

Notes to the Group annual financial statements continued

For the year ended 31 May 2019

6. EQUITY

6.1. Share capital

Ordinary shares are classified as equity and the shares are fully paid up.

Shares acquired by Blue Label Telecoms for its own employees' equity compensation benefit scheme, as well as the shares procured by the subsidiaries in terms of this scheme, are accounted for as treasury shares in the Group statement of financial position.

	2019 Number of shares	2018 Number of shares	2019 R'000	2018 R'000
Authorised				
Total authorised share capital of ordinary shares (par value of R0.000001 each)	2 000 000 000	2 000 000 000	2	2
Issued				
Balance at the beginning of the year	940 885 750	668 036 256	1	*
Shares issued during the year	—	271 999 999	—	1
Shares acquired during the year	(5 852 017)	(1 583 248)	*	*
Share buy-back	(32 853 168)	—	*	*
Shares vested during the year	2 020 901	2 432 743	*	*
Balance at the end of the year	904 201 466	940 885 750	1	1

* Less than R1 000.

All issued shares are fully paid up.

The total number of shares in issue including shares held as treasury shares as at 31 May 2019 is 913 655 874 (2018: 946 509 041).

The Company acquired 5 852 017 (2018: 1 583 248) shares at an average price of R7.24 (2018: R18.22) on the JSE in order to grant forfeitable shares to employees and Directors as part of the Group's forfeitable share plan.

The amount paid to acquire these shares was R42 378 078 (2018: R28 845 987) and has been deducted from shareholders' equity. These shares are held as treasury shares, and netted off of share premium.

Refer to note 5.1 for details on the forfeitable shares.

Over the period 22 August 2018 to 21 September 2018, 32 853 168 shares were repurchased at a weighted average price of R6.78 per share.

On 2 August 2017, Blue Label, through its wholly owned subsidiary, TPC, acquired 45% of the issued share capital of Cell C. This purchase was partially funded by the subscription of 183 333 333 ordinary shares by third parties. Refer to note 2.1 for further details.

TPC acquired 100% of the issued share capital in 3G Mobile from its shareholders. The acquisition has been structured in two stages whereby 47.37% was acquired on 2 August 2017 and the remaining 52.63% was acquired on 6 December 2017. Of the initial purchase of 47.37%, 16 666 666 ordinary shares were issued to the 3G Mobile shareholders in part settlement. Refer to note 2.1 for further details. The remaining 52.63% was part settled by the issue of 72 000 000 shares to third parties.

	2018 Number of shares issued	Value R'000
Date of issue		
2 August 2017	183 333 333	2 750 000
2 August 2017	16 666 666	282 833*
27 February 2018	72 000 000	900 000
	271 999 999	3 932 833

* Shares issued to sellers as purchase consideration for acquisition of associate. Refer to note 2.1.