

MISSION STATEMENT

We at Nu-World, are driven by the quest for excellence across all the disciplines of manufacturing, importing, distributing and exporting, in the Global Market of branded consumer durables, working together with a team of committed, well-trained and empowered employees.

We aim to provide products of outstanding quality to our clients worldwide, superior returns to our shareholders, whilst contributing to the growth of a democratic and prosperous South Africa.

We will strive to be acknowledged, both locally and internationally, as an outstanding source and provider of branded consumer durables.

We will endeavour to ensure that the needs and expectations of our customers are consistently surpassed.

The attainment of this vision and mission, will require a sustained level of superior customer service and support as well as operational excellence, resulting in the continued growth and expansion of our business.

FINANCIAL HIGHLIGHTS

GROUP FINANCIAL RESULTS

A summary is as follows:

	2005 R000s	2004 R000s
Revenue	1 626 122	1 430 804
Net operating profit	102 625	94 659
Depreciation	8 251	8 440
Interest paid	7 220	3 606
Profit before taxation	87 154	82 613
Taxation	18 213	19 082
Profit after taxation	68 941	63 531
Minority interest	4 444	(2 781)
Net profit attributable to ordinary shareholders	73 385	60 750
Dividend	15 252	8 621
Net profit for the year	58 133	52 129
Headline earnings per share (cents)	339,9	280,6

Turnover up

13,7%
to R1 626,122m

Attributable income up

20,8%
to R73,385m

Headline earnings per
share (cents) up

21,1%
to 339,9 cents

Dividend declared
per share (cents) up

31,7%
to 92,6 cents

CHAIRMAN'S REVIEW

for the year ended 31 August 2005

With the release of these results, the Nu-World Group has now achieved growth across the board for 15 consecutive years, in turnover, operating income, attributable income and headline earnings per share. The five-year compound average annual growth rate in Headline Earnings amounts to 20,3%.

The Nu-World Group, one of the leading South African sources for branded consumer durables, continues to benefit from the current positive economic conditions in the South African retail industry. Our combined international sourcing for South Africa, Australia and the United Kingdom, provides the Group with a strategic edge on pricing, in a market where pricing power is key.

South Africa with a "high street" retail market now estimated at R300 billion, is experiencing three years of the best retail environment in many years with an extended up-cycle in terms of consumer demand and fixed investment. It is now apparent that factors that have contributed to the buoyant trading environment, are not only cyclical, but structural in nature as well.

Public Enterprise Minister Alec Erwin has advised that government will spend R200 billion over the next seven years to upgrade the country's electricity, water and transport infrastructure. This expenditure is expected to support an extended trading cycle and sustain growth going forward. The government's housing and electrification initiative continues and an increasing number of previously disadvantaged households are entering the market for durable consumer products.

Although household debt levels as a percentage of disposable income are presently as high as 60%, this must be viewed in the context of current moderate servicing costs. Statistics point to employment growth in the retail, wholesale, distribution, services and construction industries. It is expected that consumer demand will remain strong, but growth will be at a more measured pace going forward as opposed to an outright contraction.

The offshore subsidiaries, both in the United Kingdom as well as Australia, experienced difficult trading conditions and results were disappointing.

Nu-World UK Ltd is operating in a retail environment for consumer durables, which has been under pressure from lower volumes, lower margins and price deflation. The latest Bank of England 25 basis point reduction in August to 4,5%, appears to have done little to improve consumer sentiment. It is anticipated that new innovative products and new listings for core type lines, together with reduced overhead costs, should contribute to the company returning to profitability in the forthcoming year.

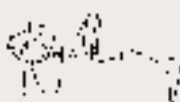
In Australia it is anticipated that monetary policy will remain steady, but consumers' discretionary income remains under pressure because of higher fuel costs. The market place has become increasingly competitive and prices have come under further pressure. Since year end, cost savings have been achieved by consolidation and restructuring within both Prima Australasia and Yale Appliance Group and an improvement is anticipated in the short term.

The Group continues its employment equity initiative by addressing training, internal development and promotions for our employees of colour. At this time, we continue negotiations with preferred black empowerment partners, remaining committed to bringing the right partners of value into the Group. Our black economic empowerment (BEE) initiative is in line with the final codes of good practice published in November 2005.

We continue to monitor our environmental impact and ensure that we meet minimum environmental standards. The Nu-World health clinic with our full-time sister, supports our occupational health and safety programme as well as providing awareness, education and support in terms of HIV/AIDS in the workplace.

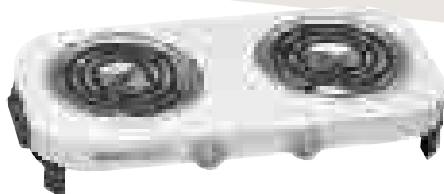
As Chairman, I would like to extend my thanks to each and every member of staff, both in South Africa and abroad, for your commitment, dedication, motivation and support.

New products, new technologies and price stability will continue to drive growth for the forthcoming year. With our impressive stable of 21 international and local brands, we remain well placed to continue to benefit from the current positive economic environment. Directors are confident that the Group will achieve positive real growth in the year ahead. Directors, management and staff, remain committed to increasing value for all stakeholders.



M S Goldberg
Executive Chairman
15 December 2005





MANAGING DIRECTOR'S REVIEW

for the year ended 31 August 2005

FINANCIAL REVIEW

The directors of Nu-World Holdings Limited are pleased to report strong growth for the period ending 31 August 2005. For the 15th consecutive year, the Group has produced growth in turnover, operating income, attributable income, headline earnings per share and dividend.

The Nu-World Group has certainly benefited from the current positive economic conditions being experienced in the South African retail industry.

Nu-World is a leading South African source for branded consumer durables. The Group manufactures, imports, exports and distributes a one-stop supply of branded consumer durables.

Group turnover increased by 13,7% to R1 626m (August 2004: R1 430m). The growth is commendable considering the impact of price deflation averaging 15% – 25% in South Africa, Australia and the United Kingdom.

Attributable income increased by 20,8% to R73,385m (August 2004: R60,750m).

Headline earnings per share on a weighted basis – increased 21,1% to 339,9 cents (August 2004: 280,6 cents).

Dividend per share is up 31,7% to 92,6 cents (August 2004: 70,3 cents). The dividend cover has reduced from 4,0 times to 3,5 times cover.

Cash generated by operating activities amounted to R65,467m.

Overall net working capital days of 86,3 compares favourably with the previous year's 91,3 days.

The balance sheet is strong and the Group remains ungeared with cash balances on hand of R190,548m (August 2004: R161,688m).

The net asset value per share of 1 956,6 cents is up 16,9% (August 2004: 1 673,4 cents).

OPERATIONAL REVIEW

Nu-World is one of South Africa's leading players in small electrical appliances and consumer electronics.

The electrical appliance division performed reasonably well, despite price deflation averaging 12%. A number of new products were introduced during the latter part of the second half of the financial year and these sales will positively impact revenues in the period to February 2006.

Consumer Electronics

JVC * Telefunken * Thomson * Nu-Tec * Palsonic

The Nu-World brands performed well during the period under review, notwithstanding price deflation averaging 18% – 20%. The Telefunken brand improved its rating in the latest Markinor survey. JVC and Telefunken will launch a number of new products for the festive season including large rear projection televisions as well as the first-ever video camera hard disc camcorder. Other latest technology offerings will include MP3s in portable and micro hifi systems. New DVD and Micro systems will be available with card-readers and USB ports. Piano black component home theatre systems will enhance the line-up. An expanded TV range with LCD TVs, will further assist in winning market share.

Foreign subsidiaries

Nu-World UK Limited
Prima Australasia Proprietary Limited
Yale Appliance Group Proprietary Limited
Akai * Telefunken * Prima Electronics * Nu-Tec * RCA
* Thomson

Nu-World UK Limited is a 60% held subsidiary. The UK retail market and specifically consumer durables, has been under pressure from lower volumes, lower margins and price deflation. It is anticipated that a new line-up of products and new listings will see the Company returning to profitability in the forthcoming year.

In Australia, Nu-World holds a 51% share in Prima Australasia Proprietary Limited and a 65% share in Yale Appliance Group Proprietary Limited. The companies experienced a difficult year in an increasingly competitive and deflationary market. Logistics and operations of Prima and Yale have now been combined in Melbourne and a reduction in operating costs and overheads will assist a return to profitability.

New product range line-up

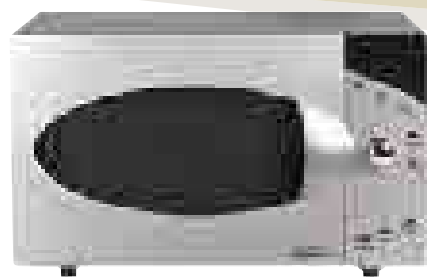
Conti Motorsport, bicycles, air-conditioning, power tools, small and large appliances.

A substantial number of new products within existing and new product categories are in the process of being launched and will be available for the Christmas season.

MANPOWER AND SOCIAL RESPONSIBILITY

The Nu-World Group of companies employs close to 1 000 people on three continents. Nu-World is committed





MANAGING DIRECTOR'S REVIEW

for the year ended 31 August 2005

to training and further education for all staff members to enable all to develop to their fullest potential. The Nu-World health clinic continues to provide occupational health and safety and to focus on HIV/Aids awareness programmes, counselling, testing and supportive medical assistance. The appointed BEE subcommittee continues its engagement with potential partners. The Group vigorously supports an active employment equity programme and continues to empower employees of colour. The Group is committed to comply with environmental regulations.

PROSPECTS

The Group has achieved growth for 15 consecutive years across the board, in turnover, operating income, attributable income and headline earnings per share.

South Africa, with a "high street" retail market, estimated at R300bn, is currently experiencing a period of the best retail environment in many years. Retail sales are 25% up in real terms compared to 2000.

Public Enterprise Minister Alec Erwin has advised that government will spend R200bn over the next seven years to upgrade the country's electricity, water and transport infrastructure. This expenditure will support an extended up-cycle in terms of fixed investment and consumer demand.

Housing and electrification continue apace with more than 1,6 million houses for the underprivileged being built and more than 4 million electricity connections being made. A further 3 million homes will be connected to the grid over the next few years.

The strong growth in private sector consumption continues to be sustained by low interest rates, higher asset prices and increased real disposable income. The Reserve Bank has reduced its key lending rate seven times since June 2003, to the lowest nominal interest rate in two decades. These forces continue to support levels of consumer confidence and underpin sustained growth in the economy and for our Group, within a scenario of moderating growth in consumer demand, during the forthcoming year.

CORPORATE GOVERNANCE

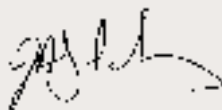
The Group subscribes to and complies with the Code on Corporate Governance Practices as contained in the second King Report on Corporate Governance.

