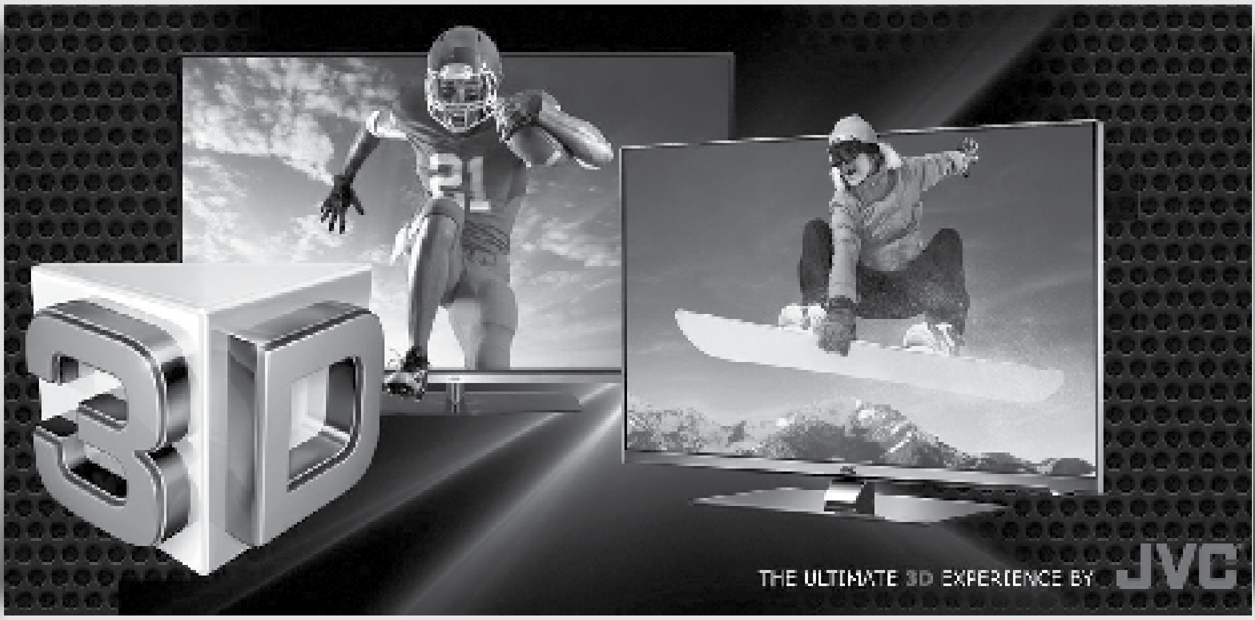
NU-WORLD HOLDINGS LIMITED

INTEGRATED ANNUAL REPORT 2014

CONTENTS



"Nu-World Holdings Limited (NWHL) is pleased to provide you with the Group's 2014 integrated report as recommended in the King Code of Governance Principles for South Africa 2009 (King III)."

"The objective of this integrated report is to provide stakeholders with continuous insight into the Group's performance and the way in which it manages its business. In this report, business reporting focuses on the Group's strategy and its ability to create long-term sustainable value."

In compiling this report the Group was guided by the principles of integrated reporting, which in turn address the needs of its various stakeholders. The integrated report should provide an understanding of the Group's strategy, its business model and its major impact across economic, social and environmental areas. It should also provide insight into how the Group's business is managed. Aligned with its business strategy, it describes the material issues of the Group and shows the approach to addressing these in support of a common strategy.

Aspects of social and environmental sustainability have been part of the Group's strategy and business practices for many years. Continuous progress is being made on the monitoring and reporting of data relevant and material to these matters.

Scope and boundary

The scope of the report includes all operating subsidiaries and covers the reporting period 1 September 2013 to 31 August 2014.

The audited annual financial statements were approved on 22 October 2014. This integrated report was approved for distribution on 18 December 2014 and includes reference to significant events subsequent to year-end, up to the approval date.

All references to NWHL, the Group, the company, the business, our and we refer to Nu-World Holdings Limited and its underlying subsidiaries. These subsidiaries include all businesses in the local South African and International operations. For more detailed information on the Group, refer to our integrated report which is also available on www.nuworld.co.za.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). All financial information is contained in the integrated report.

There were significant restatements from prior periods which are disclosed in the integrated report.

Management has considered and applied the principles of King III on integrated reporting and the consultation draft of the International Integrated Reporting Framework in the preparation of this report.

As the concepts and practices of integrated reporting develop, management will aim to enhance disclosures and application as deemed appropriate.

The principle of materiality has been applied in determining the content and extent of disclosure in the integrated report.

Forward-looking information

This integrated report contains certain forward looking statements which relate to the financial position and results of the operations of the Group. These statements are solely based on the view and considerations of the directors. These statements, by nature, involve risk and uncertainty, relate to events and depend on circumstances that may occur in the future. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, global, national economic and market conditions, including interest and foreign exchange rates, gross and operating margins achieved, competitive conditions and regulatory factors. These forward looking statements have not been reviewed or reported on by the Group's external auditors.

External assurance

Assurance of the contents of the integrated report was considered throughout the process. The board, assisted by the audit committee, is ultimately responsible for overseeing the integrity of the integrated report. This was achieved through setting up appropriate teams and structures to undertake the reporting process and the review and approval of the integrated report by the board.

A combined assurance approach is being considered to ensure the appropriate application of integrated reporting principles and the integrity of data contained in the report.

External assurance obtained in the current year was limited to the audit opinion on the Group annual financial statements.

Approval of the integrated report

The board acknowledges its responsibility to ensure the integrity of the integrated report. The directors confirm they have reviewed the content of the integrated report and believe it addresses the material issues and is a fair presentation of the integrated performance of the Group.

An electronic version of this report is available online at: www.nuworld.co.za.

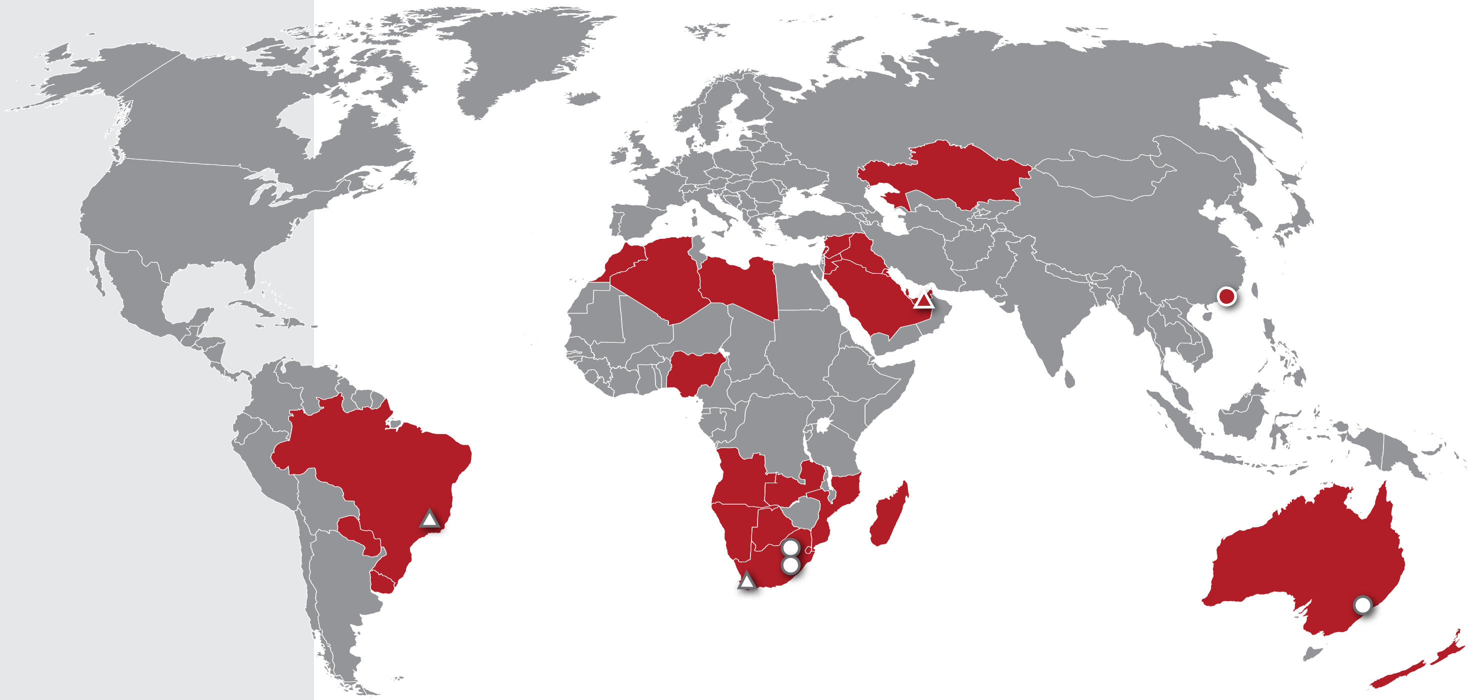
A printed copy of the annual financial statements is available on request from:
The company secretary
P.O Box 8964, Johannesburg, 2000
Email: bhaikney@nuworld.co.za

Group review

"The Group's strategy of diversifying our product supply to other countries and territories within the African continent and the Middle East, together with the disposal of non-core business assets and non-performing companies, started to pay dividends in the current year. The Group ended the year in a strong position, with increased profitability, greater market share, and a strong balance sheet."

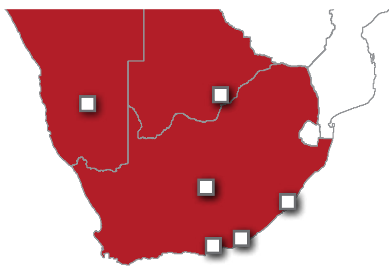
"Following the corporate transactions embarked upon last year, the Group's operations now consist of a more simplified, flatter Group structure, with operations based in Australia, Brazil, Dubai, Hong Kong and South Africa. All operations traded profitably for the year under review."

OPERATIONS/INTERNATIONAL REPRESENTATION



Major subsidiaries/ operations
Johannesburg, South Africa
Hong Kong, China
Maseru, Lesotho
Sydney, Australia

Branches
Cape Town, South Africa
Dubai, UAE
Sao Paulo, Brazil



Southern African agents
South Africa
- Bloemfontein
- Durban
- East London
- Port Elizabeth

Botswana
Namibia

Worldwide customer base

Algeria
Angola
Australia
Bahrain
Botswana
Brazil
Iraq
Jordan
Kazakhstan
Lebanon
Lesotho
Libya
Madagascar
Morocco
Mozambique
Namibia
New Zealand
Nigeria
Paraguay
Qatar
Saudi Arabia
South Africa
Swaziland
Syria
UAE
Uruguay
Zambia

Group revenue from continuing operations increased by 25.2% to **R2 108,1 million**

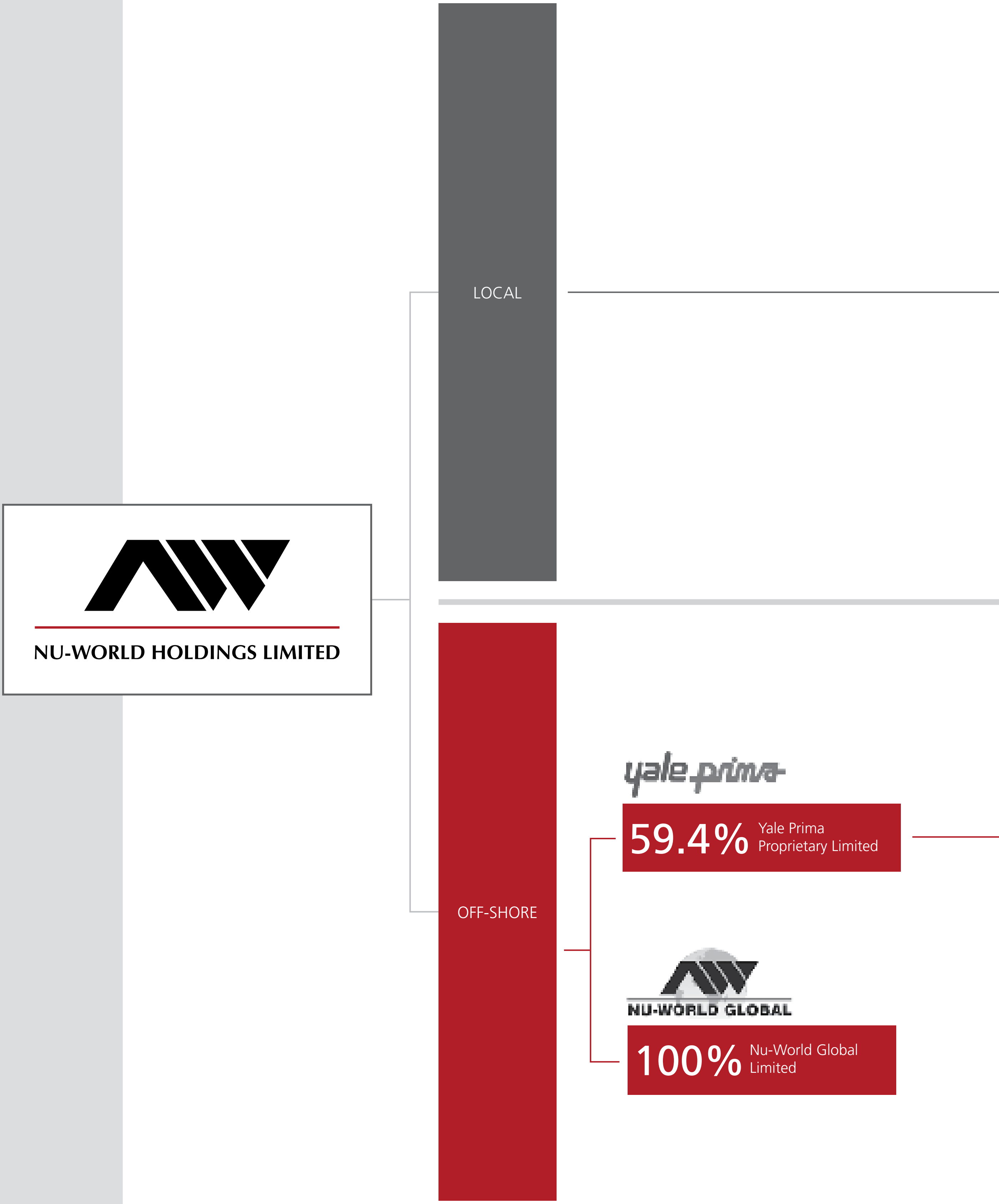
Profit after taxation increased by 117.9% to **R78,6 million**

Earnings per share increased by 106.6% to **351,6 cents**

Dividend per share increased by 86.2% to **110,6 cents**

Net asset value per share increased by 9.8% to **3 476,3 cents**

GROUP STRUCTURE



NU-WORLD INDUSTRIES

100% Nu-World Industries Proprietary Limited

100% Conti Industries Proprietary Limited

100% Conti Marketing Proprietary Limited

NU-WORLD GLOBAL INVESTMENTS

100% Nu-World Global Investments Proprietary Limited

Lefase Logistics (Pty) Ltd

49% Lefase Logistics Proprietary Limited

LEFASE LESOTHO MANUFACTURING (PTY) LTD

75% Lefase Lesotho Manufacturing Proprietary Limited

NU-WORLD PROPERTY INVESTMENTS

100% Nu-World Property Investments Proprietary Limited

100% JAWS Systems Australia Proprietary Limited

100% CTG Yale Proprietary Limited

NU WORLD AUSTRALIA

100% Nu-World Australia Proprietary Limited

YALE APPLIANCE GROUP

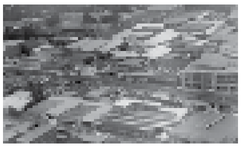
100% Yale Appliance Group Proprietary Limited

100% Prima Akai Proprietary Limited

HISTORY OF NU-WORLD HOLDINGS LIMITED

1946

Nu-World Industries Proprietary Limited was established and 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

JSE

2001

TELEFUNKEN

Appointed sole agent for Telefunken in South Africa

2003

CONTI

100%

Acquired 100% interest in Conti South Africa

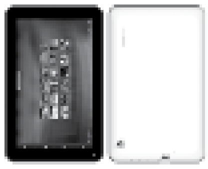
2007

59.4%

yale prima

Investment in Yale Prima Proprietary Limited

2009



Introduction of the Hi-Tech and Liquor divisions

Expansion of White Goods division

1995

Nu-World appointed as the sole agent for JVC in South Africa and sub-saharan Africa

1996

Exclusive Sunbeam distribution agreement for the South African region

1999

Nu-Tec consumer electronics introduced

2000

Casio Agency and distribution agreement signed with James Ralph Proprietary Limited

2010

Acquired 49% interest in Lefase Logistics Proprietary Limited

2012

Lefase Lesotho Manufacturing Proprietary Limited established

2013

Nu-World Global Limited in Hong Kong established

Nu-World's JVC agency agreement extended to include entire Africa, Middle East, Australasia, New Zealand and Brazil

2014

Nu-World Industies Proprietary Limited (JLT Branch) in Dubai established

M S Goldberg (62)

Executive chairman

BCom MBA (Wits)

Executive chairman responsible for the Group's overall performance and well-being. He plays an active role in the formulation of Group strategies, 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 37 years' experience in manufacturing and the appliance industry.

J A Goldberg (59)

Managing director/Chief executive officer

BSc 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 37 years' experience in manufacturing and the appliance industry.

G R Hindle (53)

Group financial director

BAcc (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 31 years' experience in financial management and information system technology in the manufacturing and electronic environment.

J M Judin (68)

Lead independent non-executive director

Dip Law (Wits)

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

D Piaray (47)

Independent non-executive director

DChem. Eng (Natal) BCom (Unisa) MBA (Wits)

Currently the Group chief executive officer of Xeon Logistics Proprietary Limited. Appointed to the Board in 2002 and holds positions as executive and non-executive director for several listed and non-listed companies.

R Kinross (73)

Independent non-executive director

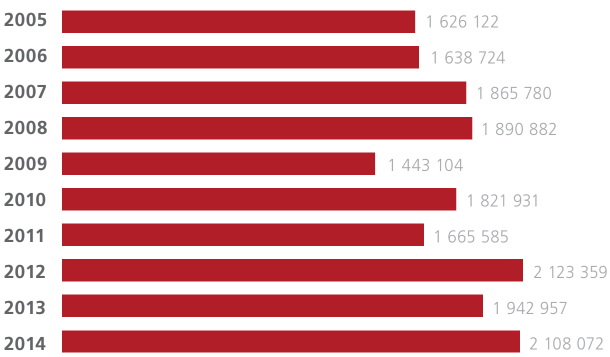
BAcc (Unisa) CA(SA)

Served as a financial director in the retail industry for a number of years before becoming a senior partner at Tuffias Sandberg KSi. Retired from audit practice in 2009 having reached mandatory retirement age. Appointed to the Board in 2009 and is currently a consultant to several medium-sized family businesses.

