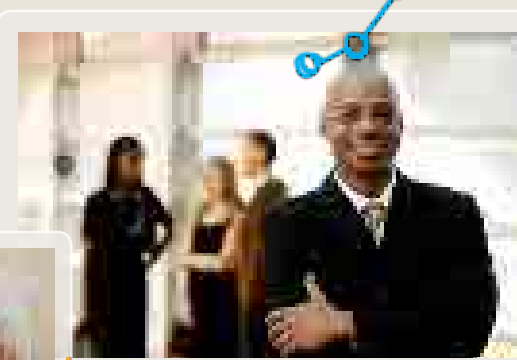


enlighten

excel



enable  
enhance



Annual report 2009

## Contents

Who we are	
01 What we do	
02 Our aim is	
03 Financial highlights	
04 Our timeline	
06 Our quick read	
12 Operational highlights	
14 Five year financial review	
15 Ratios and statistics	
16 A letter from the Chairman	
18 Board of directors	
20 Our Chief Executive Officer's report to stakeholders	
25 Infrastructure	
27 Value added statement	
28 Education division review	
46 Resourcing division review	
54 Sustainability report	



ADvTECH focuses on the sustainable development of human capacity. As a leader in education, training and skills development in the independent sector, and through its career placement services, the Group contributes meaningfully to the development of South Africa's human capital.





enable  
enhance

ADvTECH meets the vital needs and aspirations of all people in our Country by developing intellectual, physical, emotional and social capacity whilst unlocking individual potential for excellence. Our purpose is to ignite a life-long passion for continuous learning and personal career development.

The Group operates through two divisions, Education and Resourcing, and contributes meaningfully towards addressing the education and employment goals of South Africa by providing education, training, skills development and career placement services.

### > Education division

The Education division comprises a nationwide network of school, tertiary, skills and learnership brands, that cater for learning and development needs at every life stage across the spectrum of education. Focus areas include Schooling (from pre-primary to matric), Higher and Further Education and Training (certificates, diplomas, undergraduate and postgraduate degrees), Short Learning Programmes, Skills Programmes and Adult Basic Education and Training. ADvTECH's Academic Governance Structure (page 29) is integral in maintaining the Group's high standards of academic leadership and quality.

### > Resourcing division

The Resourcing division includes a portfolio of specialist resourcing brands that focus on niche markets that have high demand for specific expertise. Focus areas include permanent, temporary and contract staffing solutions as well as recruitment advertising and advertising response handling. While each brand has a distinct profile and service offering, all Resourcing brands work to the Division's ethos of thoroughly understanding both candidates and clients needs to ensure that the best possible recruitment solutions are offered.

enlighten  
+ enhance  
= *excel*

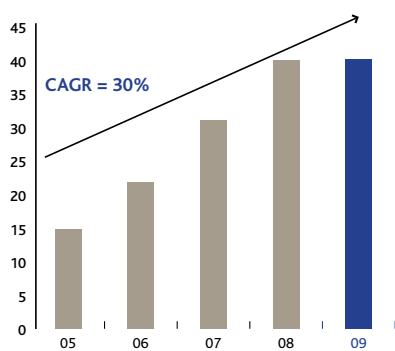
and by focusing on this, we ...

obtain results

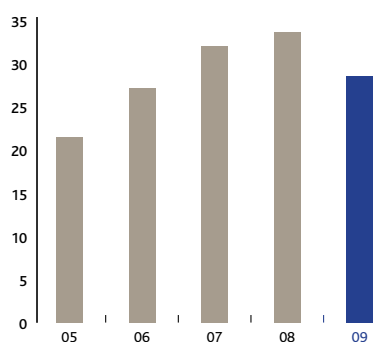
Revenue	↑ 15%
Operating profit	↑ 9%
Headline earnings per share	no change
Free operating cash flow per share	↑ 21%
Distributions per share	↑ 5%

	Percentage change	2009 R'm	2008 R'm
Revenue	15%	1 376.0	1 197.8
Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA)	13%	277.7	246.3
Operating profit before interest	9%	218.9	200.7
Profit before taxation	3%	229.8	222.5
Shareholders' equity	20%	610.6	508.9
Total assets	16%	928.7	799.0
EBITDA margin (%)		20.2	20.6
Net asset value per share (cents)	18%	152.3	129.3
Free operating cash flow before capex per share (cents)	21%	63.8	52.9
Headline earnings per share (cents)		40.1	40.2
Diluted headline earnings per share (cents)		40.1	40.0
Distributions per share (cents)	5%	21.0	20.0
Number of employees (at year end)	4%	3 779	3 643

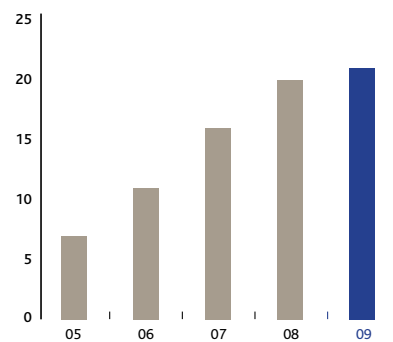
Diluted headline earnings per share (cents)



Headline earnings for the year on average shareholders' funds (%)



Distribution to shareholders (cents per share)



CAGR (Compound Annual Growth Rate in HEPS over five years from 2005 to 2009)

## Our timeline

2009

### ADvTECH Acquisitions

ADvTECH acquires Forbes Lever Baker, a specialised tertiary institution focused on advanced financial and accounting education.



### ADvTECH Achievements



Ranked 16th in the Financial Mail's Top Companies



Ranked 11th in the Business Times Top 100 companies



ADvTECH was included in the JSE's SRI index for the fourth year in succession

2008

ADvTECH acquired **Trinityhouse**, as well as the following recruitment businesses: **IT Edge, Tech-Pro Personnel and The Working Earth**.



ADvTECH was ranked 15th in the Financial Mail's Top Companies and 16th in the Business Times Top 100 companies.

2007



ADvTECH acquired the **National College of Photography** which was incorporated into **Vega, The Brand Communications School**.

2006

The **Academic Advisory Council** was established to advise the Board, Senate and the Independent Institute of Education (IIE) on all academic matters.



**Vertex South Africa**, a specialised Advertising Response Handling business was acquired and incorporated into **Kapele (Pty) Ltd** as **Vertex-Kapele**.

2005



**Inkokheli HR Appointments**, a niche brand specialising in the recruitment and placement of Human Resource professionals was launched.



**Pro Rec Recruitment**, a consultancy specialising in Marketing and Marketing Research placements was acquired.

2004



The **IIE** was created to improve the Group's academic leadership and governance.

2003



Two **Vega Imagination Labs** commenced operations.

**CrawfordSchools™** became the first educational institutions in South Africa to be awarded the internationally prestigious **Investors-in-People** award.


2002

The Company's founder and long time Chairman, **Brian Buckham**, retired and remained on the Board as a Non-executive Director. **Hugh Brown** was appointed Non-executive Chairman and **Frank Thompson**, formerly Deputy Chairman of **Amalgamated Appliances**, was appointed CEO of the Group.




**Kapele Appointments (Pty) Ltd** was formed.

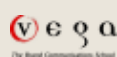
2000

 **insource ICT** A home grown recruitment brand, **Insource. ICT**, was formed to focus on staffing solutions in the Information and Communications Technology industry.

1999

 **Cassel & Co.** The Resourcing division was expanded through the acquisition of **Cassel & Company** and **Brent Personnel**.

**Pro Rec Recruitment** was established.



Our second home grown education brand, **Vega, The Brand Communications School** was launched.

ADvTECH entered the nursery schools market with the purchase of 18 Pre-Primary schools.

ADvTECH was ranked second in the Financial Mail Top Performers survey.

1998

ADvTECH was the top performer in the Electronics sector of the JSE and featured in the Forbes Global Business and Finance magazine as one of the top 300 small companies globally.

1997



The acquisition of **CrawfordSchools™** and **Abbotts College** formed the basis of the Schools offering within the Group.

**Trinityhouse** was founded in Randpark Ridge.



**Varsity College** was acquired.



**College Campus**, the Group's first home grown tertiary brand, was launched.



ADvTECH acquired **Communicate Personnel** and **Network Recruitment**, which was the start of the successful Resourcing division.

**Tech-Pro Personnel** was established.

1996



**Rosebank College** was acquired.

ADvTECH was the top performing company on the JSE.

1995

The Group acquired **Innovative Management Development (IMD) College** and **Global School of Business**.

1993

**CrawfordSchools™** commenced operations with a campus in Killarney.

1991

**Varsity College** was launched in Durban to provide tuition support to 17 part-time UNISA students.

**Corporate College International** was founded.

1989

**Cassel & Company** was established.

**IMD College**, which was incorporated under Rosebank College, was formed.

1987

Advanced Technical Systems (now ADvTECH) was listed in the Electronics sector of the JSE.

**Network Recruitment** was formed.

1986

**Vertex South Africa** was established.

1982

**Communicate Personnel** was commenced operations.

1978

Brian Buckham, who still serves on the ADvTECH Board, founded the company which was then known as Advanced Systems Incorporated.

**Brent Personnel** was launched.

1971

**Abbotts College** was formed.

1948

**Rosebank College** was established.

1909

**Imperial Underwood Campus**, which was incorporated under Rosebank College, commenced operations.

Education division










enlighten

*Enlighten:* To equip someone with greater knowledge and skills in various subjects across various fields



### Education division

Brand	Focus	Est	Location
	The Independent Institute of Education (IIE) is responsible for the academic leadership and governance of all programmes it offers. As a national provider, the IIE oversees a total of 57 education sites in the Group. <a href="http://www.iie.edu.za">www.iie.edu.za</a>	2004	
<b>Schools</b>			
	Junior Colleges is a nurturing group of nursery schools that provide for the holistic development of children from the age of six weeks to six years within a 'home away from home' environment. <a href="http://www.juniorcolleges.co.za">www.juniorcolleges.co.za</a>	1979	<b>Gauteng:</b> Bryanston, Fourways, Meyersdal, Sunninghill, Witkoppen <b>KwaZulu-Natal:</b> Cato Manor
	Abbotts College focuses on the final years of schooling and caters exclusively for Grade 10, 11 and 12 students. The College recognises the individual needs of its students and uses unique methods and systems to develop their full academic potential in an inclusive, caring and focused environment. <a href="http://www.abbotts.co.za">www.abbotts.co.za</a>	1971	<b>Gauteng:</b> Northcliff, Pretoria <b>Western Cape:</b> Century Gate, Claremont
	The well rounded Pre-Primary, Preparatory and College students at CrawfordSchools™ are the product of personal attention to every child, every day. A fresh and innovative approach to academic, sports and cultural activities ensures its students are well prepared to meet the challenges of the future. <a href="http://www.crawfordschools.co.za">www.crawfordschools.co.za</a>	1993	<b>Gauteng:</b> Fourways, Lonehill, Pretoria, Rivonia, Sandton <b>KwaZulu-Natal:</b> Ballito, La Lucia
	Trinityhouse is founded on time honoured traditional values and comprises a Pre-Primary, Preparatory and High school. Its students are offered a healthy balance of academic, sports and cultural activities within a structured, secure and disciplined environment that is shaped by a strong Christian ethos. <a href="http://www.trinityhouse.co.za">www.trinityhouse.co.za</a>	1997	<b>Gauteng:</b> Randpark Ridge
<b>Tertiary</b>			
	College Campus offers students a well balanced and vibrant Higher and Further Education learning environment. A combination of career-oriented study programmes, practical experience outside the lecture room and support services are used to guide students in their chosen career paths. College Campus offers 14 accredited IIE qualifications in the faculties of Applied Humanities, Business, Information Technology and Leisure as well as a range of Short Learning Programmes. In addition College Campus is an accredited tuition centre for UNISA's Bachelor of Arts and Bachelor of Commerce undergraduate degrees. <a href="http://www.collegecampus.co.za">www.collegecampus.co.za</a>	1997	<b>Gauteng:</b> Parktown, Pretoria, Randburg
	The Forbes Lever Baker Educational Institute for Accountancy and Management (FLB) is a school specifically geared towards the training needs of prospective Chartered Accountants. A hands-on approach, encouragement of creative thinking and personal contact with a highly experienced lecturer team is the key to the institute's solid reputation for producing top results. (FLB) is an accredited tuition centre for selected undergraduate and postgraduate degrees that fall within UNISA's College of Economics and Management Sciences. <a href="http://www.flb.co.za">www.flb.co.za</a>	2000	<b>Gauteng:</b> Randburg

Brand	Focus	Est	Location
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### Tertiary (continued)



Rosebank College offers a unique Higher and Further Education urban experience with campuses conveniently located in the heart of city centres. A focus on courses that are fully integrated with work experience, a wide range of social, cultural and sports activities as well as careful attention to individual well being ensures that its graduates are ready to step into the real work environment.

Rosebank College offers 18 accredited IIE qualifications in the faculties of Applied Humanities, Business, Information Technology and Leisure as well as a variety of Short Learning Programmes.

[www.rosebankcollege.co.za](http://www.rosebankcollege.co.za)

1948

**Gauteng:** Benoni, Braamfontein, Pretoria  
**KwaZulu-Natal:** Durban  
**Western Cape:** Cape Town



Varsity College's approach to Higher and Further Education learning ensures its students are well equipped for a future filled with exciting opportunities. Academic programmes that integrate theory and practice, coupled with an emphasis on the development of life and personal skills, prepare students for employment that awaits them after graduation.

Varsity College offers 15 accredited IIE qualifications in the faculties of Applied Humanities, Business, Information Technology and Leisure as well as a range of Short Learning Programmes. In addition Varsity College is an accredited tuition centre for selected undergraduate and postgraduate degrees that fall within UNISA's College of Economics and Management Sciences, Human Sciences and Law. Varsity College also offers tutorial support for the IMM Diploma in Marketing.

[www.varsitycollege.co.za](http://www.varsitycollege.co.za)

1991

**Gauteng:** Pretoria, Sandton  
**KwaZulu-Natal:** Durban North, Pietermaritzburg, Westville  
**Western Cape:** Rondebosch  
**Eastern Cape:** Port Elizabeth



Vega, The Brand Communications School, which includes the National College of Photography, aims to graduate a new breed of brand thinkers who are capable of generating innovative and sustainable brand ideas that solve 21st century problems. All courses at Vega are taught within the context of creating, building and managing healthy brands and the businesses which underpin them to create and add value.

Vega offers accredited IIE certificate, diploma, undergraduate and postgraduate degree programmes under the School of Branding which is part of the Faculty of Applied Humanities. In addition Vega offers part-time qualifications, Short Learning Programmes, corporate training and interactive workshops within the context of branding.

[www.vegascchool.com](http://www.vegascchool.com)

1999

**Gauteng:** Bedfordview, Braamfontein, Pretoria, Randburg  
**KwaZulu-Natal:** KwaMashu, Westville  
**Western Cape:** Cape Town



The School of Business and Technology (SoBT) offers a variety of Short Learning Programmes designed for working adults wanting to enhance their careers. These programmes are quality assured and certified by the IIE and are offered, outside of normal working hours, throughout the year.

1997

SoBT Short Learning Programmes are offered on all campuses of College Campus, Rosebank College and Varsity College

### Skills



Imfundo's core business is to build careers through training and skills development for both employed and unemployed individuals through learnerships, Skills and Short Programmes that support the National Skills Development Strategy. In addition Imfundo renders logistic support and administers benchmarking assessments for various educational institutions and Sectoral Education and Training Authorities (SETAs).

[www.imfundo.co.za](http://www.imfundo.co.za)

2005

Head Office in Randburg. Training takes place either on site, at clients' offices or at rented premises nationally





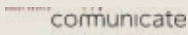





Corporate College International (CCI) focuses on improving the earnings potential of both employed and unemployed adult earners by offering Skills Programmes and full qualifications, including Adult Basic Education and Training. As an accredited training provider for the Education, Training and Development Practices SETA, CCI delivers Occupational Directed Education Training and Development services to both the public and private sectors.

