)</b>
<b>Effect on Net Asset Value per Share (in cents)</b>			
Decrease in net asset value per share (cents)	(422)	(385)	(423)
<b>Effect on Cash Flow Statement:</b>			
Increase/(decrease) in cash flow from trading	2.6	3.4	(42.5)
(Decrease)/increase in change in working capital	(0.6)	(1.4)	46.1
Increase in interest paid	(2.0)	(2.0)	(3.6)
Effect on cash flow from operating activities	-	-	-
<b>3. Debtor costs</b>			
Bad debts, repossession losses and bad debt recoveries	243.9	209.3	693.3
Movement in impairment provision	224.2	191.6	164.8
	<b>468.1</b>	<b>400.9</b>	<b>858.1</b>
<b>4. Insurance investments - available-for-sale</b>			
Listed			
Listed shares	843.0	733.4	846.5
Fixed income securities	864.4	820.7	869.1
Unlisted			
Money market	106.2	160.1	127.0
	<b>1 813.6</b>	<b>1 714.2</b>	<b>1 842.6</b>
Investments are classified as available-for-sale and reflected at fair value. Changes in fair value are reflected in the statement of comprehensive income.			
In terms of the fair value hierarchy set out in IFRS 13, listed and unlisted investments are categorised as Level 1 and Level 2 respectively.			
<b>5. Trade and other receivables</b>			
Instalment sale and loan receivables	7 720.1	7 453.0	7 708.5
Provision for unearned maintenance income	(384.1)	(353.2)	(385.0)
Provision for unearned initiation fees and unearned finance charges	(228.6)	(227.9)	(241.5)
Provision for unearned insurance premiums	(814.1)	(936.6)	(889.5)
Net instalment sale and loan receivables	6 293.3	5 935.3	6 192.5
Provision for impairment	(1 518.5)	(1 321.1)	(1 294.3)
	<b>4 774.8</b>	<b>4 614.2</b>	<b>4 898.2</b>
Other receivables	125.9	130.1	111.1
	<b>4 900.7</b>	<b>4 744.3</b>	<b>5 009.3</b>
Amounts due from instalment sale and loan receivables after one year are reflected as current, as they form part of the normal operating cycle. The credit terms of instalment sale and loan receivables range from 6 to 36 months.			
The average effective interest rate on instalment sale and loan receivables is 22.0% (2014: 21.4%) and the average term of the sale is 33.4 months (2014: 32.1 months).			
<b>6. Referral to National Credit Tribunal</b>			
(i) Loss of Employment			
Lewis and Monarch has disputed that they have committed a contravention of the NCA in this regard, as alleged by the NCR. Following an internal investigation by Lewis and Monarch, it has been determined that fifteen percent of pensioners and self-employed persons were sold such policies since 2007, through human error and contrary to the group's own internal policies, which expressly prohibit the sale of such policies to consumers. The refunds due to customers (including interest) identified from the internal investigation conducted by the two companies is in the process of being paid to customers. Full provision has been made for the refund of these premiums and the interest thereon.			
(ii) Disability Insurance			
Lewis and Monarch has rejected the NCR's allegation that the sale of disability insurance to pensioners and self-employed persons constitutes a contravention of the NCA. Their answering affidavit records that notwithstanding the NCR's allegations in this regard claims by pensioners and self-employed persons in respect of disability policies have been and continue to be honoured by Monarch. Accordingly no provision has been made in the financial statements for the matter.			