	2014 R'000	2013 R'000	2012 R'000	2011 R'000	2010 R'000	2009 R'000	2008 R'000	2007 R'000	2006 R'000	2005 R'000
STATEMENT OF COMPREHENSIVE INCOME										
Revenue	**2 108 072**	1 942 957	2 123 359	1 665 585	1 821 931	1 443 104	1 890 882	1 865 780	1 638 724	1 626 122
Operating income	**109 237**	55 597	69 525	38 075	105 479	40 117	61 528	109 027	121 646	94 215
Finance costs	**4 356**	7 225	13 224	8 573	4 811	6 676	6 788	4 691	1 223	7 220
Income before taxation	**104 881**	48 372	56 301	29 502	100 668	33 441	54 740	104 336	120 423	86 995
Taxation	**26 256**	12 290	13 678	7 888	26 596	8 465	11 619	15 214	29 613	18 212
Profit for the year	**78 625**	36 082	42 623	21 614	74 072	24 976	43 121	89 122	90 810	68 783
Share of profit from associate	**13**	24	28	(292)	(183)				(6 994)	
Net income for the year	**78 638**	36 106	42 651	21 322	73 889	24 976	43 121	89 122	83 816	68 783
Attributable to:										
Owners of the parent	**75 163**	(351)	4 256	1 278	5 289	1 943	2 848	3 991	1 786	(4 444)
Non-controlling interests	**3 475**	36 457	38 395	20 044	68 600	23 033	40 273	85 131	82 030	73 227
Net income for the year	**78 638**	36 106	42 651	21 322	73 889	24 976	43 121	89 122	83 816	68 783
STATEMENT OF FINANCIAL POSITION										
Goodwill and intangible assets	**62 584**	61 216	61 928	56 666	50 618	52 313	52 313	25 107	25 729	18 089
Property, plant and equipment	**34 482**	32 625	17 651	16 774	30 942	32 563	35 054	35 839	41 673	44 867
Deferred taxation	**9 731**	9 563	6 939	10 769	11 583	10 492	10 234	11 904	8 125	(6 928)
Other non-current assets	**107**	94	52 290	54 318	54 611	51 706	51 706			
Current assets	**940 265**	789 685	810 081	714 418	733 754	611 974	623 258	666 692	688 121	589 605
Total assets	**1 047 169**	893 183	948 889	852 945	881 508	759 048	772 565	739 542	763 648	645 633
Total equity	**757 713**	677 955	652 371	616 138	620 102	554 452	550 060	545 406	485 282	422 478
Interest bearing debt	**37 648**	12 166	84 725	20 000	20 000	20 000	20 000		11 361	
Interest free liabilities	**251 808**	203 062	211 793	216 807	241 406	184 596	202 505	194 136	267 005	223 155
Total equity and liabilities	**1 047 169**	893 183	948 889	852 945	881 508	759 048	772 565	739 542	763 648	645 633
STATEMENT OF CASH FLOWS										
Cash generated before working capital changes	**110 378**	65 306	91 682	45 852	114 430	42 318	74 265	115 805	126 587	96 263
Net working capital changes	**(121 774)**	127 697	(201 948)	36 210	(165 417)	(7 212)	(87 543)	(26 016)	(25 111)	(3 367)
Cash generated from operations	**(11 396)**	193 003	(110 266)	82 062	(50 987)	35 106	(13 278)	89 789	101 476	92 896

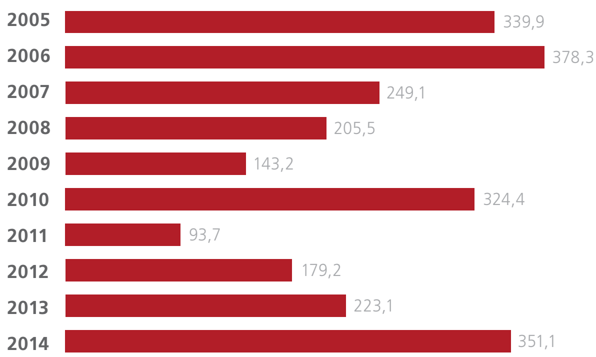
Revenue

Rand million: 2005 – 2014



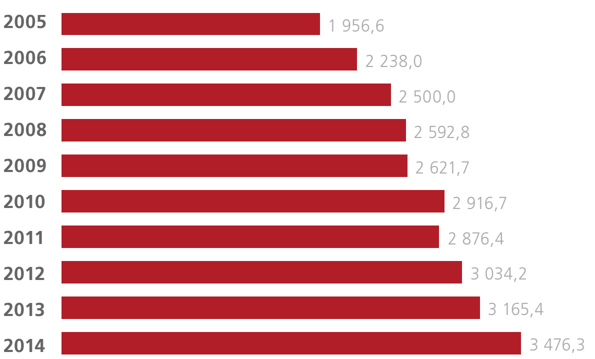
Headline earnings per share

Cents per share: 2005 – 2014

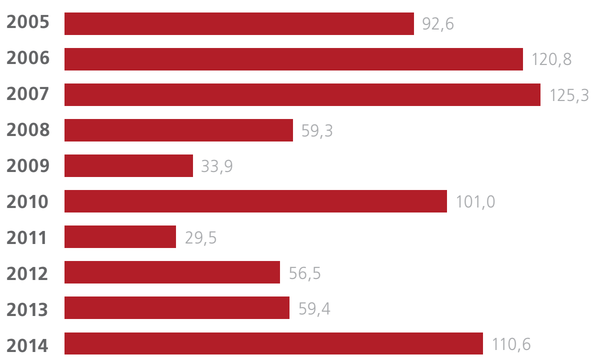


	2014 R'000	2013 R'000	2012 R'000	2011 R'000	2010 R'000	2009 R'000	2008 R'000	2007 R'000	2006 R'000	2005 R'000
PERFORMANCE INDICATORS										
Profitability										
Return on total assets	**11,3%**	6,0%	7,7%	4,4%	12,9%	5,2%	8,1%	14,5%	17,3%	15,7%
Gross margin	**19,4%**	17,6%	20,4%	19,6%	22,5%	18,4%	21,3%	21,4%	24,5%	23,6%
Operating margin	**5,2%**	2,9%	3,3%	2,3%	5,8%	2,8%	3,3%	5,8%	7,4%	5,8%
Debt leverage										
Gearing ratio	**3,0%**	1,8%	13,0%	3,2%	3,2%	3,6%	3,6%	0,0%	2,3%	0,0%
Borrowing cost cover (times)	**25,08**	7,70	5,26	4,44	21,92	6,01	9,06	23,24	99,47	13,05
Shareholders returns										
Earnings per share (cents)	**351,6**	170,2	179,2	93,7	324,4	108,9	189,8	389,9	378,3	339,9
Headline earnings per share (cents)	**351,1**	223,1	179,2	93,7	324,4	143,2	205,5	249,1	378,3	339,9
Distribution per share (cents)	**110,6**	59,4	56,5	29,5	101,0	33,9	59,3	125,3	120,8	92,6
Distribution cover (times)	**3,0**	2,7	3,0	3,0	3,0	3,0	3,0	3,0	3,0	3,5
Net asset value per share (cents)	**3476,3**	3165,4	3034,2	2876,4	2916,7	2621,7	2592,8	2500,0	2238,0	1956,6
Effective tax rate	**25,0%**	23,0%	24,3%	26,7%	26,4%	25,3%	21,2%	14,6%	24,6%	20,9%
Share statistics										
Total shares in issue	**22 646**	22 646	22 646	22 646	22 646	22 646	22 646	22 646	22 646	22 646
Shares in issue (net of treasury shares)	**21 354**	21 418	21 419	21 421	21 261	21 149	21 125	21 833	21 684	21 592
Weigted average shares in issue	**21 377**	21 418	21 420	21 400	21 144	21 163	21 697	21 833	21 684	21 592
Employee statistics										
Number of employees	**353**	483	501	665	720	842	935	874	898	904
Paid to employees	**84 062**	129 359	118 785	115 593	107 808	106 487	105 887	100 285	94 293	97 724
Employee cost to revenue	**4,0%**	6,7%	5,6%	6,9%	5,9%	7,4%	5,6%	5,4%	5,8%	6,0%

Net asset value per share
Cents per share: 2005 – 2014



Distribution per share
Cents per share: 2005 – 2014



Performance review

"Over the past year the Group has made significant progress with its strategic objectives of improving revenue growth and implementing cost cutting initiatives, the benefit of which can be seen in the second half of the financial year."

"The Group is focused on becoming a more effective and productive business. Sustained improvement in financial control and operating efficiencies are driving the profit growth. The offshore operations performed particularly well in the second half of the financial year."

The Nu-World Group has performed exceptionally well for the financial year under consideration. The financial year ended 31 August 2014 has probably been one of the most rewarding and exciting years for the Group since 2007.

From a macro-economic point of view, a difficult trading environment in Africa, Australia and the Middle East marked the year under review. The South African consumer spending patterns remained suppressed during a substantial part of the financial year, affecting many industries and suppliers across the country. I am pleased to report that the Group's strategy of diversifying our product supply to other countries and territories within the African continent and the Middle East, together with the disposal of non-core business assets and non-performing companies, started to pay dividends in the current year. The Group ended the year in a strong position, with increased profitability, greater market share, and a strong balance sheet.

Following the corporate transactions embarked upon last year, the Group's operations now consist of a more simplified, flatter Group structure, with operations based in Australia, Brazil, Dubai, Hong Kong and South Africa. All operations traded profitably for the year under review.

The Group increased revenue by 25,2% to R 2,1 billion, while headline earnings rose 57,1% to R 75,1 million, representing 351,1 cents per share. The Group balance sheet remains strong. The board was pleased to announce the declaration of a gross cash dividend of 110,6 cents per share from the Group's free cash flow.

Corporate governance

Nu-World's board of directors and entire management team are committed to sound governance and good corporate citizenship. We accept that good governance practices are fundamental to creating, protecting and sustaining shareholder and stakeholder value, especially within the current volatile economic environment. Our governance structures are in line with King III and the Companies Act 71 of 2008, as amended (the Companies Act).

All of our operating subsidiaries adopt our corporate governance framework and standards. Our Group approach to risk management is functional and effective. The focus of managing the risks facing the Group is based on identifying, assessing, mitigating, managing and monitoring all known forms of identifiable risks.

Environment, sustainability and governance

As a responsible corporate citizen, the Group has always endeavored to apply the highest standard of ethical conduct in dealing with all stakeholders, together with the responsible approach we strive to adopt in ensuring that we optimize our consumption of scares resources. This forms part of the broad mandate of the Group's social and ethics committee, a statutory committee prescribed by the Companies Act. The board of directors and executive management recognise that the Group's reputation will be protected and enhanced as an ethical, profitable and responsible Group if it continues its success in retaining a loyal workforces and sustainable customer base.

Nu-World is conscious of its own responsibility to protect the environment and also of the market advantage that sound environmental policies and practices can afford us, with increasingly environmentally aware consumers and other stakeholders.

Transformation

Nu-World endorses the broad-based black economic empowerment (B-BBEE), strategy of the Department of Trade and Industry of South Africa. The B-BBEE Codes of Good Practice are to be revised subsequent to our last ratings. We will be evaluating the new codes and will establish a revised minimum Group target after our evaluation of the codes and our ability to sustainably comply with the revised targets.

Appreciation

In 2014, Nu-World celebrated 27 years of being listed on the JSE in South Africa. The Nu-World Group has during this period transformed into a global business, represented by market share in the African, Australian and Middle East regions.

As Chairman, I would like to take this opportunity to congratulate and thank our employees for the exceptional progress and successful performance achieved. Nu-World's highly professional team of employees brings diverse expertise and valuable experience to all operations.

Thank you to the executive team and the board of directors for their continued support and effort in guiding the Group during this volatile economic climate.

My thanks also extend to our employees, our customers, shareholders and stakeholders. We truly value these commercial relationships and the enormous goodwill associated with them.

M S Goldberg
Executive chairman
22 October 2014

Corporate information

Nu-World Holdings Limited is a limited liability company incorporated and domiciled in South Africa with branches, subsidiaries and associates in Australia, Brazil, Dubai, Hong Kong and Lesotho. The main business of the Group is the importing, assembling, marketing and distribution of branded consumer durables including consumer electronics, hi-tech, small electrical appliances, white goods, liquor and furniture.

Operating results

Over the past year the Group has made significant progress with its strategic objectives of improving revenue growth and implementing cost cutting initiatives, the benefit of which can be seen in the second half of the financial year.

The Group is focused on becoming a more effective and productive business. Sustained improvement in financial control and operating efficiencies are driving the profit growth. The offshore operations performed particularly well in the second half of the financial year.

Group financial results

A summary is as follows:

	2014 R'000	2013 R'000
Continuing operations		
Revenue	2 108 072	1 684 064
Operating profit	108 542	69 753
Finance income	695	549
Finance costs	4 356	7 225
Profit before tax	104 881	63 077
Income tax expense	26 256	14 514
Profit after tax	78 625	48 563
Share of profit attributable to associates	13	24
Profit for the year from continuing operations	78 638	48 587
Loss for year from discontinued operations		(12 481)
Non-controlling interest	(3 475)	351
Profit attributable to owners of the company	75 163	36 457
Basic earnings per share (cents)	351,6	170,2
Reconciliation of headline earnings:		
Attributable income	75 163	36 457
Headline earnings	75 052	47 777
Earnings per share (cents)	351,6	170,2
Dividend per share (cents)	110,6	59,4
Headline earnings per share (cents)	351,1	223,1

The Southern African consumer market is under pressure to achieve greater sales growth, reflecting the increasing financial pressure faced by consumers due to high personal debt levels, unemployment, ever increasing living costs and increased inflationary pressures. Notwithstanding the above, the Group managed to achieve increases in the local market in both sales and profitability.

The consumer electronics division locally continued to perform well during the financial year, gaining market share from its competitors.The launch of new ranges of flat screen televisions and audio products have started to be introduced for the upcoming festive season. Initial sales response has been positive. The small domestic appliance division performed well under the Sunbeam, Ideal and Ideas brands together with the premium Prima One & Only brand.The full range of seasonal products, both summer and winter, showed strong growth during the year under review. The expanded liquor range also contributed to the growth in local revenue, with a number of exclusive brands having been launched for the retail trade.

The offshore divisions performed particularly well during the year under review. The Group is in the process of managing all the sales to third party countries through the Hong Kong and Dubai operational companies and branches. The Group is now managing all sales and marketing for the JVC visual brand in the entire African continent, the Middle East, CIS, Australasia, Brazil, Uruguay and Paraguay. Additional product categories are being rolled out to the various distributors. The benefit of the increased offshore volumes has assisted in reducing the costs to the local markets as well.

Effective expense management and improved operational efficiencies is strengthening the capacity of the Group to achieve its strategic focus and objectives.

The Group's focus remains that of customer-driven and sales-led expansion both locally and offshore.

Statement of profit or loss and other comprehensive income

Group revenue from continuing operations increased by 25.2% to R2 108,1 million (August 2013: R1 684,1 million) mainly due to the growth in offshore operations.

Interest paid improved by 39.7% to R4,4 million (August 2013: R7,2 million) due to the improved working capital and stock turn.

Income after tax from operations increased by 117.9% to R78,6 million (August 2013: R36,1 million) due to improved operating margins and effective expense management.

Profit attributable to owners of the company for the year increased by 106.2% to R75,2 million (August 2013: R36,5 million).

Earnings per share increased 106.6% to 351,6 cents (August 2013: 170,2 cents). Headline earnings per share increased 57.4% to 351,1 cents (August 2013: 223,1 cents).

Dividend per share increased 86.2% to 110,6 cents (August 2013: 59,4 cents). Dividend cover remains at 3 times.

Statement of financial position

The financial position remains strong with a negative gearing ratio (debt: equity) of 9.2%.

The decrease in property, plant and equipment arose primarily from the transfer of a portion of the Group's land and buildings to assets classified as held-for-sale.

Inventory levels of R431,4 million have increased due to increased turnover levels. Stocking levels and ranges are being rationalised and stock turn rates should improve going forward.

Net asset value per share has increased by 9.8% to 3 476,3 cents (August 2013: 3 165,4 cents).

Trade and other receivables of R402.8 million have increased due to increased turnover levels especially in Q4 2014. The offshore operations performed particularly well in this quarter.

Trade and other payables including provisions and current tax liabilities of R211,2 million (August 2013: R169,9 million) increased in line with improved turnover levels of 25.2%.

Restatement of comparatives

The directors wish to inform shareholders that headline earnings, headline earnings per share and diluted headline earnings as disclosed in the annual financial statements for the year ended 31 August 2013 were understated, and this restatement arose from the JSE Limited's pro-active monitoring of financial statements.

The misstatement arose following the omission of the tax effects of these adjustments and the resulting effect on non-controlling interest. The exact details of the restatement were announced on SENS on 29 September 2014.

In addition, the above review resulted in the cash flow being restated as follows:-

- Cash flows from operating activities has been adjusted by the re-classification of repayment of borrowings and the tax and non-controlling shareholders effects of the disposal of disposal groups.
- Cash flows from investing activities has been adjusted for the effects of the tax and non-controlling shareholders effects of disposal groups.
- Cash flows from financing activities has been adjusted by the repayment of borrowings.

Cash flow

Cash utilised by operations amounted to R11,4 million (August 2013 : generated from operations R193,0 million) arose from higher debtor levels from increased turnover, increased inventory levels especially at financial year end as the Group gears up for the peak season, increased goods in transit levels and higher import prepayments.

Continuing operations

The South African business operations contributed 62.9% of the Group's continuing operations revenue and 61.3% of the Group's continuing operations income. Offshore operations account for 37.1% of turnover and 38.7% of income. Strong revenue growth across all business segments, coupled with improved margins especially from the offshore operations, resulted in earnings attributable to owners of the company improving by 106.2%.

Transformation

Management has continued to meaningfully extend its initiatives in employment equity, enterprise development and corporate social investment during the period. The Group is committed to a process of further transformation and economic empowerment of its stakeholders, such that an acceptable balance between the operatives and commercial benefits of such a process can be achieved, thereby ensuring the sustainability of the Group in a competitive market sector.

Board of directors

No changes were made to the board of directors during the year under review.

Corporate activities

There were no corporate activities during the year under review.

Environmental, social and governance aspects

The Group subscribes to, and applies the Code on Corporate Governance Practices and Conduct as contained in the King III Report on Corporate Governance. The Group is committed to transparent and integrated reporting in the spirit of King III and the Global Reporting Initiative.

Initiatives include the reduction in energy consumption through ongoing staff awareness programmes, the replacement of equipment with energy-efficient units and by installing Power Management System devices. These installations will significantly reduce our overall electricity footprint.

The Group has introduced community support and corporate social investment. The Group focuses it's efforts on children's needs, in particular the handicapped, supports charities and community facilities.

Declaration of final dividend

Notice is hereby given that a final gross dividend of 110,6 cents per share (August 2013: 59,4 cents per share) was declared on 22 October 2014 payable to shareholders recorded in the register of Nu-World Holdings Limited at the close of business on the record date appearing below.

The salient dates pertaining to the final dividend are as follows:

Last date to trade ''*cum*'' dividend	Friday, 28 November 2014
Date trading commences "*ex*" dividend	Monday, 1 December 2014
Record date	Friday, 5 December 2014
Date of payment	Monday, 8 December 2014

Ordinary share certificates may not be dematerialised or rematerialised between Monday, 1 December 2014 and Friday, 5 December 2014, both days inclusive.

In determining the dividend withholding tax (DWT) of 15% to withhold in terms of the Income Tax Act for those shareholders who are not exempt from the DWT, the total secondary tax on companies (STC) credits utilised as part of this declaration amount to R1 126 869 and consequently the STC credits utilised per share amount to 5,0 cents per share. Shareholders who are not exempt from the DWT will therefore receive a dividend of 94,76 cents net of DWT. Nu-World Holdings Limited has 22 646 465 ordinary shares in issue and its income tax reference number is 9100/085/71/2.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. In the absence of specific mandates, dividend cheques will be posted to shareholders. Ordinary shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited on Monday, 8 December 2014.

Integrated report and notice of Annual General Meeting

The 2014 integrated report will be mailed to shareholders prior to the end of December 2014. The Annual General Meeting will take place at 10h00 on Wednesday, 11 February 2015, at the registered office of the Company.

On behalf of the board of directors

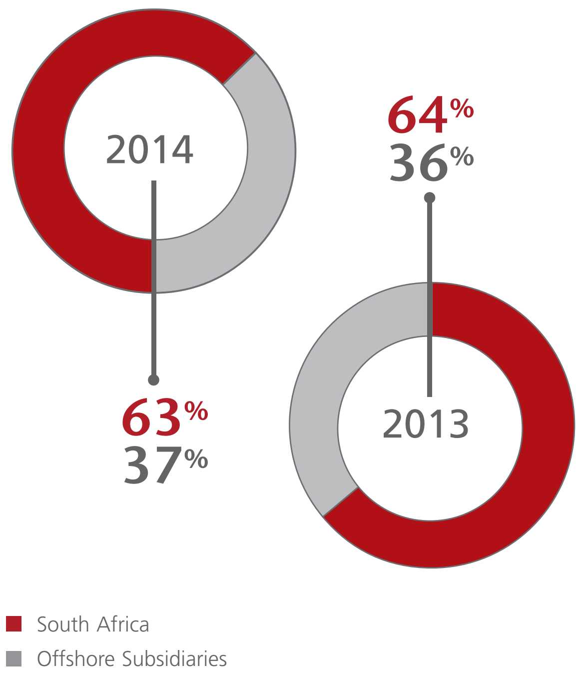
J A Goldberg
Managing director
22 October 2014

VALUE ADDED STATEMENT

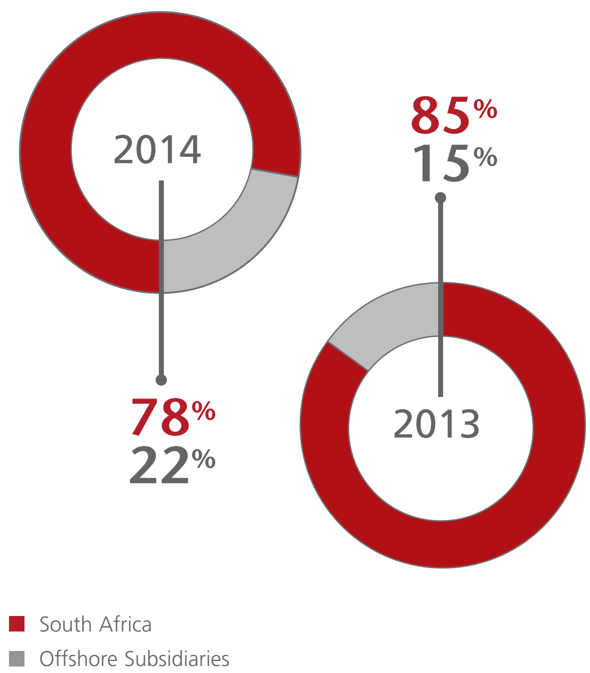
	2014 R'000	2014 %	2013 R'000	2013 %
Revenue	2 108 072	100,00	1 942 957	100,00
Cost of materials, services and expenses	(1 698 112)	(80,55)	(1 579 454)	(81,29)
Value added from trading operations	409 960	19,45	363 503	18,71
Interest paid	(4 356)	(0,21)	(7 225)	(0,37)
Total value added	405 604	19,24	356 278	18,34
Allocated as follows:				
Employees				
Salaries, wages, commission and other benefits	84 062	3,99	129 359	6,66
Government				
Normal taxation on companies	26 417	1,25	15 255	0,79
Employee tax	10 602	0,50	11 807	0,61
Providers of capital				
Non-controlling interest	6 798	0,32	(6 149)	(0,31)
Dividends	13 452	0,64	12 795	0,66
Total wealth distributed	141 331	6,70	163 067	8,41
Re-investment in the group	1 917	0,09	4 015	0,20
Depreciation and amortisation	262 356	12,45	189 196	9,73
Retained for future growth	405 604	19,24	356 278	18,34