[www.ccionline.co.za](http://www.ccionline.co.za)

1991

Head Office in Randburg. Training takes place either on site, at clients' offices or at rented premises nationally

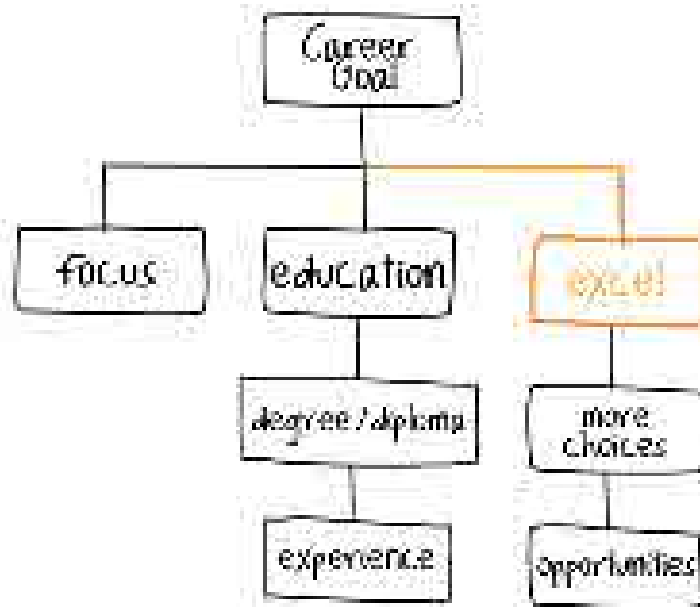
### Resourcing division

Brand	Focus	Est	Location
	Brent Personnel has been in existence for 32 years and provides customised permanent, temporary and contract staffing solutions to the Finance and Office Support industries. <a href="http://www.brent.co.za">www.brent.co.za</a>	1978	<b>Gauteng:</b> Sunninghill
	Cassel & Company has a track record of service excellence that spans 21 years and offers premier permanent, temporary and contract staffing solutions in Accounting and Finance. <a href="http://www.cassel.co.za">www.cassel.co.za</a>	1989	<b>Gauteng:</b> Sunninghill
	Communicate Personnel is one of the longest established recruitment brands in South Africa and has 28 years' experience in providing innovative permanent, temporary and contract staffing solutions to the following specialist industries: Engineering, Finance, Freight and Logistics, and Information Technology (IT). <a href="http://www.communicate.co.za">www.communicate.co.za</a>	1982	<b>Gauteng:</b> Bruma, Midrand, Pretoria <b>KwaZulu-Natal:</b> Durban, Umhlanga <b>Western Cape:</b> Cape Town
	Insource.ICT finds IT jobs for IT people. The Brand specialises in permanent and contract Information Communication Technology (ICT) staffing solutions, placing candidates at all levels within organisations nationwide. <a href="http://www.insource.co.za">www.insource.co.za</a>	2000	<b>Gauteng:</b> Midrand <b>Eastern Cape:</b> Port Elizabeth
	IT Edge offers flexible permanent and contract IT staffing solutions in line with the change and innovation that is synonymous within the IT industry. <a href="http://www.itedge.co.za">www.itedge.co.za</a>	2000	<b>Gauteng:</b> Blackheath
	Network Recruitment comprises three specialist areas: Network Engineering, Network Finance and Network IT Recruitment, and has 23 years' experience in offering optimum permanent staffing solutions to both clients and candidates in these industry sectors. <a href="http://www.networkrecruitment.co.za">www.networkrecruitment.co.za</a>	1987	<b>Gauteng:</b> Bruma, Centurion, Menlyn, Sunninghill
	Pro Rec Recruitment is a specialist recruitment agency that offers permanent, temporary and contract staffing solutions in the Marketing, Market Research and Professional Sales disciplines. <a href="http://www.prorec.co.za">www.prorec.co.za</a>	1999	<b>Gauteng:</b> Sunninghill
	Tech-Pro Personnel are unrivalled leaders in Supply Chain Management recruitment and are actively involved in the development of this profession in South Africa. The Brand offers permanent staffing solutions in Logistics, Planning, Procurement and Technology. <a href="http://www.tech-pro.co.za">www.tech-pro.co.za</a>	1997	<b>Gauteng:</b> Bryanston

Brand	Focus	Est	Location
	Inkokheli HR Appointments is the only recruitment business in South Africa that focuses solely on permanent, temporary and contract staffing solutions in Human Resources. <a href="http://www.inkokheli.com">www.inkokheli.com</a>	2005	Gauteng: Sunninghill
	Vertex-Kapele has 24 years of industry experience in providing Human Resource (HR) solutions for specialised industry sectors throughout Africa. Contract staffing solutions, Advertising Response Handling, Recruitment Advertising and Strategic HR Consulting services are offered in the Commerce, Education, Engineering, Finance, Information Communications Technology, Manufacturing and Retail sectors. <a href="http://www.vertexsa.com">www.vertexsa.com</a>	1986	Gauteng: Bryanston
	The Working Earth is South Africa's only recruitment advertising specialist that links advertising to electronic response handling using the power of the internet. The Brand offers the following recruitment methodologies: Advertising Response Handling, Electronic Recruitment, In-company Recruitment, and Recruitment Advertising. <a href="http://www.theworkingearth.co.za">www.theworkingearth.co.za</a>	2000	Gauteng: Weltevreden Park

\* Inkokheli HR Appointments, Vertex-Kapele and The Working Earth are divisions of Kapele Appointments (Pty) Limited, a BEE company within the ADvTECH Group.

## Resourcing division



# enhance

*Enhance:* To intensify, increase or further improve the opportunities for someone



## Operational highlights



100 %



- The **1 169** matric students at Abbots College, CrawfordSchools™ and Trinityhouse achieved a **100%** pass rate with **98%** of them qualifying for entrance into Higher Education institutions.



- Our matriculants obtained **2 351** subject distinctions in total with 10% of students achieving six or more subject distinctions.
- In the Independent Schools category in KwaZulu-Natal, **four out of the top five students** who wrote the 2009 National Senior Certificate matric examinations were from Crawford College La Lucia.
- Crawford College Sandton was recognised as the **Top Independent School** in the province by the Gauteng Department of Education.
- The new purpose built **Abbots College campus in Suideroord**, Johannesburg was completed for 2010 student enrolments.
- New sites in KwaZulu-Natal and Gauteng were secured for the **expansion of Trinityhouse** in 2011.

- **Six new IIE Higher Education programmes** were accredited by the Council of High Education during 2009 and will be offered at the Group's tertiary campuses from January 2010.
- The first phase of the Group's **System for Academic Management**, an Enterprise Resource Planning system, was implemented.
- The official **IIE Academic Regalia** was launched and worn at all tertiary graduation ceremonies in 2009.

- Dr Felicity Coughlan (Director: IIE) was appointed to the Higher Education Quality Council (HEQC) Board and Dr Charles Freysen (Registrar: IIE) was appointed to the HEQC Institutional Audits Committee.

- **73%** of the IIE graduates surveyed completed their qualifications within the minimum prescribed period.
- College Campus Pretoria moved into their **new custom built premises** during the year.



- **Forbes Lever Baker** was acquired.
- School of Business students at Rosebank College achieved a **91%** pass rate for Pastel Accounting and an **86%** pass rate for Principles of HR Management.
- The Forbes Lever Baker and Varsity College postgraduate UNISA Certificate of Accounting Theory students achieved exceptional results and together had **12 students in the top 15 in the Country**.
- Forbes Lever Baker and Varsity College students enrolled in UNISA undergraduate programmes achieved a **72%** module pass rate.





- The **164** UNISA Bachelor of Education students at Varsity College obtained **602** module distinctions, almost four distinctions per student on average.
- Students enrolled in Short Learning Programmes at Varsity College achieved an **80%** pass rate.
- Vega's Higher Certificate in Photography students achieved a **76%** pass rate.
- The national pass rate was **87%** for students enrolled in Vega's Brand Leadership Honours programme.
- The **new Vega Auditorium** was officially opened by Sony and Nu Metro senior management.
- Corporate College International trained **10 500** unemployed illiterate adults as part of the Department of Labour's learner literacy campaign.
- Imfundo facilitated Financial Advisory and Intermediary Services assessments for **9 030** candidates in the insurance industry for INSETA.
- Communicate Personnel opened a **new Finance branch in Durban** and expanded its Engineering branch in Cape Town.



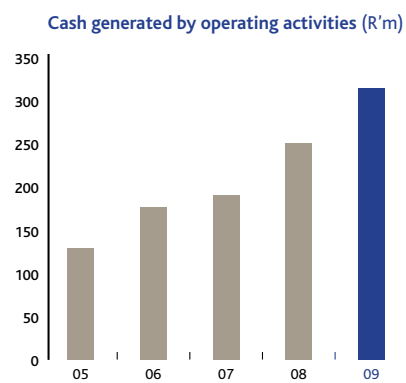
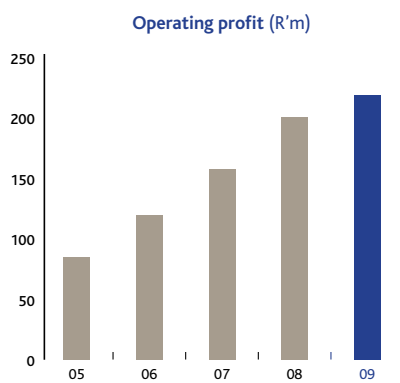
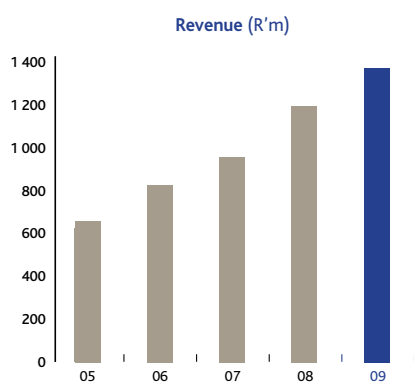
*excel*

*Excel:* Be exceptionally good at or proficient in an activity or subject

- In the Professional Management Review National Survey on Outsourced Staffing Solutions companies, Network Recruitment was awarded a **Golden Arrow Award** as well as a **Bronze Arrow Award**.
- Network Recruitment opened a **new Finance branch in Centurion**.
  - Suraj Maharaj, MD of Kapele Appointments (Pty) Limited, was appointed as the National President of the Association of Personnel Services Organisation.
- The Working Earth won the **Best Colour Advert in the Trade/Technical/Artisan Category** (Client: Murray & Roberts) in the Sunday Times Business Times Careers Advertising Awards.
- 'Academe', a recruitment advertising service specifically tailored for academic institutions, was launched by The Working Earth.
- The Working Earth launched a recruitment advertising and e-recruitment service for the **Department of Science and Technology**.
- AdVertex, Vertex-Kapele's in-house advertising agency, won **Best Colour Advert in the Information Technology Category** (Client: Microsoft) and **Best Black and White Advert in the Composite Advertisements Category** (Client: Swiss Re), in the Sunday Times Business Times Careers Advertising Awards.



	2009 R'm	2008 R'm	2007 R'm	2006 R'm	2005 R'm
<b>Summarised statements of comprehensive income</b>					
Revenue	1 376.0	1 197.8	960.4	830.1	661.0
Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA)	277.7	246.3	191.2	146.1	110.5
Depreciation and amortisation	58.7	45.6	33.5	26.8	25.6
Operating profit	219.0	200.7	157.7	119.3	84.9
Net interest received	10.8	21.8	14.4	5.5	0.1
Profit before taxation	229.8	222.5	172.1	124.8	85.0
Taxation	69.6	67.1	52.9	38.5	27.2
Profit for the year	160.2	155.4	119.2	86.3	57.8
<b>Headline earnings</b>	<b>160.3</b>	155.5	118.8	83.5	56.6
<b>Summarised statements of financial position</b>					
Shareholders' equity	610.6	508.9	414.9	327.2	285.5
Interest bearing debt	—	3.9	10.9	18.1	23.2
Vendor claims	—	12.0	—	—	—
Current liabilities	318.1	274.2	233.2	183.7	171.4
	928.7	799.0	659.0	529.0	480.1
Non-current assets	787.9	665.3	478.8	438.7	407.1
Current assets	140.8	133.7	180.2	90.3	73.0
	928.7	799.0	659.0	529.0	480.1
<b>Summarised Cash Flows</b>					
Cash generated by operating activities	314.8	250.5	190.4	177.3	129.4
Net cash inflow from operating activities	170.0	154.0	135.8	98.5	106.6
Net cash outflow from investing activities	(155.7)	(234.9)	(71.8)	(70.0)	(59.3)
Net cash (outflow)/inflow from financing activities	(18.5)	6.6	(5.4)	(5.1)	(7.9)
Net (decrease)/increase in cash and cash equivalents	(4.2)	(74.3)	58.6	23.4	39.4

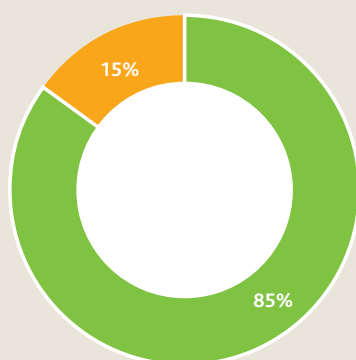




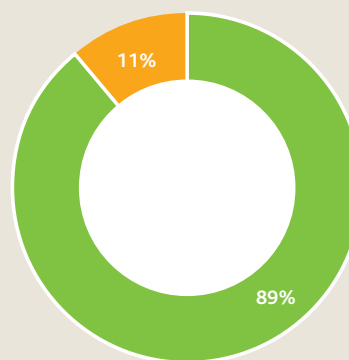
## Ratios and statistics for the year ended 31 December 2009

	2009	2008	2007	2006	2005
<b>Earnings and distribution</b>					
Earnings per share (cents)	40.1	40.2	32.1	23.5	16.0
Headline earnings per share (cents)	40.1	40.2	32.0	22.7	15.7
Diluted headline earnings per share (cents)	40.1	40.0	31.0	21.8	14.9
Distributions to shareholders per share (cents)	21.0	20.0	16.0	11.0	7.0
<b>Profitability</b>					
EBITDA on revenue (%)	20.2	20.6	19.9	17.6	16.7
EBIT on revenue (%)	15.9	16.8	16.4	14.4	12.8
Operating profit on average shareholders' funds (%)	39.1	43.5	42.5	39.0	32.2
Headline earnings on average shareholders' funds (%)	28.6	33.7	32.0	27.2	21.5
<b>Productivity</b>					
Per R1 000 of revenue:					
Payroll costs (Rand)	491.7	495.8	488.8	498.3	510.3
Revenue per average fixed assets (Rand)	2.3	2.4	2.3	2.2	1.9
Revenue per employee (R'000)	364.1	328.8	309.3	287.4	258.2
<b>Finance</b>					
Interest bearing debt as a percentage of shareholders' equity	—	0.8	2.6	5.5	8.1
Current assets to current liabilities	0.4	0.5	0.8	0.5	0.4
Operating cash flow per share (cents)	42.4	39.1	34.5	25.0	27.1
Free operating cash flow before capex per share (cents)	63.8	52.9	40.8	40.1	28.9
Net asset value per share (cents)	152.3	129.3	105.4	83.1	72.5
Debtors days as at 31 December	22.5	22.1	18.5	10.1	15.9
<b>Other</b>					
Total shares in issue (millions)	400.8	393.7	393.7	393.7	393.7
Weighted average number of shares in issue (millions)	399.4	386.5	372.0	368.0	361.9
Diluted weighted average number of shares in issue (millions)	399.7	389.1	383.0	382.9	381.3
Staff headcount at year end	3 779	3 643	3 105	2 888	2 560
Total capacity occupied (000 m <sup>2</sup> )	206.3	201.5	177.4	154.2	160.2

Divisional contribution to Group revenue (%)



Divisional contribution to Group operating profit (%)



■ Education ■ Resourcing

### Dear Shareholder

After 17 consecutive years of positive development in South Africa, it was perhaps inevitable that at some point the economic growth cycle would come to an end. It did so in 2009, fuelled by a significant downturn in foreign markets, a severe global banking crisis and a punishing drop in investment confidence which permeated throughout the world's investor communities. There is little doubt that the year 2009 will be remembered as one of the most challenging economic periods of modern history.

The watchword for ADvTECH, as for all businesses, became 'Back to Basics' and all aspects of the Group's operations were carefully reviewed as a protective measure in the event of a protracted recession. This review confirmed the resilient nature and core strengths of each business unit and management were able to conclude with confidence that the Group could retain its market leadership and that its sustainability was secure.

Notwithstanding the damaging economic events of the time, the defensive nature of ADvTECH's principal Education division and the proven application of this division's business model enabled the Group to continue its growth path and record an increase in its education revenues and operating profits of 20% and 21% respectively.

ADvTECH's smaller but robust Resourcing division was unfortunately, but not unexpectedly, impacted by the recessionary conditions. While the Division increased its market share and positioned itself with typical purpose and energy, its operating profits declined from R47 million in 2008 to R29 million for the year under review.


Over the last five years, ADvTECH has delivered an annual compound growth rate in earnings of 30% and throughout this period has continued to expand its academic programmes, its teaching capacity, its physical infrastructure and its recruitment network. This has been achieved through healthy organic growth, income enhancing capital expenditure and certain attractive acquisitions. Market recognition of the Group's accomplishments was highlighted by the Financial Mail and Sunday Times when ADvTECH was included in the Top 20 company rankings for 2009 by both publications.

**"The Group's overall financial performance is considered to be highly satisfactory."**

The Education division, which represents 85% and 89% of the Group in revenue and profits respectively, continued to increase its contribution to South Africa's education and training capacity as well as the transformation of the Country's educated and skilled workforce. The Division enrolled approximately 61 000 students during the year, 32 000 of these being full-time students with the remainder studying part-time or attending Short Learning Programmes. 73% of the student body is black, as are many of the Group's top achievers, including the top achieving matric student.

The academic achievements of the Group's students, individually and collectively, are testament to the conducive and enabling education environment offered by ADvTECH. The Group's 1 169 matric candidates again achieved a 100% pass rate, with over 98% of them qualifying for entrance into Higher Education institutions. 113 candidates received six or more distinctions and the 2009 matric class collectively obtained 2 351 distinctions. Included in this number were six bursary students who achieved distinctions in Mathematics after just two years at Abbots College. 15 graduation ceremonies took place during the year at which 2 468 (2008: 2 156) students from The Independent Institute of Education (IIE) graduated with accredited Higher Education qualifications at certificate, diploma, degree or honours level. Forbes Lever Baker (FLB) and Varsity College undergraduate UNISA students continued to achieve sound results with an overall module pass rate of 72%. In the UNISA CTA examinations FLB and Varsity College students occupied 12 of the top 15 places nationally. At Imfundo 10 500 candidates completed an Adult Basic Education and Training programme which provided meaningful literacy skills. The oldest participant in this programme was 94 years old and was able to read and check her pension statement for the first time in some 30 years as a pensioner. A further 9 000 candidates in the insurance industry wrote the Financial Advisory and Intermediary Services (FAIS) examinations, with a 71% success rate.

ADvTECH's Resourcing division is primarily focused on the permanent placement of skilled individuals. The recruitment brands have maintained a resolute focus in key market areas notwithstanding extremely difficult trading conditions, especially during the second half of the financial year. Circumstances dictated an intense focus on productivity and a renewed commitment to a lean and efficient operational model. The value and reputation of the brands within the Division enabled the Group to retain its core teams of skilled and experienced managers and consultants, which led to gains in market share and improved positioning in key



## "ADvTECH is a quality catalyst in igniting an interest in greater learning for greater success."

niche industries. Despite the disappointing financial results this year, the Division is well positioned and prepared to embrace the opportunities that an improving economy will offer. The Resourcing division placed approximately 3 900 (2008: 4 900) people in new careers during the year.

Given the mix of strong growth in the Education division and the market related decline in contribution from the Resourcing division, the Group's overall financial performance is considered to be highly satisfactory. Revenues increased by 15% to R1.4 billion, operating profit increased by 9% to R219 million with headline earnings per share being at the same level of the previous year due to lower interest earnings and dilution resulting from the issuing of shares to vendors.