DIVIDENDS

Notice is hereby given that the final dividend number 18 (eighteen) of 92,6 cents per share (2004: 70,3 cents) has been declared to shareholders.

The dividend is payable to the shareholders of the Company recorded in the books of the Company at the close of business on Friday, 9 December 2005 ("the record date"). The last date to trade cum dividend will be Friday, 2 December 2005 and trading commences ex dividend from Monday, 5 December 2005. The dividend will be paid on Monday, 12 December 2005. Share certificates may not be rematerialised or dematerialised between Monday, 5 December 2005 and Friday, 9 December 2005.

On behalf of the board



J A Goldberg
Managing Director
21 October 2005



BOARD OF DIRECTORS

for the year ended 31 August 2005



M S Goldberg (53)

Executive Chairman

B.Com M.B.A (Wits)

Executive Chairman responsible for the Group's overall performance and well-being. He plays an active role in the formulation of Group strategies, and in the formulation and implementation of growth strategies, and in determining the future direction of the Group. Appointed to the board in 1986, listed the Group in 1987 and appointed chairman of the Group in 2001. Has 28 years' experience in manufacturing and the appliance industry.

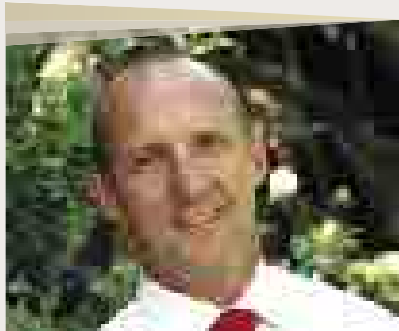


J A Goldberg (50)

Managing Director

B.Sc Eng (Wits)

Managing Director responsible for developing and implementing the Group's marketing and sales strategies. Intimately involved in all operational aspects of the Group and in sourcing new products and markets. Appointed to the board in 1986. Has 28 years' experience in manufacturing and the appliance industry.



G R Hindle (44)

Financial Director

B.Acc (Wits) CA(SA)

Financial Director. Joined the Group in 1992. Responsibilities include all financial aspects of the business including Information Systems, administrative and treasury functions. Appointed to the board in 1993. Has 22 years' experience in financial management and Information System technology in the manufacturing and electronic environment.



J M Judin (59)

Non-Executive Director

Dip Law (Wits)

Currently the senior partner at the Johannesburg based law firm, Goldman, Judin Inc. Appointed to the board in 1989 and holds the position of Chairman of the Primeserv Group Ltd and as a non-executive director to Set Point Technology Holdings Ltd.



D Piaray (38)

Independent Non-Executive Director

D Chem. Eng (Natal) B.Com (Unisa) M.B.A (Wits)

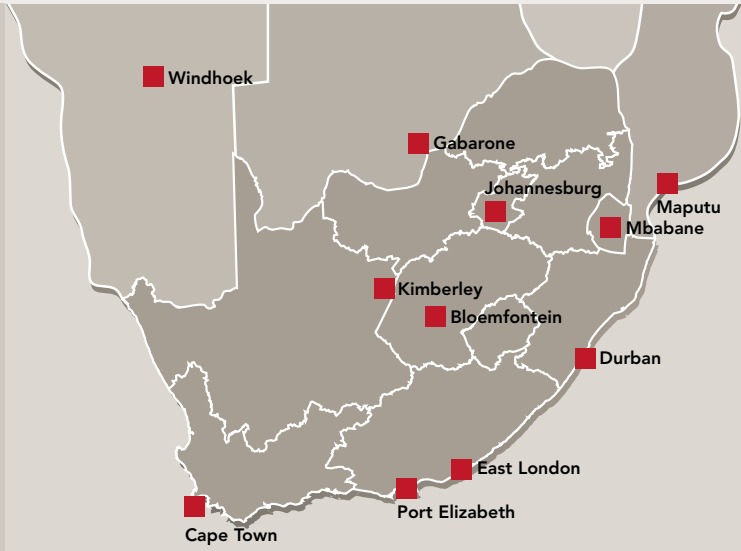
Currently the managing director of Innovative Management Consulting (Pty) Ltd. Appointed to the board in 2002 and holds positions as Executive and Non-Executive Director for several listed and non-listed companies.

REGIONAL REPRESENTATION

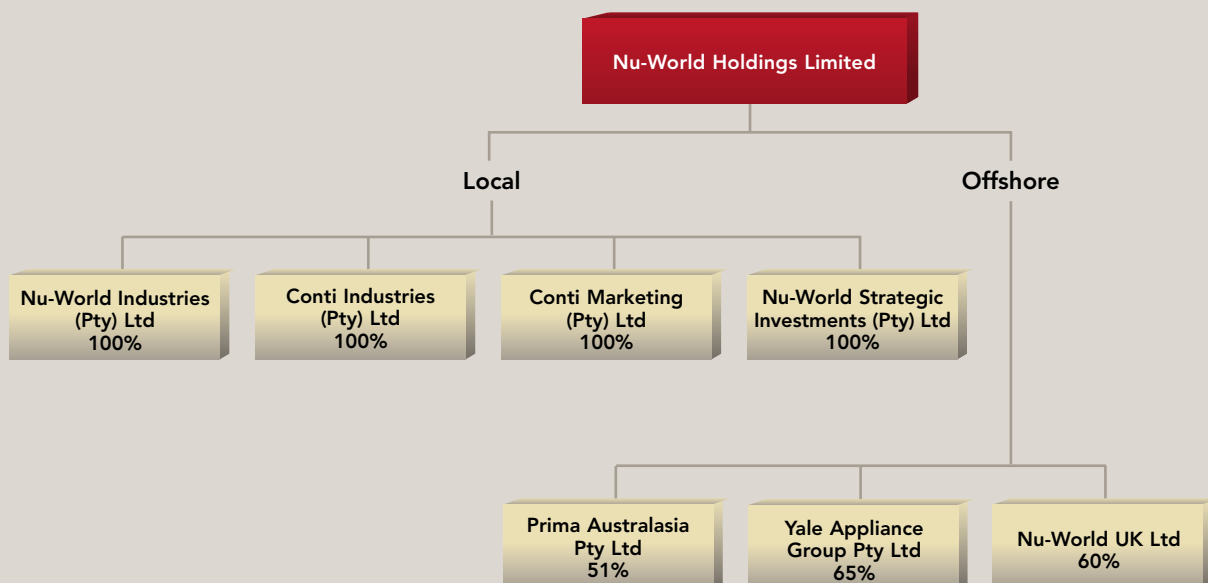
UNITED KINGDOM

SOUTHERN AFRICA

AUSTRALASIA



GROUP STRUCTURE



10 YEAR REVIEW

	2005 R000s	2004 R000s	2003 R000s	2002 R000s	2001 R000s
INCOME STATEMENT					
Revenue	1 626 122	1 430 804	1 179 455	942 084	884 252
Operating income	94 374	86 219	65 982	56 122	51 487
Interest paid	7 220	3 606	5 018	8 355	8 988
Income before taxation	87 154	82 613	60 964	47 767	42 499
Taxation	18 213	19 082	12 127	9 998	8 336
Income after taxation	68 941	63 531	48 837	37 769	34 163
Share of income attributable to associated company				2 296	135
Net income	68 941	63 531	48 837	40 065	34 028
Minority interest	4 444	(2 781)	(5 738)		(87)
Net profit for the year	73 385	60 750	43 099	40 065	33 941
Shares in issue (000s):					
– at year end	21 592	21 597	21 611	21 695	21 695
– weighted average	21 592	21 597	21 611	21 695	21 695
Headline earnings per share (cents)	339,9	280,6	201,6	184,7	156,4
Headline earnings per share (cents)					
– weighted	339,9	280,6	201,6	184,7	156,4
Dividend per share (cents)	92,6	70,3	39,8	31,3	27,2
Dividend cover	3,5	4,0	5,0	5,9	5,7
BALANCE SHEET					
ASSETS					
Non-current assets	62 956	52 923	56 691	57 286	40 954
Property, plant and equipment	44 867	46 997	50 905	36 204	28 089
Investment in associated company				21 082	12 865
Intangible asset	18 089	5 926	5 786		
Current assets	589 605	546 664	419 055	361 091	330 648
Inventories	171 340	167 448	132 695	117 384	103 137
Trade and other receivables	227 717	217 528	182 923	156 563	162 433
Bank and cash balances	190 548	161 688	103 437	87 144	65 078
Total assets	652 561	599 587	475 746	418 377	371 602
EQUITY AND LIABILITIES					
Total capital and reserves	422 478	361 397	309 071	274 846	240 684
Issued capital	114 684	114 776	115 058	115 849	115 849
Foreign currency translation reserve	(185)	(813)	(1 292)		
Retained earnings	307 979	247 434	195 305	158 997	124 835
Minority interest	28 156	23 786	20 471		
Non-current liabilities	6 928	4 443	8 149	8 950	12 973
Interest bearing borrowings					5 089
Deferred taxation	6 928	4 443	8 149	8 950	7 884
Current liabilities	194 999	209 961	138 055	134 581	117 945
Trade and other payables	194 999	209 961	138 001	134 528	117 909
Shareholders for dividend			54	53	6
Current portion of interest bearing borrowings					30
Total equity and liabilities	652 561	599 587	475 746	418 377	371 602

10 YEAR REVIEW

2000 R000s	1999 R000s	1998 R000s	1997 R000s	1996 R000s	
					INCOME STATEMENT
653 772	527 706	446 629	343 979	247 387	Revenue
50 160	35 119	32 781	24 344	15 147	Operating income
6 414	6 098	6 636	5 957	4 209	Interest paid
43 746	29 021	26 145	18 387	10 938	Income before taxation
12 013	6 462	7 729	4 720	1 594	Taxation
31 733	22 559	18 416	13 667	9 344	Income after taxation
					Share of income attributable to associated company
31 733	22 559	18 416	13 667	9 344	Net income
(2 648)					Minority interest
29 085	22 559	18 416	13 667	9 344	Net profit for the year
					Shares in issue (000s):
21 695	21 327	21 229	17 989	17 657	– at year end
21 584	21 300	19 496	17 848	17 009	– weighted average
134.1	105.8	86.7	76.0	52.9	Headline earnings per share (cents)
					Headline earnings per share (cents)
134.8	105.9	94.5	76.6	55.0	– weighted
22.6	17.0	15.5	15.3	10.6	Dividend per share (cents)
5.9	6.2	6.0	5.0	5.0	Dividend cover
					BALANCE SHEET
					ASSETS
35 812	24 681	23 516	22 137	19 407	Non-current assets
35 812	24 681	23 516	22 137	19 407	Property, plant and equipment
					Investment in associated company
					Intangible asset
350 628	273 364	265 296	144 971	100 486	Current assets
132 947	80 324	77 432	52 684	43 819	Inventories
157 150	113 622	104 632	79 755	49 136	Trade and other receivables
60 531	79 418	83 232	12 532	7 531	Bank and cash balances
386 440	298 045	288 812	167 108	119 893	Total assets
					EQUITY AND LIABILITIES
208 101	184 158	162 874	77 437	60 989	Total capital and reserves
117 120	117 449	115 099	39 341	33 810	Issued capital
88					Foreign currency translation reserve
90 893	66 709	47 775	38 096	27 179	Retained earnings
22 880					Minority interest
17 433	23 261	30 088	7 686	10 337	Non-current liabilities
10 119	16 150	23 316	7 686	10 337	Interest bearing borrowings
7 314	7 111	6 772			Deferred taxation
138 026	90 626	95 850	81 985	48 567	Current liabilities
132 095	88 459	92 670	77 550	44 381	Trade and other payables
4 900					Shareholders for dividend
1 031	2 167	3 180	4 435	4 186	Current portion of interest bearing borrowings
386 440	298 045	288 812	167 108	119 893	Total equity and liabilities

CORPORATE SUSTAINABLE DEVELOPMENT

Nu-World continually strives to develop and retain its staff through the provision of an equitable, safe and healthy working environment.