SEGMENTAL INFORMATION

GEOGRAPHICAL REVENUE

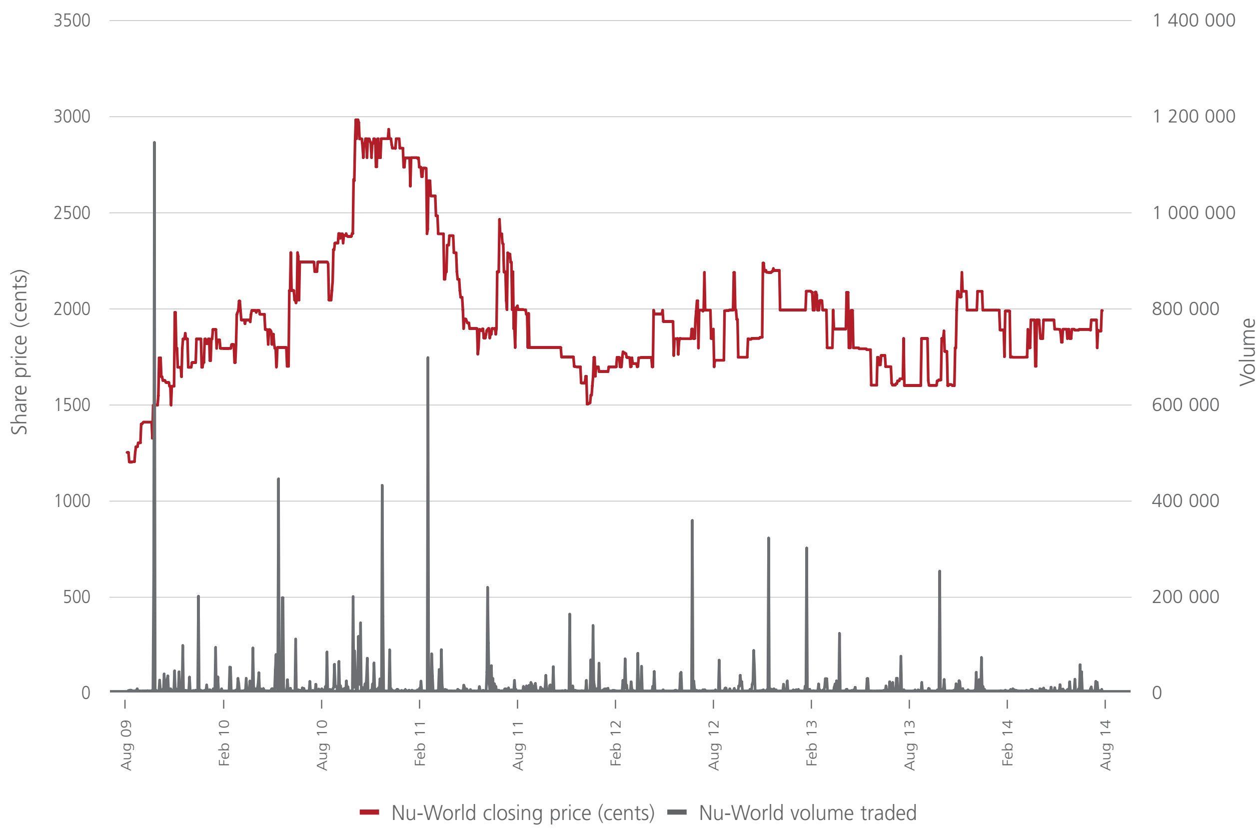


ASSETS



	12 months trade 31 August 2014	12 months trade 31 August 2013
Stock exchange performance		
Market price per share (cents)		
– at year end	2 000	1 600
– highest	2 200	2 249
– lowest	1 600	1 600
Number of shares traded (000)	892	1 643
Number of shares in issue (000)	22 646	22 646
Volume traded as a percentage of total shares in issue (%)	3,9	7,3

Historical share price (cents)



Corporate reponsibility

"The Company's Board of directors (the Board) is committed to ensuring that the Group is governed appropriately. The Board recognises the responsibility of the Group to conduct its affairs with prudence, transparency, accountability, fairness and in a socially responsible manner."

"The Group's socio- economic development programs are mainly centered around development programs for the youth, elderly, woman and people with disabilities, living within the Alexandra community. The programs vary from community training, encouraging the skills development of the unemployed; support to the Alexander Police force, clinic and old age home; support for development programs for sport in the area; and programs focusing on conservation, education and waste management."

"Nu-World Holding Limited's (NWHL) remuneration policy dictates that all employees are fairly rewarded for their individual and joint contributions in the execution of the NWHL business strategy and delivery of the Group's operating and financial performance. NWHL remuneration philosophy is to remunerate all employees in a competitive manner to attract, motivate and retain individuals with the necessary skills and acumen."

Strategy and objectives

Our remuneration policies support a culture of effective corporate governance while encouraging innovation and entrepreneurial spirit to ensure the long-term sustainability of the business. In addition, they serve as a guideline for the effective governance of remuneration within the Group as a whole. The remuneration philosophy seeks to set criteria that will boost output as well as performance and thereby create long-term stakeholder value.

NWHL remuneration policy dictates that all employees are fairly rewarded for their individual and joint contributions in the execution of the NWHL business strategy and delivery of the Group's operating and financial performance. NWHL remuneration philosophy is to remunerate all employees in a competitive manner to attract, motivate and retain individuals with the necessary skills and acumen.

NWHL is an international business with revenue earned in many countries as summarised in the geographical segmental analysis of the annual financial statements. As a result, NWHL competes for skills and talent in a global marketplace and its approach to remuneration needs to be flexible and competitive in all of the countries where it operates.

Due to the Group's international structure, the remuneration committee has established Group subcommittees with standard terms of reference which are in line with the overseeing committee's terms of reference. These committees are responsible for all employee remuneration matters at subsidiary level.

Executive Directors' remuneration

Executive directors receive a remuneration package based on total cost-to-company, including basic remuneration, retirement, medical and other benefits. They, like other employees, also qualify for short and long-term incentives.

A significant element of executives' remuneration is performance related. A substantial portion of short-term performance incentives of the executive directors and senior management is directly linked to challenging annual Group performance targets. The balance of these incentives is specifically measured against individual performance objectives which are aligned with the Group's strategic priorities. The targets for long-term incentives are guided by reference to industry and market benchmarked performance targets. Such benchmarks are determined annually by measuring operational performance against those of peer Group companies (in comparable industries and markets) in local currencies.

Refer to note 27 on page 70 of the director's report for details on the remuneration earned by executive directors for the year ended 31 August 2014.

Non-executive directors' remuneration

The Board, in reviewing non-executive directors' fees, makes recommendations to shareholders in light of, firstly, fees payable to non-executive directors of comparable companies and, secondly, the importance attached to the retention and attraction of high-calibre individuals as non- executive directors. Remuneration is reviewed annually, with reference to competitors and peer companies. Independent advice is also acquired from specialist human resources consultants.

This remuneration is not linked to the Company's share price or performance. Levels of fees are also set by reference to the responsibilities assumed by the non-executive directors in chairing the board and in chairing or participation in its committees. The Group does not provide pension or medical benefits to non-executive directors. To avoid a conflict of interest, the remuneration committee, which consists entirely of independent non-executive directors, takes no part in the determination of non-executive directors' fees or in the recommendation to the board and shareholders. Non-executive directors do not qualify for shares in terms of the Group's share incentive scheme. The board annually recommends remuneration of non-executive directors for approval by shareholders in advance.

Refer to note 27 on page 70 of the director's report for details on the fees earned by non-executive directors for the year ended 31 August 2014.

Senior management and employee remuneration

Remuneration for middle and junior management is governed and controlled by senior management and the Human Resource departments. A robust remuneration review process is in place which is aligned with business strategy. Employee development is encouraged through processes such as performance appraisals, counseling and career development programs.

Remuneration and other benefits in respect of employees who are subject to bargaining council or other authorities' determination are set through a process of collective bargaining with the major labour unions active in the various countries in which the Group operates.

Remuneration policy

The remuneration policy aims to follow the recommendations of King III and is based on the following principles:

- Remuneration practices are aligned with corporate strategy.
- Total rewards are set at levels that are competitive and relative within the specific market and industry. Incentive-based awards are earned through achieving demanding performance measures and targets with due regard for the sustainable well-being of all stakeholders over the short, medium and long-term.
- Incentive plans, performance measures and targets are structured to operate effectively throughout the business cycle.
- The design of long-term incentives is prudent and does not expose stakeholders to a position where the sustainability of the Group is placed at risk.

Elements of remuneration

The four elements of remuneration consist of a base salary, benefits, annual incentive bonus and long-term incentives. The committee seeks to ensure an appropriate balance between the fixed and performance-related elements of remuneration and between those aspects of the package linked to short-term financial performance and those aspects linked to longer-term sustainable stakeholder value creation. A further consideration is the need to attract and retain critical skills in the Group. The remuneration committee considers each element of remuneration relative to the market and takes into account the performance of the Company and the individual executive or senior manager in determining its quantum.

Base salary

The fixed element of remuneration is referred to as a base salary. Its purpose is to provide a competitive level of remuneration for each level of manager or employee. The base salary is subject to annual review. It is set to be competitive at the median level with reference to market practice in companies comparable in size, market sector, business complexity and international scope. Company performance, individual performance and changes in responsibilities are also taken into consideration when determining annual base salaries. In determining the salaries of the executive management, the committee takes into consideration inflation, agreed union and bargaining council increases, and the increased scale of businesses given corporate activity undertaken during the year.

Benefits

Benefits provide security for employees and their families and include membership of retirement funds and medical aid schemes, to which contributions are made by employees and the employer Company.

Annual bonus

An annual short-term incentive plan provides managers and employees with incentives to achieve the Company's short and medium-term goals. The annual incentive is based upon the achievement of Group and/or individual subsidiary financial, strategic and personal performance objectives agreed by the remuneration committees.

The bonus plan is not contractual and the remuneration committee retains the discretion to make adjustments to bonuses earned at the end of the financial year, taking into account both Company performance and the overall and specific contribution of individuals to meeting the Group's objectives.

Long-term share-based incentives (LTIs)

LTIs are awarded with the primary aim of retaining key staff members and aligning performance with the interests of investors and stakeholders.

The allocation and target criteria are at the discretion of the remuneration committee which comprises only independent non-executive directors.

The allocation of LTIs is based on the following key eligibility criteria:

- Involving individuals who are key to driving the Group's business strategy.
- Retention of key talent/scarce skills.
- Talent management strategy and succession plans.

Furthermore, scheme rules and the application thereof are evaluated annually to ensure compliance with legislative and regulatory requirements. The targets for long-term incentives are set with reference to industry and market benchmark performance.

For more details on the Group's share-based payment scheme refer to note 29 on page 71 of the annual financial statements.

Service contracts

Executives' contracts are generally subject to terms and conditions of employment in the local jurisdiction and there are no executive directors with a notice period of more than one year. In addition, no executive director's service contract includes predetermined compensation as a result of termination of service.

Non-executive directors are subject to regulations on appointment and rotation in terms of the Company's memorandum of incorporation and the South African Companies Act 71 of 2008.

"The corporate governance statement documented below sets out the key governance principles and practices of Nu-World Holdings Limited (NWHL). Our aim is to fairly and honestly inform our internal and external stakeholders through reasonable and understandable disclosure."

Endorsement

The Company's Board of directors (the Board) is committed to ensuring that the Group is governed appropriately. The Board recognises the responsibility of the Group to conduct its affairs with prudence, transparency, accountability, fairness and in a socially responsible manner. The Group complies in all material respects with the principles of the Code of Corporate Practices and Conduct as recommended in the King Report on Corporate Governance in South Africa 2009, as well as with the spirit and form of the obligations that exist in terms of the Listings Requirements of the JSE Limited. Where specific principles have not been applied, explanations for these are contained within the annual report. Specifically, the directors report the following:

In terms of the King Report on Governance for South Africa, 2009 (King III), the Board needs to consider the interests of the Company and shareholders, taking into account the concerns and issues of its wider stakeholders, including supplier, customers, employees and the environment. The Group is committed to conduct the business in accordance with sound corporate governance practices, understands the importance of balancing long-term social, environmental and economic interests, whilst achieving sustainable returns for its shareholders.

The Board has noted the new recommendations contained in the King III report, and will ensure that appropriate reporting principles and guidelines are applied at the relevant time.

Board of directors

Chairman of the Board of directors

The roles of the chairman and the chief executive officer are seperate. The chairman is an executive director which is not in accordance with King III, however the Group has appointed a lead independent non-executive director. The chairman, M S Goldberg, an executive director of the Board since 1986, was appointed as chairman on 1 September 2001. The chairman is responsible for ensuring the effectiveness of governance practices within the Group.

Particular areas of responsibility for the chairman include guidance regarding strategic planning, Group economic empowerment, corporate relations, and advice on local and overseas acquisitions.

The chairman's duties are governed by a formal Board, and this is reviewed from time to time when appropriate.

Composition of the Board

The Board of Directors comprises three executive directors and three non-executive directors chosen for their achievements, business acumen and skills.

The Board considers J M Judin, D Piaray and R Kinross to be independent non-executive directors as defined in King III and the Companies Act.

All directors bring independent judgement to the issues of performance, strategy and resources including key appointments of directors and staff and standards of conduct within the Group.

The Board recognises the need for more independent directors and continues to seek further non-executive directors with the aim of obtaining a majority of non-executive directors.

Changes to the Board during the year

There were no changes to the composition of the Board of Directors for the year under review.

Role and responsibilities of the Board

The Board is the focal point for corporate governance. It is responsible to shareholders and stakeholders for sustainable performance of the Company. In directing the Group, the Board exercises leadership, integrity and judgment based on fairness, accountability, responsibility and transparency, directed to achieve the ongoing prosperity of the Group.

The Board approves operational and investment plans and strategies and empowers executive management to implement these plans and strategies. There is a clear division between the responsibilities of the Board and management.

Structured management succession planning, for purposes of identifying, developing and advancing future leaders in the Group, is an important element in the management process.

The Board remains accountable for the overall success of the approved strategies, based on values, objectives and stakeholder requirements, and for the process and policy to ensure the integrity of risk management and internal control. The Board is also responsible for ensuring that it complies with all relevant laws, regulations and codes of best business practice.

Duties of directors

The Companies Act places certain duties on directors and stipulates that they should apply the necessary care and skill in fulfilling their duties. To ensure that this is achieved, best practice principles, as contained in the King III Report on Corporate Governance for South Africa, are applied. As part of the implementation of King III, the Board approved changes to its governance structure going forward.

The Board is responsible for formulating the Company's communication policy and ensuring that spokespersons adhere to it. This responsibility includes clear, transparent, balanced, truthful and timeous communication to shareholders and relevant stakeholders.

In terms of the respective directors' charters, the directors are of the opinion that the Board and the subcommittees have discharged all their responsibilities.

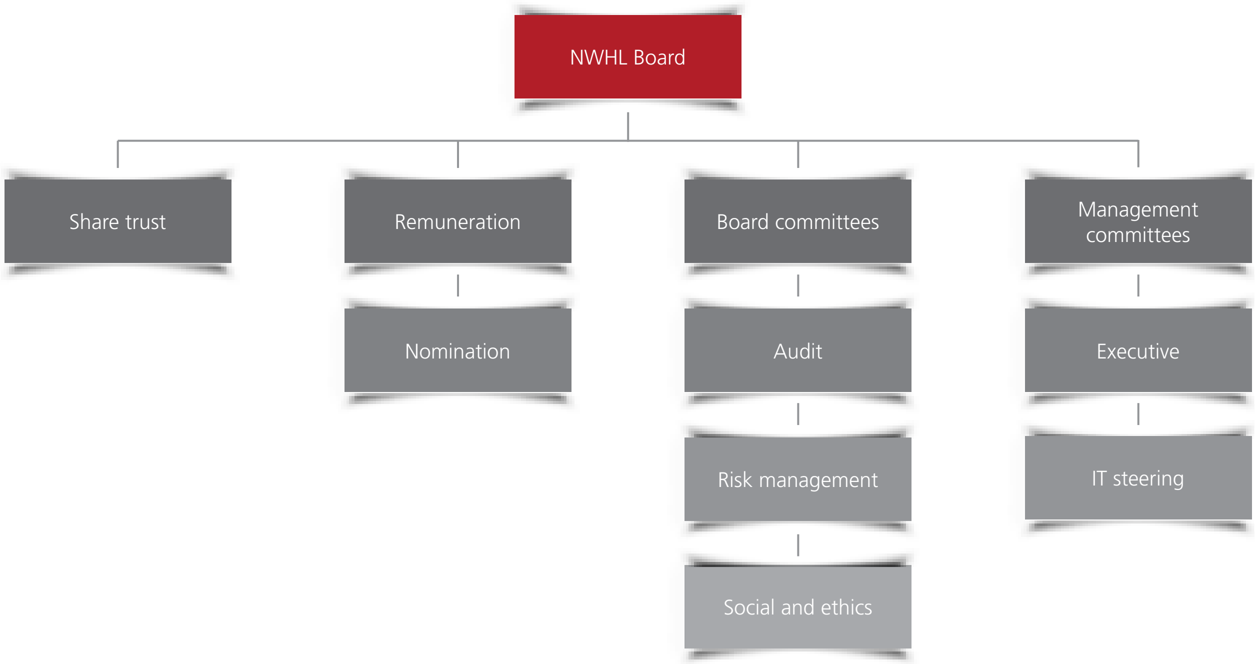
The Board meets four times annually and more frequently if circumstances or decisions require.

Directors declare their interests in contracts and other appointments at all Board meetings. Meetings are conducted in accordance with formal agendas, ensuring that all substantive matters are properly addressed. Subcommittees have been appointed while ad hoc subcommittees are created as and when required. The chairman of the relevant subcommittee sets the agenda for each meeting in consultation with the Group chairman and Group chief executive officer. Any director may request that additional matters be added to the agenda. Board packs are circulated to the directors in advance of the meetings. The non-executive directors take responsibility for ensuring that the chairman reviews all matters requiring the Board's attention. The Board ensures that there is an appropriate balance of power and authority in its make-up, so that no one individual or block of individuals can dominate its decision-making process. All directors are entitled to seek independent professional advice concerning the affairs of the Group, at the Company's expense.

Board committees

The Board has established several non-executive board committees which support the Board of Directors with regard to certain functions, and in which non-executive directors play an active and pivotal role. All committees operate under Board approved terms of reference, which were reviewed and updated during the period under review to align them further with best practice and to take into consideration the recommendations set out in King lll and all the requirements of the Companies Act. All Board committees, except the executive committee, are chaired by a non-executive director who attends the Annual General Meeting in order to respond to shareholder queries.

With the exception of the audit committee and social and ethics committee, membership of each committee is reviewed regularly by the Group chairman and adjusted accordingly.



The chairmen of the committees are elected by the members of each committee, unless sound reasons cause the committees and the Board to determine otherwise.

Audit committee

Subject to shareholder approval and taking into account the recommendations of the nomination committee, the Board is responsible for filling vacancies on the audit committee. The Board elects the Chairman of the committee. As the audit committee is a statutory committee under the Companies Act 71 of 2008, as amended (the Companies Act), and in terms of the recommendations set out in King lll, shareholders will be requested to elect the members of the committee at the Annual General Meeting to be held on 11 February 2015. Audit Committee members are kept up to date with the developments affecting the skill set required for committee membership. The committee and/or individual members are permitted to consult with specialists in any related field, subject to Board approval.

The audit committee consists of three independent non-executive directors, R Kinross (chairman), D Piaray and J M Judin. G R Hindle and B H Haikney attend meetings by invitation.

The audit committee monitors proposed changes in accounting policy and all published financial information, reviews the external audit function and discusses the accounting implications of major transactions prior to Board approval.

The audit committee meets regularly with the Group’s external auditors to review accounting controls, disclosure requirements, corporate governance practices, as well as auditing and financial matters and reports to the Board of directors on its findings.

The audit committee performs the following specific activities:

- Approve the external auditor’s terms of engagement, audit approach and audit fees;
- Ensure the independence of the external auditor;
- Approve external auditor’s appointment for the ensuing financial year;
- Pre-approve all fees paid to the external auditor for non-audit service;
- Consider and set mandatory term limits on the period the lead partner of the external auditors may serve the Company;
- Review risk areas of the Company’s operations to be covered in the scope of external audits;
- Reviewing half-year and annual financial statements before submission to the Board focusing on *inter alia*;
  - any changes in accounting policies and practices.
  - major judgmental areas.
  - significant adjustments arising from the audit.
  - the going concern statement.
  - compliance with stock exchange and statutory requirements.
  - reliability and accuracy of the financial information provided by management to other users of financial information.
  - satisfying itself regarding the experience and expertise of the financial director.
  - satisfying itself that the external auditors are accredited in terms of the JSE list of accredited auditors.
  - discussing any problems and reservations arising from the year-end audit and any related matters that the external auditors may wish to discuss.
- Satisfies itself of the expertise, resources and experience of the companies finance functions;
- Oversees and approves the company's integrated report;
- Ensures that a combined assurance model is applied to provide a coordinated approach to all assurance activities; and
- Integral component of risk management process.

The audit committee chairman and its members confirm their review and approval of the above-mentioned activities.

Attendance at audit committee meetings for the period 1 September 2013 – 31 August 2014:

		Attended	Eligible to attend
R Kinross	Chairman	4	4
J M Judin	Member	4	4
D Piaray	Member	4	4
G R Hindle	By invitation	4	4
B H Haikney	By invitation	4	4

Risk management committee

Risk management committee forms an integral component of the Group’s governance framework and enables management to limit the impact of business, industry and general risks and protect the interests of all stakeholders.

The Board retains accountability for risk management. The risk committee ensures the Group has adequate risk management and internal control procedures in place.

The focus of the risk management committee is on identifying, assessing, managing and monitoring material forms of risk encompassing strategic performance, trading, investment and operational risks. The committee consists of three non-executive directors; J M Judin (chairman), D Piaray and R Kinross, with executive directors attending each meeting, being M S Goldberg, J A Goldberg and G R Hindle, as well as the company secretary, B H Haikney. The committee meets quarterly and is responsible for monitoring key risk areas for which a comprehensive Group risk matrix has been developed, addressing the general business risks, trading conditions, succession planning, credit risk, exchange rate exposure, IT risk, insurable losses, interest rate and liquidity risks.