Free operating cash flow per share before capital expenditure increased by 21% to 63.8 cents. This is equivalent to the cash conversion of close to 160% of headline earnings per share and underscores the Group's quality of earnings. Given this positive feature of ADvTECH's results, the Board was able to approve distributions for the year of 21.0 (2008: 20.0) cents per share, which includes a final distribution of 13.5 (2008: 13.0) cents per share.

ADvTECH continues to provide outstanding quality education and even in today's uncertain economic environment there is clear evidence of growing demand for such services. As the economy emerges from the recession, it is anticipated that further demand will continue to develop. The Board will be monitoring these developments always with a view to optimising shareholder interests through feasible expansion and acquisition. The Resourcing division is also well placed for the resumption of growth when market conditions return to normal.

During the year Mr Leslie Maasdorp joined the ADvTECH Board of Directors. Mr Maasdorp is a leading South African businessman who has held and continues to hold senior positions in both the public and private sectors. The Board now comprises seven independent non-executive directors, two non-executive directors and two executive directors. The Academic Advisory Council admitted Dr Thomas Oosthuizen and Professor Brenda Gourley as members of the Council. Professor Gourley is also an independent non-executive Director. The Academic Advisory Council now comprises four senior and experienced independent academics with South African and international expertise.

It is an imperative for South Africa's youth and workforce to embody progressive and advanced levels of education and training. Investment in our human capital, to create a workforce with creativity and skills that see education as a lifelong commitment, is critical in generating products and services with high economic value. The link between education and individual success and independence is well documented. Education provides a higher probability of secure employment, superior remuneration, a life with positive choices, an equal opportunity to compete and the ability to acquire assets and create wealth.

ADvTECH is a quality catalyst in igniting an interest in greater learning for greater success. I can record with some confidence that ADvTECH has a sound and sustainable business, is well managed and is satisfactorily capitalised for future growth and progress.

I would like to thank our management and staff for their immense effort and loyalty during what has been a difficult year for everyone. I would also like to acknowledge the Group's non-executive directors and members of the Academic Advisory Council for their support, advice and guidance.

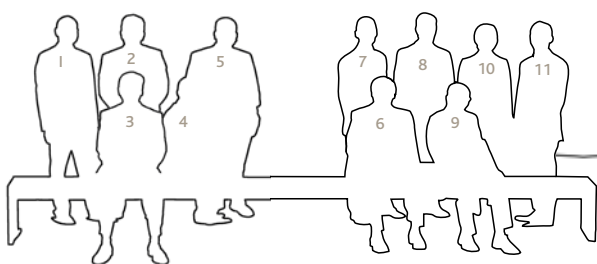
Yours sincerely



**Motty Sacks**  
Acting Chairman



## Board of directors



### 1 Titi, Fani – 47

Independent non-executive Director (Member of the Board Transformation and Audit Committees)

BSc (Hons), Masters degree in Mathematics from the University of California (Berkeley), MBA (Wits)

Fani is an executive Director of Tsiya Group, a private equity investment firm and is currently the Non-executive Chairman of Investec Bank Limited and AECI Limited. Fani joined the ADVTECH Limited Board in December 2006.

### 2 Livingstone, Jeffrey – 57

Independent non-executive Director (Member of the Remuneration, Audit and Litigation Committees)

BCom, CA (SA), HDip Tax Law

Jeffrey is a practising Chartered Accountant and Chairman of Light & Livingstone Inc., Registered Accountants and Auditors. He qualified as a Chartered Accountant in 1976 after completing his articles at PKF. He completed the Higher Diploma in Tax Law in 1981. Jeff provides a wide range of professional services and has acted as a director of and consultant to several public and private companies. He joined the ADVTECH Limited Board in October 2008.

### 3 Levin, Hymie – 64

Non-executive Director (Chairman of Audit Committee and Litigation Committee member)

BCom, LLB, LLM, HDip Tax Law, HDip Co Law

Hymie is a specialist corporate and tax lawyer. He is the senior partner of HR Levin Attorneys and his experience spans more than 40 years. He is also a Non-executive Director/Chairman of various companies listed on the JSE. He joined the ADVTECH Limited Board in 1987 at the time of ADVTECH Limited listing on the JSE.

### 4 Oesch, Didier – 44

Executive Director, Group Financial Director  
BCompt (Hons), CA (SA)

Didier qualified as a Chartered Accountant in 1991 after completing his articles at Betty & Dickson. He gained considerable experience with the Nampak Group in various financial positions culminating in a four year stint in Europe as Financial Director of Nampak Plastics Europe from October 2000 to December 2004. Didier joined ADVTECH as Group Financial Manager and member of the Exco in August 2005 and was appointed as Group Financial Director in October 2005.

### 5 Jansen, Jonathan (Prof) – 53

Independent non-executive Director (Member of the Board Transformation Committee)

PhD (Stanford), MSc (Cornell), BEd, HEd (UNISA), BSc (UWC)

Jonathan is Rector and Vice-Chancellor of the University of the Free State, President of the South African Institute of Race Relations and Vice-President of the Academy of Science of South Africa. He holds an Honorary Doctor of Education degree from the University of Edinburgh and serves as Assessor and Administrator of universities on behalf of the Ministry of Education. He is a prominent speaker and writer on educational matters around the world. He joined the ADVTECH Limited Board in 2004.

### 6 Sacks, Michael (Motty) – 67

Independent non-executive Director, Acting Chairman  
CA (SA), AICPA(Isr)

Motty practised as a public accountant and auditor for five years until 1972, after which he acted as an independent corporate advisor for 25 years prior to his appointment as Executive Chairman of Netcare in 1997. He has served and continues to serve as a non-executive director to several companies, institutions and empowerment committees. He is also an Officer of the International Association of Political Consultants. Motty joined the ADVTECH Limited Board in 2001.



#### 7 Ferreira, David – 47

Independent non-executive Director (Chairman of the Board Transformation Committee)  
BA, LLB (Wits), MA (Oxon), MSc (LSE)

David is the Managing Director for Innovative Finance and Head of Washington DC Office of the GAVI Alliance, a major public-private partnership that brings immunisation to poor countries. Before that, he was the Investment Manager of Soul City Broad-Based Empowerment Company. Previously, David was a founder and director of Praxis Capital, a South African private equity business, and before that worked in project and corporate finance for leading South African and US firms as well as for the World Bank. He joined the Board of ADVTECH Limited in 2002.

#### 8 Thompson, Frank – 54

Executive Director, Chief Executive Officer  
BCom, BA, CA (SA)

Frank has over 25 years' experience in senior management and board positions since qualifying at Deloitte. He spent 10 years in the Anglo American Group, mainly at electronics company Conlog, 10 years in the Malbak Group and its subsequently unbundled entity, Amalgamated Appliance Holdings Limited, where he was Deputy Chairman until joining ADVTECH in August 2002 as Group CEO.

#### 9 Buckham, Brian – 71

Non-executive Director (Chairman of Litigation Committee)

Brian was the founding member of Advanced Technical Systems Limited, now known as ADVTECH Limited, which was listed on the JSE in 1987. This was the culmination of over 30 years of senior management and Board experience. He held Executive Director positions within ADVTECH until his retirement as Executive Chairman in 2002 after which he has remained on the Board as a Non-executive Director.

#### 10 Gourley, Brenda (Prof) – 66

Independent non-executive Director  
CTA (Wits), MBL (UNISA), Hon LLD (Nott), Hon Doctor of Humane Letters (Richmond), Hon DEd (Abertay), Hon DPhil (Allama Iqbal), Hon Doctor (Quebec), Hon DCom (Pretoria), FCGI

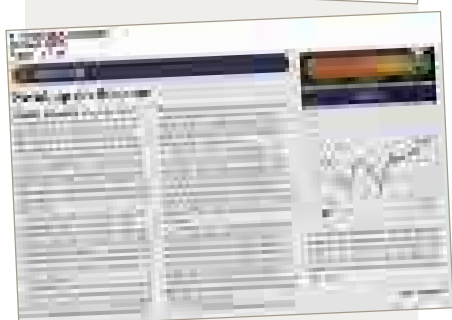
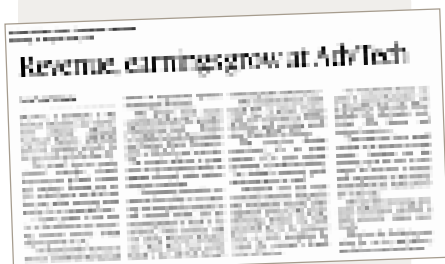
Professor Brenda Gourley's long career in academia culminated in her period of office as Vice Chancellor of the University of KwaZulu-Natal in South Africa for eight years followed by a period of office as Vice Chancellor and CEO of The Open University in the United Kingdom for seven years. She has served two terms as Chair of the Association of Commonwealth Universities and two terms on the Board of the International Association of Universities. She is an accountant by profession and holds board memberships of several companies and institutions, in both the private and public sectors. She joined the ADVTECH Limited Board in May 2008.

#### 11 Maasdorp, Leslie – 43

Independent non-executive Director  
MSc Economics (SOAS, UK), BA Economics (UWC)

Leslie has more than 19 years experience in economic policy making, corporate strategy and investment banking. He has occupied senior leadership positions in both the public and private sectors. He is currently Vice Chairman of Absa Capital and Barclays Capital and is a director of several listed and unlisted companies including Batho Bonke Capital (the black empowerment partner of Absa Group), Cell C, Prescient and Robor. Leslie is Non-executive Chairman of Yard Capital, a private equity investment holding company in South Africa and Vice President of Business Leadership South Africa. In 2007 he was designated by the World Economic Forum as a Young Global Leader. He joined the ADVTECH Limited Board in July 2009.

### Newsclips



**"The strength of the Group's business model and the annuity nature of the revenue stream underpin ADvTECH's long-term sustainability."**

ADvTECH achieved steady financial results for the year ended December 2009, a period characterised by significant financial and economic challenges for consumers in South Africa. These results flowed from continued strong growth in the Education division which was offset by a significant but market related decline in the contribution from the Resourcing division. The increase in demand for ADvTECH's education services throughout this period is testament to the value placed on the quality of the Group's education offering. The strength of the Group's business model and the annuity nature of the revenue stream underpin ADvTECH's long-term sustainability.

### Education

In line with the Group's model of longer-term sustainability, the Education division maintained a programme of investing in human resources, IT capability and physical infrastructure. These investments have contributed to both the quality and scale of ADvTECH's educational offering. As a result the Group was able to offer education to 60 800 learners, up from 46 500 last year. A key element of this growth was the 7% increase in full-time students to 32 400. These services were offered across 57 sites (2008: 52). A significant increase in student numbers was achieved in Imfundo, mainly as a consequence of the Adult Basic Education and Training contract carried out for the Department of Labour, which saw 10 500 students completing Basic Literacy training.

The Group's schools still focus primarily on the state and provincial matriculation exams, although the IEB matriculation exams are offered at Trinityhouse. All necessary teaching and quality arrangements are in place to ensure that competitive world-class schooling is offered. ADvTECH students are tested against a variety of international benchmarks which verify that the curriculum, standard of education and level of attainment are all at appropriate levels.

At post-schooling level, the role of the Academic Advisory Council, Senate and the various specialist advisory committees have supported The Independent Institute of Education (IIE) in achieving a 17% increase in the number of accredited programmes. This further strengthened the Group's position as South Africa's leading Private Higher Education Institution with 41 accredited programmes across 24 sites of delivery.





The IIE continues to play a leadership role in the education sector. During 2009 two sector forums and a regional guest speaker series were held and well attended by education stakeholders, including representatives from public and private sectors, NGOs and regulators. The IIE also maintained close formal and informal links directly with regulators and departmental officials.

Our year end examination results and benchmarking evaluations were once again excellent. Perhaps the real value of these results is measured by the progress and success of alumni in their subsequent education and careers, which ADvTECH continues to monitor through representative surveys. Attention given to this area has increased and since 2007 several thousand alumni have been contacted formally, generating useful longitudinal and cross-sectional data.

In 2009 a further 652 IIE graduates were surveyed on a statistically valid basis. While satisfactory employment success continues to be achieved, the 2009 sample revealed to some extent the career challenges facing most young graduates in a difficult economy and the overall employment rate has declined compared to the trend of the last three

years. 63% of the employed alumni had found positions directly related to their field of study within four months of graduating. Satisfyingly, 73% of the IIE graduates surveyed had completed their qualifications in the minimum prescribed period and more than 80% of graduates indicated that they would recommend their campus to others.

Research conducted at South African universities shows that matriculants from the ADvTECH Group are amongst the most successful students. The University of the Witwatersrand (Wits) tracked the performance of students from its top 20 feeder schools over a three year period (2004 to 2006). 30% of the 342 Crawford College Sandton students enrolled at Wits during this time received prizes and awards for excelling academically. In 2009 Yusuf Rander-Rees (a 2000 Crawfordian) and Bonolo Mathibela (a 2004 Crawfordian) were awarded Rhodes Scholarships, while Adam Golding (a 2001 Crawfordian), was recently awarded a Fullbright Scholarship to further his studies in Music.

The Group continues to hire its own graduates with a current alumni headcount of 322, representing almost 9% of the workforce.



**Frank Thompson**  
*Chief Executive Officer*

**"The Group offered education  
to a total of 60 800 learners  
across 57 sites."**

### Resourcing

The Group's resourcing business experienced a pronounced fall off in demand coupled with a lengthening of the staff procurement cycle during the first quarter of 2009. Thus, after a promising start to the year volumes fell away, especially in the second half of the year when compared to the very buoyant second half of 2008. These conditions necessitated rigorous cost containment measures and intense focus on quality and productivity. This led to some downsizing in parts of the business, although not material in overall terms.

Notwithstanding these conditions, the Division was able to retain core leadership and skills and thereby strengthen its position as the leading provider of IT staff. In addition the Division secured market leadership in permanent staff placements in the Finance and HR categories as well as making gains in other key target markets. These developments position the Division well for a revival in the staffing markets when this occurs.

### Financial

I am pleased, under the circumstances, to be able to report a 15% increase in revenue to R1.4 billion and a 9% increase in operating profit to R219 million. Reduced interest earnings and the dilution resulting from the issue of shares to vendors translated into diluted HEPS of 40.1 cents (2008: 40.0 cents).



The strong cash flow reported on below enabled the declaration of a 5% increase in distributions per share for the full year.

These results were driven by a sound performance in the Education division coupled with modest growth in central administration costs which increased by 9% (2008: 13%). Overall, operating margin declined marginally. In Education the margin increased fractionally to just under 20%, whilst in Resourcing, the margin was severely compromised by the abovementioned economic conditions.

Revenue in the Education division increased by 20% to R1.2 billion and operating profit by 21% to R231 million. This growth reflects continued real growth in student numbers and the benefit of economies of scale. As a result of the challenging trading environment due to the economic downturn, the Resourcing division had a difficult year with revenue declining by 7% overall and 23% in the second six months to R208 million for the year. This impacted heavily on the Division's operating profit which declined for the year by 39% to R29 million. Notwithstanding this result, the Resourcing division continued to contribute to the Group's performance with operating profit at a level equivalent to that of 2007, strong positive cash flows and significant gains in market position.

Free operating cash flow before capex per share increased by 21% to 63.8 (2008: 52.9) cents per share. A further improvement in working capital management enabled the Group to generate this result despite the lower rate of operating profit growth. The increase in net trade and other current assets of 12% was lower than the 15% increase in revenue and reflects the result of continued focus on the management and collection of receivables.

Sound cash generation enabled ADvTECH to fund from its own resources capital expenditure of R129 million (2008: R98 million), acquisitions of R57 million (2008: R143 million), corporate taxation of R75 million (2008: R49 million) and capital distributions of R80 million (2008: R69 million). This enabled the



Group to maintain its sound financial position with an ungeared balance sheet and an 18% increase in net asset value per share.

The nature of the Group's working capital model in education is based on payments of fees received in advance, compared to the usual models of arrear payments for services rendered. This model gives rise to circumstances at year end where current liabilities exceed current assets. This preferred low risk state of affairs resolves itself in the course of trading during the year.

#### Investment

In 2009 the Group invested R186 million (2008: R241 million) in capital expenditure and acquisitions.

This included a significant ongoing investment in management information systems and the creation of new capacity in the education brands, notably Abbotts College and CrawfordSchools™. The Group also invested R57 million in the already reported acquisition of Forbes Lever Baker, which gave rise to the increase in goodwill and intangible assets. In early 2010 ADvTECH acquired The Design School Southern Africa for a consideration of approximately R25 million, subject to the fulfilment of certain conditions. Although small in Group terms, this acquisition brings exciting new capacity and capability into the Vega brand.

The reduction in capital commitments to R123 million (2008: R158 million) is the result of project planning timetables and the focus on projects already in hand as noted above.

#### Transformation

ADvTECH's role in education, training and staffing in itself makes a significant contribution to the transformation of South African society. 73% of students and over 50% of placements are black. The Group maintained steady progress in its black staff complement as a whole as well as in its senior management structures. The Board Transformation Committee continues to guide the Group's progress against the relevant Department of Trade and Industry codes and the JSE Limited's Socially Responsible Investment index, of which ADvTECH has been a constituent for the past four years.

#### Litigation

Legal proceedings against Marina and Andry Welihocky remain in process. The Group's legal counsel remains satisfied with the merits of the claims in this matter and that, save for legal costs, the Group has no further exposure.

#### Staff

Difficult economic circumstances increase the demands placed on our staff at all levels. This is the result not only of the greater effort required to produce satisfactory results, but also because these circumstances apply as strongly to our students, candidates and their families. As a result, the demands on our staff to act as leaders, mentors and rolemodels increase even further. Thus, it is in a year such as this that the true worth of good people is tested. I am



pleased to report that the people of ADvTECH have succeeded handsomely in meeting these requirements.