HIV/AIDS AND NU-WORLD'S VOLUNTARY COUNSELLING AND TESTING STATISTICS

Recognising the seriousness of the HIV/AIDS pandemic, Nu-World has, over recent years intensified its drive to minimise the number of its employees who are infected by the HIV virus and to prolong the lives of those who are already living with the virus.

The Company has created an environment in which employees have access to information about HIV/AIDS in the workplace; appropriate supplementary and therapeutic medications through the Company Health Clinic and appropriate counselling services.

Nu-World commenced voluntary counselling and testing for HIV/AIDS among its employees in 2003. Since then, it has tested more than 15% of its employees, largely as the result of a concentrated drive to ensure that all Nu-World staff discover their status. The Company has implemented an intensive communication programme about Nu-World's improved support and care system which is aimed at:

- Improved levels of awareness and knowledge relating to HIV/AIDS at a general level;
- Enhanced management preparedness;
- Greater coverage of Nu-World's HIV/AIDS programme with regard to visibility, language adaptation, and relevance;
- Increased uptake of voluntary testing activity.

ENVIRONMENT

The Group is conscious of the fact that in carrying out its activities there is a potential risk of environmental damage. An effort has therefore been made to educate all employees in best practice so as to avoid causing long-term damage to the environment or atmospheric pollution through the inappropriate use of plant and equipment.

Nu-World is committed to ensuring that its environmental management systems comply with legislation. The Company wishes to promote environments, which are not harmful to the health or well-being of people, animals and land. The long-term environmental philosophy is the concept of continuous improvement.

The Company promotes the enhancement of the quality and safety of the environment through education that develops the knowledge, awareness, attitudes, values and skills that will enable its employees to make a valuable contribution towards maintaining and improving the quality of the environment both in the work place and in the community.

The aim is to optimise resource use, decrease wastage and minimise environmental impact.

EMPLOYMENT EQUITY

The organisation commits itself to non-discrimination and employment equity. It is the policy of the organisation that discrimination in any form will not be tolerated, and is a disciplinary offence. The organisation's selection policy is aimed at addressing employment inequalities through our employment equity programme. However, the organisation maintains its commitment to quality and service excellence. A position will not be deliberately de-skilled to prejudice an applicant from a previously disadvantaged group.

CORPORATE SUSTAINABLE DEVELOPMENT

This will ensure that applications are not discriminated against in terms of their salary packages or employment benefits. The organisation encourages all its employees to undergo appropriate training and development in order to enable them to give of their best and also to realise their full potential in the work situation. The organisation believes in the policy of promotion from within, in accordance with selection procedures and criteria, and such promotion is non-discriminatory and based on merit.

In the implementation of the Group's employment equity strategy the Group submitted its third Employment Equity Plan to the department of labour. The Group is positively committed to this progress, which is consistent with its philosophy in respect of employee development.

A share incentive scheme has been established to provide an incentive to employees to remain in the service of the Group and increase the proprietary interest in the Group's success. Other mechanisms have also been put in place by the remuneration committee and sanctioned by the board which incentivise, motivate and empower management to express dynamic entrepreneurial skills.

AFFIRMATIVE ACTION

As part and parcel of a broader Human Resources Development Policy, affirmative action is seen as a process of maximising human resources and empowering individuals within Nu-World. Nu-World recognises that because of inequalities in the apartheid education system, and race and sex discrimination in the educational and employment opportunities available to women and black men, it needs to take positive steps to eliminate discrimination and to provide equal opportunities in its own workplace.

BEE SUBCOMMITTEE

The Group recognises the importance of black economic empowerment. To this end, a BEE subcommittee was established in 2003 and continues its engagement with potential partners.

TRAINING AND DEVELOPMENT

The organisation's policy is to encourage the development of our employees through education and training in order to maximise their full potential and productivity. Most training is offered in-house as on-the job training. External courses are considered where they can meet specific organisational needs, and in accordance with Merseta standards. Employees are given the opportunity to utilise the available resources and improve their skills and knowledge. The Company completes a 'needs assessment' of all employees on an annual basis, and arranges training programmes around these assessments, once prioritised and in compliance with the Skills Levy Act.

Planning and implementation of the Skills Development Plan, in accordance with the Skills Levy Act, are completed timeously, and the Company has received its reimbursements for completion thereof.

CORPORATE CONDUCT AND PERFORMANCE

INTRODUCTION

The board of directors subscribes to the recommendations for good corporate governance as set out in the King II Report. The directors have recognised the need to conduct the enterprise with integrity and in accordance with sound corporate practices by implementing procedures that are enhanced where necessary to meet the changing demands of our Group and to ensure a culture of qualitative governance. The board and its individual directors have embraced their duty of ensuring that the principles set out in the Code of Corporate Practices and Conduct as defined in the King II Report are observed.

BUSINESS ETHICS

In order to foster the kind of corporate governance environment and guidelines needed, the board and its directors have adopted the following guidelines:

- the board accepts that dissent is not the same as disloyalty and constructive criticism at the boardroom table must be part of our corporate culture;
- best endeavours are made to ensure that all relevant information is presented to the board objectively and timeously;
- information and communication to the board is essential and individual directors are tasked to keep the board informed of the strategic and operational issues that the company is facing;
- a culture is created where every decision made must be in the best interests of the Company both in the short and long term;
- the board is committed to communicating corporate information in a transparent way with substance over form in all its dealings with stakeholders and all others to whom the Company's corporate citizenship policy applies.

BOARD OF DIRECTORS

The board comprises of two non-executive directors and three executive directors. Nu-World is a small market capitalisation company, which is reflected in the composition and size of its board. This has sometimes made it difficult when constituting various committees and following the recommendations espoused in the King II Report.

The board considers the appointment of new directors as and when required.

The board has an independent company secretary who is both properly empowered and suitably experienced to fulfil the duties of a company secretary. The Company Secretary provides the board with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the Group in relation to its statutory and other requirements.

BOARD COMMITTEES

The board has established a number of committees, in which non-executive and independent skilled outsiders play an active role and which operate within the defined terms of reference laid down by the board with clearly agreed upon reporting procedures, defined areas of authority and full transparency and disclosure.

The committees are free where appropriate to take independent outside professional advice on any issues.

Executive Committee

The executive committee consists of the Executive Chairman, Managing Director and Group Financial Director. This committee deals with the normal operating decisions, which are required to be made to run the Group effectively whilst major matters of importance are referred to the board for approval.

CORPORATE CONDUCT AND PERFORMANCE

Remuneration Committee

The remuneration committee is chaired by Mr J M Judin and its other members are Mr G R Hindle, Mr D Piary and Mr B H Haikney. The Executive Chairman and Managing Director are invitees where necessary, when the committee meets. The committee reviews and approves the remuneration and terms of employment of executive directors and senior employees of the Group. The committee reviews salary trends in the market place and recommends emolument structures and levels to the chairman for his consideration and approval.

Audit Committee

The board has appointed an audit committee. Mr J M Judin holds the position of Chairman of the committee and the other member is Mr D Piary. The Executive Chairman, Managing Director, Financial Director and the External Auditors are invited to attend every meeting. From time to time members of other management committees may meet with the audit committee.

The audit committee has written terms of reference that deal adequately with its membership, authority and duties. The committee deals with internal financial controls that are in place, assesses their adequacy and makes certain that business, statutory and financial risks have been identified and are being monitored and managed, and that appropriate standards of governance, reporting and compliance are in operation. The committee is also responsible for reviewing the interim reports and financial statements, internal financial control procedures, accounting policies, compliance and regulatory matters, recommending the appointment of external auditors and other related issues. The audit committee advises the board on various other issues ranging from the application of accounting standards to published financial information. The Group's external auditors have unrestricted access to the audit committee chairman and, if necessary, the non-executive directors.

ACCOUNTABILITY AND AUDIT

Going Concern

The board minutes the facts and assumptions used in the assessment of the going concern status of the Group at the financial year end, following the review by the audit committee. The directors consider their assessment at the reporting stage of the Group's ability to continue as a going concern and determine whether or not, under the guidance of the audit committee, any of the significant factors in the assessment have changed to such an extent that the appropriateness of the going concern assumption at the reporting stage has been affected.

Auditing and Accounting

The board considers that their auditors, Tuffias Sandberg KSi, observe the highest level of business and professional ethics and that their independence is not in any way impaired. Working papers and management letters as well as reports are drafted and prepared according to a set procedure and according to a common understanding of audit techniques, methods and terminology.