Attendance at risk management committee meetings for the period 1 September 2013 – 31 August 2014:

		Attended	Eligible to attend
J M Judin	Chairman	4	4
D Piaray	Member	4	4
R Kinross	Member	4	4
M S Goldberg	By invitation	2	4
J A Goldberg	By invitation	2	4
G R Hindle	By invitation	4	4
B H Haikney	By invitation	4	4

Social and ethics committee

Introduction

The Board has delegated certain of its responsibilities and approved the formation of the social and ethics committee and appointed members as listed below:

J M Judin – Chairman and independent non-executive director
D Piaray – Independent non-executive director
R Kinross – Independent non-executive director
G R Hindle – Financial director
B H Haikney – Company secretary

The social and ethics committee is constituted as a committee of the Board of NWHL, in terms of Section 72(4) of the Companies Act no 71 of 2008 read with regulation 43 of the Companies Regulations, 2012.

Responsibilities

The committees mandate, and main functions, are as follows:

- To monitor the Group's activities having regard to any relevant legislation, other legal requirements or existing codes of best practice, relating to:
  - Employment Equity Act.
  - Broad Based Black Economic Empowerment Act.
  - Good corporate citizenship, environment, health and public safety, to include the impact of the Groups activities and of its products and services.
  - Consumer relationships, and compliance with consumer protection laws.
  - Labour and employment.
- Raising matters of concern and importance within its mandate to the attention of the Board.
- Reporting to the shareholders of the Group at the Annual General Meeting.

Remuneration committee

The remuneration committee (Remco) comprised Messrs D Piaray (chairman), J M Judin and R Kinross. All members are independent non-executive directors, and the committee has satisfied its responsibilities in compliance with its written terms of reference during the year.

Attendance at remuneration committee meetings for the period 1 September 2013 – 31 August 2014:

		Attended	Eligible to attend
D Piaray	Chairman	2	2
J M Judin	Member	2	2
R Kinross	Member	2	2
G R Hindle	By invitation	2	2
B H Haikney	By invitation	2	2

The financial director and the company secretary attend all meetings of the committee by invitation, unless deemed inappropriate by the committee.

Remuneration policies are implemented by the remuneration committee with the objective of:

- Motivating sustainable value creation and superior performance.
- Informing stakeholders of remuneration practices and governance processes.
- Complying with all applicable legislative requirements.

The Board carries ultimate responsibility for the Remuneration Policy. The remuneration committee operates in accordance with Board approved terms of reference.

In terms of King III recommendations, the Remuneration Policy is submitted to shareholders for their non-binding vote.

The remuneration committee has the responsibility to:

- Determine and approve the group's general remuneration policy and philosophy, to be presented at each Annual General Meeting for a non-binding advisory vote by shareholders.
- Review and approve the remuneration packages of senior executives annually, including incentive schemes and increases or adjustments, ensuring they are appropriate, and in line with the remuneration policy.
- Reviews the recommendations of management on fee proposals for the chairman of the Board and the non-executive directors and determines, in conjunction with the Board, the final proposed remuneration.
- Agrees the criteria to be adopted for bonus incentives and share option allocations.
- Awards long-term incentives for executive directors and other qualifying members of senior management.
- Appraise the performance of the chief executive officer annually.
- Approve the appointments and promotions of key executives
- Review incidents (if any) of unethical behaviour by senior managers or executives.
- Review the remuneration committee's charter annually and recommend amendments thereto as required.
- Approve amendments to the Nu-World share-based incentive plan, after consultation with shareholders and the JSE Limited.
- Fulfill delegated responsibilities on Nu-World share based incentive plans, e.g. appointing trustees and compliance officers, if required.
- Undertake an annual assessment of the effectiveness of the committee, reporting these findings to the board and the committee.
- Review the charters of the group's significant subsidiaries' remuneration committees annually, and their annual assessment of compliance with these charters to establish if the Nu-World remuneration committee can rely on the work of the subsidiary companies' remuneration committees.
- Evaluates the remuneration policies in relation to the requirements of good corporate governance.
- Prepare an annual remuneration report for inclusion in the company's integrated annual report.

The remuneration committee and divisional subcommittees are supported by established human resource departments at group and subsidiary level responsible for implementation and management of human resource and remuneration strategies, policies and practices.

Key considerations undertaken during the year:

- A review of the pay structures for managerial employees.
- A review of the effectiveness of the share incentive scheme as a long-term incentive plan.
- Annual bonus and incentive scheme awards and the approval of performance targets.
- The range of base salary increases.
- Investigations into alternate specific long-term incentive scheme for key management and personal.

Share trust

The Group Share Option Scheme, which was approved by the shareholders a number of years ago, is managed by a Share Trust Fund. The trustees of the trust fund are as follows:

J M Judin	Chairman	Non-executive director
D Piaray	Trustee	Non-executive director
R Kinross	Trustee	Non-executive director

The main function of the Share Trust Committee is to award share options on recommendation of Remco to employee participants in terms of the trust deed, and to manage the share option scheme accordingly.

Remco utilises the share option scheme as the basis for long-term incentives to retain key employees, and reward deserving employees on a merit basis.

Nomination committee

The nomination committee is an independent committee. There is no formal meeting schedule because it will meet as and when required, but this committee meets at least twice a year.

The members of the committee are Messrs D Piaray (chairman), J M Judin and R Kinross. All members are independent non-executive directors in terms of the King III report. The financial director and the company secretary attend by invitation when appropriate.

The appointment of executive and non-executive directors is a transparent and formal procedure governed by the nomination committee's terms of reference. Special emphasis is placed on the development of diverse leadership representation of all race groups. Specific areas of responsibility include:

- Ensuring a balance of skills at Board level.
- Succession planning of executive management.
- Nomination of members to serve on subcommittees.

The desire for additional Board members requires that the nomination committee identify and evaluate suitable candidates to the Board. The composition of the various subcommittees were reviewed, and appointments recommended to the Board for approval.

Management committees

Executive committee

The executive committee comprises the executive directors, namely, M S Goldberg (chairman), J A Goldberg (chief executive officer), G R Hindle (financial director) and executive managers, namely, B H Haikney and other senior managers. The committee monitors the operations of the Group giving monthly operational feedback on administrative, treasury and operational issues in order to keep abreast of economic and business trends. The committee meets quarterly.

Attendance at executive committee meetings for the period 1 September 2013 – 31 August 2014:

		Attended	Eligible to attend
M S Goldberg	Chairman	4	4
J A Goldberg	Member	4	4
G R Hindle	Member	4	4
B H Haikney	Member	4	4

Information technology steering committee

The information technology steering committee comprises G R Hindle (chairman), G Smith, R Kellock and supported by senior management as and when required. The committee meets regularly and ensures that Group strategic business needs and core objects are met. In addition, the committee is tasked to keep up with ongoing technological changes in order to provide management with accurate and meaningful data to run the Group effectively.

A Group information technology disaster recovery plan is in place and is tested regularly to ensure systems continuity at all times.

Attendance at information technology steering committee meetings for the period 1 September 2013 – 31 August 2014:

		Attended	Eligible to attend
G R Hindle	Chairman	4	4
G Smith	Member	4	4
R Kellock	Member	4	4

Other corporate governance issues

Internal audit

NWHL do not believe it necessary to appoint separate internal auditors.

Internal control

The directors and management are responsible to maintain effective systems of internal control. These systems are designed to provide reasonable but not absolute assurance as to the integrity and reliability of the financial statements, to safeguard, verify and maintain accountability of the Group's assets and to detect and minimise significant fraud, potential liability, loss and material misstatement while complying with applicable laws and regulations.

Close day-to-day control of operations and procedures are maintained and monitored by senior management, producing monthly performance reports and management accounts for review by management, executive committee and the Board.

No significant internal control problems have come to the attention of the directors to indicate that a material breakdown in the controls within the Group has occurred.

Materiality and approval framework

Issues of a material or strategic nature, which can impact on the reputation and performance of the Group, are referred to the Board. Other issues, as mandated by the Board, are dealt with at executive management level.

The minutes of all the committee meetings are circulated to the members of the Board. Issues that require the Board's attention or a Board resolution are highlighted and included as agenda items for the next Board meeting.

Financial statements

The directors are responsible for ensuring that Group companies maintain adequate accounting records, and for reporting on the financial position of the Group at all levels to meet this responsibility. The external auditors are responsible for independently auditing and reporting on these financial statements in conformity with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act of South Africa. The Group's auditors have confirmed that the financial information is in accordance with the underlying audited financial records of the Company and its subsidiaries.

Company, secretarial and professional advice

To enable the Board to function effectively, all directors have full and timely access to all information that may be relevant to the proper discharge of their duties and obligations. This includes information such as agenda items for Board meetings, corporate announcements, investor communications and any other developments, which may affect NWHL or its operations. The office of the Group company secretary is responsible for facilitating this access.

The Group company secretary is responsible for the functions specified in section 88 of the Companies Act of 2008 (as amended) (the Act). All meetings of shareholders, directors and Board subcommittees are properly recorded as per the requirements of section 24 of the Act. The appointment and removal of the Group company secretary would be a matter for the Board as a whole.

The Board has considered and is satisfied that the company secretary has the necessary competence, qualifications and experience and regularly ensures that there is an arm’s length relationship between the company secretary and Board of directors. The company secretary Mr B H Haikney is required to ensure that the minutes of all shareholders’ meetings, directors’ meetings and minutes of any committee of the directors are properly recorded.

The directors have unlimited access to the services of the company secretary who is responsible to the Board for ensuring that proper corporate governance principles are adhered to. Board orientation and training are done when appropriate.

Dealing in securities

In accordance with the Listings Requirements of the JSE, NWHL has adopted a code of conduct for insider trading. During the closed period, directors and designated senior employees are prohibited from dealing in the Company's securities. Directors may only deal in the Company’s securities outside the closed period, with the authorisation of the Group chairman and/or the Group chief executive officer. The closed period lasts from the end of the financial reporting period until the publication of financial results for that period. Additional closed periods may be declared from time to time if circumstances warrant.

Stakeholder communication

NWHL is committed to transparent, timeous and consistent communications with stakeholders and aims to present in all its communications, a balanced and logical assessment of the Group’s position. The Group encourages stakeholder attendance at general meetings and, where appropriate, provides full and comprehensive explanations of the effect of resolutions to be proposed at these meetings.

Company announcements are released on SENS and posted on the Company’s website. Further results’ announcements are posted to shareholders. The chairman and Board are available to answer queries from stakeholders at all times and wherever possible, the Group chief executive officer or Group financial director will engage with the financial media to ensure accurate reporting. Communications with institutional shareholders and investment analysts is maintained through semi-annual presentations of financial results, one-on-one visits, trading statements and press announcements of interim and annual results.

Fraud and illegal acts

NWHL does not engage in or accept or condone the engaging in of any illegal acts in the conduct of its business. The directors’ policy is to actively pursue and prosecute the perpetrators of fraudulent or other illegal activities, should they become aware of any such acts.

Legal/arbitration

There are no pending or threatened legal or arbitration proceedings which had or may have a material effect on the financial position of the Company or the Group.

Going concern

The directors confirm, giving due cognisance to the Group’s current financial position and cash flows, that the Group is a going concern and accordingly will continue adopting the going concern basis in preparing the annual financial statements.

"Nu-World Holdings Limited (NWHL), having been in existence and a very successful business for over 65 years, recognises that in order to remain successful, survive and prosper, it is critical that it continually strategise and change, adopting sound business practices to ensure the long-term viability of the Group is in the interests of the stakeholders it serves."

Introduction

In pursuit of this sustainability objective, the Group embraces the philosophy of the King III Report, and endeavours to implement the principles in all areas. The Board has approved this report and mandated the social and ethics committee to take responsibility for the key sustainability issues contained in this report. The Group's audit committee has final oversight of the integrated annual report.

The Group's sustainability strategy is based on the acknowledgement of its responsibility to all stakeholders in order to ensure its long term viability. In pursuing this strategy, the Group has to continuously identify and consider the impact of its business on its stakeholders.

NWHL aims to provide a balanced assessment of the Group's strategic position and performance to enable all stakeholders to properly assess its ability to continue creating value sustainability into the future. As part of this, the Board has embraced integrated reporting, seeking to provide financial and non-financial information applicable to a range of stakeholders. The Board has mandated the Company's management to ensure implementation of sustainability principles and periodically report on progress and the reasons for non-compliance, where applicable.

Whilst King III also requires that sustainability reporting should be independently assured, the committee is of the opinion that it would be premature to obtain external assurance until the Group's recording systems are formalised. It is, however, the Group's intention to expand on the qualitative and quantitative information as systems are developed and put in place.
The scope of the review currently covers its South African operations and will in time be extended to cover its subsidiaries in other countries.

Scope of report

This report covers the economic, social and environmental performance of NWHL for the year from 1 September 2013 to 31 August 2014 and is intended to provide this information to a wide range of stakeholders with an interest in its performance. These include existing and prospective shareholders and investment analysts, government (local, provincial and national), industry organisations, trade unions, employees and their families, communities in the vicinity of our operations, contractors, suppliers, customers, business partners and the media.

NWHL commitment to all employees

Employees are the cornerstone of the Group and employee wellness and development is recognised as key factors that contribute to maintaining and building a sustainable business. Business practices are based on the values of trust, respect, commitment and loyalty. Driven from the top, management aims to create an environment where people are encouraged to act in a responsible way, work hard, build friendships and be part of a working family. The Group employs individuals with passion, who are skilled in their fields, who can contribute in meaningful ways and who can identify with the Group's values. Throughout the Group there are systems in place to incentivise, retain, and manage employees, promoting the necessary climate for positive and active employee participation, whilst benefiting the Group, its shareholders and the individuals.

Broad-based black economic empowerment (B-BBEE)

NWHL endorses the B-BBEE strategy of the Department of Trade and Industry which supports the policy of the South African government towards an "integrated and coherent socio-economic process that directly contributes to the economic transformation of South Africa and brings about significant increases in the numbers of previously disadvantaged individuals that manage, own and control the country's economy, and significant decreases in income inequalities".

The B-BBEE Codes of Good Practice have recently been revised subsequent to the last ratings that were done for the Group. The Group will be evaluating the new codes to establish a minimum Group target after taking into account their evaluation of the codes and their ability to sustainably comply with the revised targets.

The major South African wholly owned subsidiary, Nu-World Industries (Pty) Ltd, has attained a Level 5 accreditation in 2014. The Group will endeavour to improve on this level of accreditation.

NWHL will proceed with B-BBEE activities as and when appropriate, to ensure that the changes made and initiatives taken are sustainable, viable, and will be beneficial to our shareholders. Transformation will involve a systematic process and is not considered a short-term event.

The Group's B-BBEE subcommittee, duly constituted in 2003, has and continues to address the transformation challenges by focusing on each element separately which are presented below.

Employment equity

The Group commits itself to non-discrimination and employment equity, whilst maintaining its commitment to quality and service excellence.

The Group 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 Group 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 twelfth Employment Equity Plan to the department of labour. The Group is positively committed to this process, 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.

The employee/employer relationship is governed by the customary human resource policies, which are reviewed on a regular basis, i.e. safety, health, training and development, etc.

Ownership

Ownership represents the greatest challenge to the Group. The Board of Directors is continually in pursuit and negotiations with various parties in an attempt to find suitable partners that would be of benefit to all stakeholders.

Management control

The Board is in the process of identifying candidates who will add value to the Board and increase the black representation of the Board.

Skills development

Skills development is viewed as a strategic and business imperative. The Group recognises that diversity will enable management to use differing skills, expertise and cultures to enhance our ability to provide proper employee succession and deliver sustained growth of the Group into the future. Skills development, having remained static during the restructuring phases of the Group is now considered of key importance and initiatives are currently under way to formalise both internal and external training and development programs.

Preferential procurement

With regard to preferential procurement it should be noted that most of the Company's procurement spend is in product and components from international suppliers, and therefore our local spend is comparatively small. Nevertheless, we seek to place our local spend with black empowered and/or black-owned companies wherever possible. We also encourage the development of black-owned SMMEs by, *inter alia*, procuring services for them and assist whenever possible to allow key local suppliers to transform their business to achieve B-BBEE status.

Enterprise development

NWHL has participated successfully in enterprise development and will continue to identify new opportunities in the future.

Socio-economic development

NWHL has contributed in excess of 1% of net profit after tax towards socio-economic development, elements of which are included in the corporate social investment review.

Environment

The Group acknowledges the importance of the communities who may be affected by its operations and the safe guarding of the environment is considered in the normal business decision making processes.

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.

NWHL is committed to ensuring that its environmental management systems comply with legislation and attempts to promote the long term philosophy of continuous environmental 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.

Social investment

As the Company's head office and main operations are based on the outskirts of Alexandra in Sandton, the Group’s socio-economic development programs are mainly centered around development programs for the youth, elderly, woman and people with disabilities, living within the Alexandra community. The programs vary from community training, encouraging the skills development of the unemployed; support to the Alexander Police force, clinic and old age home; support for development programs for sport in the area; and programs focusing on conservation, education and waste management.

More specifically, the main beneficiaries of NWHL's Socio-Economic Development Initiative during the 2014 financial year were as follows:

- Alexandra Health Centre who provide primary healthcare services to the community.
- Phuthaditjaba Qoqizizwe who provide care for the aged.
- Sparrow Ministries who provides care and comfort to adults and children who have been infected or affected by the HIV/AIDS pandemic.
- Down Syndrome Association Gauteng who serve our disabled communities.

Occupational health and safety

Overall responsibility for health and safety across the Group rests with the NWHL board. The board is supported by human resource managers, health and safety managers as well as occupational health and safety representatives. Health and safety committees are in place to ensure that the guidelines that are set at Group level are complied with. These guidelines require that, as a minimum, all operations adhere to the legislation, regulations and codes of practice and industry standards of each country in which we operate.

The Group is continually in the process of developing and implementing a health and safety management system to improve its occupational health and safety management, in its drive to reduce the risks of/to its operations and services.

Due to regular safety, health and environment committee meetings and inspections by safety and health representatives, the board is satisfied that all non-conformances and risks are addressed and managed as required by the safety standards and Occupational and Safety legislation.

NWHL has a HIV/AIDS wellness policy to address and manage the potential impact of HIV/AIDS on the Group's activities. In recognising the seriousness of the HIV/AIDS pandemic, NWHL has over recent years intensified its drive to minimise the number of its employees who are infected by HIV and to prolong the lives of those who are already living with AIDS.

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.

The Company has implemented an intensive communication programme about NWHL'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.

FINANCIAL CONTENTS

"The Nu-World Group has performed exceptionally well for the financial year under consideration. The financial year ended 31 August 2014 has probably been one of the most rewarding and exciting years for the Group since 2007."

DIRECTORS' RESPONSIBILITY FOR AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 August 2014

The annual financial statements, set out on pages 39 to 87, were prepared by management in conformity with International Financial Reporting Standards and the Companies Act of South Africa, 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 auditing and reporting on the Group's annual financial statements.

The audit committee is comprised of three 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 38. The auditors are appointed each year based on recommendation by the audit committee.

M S Goldberg
Executive chairman
Sandton
22 October 2014

J A Goldberg
Chief executive officer

CERTIFICATE OF THE COMPANY SECRETARY

for the year ended 31 August 2014

I certify, in accordance with Section 88(2) of the Companies Act No. 71 of 2008 (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 2014. Furthermore, all such returns are true, correct and up to date.

Haikney

B H Haikney
Company secretary
Sandton
22 October 2014

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NU-WORLD HOLDINGS LIMITED

We have audited the consolidated and separate financial statements of Nu-World Holdings Limited set out on pages 42 to 87, which comprise the statements of financial position as at 31 August 2014, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Nu-World Holdings Limited as at 31 August 2014, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 31 August 2014, we have read the Directors' Report, the Managing Director's review and the Company Secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Tuffias Sandberg KSi
Registered Auditors

Per Ashley Muller
Partner
Registered Auditor
Partner
10 November 2014

REPORT OF THE AUDIT COMMITTEE

for the year ended 31 July 2013

The Board places strong emphasis on achieving the highest level of financial management, accounting and reporting to shareholders. An Audit Committee charter, which supports these principles, has been approved by the Board.

The Audit Committee, which comprises non-executive directors, reviews the scope of the audit and the accounting policies. The Audit Committee identifies key risk areas and evaluates exposure to significant risks and the appropriateness of internal controls.

The scope of the external audit and reliance on internal controls are discussed between the Audit Committee and the external auditors as part of the process of each audit. The external auditors have unrestricted access to the Audit Committee and its chairman.

The Audit Committee, with the auditors present, examines, reviews and discusses the audited annual financial statements and reports to be issued to the public before being submitted to the Board for approval. The Board is provided with regular reports on the committee's activities. The committee recommends the appointment of external auditors, the level of fees payable and the level of non-audit services.

Committee members

The following independent non-executive directors served on the Committee during the year:

R Kinross (Chairman)
J M Judin
D Piaray

In line with King III the composition of the Audit Committee will be presented to the shareholders for approval at the annual general meeting.

Appropriateness and experience of the Financial Director

The Committee has satisfied itself that Mr GR Hindle has the appropriate expertise and experience to meet the responsibilities of his appointment as Finance Director of the Group.

External audit

Tuffias Sandberg KSi were the external auditors of the Group for the 2014 financial year.

The external auditors provide an independent assessment of systems of internal financial control and express an independent opinion on the annual financial statements. The external audit function offers reasonable, but not absolute assurance on the accuracy of financial disclosures.