For years we have striven to attract and retain excellent staff, develop and grow them to meet the Group's needs and their aspirations as well as ensure that they are appropriately rewarded. Initiatives such as a 'high performance culture' and 'Great Place to Work' continue to be used as a means to achieve our staffing goals. We participated again in the Deloitte 'Best Company to Work For' Survey to assist in measuring our progress. The results of this survey reflect continuing and maturing improvement of our position as an employer of choice.

During the year our staff complement increased to 3 779 (2008: 3 643).

I place on record my thanks to the people of ADvTECH for their remarkable dedication and loyalty this year. Their contribution is of great value to the Group as well as to our thousands of students, candidates, clients, their families and the communities which we serve.

### Prospects

The South African economy is likely to show some marginal improvement during 2010 and consequently the Board is hoping for a better business environment than was the case in 2009. The Education division has demonstrated its resilience under difficult conditions, and under improved conditions it is anticipated that the growth trend will continue. The Resourcing division has strengthened its position in its chosen niche markets, simultaneously renewing its commitment to maintain its robust approach to service excellence. This Division is therefore well placed to respond to opportunities presented by a better employment market in 2010.

Accordingly, provided the recovery materialises, student enrolments continue as expected, and barring unforeseen adverse conditions, the Group expects to be able to report improved performance for the ensuing year.

*Frank Thompson*

**Frank Thompson**

*Chief Executive Officer*



**Group Executive Committee**

*From left to right: Felicity Coughlan (Director: IIE), Didier Oesch (Group Financial Director), Johan Coetzee (Properties director), Lenn Honey (MD: Recruitment), Alex Isaakidis (MD: Schools), Genevieve Allen (MD: Rosebank College and College Campus), Craig Duff (Marketing director), Frank Thompson (Group CEO), Steven van Zyl (ICT director), Eric Shipalana (HR director), Odette Francesconi (MD: Varsity College)*

## Properties

The ADvTECH Properties department is responsible for facilities management, maintenance, refurbishment and new developments at each of the premises owned or leased by the Group. In addition the department supports the selection, procurement and development of new sites across the Group and assists the operating divisions with Occupational Health and Safety requirements.

One of the department's goals is to identify suitable sites that enable the Education and Resourcing divisions to meet their delivery targets and anticipated growth in demand. A key part of this is to endeavour to bring new facilities into service on a 'just-in-time' basis.

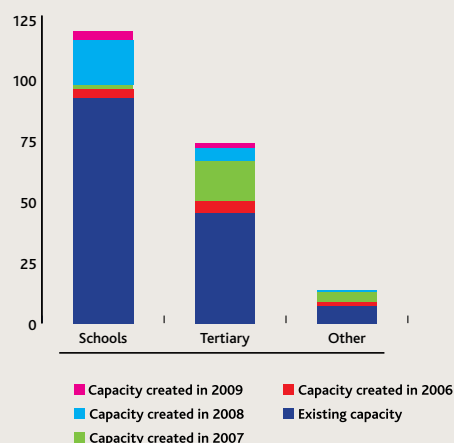
Refurbishments and enhancements at site level focus on improving functionality and brand differentiation while promoting the underlying commonality across sites within a particular brand.

Efficient space utilisation is essential to the Group's productivity and ultimate profitability. The Properties department therefore constantly evaluates the efficiency with which space is utilised in the buildings that accommodate our various brands. This evaluation takes into account the particular needs of students, optimal occupancy over a 24-hour cycle and synergies between brand operations.

ADvTECH Properties developed a further 5000m<sup>2</sup> of education space together with improvements at a total cost of R57 million in 2009. Significant projects completed during this period include:

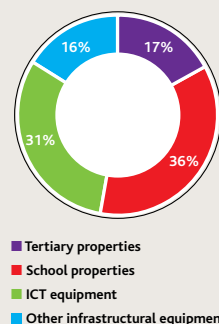
### Indication of additional capacity created in 2009

Based on square meterage created (000m<sup>2</sup>)  
Total capacity created to date 206 300m<sup>2</sup>



### Investment programme 2007 – 2009 (R371 million)

Infrastructural investments



The new auditorium at Vega Randburg



The Varsity College Cape Town site in Belmont Park, Rondebosch

- the renovation of classrooms and a new building façade at Junior Colleges Sandton
- the development of a new Abbotts College campus in Suideroord, Johannesburg
- a new auditorium, canteen and technology room at Crawford Preparatory Lonehill
- additional classrooms and a sports field at Crawford Preparatory and College North Coast
- additional classrooms at Crawford College La Lucia
- additional Grade 000 classrooms at Trinityhouse Pre-Primary in Randpark Ridge
- the securing of new sites in KwaZulu-Natal and Gauteng for the expansion of Trinityhouse
- the relocation of College Campus Pretoria to its newly constructed building in Sunnyside
- the relocation of Rosebank College Durban to more suitable premises in the city.
- new canteens at the Varsity College campuses in Sandton, Port Elizabeth and Cape Town
- an extension to the Varsity College campus in Pretoria
- the merger of the Varsity College Rondebosch and Garden campuses in Cape Town and,
- a new auditorium at the Vega Randburg campus

The long-term planning of the ADvTECH Properties portfolio is aligned to the Group's business strategy and in

this regard, the Properties department is well equipped to deliver the infrastructure required to achieve the Group's growth plans.

### Information Communications Technology (ICT)

During this year an important focus was on optimising ICT to improve business efficiencies and enable business growth. Examples of projects implemented in 2009 to support this 'IT Edge' strategic theme included the upgrade of infrastructure to improve the ICT services offered to staff and students, the rollout of the Group intranet, ADvNET, and the investment in a video conferencing solution to reduce travel time considering the Group's operational footprint.

In addition a significant investment was made towards the implementation of The System for Academic Management (SAM), an academic Enterprise Resource Planning system. The system supports information structures that facilitate both Group and brand initiatives around academic business management, financial management and student relationship management. The near real-time information offered by the system enables extensive reporting at all organisational levels which allows for more timely and accurate decision making. The system also provides a framework for the delivery of longer term benefits such as business intelligence reporting that is centralized across the Group's brands.

SAM is scheduled for completion by December 2010.

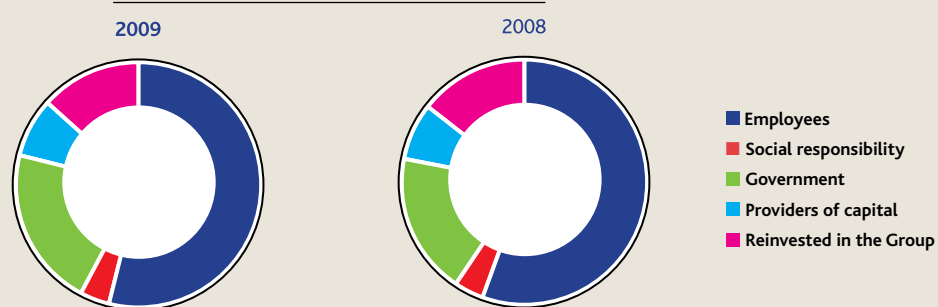
Regular SAM workshops and training sessions were held for the Group's brand representatives



## Value added statement for the year ended 31 December 2009

	2009 R'm	2008 R'm
<b>Value added</b>		
Revenue	1 376.0	1 197.8
Interest received	11.0	22.9
Cost of providing services	(353.2)	(293.3)
	<b>1 033.8</b>	<b>927.4</b>
<b>Value distribution</b>		
<b>Employees</b>		
Net benefits paid to employees	558.0	515.6
<b>Social responsibility</b>		
CSI and Bursaries	42.2	37.0
<b>Government</b>		
Government taxes	70.8	67.1
Net VAT paid	26.4	27.3
PAYE	118.6	78.3
<b>Providers of capital</b>		
Finance costs	0.2	1.1
Distributions to shareholders	80.3	69.5
<b>Reinvested in the Group</b>		
Retained to sustain and grow the Group	137.3	131.5
	<b>1 033.8</b>	<b>927.4</b>

Value distribution

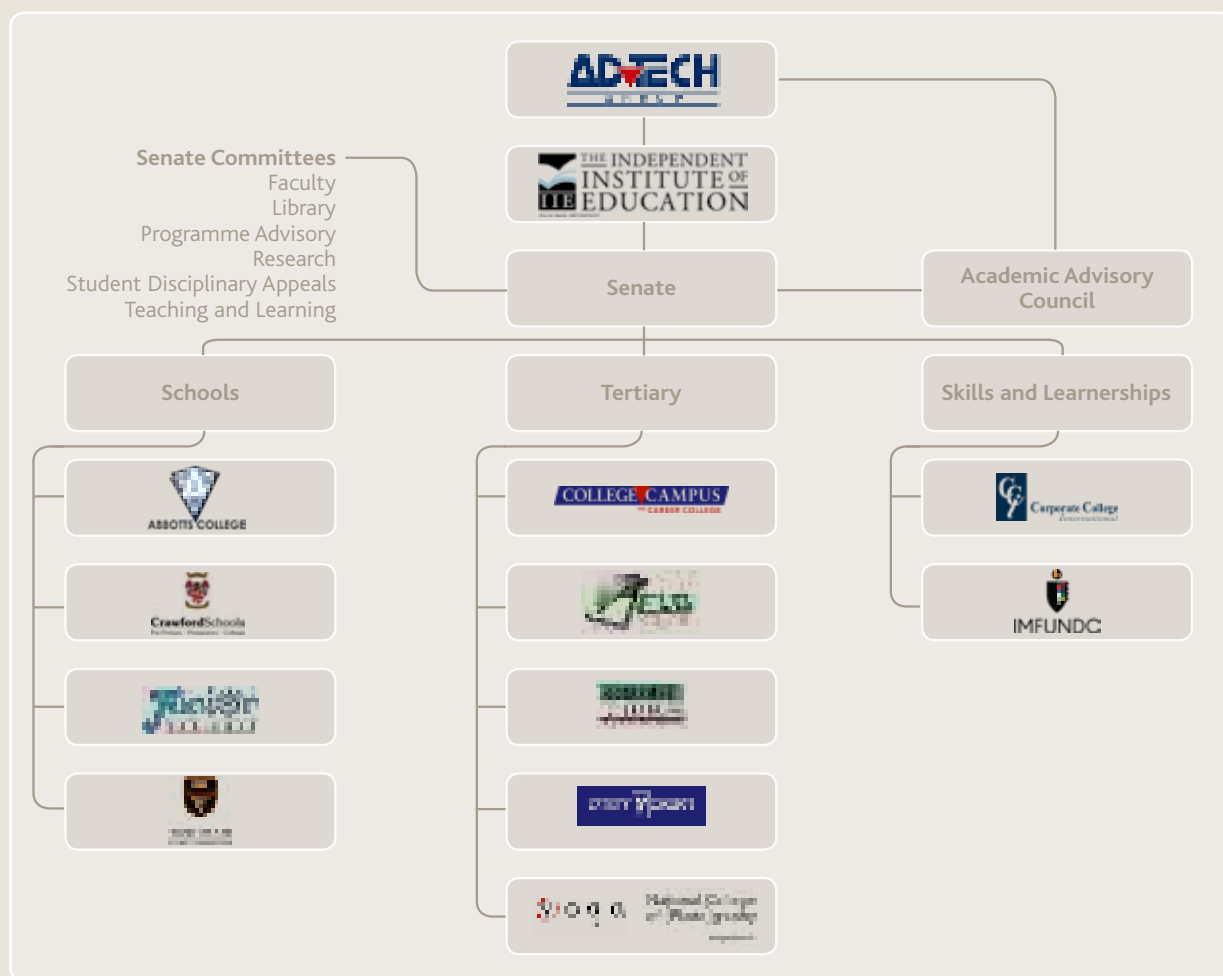


Management  
Project Finance  
Law  
Branding  
Psychology  
Tourism  
Photography  
Journalism  
Music  
Technology  
Information  
Accounting  
Science  
Physical  
Mathematics  
Life Skills  
Literacy  
Numeracy

enlighten

*Enlighten:* To equip someone with greater knowledge and skills in various subjects across various fields





## 2009 Academic Advisory Council Report

In 2009 the Academic Advisory Council (AAC) focused on the contribution that the ADvTECH Group and The Independent Institute of Education (IIE) can and should make to education in the Country in general. It was recognised that education remains the most meaningful investment that can be made in a young person's future – perhaps more so in recessionary and uncertain times. The fact that the State cannot and should not be expected to provide for all educational needs in the Country was acknowledged and the role of the IIE was explored within this context.

It was submitted that from a growth perspective, the IIE could supplement the small class sizes and personal student-teacher contact it offers without compromising the quality of its tuition. The employability of graduates was supported as a key measure of quality education and to continue achieving this, ongoing attention to the relevance of qualifications conferred is required. Relevance was raised as a means of defining quality since what is deemed relevant is in response to what both students and employers require.

It remains necessary to be mindful of the history of South Africa's education system and its impact on the level of student readiness required to participate in the present education system. The lack of ability to communicate was one such impact, necessitating a focus on building capacity that would improve the transition from secondary to tertiary education. Programmes to address these matters should build on what is already available rather than reinventing same.

The IIE's operational teams and infrastructure allow it to respond quickly and suitably to opportunities identified and in this regard, it has an advantage over some public institutions. All redress imperatives need to be approached in a balanced way so that they are beneficial to all parties involved.

The IIE was urged to heighten its efforts to communicate its programmes and achievements. Its role as a leader in education in the independent sector is not always fully appreciated and the scope for innovation and change afforded by the strength and flexibility of its model need to become better known.



### The Independent Institute of Education

The Education division is the major contributor to the Group's operations and comprises a nationwide network of trend-setting school, tertiary and skills and learnership brands that meet the learning and development needs of people at every life stage. Education and training activities are undertaken by the brands at a total of 57 sites across South Africa under the guidance of The Independent Institute of Education (IIE).

In South Africa, the Department of Education (DoE) is required to register all academic institutions and their programmes. Before qualifying for registration, accreditation of an institution and its programmes by at least one national assurance authority is necessary. At Further Education level, which includes schools, accreditation is granted by Umalusi. The Council on Higher Education (CHE) grants accreditation at Higher Education level. At training and skills development level, and where necessary, accreditation is granted by the relevant Sectoral Education and Training Authorities (SETAs).

The process of accreditation and registration is rigorous and ensures that only institutions with the required quality assurance mechanisms, capacity, and commitment to transformation form part of the landscape for sustainable education in South Africa. The IIE is registered and accredited

to offer Basic Education (including Adult Basic Education and Training), Further Education and Training, Higher Education as well as Short Learning Programmes and Skills Programmes.

The IIE's education brands operate in an environment that is dynamic, well resourced and nurturing. Students are afforded the opportunity to realise their academic aspirations and to equip themselves to remain competitive in the demanding work environment of today and coming decades. Each individual is exposed to a wide range of experiences designed to develop their intellectual, emotional, social and physical capacity whilst unlocking their potential for excellence. Over the years there have been significant investments in academic initiatives to continuously improve the quality offered by the IIE to students, such as advanced teacher training and enhanced learning materials as well as assessment methods. The Division's aim is to make a positive impact on the lives of students and, in the longer term, to facilitate their career planning and job placement.

ADvTECH's academic leadership and governance system incorporates the Academic Advisory Council (AAC) and Senate. The AAC, which includes external leaders in education and business, advises the ADvTECH Board, Senate and the IIE on academic matters. Senate is the ultimate academic decision making structure and sets academic policies for the Group. It is chaired by the Director of the IIE while the Registrar, Heads of Faculty and Heads of Programme are ex officio members as are all other IIE staff with an academic mandate. Elected representatives of the lecturing and teaching body as well as elected student representatives also serve on Senate. Representatives from the ADvTECH management team attend as observers. Senate is responsible, either directly or through its committees, for the structure and curriculum of all programmes, teaching and learning, libraries, research and student discipline.

In addition to overseeing the Group's schools and adult education and training activities, the main focus of the IIE is





to be a leader in providing accredited, high quality, career-focused Higher and Further Education qualifications (from one year certificates to honours degrees). This includes programme development and review, monitoring of individual site capacity, quality assurance, continuous assessment and final certification.

The IIE faculties are led by Heads of Programme who provide academic leadership and guidance on programme content, material and assessment. Each faculty is guided by a Programme Advisory Committee (a Senate Committee), which includes appropriate external industry expertise to ensure that the content of programmes and qualifications remain current, progressive and relevant.

The IIE is committed to offering a differentiated and quality service. Accordingly, an annual quality system review called 'Pulse' is conducted across all tertiary sites to continuously evaluate and improve the quality of services provided.

Quality is a benchmark not just of ADvTECH's academic governance systems, but also of our staff who represent a significant pool of experienced academic and operational leaders. As at December 2009, the Group's employees held 27 doctorates and 180 masters degrees, collectively representing a significant body of intellectual capacity and academic leadership.

Lifelong learning is a core value of the ADvTECH Group, and accordingly, the IIE supports enhancement of qualifications, academic learning and personal development through bursaries, academic leave, mentoring of research and publications such as The Journal of Independent Teaching and Learning, which was first published in 2006. Through the Journal, the IIE provides developmental support to those wishing to publish for the first time, whilst simultaneously providing the academic norm of blind peer review for final publication. The Journal makes a valuable contribution to education nationally through this combination of development support and high quality peer review.

The IIE is actively involved in furthering the position, role and reputation of private providers of education in South Africa. IIE Forums are hosted at least twice a year, at which prominent industry leaders are invited to address guests on current and relevant topics. The Forums provide opportunities for reflection and debate on key educational issues, and considers the role of private education in addressing them. The Private Higher Education Network (PHEN), initiated by the IIE, is a co-operative body comprising representatives from private providers, who meet regularly to share information and best practices in key academic areas.