Internal Financial Controls

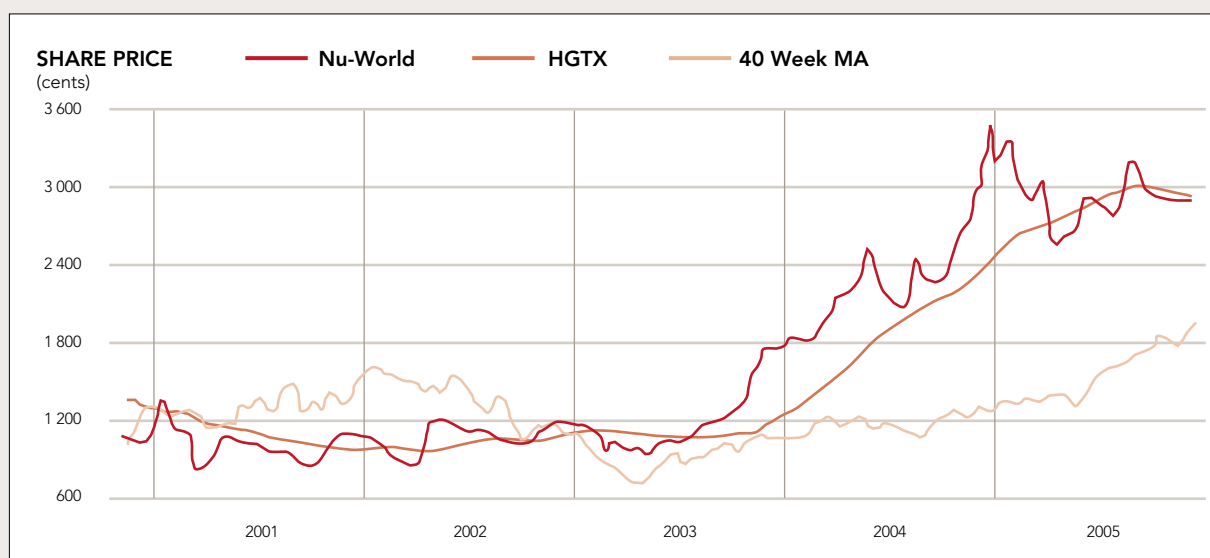
The Group maintains controls and systems designed to provide reasonable assurance as to the integrity and reliability of its financial information, to safeguard its assets and to provide reasonable, but not absolute assurance against material misstatement or loss.

VALUE ADDED STATEMENT

for the year ended 31 August 2005

	2005		2004	
	R000s	%	R000s	%
REVENUE	1 626 122	100,00	1 430 804	100,00
Cost of materials, services and expenses	(1 228 350)	(75,54)	(1 031 454)	(72,09)
VALUE ADDED FROM TRADING OPERATIONS	397 772	24,46	399 350	27,91
Net interest paid	(7 220)	(0,44)	(3 606)	(0,25)
TOTAL VALUE ADDED	390 552	24,02	395 744	27,66
Allocated as follows:				
Employees				
Salaries, wages, commission and other benefits	97 724	6,01	79 125	5,53
Government				
Normal taxation on companies	14 872	0,91	22 727	1,59
Employee tax	12 704	0,78	8 736	0,61
Providers of capital				
Minority interest	(4 444)	(0,27)	2 780	0,19
Dividends	15 252	0,94	8 621	0,60
Total wealth distributed	136 108	8,37	121 989	8,52
Re-investment in the Group				
Depreciation and amortisation	8 251	0,51	8 300	0,58
Retained for future growth	246 193	15,14	265 455	18,56
	390 552	24,02	395 744	27,66

SHARE PERFORMANCE



SHAREHOLDER ANALYSIS

as at 31 August 2005

	Number of shareholders	%	Number of shares	%
HOLDINGS				
1 to 25 000	1 115	93,8	1 928 674	8,5
25 001 to 50 000	16	1,4	548 353	2,4
50 001 to 100 000	28	2,4	1 943 739	8,6
Over 100 000 shares	30	2,4	18 225 699	80,5
	1 189	100,0	22 646 465	100,0
CATEGORY OF SHAREHOLDERS				
Non-public – Directors and associates	3	0,2	519 369	2,3
– Trustee of employees share scheme	3	0,2	1 053 975	4,7
– Strategic holdings	1	0,1	3 521 218	15,6
Public shareholders	1 182	99,5	17 551 903	77,4
	1 189	100,0	22 646 465	100,0
SHAREHOLDERS' SPREAD				
Major shareholders beneficially interested in more than 5% of the Company's listed securities				
Old Mutual Group	11	0,9	5 363 929	23,7
SIS Segaintersettle AG	1	0,1	3 521 218	15,6
Nedbank Group	9	0,7	1 929 307	8,5
State Street Bank & Trust Co	1	0,1	1 288 837	5,7
DISTRIBUTION OF SHAREHOLDERS				
Banks	26	2,2	7 003 679	30,9
Close corporations	16	1,4	48 946	0,2
Endowment funds	4	0,3	66 813	0,3
Individuals	836	70,4	1 581 775	6,8
Insurance companies	16	1,3	4 331 842	19,1
Medical aid schemes	1	0,1	60 000	0,3
Mutual funds	62	5,2	6 511 978	28,8
Nominees and trusts	141	11,9	429 918	1,9
Other corporations	18	1,5	35 327	0,2
Pension funds	25	2,1	1 194 756	5,3
Private companies	39	3,3	327 411	1,5
Public companies	2	0,1	45	0,0
Share trust	3	0,2	1 053 975	4,7
	1 189	100,0	22 646 465	100,0
	12 months trade		12 months trade	
	31 August 2005		31 August 2004	
STOCK EXCHANGE PERFORMANCE				
Market price per share (cents)				
– at year end	3 000		2 200	
– highest	3 850		2 600	
– lowest	2 201		1 205	
Number of shares traded (000)	8 550		7 339	
Number of shares in issue (000)	22 646		21 695	
Volume traded as a percentage of total shares in issue (%)	37,8%		33,8%	

HISTORY OF NU-WORLD HOLDINGS LIMITED

1946	Nu-World Industries (Pty) Ltd was established The Company began manufacturing electrical wiring accessories
1952	Manufacturing of small electrical appliances commenced
1980	Nu-World began importing and distributing small electrical appliances
1987	Nu-World Holdings Limited listed on the Johannesburg Stock Exchange
1995	Nu-World appointed as the sole agent for JVC in South Africa and sub-saharan Africa
1999	Nu-Tec consumer electronics introduced Fujitsu air conditioning introduced
2000	Nu-World acquires 33 $\frac{1}{3}$ % of Prima Australasia Pty Ltd Agency/distribution agreement established with Casio/James Ralph (Pty) Ltd Appointed sole agent for Telefunken in South Africa
2001	Thomson distribution agreement for South Africa signed Telefunken agency for Prima Australasia Pty Ltd
2002	Nu-World increases its holding in Prima Australasia to 51% Strategic alliance with Prima International UK Pty Ltd established
2003	Acquired 100% interest in Conti South Africa 60% investment in Nu-World UK Ltd Trademark licence and distribution agreement established with Morphy Richards
2004	Appointed South African agent for General Electric large appliances 65% investment in Yale Appliance Group Pty Ltd Introduction of Conti Motorsports division

ACHIEVEMENTS

1994 and 1995	Obtained the President's award for export achievement
1997	Sunday Times Business Times top company Financial Mail top performer
2000	Star Business Report growth company Finance Week emerging giants company
2001	Rated as one of the top 10 growth companies listed on the JSE by the Star Business Report
Past 5 years	Nu-World has achieved an average annual compound growth rate of 20,3 % in headline earnings
15 Consecutive years	Growth in turnover, operating income, attributable earnings, earnings per share and dividend

DIRECTORATE AND ADMINISTRATION

DIRECTORS	Mr M S Goldberg B.Com M.B.A. (Rand) Mr J A Goldberg B.Sc (Eng) (Rand) Mr J M Judin Dip.Law. (Rand) Mr G R Hindle B.Acc (Wits) CA (SA) Mr D Piaray Chem Eng (Natal) B.Com (Unisa) MBA (Wits)
SECRETARY	Mr B H Haikney CA (SA) 35 Third Street Wynberg Sandton, 2199
REGISTERED OFFICE	35 Third Street Wynberg Sandton, 2199
AUDITORS	Tuffias Sandberg KSi Chartered Accountants (SA) Registered Accountants and Auditors 4 Fifth Avenue Edenburg Sandton, 2128
TRANSFER SECRETARIES	Computershare Investor Services 2004 (Proprietary) Limited 70 Marshall Street Johannesburg, 2001
BANKERS	First National Bank, a division of First Rand Bank Limited
ATTORNEYS	Goldman, Judin Inc. 2nd Floor, North Block Thrupps Illovo Centre 204 Oxford Road Illovo, 2196
COMPANY REGISTRATION NUMBER	1968/002490/06
SPONSORS	Nedbank Capital 135 Rivonia Road Sandown, 2196 Sasfin Corporate Finance Sasfin Place, 13 – 15 Scott Street Waverley, Johannesburg 2090

ANNUAL FINANCIAL STATEMENTS AND GROUP ANNUAL FINANCIAL STATEMENTS

for the year ended 31 August 2005

COMPRISING	Page
Directors' responsibility for, and approval of the annual financial statements	21
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DIRECTORS' RESPONSIBILITY FOR AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 August 2005

The annual financial statements, set out on pages 22 to 38, were prepared by management in conformity with Generally Accepted Accounting Practice and the Companies Act, applied on a consistent basis throughout the year, except where otherwise stated. They have been approved by the board of directors and have been signed on their behalf by the undermentioned directors.

The manner of presentation of the annual financial statements, the selection of accounting policies and the integrity of the financial information are the responsibility of the board of directors.

To fulfil its responsibilities, the board of directors has developed and continues to maintain a system of internal controls. These controls are based on established policies and procedures, are implemented by trained skilled personnel with an appropriate segregation of duties and are closely monitored by the board of directors.

We believe the controls in use are adequate to provide reasonable assurance that assets are safeguarded from loss or unauthorised use and that the financial records may be relied on for preparing the financial statements and maintaining accountability for assets and liabilities.

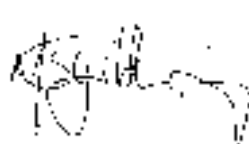
Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

After conducting appropriate procedures the directors are satisfied that the Company will be a going concern for the foreseeable future and have continued to adopt the going concern basis in preparing the annual financial statements.

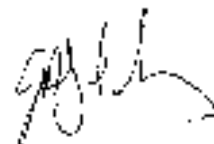
The board of directors are primarily responsible for the financial affairs of the Group. The auditors are responsible for independently reviewing and reporting on the Group's annual financial statements and the relevant underlying financial controls.

The audit committee is comprised of two non-executive directors and meets bi-annually with the auditors. The auditors have free access to this committee.

The annual financial statements have been examined by the Group's auditors and their report is presented on page 22. The auditors are appointed each year based on recommendation by the audit committee.



M'S Goldberg
Executive Director

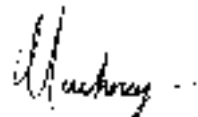


J A Goldberg
Managing Director

Sandton
21 October 2005

CERTIFICATE BY THE COMPANY SECRETARY

I certify, in accordance with Section 286 G(d) of the Companies Act 1973 (as amended), that the Company has lodged with the Registrar all such returns as are required by a public company in terms of this Act, for the year ended 31 August 2005. Furthermore, all such returns are true and correct.