Based on processes followed and assurances received, the Audit Committee has no concerns regarding the external auditors independence.

The committee has recommended, for approval at the annual general meeting, the appointment of RSM Betty Dickson as external auditors for the 2015 financial year. The Committee has recommended Ms J Kitching as the registered auditor responsible for the audit.

Terms of reference

For the year under review the Committee is satisfied that it has met its responsibilities in accordance with its terms of reference, as fully set out in the integrated report.

Annual financial statements

The Committee has recommended the annual financial statements for approval to the Board. The Board has subsequently approved the financial statements which will be open for discussion at the forthcoming annual general meeting.

On behalf of the Audit Committee

R Kinross
Audit Committee chairman
18 December 2014

REPORT OF THE DIRECTORS

Nature of business

The Company is a holding company listed on the JSE Limited. Its subsidiaries 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 in the authorised share capital during the year under review.

Issued share capital

There were no changes in the issued share capital during the year under review.

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 15% of the company's issued share capital, being 1 912 500 shares. The aggregate number of shares in respect of which any employee may hold options in terms of the scheme is 1 million shares. The trust requires a minimum of two trustees. The current trustees are Messrs R Kinross, D Piaray and J M Judin. No trustee is a beneficiary of the trust.

Refer to note 29 in the attached financial statements for further details.

Dividend

The Board has resolved to declare a dividend to shareholders of 110,6 cents per share.

Directors

The composition of the board of directors during the year under review was as follows:
M S Goldberg (executive chairman),
J A Goldberg (chief executive),
G R Hindle, J M Judin, D Piaray and R Kinross.

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

Secretary

Mr B H Haikney
Business and postal address:
The secretary
35, 3rd 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 88 of 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 5,6%.

Since 31 August 2014 and the date of this report the following directors have acquired additional shares:

M S Goldberg	65 000
J A Goldberg	65 000
G R Hindle	28 608

Events after reporting date

No material facts or circumstances have occurred between 31 August 2014 and the date of this report.

The directors' interests in the issued share capital of the Company was as follows:

	Direct beneficial	Indirect beneficial	Total 2014	Total 2013
Executive				
M S Goldberg	142 805	437 000	579 805	579 805
J A Goldberg	637 610		637 610	637 610
G R Hindle	4 470		4 470	4 470
Non-executive				
R Kinross	12 500		12 500	10 000
D Piaray				
J M Judin		26 039	26 039	26 039

Directors' remuneration

	Directors' fees R'000	Basic salary R'000	Performance bonus R'000	Other allowances R'000	Total 2014 R'000	Total 2013 R'000
Executive						
M S Goldberg		4 052		467	4 519	4 432
J A Goldberg		4 268		486	4 754	4 432
G R Hindle		2 980		748	3 728	3 477
Non-executive						
R Kinross	160				160	145
D Piaray	160	–			160	145
J M Judin	190				190	175
	510	11 300	–	1 701	13 511	12 806

STATEMENTS OF FINANCIAL POSITION

as at 31 August 2014

		Group		Company	
		2014	2013	2014	2013
	Note	R'000	R'000	R'000	R'000
ASSETS					
Non-current assets		113 793	113 014	85 597	85 662
Property, plant and equipment	2	30 482	32 625		
Intangible assets	3	62 584	61 216		
Investment in subsidiaries	4			85 568	85 568
Investment in associates	5	107	94	29	94
Deferred tax	6	20 620	19 079		
Current assets		944 265	789 685	35 579	34 890
Inventories	7	431 440	377 459		
Trade and other receivables	8	402 798	287 362		
Other financial assets	9.1	431	2 492		
Cash and bank balances		105 596	122 372		
Loans to subsidiaries	10			35 579	34 890
Assets classified as held-for-sale	11	4 000			
Total assets		1 058 058	902 699	121 176	120 552
EQUITY AND LIABILITIES					
Capital and reserves		797 667	711 111	47 597	33 733
Issued share capital	12.1	19 482	19 482	21 370	21 370
Treasury share reserve	12.2	(24 925)	(23 685)		
Foreign currency translation reserve	12.2	23 143	19 225		
Retained earnings		724 644	660 373	26 227	9 803
Share-based payment reserve	13	15 369	2 560		2 560
Capital and reserves attributed to owners of the company		757 713	677 955	47 597	33 733
Non-controlling interest		39 954	33 156		
Non-current liabilities		10 889	9 516	–	–
Deferred tax	6	10 889	9 516		
Current liabilities		249 502	182 072	73 579	86 819
Trade and other payables	14	181 434	151 368	23	22
Current tax liability		17 403	5 629	3	3
Other financial liabilities	9.2	657			
Provisions	15	12 360	12 909		
Loans from subsidiaries	16			73 553	86 794
Bank overdraft	17	37 648	12 166		
Total equity and liabilities		1 058 058	902 699	121 176	120 552

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 August 2014

		Group		Company	
		2014	2013	**2014**	2013
	Note	**R'000**	R'000	**R'000**	R'000
Continuing operations					
Revenue	18	**2 108 072**	1 684 064	**28 524**	29 584
Cost of sales		**1 698 112**	1 387 798		
Gross profit		**409 960**	296 266	**28 524**	29 584
Other income	19	**5 978**	28 749		
Selling and distribution costs		**183 968**	172 472		
Administrative expenses		**69 280**	56 199		
Operating expenses		**54 148**	26 591	**1 208**	1 142
Operating profit	20	**108 542**	69 753	**27 316**	28 442
Finance income		**695**	549		
Finance costs	21	**4 356**	7 225		
Profit before tax		**104 881**	63 077	**27 316**	28 442
Income tax expense	22	**(26 256)**	(14 514)		(25)
		78 625	48 563	**27 316**	28 417
Share of profit attributable to associates		**13**	24		24
Profit for the year from continuing operations		**78 638**	48 587	**27 316**	28 441
Discontinued operations					
Loss from discontinued operations, net of tax	23		(12 481)		
Profit for the year		**78 638**	36 106	**27 316**	28 441
Profit for the year attributable to:					
Non-controlling interest		**3 475**	(351)		
Owners of the company		**75 163**	36 457	**27 316**	28 441
		78 638	36 106	**27 316**	28 441
Earnings per share					
Basic earnings per share (cents)	24	**351,6**	170,2		
Headline earnings per share (cents)	24	**351,1**	223,1		
Diluted basic earnings per share (cents)	24	**337,3**	163,1		
Diluted headline earnings per share (cents)	24	**336,8**	213,8		
Earnings per share from continuing operations					
Basic earnings per share from continuing operations (cents)	24	**351,6**	268,4		
Diluted basic earnings per share from continuing operations (cents)	24	**351,1**	257,2		

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME CONTINUED

for the year ended 31 August 2014

		Group		Company	
		2014	2013	2014	2013
	Note	R'000	R'000	R'000	R'000
Profit for the year		78 638	36 106	27 316	28 441
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations		7 241	5 482	–	–
Gains arising during the year		8 920	7 831		
Related tax		(1 679)	(2 349)		
Other comprehensive income for the year, net of tax		7 241	5 482	–	–
Total comprehensive income for the year		85 879	41 588	27 316	28 441
Total comprehensive income for the year attributable to:					
Non-controlling interest		6 798	1 877		
Owners of the Company		79 081	39 711	27 316	28 441
		85 879	41 588	27 316	28 441

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 August 2014

	Issued share capital R'000	Treasury share R'000	Foreign currency translation reserve R'000	Share-based payment reserve R'000	Retained earnings R'000	Total R'000	Non-controlling interest R'000	Total equity R'000
GROUP								
Balance at 31 August 2012	19 482	(23 602)	12 223	2 560	641 708	652 371	43 812	696 183
Total comprehensive income for the year			7 002		36 457	43 459	(15 653)	27 806
Dividend paid					(12 795)	(12 795)		(12 795)
Treasury shares acquired		(83)				(83)		(83)
Transfer of non-controlling interest on disposal of subsidiaries					(4 997)	(4 997)	4 997	–
Balance at 31 August 2013	19 482	(23 685)	19 225	2 560	660 373	677 955	33 156	711 111
Total comprehensive income for the year			3 918		75 163	79 081	6 798	85 879
Dividend paid					(13 452)	(13 452)		(13 452)
Treasury shares acquired		(1 240)				(1 240)		(1 240)
Transfer to retained earnings				(2 560)	2 560	–		–
Issue of share-based payment awards				15 369		15 369		15 369
Balance at 31 August 2014	19 482	(24 925)	23 143	15 369	724 644	757 713	39 954	797 667

	Issued share capital R'000	Share-based payment reserve R'000	Retained earnings R'000	Total R'000
COMPANY				
Balance at 31 August 2012	21 370	2 560	(5 843)	18 087
Total comprehensive income for the year			28 441	28 441
Dividend paid			(12 795)	(12 795)
Balance at 31 August 2013	21 370	2 560	9 803	33 733
Total comprehensive income for the year			27 316	27 316
Dividend paid			(13 452)	(13 452)
Transfer to retained earnings		(2 560)	2 560	–
Balance at 31 August 2014	21 370	–	26 227	47 597

STATEMENTS OF CASH FLOWS

for the year ended 31 August 2014

		Group		Company	
		2014	2013	2014	2013
	Note	R'000	R'000	R'000	R'000
Cash flows from operating activities		(43 480)	155 187	13 930	14 461
Receipts from customers		2 008 229	1 971 388	28 524	28 352
Paid to suppliers and employees		(2 019 625)	(1 778 385)	(1 142)	(1 096)
Cash (utilised by)/generated from operations	26.1	(11 396)	193 003	27 382	27 256
Finance income		695	549		
Finance costs		(4 356)	(7 225)		
Tax paid	26.2	(14 971)	(18 345)		
Dividends paid	26.3	(13 452)	(12 795)	(13 452)	(12 795)
Cash flows from investing activities		(3 580)	26 891	(689)	9 098
Acquisition of property, plant and equipment		(3 783)	(27 169)		
Proceeds on disposal of property, plant and equipment		203	29 307		
Loan to associate repaid			490		490
Redemption of investment in preference shares			51 705		
Trademarks acquired			(31 705)		
Net cash inflow from disposal of subsidiary	26.4		4 346		
Increase in investment in treasury shares			(83)		
Loans to subsidiaries (advanced)/repaid				(689)	8 608
Cash flows from financing activities		–	(20 000)	(13 241)	(23 559)
Secured borrowing repaid			(20 000)		
Loans from subsidiaries repaid				(13 241)	(23 559)
Net (decrease)/increase in cash and cash equivalents		(47 060)	162 078	–	–
Cash and cash equivalents at the beginning of the year		110 206	(54 640)		
Effects of exchange rate changes on the balance of cash held in foreign currencies		4 802	2 768		
Cash and cash equivalents at the end of the year		67 948	110 206	–	–

1. Basis of preparation and accounting policies

1.1 General information

Nu-World Holdings Limited is a company incorporated in South Africa.

The address of its registered office is 35, 3rd Street, Wynberg, Sandton, 2199.

The principal business of the company is a holding company listed on the JSE. Its subsidiaries import and export a diversified range of Electrical Appliances, Consumer Electronics and Branded Consumer Durables.

The consolidated and separate annual financial statements have been presented in South African Rand, and all amounts have been rounded to the nearest thousand Rand.

The consolidated and separate financial statements of Nu-World Holdings Limited for the year ended 31 August 2014 were authorised for issue in accordance with a resolution of the Directors on 22 October 2014.

1.2 Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the IASB, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and financial pronouncements as issued by the Financial Reporting Council, the JSE Limited's Listing Requirements and the requirements of the Companies Act of South Africa.

1.3 Basis of preparation

The consolidated and separate annual financial statements have been prepared on the historical cost basis, unless stated otherwise.

1.4 Accounting policies

The consolidated and separate financial statements incorporate the following principal accounting policies, which have been applied consistently to all periods presented in these consolidated and separate financial statements unless stated otherwise.

1.4.1 Standards, amendments and interpretations effective in 2014

The following amendments to published standards are mandatory for the Group's accounting period beginning on or after 1 September 2013:

Number	Effective date	Executive summary
Amendments to IFRS 1 – First-time adoption of International Financial Reporting Standards	1 January 2013	This amendment did not have an impact on the Group.
Amendments to IFRS 7 – Financial instruments: disclosures – asset and liability offsetting	1 January 2013	This amendment did not have an impact on the Group.
Amendment to IAS 16 – Property, plant and equipment	1 January 2013	This amendment did not have an impact on the Group.
Amendment to IAS 19 – Employee benefits	1 January 2013	This amendment did not have an impact on the Group.
IFRS 10 – Consolidated financial statements and the amendment to the transition requirements in IFRS 10, IFRS 11 and IFRS 12	1 January 2013	This standard had no impact on the Group.
IFRS 11 – Joint arrangements	1 January 2013	This standard had no impact on the Group.
IFRS 12 – Disclosures of interests in other entities	1 January 2013	This standard had no impact on the Group.
IFRS 13 – Fair value measurement	1 January 2013	This standard had no impact on the Group.
IAS 27 (revised 2011) – Separate financial statements	1 January 2013	This revision had no impact on the Group.
IAS 28 (revised 2011) – Associates and joint ventures	1 January 2013	This revision had no impact on the Group.
Amendment to IAS 1 – Presentation of financial statements	1 January 2013	This amendment had no impact on the Group.
Amendment to IAS 32 – Financial instruments: presentation	1 January 2013	This amendment had no impact on the Group.
Amendment to IAS 34 – Interim financial reporting	1 January 2013	This amendment had no impact on the Group.

1. Basis of preparation and accounting policies (continued)

1.4 Accounting policies (continued)

1.4.2 Comparative figures

The comparative figures are reclassified or restated as necessary to afford a proper and more meaningful comparison of results as set out in the affected notes to the financial statements.

Certain additional disclosure has been provided in respect of the current year. To the extent practicable comparative information has also been provided.

1.4.3 Basis of consolidation

Subsidiaries and business combinations

Subsidiaries are entities controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income (SPLOCI) from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Transactions eliminated on consolidation

Intra-group balances and unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Impairment losses on transactions are recognised immediately if the loss provides evidence of a reduction in the recoverable amount of current assets.

Non-controlling interest

Non-controlling interest represents the portion of profit or loss and the net identifiable assets not held by the Group and are presented separately in the statement of comprehensive income and within equity in the consolidated statement of financial position, separately from owner shareholders' equity.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in OCI in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting, when applicable, the cost on initial recognition of an investment in an associate.

1. Basis of preparation and accounting policies (continued)

1.4 Accounting policies (continued)

Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investment in its associate is accounted for using the equity method and the company's investment is accounted for at cost, less accumulated impairment losses.

Under the equity method, the investment in associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The SPLOCI reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the SPLOCI outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies into line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as "Share of profit attributable to associates" in the SPLOCI.

Upon loss of significant influence over the associate the Group measures and recognises any retained investment as its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

1.4.4 Property, plant and equipment

Property, plant and equipment items are stated at cost less accumulated depreciation and accumulated impairment losses and are depreciated on the reducing balance basis to reduce their cost to their residual values over their estimated useful lives.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. The estimated useful lives are:

Land	Infinite
Buildings	50 years
Computers and software	2 – 10 years
Motor vehicles	4 – 5 years
Equipment	10 – 13 years
Furniture, fixtures and fittings	4 – 13 years
Leasehold improvements	3 – 40 years

Depreciation methods, residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount when the asset's carrying amount is greater than its estimated recoverable amount.

Profits and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.4.5 Intangible assets

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

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 to goodwill arising on consolidation. Goodwill is not

1. Basis of preparation and accounting policies (continued)

1.4.5 Intangible assets (continued)

Goodwill (continued)

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;
- the measurement of the cost of the combination; and
- recognise immediately in profit or loss any excess remaining after that assessment.

Intellectual property

Intellectual property is recognised at directors valuation on the acquisition of a subsidiary. Intellectual property has a finite useful life and is measured at directors' initial valuation less any accumulated amortisation and any impairment losses. Intellectual property is amortised over its useful life, which is estimated to be 20 years. The useful life is reviewed at each reporting date.

Trademarks

The trademarks carried on the statement of financial position were acquired separately and are recognised as assets at their historical cost. The trademarks are assessed as having indefinite useful lives and are carried at cost less accumulated impairment losses.

1.4.6 Investments in subsidiaries and associates

Investments in subsidiaries and associates are stated at cost less any accumulated impairment losses.

1.4.7 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories 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. Specific allowances are made for slow moving, obsolete and redundant inventories.

1.4.8 Financial instruments

Financial assets and financial liabilities are recognised in the Group's and Company's statement of financial position when the Group or Company becomes a party to the contractual provisions of the instrument.

Loans and receivables

Loans and receivables are measured on initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Held-to-maturity Investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition they are measured at amortised cost using the effective interest method less any impairment.

Cash and cash resources

Cash and cash resources comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, and are measured at fair value.

Borrowings, bank overdraft and trade and other payables

Borrowings, bank overdraft and trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

Derivatives including forward exchange contracts are categorised as financial instruments at fair value through profit or loss. Purchases and settlements of derivative financial instruments are recognised on the trade date at cost and are subsequently measured at fair value. Realised and unrealised gains and losses arising from changes in the fair value of derivative financial instruments are recognised in profit or loss as other income or other expenses in the period in which they arise. The fair value of forward foreign exchange contracts is determined using exchange rates at the reporting date.

Impairment of financial assets

The Group and Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets are impaired.
An impairment exists if one or more events that has occurred since the initial recognition of the asset, has

1. Basis of preparation and accounting policies (continued)

1.4.8 *Financial instruments (continued)*

Impairment of financial assets (continued)

an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

1.4.9 *Assets classified as held-for-sale*

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held-for-sale and are carried at the lower of carrying value and fair value less costs of disposal to sell. Immediately before classification as assets held-for-sale, the measurement of the assets (and all assets and liabilities in a disposal group) is determined in accordance with applicable IFRS. Then, on initial classification as assets held-for-sale, non-current assets and disposal groups are recognised at the lower of the carrying amounts and fair value less costs to distribute. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, and employee benefit assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held-for-sale and subsequent profits or losses on remeasurement are recognised in the SPLOCI. Profits are not recognised in excess of any cumulative impairment loss.

1.4.10 *Share capital*

Issued share capital

Issued share capital is stated in the statement of changes in equity at the amount of the proceeds received less directly attributable issue costs.

Treasury shares

Treasury shares represent the shares in Nu-World Holdings Limited that are held by controlled entities. These shares are held at cost and treated as a deduction against Group reserves.

1.4.11 *Foreign currencies*

Foreign operations

The assets and liabilities of the consolidated foreign subsidiaries are translated into South African Rand at rates of exchange ruling at reporting date. The income and expenses are translated at the weighted average rate of exchange for the period as it approximates the exchange rates at the dates of the transactions. Aggregate profits or losses on the translation of the foreign subsidiaries are recognised in OCI and presented in the foreign currency translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Foreign currency transactions and balances

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

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the rates of exchange ruling at the reporting date. Unrealised differences on monetary assets and liabilities are recognised in the SPLOCI in the period in which they occur, except when they relate to cash flow hedging activities in which case these profits and losses for the effective portion are recognised as other comprehensive income.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

1.4.12 *Share-based payments*

The Group historically issued equity-settled share-based payments to certain employees. The equity-settled share-based payments were measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments was expensed over the vesting period, based on the Group's estimate of the shares that would have eventually vested and adjusted for the effect of non-market-based vesting

1. Basis of preparation and accounting policies (continued)

1.4.12 Share-based payments (continued)

conditions. Fair value had been calculated using the Black Scholes model. The expected life used in the model had been adjusted, based on management's estimates for the effects of non-transferability, exercise restrictions and behavioural considerations. If modification to a scheme results in a non-beneficial modification, the share-based payment expense already recognised is not adjusted.

1.4.13 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

1.4.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Warranty provisions

Provision is made in respect of the Group's estimated liability on all products under warranty at reporting date. The provision is measured as the present value of future cash flows estimated to be required to settle the warranty obligation. The future cash flows have been estimated by reference to the Group's history of warranty claims.

Warranty provisions are determined with reference to historical sales, the average period of warranties granted and data available to estimate a return pattern which is likely to occur in the future periods. Allowance is made for the estimated amount to be recovered from inventory that may be salvageable in the future.

Bonus provisions

Provision is made in respect of the Group's estimated liability on employee bonuses at reporting date. These bonuses are payable at the sole discretion of the managing director.

The amount of the provision is the best estimate of the expenditure required to settle the present obligation at the reporting date.

1.4.15 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible

1. Basis of preparation and accounting policies (continued)

1.4.15 Impairment of tangible and intangible assets other than goodwill (continued)

to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.4.16 Significant judgements and sources of estimation uncertainty

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Allowance for doubtful debts of trade debtors

An allowance for impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade debtor is impaired. The amount of the allowance is the difference between the trade debtor's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Property, plant and equipment

Property, plant and equipment is depreciated on a reducing balance basis over its useful life to residual value. Depreciation methods, residual values and useful lives are based on management's best estimates and actual future outcomes may differ from these estimates.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves an exercise of significant judgement and estimates of the outcome of future events.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

1. Basis of preparation and accounting policies (continued)

1.4.16 Significant judgements and sources of estimation (continued)

Share-based payments – equity

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. The Group is currently using the Black Scholes model and making assumptions about them.

Income tax expense

Taxes are a matter of interpretation and subject to changes. The Group makes use of tax experts to advise on all tax matters. Estimations of normal company tax and Capital Gains Tax (CGT) are based on the advice and management's interpretation thereof.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life tangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of intellectual property

At the end of each reporting period, the Group reviews the carrying amounts of its intellectual property to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment of trademarks

The Group annually tests whether trademarks with an indefinite useful life have suffered any impairment. When performing impairment testing, the recoverable amount is determined for the individual asset. If the asset does not generate cash flows that are largely independent from other assets or groups of assets then the recoverable amounts of cash-generating units that those assets belong to are determined based on discounted future cash flows.