#### Activities and highlights in 2009:

- 12 new IIE Higher Education programmes, which will be rolled out between 2010 and 2012, were submitted to the CHE for accreditation
- a significant investment was made towards the implementation of the System for Academic Management (SAM) which is scheduled for completion by December 2010
- the IIE Academic Regalia was launched and worn by office bearers and students at all IIE graduation ceremonies held during the year
- the fourth edition of The Journal of Independent Teaching and Learning was published

**"Education remains the most meaningful investment that can be made in a young person's future – perhaps even more so in recessionary and uncertain times."**

Extract from the  
2009 AAC Report



### The Independent Institute of Education *(continued)*

- a regional guest speaker series featuring the IIE Heads of Programme was launched which enabled lecturers to interact directly with academic leadership teams on relevant topics within their respective disciplines
- two IIE Forums were hosted during 2009. John Volmink (Chairperson of Umalusi) addressed an IIE Forum in Cape Town in February on the successes and challenges of the National Senior Certificate matric exams. Professor Brenda Gourley (previously Vice-Chancellor of the Open University) addressed a Forum in Pretoria in April on the impact of the digital age on traditional Higher Education
- members of the Ghanaian Accreditation Body visited the IIE at the request of the CHE in the latter half of the year to learn more about the impact of the South African accreditation process on private providers and to discuss governance models in the private provision of Higher Education, and
- Dr Felicity Coughlan (Director: IIE) was appointed to the Higher Education Quality Council (HEQC) Board and Dr Charles Freysen (Registrar: IIE) was appointed to the HEQC Institutional Audits Committee.

### IIE Academic Regalia

As one of the time honoured traditions of Higher Education institutions, both locally and abroad, academic regalia are an emblem of the defining moment when a student becomes a graduate. The gowns and stoles worn at graduation ceremonies have particular significance, as they are symbols of the conferring institution, the field of knowledge and the level of qualification.

The IIE embarked on designing new academic regalia in 2008 that would best symbolise the dynamic and innovative educational role they occupy. This unique academic regalia was made locally and worn for the first time at IIE graduation ceremonies in 2009.

Each faculty wears a unique colour, which is indicative of the faculty and qualification level of graduates. The colours of the IIE faculties are:

Applied Humanities – Red  
Business – Salmon orange  
Information Technology – Blue  
Leisure – Green

The rich symbolism in the academic regalia is a celebration of the IIE's distinctive contribution to excellence in career-focused education.



## Junior Colleges

Junior Colleges is a group of nursery schools that focus on nurturing learners with tender loving care and developing them holistically within a safe and stimulating environment. All Junior Colleges provide a warm and welcoming atmosphere in stimulating, beautifully decorated baby friendly crèches for infants from six weeks old and in bright spacious classrooms for children up to the age of six years.

The infant and toddler programme includes specially planned activities to encourage the optimal development of both gross and fine motor co-ordination as well as language, perceptual and concentration skills. In the Pre-Primary phase, in addition to the Numeracy, Literacy and Life Skills curriculum prescribed by the Department of Education, enrichment activities are incorporated in the programme. Electronic whiteboards and interactive learning tools are also used extensively in the classroom. The Institute for Neuro and Physiological Psychology (INPP) and Teaching Handwriting Reading and Spelling Skills (THRASS) programmes introduced at Junior Colleges last year have proven extremely beneficial in preparing all children for 'big school'.

Staff are kept abreast of new and innovative teaching methods through continuous training. In 2009 Junior Colleges introduced a new Early Year Foundation Stages (EYFS) curriculum. This curriculum is based on the six areas of learning and supports a fully inclusive educational approach. A new National Curriculum Advisor was appointed to facilitate the ongoing staff training necessary for the successful implementation of the EYFS curriculum in the classroom.

Junior Colleges is accredited with Investors-in-People (IIP), an international standard that aims to improve organisational performance through people. Together with CrawfordSchools™, Junior Colleges is the only other Pre-Primary school in the Country to achieve IIP accreditation.

Major renovations at Junior Colleges Sandton were completed in 2009 which included the improvement of crèches and classrooms, the addition of a media centre and changing the façade of the building.

Junior Colleges has a proven track record of sending well adjusted children out into the world, ready to face their futures filled with self-confidence and belief in themselves.

All learners at Junior Colleges are encouraged to participate in events such as eisteddfods, puppet shows, outings, sporting events and annual concerts. Examples of extra-mural activities offered include karate, ballet, monkeynastix and pottery.

'A tribute to ABBA' was the theme for the annual concert at Junior Colleges Castillian. Each class teacher chose an ABBA song to which they choreographed their own dance routines. This group of four to five year olds performed the hit 'Voulez Vous'.



**The foundation phase is the most critical stage of a child's journey through education and forms the basis of learning, building confidence, self-esteem and the development of social skills.**





### Abbotts College

The success of Abbotts College is based on an understanding that Grades 10, 11 and 12 are pivotal in shaping a young adult's future. The core philosophy of Abbotts College is a belief in the individual worth of every student and a focus on helping them find the right career path in a caring and inclusive environment. This is achieved by complete career guidance and an ethos of total commitment to unearthing student potential. In addition, a Shadow Work Placement Programme forms an integral part of the Grade 11 year and the special Career Targeting Schools add value to subjects chosen by students who have already decided on a career path. Subjects offered at Career Targeting Schools include Art and Design, Business, Hospitality and Tourism as well as Mathematics and Science.

The College is recognised for their wide choice of subjects, top teachers, small classes, supervised homework, in-house extra lessons and clinics, eight detailed reports each year, and a personal mentor for each student – all of which contribute to the success of students in their final years of schooling. Abbotts College is unique in offering a money back guarantee based on academic results, such is the level of confidence in

their quality of teachers, unique teaching methods, student support systems and the determination of their students.

In addition to their academic programme, Abbotts College offers varied and fulfilling sports, social and cultural activities. A code of conduct allows students to express individuality within a sensible, monitored and supportive environment.

It is gratifying to report that continued demand and a focused marketing campaign have had a positive impact on student numbers which grew by 16% in 2009.

During 2009, a new purpose built campus was developed in Suideroord, south of Johannesburg. There is a high demand for excellent schooling in this area and the enrolments for January 2010 at this campus reflect the vital need that Abbotts College will be fulfilling within this community.

Abbotts College achieved a 100% matric pass rate in 2009 with matric students achieving a combined subject average of over 65% and 492 distinctions between them.

- ① *Self-portrait by Lungi Mokgatle (Visual Arts)*
- ② *Mixed emulsions by Tourmaline Berg (Photography)*
- ③ *Reveal Conceal by Emma Procter (Visual Arts)*

### Art at Abbotts College

The Art and Design School is a Career Targeting School at Abbotts College for students who have decided to pursue a career in this field. Besides special facilities that allow students to focus on important subjects such as Visual Arts and Design, enrichment programmes that include outings to art galleries, museums and artists' studios, talks by guest speakers and participation in collaborative exhibitions as well as competitions are also offered. The result is students who are confident, independent and self-motivated to produce notable works of art.

At the end of Grade 12, Art and Design students participate in a compulsory final exhibition to showcase their year's work. The 114 Grade 12 art students at Abbotts College excelled in their final exhibition which was externally moderated. They achieved 41 A's in total and an overall assessment average of 70%. These are examples of some of their artwork:





**CrawfordSchools**  
Pre-Primary · Preparatory · College

#### CrawfordSchools™

CrawfordSchools™ provide a holistic education where academic excellence, good citizenship, leadership and sportsmanship are developed. The overriding value of a CrawfordSchools™ education is 'education without fear'. This implies a focus on a positive, nurturing environment, where individuality as well as mutual respect is promoted.

The CrawfordSchools™ academic philosophy of 'Think, Understand and Apply' is at the core of every school stage, from Pre-Primary through to Preparatory school and College. Teachers, who are subject specialists, encapsulate the dynamics of this philosophy by using innovative ideas and methodologies to engage students at all times. This approach ensures that CrawfordSchools™ graduates are independent, confident individuals who are able to think, understand and apply the education and life skills with which they have been equipped at all times.

At Pre-Primary level, child friendly learning environments ensure that each child's intellectual, emotional, physical and social needs are met. Physical activities focus on specialist programmes, such as neuro-cognitive development, while cultural and creative activities emphasise movement and dance, as well as drama, art and music. In keeping with the National Curriculum, learning programmes include Numeracy, Literacy (incorporating THRASS) and Life Skills. These programmes are augmented by the School with additional extension activities.

The Preparatory Schools introduce pupils to the CrawfordSchools™ standards of academic, cultural and sporting excellence. The Preparatory schools promote the treatment of both staff and pupils with dignity and respect while a code of conduct ensures that pupils are taught personal responsibility from an early age. Small classes ensure that personal attention is given to each student.

At the Colleges the focus is on ensuring that each student achieves their full potential. With a choice of up to 23 subjects, the Colleges offer the widest and most flexible subject choices for learners.

Students are encouraged to participate in as many different extra-curricula activities as possible. An indication of the popularity and importance of sports at CrawfordSchools™ is that, although not compulsory, approximately 90% of

Preparatory school pupils and 80% of College students participate in sport and extra-mural activities. In 2009 CrawfordSchools™ had 262 provincial and 56 national representatives flying the Crawford flag in the sporting arena.

#### A Crawfordian to note

Sello Lekalakala started his first full week of lectures at America's prestigious Yale University in September 2009. Sello was a pupil at Bela Bela High School in Limpopo up until Grade 9. When he received a scholarship based on his academic potential from Crawford College Sandton, he moved to Johannesburg to complete his schooling. When he joined the Grade 10 class at Crawford College, he was ranked 20th. In Grade 11 he made the top 10 and based on his final matric results, was the Dux scholar at the end of Grade 12. Sello was offered the African Scholar Award by Brown University, World Scholar Award by the University of Pennsylvania and a full scholarship from Harvard University but opted for his first choice, Yale University at which he had also been offered a full scholarship. Sello attributes his success to "seeing the opportunities a Crawford education would open, grabbing them and working towards them with driven determination and unshakable focus."





**CrawfordSchools**  
Pre-Primary - Preparatory - College

### CrawfordSchools™ *(continued)*

A key feature of the CrawfordSchools™ approach from Grades 4 to 12 is continuous assessment. Examinations are one of the methods used to assess students' progress. In addition to the National Senior Certificate, Crawford students are offered the following international benchmark examinations:

- the Schools International Assessment Tests (SIAT), formulated by the Educational Testing Centre of the University of New South Wales in Australia. These tests are conducted in Mathematics, Science and English and are used throughout Australia, New Zealand, South Africa, Italy, Singapore, China, India and many other countries
- the General Achievement Test (GAT), which is similar in approach to the American SATS assessment. It is officially recognised by education departments throughout the world and is written in June each year by all Crawford College Grade 12 students, and
- the Victorian Curriculum and Assessment Authority (VCAA) Equivalence Examination, which is written by Grade 12 students as their preliminary examinations in August/September. The VCAA Certificate of Equivalence gives students the advantage of leaving school with an internationally benchmarked certificate. A number of CrawfordSchools™ students have been admitted to international universities on the strength of their South African National Senior Certificate and VCAA Certificate of Equivalence.

During 2009 additional classroom blocks were built at the North Coast, Lonehill Preparatory and La Lucia campuses. Facilities were also improved at other sites with the building of additional storerooms and grandstands, as well as a new pavilion at the Sandton campus. Academic tuition was further enhanced with the installation of additional computers and electronic Smartboards™ in classrooms. A number of new learning programmes such as Numicon, a maths teaching programme, were trialled across the various campuses.

CrawfordSchools™ once again excelled in the 2009 National Senior Certificate Examinations with a 100% student pass rate and 97% of its students obtaining Bachelors degree passes. The 522 candidates who wrote the examinations achieved a total of 1 666 distinctions, averaging three distinctions per candidate. A total of 100 students passed the examinations with six or more distinctions and Crawford College Sandton was recognised as the Top Independent School in the province by the Gauteng Department of Education. Crawford matriculants averaged 71% for Mathematics, 64% for Physical Science and 76% for English.



**Our Crawford matriculants achieved a 100% pass rate and obtained 1 666 subject distinctions in total with 100 students receiving six or more distinctions.**





TRINITYHOUSE  
Pre-Primary • Preparatory • High

### Trinityhouse

Established in 1997, Trinityhouse is founded on three principles: a holistic education that focuses on developing the intellectual, emotional, physical and social potential of pupils; time honoured traditional values and practices; and a strong Christian ethos. Central to their success is hands-on involvement by the management team, outstanding teachers, firm discipline, encouragement to achieve and strong motivation.

The School is situated in Randpark Ridge in Johannesburg, and comprises a Pre-Primary, Preparatory and High School. A key feature of the campus is single storey buildings making it accessible to everyone. The School's classrooms, laboratories, atriums and specialised venues, such as computer rooms, have all been purposefully built to maximise the learning experience, while teaching aids such as internet access and electronic whiteboards ensure pupils receive a world-class education. In addition, the School's sports fields are rated amongst the best in Gauteng.

Trinityhouse offers a very strong academic programme with a wide range of subject choices. Matric students write the nationally accredited exams of the Independent Examination Board (IEB). The School is particularly proud of its strong sporting ethos and all major sports are offered in which all students are encouraged to participate. Pupils are also

exposed to a wide range of cultural activities such as art, music, public speaking and drama.

Trinityhouse represents a safe, structured and challenging learning environment that ensures its students emerge as confident, humble, industrious and determined individuals.

During 2009, the façade of the school building was improved and security at the school was upgraded. In addition, considerable investment in Smartboards™ and computer technology was made to further enhance the student learning experience. Two new Grade 000 classes were also built for the 2010 academic year.

Enrolments in 2009 resulted in most classes running at full capacity with waiting lists. New sites have been identified for expansion with major developments envisioned for the brand in 2010 and 2011.

Trinityhouse matric students achieved excellent IEB matric results. The School's 129 candidates achieved a 100% pass rate with 91% of them receiving Bachelors degree exemptions. There were 193 subject distinctions overall, an average of nearly two per student. The 2009 matric class achieved an average of 69% for Mathematics, 63% for Physical Science and 70% for English.

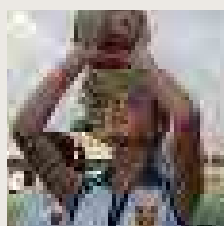
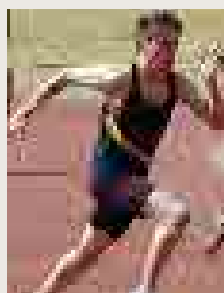
### Sport at Trinityhouse

Trinityhouse achieved notable sports accolades during 2009:

- **Athletics:** At the Prestige Athletics meeting held at the Herman Immelman Stadium in Germiston, the Athletics Team achieved four bronze, three silver and 11 gold medals.
- **Chess:** The School had three provincial and two national chess representatives.
- **Hockey:** Four pupils played hockey at provincial level and the Under 16 Girls Indoor Hockey Team won their league which they entered for the first time in 2009.
- **Netball:** Not only did the School's Under 15A, Under 16A and Second Teams win their respective netball leagues, but their Under 15, Under 16 and Under 17 action netball teams also won their leagues.
- **Rugby:** The Under 14, Under 16 and First Teams were all semi-finalists in the inter-provincial round of the Beeld Toffee tournament.

The School's first team was the only unbeaten team at the King Edward VII School (KES) Easter Festival, scoring a historic 20 - 14 win over Durban High School (DHS).

In addition to three other provincial players in the School, Nicholas Michaelides was contracted to the Lions Academy for the 2010 season.





### College Campus

College Campus provides a well balanced student life through high quality tuition, learning opportunities outside the lecture room and student support services. This holistic study experience prepares College Campus graduates to make an effective and positive contribution in the working world.

Higher and Further Education academic programmes offered at College Campus are continuously reviewed and updated to ensure that their content remains current, relevant and progressive, and are presented by qualified and dynamic lecturers.

A vocational focus prepares College Campus students for the workplace. Students are afforded the opportunity to apply what they have learnt in lectures through various work integrated learning programmes. The mix of theory with practical examples enables students to acquire skills that are essential to their chosen careers.

Students who require study assistance can participate in workshops and are also offered personal support. The library facilities available on all campuses encourage students to develop the research skills they require in the modern information economy.

A vibrant campus spirit combined with contemporary facilities provides the setting for a healthy student life.

Social guidance, examples of which include teamwork, planning and coping with unexpected difficulties, is available to all students on campus. In addition, the Student Liaison Body organises a variety of community, sports, social and cultural activities for students to participate in.



A highlight in 2009 was the relocation of College Campus Pretoria to a more suburban setting. This, in addition to a refreshing new look and feel, contributes to the Brand's alignment with the middle income market. The new Pretoria site has the capacity to accommodate more students.

College Campus focuses on offering students the highest quality career-orientated education. The College Campus management team dedicated some time to lecturing in the second semester, to personally demonstrate to students the practical applications of what is learnt in lectures. Members of the management team lectured students in their respective fields such as Business Strategy, Business Calculations and Sales Management. Besides being beneficial to their students, it also proved to be a rewarding experience for management:

*"My lecturing experience reminded me once again of how significantly we impact the lives of young people. Their futures are shaped by what we say and do today."*

**Yolandi Collins, Sales Manager – College Campus (Yolandi lectured Sales Management students)**

*"The planning and effort that goes into the preparation of lectures is critical. You need to bring a class together, get them to enjoy what they are doing and teach them something new that they can relate to at the same time. There is great satisfaction when the results of the class come through and they have all achieved great success."*

**Andrew Niven, Financial Manager – College Campus (Andrew lectured Business Calculations students)**





#### Forbes Lever Baker

Forbes Lever Baker Educational Institute for Accountancy and Management (FLB) was acquired in January 2009 by the ADvTECH Group. The acquisition of a specialised tertiary institution focused on Financial and Accounting education was the ideal route of expansion for the Group's education business. FLB is an acknowledged leader in this area of tertiary education and offers full- and part-time diploma, degree and postgraduate tuition support for both UNISA and the internationally recognised Association for Chartered Certified Accountants (ACCA).

Academic staff recruited by FLB have proven experience and are recognised experts in their field. They create a dynamic learning environment that encourages FLB students to strive for academic excellence. In 2009, 10 FLB students were placed within the top 15 in South Africa in the UNISA Certificate of Accounting Theory (CTA) examinations.