B H Haikney
Company Secretary

Sandton
21 October 2005

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF NU-WORLD HOLDINGS LIMITED

We have audited the annual financial statements and Group annual financial statements of Nu-World Holdings Limited set out on pages 24 to 38 for the year ended 31 August 2005. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

SCOPE

We conducted our audit in accordance with statements of South African Auditing Standards. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

AUDIT OPINION

In our opinion these financial statements fairly present, in all material respects, the financial position of the Company and the Group at 31 August 2005, and the results of its operations and cash flow information for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act of South Africa.



Tuffias Sandberg KSi

Chartered Accountants (SA)

Registered Accountants and Auditors

Johannesburg

21 October 2005

REPORT OF THE DIRECTORS

NATURE OF BUSINESS

Your Company is a holding company listed on the JSE Securities Exchange South Africa. Its subsidiaries manufacture, import and export a diversified range of Electrical Appliances, Consumer Electronics and Branded Consumer Durables.

The results and state of affairs of the Group are reflected in the attached financial statements and commentary thereon is provided in the managing director's review.

SHARE CAPITAL

Authorised share capital

The authorised share capital of the Company comprises 30 000 000 ordinary shares of 1 cent each and 20 000 000 "N" ordinary shares of 0,1 cent each. There were no changes to the authorised share capital for the year under review.

Issued share capital

Details of the change in issued share capital is reflected in note 7 on page 31.

Unissued share capital

At the forthcoming annual general meeting, members will be asked to place the unissued share capital of the Company under the control of the directors.

A resolution for this purpose is included in the notice of the forthcoming annual general meeting.

The Nu-World Share Incentive Trust

The Nu-World Share Incentive Trust ("the trust") was established in March 1994. In terms of the trust deed, the aggregate number of ordinary shares in the capital of the Company, which may be made available for purposes of the trust, shall not exceed 10% of the Company's issued share capital. The trust requires a minimum of two trustees. The current trustees are Messrs R Kinross and JM Judin. No trustee is a beneficiary of the trust.

Refer to note 17 in the attached financial statements for further details.

DIVIDEND

Notice is hereby given that the final dividend number 18 (eighteen) of 92,6 cents per share (2004: 70,3 cents) has been declared to shareholders.

REPORT OF THE DIRECTORS

The dividend is payable to the shareholders of the Company recorded in the books of the Company at the close of business on Friday, 9 December 2005 ("the record date"). The last date to trade cum dividend will be Friday, 2 December 2005 and trading commences ex dividend from Monday, 5 December 2005. The dividend will be paid on Monday, 12 December 2005. Share certificates may not be rematerialised or dematerialised between Monday, 5 December 2005 and Friday, 9 December 2005.

DIRECTORS

The composition of the board of directors during the year under review was as follows:

M S Goldberg (chairman), J A Goldberg (managing director), G R Hindle, J M Judin, D Piaray.

In terms of the articles of association, Messrs. G R Hindle, J M Judin and D Piaray retire at the forthcoming annual general meeting, but being eligible offer themselves for re-election.

SECRETARY

Mr B H Haikney was Company Secretary throughout the year.

Business and postal address:

The Secretary

35 Third Street, Wynberg, Sandton 2199

P O Box 8964, Johannesburg, 2000

SUBSIDIARY COMPANIES

Details of your Company's investment in its subsidiaries are set out on page 38 to the annual financial statements.

DIRECTORS' INTEREST IN THE SHARES OF THE COMPANY

The directors' interest, directly and indirectly, in the issued share capital of the Company at the year end represented 2,3%.

There have been no material changes in the directors' interest between 31 August 2005 and the date of this report.

SPECIAL RESOLUTIONS

Since the publishing of the last annual report, the Company passed 1 (one) special resolution at its Annual General Meeting, held on 16 March 2005, namely a special resolution as contemplated in terms of sections 85(2) and 85(3) of the Companies Act (Act 61 of 1973) as amended, i.e. a general approval to repurchase shares. Other than the foregoing, no other special resolutions were passed.

POST BALANCE SHEET EVENTS

No material facts or circumstances have occurred between 31 August 2005 and the date of this report.

The directors' remuneration in respect of the financial year ended 31 August 2005 was as follows:

Name	Directors' fees R000s	Basic remuneration R000s	Performance bonus R000s	Car/subsistence allowance R000s	Total 2005 R000s	Total 2004 R000s
Executive						
M S Goldberg		2 990		156	3 146	2 500
J A Goldberg		2 990		156	3 146	2 500
G R Hindle		2 125		156	2 281	1 840
Non-executive						
D Piaray	100				100	100
J M Judin	100				100	100
	200	8 105		468	8 773	7 040

The directors' interest in the issued share capital of the company was as follows:

Name	Direct holding Beneficially	Non-Beneficially	Indirect holding Beneficially	Non-Beneficially	Total 2005	Total 2004
Executive						
M S Goldberg			1 805	437 000	438 805	438 805
J A Goldberg			473 860		473 860	580 760
G R Hindle	19 470				19 470	19 470
Non-executive						
J M Judin			26 039		26 039	26 039

BALANCE SHEETS

as at 31 August 2005

		GROUP		COMPANY	
	Note	2005 R000s	2004 R000s	2005 R000s	2004 R000s
ASSETS					
Non-current assets		62 956	52 923	151 540	136 883
Property, plant and equipment	3	44 867	46 997		
Intangible asset	4	18 089	5 926		
Investment in subsidiaries	5			151 540	136 883
Current assets		589 605	546 664	39	39
Inventories	6	171 340	167 448		
Trade and other receivables		227 717	217 528		
Cash and cash resources		190 548	161 688		
Taxation prepaid				39	39
Total assets		652 561	599 587	151 579	136 922
EQUITY AND LIABILITIES					
Capital and reserves		422 478	361 397	151 495	136 739
Issued capital	7	114 684	114 776	138 516	117 737
Foreign currency translation reserve		(185)	(813)		
Accumulated profits		307 979	247 434	12 979	19 002
Outside shareholders' interest		28 156	23 786		
Non-current liabilities		6 928	4 443		
Deferred taxation	8	6 928	4 443		
Current liabilities		194 999	209 961	84	183
Trade and other payables		183 172	199 024	84	183
Taxation		11 827	10 937		
Total equity and liabilities		652 561	599 587	151 579	136 922

INCOME STATEMENTS

for the year ended 31 August 2005

	Note	GROUP		COMPANY	
		2005 R000s	2004 R000s	2005 R000s	2004 R000s
Revenue	9	1 626 122	1 430 804	9 840	9 840
Operating profit before interest	10	94 374	86 219	9 229	9 198
Interest paid		7 220	3 606		
Profit before taxation		87 154	82 613	9 229	9 198
Taxation	11	18 213	19 082		
Net profit after taxation		68 941	63 531	9 229	9 198
Outside shareholders' interest		4 444	(2 781)		
Net profit for the year		73 385	60 750	9 229	9 198
Earnings per share (cents)	12	339,9	280,6	42,7	42,6
Dividend declared per share (cents)	13	92,6	70,3	92,6	70,3

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 August 2005

	Issued share capital R000s	Share premium R000s	Treasury share R000s	Foreign currency translation reserve R000s	Accumulated profits R000s	Total R000s
GROUP						
Balance at 31 August 2003	217	115 632	(791)	(1 292)	195 305	309 071
Currency translation difference				(205)		(205)
Transfer to deferred taxation				61		61
Transfer to outside shareholders				623		623
Net profit for the year					60 750	60 750
Dividend paid					(8 621)	(8 621)
Treasury share movement			(282)			(282)
Balance at 31 August 2004	217	115 632	(1 073)	(813)	247 434	361 397
Currency translation difference				2 329		2 329
Transfer to deferred taxation				(699)		(699)
Transfer to outside shareholders				(1 002)		(1 002)
Net profit for the year					73 385	73 385
Share issue	9	20 770				20 779
Dividend paid					(15 252)	(15 252)
Derecognition of negative goodwill					2 412	2 412
Treasury share movement			(20 871)			(20 871)
Balance at 31 August 2005	226	136 402	(21 944)	(185)	307 979	422 478
COMPANY						
Balance at 31 August 2003	217	117 520			18 425	136 162
Net profit for the year					9 198	9 198
Dividend paid					(8 621)	(8 621)
Balance at 31 August 2004	217	117 520	–	–	19 002	136 739
Net profit for the year					9 229	9 229
Share issue	9	20 770				20 779
Dividend paid					(15 252)	(15 252)
Balance at 31 August 2005	226	138 290	–	–	12 979	151 495

CASH FLOW STATEMENTS

for the year ended 31 August 2005

	Note	GROUP		COMPANY	
		2005 R000s	2004 R000s	2005 R000s	2004 R000s
Cash flows from operating activities		65 467	72 118	(6 123)	662
Receipts from customers		1 641 974	1 396 198	9 940	9 840
Paid to suppliers and employees		(1 549 078)	(1 301 148)	(10 651)	(10 378)
Cash generated from (absorbed by) operations	14.1	92 896	95 050	(711)	(538)
Investment income		8 615	3 190	9 840	9 840
Interest paid		(7 220)	(3 606)		
Taxation paid	14.2	(13 572)	(13 841)		35
Dividends paid	14.3	(15 252)	(8 675)	(15 252)	(8 675)
Cash flows from investing activities		(26 342)	(13 860)	6 123	(662)
Additions to property, plant and equipment		(5 511)	(4 039)		
Proceeds on disposal of property, plant and equipment		146	462		
Acquisition of subsidiaries	14.4	(20 885)	(10 001)	(24 258)	(1 735)
Increase in amounts due by subsidiaries				9 602	1 073
Increase in investment in treasury shares		(92)	(282)	20 779	
Cash flows from financing activities		(10 196)	–	–	–
Decrease in interest bearing borrowings		(10 196)			
Net increase in cash and cash equivalents		28 929	58 258	–	–
Effects of exchange rate changes		(69)	(7)		
Cash and cash equivalents at the beginning of the year		161 688	103 437		
Cash and cash equivalents at the end of the year	14.5	190 548	161 688	–	–

NOTES TO THE FINANCIAL STATEMENTS

as at 31 August 2005

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements, except where otherwise stated, have been prepared on the historical cost basis in conformity with South African Statements of Generally Accepted Accounting Practice.

1.2 Accounting policies

The financial statements incorporate the following principal accounting policies, which have been applied consistently in all material respects with those applied in the previous year, except for the adoption of International Financial Reporting Standard (IFRS) 3, accounting for business combinations, as detailed in note 2.

1.2.1 Basis of consolidation

The consolidated financial statements include those of Nu-World Holdings Limited and its subsidiaries. A subsidiary being defined as a company in which Nu-World has the power to govern the financial and operating activities. The results of any subsidiary acquired or disposed of during the year are included from the date effective control commenced to the date that effective control ceased. Significant intercompany transactions and balances and any resultant unrealised profits have been eliminated on consolidation.