Employee entitlements

In calculating the present value of future cash flows in respect of provision for long service leave, directors have used their judgement in determining the probability of retention of the employees.

Warranty provisions

Provision is made in respect of the Group's estimated liability on all products and services under warranty at reporting date. The provision is measured as the present value of future cash flows estimated to be required to settle the warranty obligation. The future cash flows have been estimated by reference to the Group's history of warranty claims.

1.4.17 Revenue

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue is measured net of returns, trade discounts and volume rebates.

1.4.18 Operating leases

Leases of assets under which substantially all the risks and rewards incidental to ownership are effectively retained by the lessor are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except

1. Basis of preparation and accounting policies (continued)

1.4.18 Operating leases (continued)

where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

1.4.19 Finance income

Finance income comprises interest income calculated using the effective interest rate method. Finance income is recognised in profit or loss in the period in which it is incurred.

Dividend income is recognised when the Company's rights to receive payment is established.

1.4.20 Finance costs

Finance costs comprises interest paid and payable on borrowings, calculated using the effective interest method. Finance costs are recognised in profit or loss in the period in which they are incurred.

1.4.21 Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay.

Contributions are made by the economic entity to an employee superannuation fund and are charged as expenses when incurred. There is no legal obligation to provide benefits to employees on retirement.

1.4.22 Discontinued operations

A discontinued operation results from the sale or abandonment of an operation that represents a separate major line of business or geographical area of operations and of which the assets, net profit or loss and activities can be distinguished physically, operationally and for financial reporting purposes. A subsidiary acquired exclusively with the view to resale is also classified as a discontinued operation. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative period.

1.4.23 Earnings per share

Basic

Basic earnings per share has been calculated on the basis of net profit attributable to owners of the company in relation to the weighted average number of shares in issue during the financial year.

Diluted

Diluted earnings per share is calculated adjusting the weighted average number of shares outstanding, which assumes conversion of all dilutive potential shares. The Group has only one category of dilutive potential shares: share options.

The calculation is performed for the share options to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the company's shares) based on the monetary value of the subscriptions rights attached to outstanding share options.

Headline earnings per share

The presentation of headline earnings per share as an alternative measure to earnings per share is required under the JSE Listing Requirements.

	Group		Company	
	2014 R'000	2013 R'000	2014 R'000	2013 R'000
2. Property, plant and equipment				
Cost				
Land	7 000	8 500		
Buildings	14 305	16 805		
Plant and machinery	4 550	4 580		
Motor vehicles	7 053	6 875		
Office equipment and furniture	20 342	19 626		
Leasehold improvements	4 277	1 605		
	57 527	57 991		
Accumulated depreciation and accumulated impairment losses				
Buildings	391	56		
Plant and machinery	2 842	2 862		
Motor vehicles	5 466	5 396		
Office equipment and furniture	17 513	16 470		
Leasehold improvements	833	582		
	27 045	25 366		
Net carrying amount				
Land	7 000	8 500		
Buildings	13 914	16 749		
Plant and machinery	1 708	1 718		
Motor vehicles	1 587	1 479		
Office equipment and furniture	2 829	3 156		
Leasehold improvements	3 444	1 023		
	30 482	32 625		

2. Property, plant and equipment continued

Movement summary	Land R'000	Buildings R'000	Plant and machinery R'000	Motor vehicles R'000	Office equipment and furniture R'000	Leasehold improvements R'000	Total R'000
Group							
2014							
Opening net carrying amount	8 500	16 749	1 718	1 479	3 156	1 023	32 625
Additions			94	505	525	2 659	3 783
Disposals			(28)	(20)			(48)
Depreciation		(335)	(76)	(420)	(853)	(233)	(1 917)
Transfer to assets classified as held-for-sale	(1 500)	(2 500)					(4 000)
Exchange rate translation difference				43	1	(5)	39
Closing net carrying amount	7 000	13 914	1 708	1 587	2 829	3 444	30 482
2013							
Opening net carrying amount			4 224	1 956	6 862	4 609	17 651
Additions	8 500	16 805	64		1 641	159	27 169
Disposals			(2 137)		(3 337)	(3 260)	(8 734)
Depreciation		(56)	(535)	(508)	(2 483)	(433)	(4 015)
Exchange rate translation difference			102	31	473	(52)	554
Closing net carrying amount	8 500	16 749	1 718	1 479	3 156	1 023	32 625

	Group		Company	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
3. Intangible assets				
Intellectual property				
Carrying amount at beginning of year		14 155		
Amount impaired during year		(14 155)		
Carrying amount at end of year	–	–		
Goodwill				
Carrying amount at beginning of year	29 510	47 773		
Amount impaired during year		(22 380)		
Exchange rate translation difference	1 368	4 117		
Carrying amount at end of year	30 878	29 510		
The carrying amount of goodwill is attributable to the following cash-generating units: Consumer goods – direct wholesale business				
The recoverable amount of the cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period, and a discount rate of 15% per annum (2013: 15% per annum).				
Cash flow projections during the budgeted period are based on the same expected gross margins and varying price inflation throughout the budgeted period. The directors believe that any possible change in the key assumptions on which recoverable amount is based would cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.				
Trademarks				
Carrying amount at beginning of year	31 706			
Acquired during the year		31 706		
Carrying amount at end of year	31 706	31 706		
	62 584	61 216		

No impairment losses on intangible assets were recognised in the current year.

On 15 April 2013 the Group disposed of the assets of Nu-World Australia Proprietary Limited (NWA) (formerly OO Australasia Proprietary Limited). When the decision was made to dispose of the assets of NWA, the assets met the criteria of a disposal group. Immediately before the classification of the disposal group as held for sale, the carrying amounts of the assets and liabilities in the disposal group were remeasured in terms of IAS36. As a result the intellectual property and goodwill attributable to NWA was assessed for impairment. The intellectual property was impaired by R14 154 687 based on managements view that it would be abandoned. Goodwill was impaired by R22 380 638 as management believed at that date there was no future economic benefit related thereto.

There was no allocated impairment loss on initial classification as held-for-sale.

For both intellectual property and goodwill, the fair value less costs of disposal and value in use were determined to be nil resulting in a recoverable amount of nil.

		Group		Company	
		2014 R'000	2013 R'000	2014 R'000	2013 R'000
4.	**Investment in subsidiaries**				
	Shares at cost			85 568	85 568
	Refer to page 88 for analysis of subsidiaries.				
	During the 2013 financial year there were changes in ownership without a change in control when the Group acquired the non-controlling interests in Nu-World Australia Proprietary Limited and Nu-World Global Limited. There was no consideration paid for the additional shares as the companies had no net assets and accordingly no accounting adjustments were made.				
5.	**Investment in associates**				
	On 1st September 2009 the Group acquired a 49% share of Lefase Logistics Proprietary Limited.				
	Shares at cost	29	29	29	29
	Equity-accounted share of profit or loss	78	65		65
		107	94	29	94
6.	**Deferred tax**				
	Net deferred tax asset at the beginning of the year	(9 563)	(6 938)		
	Recognised in profit or loss				
	Deferred tax income related to the origination and reversal of temporary differences.	(161)	(741)		
	Exchange rate translation difference	(1 686)	(4 233)		
	Recognised in other comprehensive income – translation reserve	1 679	2 349		
	Net deferred tax asset at the end of the year	(9 731)	(9 563)		
	Comprises:				
	Asset	(20 620)	(19 079)		
	Computed tax losses	(14 434)	(13 358)		
	Provisions and accruals	(6 186)	(5 721)		
	Liability	10 889	9 516		
	Property, plant and equipment	1 112	1 226		
	Translation reserve	11 318	9 639		
	Provisions and accruals	(1 541)	(1 349)		
		(9 731)	(9 563)		

		Group		Company	
		2014	2013	2014	2013
		R'000	R'000	R'000	R'000
7.	**Inventories**				
	Finished goods	431 440	377 459		
	The amount of the write-down of inventories recognised as an expense is R14 462 227 (2013: R4 558 362 reversal of write-down). This expense is included in the cost of sales line item as a cost of inventories.				
8.	**Trade and other receivables**				
	Trade receivables	314 999	195 110		
	Prepayments	69 568	89 854		
	Others (aggregate of immaterial items)	3 249	2 945		
	Staff loans	15 369			
	Allowance for impairment	(387)	(547)		
		402 798	287 362		
	In line with the Group's accounting policies, total accruals of R53 061 265 (2013: R 27 946 366) are held in respect of the Group's total trade receivables. These accruals relate to, *inter alia*, customer returns and claims.				
9.	**Other financial assets and liabilities**				
9.1	**Other financial assets**				
	Financial instruments at fair value through profit or loss				
	Derivatives not designated as hedges:				
	Foreign exchange contracts	431	2 492		
	Total current	431	2 492		
	Total non-current				
9.2	**Other financial liabilities**				
	Financial instruments at fair value through profit or loss				
	Derivatives not designated as hedges:				
	Forward exchange contracts	657			
	Total current	657			
	Total non-current				

Other financial assets and other financial liabilities through profit or loss are those forward exchange contracts that are not designated as hedge relationships as they are intended to reduce the level of foreign currency risk for expected purchases.

		Group		Company	
		2014	2013	2014	2013
		R'000	R'000	R'000	R'000
10.	**Loans to subsidiaries**				
	Nu-World Industries Proprietary Limited			4 894	
	Nu-World Global Limited			14 980	14 853
	Nu-World Global Investments Proprietary Limited				4 332
	The above loans are unsecured, interest free, with no fixed terms of repayment.				
	Yale Prima Proprietary Limited			15 705	15 705
	The above loan is unsecured, bears interest at 6.5% (2013: 6.5%), with no fixed terms of repayment. The loan has been subordinated in favour of the abovementioned company's banker.				
				35 579	34 890
11.	**Assets classified as held-for-sale**				
	Land and buildings for sale	4 000			
	The Group intends to dispose of land and buildings in the next 12 months that it does not utilise. No impairment loss was recognised immediately before reclassification of the land and buildings as held-for-sale or on initial classification as the directors of the Group expect that the fair value (estimated based on the recent market prices of similar locations) less costs to sell is higher than the carrying amount.				
12.	**Capital and reserves**				
12.1	**Issued 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 ordinary shares of 1 cent each	227	227	227	227
	Share premium	19 255	19 255	21 143	21 143
		19 482	19 482	21 370	21 370

12.2 Nature and purpose of reserves

Treasury share reserve

The reserve for the Company's treasury shares comprises the cost of the Company's shares held by the Group. At 31 August 2014, the Group held 1 291 745 of the Company's shares (2013: 1 228 770).

Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

		Group		Company	
		2014	2013	2014	2013
		R'000	R'000	R'000	R'000
13.	**Share-based payment reserve**				
	Equity arising on share-based payment transactions	15 369	2 560		2 560
14.	**Trade and other payables**				
	Trade payables	119 949	112 741		
	Accrued expenses	34 252	23 141	23	22
	Value added tax	8 823	7 160		
	Others (aggregate of immaterial items)	18 410	8 326		
		181 434	151 368	23	22
	The directors consider the carrying amount of trade and other payables to approximate their fair value. The credit period of trade payables ranges between 30 and 90 days.				
15.	**Provisions**				
	Warranty provisions	10 153	10 893		
	Employee bonus provisions	2 207	2 016		
		12 360	12 909		
	Analysis of movement:				
	Warranty provisions				
	Opening balance	10 893	10 097		
	Additional provision recognised for the year	127	878		
	Utilisation of provision	(867)	(82)		
	Closing balance	10 153	10 893		
	Employees bonus provisions				
	Opening balance	2 016	2 744		
	Additional provision recognised for the year	2 109	1 800		
	Utilisation of provision	(1 918)	(2 528)		
	Closing balance	2 207	2 016		

Warranty provisions

The warranty provisions represent management's best estimate of the Group's liability under the 12 month warranties granted on household domestic products and electronics and based on prior experience and industry averages for defective products and new legislation.

Employees bonus provisions

These bonuses are due to be paid in December each year. These bonuses were approved by the Remuneration Committee, and are payable at the discretion of the Managing Director.

		Group 2014 R'000	Group 2013 R'000	Company 2014 R'000	Company 2013 R'000
16.	**Loans from subsidiaries**				
	Conti Industries Proprietary Limited			41 104	41 104
	Conti Marketing Proprietary Limited			32 447	32 447
	Nu-World Industries Proprietary Limited				13 242
	Nu-World Property Investments Proprietary Limited			1	1
	Nu-World Global Investments Proprietary Limited			1	
	The above loans are unsecured, interest free, with no fixed terms of repayment.				
				73 553	86 794
17.	**Bank overdraft**				
	Secured	22 648	12 166		
	Unsecured	15 000			
	The banking facitlites of Yale Prima Proprietary Limited are secured by a registered fixed and floating charge over the assets of Yale Prima Proprietary Limited.				
	Both the secured and unsecured facilities are repayable on demand. The outstanding amount is repayable within one year.				
		37 648	12 166		
18.	**Revenue**				
18.1	**Group**				
	Continuing operations	2 108 072	1 684 064		
	Discontinued operations		258 893		
		2 108 072	1 942 957		
	Consolidated revenue comprises the net invoiced value of goods supplied to customers, less trade discounts and rebates where applicable.				
18.2	**Company**				
	Revenue comprises dividends and interest received from subsidiary companies.			28 524	29 584

	Group 2014 R'000	Group 2013 R'000	Company 2014 R'000	Company 2013 R'000
19. Other income				
From continuing operations				
Profit on disposal of property, plant and equipment	156			
Net exchange differences on financial assets measured at fair value through profit or loss		2 492		
Net foreign exchange gains	5 121	23 624		
Others (aggregate of immaterial items)	701	2 633		
	5 978	28 749		
20. Operating profit				
Operating profit is arrived at after taking into account:				
From continuing operations:				
Expenditure				
Depreciation of property, plant and equipment	1 917	1 619		
Buildings	335	56		
Plant and machinery	76	78		
Leasehold improvements	233	384		
Motor vehicles	420	314		
Office equipment and furniture	853	787		
Loss on disposal of property, plant and equipment		285		
Operating lease rentals				
Property	11 306	10 485		
Short-term employee benefits	84 061	70 251		
From discontinued operations:				
Expenditure				
Depreciation of property, plant and equipment	–	2 397		
Plant and machinery		457		
Leasehold improvements		49		
Motor vehicles		194		
Office equipment and furniture		1 697		
Impairment of goodwill		22 380		
Impairment of intellectual property		14 155		
Operating lease rentals				
Property		4 608		
Short-term employee benefits		29 554		
21. Finance costs				
Interest on bank overdrafts and loans	4 356	7 225		

	Group		Company	
	2014	2013	**2014**	2013
	R'000	R'000	**R'000**	R'000
22. Income tax expense				
22.1 From continuing operations:				
Recognised in profit or loss				
South African normal tax				
Current tax	**(18 231)**	(16 180)		(25)
Deferred tax	**306**	3 049		
Foreign tax				
Current tax	**(8 186)**	925		
Deferred tax	**(145)**	(2 308)		
	(26 256)	(14 514)	**–**	(25)
22.2 From discontinued operations:				
South African normal tax				
Current tax				
Foreign tax				
Current tax		(5 408)		
	–	(5 408)		
22.3 Reconciliation of rates of tax				
Statutory tax rate	**28,00%**	28,00%	**28,00%**	28,00%
Adjusted for:	**(2,97%)**	(4,50%)	**(28,00%)**	(27,99%)
Foreign tax	**(2,97%)**	(1,89%)		
Permanent differences			**(28,00%)**	(27,99%)
Disallowable expenditure		0,05%		
Prior period adjustment		(2,66%)		
Effective tax rate	**25,03%**	23,50%	**0,00%**	0,01%

	Group 2014 R'000	Group 2013 R'000	Company 2014 R'000	Company 2013 R'000
23. Discontinued operations				
23.1 Decision to dispose of the assets and the business of OO Australasia Proprietary Limited and its subsidiary				
On the 15 April 2013 the Group announced its decision to dispose of the assets and the business of OO Australasia Proprietary Limited (subsequently changed its name to Nu-World Australia Proprietary Limited) and to dispose of its interest in Golf and Sports Proprietary Limited, thereby discontinuing its operations in these business segments. The announcement was made subsequent to approval by the Group's management and shareholders. Financial information relating to these entities has been presented as discontinued operations in these financial statements.				
23.2 Analysis of loss for the year from discontinued operations				
The results of the discontinued operations, included in the statements of profit or loss and other comprehensive income, are set out below.				
Loss for the year from discontinued operations				
Revenue		258 893		
Expenses		(298 818)		
Loss before tax	–	(39 925)		
Attributable income tax expense		2 224		
	–	(37 701)		
Profit on disposal of assets in Nu-World Australia Proprietary Limited		20 992		
Attributable income tax expense		(6 298)		
Profit on disposal of shares in Golf and Sports Proprietary Limited		4 448		
Attributable income tax expense		(1 334)		
	–	(19 893)		
Non-controlling interest		7 412		
Loss for the year from discontinued operations attributable to owners of the company	–	(12 481)		
Cash flows from discontinued operations				
Net cash outflows from operating activities		(12 631)		
Net cash inflows from investing activities		55 495		
Net cash outflows from financing activities		(36 489)		
Net cash inflows	–	6 375		

	Group		Company	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
24. Earnings and headline earnings per share				
Reconciliation of basic/diluted earnings to headline earnings				
Basic earnings and diluted basic earnings	75 163	36 457		
Adjusted for:				
Less: profit on disposal of property, plant and equipment	(156)	(20 707)		
Profit on disposal of property, plant and equipment in Nu-World Australia Proprietary Limited		(20 992)		
(Profit) loss on disposal of property, plant and equipment	(156)	285		
Add: impairment of intangible assets	–	36 535		
Intellectual property impairment		14 155		
Goodwill impairment		22 380		
Less: profit on disposal of shares in Golf and Sports Proprietary Limited		(4 448)		
Total tax effects of adjustments	44	7 553		
Total non-controlling interest effect of adjustments		(7 612)		
Basic headline earnings and diluted headline earnings	75 051	47 778		
Basic earnings and headline earnings per share are based on:				
Weighted average number of shares (000)	21 377	21 418		
Diluted basic and diluted headline earnings per share are based on:				
Diluted weighted average number of shares (000)	22 286	22 349		
Basic earnings per share from continuing operations are based on:				
Weighted average number of shares (000)	21 377	21 418		
Basic earnings from continuing operations	75 163	57 487		
Diluted basic earnings per share from continuing operations are based on:				
Diluted weighted average number of shares (000)	22 286	22 349		
Diluted basic earnings from continuing operations	75 163	57 487		

		Group		Company	
		2014	2013	2014	2013
		R'000	R'000	R'000	R'000
25.	**Dividend**				
	It is the company's policy to declare only one dividend per year. The Board has resolved to declare a dividend of 110,6 (2013: 59,4) cents per share in respect of the year ended 31 August 2014.	25 047	13 452	25 047	13 452
26.	**Cash flow information**				
26.1	**Cash generated from operations**				
	Net profit for the year before tax	104 881	48 593	27 316	28 442
	– continuing operations	104 881	63 077	27 316	28 442
	– discontinuing operations		(14 484)		
	Adjustments for:				
	Depreciation	1 917	4 015		
	Profit on disposal of property, plant and equipment	(156)	(20 707)		
	Share of profit attributable to associated companies	(13)	(24)	64	24
	Unrealised profit on exchange differences	(138)	(2 842)		
	Unrealised loss (profit) on exchange differences on financial instruments measured at fair value through profit or loss	226	(2 492)		
	Finance income	(695)	(549)		
	Finance costs	4 356	7 225		
	Impairment of intellectual property		14 155		
	Impairment of goodwill		22 380		
	Profit on sale of subsidiary		(4 448)		
	Operating profit before working capital changes	110 378	65 306	27 380	28 466
	Working capital changes	(121 774)	127 697	2	(1 210)
	(Increase)/decrease in inventories	(51 806)	82 245		
	(Increase)/decrease in trade and other receivables	(98 201)	139 425		(1 232)
	Increase/(decrease) in trade and other payables and provisions	28 233	(93 973)	2	22
		(11 396)	193 003	27 382	27 256
26.2	**Tax paid**				
	Amount (unpaid)/prepaid at beginning of year	(5 629)	(4 137)	(3)	22
	Amounts recognised in profit or loss	(26 417)	(17 479)		(25)
	Amounts unpaid at end of year	17 403	5 629	3	3
	Exchange rate translation difference	(328)	(2 358)		
		(14 971)	(18 345)	–	–

	Group		Company	
	2014 R'000	2013 R'000	2014 R'000	2013 R'000
26. Cash flow information continued				
26.3 Dividends paid				
Amounts unpaid at beginning of year				
Dividend paid	(13 452)	(12 795)	(13 452)	(12 795)
Amounts unpaid at end of year				
	(13 452)	(12 795)	(13 452)	(12 795)
26.4 Disposal of subsidiary				
On 24 April 2013 the Group disposed of its 51% investment in Golf and Sports Proprietary Limited				
Property, plant and equipment		30		
Inventories		14 882		
Trade and other receivables		13		
Cash and bank balances		102		
Trade and other payables		(15 026)		
Net assets disposed of	–	1		
Non-controlling interest		(1)		
Gain on disposal		4 448		
Total consideration received in cash and cash equivalents	–	4 448		
Cash and bank balances disposed of		(102)		
Net cash inflow on disposal of subsidiary	–	4 346		

The gain on disposal is included in the loss for the year from discontinued operations.