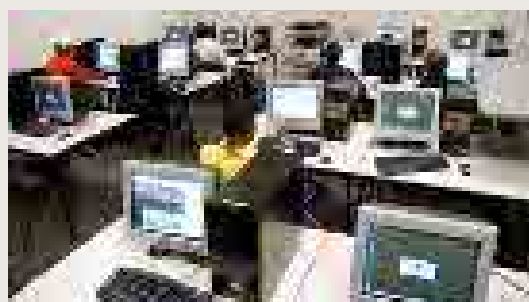
In addition to the academic tuition on offer, FLB students have access to extension courses in Computer Literacy, English and Financial Mathematics, and are assisted in developing CV compilation and interview skills. With this work preparedness and the well developed graduate recruitment programme that FLB has in place, their graduates are highly sought after recruits.

FLB's 'umfundisi' Bursary Scheme benefits those who, under normal circumstances, would not be able to access tertiary education of this high standard. The Scheme funds the registration and tuition fees as well as transport and living costs of participating students.

FLB is working within a collaborative relationship with Varsity College to find ways to strategically and seamlessly make the most of their complementary strengths in their respective tertiary education offerings.

Given the increasing skills shortage in South Africa's financial management and auditing sector, FLB will continue to play an important role in adding great value not only to its students, but to the South African economy as a whole.

The FLB campus, situated in the heart of the Randburg central business district, has lecture theatres and computer laboratories that are equipped with the latest SMART™ teaching technology. This advanced technology allows their over 2 000 students to download lecture notes and slides via the internet (to which they have access on campus) shortly after completing their lectures. A strategic FLB imperative is the continued expansion and development of their in-house student portal that allows students to access an extensive range of academic and personal information.





### Rosebank College

Rosebank College is a well established brand that focuses on the provision of Higher and Further Education within the inner city. Prospective parents and students are attracted by their high quality academic offering within a private education setting, where customer service and student experience are paramount.

As such, a high degree of attention is paid to maximising the outputs of every resource and encouraging a culture of continuous improvement and innovation. Rosebank College students are offered small interactive classes, courses that are fully integrated with work experience, a safe learning environment, a holistic student life experience and a focus on individual well being.

Career-focused education is a priority at Rosebank College. Based on the belief that the best way to learn a new skill is through hands-on experience, students participate in field trips, on-the-job learning and attend lectures presented by experts in the industry. This prepares students to step right into the real working world once they graduate.

Rosebank College has achieved a positive growth trajectory over the past ten years. Despite tougher market conditions in 2009, student numbers grew, albeit at a slower rate, in both the full- and part-time cohorts. An intensive market review exercise was undertaken at site and brand levels confirming already well established critical success factors to continue focusing on, as well as revealing new opportunities for the Brand to pursue.

In 2009, additional senior staff members were appointed as part of the Brand's succession planning programme. The equity profile of Rosebank College staff continued to strengthen with 30% of professional and middle management staff representing HDIs.

The second half of the year saw the successful implementation of the first component of the System for Academic Management (SAM) at Rosebank College. Significant resources were allocated to this project, highlighting the commitment from senior management to the importance of this application as a platform for future growth.

Academic tracking and monitoring systems at Rosebank College were significantly improved over the last 12 months. Processes were simplified, standardised and automated,

resulting in sites being able to access better quality information, the direct impact being improved customer service.

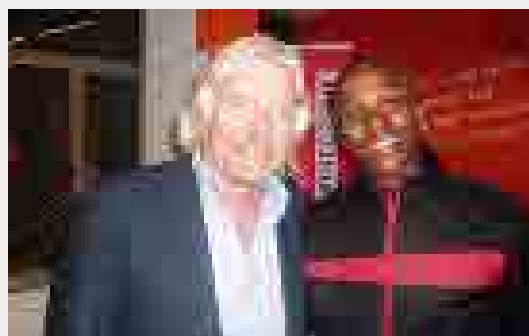
Leveraging potential and creating sustainable legacies underpins Rosebank College's ethos. The Brand is over 60 years old and continues to reinvent itself to ensure that it actively grows its market share and credible reputation.

### Creative flair

After matriculating Simon Mamabola enrolled at Rosebank College to study a Diploma in Advertising Management. According to Simon, "My course offered a great combination of experiential learning and practical knowledge."

After completing his studies, Simon started his own business, Eloquence Marketing Consultants. Simon comments, "My qualification from Rosebank College helped me see where I could make a success of my career. The industry is fast paced and my diploma prepared me for the pressures of working in it. My fondest memory of Rosebank College is the great relationships I had with my lecturers and fellow students. Brainstorming with them has given me the skills and confidence to present some of my best work to my clients."

The highlight of Simon's career is that he met Richard Branson twice and on one occasion submitted a business proposal to him, which was accepted. He has been mentored by Mr Branson ever since.



## Varsity College

Pioneered 19 years ago to offer tuition support to part-time UNISA students, Varsity College now offers a range of Higher and Further Education study programmes. Varsity College is recognised for their commitment to providing high standards of teaching, learning and training through a philosophy of academic excellence, work preparedness and a well rounded student experience.

Their unique appeal to students is underpinned by:

- efficient academic timetabling
- exceptionally well qualified lecturers who have relevant work experience
- dedicated support staff on all campuses to mentor students
- a comprehensive national management structure that strategically and operationally drives the Brand
- a vibrant, encouraging and organised student life that encompasses sport, cultural, social and good citizenship activities, and
- exciting opportunities to participate in the working world before and after graduation.

In 2009 Varsity College continued their focus on teaching and learning. This, coupled with the appointment of a dedicated senior Academic Manager, contributed to excellent academic achievements at the end of the year.

Varsity College undergraduate students enrolled in UNISA programmes achieved a module pass rate of 72%, four students were placed within the top 25 in the Country in the UNISA Certificate of Accounting Theory (CTA) examinations and Short Learning Programmes aimed at the adult market recorded an 80% student pass rate.

Varsity College intends to continue its trajectory of sustained growth in student numbers by way of expanding current sites, developing the partnership with the recently acquired FLB and forging complementary relationships both locally and abroad. Smarter and more innovative methods of delivering teaching and learning remain a very high priority. The dynamic advances being made in the world of technology will be explored and embraced in this regard.

For the past two years Varsity College has forged complementary and sustainable collaborative partnerships within our communities.

In 2009, Varsity College (in association with education experts, Forde and Schultz) sponsored five Principals' Institute seminars in response to an identified need to facilitate the exposure of high school senior staff to relevant and current management thinking and practices in their field. Topics covered were 'Mind the Gap', a workshop that unpacked the generational theory which is relevant to understanding the wants and needs of today's young students, and the 'Enneagram', a tool that can be applied and used immediately in the management of school personnel.

With the introduction of Life Orientation into schools curricula, school counsellors have been asked to provide teaching assistance. The Varsity College School Counsellors' Forum was formed in 2009 as a support network in this regard with the first round of workshops for school counsellors being hosted at each Varsity College campus. At

these workshops, a recognised Life Orientation expert presented the Grade 11 learning outcome that dealt with the research and selection of subjects and institutions for the learners' future tertiary studies. Each delegate received a set of teaching material for five lessons, including assessment criteria, that they could immediately use in the classroom.

Both these programmes have experienced excellent participation, while also providing Varsity College with significant opportunities to support school communities and strengthen the relationships with them.





### Vega, The Brand Communications School

Vega's belief is that successful and innovative brands require a combination of strategic intent and creativity, which is why 'wisdomwithmagic' is at the core of everything that is taught across their campuses in Jozi, Durbz, iKapa, Pretoria and Bedfordview.

By merging formal education with practical experience, a Vega qualification shapes students into articulate leaders in brand innovation. Vega campuses deliver a well rounded student lifestyle within a relevant socio-cultural environment.

2009 was a very productive year for Vega:

- a showcase of student work was presented at all campuses, attracting the largest industry attendance to date. Key note addresses were delivered by high profile speakers such as Nathan Reddy, the Executive Creative Director of Grid
- Vega students achieved accolades at the Loeries, Pendering Awards as well as at The Vuka Award ceremonies. First year students reached the finals of the Branson Entrepreneurship Business Plan Competition and Vega photography students excelled in the Sony Profoto Awards
- an Advanced Certificate in Professional Photography was designed, developed and provisionally accredited by the CHE for rollout in 2010 through the National College of Photography

- Vega corporate training continued with high profile clients such as the UCT Graduate School of Business, Momentum, Discovery Health and SAB Miller. A – Z of Branding workshops were delivered to the public at each Vega campus, as well as at venues in Swaziland, Kenya and Nigeria
- the Vega Auditorium, situated on the Jozi campus, was opened by the senior management of Sony and Nu Metro South Africa. The film 'Coco Chanel' was premiered at this event
- six Image Evenings were hosted during the year where South Africa's finest photographers, such as Roger Ballen, displayed and discussed their work with students and guests
- Idea Exchange debates took place on campuses throughout the year at which industry experts raised current issues such as 'Twelve Creative Marketing Thoughts in the Youth Space' and 'The New Media Convergence', and
- Vega also hosted a Journal of Marketing Breakfast with robust debate on the topic 'Sick versus Healthy Brands' within the context of environmental awareness.

Vega will continue to play an instrumental role in influencing the lives of hundreds of students, the communications industry itself and countless other industries where creativity is valued.

### A memorable achievement

The third year Jozi Vega students spent the first month of the 2009 academic year competing to develop the corporate identity for the new Nelson Mandela Children's Hospital. This hospital will specialise in paediatric care and when built, will be one of only two paediatric hospitals in South Africa.

Students had to respond to a challenging brief to develop the corporate identity which involved a collaborative effort within each team, as all areas (i.e. Visual Communications, Copywriting and Multimedia) had to be considered. After much deliberation, the winning team was chosen by the Nelson Mandela Children's Foundation. The corporate identity they developed appealed to all ages and was conceptually strong and well crafted.

The logo was unveiled at Mr Mandela's 91st birthday celebration to which the top four Vega teams were

invited. Not only were the students honoured on stage at the celebration, but they were presented with a cheque of R150 000 for the Vega Bursary Fund. The highlight of the day for the winning team was the extra special honour of being photographed together with Mr Mandela himself.



**School of Business and Technology**

The School of Business and Technology (SoBT) offers Short Learning Programmes (SLPs) across various disciplines. Course options range from entry level programmes, such as Office Administration and Office Computing, through to management programmes in the fields of Finance, Business Management and Logistics. SLPs are specifically designed to enhance the career objectives of working adults and consequently increase their productivity and efficiency in the workplace. The SoBT is represented at Senate, the academic decision making body for the Group. All programmes are quality assured and certified by The Independent Institute of Education (IIE) and are offered by the SoBT at College Campus and Varsity College and the School of Business (SoB) at Rosebank College. Vega and Imfundo also offer SLPs in their own right.

Teaching and learning on SLPs is focused on providing a firm theoretical background that works hand-in-glove with practical application in the workplace. SLPs are relevant to the here-and-now, and qualified lecturers who are able to draw on their recent experiences in the real world ensure that the practical focus of programmes is topical and relevant. This mix of theory and practice is reinforced by ongoing evaluation and feedback, which leaves participants feeling confident to apply their newly acquired skills in the workplace.

The SLPs model embraces upskilling and lifelong learning and as such, it attracts students and employers in both robust and recessionary times. For example, in comparing 2008 to 2009, enrolments in the entry level Office Administration and Office Computing programmes grew by 24% and 61% respectively.

In terms of course ranking, the SoBT Project Management programme holds a premier position, and in 2009 the programme was run for a select group of Government employees in the Western Cape at their request. To meet the needs of the general public, corporate and Government sectors, an additional entry level programme for project managers was developed in 2009, in conjunction with Rory Burke, an acknowledged expert in the field.

A first this year was the interest expressed in customised programmes by both Government and the private sector. These programmes are specific to the needs of the organisation concerned and currently fall outside the ambit of existing offerings. The IIE is well equipped operationally to develop and deliver new programmes that meet the needs and desired outcomes for these clients whilst simultaneously assuring academic quality and delivery.

The focus in 2010 will be to continue with this momentum and to explore new areas of growth in both the public and private sectors.





### Imfundo

Imfundo addresses the chronic skills shortage in the Country by upskilling both employed and unemployed school leavers as well as previously disadvantaged adults, to improve their employability in the economy. This goal echoes the sentiments of the South African Government in addressing the high percentage of unemployment that is currently prevalent in the Country. To this end, Imfundo accesses funds that are made available through the Sectoral Education and Training Authorities (SETAs) to facilitate affordable, effective and quality education through learnerships, internships, short courses and occupational training.

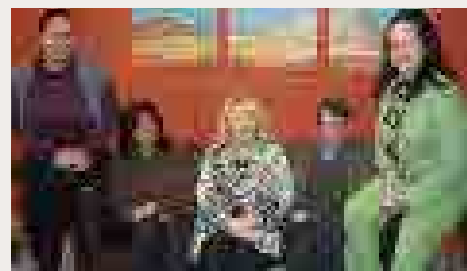
During 2009, Imfundo facilitated Information Technology learnerships through the Safety and Security SETA (SASSETA) and Information Systems Electronics and Telecommunication Technologies SETA (Isett SETA) for 100 policemen employed

by the South African Police Service (SAPS). The efficiency of administration at the police stations at which these candidates were placed improved remarkably. An additional ten unemployed learners were sponsored by Imfundo to join the group of policemen being trained and they have all since been employed by SAPS – an obvious consequence being the drastic improvement in the lives of these ten individuals and their families.

Imfundo plays an invaluable role in education and training for both the public and private sectors.

The demand for their services, as a result of their experience and excellent delivery, paves the way for Imfundo's sustainable growth.

Since 2007, Imfundo has facilitated the National Assessment for Insurance SETA (INSETA), in terms of which the Financial Services Board requires insurance brokers to become compliant with the Financial Advisory and Intermediary Services Act (FAIS) fit and proper requirements. In 2009, Imfundo worked closely with the INSETA FAIS team to further develop the logistics plan to facilitate this assessment for over 9 000 candidates.



**“Very seldom does one have the pleasure of collaborating with a provider of such excellence. Imfundo’s logistics delivery was faultless and their input over the last three years, has ensured that the FAIS assessments have been one of the most successful projects ever undertaken.”**

Glen Edwards –  
INSETA FAIS Project Manager

#### Corporate College International

Over the last 19 years Corporate College International (CCI) has strategically and successfully established itself as an industry leader in Education, Training and Development Practices (ETDP) in both urban and rural areas across South Africa. With a competitive advantage of sustainable high quality products and services, CCI offers exceptional value to corporate customers as well as Government.

Guided by the National Qualifications Framework (NQF) and Skills Development Act, CCI supports the current presidential and national skills oriented objectives of creating employment opportunities in South Africa, by identifying skills gaps and responding with innovative and transformative learning programmes.

ETDP projects, including a Development Practice NQF level five programme and Adult Basic Education and Training (ABET) Practice NQF level four programme, were initiated in the KwaZulu-Natal, Mpumalanga and Western Cape provinces. The unemployed learners enrolled on these full qualification programmes will complete their studies in the first quarter of 2010.

Towards the end of 2009, the Department of Education contracted CCI to train 100 staff members in the North West Province on the National Certificate in Human Resources Management and Support Practices, which is a NQF level four programme.

CCI actively participates in the industry as an acknowledged leader and will continue with its purpose to make a difference to the lives of South Africans.

For CCI, 2009 commenced on a high note with the planning and delivery of the much anticipated Department of Labour (DoL) National ABET learner literacy campaign project. English Literacy level one and two programmes were delivered to a targeted 10 500 unemployed illiterate adult learners in the Free State, Gauteng, KwaZulu-Natal and Northern Cape. Learners were taught to read and write in basic English, the objective being to assist in decreasing the illiteracy and unemployment rates in South Africa.



Mrs Triphina Dlamini who is 94 years old, participated in the ABET learner literacy campaign.





*Enhance:* To intensify, increase or further improve the opportunities for someone





The Resourcing division comprises 11 recruitment brands, with 21 branches nationally and over 180 years of collective expertise. Brent Personnel, Cassel & Company, Communicate Personnel, Insource.ICT, IT Edge, Network Recruitment, Pro Rec Recruitment and Tech-Pro Personnel are well established brands of ADvTECH Resourcing (Pty) Ltd (ADvTECH Resourcing). Kapele Appointments (Pty) Ltd (Kapele), an empowerment company in which ADvTECH Resourcing has a majority stake, houses three brands: Inkokheli HR Appointments, Vertex-Kapele and The Working Earth.

Against the backdrop of the global skills shortage, the challenge for employers worldwide is the attraction, motivation and retention of intellectual capital. Recruiting and retaining the right skills is a strategic business imperative and the extent to which it is focused on can mean the difference between business success or failure. ADvTECH's Resourcing division contributes to the solution by placing the best candidate in the best position, from both a personal and organisational perspective. This is achieved by the Division's focus on understanding each client's unique culture and values, as well as the context within which they operate.

ADvTECH Resourcing provides highly specialised recruitment services in specific niche market sectors. Each brand within the Division has their own distinct personality and profile, and is committed to providing the highest levels of service to its candidates and clients within its niche. This is achieved by conducting an in-depth analysis of specific needs, as well as providing personalised advice on market trends and available opportunities in a given market sector.

ADvTECH Resourcing's strategy of having various operating brands under one umbrella creates an entrepreneurial spirit within each brand. While this promotes healthy competition and ensures high quality and personalised delivery, candidates and clients simultaneously enjoy the advantages of dealing with a large corporate. By competing in overlapping, specialist niche areas, the brands all work together to the common benefit of the Resourcing division while offering a specialist service to clients and candidates. This ensures the best possible recruitment solutions for permanent, temporary and contract placements.

Should the need arise, the brands are capable of offering a collective solution to clients who have a variety of vacancies across various niches and in so doing, ADvTECH Resourcing provides a 'one stop shop' solution to such clients. This advantage is reinforced by the Division's extensive database of candidates.

Each brand within the Resourcing division is an accredited member of the Association of Personnel Services Organisation (APSO), the Institute of Personnel Consultants (IPSC) and the Confederation of Associations in the Private Employment Sector (CAPES).