1.2.2 Investment in associates

Investments in associated undertakings are accounted for by the equity method of accounting. These are undertakings over which the Group has between 20% and 50% of the voting rights, and over which the Group exercises significant influence, but which it does not control. Provisions are recorded for long-term impairment in value.

Equity accounting involves recognising in the income statement the Group's share of the associates' profit and loss for the year. The Group's interest in the associate is carried in the balance sheet at an amount that reflects its share of the net assets of the associate and includes goodwill on the acquisition.

1.2.3 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and are depreciated on the reducing balance basis at rates, which approximate their useful lives. Depreciation is provided at the following rates:

Plant and machinery	15%
Moulds and dies	15%
Computers and software	25%
Motor vehicles	25%
Equipment	20%
Furniture, fixtures and fittings	10%
Leasehold improvements	10%

1.2.4 Inventories

Inventories are valued at the lower of cost or net realisable value. Cost is determined on the weighted average basis. Net realisable value is the estimate of the selling price in the ordinary course of business less the costs of completion and selling expenses. The value of work in progress and finished goods includes direct costs and an appropriate proportion of manufacturing overheads. Specific provisions are made for slow moving, obsolete and redundant inventories.

1.2.5 Foreign currencies

Foreign entities

The balance sheets of the consolidated foreign subsidiaries are translated into South African Rand at rates of exchange ruling at year end. The related income statements are translated at the weighted average rate of exchange for the period. Aggregate gains or losses on the translation of the foreign subsidiaries are taken directly to a foreign currency translation reserve.

Foreign currency transactions and balances

Transactions in foreign currencies are translated at the rate of exchange ruling on the transaction dates. Gains and losses on settlement of these amounts are included in operating profit when they arise.

Monetary assets and liabilities denominated in foreign currencies are brought to account or valued at the rates of exchange ruling at the balance sheet date. Unrealised differences on monetary assets and liabilities are recognised in the income statement in the period in which they occur.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 August 2005

1.2.6 *Earnings per share*

Earnings per share have been calculated on the basis of net profit for the year in relation to the weighted average number of shares in issue during the financial year.

1.2.7 *Deferred taxation*

Deferred taxation is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted taxation rates are used to determine deferred taxation. Deferred taxation assets are recognised to the extent that it is probable that future taxable profits will be available against which to offset the deductible temporary difference.

1.2.8 *Retirement benefits*

The policy of the Group is to contribute to a defined contribution fund on behalf of employees. Contributions to the retirement funds operated for employees are charged to income as incurred.

1.2.9 *Revenue recognition*

The sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer. Interest income is recognised on a time proportion basis. Dividend income is recognised when shareholders are entitled to such dividend.

1.2.10 *Intangible assets*

Goodwill

The difference between the fair value of the consideration paid and the fair value of net tangible assets of subsidiaries at the date of acquisition is charged or credited to goodwill arising on consolidation. Goodwill is not amortised, instead it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

If the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the Company shall:

- Reassess the identification and measurement of the identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and
- Recognise immediately in profit or loss any excess remaining after that assessment.

1.2.11 *Investment in subsidiaries*

Investment in subsidiaries are stated at cost and are only written down when there is a permanent impairment in value.

1.2.12 *Foreign exchange contracts and financial future options*

Foreign exchange contracts and financial future options are revalued to market value at the balance sheet date and both realised and unrealised profits and losses are accounted for in the income statement for the year.

2. **CHANGE IN ACCOUNTING POLICY**

During the year, the Group changed its accounting policy in respect of goodwill.

The Group adopted International Financial Reporting Standard IFRS 3, accounting for business combinations, resulting in goodwill no longer being amortised and negative goodwill of R2 411 882 being taken to reserves.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 August 2005

GROUP		
	2005 R000s	2004 R000s
3. PROPERTY, PLANT AND EQUIPMENT		
Cost		
Plant and machinery	85 574	82 362
Motor vehicles	5 259	4 456
Office equipment and furniture	20 206	17 989
Leasehold improvements	9 902	9 770
	120 941	114 577
Accumulated depreciation		
Plant and machinery	55 378	50 284
Motor vehicles	3 207	2 757
Office equipment and furniture	13 827	11 555
Leasehold improvements	3 662	2 984
	76 074	67 580
Net carrying amount		
Plant and machinery	30 196	32 078
Motor vehicles	2 052	1 699
Office equipment and furniture	6 379	6 434
Leasehold improvements	6 240	6 786
	44 867	46 997

Movement summary	Leasehold improvements R000s	Plant and machinery R000s	Other fixed assets R000s	Total R000s
Opening net carrying amount	6 786	32 078	8 133	46 997
Additions	120	2 950	2 441	5 511
Acquisition of subsidiary		159	452	611
Disposals			(70)	(70)
Depreciation	(675)	(5 024)	(2 552)	(8 251)
Translation difference	9	33	27	69
Closing net carrying amount	6 240	30 196	8 431	44 867

GROUP		
	2005 R000s	2004 R000s
4. INTANGIBLE ASSET		
Goodwill		
Balance at beginning of year	5 926	5 786
Acquisition of subsidiary	9 751	
Goodwill amortised		140
Derecognition of negative goodwill	2 412	
Balance at end of year	18 089	5 926

NOTES TO THE FINANCIAL STATEMENTS

as at 31 August 2005

		GROUP		COMPANY	
		2005 R000s	2004 R000s	2005 R000s	2004 R000s
5. INVESTMENT IN SUBSIDIARIES					
Shares at valuation				90 842	66 584
Amount owing by subsidiaries				60 698	70 299
		–	–	151 540	136 883
The above loans are unsecured, interest free, with no fixed terms of repayment. Refer to page 38 for analysis of subsidiaries.					
6. INVENTORIES					
Raw materials		14 702	16 108		
Work in progress		3 144	3 515		
Finished goods		153 494	147 825		
		171 340	167 448	–	–
7. SHARE CAPITAL					
Authorised					
30 000 000 ordinary shares of 1 cent each		300	300	300	300
20 000 000 "N" ordinary shares of 0,1 cent each		20	20	20	20
		320	320	320	320
Issued					
22 646 465 (2004: 21 695 465) ordinary shares of 1 cent each		226	217	226	217
Treasury share		(21 944)	(1 073)		
Share premium		136 402	115 632	138 290	117 520
Arising on shares issued		141 664	120 894	141 664	120 894
Share issue expenses written off		(3 374)	(3 374)	(3 374)	(3 374)
Goodwill arising on consolidation		(1 888)	(1 888)		
		114 684	114 776	138 516	117 737
During the financial year under review, the Company issued 951 000 ordinary shares to the Nu-World Share Incentive and Option Trust. The issue was approved by the board of directors and trustees of the share purchase trust on 31 March 2005 and was sanctioned by the JSE Limited on 31 August 2005.					

NOTES TO THE FINANCIAL STATEMENTS

as at 31 August 2005

		GROUP		COMPANY	
		2005 R000s	2004 R000s	2005 R000s	2004 R000s
8.	DEFERRED TAXATION				
	Balance at beginning of year	4 443	8 149		
	Rate change	(186)			
	Charge to income statement	3 527	(3 645)		
	– Capital allowances	684	626		
	– Allowances for future expenditure	2 951	(4 219)		
	– Other temporary differences	(108)	(52)		
	Acquisition of subsidiary	(1 555)			
	Amounts not charged to income statement				
	– translation reserve	699	(61)		
		6 928	4 443	–	–
	Balance consists of:				
	Capital allowances	6 707	6 230		
	Allowances for future expenditure	1 396			
	Other temporary differences	(727)	(641)		
	Translation reserve	(448)	(1 146)		
		6 928	4 443	–	–
	The rate change in 2005 was as a result of a decrease in the South African statutory tax rate from 30% to 29%.				
9.	REVENUE				
9.1	Group	1 626 122	1 430 804		
	Consolidated revenue comprises the net invoiced value of goods supplied to customers, less trade discounts where applicable.				
9.2	Company			9 840	9 840
	Revenue comprises dividends from a subsidiary company.				

NOTES TO THE FINANCIAL STATEMENTS

as at 31 August 2005

		GROUP		COMPANY	
		2005	2004	2005	2004
		R000s	R000s	R000s	R000s
10. OPERATING PROFIT					
Operating profit is arrived at after taking into account:					
Income					
Foreign exchange profits		5 841	5 650		
Dividend received				9 840	9 840
Investment income		8 615	3 190		
Profit on disposal of property, plant and equipment		75	54		
Expenditure					
Cost of sales		1 228 350	1 031 454		
Amortisation of goodwill			(140)		
Auditors' remuneration		796	710	15	9
Audit fees		762	627	10	9
Fees for other services		11	28	5	
Underprovision prior years		23	55		
Depreciation of property, plant and equipment		8 251	8 440		
Plant and machinery		5 024	5 502		
Leasehold improvements		675	743		
Motor vehicles		561	467		
Office equipment and furniture		1 991	1 728		
Directors' executive emoluments				200	200
Paid by company					
Paid by subsidiary		16 240	11 624		
Operating lease rentals					
Property		8 387	6 221		

NOTES TO THE FINANCIAL STATEMENTS

as at 31 August 2005

		GROUP		COMPANY	
		2005 R000s	2004 R000s	2005 R000s	2004 R000s
11. TAXATION					
11.1 Charge to income statement					
South African normal taxation		18 172	19 762		
– Current year		18 172	19 762		
Deferred taxation		3 341	(3 645)		
– Current year		3 527	(3 645)		
– Rate change		(186)			
Foreign taxation		(3 300)	2 965		
– Current year		(3 300)	2 769		
– Prior year			196		
		18 213	19 082	–	–
11.2 Reconciliation of rates of taxation					
Statutory tax rate		29,00%	30,00%		
Adjusted for:		(8,10%)	(6,90%)		
Permanent differences		(7,75%)	(7,20%)		
Foreign taxation		(0,15%)	0,30%		
Deferred tax attributable to rate change		(0,20%)			
Effective tax rate		20,90%	23,10%	–	–
11.3	The Group has a tax loss of R56 480 981 (2004: R68 198 709) to carry forward to set-off against future taxable income. These have not been recognised in these financial statements due to uncertainty of their recoverability.				
12. EARNINGS PER SHARE					
Earnings per share are based on:					
Weighted average number of shares		21 592	21 597	21 592	21 597
Net profit for the year		73 385	60 750	9 229	9 198
13. DIVIDEND		15 252	8 621	15 252	8 621
	It is the Company's policy to declare only one dividend per year. A cash dividend of 92,6 cents per share has been declared in respect of the year ended 31 August 2005 (2004: 70,3 cents per share).				