27. Related party transactions

Transactions with group companies

Transactions with related parties are made at market related prices.

Nu-World Industries Proprietary Limited, Nu-World Global Investments Proprietary Limited, Conti Marketing Proprietary Limited, Conti Industries Proprietary Limited, Yale Prima Proprietary Limited and Nu-World Global Limited are subsidiaries of Nu-World Holdings Limited.

Balances and transactions between the company and its subsidiaries, which are related parties of the company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the company and the related parties are disclosed below:

	2014 Services to related parties	2013 Services to related parties	**2014 Dividends received from related parties**	2013 Dividends received from related parties
Nu-World Industries Proprietary Limited – subsidiary	1 150			12 795
Nu-World Global Investments Proprietary Limited – subsidiary			27 374	
Conti Industries Proprietary Limited – subsidiary				13 293
Conti Marketing Proprietary Limited – subsidiary				1 643
Yale Prima Proprietary Limited – subsidiary		1 232		

Services to related parties represent management fees and interest charged.

Loans to and from related parties are disclosed in notes 10 and 16.

Key management personnel

Name	Directors' fees R'000	Basic salary R'000	Performance bonus R'000	Other allowances R'000	**Total 2014 R'000**	Total 2013 R'000
Executive directors						
M S Goldberg		4 052		467	**4 519**	4 432
J A Goldberg		4 268		486	**4 754**	4 432
G R Hindle		2 980		748	**3 728**	3 477
Non-executive directors						
R Kinross	160				**160**	145
D Piaray	160				**160**	145
J M Judin	190				**190**	175
	510	11 300	–	1 701	**13 511**	12 806

		2014 R'000	2013 R'000
27.	**Related party transactions continued**		
	Summary of compensation of key management personnel		
	The remuneration of directors and other members of key management personnel during the year was as follows:		
	Short-term benefits	12 460	11 796
	Post employment benefits	1 051	1 010
	Other long-term benefits		
	Share-based payments		
	Termination benefits		
		13 511	12 806

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

		Group 2014 R'000	Group 2013 R'000	Company 2014 R'000	Company 2013 R'000
28.	**Retirement benefits**				
	The Group contributes to either a defined contribution pension fund or provident fund. These funds are registered under the Pension Funds Act, 1956.				
	Non-scheduled employees may choose to which fund they wish to belong.				
	Defined contribution expense	6 036	6 443		

29. Share-based payment

Employee share purchase plan (ESPP)

Description of share-based payment arrangement

On 30 November 2102, the Group offered 31 employees the opportunity to participate in an employee share purchase plan. To participate in the plan the employees are required to remain in employment for specified period(s) upon which the shares vest in tranches on 1 September 2014 and 1 August 2015.

Total number of shares available to be utilised for the ESPP:

	Shares 2014	Shares 2013
Opening balance	1 228 770	1 227 770
Shares issued in terms of trust	951 500	951 500
Shares acquired on open market	277 270	276 270
Shares purchased during the year	62 975	1 000
Shares issued during the year		
Closing balance	1 291 745	1 228 770
Shares issued in terms of trust	951 500	951 500
Shares acquired on open market	340 245	277 270

In terms of the Nu-World Share Incentive Trust deed 1 262 000 of the allowable 1 912 500 shares have been issued. Accordingly 650 500 shares are still available to be issued in terms of the Nu-World Share Incentive Trust.

Of these shares 340 245 have been allocated for future schemes which have not yet been finalised.

The abovementioned shares are under the control of the company's non-executive directors.

29. Share-based payment continued

Employee share purchase plan (ESPP) continued

The awards in existence at the beginning and end of the current reporting period 31 August 2014 are as follows:

Awards granted	Number of shares	Expiry date	Share price at grant date (cents)	Exercise price (cents)	Fair value at grant date (cents)
Allocation November 2012	465 750	September 2014	1 650	1 650	1 650
Allocation November 2012	465 750	August 2015	1 650	1 650	1 650

No awards were cancelled or issued during the year under review (931 500 awards were cancelled and 931 500 awards were issued during the year ended 31 August 2013).

Measurement of fair value

The fair value of the ESPP has been measured using the Black Scholes model. This model takes into account all inputs to determine the fair value of the shares as follows:

Share purchase plan	
Fair value at grant date	R16,50
Share price at grant date	R16,50
Exercise price	R16,50
Expected volatility (weighted average)	8%
Expected life (weighted average)	2,2 years
Expected dividends	3,5%
Risk-free interest rate (based on government bonds)	7,2%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price.

The receivable from the employees has been recognised in the statement of financial position.

	Group		Company	
	2014	2013	**2014**	2013
	R'000	R'000	**R'000**	R'000
30. Commitments				
Operating lease commitments				
Property				
Due within one year	10 383	13 803		
Due within 2 to 5 years	9 137	10 386		
	19 520	24 189		

Other commitments

At the reporting date the Group had established letters of credit for the equivalent of R260 667 211 (2013: R286 445 107) in respect of future stock commitments.

31. Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

– market risk: interest rate and foreign currency risk
– credit risk
– liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated and separate financial statements.

31. Financial risk management conitued

The Board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit and Risk Committee, is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive controlled environment in which all employees understand their roles and obligations.

Management undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Risk Committee.

	Group		Company	
	2014	2013	**2014**	2013
	R'000	R'000	**R'000**	R'000
31.1 Interest rate risk management				
The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing borrowings with variable rates.				
At the reporting date the interest rate profile of the Group's interest bearing financial instrument was:				
Variable-rate instruments	37 648	12 166		
Interest rate sensitivity				
An increase/decrease of 100 basis points (2013: 100 basis points) in interest rates at the reporting date would have affected profit before tax, by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the prior year.				
Increase of 100 basis points				
Decrease in profit before tax	(376)	(122)		
Decrease of 100 basis points				
Increase in profit before tax	376	122		
The sensitivity analysis disclosed above is unrepresentative of the risk inherent because the year end exposure does not reflect the exposure during the year.				
31.2 Foreign currency management				
Foreign currency exposure				
The Group's exposure to foreign currency risk at reporting date was:				
Trade payables	61 894	49 635		
Equity in foreign subsidiaries	123 503	83 186		
Forward exchange contracts	150 487	75 422		

The Group's policy is to cover trade commitments within an agreed treasury management policy which has been approved by the Board of directors. The Group has entered into forward exchange contracts to cover foreign commitments not yet due.

The majority of forward cover is established to mature within a period of 90 days from the date the cover is taken and the commitments are always firm and ascertainable.

31. Financial risk management continued

31.2 Foreign currency management continued

Details of these contracts are as follows:

Currency	Forward exchange contract 2014 R'000	Forward exchange contract 2013 R'000	Foreign currency 2014 $'000	Foreign currency 2013 $'000	Market value 2014 R'000	Market value 2013 R'000	Fair value adjustment 2014 R'000	Fair value adjustment 2013 R'000
US Dollars	150 713	72 930	14 085	7 333	150 487	75 422	(226)	2 492

Foreign exchange sensitivity analysis

The Group is primarily exposed to exchange rate fluctuations in relation to the US Dollar. An assessment of the Group's sensitivity to the Rand : Dollar exchange rate shows that should the Rand strengthen by 10% against the Dollar, the Group's profit before tax would decrease by R21 209 678 (2013: R10 897 512). A 10% weakening of the Rand versus the Dollar would result in a profit of the same amount.

31.3 Credit risk management

Potential concentrations of credit risk consist principally of trade receivables, loans receivable 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 2014, the Group did not consider that any significant concentration of credit risk existed which had not been adequately provided for.

	Group 2014 R'000	Group 2013 R'000	Company 2014 R'000	Company 2013 R'000
Exposure to credit risk				
The carrying amount of financial assets represents the maximum exposure to credit risk.				
Financial assets per class				
Trade receivables	314 999	195 110		
Other receivables	2 862	2 398		
Staff loans	15 369			
Loans receivable			35 579	34 890
Cash and bank balances	105 596	122 372		
	438 826	319 880	35 579	34 890
Trade receivables				
The maximum exposure to credit risk for trade receivables at the reporting date by geographical location was as follows:				
South Africa	173 914	140 564		
Hong Kong	38 114	9 765		
Australia	102 971	44 781		
	314 999	195 110		
Ageing of past due but not impaired trade receivables				
Not past due	308 253	188 911		
Past due:				
90 – 120 days	4 844	4 871		
+ 120 days	1 902	1 328		
	314 999	195 110		

	Group 2014 R'000	Group 2013 R'000	Company 2014 R'000	Company 2013 R'000
31. Financial risk management continued				
31.3 Credit risk management continued				
The movement in the allowance for impairment in respect of trade receivables during the year was as follows:				
Balance at the beginning of the year	547	3 327		
Increases in impairments				
Impairment loss written off/unused amounts reversed	(200)	(2 880)		
Exchange rate translation difference	40	100		
Balance at the end of the year	387	547		

The allowance accounts in respect of trade receivables are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amount considered irrecoverable is written off against the financial asset directly.

31.4 Liquidity risk

The Group manages liquidity risk by the proper management of working capital and the continual monitoring of forecasts and actual cash flows. It is further managed by ensuring adequate banking facilities are available at all times to meet cash requirements.

Liquidity risk profile

The maturity profile of the financial liabilities is summarised as follows:

	Group 2014 R'000	Group 2013 R'000	Company 2014 R'000	Company 2013 R'000
0 – 12 months				
Non-derivative				
Loans payable			73 553	86 794
Guarantees	7 000	7 000		
Bank overdraft	37 648	12 166		
Trade and other payables	181 434	151 368	23	22
	226 082	170 534	73 576	86 816
Derivative				
Forward exchange contracts	150 487	75 422		
	376 569	245 956	73 576	86 816

31. Financial risk management continued

31.5 Fair value and risk management

Accounting classifications and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount				Fair value			
	Note	Fair value through profit or loss R'000	Loans and receivables R'000	Other financial liabilities R'000	Total R'000	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
GROUP									
31 August 2014									
Financial assets measured at fair value									
Forward exchange contracts	9	431			431		431		431
		431	–	–	431				
Financial assets not measured at fair value									
Trade and other receivables	8		402 798		402 798				
Cash and cash equivalents		–	105 596		105 596				
		–	508 394	–	508 394				
Financial liabilities measured at fair value									
Forward exchange contracts	9	(657)			(657)		(657)		(657)
		(657)	–	–	(657)				
Financial liabilities not measured at fair value									
Bank overdrafts	17			(37 648)	(37 648)				
Trade and other payables	14			(181 434)	(181 434)				
		–	–	(219 082)	(219 082)				

31. Financial risk management continued

31.5 Fair value and risk management continued

Accounting classifications and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount				Fair value			
	Note	Fair value through profit or loss R'000	Loans and receivables R'000	Other financial liabilities R'000	Total R'000	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
GROUP									
31 August 2013									
Financial assets measured at fair value									
Forward exchange contracts	9	2 492			2 492		2 492		2 492
		2 492	–	–	2 492				
Financial assets not measured at fair value									
Trade and other receivables	8		287 362		287 362				
Cash and cash equivalents			122 372		122 372				
		–	409 734	–	409 734				
Financial liabilities measured at fair value		–	–	–	–				
Financial liabilities not measured at fair value									
Bank overdrafts	17			(12 166)	(12 166)				
Trade and other payables	14			(151 368)	(151 368)				
		–	–	(163 534)	(163 534)				

31. Financial risk management continued

31.5 Fair value and risk management continued

Accounting classifications and fair value continued

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount				Fair value			
	Note	Fair value through profit or loss R'000	Loans and re-ceivables R'000	Other financial liabilities R'000	Total R'000	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
COMPANY									
31 August 2014									
Financial assets measured at fair value		–	–	–	–				
Financial assets not measured at fair value									
Loans receivables	10		35 579		35 579				
		–	35 579	–	35 57				
Financial liabilities measured at fair value		–	–	–	–				
Financial liabilities not measured at fair value		–	–	–	–				
COMPANY									
31 August 2013									
Financial assets measured at fair value		–	–	–	–				
Financial assets not measured at fair value									
Loans receivables	10		34 890		34 890				
		–	34 890	–	34 890				
Financial liabilities measured at fair value		–	–	–	–				
Financial liabilities not measured at fair value		–	–	–	–				

32. Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantage and security afforded by a sound capital position. The Group's return on capital was 10.1% (2013: 5.4%).

The Group monitors capital using a ratio of net debt to equity. For this purpose, net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Equity comprises all components of equity, net of non-controlling interest.

The Group's policy is to keep the ratio below 0,33 times. The Group's net negative debt to equity ratio at 31 August 2014 was as follows:

	Group	
	2014 R'000	2013 R'000
Total borrowings	37 648	12 166
Less: cash and cash equivalents	(105 596)	(122 372)
Net negative debt	(67 948)	(110 206)
Total equity	757 713	677 955
Net negative debt to equity ratio	(11,2)	(6,2)

From time to time, the Group purchases its own shares on the market; the timing of which depends on the market prices. The shares are primarily intended to be used for issuing shares under the Group's share option programme. Buy and sell decisions are made on a specific transaction basis by the Risk Committee; the Group does not have a defined share buy-back plan.

33. Segment information

Geographical areas from which reportable segments derive their revenue

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the geographic location of services delivered or provided.

The Group's reportable segments under IFRS 8 are therefore as follows:
South Africa
Hong Kong
Australia – continuing operations
Australia – discontinued operations

33. Segment information continued

The following is an analysis of the Group's revenue and results from operations by reportable segment:

	Segment revenue		Segment income		Segment non-current assets	
	2014 R'000	2013 R'000	**2014 R'000**	2013 R'000	**2014 R'000**	2013 R'000
South Africa	**1 325 341**	1 242 044	**46 089**	41 441	**59 015**	63 682
Hong Kong	**220 491**	81 551	**24 001**	8 712		
Australia – continuing operations	**562 240**	360 469	**5 073**	(1 215)	**34 158**	30 253
Australia – discontinued operations		258 893		(12 481)		
Total	**2 108 072**	1 942 957	**75 163**	36 457	**93 173**	93 935

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2013: Nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies.

Segment income represents the profit after tax earned by each segment. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Non-current assets exclude those non-current assets classified as held for sale and deferred tax assets.

Segment assets and liabilities

	August 2014 R'000	August 2013 R'000
South Africa	**824 420**	764 894
Hong Kong	**67 583**	33 513
Australia	**166 055**	104 292
Consolidated total assets	**1 058 058**	902 699
South Africa	**177 842**	128 311
Hong Kong	**19 080**	9 882
Australia	**63 470**	53 395
Consolidated total liabilities	**260 392**	191 588

For the purpose of monitoring segment performance and allocating resources between segments:

- All assets including goodwill are allocated to reportable segments. No assets are used jointly by reportable segments.
- All liabilities including borrowings are allocated to reportable segments. No reportable segments are jointly liable or any liabilities.

Information about major customers

The Group has two customer groups (2013 : two customer groups) that individually account for at least 10% or more of the Group's South African operations revenue comprising 36.2% and 12.1% respectively (2013 : 33.7% and 10.6%).

No other single customer group contributed 10% or more to the Group's South African operation nor the Offshore Subsidiaries for both 2014 and 2013.

34. Composition of the Group

34.1 Information about the composition of the Group at the end of the reporting period

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries	Number of non wholly-owned subsidiaries
Sales of a diversified range of electrical appliances, consumer electronics and branded consumer durables	South Africa	6	0
Sales of a diversified range of electrical appliances, consumer electronics and branded consumer durables	Australia	0	6
Sales of a diversified range of branded consumer electronics	Hong Kong	1	0
Share purchase trust	South Africa	1	0

Details of non-wholly owned subsidiaries that have material non-controlling interest to the Group are disclosed below.

34.2 Details on non-wholly owned subsidiaries that have material non-controlling interests

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling 2014 %	2013 %	Profit/(loss) allocated to non-controlling interests 2014 R'000	2013 R'000	Accumulated non-controlling interests 2014 R'000	2013 R'000
Yale Prima Proprietary Limited	Australia	40.65	40.65	3 475	(351)	39 954	33 156

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intergroup eliminations.

Yale Prima Proprietary Limited

	2014 R'000	2013 R'000
Non-current assets	40 697	35 250
Current assets	130 534	109 714
Non-current liabilities	–	–
Current liabilities	72 944	63 401
Equity attributable to owners of the Company	58 333	48 407
Non-controlling interests	39 954	33 156
Revenue	562 240	360 469
Profit/(loss) for the year	8 548	(864)
Profit/(loss) attributable to owners of the Company	5 073	(513)
Profit/(loss) attributable to the non-controlling interests	3 475	(351)
Profit/(loss) for the year	8 548	(864)
Total comprehensive income attributable to owners of the Company	5 073	(513)
Total comprehensive income attributable to the non-controlling interests	3 475	(351)
Total comprehensive income for the year	8 548	(864)
Net cash outflow from operating activities	(42 759)	(5 552)
Net cash (outflow)/inflow from investing activities	(2 784)	29 119
Net cash inflow from financing activities	–	–
Net cash (outflow)/inflow	(45 543)	23 567

35. Contingent liabilities

The Company has signed guarantee's and unlimited suretyships 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 R713 million (2013: R687 million) in respect of available facilities and R7 million (2013: R7 million) in respect of bank guarantees.

36. Comparative figures

The Group has revised certain comparative figures which it believes will provide more meaningful disclosure.

Statements of profit or loss and other comprehensive income

The group has elected to disclose the statement of profit or loss by function during the current year. Comparative information has been revised for this election.

Company statement of financial position

The Group has disclosed other financial assets of R2 492 000 separately under current assets on the statement of financial position as disclosed in note 9.1, whereas in the previous period they were included in trade and other receivables. The comparative loans to and from subsidiaries have been reclassified as current assets and current liabilities.

Cost of sales

Prior year cost of sales has been increased by R119 841 640 due to reclassification of rebate and advertising expenses, as the directors believe this will afford a proper and more meaningful comparison of results and disclosures as set out in the statement of profit or loss and other comprehensive income.

The above changes have no impact on the result or the earnings per share for the current period or comparative period or on the Group's financial position at the end of each period.

Headline earnings and diluted headline earnings

Headline earnings per share and diluted headline earnings per share were understated for the year ended 31 August 2013. The 2013 comparatives have been restated as follows:

	Restated 2013 R'000	As previously presented 2013 R'000
Basic earnings	36 457	36 457
Adjusted for:		
Less: profit on disposal of property, plant and equipment	(20 707)	(20 992)
Profit on disposal of property, plant and equipment in Nu-World Australia Proprietary Limited	(20 992)	(20 992)
Loss on disposal of property, plant and equipment	285	
Add: impairment of intangible assets	36 535	33 576
Intellectual property impairment	14 155	14 155
Goodwill impairment	22 380	22 380
Effects of foreign exchange on impairment		(2 959)
Less: profit on disposal of shares in Golf and Sports Proprietary Limited	(4 448)	(4 448)
Total tax effects of adjustments	7 553	
Total non-controlling interest effect of adjustments	(7 612)	(3 307)
Headline earnings	47 778	41 286
Headline earnings per share (cents)	223,1	192,8
Diluted headline earnings per share (cents)	213,8	184,7

36. Comparative figures continued

Statements of cash flows

The prior year statements of cash flows have been restated as a result of certain items incorrectly presented in the prior period.