In times of economic downturn, the recruitment industry tracks economic indices more closely and in 2009, economic conditions placed the recruitment industry under significant pressure. Given the difficult operating environment, the planned business expansion in 2009 was temporarily put on hold and attention was redirected to maximising efficiencies.

The Resourcing division expects the tough trading environment to continue into 2010 before easing. The Division enters the new year better equipped to face the operational challenges of current market conditions and is well prepared to embrace opportunities presented by an improving economy.





### Brent Personnel

Brent Personnel (Brent) is a solutions driven Brand that adopts a personalised approach towards addressing client and candidate requirements. The ability to adapt and develop their service offering results in Brent being able to deliver optimal and customised Finance and Office Support staffing solutions to their clients.

Brent has been in existence for 32 years and provides clients with access to high calibre permanent and temporary Finance and Office Support candidates. Emphasis is placed on referring a limited number of appropriately matched quality candidates for available positions. The Brent team consists of highly skilled and experienced members in the specific market sectors within which the Brand operates.

### Mentoring Matrics

A candidate placed by Brent requested assistance in finding a job for her daughter, Mpho Magole, who had passed matric but had limited work exposure. Brent Personnel employed Mpho as a receptionist, providing her with the opportunity to be mentored and gain workplace experience. Mpho is now a receptionist at Proctor and Gamble. This success story has led to a mentoring and placement programme for unemployed matriculants across many ADvTECH Resourcing brands.



### Cassel & Company

Cassel & Company (Cassel) is a recruitment consultancy entirely dedicated to the placement of permanent, temporary, contract and managed Accounting and Finance staff, within a variety of different industry sectors. A name synonymous with service excellence, Cassel has 21 years of experience in placing top professional candidates with blue chip clients.

Cassel's focused approach results in them truly understanding their client's business, values and the elements driving their competitive advantage. The Brand has intimate knowledge of the entry and movement of candidates in the Accounting and Finance arenas at all times and is therefore always able to harness the right talent for their clients. Recruitment consultants at Cassel have extensive industry expertise and pride themselves on their excellent customer service.

*"I've found a career path at Cassel & Company! When I joined the company I received outstanding training which has set a strong foundation for me to pursue a career in recruitment. By applying the Cassel philosophy and following the processes presented, the chance of me succeeding is so much greater."*

**Tammy Brosnan,**

**Consultant, General Finance – Cassel & Company.**



#### Communicate Personnel

Communicate Personnel (Communicate), one of the longest established recruitment businesses in South Africa, has branches in Gauteng, KwaZulu-Natal and the Western Cape, and has over 28 years' experience in placing top Engineering, Finance, Freight and Logistics and Information Technology (IT) staff in permanent and contract positions.



The Brand prides itself on their application of internationally recognised recruitment best practices. Their extensive and diverse candidate database is testament to Communicate's commitment to transformation in South Africa.

Communicate consultants have a comprehensive understanding of each specialist niche that the Brand focuses on, allowing for fast and effective solutions to their clients. Examples of services offered by Communicate include the provision of IT contracting services within 48 hours of receiving instructions from clients and the organisation of project teams to manage recruitment assignments on behalf of its clients.

In 2009 Communicate opened a new Finance branch in Durban, and expanded its Engineering branch in Cape Town.

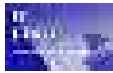
#### Insourc.e.ICT



Insourc.e.ICT focuses solely on Information and Communications Technology (ICT) recruitment, finding and placing ICT people at all levels across all technology platforms. The Brand has an established and actively managed database of candidates and is able to place ICT staff throughout South Africa.

The Brand is well known in the South African ICT industry for the quick turnaround service they deliver to both clients and candidates alike. The many value-added services offered by Insourc.e.ICT include salary surveys and advice on talent retention.

Insourc.e.ICT employs 50 highly trained consultants, all of whom have in-depth knowledge of the South African ICT industry. These consultants work in specialist areas, such as Business Analysis, Project Management, Software Development and IT Infrastructure.



### IT Edge



IT Edge specialises in Information Technology (IT) recruitment and uses their expertise, recruitment systems and networks to ensure long-term solutions for clients and career enhancement opportunities for their candidates.

The Brand understands that change and innovation is synonymous with the IT industry and is geared to deliver original solutions to both clients and candidates within this operating environment.

Clients range from small businesses to large corporates, with their IT requirements varying from standard to customised solutions. Accordingly, IT Edge's candidate database includes a wide range of specialist skills where the experience of candidates ranges from technical support to director level.

IT Edge consultants have specialist IT recruiting skills. They continuously conduct extensive research and use acclaimed training groups in South Africa to remain up-to-date with market needs, trends and emerging technologies.



### Network Recruitment

Network Recruitment offers optimum recruitment solutions in the high demand specialist areas of Information Technology (IT), Finance and Engineering. The Brand's focus over the past 23 years, on developing relationships and delivering results, has resulted in long-term and mutually beneficial relationships with its clients and candidates.



Network Recruitment recently restructured into three independently run units: Network Engineering, Network Finance and Network IT Recruitment, in order to focus on and gain inroads in these respective niches. Network Recruitment enjoys strong relationships with several leading corporates, with over 60% of its placements constituting repeat business.

An innovative Candidate Mentoring Programme, devised by the consultancy, is a post-placement service that offers support to both clients and candidates during the crucial first three months of employment.

Network Recruitment's highly specialised consultants are supported by an impressive team that allows them to promptly deliver accurate solutions to their customers. Their support team includes Business Development Managers, Researchers and Customer Care Officers.



#### Pro Rec Recruitment

Pro Rec Recruitment (Pro Rec) focuses on searching for candidates for top level specialist positions in the Marketing, Market Research and Professional Sales fraternities.

Over the past decade, the Brand has built a high level of credibility among a wide range of long standing corporate clients. Consultants have strong industry knowledge and keep abreast of the latest industry developments, and are

able to offer clients and candidates the value-added service of guidance and advice based on recent trends in this industry.

Pro Rec's boutique agency approach ensures that clients and candidates experience a unique combination of personalised attention and high levels of professionalism.



#### Tech-Pro Personnel

Tech-Pro Personnel (Tech-Pro) plays an active role in the development of the Supply Chain Management discipline in the Country. By assisting clients in understanding the capabilities needed and the correct utilisation of skills across the entire supply chain, the Brand has earned the enviable reputation of being the industry leader in this niche.

The Consultancy represents top companies in the southern region of Africa and provides their candidates (a high percentage of which are returning candidates) with exceptional choice when it comes to new employment

opportunities. Tech-Pro has the largest and most up-to-date database of Supply Chain Management skills in the industry.

Each Tech-Pro consultant belongs to the Association for Operations Management of Southern Africa and has an exceptional understanding of the discipline and market. Consultants often publish papers in various publications and present at conferences, such as the Third Smart Sourcing Conference in Gauteng in November 2009 at which Tech-Pro highlighted the importance of training and development within the Supply Chain Management discipline.

Completing the Certified Supply Chain Practitioner (CSCP) programme provides one with the highest Supply Chain Management qualification currently conferred in South Africa. It is an executive qualification and is regarded as being equivalent to an MBA in Supply Chain Management. Tech-Pro awards a CSCP bursary annually to assist with addressing the skills shortage in Supply Chain Management at executive level. In 2009 the Tech-Pro CSCP Bursary was awarded to Mputamputa Molefe, a BSc Chemical Engineering, BCom and MBA graduate, who is currently employed as Business Development and Projects Manager for Distribution at Shell South Africa. Mputamputa has been active in developing a Supply Chain Academy in both his past and current roles, and is a true ambassador of the Supply Chain Management discipline.





### Kapele Appointments (Pty) Ltd

Kapele Appointments (Pty) Ltd (Kapele) is an empowerment partner to ADvTECH Resourcing. The management and staff of Kapele have a 30% equity ownership in the company, which is held in trust, with the remaining 70% being held by ADvTECH Resourcing. Kapele has been assessed as a Qualifying Small Enterprise and certified as a Level 1, AAA+ rated Black Empowered Entity by Empowerdex.

Kapele houses the Inkokheli HR Appointments, Vertex-Kapele and The Working Earth brands.

Kapele's Managing Director, Suraj Maharaj, is currently the National President of the Association of Personnel Service Organisations (APSO). Established in 1977, APSO represents its member recruiting companies in their dealings with Government and related bodies. APSO promotes and ensures, for the benefit of both clients and candidates, the adherence to high ethical and professional standards of business within the recruiting community.



### Inkokheli HR Appointments



Inkokheli HR Appointments (Inkokheli) is the only consultancy in South Africa that specialises in professional Human Resources (HR) recruitment, providing permanent, temporary and contract HR staffing solutions nationally. The Brand focuses on high quality client relationships, placing top calibre candidates and employing professional staff.

Inkokheli's clients include Government and leading corporates, who have the unique benefit of working with 'HR professionals who understand HR professionals'. Consultants at Inkokheli have in-depth knowledge and experience in all aspects of HR, enabling them to provide the right solutions to clients the first time. Inkokheli has an established database of HR professionals, who have national as well as international experience, and is well equipped to place candidates at all levels within any organisation.



#### The Working Earth

A good advertisement is critical to the success of any recruitment assignment. The Working Earth is a consistent winner of Recruitment Advertising awards and is South Africa's only Recruitment Advertising specialist that links advertising to electronic response handling, using the power of the Internet.

The Working Earth won the Best Colour Advert in the Trade/Technical/Artisan Category in the Sunday Times Business Times Careers Advertising Awards. Their client was Murray & Roberts.



The Brand is well known in the recruitment advertising community for top class service and professional media advice. A manual response handling service is also offered to clients where all applications received via email, post or fax are evaluated and shortlisted by consultants according to client specific criteria. In 2009 'Academe', a Recruitment Advertising service specifically for academics and academic institutions was launched.

The Working Earth is a pioneer in Electronic Recruitment. The Brand's Electronic Recruitment process is a self-administered, web-based application process incorporating a screening, assessment and prioritisation tool. The process is competency based and objective, and can be accessed by all computer literate South Africans. It enables Human Resource practitioners to screen and handle mass responses to advertising in a timely, transparent and highly cost effective manner. This system is also available to corporates in a company branded format to handle their internal recruitment requirements.



#### Vertex-Kapele

Vertex-Kapele specialises in cost effective Human Resource (HR) solutions in various industry sectors. The staff at Vertex-Kapele are HR professionals with tertiary qualifications who understand talent acquisition, the importance of talent retention and the role of the organisational brand in both these areas. This allows Vertex-Kapele to provide its clients with a service that incorporates more than just recruitment.

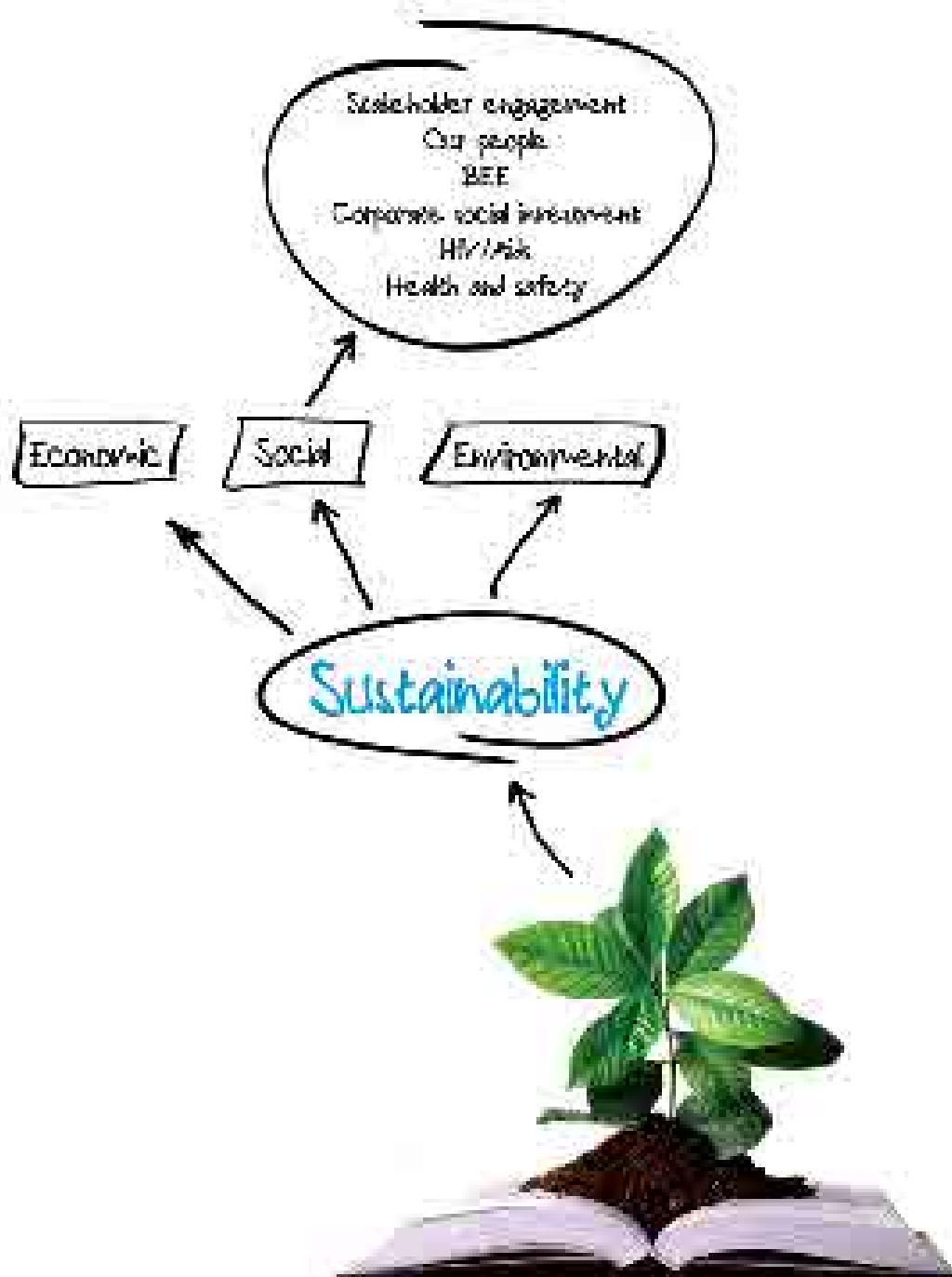
The Vertex Response Handling Methodology™, a talent acquisition system, is the Brand's flagship service. AdVertex, the Brand's award winning, in-house recruitment advertising agency, designs, copywrites and places advertisements in the media. Vertex-Kapele processes responses to the advertisements and shortlists candidates on behalf of its clients. More than 76% of applicants through the Vertex Response Handling Methodology™ are employment equity candidates.

Additional services offered by Vertex-Kapele include the sourcing and management of independent and fixed term

contractors on behalf of their clients, as well as the outsourcing of strategic HR functions such as strategic HR alignment, Employment Equity, Broad-based BEE, Workplace Skills Plans, Annual Training Reports, Diversity Management and HIV/Aids workplace programmes.



AdVertex won Best Colour Advert in the Information Technology Category in the Sunday Times Business Times Careers Advertising Awards. The advert was designed for Microsoft.





## Executive summary

This report provides ADvTECH's stakeholders with an overview of the Group's management of sustainability issues. In reading this report it also becomes evident that transformation is inherent in ADvTECH's business model, as highlighted by the role played by the Group in the education and placement of thousands of historically disadvantaged individuals (HDIs).

This report emphasises key areas and initiatives considered especially important for the Group as a South African entity. These are the following:

- the sustained economic value ADvTECH has created for all its stakeholders
- the Group's continued progress in transformation under the guidance of the Board Transformation Committee (BTC). The BTC reviews the Group's progress on the pillars of transformation: employment equity, black equity ownership and management control, training and development, BEE procurement, enterprise development and corporate social investment (CSI)
- the range of initiatives undertaken by ADvTECH to engage effectively in dialogue to improve relationships with stakeholders throughout the Group
- the staff recruitment and retention strategies integral to the Group as discussed in detail later in the report. These focus on fair employment conditions, competitive remuneration, appropriate work challenges, a high performance culture and learning opportunities for all staff. ADvTECH continues to place significant emphasis on skills development, with employees from previously disadvantaged backgrounds being given preferential participation in skills development initiatives offered by the Group
- the management of ADvTECH's impact on the environment and the communities within which it operates. This includes consistently monitoring and reducing negative effects where possible
- the management of risk within the business, and
- ADvTECH's sound corporate governance practices. The Group adheres in all material respects to King II (2002), which sets the framework for corporate governance in South Africa with guidelines regarding financial risk management, financial performance, remuneration and audit committees, sustainability reporting, stakeholder interest, strategy development, the balance of power and the role of directors within the enterprise and society at large. The Group has also assessed its standing in relation to the provisions of King III (2009). Preliminary results are set out in the table on page 71.

**“We have placed education and skills development at the centre of this Government’s policies. We need to invest in our youth to ensure a skilled and capable workforce to support growth and job creation.”**

**President Jacob Zuma  
State of the Nation Address  
11 February 2010**

### **Introduction**

The sustainability and resilience of the ADvTECH business model is driven fundamentally from the long-term nature of the business, the enduring worth of the Group’s operations and the annuity nature of much of its revenue. This is supported by the quality and strength of the Group’s financial structure, which provides the capacity to deal with challenges and opportunities as they arise. It is therefore vital that we continue to implement carefully considered and responsible decisions that will have a positive impact well into the future. We remain committed to ensuring the long-term success of our business by making a meaningful contribution economically, socially and environmentally to the communities which we serve and in which we operate.

Our ability to deliver excellent value in response to the needs and aspirations of our society, despite the challenging operating environment in 2009, is a reflection of the high value South Africans place on ADvTECH’s offering. Our strategy is to be the private education and resourcing provider of choice to learners, job candidates, clients and employees alike. We believe we will realise this by

achieving ambitious performance standards, continuously improving our service offering and earning the trust of those we deal with.