NOTES TO THE FINANCIAL STATEMENTS

as at 31 August 2005

		GROUP		COMPANY	
		2005 R000s	2004 R000s	2005 R000s	2004 R000s
14. CASH FLOW INFORMATION					
14.1 Cash generated from (absorbed by) operations					
Operating profit before interest and taxation		94 374	86 219	9 229	9 198
Adjustments for:					
Depreciation		8 251	8 440		
Profit on disposal of property, plant and equipment		(75)	(54)		
Investment income		(8 615)	(3 190)	(9 840)	(9 840)
Amortisation of goodwill			(140)		
Translation difference		2 328	(205)		
Operating profit (loss) before working capital changes		96 263	91 070	(611)	(642)
Working capital changes		(3 367)	3 980	(100)	104
Decrease (increase) in inventories		8 687	(22 877)		
Decrease (increase) in trade and other receivables		30 379	(11 614)		
(Decrease) increase in trade and other payables		(42 433)	38 471	(100)	104
		92 896	95 050	(711)	(538)
14.2 Taxation paid					
Amount (unpaid) prepaid at beginning of year		(10 938)	(2 052)	39	74
Amounts charged to the income statement		(14 872)	(22 727)		
Acquisition of subsidiary		410			
Amounts unpaid (prepaid) at end of year		11 828	10 938	(39)	(39)
		(13 572)	(13 841)	–	35
14.3 Dividends paid					
Amounts unpaid at beginning of year			(54)		(54)
Amounts charged to the income statement		(15 252)	(8 621)	(15 252)	(8 621)
Amounts unpaid at end of year		–	–	–	–
		(15 252)	(8 675)	(15 252)	(8 675)
14.4 Acquisition of subsidiaries					
14.4.1 Acquisition of subsidiary					
<i>Yale Appliance Group Proprietary Limited</i>					
Property, plant and equipment		611		611	
Cash and cash equivalents		3 373		3 373	
Inventories		12 581		12 581	
Trade and other receivables		40 567		40 567	
Trade and other payables		(26 582)		(26 582)	
Receiver of revenue		410		410	
Long term loan		(10 196)		(10 196)	
Deferred tax		1 555		1 555	
Fair value of assets acquired		22 319	–	22 319	–
Outside shareholders' interest		(7 812)		(7 812)	
Goodwill		9 751		9 751	
Purchase price		24 258	–	24 258	–
Cash and cash equivalents on acquisition		(3 373)			
Net cash purchase price		20 885	–	24 258	–

NOTES TO THE FINANCIAL STATEMENTS

as at 31 August 2005

	GROUP		COMPANY	
	2005 R000s	2004 R000s	2005 R000s	2004 R000s
14. CASH FLOW INFORMATION				
14.4.2 Acquisition of subsidiary Nu-World UK Limited				
Property, plant and equipment		894		894
Cash and cash equivalents		(8 266)		(8 266)
Inventories		11 876		11 876
Trade and other receivables		22 991		22 991
Trade and other payables		(24 603)		(24 603)
Fair value of assets acquired	–	2 892	–	2 892
Outside shareholders' interest		(1 157)		(1 157)
Purchase price	–	1 735	–	1 735
Cash and cash equivalents on acquisition		8 266		
Net cash purchase price	–	10 001	–	1 735
14.5 Cash and cash equivalents				
Cash and cash equivalents consist of cash on hand, balances with banks and investments in money market instruments.	190 548	161 688		

15. RELATED PARTY TRANSACTIONS

Transactions with Group companies

Nu-World Industries (Proprietary) Limited, Nu-World Strategic Investments (Proprietary) Limited, Conti Marketing (Proprietary) Limited, Conti Industries (Proprietary) Limited, Prima Australasia Proprietary Limited, Nu-World UK Limited and Yale Appliance Group Proprietary Limited are subsidiaries of Nu-World Holdings Limited.

Related party transactions are conducted at arms length.

Transactions with related parties are as follows:

- Nu-World Industries (Proprietary) Limited is a wholly owned subsidiary and the main manufacturing and trading entity of the Group;
- Nu-World Industries (Proprietary) Limited has a Procurement, Purchasing and Assembly Agreement with Conti Industries (Proprietary) Limited and a Warehousing and Distribution Agreement with Conti Marketing (Proprietary) Limited;
- Manufactured goods are exported to Prima Australasia Proprietary Limited and Nu-World UK Limited.

16. RETIREMENT BENEFITS

The Group contributes to a defined contribution provident fund. This fund is registered under the Pension Funds Act, 1956. Scheduled and non-scheduled employees may choose to which fund they wish to belong.

	GROUP	
	2005 Shares	2004 Shares
17. SHARE INCENTIVE AND OPTION SCHEME		
During March 1994, a share incentive and option scheme was created. The shares mentioned below are under the control of the Trustees of the share purchase trust. Total number of shares available to be utilised for the share incentive and option scheme:		
Opening balance		
– unissued shares	98 200	83 790
Net shares purchased during the year	955 775	14 410
Closing balance – allocated and unissued shares	1 053 975	98 200

NOTES TO THE FINANCIAL STATEMENTS

as at 31 August 2005

		GROUP	
		2005	2004
		R000s	R000s
18. OPERATING LEASE COMMITMENTS			
Property			
Due within one year		6 036	5 329
Due within 2 to 5 years		15 351	6 744
		21 387	12 073

19. FINANCIAL RISK MANAGEMENT

Senior executives meet on a regular basis to analyse interest rate exposures and evaluate treasury management strategies against revised economic forecasts. Compliance with Group policies and exposure limits are reviewed at quarterly meetings of the board. The directors believe, to the best of their knowledge, that there are no undisclosed financial risks.

19.1 Interest rate management

As part of the process of managing the Group's fixed and floating borrowings, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates.

19.2 Foreign currency management

Foreign exchange commitments are managed using forward exchange contracts and the natural hedge derived from uncovered export proceeds. At 31 August 2005 forward exchange contracts amounted to USD 13,3 million (2004: USD 10,0 million).

19.3 Credit risk management

Potential concentrations of credit risk consist principally of trade receivables and short term cash investments. The Group only deposits short term cash surpluses with major banks of high quality credit standing. Trade receivables comprise a large, widespread customer base. The granting of credit is controlled via credit applications, rigorous credit reviews, and the assumptions therein are reviewed and updated on an ongoing basis. At 31 August 2005, the Group did not consider that any significant concentration of credit risk existed which had not been adequately provided for.

19.4 Liquidity risk

The Group manages liquidity risk by the proper management of working capital and cash flows. The risk of illiquidity is not considered probable as the Group has substantial banking facilities available.

		GROUP	
		2005	2004
		R000s	R000s
Banking facilities			
Total banking facilities		475 000	475 000
Bank facility utilisation		(21 596)	15 144
Unutilised banking facilities		453 404	490 144

20. CONTINGENT LIABILITIES

Nu-World Holdings Limited has signed guarantees for bank borrowings and other loan facilities on behalf of their wholly owned subsidiary, Nu-World Industries (Proprietary) Limited, which at year end amounted to R475 million (2004: R475 million). Nu-World Holdings Limited has issued deeds of suretyship in favour of both Citibank, N.A. for five million Australian Dollars and the Australia and New Zealand Banking Group Limited (ANZ) for 28 million Australian Dollars to be used for general banking facilities of the subsidiary, Prima Australasia Proprietary Limited.

INTEREST IN SUBSIDIARIES

as at 31 August 2005

	Interest of Nu-World Holdings Limited							
	Issued share capital		Effective shareholding		Shares at valuation		Loans receivable/ (payable)	
	2005 Rs	2004 Rs	2005 %	2004 %	2005 R000s	2004 R000s	2005 R000s	2004 R000s
Direct interest								
Nu-World Industries (Proprietary) Limited	5 725	5 725	100	100	38 931	38 931	56 393	(9 086)
Nu-World Strategic Investments (Proprietary) Limited	1	1	100	100				75 080
Conti Industries (Proprietary) Limited	35 401	35 401	100	100	15	15		
Conti Marketing (Proprietary) Limited	4 781	4 781	100	100	15	15		
Prima Australasia Proprietary Limited	245	245	51	51	25 888	25 888	(128)	(128)
Nu-World UK Limited	1 188	1 188	60	60	1 735	1 735	4 433	4 433
Yale Appliance Group Proprietary Limited	930		65		24 258			
The aggregate net profit after taxation of subsidiaries attributable to the Company amounted to R73 996 565 (2004: R61 252 448).								
					90 842	66 584	60 698	70 299
Indirect interest								
Prima Akai Proprietary Limited (Incorporated in Australia)								

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the annual general meeting of shareholders in respect of the year ended 31 August 2005 will be held in the boardroom of Nu-World Holdings Limited at 35 Third Street, Wynberg, Sandton at 10h00 on Wednesday 22 February 2006 for the purpose of considering and, if deemed fit, passing with or without modification the resolutions set out below, in the manner required by the Companies Act, 1973 (Act 61 of 1973), as amended ("the Act"); and subject to the Listings Requirements of the JSE Limited:

Ordinary Resolution number 1

"Resolved that the annual financial statements and group annual financial statements together with reports of the directors and auditors for the year ended 31 August 2005 be approved."

Ordinary Resolution number 2

In terms of the Company's articles of association, all non-executive directors and at least one third of the executive directors are required to retire from office at every annual general meeting. Messrs M S Goldberg and J A Goldberg will not retire and thus will continue as directors. Curriculum vitae in respect of each director appear on page 8 of the annual report.

"Resolved that the retiring directors, G R Hindle, J M Judin and D Piaray who, being eligible, have offered themselves for re-election, be and they are hereby re-appointed as directors."

Ordinary Resolution number 3

"Resolved that the remuneration paid to the directors of the Company as set out in the financial statements for the financial year ended 31 August 2005 be approved."

Ordinary Resolution number 4

"Resolved that the directors be and are hereby authorised to re-appoint Tuffias Sandberg KSi as auditors of the Company, which appointment shall be valid until the next annual general meeting of the Company unless varied or revoked by any general meeting prior thereto and that their remuneration for the year ended 31 August 2005 be approved."

Ordinary Resolution number 5

"Resolved that the authorised but unissued shares in the capital of the Company be and are hereby placed under the authority of the directors and that the directors be and are hereby authorised and empowered to allot, issue and otherwise dispose of such shares to such person or persons on such terms and conditions and at such times as the directors may from time to time in their discretion deem fit, subject to the terms and conditions of the Act and the Listings Requirements of the JSE. Such issues in the aggregate in any one financial year shall not exceed 10% (ten percent) of the ordinary shares in issue in the capital of the Company.

Further, that this authorisation is valid until the next annual general meeting of the Company, unless varied or revoked by any general meeting prior thereto."