	Restated 2013 R'000	As previously presented 2013 R'000
Cash flows from operating activities	155 187	123 375
Cash generated from operations	193 003	156 610
Finance income	549	549
Finance costs	(7 225)	(7 225)
Dividends paid	(12 795)	(12 795)
Tax paid	(18 345)	(13 764)
Cash flows from investing activities	26 891	41 472
Acquisition of property, plant and equipment	(27 169)	(27 169)
Trademark's acquired	(31 705)	(31 705)
Proceeds on disposal of property, plant and equipment	29 307	3 036
Net cash inflow from disposal of subsidiary	4 346	
Proceeds on disposal of assets in discontinued operations		45 174
Loans to associate repaid	490	514
Increase in investment in treasury shares	(83)	(83)
Redemption of investment in shares	51 705	51 705
Cash flows from financing activities	(20 000)	–
Secured borrowings repaid	(20 000)	
Net increase in cash and cash equivalents	162 078	164 847
Effect on exchange rate changes	2 768	
Cash and cash equivalents at the beginning of the year	(54 640)	(54 641)
Cash and cash equivalents at end of the year	110 206	110 206

37. Accounting statements issued, not yet effective

At the date of authorisation of these financial statements, the following new standards and interpretations and amendments to existing standards were in issue but not yet effective:

Standard	Details of amendment	Annual periods beginning on or after
IFRS 1, First-time Adoption of International Financial Reporting Standards	• Annual improvements 2011–2013 cycle: Amendments to the basis of conclusion clarify the meaning of "effective IFRSs".	1 July 2014
IFRS 2, Share-based payment	• Annual improvements 2010–2012 cycle: Amendments added the definitions of performance conditions and service conditions and amended the definitions of vesting conditions and market conditions.	1 July 2014
IFRS 3, Business combinations	• Annual improvements 2010–2012 cycle: Amendments to the measurement requirements for all contingent consideration assets and liabilities including those accounted for under IFRS 9. • Annual improvements 2011–2013 cycle: Amendments to the scope paragraph for the formation of a joint arrangement.	1 July 2014
IFRS 8, Operating segments	• Annual improvements 2010–2012 cycle: Amendments to some disclosure requirements regarding the judgements made by management in applying aggregation criteria, as well as those to certain reconciliations.	1 July 2014
IFRS 9, Financial instruments	• Annual improvements 2010–2012 cycle: Amendments to the measurement requirements for all contingent consideration assets and liabilities included under IFRS 9. • A finalised version of IFRS 9 has been issued which replaces IAS 39 Financial instruments: recognition and measurement. The completed standard comprises guidance on classification and measurement, impairment hedge accounting and derecognition: – IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics. A new busines model was introduced which does allow certain financial assets to be categorised as "fair value through other comprehensive income" in certain circumstances. The requirements for financial liabilities are mostly carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk. The new model introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets. – IFRS 9 contains a new model for hedge accounting that aligns the accounting treatment with the risk management activities of an entity, in addition enhanced disclosures will provide better information about risk management and the effect of hedge accounting on the financial statements. – IFRS 9 carried forward the derecognition requirements of financial assets and liabilities from IAS 39.	1 July 2014 1 January 2018

37. Accounting statements issued, not yet effective continued

Standard	Details of amendment	Annual periods beginning on or after
IFRS 10, Consolidated financial statements	• IFRS 10 exception to the principle that all subsidiaries must be consolidated. Entities meeting the definition of 'Investment entities' must be accounted for at fair value under IFRS 9, Financial instruments, or IAS 39, Financial instruments: recognition and measurement.	1 January 2014
IFRS 11, Joint arrangements	• Amendments adding new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business which specify the appropriate accounting treatment for such acquisitions.	1 January 2016
IFRS 12, Disclosure of interests in other entities	• New disclosures required for investment entities (as defined in IFRS 10).	1 January 2014
IFRS 13, Fair value measurement	• Annual improvements 2010–2012 cycle: Amendments to clarify the measurement requirements for those short-term receivables and payables. • Annual improvements 2011–2013 cycle: Amendments to clarify that the portfolio exception applies to all contracts within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9.	1 July 2014 1 July 2014
IFRS 14, Regulatory deferred accounts	• IFRS 14 permits first-time adopters to continue to recognise amounts related to its rate regulated activities in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that apply IFRS and do not recognise such amounts, the Standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the standard.	1 January 2016
IFRS 15, Revenue from contracts from customers	• New standard that requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five step methodology that is required to be applied to all contracts with customers. • The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements. • The new standard supercedes: (a) IAS 11 Construction contracts; (b) IAS 18 Revenue; (c) IFRIC 13 Customer loyalty programmes; (d) IFRIC 15 Agreements for the construction of real estate; (e) IFRIC 18 Transfers of assets from customers; and (f) (f) SIC-31 Revenue – Barter transactions involving advertising services.	1 January 2017 1 January 2017

37. Accounting statements issued, not yet effective continued

Standard	Details of amendment	Annual periods beginning on or after
IAS 16, Property, plant and equipment	• Annual improvements 2010–2012 cycle: Amendments to the revaluation method – proportionate restatement of accumulated depreciation. • Amendments to IAS 16 and IAS 38 to clarify the basis for the calculation of depreciation and amortisation, as being the expected pattern of consumption of the future economic benefits of an asset. • Amendment to both IAS 16 and IAS 38 establishing the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. Clarifying that revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets. • Amendments to IAS 16 and IAS 41 which defines bearer plants and includes bearer plants in the scope of IAS 16 property, plant and equipment, rather than IAS 41 allowing such assets to be accounted for after initial recognition in accordance with IAS 16.	1 July 2014 1 January 2016 1 January 2016 1 January 2016
IAS 19, Employee benefits	• Amendments to defined benefit plans: employee contributions whereby the requirements in IAS 19 for contributions from employees or third parties that are linked to service have been amended.	1 July 2014
IAS 24, Related party disclosures	• Annual improvements 2010–2012 cycle: Amendments to the definitions and disclosure requirements for key management personnel.	1 July 2014
IAS 27, Consolidated and separate financial statements	• Requirement to account for interests in 'Investment Entities' at fair value under IFRS 9, Financial instruments, or IAS 39, Financial instruments: recognition and measurement, in the separate financial statements of a parent. • Amendments IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.	1 January 2014 1 January 2016
IAS 36, Impairment of assets	• The amendment to IAS 36 clarifies the required disclosures of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.	1 January 2014
IAS 38, Intangible assets	• Annual improvements 2010–2012 cycle: Amendments to the revaluation method – proportionate restatement of accumulated depreciation. • Amendments to IAS 16 and IAS 38 to clarify the basis for the calculation of depreciation and amortisation, as being the expected pattern of consumption of the future economic benefits of an asset. • Amendment to both IAS 16 and IAS 38 establishing the principle for the basis of depreciation and amortization as being the expected pattern of consumption of the future economic benefits of an asset. Clarifying that revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets.	1 July 2014 1 January 2016 1 January 2016
IAS 39, Financial instruments: recognition and measurement	• Amendments for novation of derivatives in continuation of hedge accounting.	1 January 2014

37. Accounting statements issued, not yet effective continued

Standard	Details of amendment	Annual periods beginning on or after
IAS 40, Investment property	• Annual improvements 2011–2013 cycle: Amendments to clarify the inter relationship between IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.	1 July 2014
IAS 41, Agriculture: Bearer plants	• Amendments to IAS 16 and IAS 41 which defines bearer plants and includes bearer plants in the scope of IAS 16 Property, plant and equipment, rather than IAS 41 allowing such assets to be accounted for after initial recognition in accordance with IAS 16.	1 January 2016
Standard	**Interpretations**	**Annual periods beginning on or after**
IFRIC 21, Levies		1 January 2014

The directors anticipate that the adoption of these standards and interpretations and amendments to existing standards in future periods will have no material effect on the financial statements of the Group.

ANALYSIS OF SUBSIDIARIES

for the year ended 31 August 2014

Interest of Nu-World Holdings Limited

	Issued share capital		Effective shareholding		Shares at valuation		Loans receivable/(payable)	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	R	R	**%**	%	**R'000**	R'000	**R'000**	R'000
Direct interest								
Nu-World Industries Proprietary Limited	**5 725**	5 725	**100,0**	100,0	**38 929**	38 929	**4 894**	(13 242)
Nu-World Strategic Investments Proprietary Limited	**1**	1	**100,0**	100,0	**1**	1		
Conti Industries Proprietary Limited	**35 401**	35 401	**100,0**	100,0	**15**	15	**(41 104)**	(41 104)
Conti Marketing Proprietary Limited	**4 781**	4 781	**100,0**	100,0	**15**	15	**(32 447)**	(32 447)
Yale Prima Proprietary Limited	**58 267 140**	58 267 140	**59,4**	59,4	**46 594**	46 594	**15 705**	15 705
Nu-World Global Investments Proprietary Limited	**100**	100	**100,0**	100,0	**1**	1	**(1)**	4 332
Nu-World Property Investments Proprietary Limited	**100**	100	**100,0**	100,0	**1**	1	**(1)**	(1)
Nu-World Global Limited	**100**	100	**100,0**	100,0	**12**	12	**14 980**	14 853
The aggregate net profit after taxation of subsidiaries attributable to the owners of the Company amounted to R75 163 461 (2013: R36 457 289).								
					85 568	85 568	**(37 974)**	(51 904)

Indirect interest

Prima Akai Proprietary Limited

Yale Appliance Group Proprietary Limited

CTG Yale Proprietary Limited

Nu-World Australia Proprietary Limited

Jaws Systems Australia Proprietary Limited

	Number of shareholders	%	Number of shares	%
Holdings				
1 to 25 000	485	91,3	601 820	2,6
25 001 to 50 000	10	1,9	385 192	1,7
50 001 to 100 000	10	1,9	692 214	3,1
Over 100 000 shares	26	4,9	20 967 239	92,6
	531	100,0	22 646 465	100,0
Category of shareholders				
Non public shareholders				
– Directors and associates	6	1,1	1 260 424	5,6
– Trustee of Employees Share Scheme	2	0,4	1 291 745	5,7
– Strategic Holdings	3	0,6	8 662 072	38,2
Public shareholders	520	97,9	11 432 224	50,5
	531	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			8 662 072	38,2
Ubs Zurich AG			3 461 223	15,3
Nu-World Share Trust			1 291 745	5,7
Nedbank Group			1 145 523	5,1
Distribution of shareholders				
Banks	12	2,2	6 034 058	26,6
Close corporations	9	1,7	39 660	0,1
Individuals	412	77,6	1 313 930	5,8
Insurance companies	4	0,8	5 259 515	23,2
Medical aid schemes	1	0,2	136 885	0,6
Mutual funds	14	2,6	6 455 131	28,5
Nominees and trusts	37	7,0	634 349	2,8
Other corporations	5	0,9	1 496	0,1
Pension funds	16	3,0	1 219 077	5,3
Private companies	11	2,1	37 122	0,2
Public companies	2	0,4	45	0,1
Share trust	2	0,4	1 291 745	5,7
Investment companies	6	1,1	223 452	1,0
	531	100,0	22 646 465	100,0

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of shareholders of Nu-World Holdings Limited ("Nu-World" or "the Company") in respect of the year ended 31 August 2014 will be held in the boardroom of Nu-World at 35, 3rd Street, Wynberg, Sandton at 10h00 on Wednesday, 11 February 2015 ("the AGM" or "the Annual General Meeting").

Purpose

The purpose of the Annual General Meeting is to transact the business set out in the agenda below.

Agenda

1. Presentation of the audited annual financial statements of the Company, including the report of the directors and the audit committee for the year ended 31 August 2014. The annual report of which this notice forms part, contains the condensed group financial statements and the aforementioned reports. The annual financial statements, including the unmodified audit opinion, is available on Nu-World's website at www.nuworld.co.za, or may be requested and obtained in person at no charge, at the registered office of Nu-World during office hours.
2. To consider and, if deemed fit, passing with or without modification, the resolutions set out below, in the manner required by the Companies Act, 2008 (Act 71 of 2008), as amended ("the Act"),the Listings Requirements of the JSE Limited ("JSE") and the provisions of the Company's memorandum of incorporation ("MOI").

Note:

For any of the ordinary resolution numbers 1 to 5 to be adopted, more than 50% of the voting rights exercised on each such resolution must be exercised in favour thereof.

Ordinary resolution number 1

In terms of the Company's MOI, at least one third of the directors are required to retire from office at every Annual General Meeting and, being eligible, may offer themselves for re-election as directors.

Curriculum vitae in respect of each director as at 31 August 2014 appear on page 10 and 11 of the annual report.

Accordingly, shareholders are requested to consider and, if deemed fit, to re-elect the directors named below by way of passing the separate ordinary resolutions set out below:

1.1 "Resolved that M S Goldberg, who retires by rotation in terms of the MOI of the Company and, being eligible and offering himself for re-election, be and is hereby re-elected as a director of the Company."

1.2 "Resolved that J A Goldberg, who retires by rotation in terms of the MOI of the Company and, being eligible and offering himself for re-election, be and is hereby re-elected as a director of the Company."

Ordinary resolution number 2

"Resolved to re-elect, each by separate vote, the following independent non-executive directors as members of the Nu-World Holdings Limited audit committee for the ensuing year:

2.1. "Resolved that J M Judin, being eligible, be and is hereby re-appointed as member of the audit committee of the Company, as recommended by the board of directors of the Company."

2.2. "Resolved that D Piaray, being eligible, be and is hereby re-appointed as member of the audit committee of the Company, as recommended by the board of directors of the Company."

2.3. "Resolved that R Kinross, being eligible, be and is hereby re-appointed as member of the audit committee of the Company, as recommended by the board of directors of the Company."

Curriculum vitae in respect of each director as at 31 August 2014 appear on page 10 and 11 of the annual report."

Ordinary resolution number 3

"Resolved that the directors be and are hereby authorised to appoint RSM Betty Dickson as auditors and Jackie Kitching as the individual designated auditor 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."

Ordinary resolution number 4

"Resolved that the shareholders of the Company endorse, through a non-binding advisory vote, recommended by the King Code of Governance for South Africa 2009 (King III), to ascertain the shareholders' views on the Company's remuneration policy and its implementation. The Company's remuneration report is set out on page 23 of this report."

Ordinary resolution number 5

"Resolved that any of the directors of the Company and/or the company secretary 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."

To consider and, if deemed fit, pass, with or without modification the following special resolutions:

Note:
For the special resolutions to be adopted, at least 75% of the voting rights exercised on each special resolution must be exercised in favour thereof.

Special resolution number 1

"Resolved that in terms of section 66(8) and 66(9) of the Act, the Company be and is hereby authorised to pay remuneration to its non-executive directors for their services as non-executive directors in accordance with a special resolution approved by shareholders within the previous two years as listed below."

	Fees year ended 31 August 2014	Fees year ended 31 August 2015
Lead non-executive board member	R190 000	R210 000
Non-executive board member	R160 000	R180 000

The reason for special resolution number 1 is for the Company to obtain the approval of shareholders by way of a special resolution for the payment of remuneration to its non-executive directors in accordance with the requirements of the Act.

The effect of special resolution number 1 is that the Company will be able to pay its non-executive directors for the services they render to the Company as directors without requiring further shareholder approval until the next Annual General Meeting of the Company.

Special resolution number 2

"Resolved that the Company hereby approves, as a general approval contemplated in section 48 of the Act, and in terms of the Company's MOI, 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 (or the directors of the subsidiary company as the case may be) may from time to time determine, but subject to the MOI 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. Such announcement must be made as soon as possible and in any event no later than 08h30 on the second day following the day the relevant threshold is reached or exceeded;
- 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 share 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% (ten percent) 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;
- a resolution has been passed by the Board of directors, that the Board has authorised the repurchase, that the Company has satisfied the solvency and liquidity test contemplated in Section 4 of the Act, and that since the test was applied there had been no material changes to the financial position of the Company and its subsidiaries; and
- that the Company may not repurchase securities during a prohibited period, as defined in the JSE Listings Requirements, unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to variation) and full details of the programme have been disclosed in writing to the JSE prior to the commencement of the prohibited period."

The reason for special resolution number 2 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 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 special resolution number 2, granting a general authority to the Company to repurchase securities, appears on the pages of the annual financial statements to which this notice of Annual General Meeting is annexed, namely:

Major shareholders	page 89
Share capital of the Company	page 40

Material changes

Save as disclosed in the report of the directors, there has been no material change in the financial and trading position of the Company or of its subsidiaries since 31 August 2014 and the date of this report.

Directors' responsibility statement

The directors, whose names are given on page 10 and 11 of the annual report, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the annual report and notice of Annual General Meeting contains all the information required by the JSE Listings Requirements.

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 authorities 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 repurchase 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 (twelve) months after the date of the general repurchase;
- that the consolidated assets of the Company and the Group, fairly valued in accordance with the accounting policies used in the Company's latest audited annual group financial statements, will be in excess of the consolidated liabilities of the Company and the Group for a period of 12 (twelve) months after the date of the general repurchase;
- that 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 12 (twelve) months after the date of the general repurchase; and
- that 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 (twelve) months after the date of the general repurchase.

Special resolution number 3

"Resolved that in terms of section 45 of the Act, the shareholders hereby approve of the Group providing, at any time and from time to time during the period of 2 (two) years commencing on the date of approval of this special resolution, any direct or indirect financial assistance as contemplated in such section of the Act to any 1 (one) or more related or inter-related companies or corporations of Nu-World provided:

- that the recipient or recipients of such financial assistance; the form, nature and extent of such financial assistance, and the terms and conditions under which such financial assistance is provided, are determined by the Board from time to time;
- that the Board may not authorise the Group to provide any financial assistance pursuant to this special resolution unless the Board meets all those requirements of section 45 of the Act which it is required to meet in order to authorise the Group to provide such financial assistance;
- that the Board is satisfied that immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test; and
- that such financial assistance to a recipient thereof is, in the opinion of the Board, required for the purpose of

meeting all or any such recipient's operating expenses (including capital expenditure), and/or funding the growth, expansion, reorganisation or restructuring of the businesses or operations of such recipient, and/or funding such recipient for any other purpose which in the opinion of the Board is directly or indirectly in the interests of the Group."

The reason for and effect of this special resolution is to allow the Group to grant direct or indirect financial assistance to any company or corporation forming part of the Group, including in the form of loans or the guaranteeing of their debts. This authority will be in place for a period of two years from the date of adoption of this special resolution.

In terms of section 63(1) of the Act, before any person may attend or participate in a shareholders meeting such as the Annual General Meeting convened in terms of this notice of Annual General Meeting, that person must present reasonably satisfactory identification and the person presiding at the Annual General Meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder, or as a proxy for a shareholder, has been reasonably verified. The Company will regard presentation of an original of a meeting participants' valid license, identity document or passport to be satisfactory identification.

Each shareholder who, being a natural person is present in person or by proxy, or, being a company, is present by representative proxy at the Annual General Meeting is entitled to one vote on a show of hands. On a poll, each shareholder, whether present in person or by proxy, or by representation, is entitled to one vote for each share held.

Equity securities held by a share purchase trust or scheme will not have their votes at the Annual General Meeting taken into account for the purposes of resolutions proposed in terms of the JSE Listing Requirements. Unlisted securities and shares held as treasury shares may not vote.

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 Annual General 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 Proprietary Limited, Ground floor, 70 Marshall Street, Johannesburg, 2001 (P 0 Box 61051, Marshalltown, 2107), 48 hours (being 10h00 on Monday, 9 February 2015) before the scheduled time of the Annual General Meeting. Shareholders whose shares have been dematerialised (other than by own name registration) must inform their CSDP or broker of their intention to attend the Annual General Meeting and obtain the necessary Letter of Representation from the CSDP or broker to attend the Annual General Meeting, or provide the CSDP or broker with voting instructions in terms of the custody agreement between them.

The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the Company ("the Share Register") for purposes of being entitled to receive notice is Friday, 12 December 2014.

The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at the Annual General Meeting is Friday, 6 February 2015, with the last day to trade being Friday, 30 January 2015.

By order of the Board

B H Haikney
Company secretary
Sandton
18 December 2014

DIRECTORATE AND ADMINISTRATION

Directors	Mr Michael S. Goldberg B.Com M.B.A. (Rand) Mr Jeffrey A. Goldberg B.Sc (Eng) (Rand) Mr J. Michael Judin Dip.Law. (Rand) Mr Graham R. Hindle B.Acc (Wits) CA (SA) Mr Desmond Piaray Chem Eng (Natal) B.Com (Unisa) M.B.A. (Wits) Mr Richard Kinross B.Acc (Unisa) CA (SA)
Secretary	Mr Bruce H. Haikney CA (SA) 35, 3rd Street Wynberg Sandton 2199
Registered office	35, 3rd Street Wynberg Sandton 2199
Auditors	Tuffias Sandberg KSi CA (SA) Registered Auditors Building No. 8 Greenstone Hill Office Park Emerald Boulevard Greenstone Hill Ext 22 Edenvale 1609
Transfer secretaries	Computershare Investor Services Proprietary Limited 70 Marshall Street Johannesburg 2001
Bankers	ABSA Bank Limited China Construction Bank Citibank, N.A First National Bank, a division of First Rand Bank Limited Investec Bank Limited Standard Bank of South Africa Limited
Attorneys	Adams Attorney Unit 7, 77 Park Drive Northcliff
Company registration number	1968/002490/06
Sponsors	Sasfin Capital, a division of Sasfin Bank Limited Sasfin Place, 29 Scott Street Waverley 2090

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 Wednesday, 11 February 2015 at 10h00 and at any adjournment thereof.

I/We (Please print name in full) ______________________________

of (address) ______________________________

being a holder of ______________________________ ordinary shares hereby appoint

1. ______________________________ or failing him/her

2. ______________________________ or failing him/her

3. The Chairman of the Annual 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 a nd/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: re-appointment of directors			
1.1 M S Goldberg			
1.2 J A Goldberg			
Ordinary resolution 2: re-appointment of the audit committee members			
2.1 J M Judin			
2.2 D Piaray			
2.3 R Kinross			
Ordinary resolution 3: appointment of auditors and individual designated auditor			
Ordinary resolution 4: endorsement of remuneration policy			
Ordinary resolution 5: authority to sign documents			
Special resolution 1: approval to pay remuneration to non-executive directors			
Special resolution 2: general approval to repurchase shares			
Special resolution 3: approval to providing direct or indirect financial assistance			

Signed at ______________________________ on ______________________________

Signature ______________________________

Name in full ______________________________

NOTES TO THE FORM OF PROXY

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 Annual General 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 Proprietary Limited, Ground floor, 70 Marshall Street, Johannesburg, 2001 (P O Box 61051, Marshalltown, 2107), 48 hours (being 10h00 on Monday, 9 February 2015) before the scheduled time of the Annual General 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 Annual General Meeting and obtain the necessary authorisation from the CSDP or broker to attend the Annual General Meeting, or provide the CSDP or broker with voting instructions in terms of the custody agreement between them. 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'.

Please note that in terms of section 58(3):

- the appointment of a proxy is revocable unless the proxy appointment expressly states otherwise. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy; and delivering a copy of the revocation instrument to the proxy, and to the Company. The revocation will take effect on the later (i) the date stated in the revocation instrument; or (ii) the date on which the revocation instrument was delivered to the proxy and the Company;
- a proxy may delegate his/her authority to act on your behalf to another person, subject to any restriction set out in this proxy form; and
- a proxy must be delivered to the Company, or to the transfer secretary of the Company, namely Computershare Investor Services Proprietary Limited, before your proxy exercises any of your rights as a shareholder at the Annual General Meeting.

All other beneficial owners who have dematerialised their shares through a 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 an alternative proxy 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 Annual 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 Proprietary Limited, Ground floor, 70 Marshall Street, Johannesburg, 2001 (P O Box 61051, Marshalltown, 2107) to be received by not later than 10h00 on Monday, 9 February 2015, 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.

FENICI

IDEAS BY NU-WORLD

GOLDAIR

TELEFUNKEN

Palsonic

prima ONE&ONLY

JVC

Sunbeam

Vegas

MAGIC LINE

ideal

CONTI

NU-TEC

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