Ordinary Resolution number 6

"Resolved that subject to the passing of ordinary resolution number 7 and the Act and the Listings Requirements of the JSE, the directors of the Company be authorised, by way of a general authority to allot and issue ordinary shares of the Company for cash, subject to the following limitations:

That this authority shall not extend beyond 15 months from the date of this annual general meeting, or the date of the next annual general meeting, whichever is the earlier date;

That the shares will only be issued to "public shareholders" as defined in the Listings Requirements of the JSE, and not to related parties;

That a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within one financial year, 5% or more of the number of shares of that class in issue prior to the issue;

That issues in the aggregate in any one financial year may not exceed 10% (ten percent) of the number of shares of that class of the Company's issued share capital (including instruments which are compulsorily convertible into shares of that class) at the date of application less any shares of that class issued, or to be issued in future arising from option/convertible securities issued during the current financial year, plus any shares to be issued pursuant to an announced, irrevocable and fully underwritten rights offer or to be issued pursuant to any acquisition for which final terms have been announced; and

NOTICE OF ANNUAL GENERAL MEETING

That, in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average trading price of the shares in question, as determined over the 30 business days prior to the date that the price of the issue is determined or was agreed by the directors."

In terms of the Listing Requirements of the JSE, the approval of a 75% majority of votes cast by shareholders present or represented by proxy at this meeting is required for this resolution to become effective.

Special Resolution number 1

"Resolved that the Company hereby approves, as a general approval contemplated in sections 85(2) and 85(3) of the Act, and in terms of the Company's articles of association the acquisition by the Company or any of its subsidiaries from time to time of the issued ordinary shares of the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but subject to the articles of association of the Company, the provisions of the Act and the Listings Requirements of the JSE as presently constituted and which may be amended from time to time, and provided:

That any such acquisition of ordinary shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counter party;

That this general authority shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;

That a paid press announcement will be published as soon as the Company or its subsidiaries has/have acquired ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of ordinary shares in issue prior to the acquisition pursuant to which the 3% (three percent) threshold is reached, and in respect of every 3% (three percent) thereafter, which announcement shall contain full details of such acquisitions;

That acquisitions by the Company and its subsidiaries of ordinary shares in the aggregate in any one financial year may not exceed 10% (ten percent) of the Company's issued ordinary shares capital from the date of the grant of this general authority;

That, in determining the price at which the Company's ordinary shares are acquired by the Company in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% of the weighted average of the market price at which such ordinary shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date of repurchase of such ordinary shares by the Company;

That the Company may at any point in time only appoint one agent to effect any repurchase(s) on its behalf;

That the Company may only undertake a repurchase if, after such a repurchase it shall still comply with the spread requirements of the JSE Listings Requirements; and

That the Company may not repurchase securities during a prohibited period, as defined in the JSE Listings Requirements."

The reason for the special resolution is to grant the Company a general authority in terms of the Act for the acquisition by the Company or any of its subsidiaries of shares issued by the Company, which authority shall be valid until the earlier of the next annual general meeting of the Company or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the Company, provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this annual general meeting. The passing and registration of this special resolution will have the effect of authorising the Company or any of its subsidiaries to acquire shares issued by the Company.

The following information which is required by the JSE Listings Requirements with regard to the resolution granting a general authority to the Company to repurchase securities appears on the pages of the annual financial statements to which this notice of general meeting is annexed indicated below:

Directors of the Company:	page 23
Major shareholders:	page 17
Directors' interests in securities:	page 22
Share capital of the Company:	page 31
Directors' responsibility statement:	page 21

There are no legal or arbitration proceedings, either pending or threatened against the Company or its subsidiaries, of which the Company is aware, which may have, or have had in the last 12 months, a material effect on financial position of the Company or its subsidiaries.

NOTICE OF ANNUAL GENERAL MEETING

Statement by the board of directors of the Company

Pursuant to and in terms of the Listings Requirements of the JSE, the directors of the Company hereby state:

That, the intention of the directors of the Company is to utilise the authority if at some future date the cash resources of the Company are in excess of its requirements. In this regard the directors will take account of, inter alia, an appropriate capitalisation structure for the Company, the long-term cash needs of the Company, and will ensure that any such utilisation is in the interests of shareholders;

That the method by which the Company intends to re-purchase its securities and the date on which such re-purchase will take place, has not yet been determined, and

That after considering the effect of a maximum permitted re-purchase of securities, the Company is, as at the date of this notice convening the annual general meeting of the Company, able to fully comply with the Listings Requirements of the JSE. Nevertheless, at the time that the contemplated re-purchase is to take place, the directors of the Company will ensure that:

- the Company and the Group will be able to pay their debts as they become due in the ordinary course of business for a period of 12 months after the date of the annual general meeting;
- the consolidated assets of the Company and the Group, fairly valued in accordance with generally Accepted Accounting Practice, will be in excess of the consolidated liabilities of the Company and the Group for a period of twelve months after the date of the annual general meeting;
- the issued share capital and reserves of the Company and the Group will be adequate for the purposes of the business of the Company and the Group for a period of twelve months after the date of the annual general meeting;
- the working capital available to the Company and the Group will be sufficient for the Company and the Group's requirements for a period of 12 months after the date of the annual general meeting; and
- the Company will provide its sponsors and the JSE with all documentation as required in Schedule 25 of the JSE Listings Requirements, and will not commence any repurchase programme until the sponsors have signed off on the adequacy of its working capital, advised the JSE accordingly, and the JSE has approved this documentation.

Ordinary Resolution number 7

"Resolved that the directors of the Company be and are hereby authorised to sign all such documents and do all such things as may be necessary for or incidental to the registration or implementation of the resolutions set out in the notice convening the annual general meeting at which this ordinary resolution is to be considered."

Any member entitled to attend and vote is entitled to appoint a proxy or proxies to attend, speak and vote in his stead and the person so appointed need not be a member. A form of proxy is attached for use by certificated and own name dematerialised shareholders who cannot attend the meeting and wish to be represented thereat. A form of proxy may be obtained from the registered office of the Company. The attention of members is drawn to the fact that, to be effective, the completed proxy form must reach the transfer secretaries of the Company, Computershare Investor Services 2004 (Pty) Limited, Ground floor, 70 Marshall Street, Johannesburg, 2001 (P O Box 61051, Marshalltown, 2107), 48 hours (being 10h00 on Monday, 20 February 2006) before the scheduled time of the meeting. Shareholders whose shares have been dematerialised (other than by own name registration) must inform their Central Securities Depository Participant (CSDP) or broker of their intention to attend the meeting and obtain the necessary authorisation from the CSDP or broker to attend the meeting, or provide the CSDP or broker with voting instructions in terms of the custody agreement between them.

By order of the board



B H Haikney
Company Secretary

Sandton
15 December 2005

SHAREHOLDERS CALENDAR

Declaration of dividend	21 October 2005
Announcement of 2005 results	Published 21 October 2005
2005 Annual Financial Statement to shareholders	Published December 2005
Record date	9 December 2005
Payment of dividend eighteen	12 December 2005
Annual General Meeting	22 February 2006
Announcement of 2006 interim results	To be published April 2006

FORM OF PROXY

NU-WORLD HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
(REGISTRATION NUMBER 1968/002490/06)
Share Code: NWL ISIN code: ZAE000005070
("Nu-World" or "the Company")

For use only by certificated shareholders and own name dematerialised shareholders at the annual general meeting of the Company to be held at the Company's registered office, 35 Third Street, Wynberg, Sandton on 22 February 2006 at 10h00 and at any adjournment thereof.

I/We _____
of _____
being a holder of _____ ordinary shares hereby appoint _____
1. _____ or failing him/her _____
2. _____ or failing him/her _____

3. The chairman of the general meeting
as my/our proxy to act for me/us at the annual general meeting for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against such resolutions and/or abstain from voting in respect of the ordinary shares in the issued capital of Nu-World registered in my/our name as follows:

	For	Against	Abstain
Ordinary resolution 1: approval of annual financial statements			
Ordinary resolution 2: re-appointment of directors			
2.1 G R Hindle			
2.2 J M Judin			
2.3 D Piaray			
Ordinary resolution 3: approval of directors' remuneration			
Ordinary resolution 4: re-appointment of auditors			
Ordinary resolution 5: placing of unissued shares under the control of directors			
Ordinary resolution 6: general authority to issue shares for cash			
Special resolution 1: general approval to repurchase shares			
Ordinary resolution 7: authority to sign documents			

Signed at _____ on _____

Signature _____

Name if full _____

Any member entitled to attend and vote is entitled to appoint a proxy or proxies to attend speak and vote in his stead and the person so appointed need not be a member. A form of proxy is attached for use by certificated and own name dematerialised shareholders who cannot attend the meeting and wish to be represented thereat. A form of proxy may be obtained from the registered office of the Company. The attention of members is drawn to the fact that, to be effective, the completed proxy form must reach the transfer secretaries of the Company, Computershare Investor Services 2004 (Pty) Limited, Ground floor, 70 Marshall Street, Johannesburg, 2001 (P O Box 61051, Marshalltown, 2107), 48 hours (being 10h00 on Monday, 20 February 2006) before the scheduled time of the meeting. Shareholders whose shares have been dematerialised (other than by own name registration) must inform their Central Securities Depository Participant (CSDP) or broker of their intention to attend the meeting and obtain the necessary authorisation from the CSDP or broker to attend the meeting, or provide the CSDP or broker with voting instructions in terms of the custody agreement between them.

NOTES TO THE FORM OF PROXY

A form of proxy is only to be completed by those shareholders who are:

- 1.1 Holding shares in certificated form; or
- 1.2 Recorded in dematerialised form on the electronic sub-register in "own name".

All other beneficial owners who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker and wish to attend the annual general meeting, must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker in the manner and cut-off time stipulated therein.

A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the Chairman of the annual general meeting", but any such deletion must be initialled by the shareholder. The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are filled in, the proxy shall be exercised by the Chairman of the annual general meeting.

A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercised by that shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he deems fit in respect of all the shareholder's votes exercised thereat. A shareholder or his proxy is not obliged to use all the votes exercisable by the shareholder or by his proxy, but the total of the votes cast and in respect of which abstentions are recorded may not exceed the total votes exercisable by the shareholder or his proxy.

Forms of proxy must be lodged with or posted to the transfer secretaries; Computershare Investor Services 2004 (Pty) Limited, Ground floor, 70 Marshall Street, Johannesburg, 2001 (P O Box 61051, Marshalltown, 2107) by not later than 10h00 on Monday, 20 February 2006, in accordance with the instructions thereon.

The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting, speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.

Documentary proof establishing the authority of the person signing this form of proxy in a representative or other legal capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries of the Company or waived by the Chairman of the annual general meeting.

Any alterations to the form of proxy must be initialled by the signatories.