The nature and quality of our services provide intrinsic social and economic benefits. The important role that the Group’s Education and Resourcing divisions play in helping to address the current education and skills capacity constraints facing South Africa, has led to the recognition of ADvTECH as a responsible corporate citizen actively involved in developing the Country’s human capital and economic growth prospects. Our high standards of corporate responsibility were recognised once again by our inclusion, for the fourth year in succession, in the JSE Limited’s Socially Responsible Investment (JSE SRI) index for 2009.

Transformation is inherent in our business model as highlighted by the role played by the Group in the education and placement of thousands of historically disadvantaged individuals (HDIs). In 2009, 73% (2008: 67%) of our students and over 50% of our candidates placed were HDIs. We strive to sustain this transformative role through continuous reinvestment in capital expenditure, bursary programmes and empowerment initiatives.

ADvTECH has created the following structures, with comprehensive approval frameworks, that are specifically mandated to ensure sustainability, high quality delivery and good governance in our business development:

- Board Transformation Committee (BTC), which guides, monitors, reviews and evaluates the Group’s progress against the triple bottom line of economic, social and environmental performance
- Remuneration Committee (RemCom), which ensures that remuneration policies are fair and tailored to encourage the retention of top talent
- Human Resources, HIV/Aids, Employment Equity, Environment, Skills Development, Investors-in-People and Occupational Health and Safety (HESIO) Committee,

which oversees programmes dealing with issues such as retirement, HIV/Aids, health and wellness, employment equity, skills development and occupational health and safety, as well as environmental issues. The majority of the HESIO Committee members are elected representatives of staff and first line Human Resources managers from the Group's operations

- Academic Advisory Council, which advises the Group on educational policy and matters, and
- IIE Senate, which ensures that our educational programmes are of the highest academic standards and prepare students for careers in an increasingly competitive workplace. The majority of Senate are academics and include elected representatives of the lecturing and teaching body. Elected student representatives also serve on Senate.

The South African Council on Higher Education (CHE) is an independent statutory body responsible for advising the Minister of Higher Education and Training on all Higher Education policy issues. The CHE's Higher Education Quality Committee (HEQC) has executive responsibility for quality promotion and assurance in higher education. In 2009 Dr Felicity Coughlan (Director: IIE) was appointed to the HEQC Board and Dr Charles Freysen (Registrar: IIE) to the HEQC's Institutional Audits Committee, which bears testament to the role and contribution of the IIE in Higher Education.

The Association of Personnel Service Organisations (APSO) represents its member recruiting companies in their dealings with Government and related bodies. APSO promotes and ensures the adherence to high ethical and professional standards of business within the recruitment community. In recognition of ADvTECH Resourcing's commitment to sound business practice in the sector, Suraj Maharaj (Managing Director: Kapele Appointments (Pty) Ltd) was elected as National President of APSO.

## Economic performance

Please refer to the Value Added Statement on page 27 which summarises the value ADvTECH has created and distributed to its stakeholders in the year under review.

The Group created total economic value of R1 billion, compared to R927 million in 2008. The value created was distributed as follows:

	2009	2008
Employees	54%	56%
Social responsibility	4%	4%
Government	21%	19%
Providers of capital	8%	8%
Reinvested in the Group	13%	13%

The indirect economic contribution of the Group, however, is a multiple of this amount. At an individual level, ADvTECH, by the very nature of its business, enhances the employability of its students and job candidates. Each year, the thousands of ADvTECH alumni and job candidates who are active in the South African economy enjoy enhanced earning potential. This economic contribution increases annually with the addition of successive graduating classes and placement of new job candidates.

### Social performance

#### Stakeholder engagement

ADvTECH engages meaningfully with a broad range of stakeholders on an ongoing basis. In addition to normal communication channels, such as print media and websites, other initiatives are implemented to continuously improve stakeholder relationships throughout the Group.

#### Employees

- ADvTALK – an internal staff publication
- ADvNET – the Group intranet
- Regular newsletters
- Annual business breakfasts for senior staff
- Awards functions
- Regular health and wellness programmes
- Regular social gatherings
- Cultural events to celebrate staff diversity



ADvTECH Business Breakfasts



Out of the Blue – Varsity College staff newsletter



Resourceful Chatter – ADvTECH Resourcing staff newsletter

#### Investors

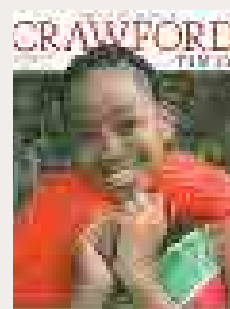
- Regular results presentations
- Roadshows
- SENS and press announcements
- ADvTECH Annual and Financial reports
- JSE presentations
- Investor site visits

#### Learners/parents

- Parents functions
- Opening addresses
- Continuous assessment and feedback on progress
- Newsletters and magazines
- Various functions and events
- Valedictory and graduation ceremonies
- Top achiever functions



Parents' day at Rosebank College



Crawford Times – a magazine for students and parents

#### Candidates/Clients

- Regular face-to-face consultations
- E-newsletters
- Salary survey reports
- Seminars on selected topics

### Alumni

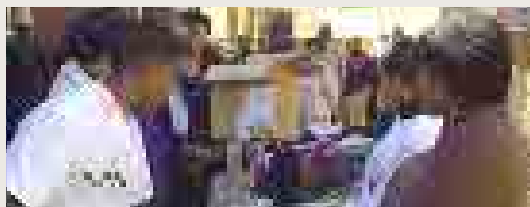
- Graduate recruitment services
- E-newsletters
- Fellowships
- Graduate and alumni surveys



Old Crawfordian Fellowship members

### Communities

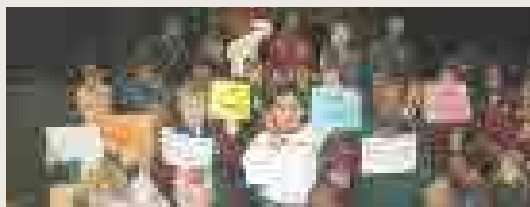
- Donations
- Sponsorships
- Fund-raising events
- Involvement in community projects
- Outreach projects
- 'Twin schools' projects with disadvantaged schools



College Campus Pretoria students collected and donated clothes to homeless people in the area

### Environment

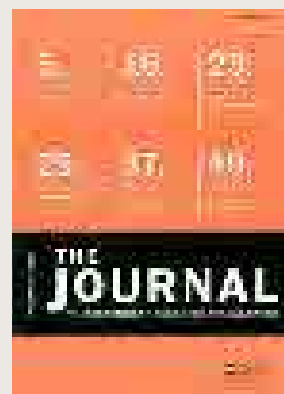
- Environmental awareness education
- Initiating or participating in various go green initiatives
- Conservation projects



Grade 2 students from Crawford Preparatory Pretoria presenting the benefits of recycling

### Education and Resourcing

- Representation on the HEQC Board and Institutional Audits Committee
- Representation on the National Executive of APSO
- IIE Forums
- The Independent Journal of Teaching and Learning
- Founder and member of the Private Higher Education Network
- Member of APSO
- Member of the Institute of Personnel Consultants
- Member of the Confederation of Associations in the Private Employment Sector



### Our people

ADvTECH places a high premium on its people, who add great value to the lives of thousands of students, parents, job candidates and clients. Attracting and retaining South Africa's top talent in the sectors in which we operate is critical to the long-term success of our operations. Recruitment and retention strategies that focus on fair employment, competitive remuneration, appropriate work challenges, recognition and learning opportunities are integral in making ADvTECH a 'Great Place to Work'.

We are passionate about 'growing our own timber' (hiring our own graduates and promotion from within) and currently employ 322 alumni (2008: 266). Our goal is to become the employer of choice in the education and resourcing sectors, and we participate annually in the Deloitte 'Best Company to Work For' Survey to benchmark ourselves against employment practices across the Country. In the 2009 survey ADvTECH was one of 48 companies rated by staff as achieving excellence as an employer.

Gcebi Nepfumbada graduated from College Campus with a Diploma in Office Administration, after which she was employed at IMD College (which has since been incorporated into Rosebank College) as a receptionist. She has progressed to Vice-Principal: Academics at Rosebank College.



Our intranet site, ADvNET, is beginning to play a central role in internal communications across the Group. The site presents a common platform for staff across the Group to access and contribute information that is relevant, necessary and interesting to our business, and includes features specifically designed for our operations and to help staff get through their working day more efficiently. The Group publishes a regular internal publication, ADvTALK, featuring developments in our business and markets, as well as providing regular updates on our people.



The number of ADvTECH employees as at the end of December 2009 was 3 779 (2008: 3 643) representing an increase of 4%. The occupation levels amongst the Group's permanent workforce as at the end of September 2009 is detailed in the table below:

Occupation level	% of permanent workforce
Top and senior management	1%
Professionally qualified and experienced specialists and middle management	7%
Skilled technical and academically qualified professionals, junior management, supervisors, foremen and superintendents	59%
Semi-skilled and discretionary decision making	24%
Unskilled and defined decision making	9%

### Remuneration policy and employee benefits

The Remuneration Committee (RemCom) entrenches a culture of high performance by ensuring that the Group's remuneration philosophy is aligned with the business strategy. It also ensures that remuneration policies are soundly based and governed. An essential feature of this is the independence of RemCom in determining the remuneration and bonuses of all staff, including executive management.

Conditions of employment such as parent responsibility leave and academic leave, which provides for the necessary growth and development of our academic staff, also fall within the mandate of RemCom. These are reviewed annually against best practice and, where necessary, improvements to our conditions of employment are implemented.

Remuneration is regularly benchmarked against the market and aligned to Group performance. Guaranteed remuneration comprises a cost-to-company package, which includes benefits such as medical aid and retirement funding. Employees who are not on medical aid are offered free accident insurance including funeral cover.

Performance remuneration in the form of incentives, bonuses and profit sharing is included in certain employment categories, the objective being to recognise, reward and retain high performing employees. Depending on the seniority and responsibility of the individual concerned, the incentive opportunity ranges from 8% to 100% of the guaranteed cost-to-company remuneration package. Remuneration is structured according to the following framework:

#### General staff

To encourage a high performance culture, each employee has agreed key performance indicators (KPIs) and where applicable, performance objectives. This creates a direct link between performance and remuneration. The remuneration of teachers and academic staff is benchmarked against state and other comparable institutions. We then establish guidelines for basic cost-to-company remuneration and, where appropriate, incentives for exceptional performance. The remuneration of resourcing staff is based on an incentive structure, with consultants and supervisors receiving a performance related package linked to rigorous quality standards. Appropriate recognition is given to the qualifications of professional staff.

### Senior staff and management

The remuneration structure for these employees encompasses three elements:

- a guaranteed cost-to-company package
- annual incentive remuneration based on predetermined KPIs, and
- long-term incentive remuneration in the form of an opportunity to participate in share incentive schemes offered by the ADvTECH Share Incentive Trust.

#### Executive leadership

Executive leadership is offered a similar remuneration structure to that of senior staff and management. Their annual incentive remuneration however, is based on a combination of individual KPIs and the performance of the business unit for which the executive is responsible (which constitutes two-thirds of incentive) and Group KPIs (which constitutes one-third of incentive). The bonus earned by the executive concerned is based on the extent to which agreed targets were achieved and is approved by RemCom at the beginning of each year. Executives are set stretch targets at demanding levels of growth and achievement. These targets also take into account our operating environment and strategic objectives, such as transformation of the Group. In 2009, executive bonuses achieved were 36% (2008: 68%) of the opportunity available as a result of the reduced rate of growth in the Group's performance.

### Share incentive schemes

At the end of 2007 the ADvTECH Board approved the introduction of a broad-based share scheme (BBS) for an initial period of five years. Permanent staff members with more than two years' service qualify to participate in the scheme and are awarded ADvTECH shares at no cost to the participant. Currently 1 372 employees (representing 55% of permanent staff) qualify to participate in the BBS. Their participation includes training on share ownership matters and assistance with the costs of owning these shares.

The Group also offers a merit based senior staff share participation scheme to reward, retain and motivate high performing permanent senior employees. Senior staff are recommended by line management to RemCom who finally select staff members for participation in the scheme. ADvTECH share awards provide an opportunity for

participating senior staff to build capital through contributing to and sharing in the growth and success of the Group. As at December 2009, 127 (2008: 101) senior staff members participated in the scheme.

Lastly, the Group offers share options to certain executives and senior managers, the details of which are set out on page 9 in the Financial Report.

### Long Service Awards

ADvTECH publically recognises permanent employees for continued service to the Group. Long Service Awards, which include a financial reward, are presented to employees on completing five years' service and on five year service intervals thereafter. At the end of the year, 798 permanent staff had been employed by the Group for five years or more. In 2009, 130 Long Service Awards were presented:

Long Service Award	Number of employees
5 years	82
10 years	38
15 years	5
20 years	4
25 years	1



Anisa Evans from Group HR and Peter Rapatsa from Group Properties both received a 10 year Long Service Award.

### Succession planning

ADvTECH's strong management team drives the business strategically and operationally.

The Group places a major emphasis on skills development, with employees from previously disadvantaged backgrounds being given preferential participation in all skills development initiatives offered by the Group. For example, the Management Development Programme which started in 2005 is being used, *inter alia*, as a vehicle for accelerating the development of black managers in the Group. This provides the platform to promote employees from within the Group when management positions become available. While it is the Group's preference to look for senior appointments from within the organisation, external recruitment is necessary in certain instances to supplement succession replacements.



*"Attending MDP was an immense honour and privilege for me. Networking with colleagues from across the ADvTECH brands and learning from Group Executive Committee members as well as external facilitators added a dynamic perspective to the programme. I could never place a financial value to the incredible insight and knowledge I have gained by attending the MDP programme."*

Mala Paul, National Bookkeeper – Varsity College

### Black Economic Empowerment (BEE)

ADvTECH is committed to addressing the inequalities of the past whilst ensuring sustainable development into the future.

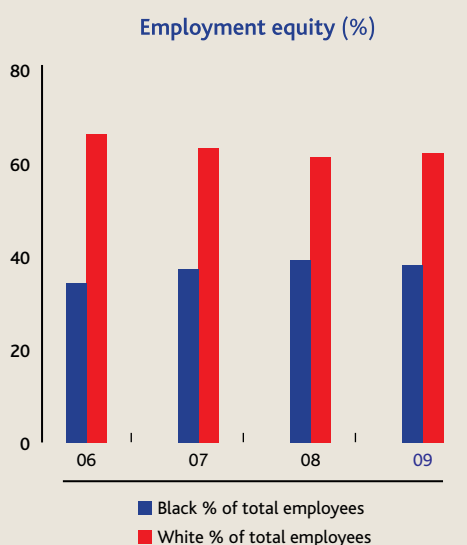
While we make use of external accredited empowerment rating agencies, our focus is on the spirit rather than the letter of transformation. In 2009 the Group continued to make progress in transformation and sustainability under the guidance of the Board Transformation Committee (BTC).



The BTC reviews the Group's progress on the pillars of transformation: employment equity, black share ownership and management control, training and development, BEE procurement, enterprise development, and CSI.

### Employment equity

ADvTECH regards equal opportunity in employment as both a strategic and business imperative. We recognise that diversity will enable us to use the differing skills, experiences and cultures of staff to create a richer working environment that will enhance our ability to deliver excellent value to all our stakeholders. The Group's Employment Equity policy sets out yearly employment equity targets and is monitored by the Group Executive Committee, the BTC and the HESIO Committee. The Group continues to benchmark itself against the relevant Department of Trade and Industry codes, the Employment Equity Act and the JSE SRI Index.



### Equity ownership

Our BEE shareholders currently own 39 million (2008: 34 million) ADvTECH shares, representing a 10% (2008: 9%) shareholding. While the Group itself has not embarked on a specific ownership empowerment initiative, as explained under the enterprise development section, it has facilitated the creation of an empowered recruitment enterprise.

### Management control

In the year under review, black staff on the various management structures within the Group remained at 24%.

### Skills development and training

The Group proactively identifies the skills requirements of our people to guide the formulation of our skills development strategy, according to which the necessary resources are invested in staff training. Black staff are given preferential participation in skills development initiatives offered by the Group. Skills development expenditure for 2009 was R7.3 million (2008: R5.9 million), reflecting an increase of 24%.

Our internal skills projects support our culture of high performance, with particular emphasis being placed on training to develop teacher skills. Key internal skills initiatives include the Management Development Programme and Management Progression Programme. We also conduct other specific skills interventions such as Managing People Processes and Performance, Mentoring for Success and Managing Conflict.

### Preferential procurement

The Group has an affirmative procurement process which seeks to support suppliers from historically disadvantaged communities. The policy encourages procurement from BEE suppliers and motivates the Group's suppliers to become BEE compliant. These policies are actively implemented and have resulted in the Group more than tripling its weighted BEE procurement spend from R40 million in 2008 to R149 million in 2009.

### Enterprise development

Since 2002 ADvTECH has provided expertise as well as financial and infrastructural support to Kapele Appointments (Pty) Ltd, an empowered recruitment enterprise incorporating Inkokheli HR Appointments, Vertex-Kapele and The Working Earth. This has enabled Kapele to build a strong reputation as a preferred service provider in the recruitment market.

### Corporate social investment (CSI)

We understand that education is one of the most important tools for promoting and improving equality. We therefore commit a significant proportion of our profits to CSI, the bulk of which is allocated to bursaries, scholarships and financial support for deserving learners at our educational institutions across the Group. This is consistent with our approach of widening access to education for less privileged learners who are unable to access finance to study at our institutions.

When awarding bursaries to applicants, the following is taken into account:

- academic merit
- all round human potential
- leadership potential, and
- financial need.

These are considered within the context of affirmative action and South African empowerment imperatives, both of which are fundamental to our business.

In response to the increasing need for quality teachers in South Africa, a student teacher bursary scheme was launched in 2007. Of the 40 students enrolled on our teacher training scheme in 2009, 40% were HDIs. The majority of these bursary students are studying to teach Mathematics, Physical Science, English or Accounting. They complete their practical training at our schools and are mentored by our teaching staff. Since inception five students have been permanently placed across our schools brands.

In 2009 Varsity College launched the first phase of their bursary programme for HDIs wanting to qualify as Chartered Accountants. One of the main drivers behind the launch of this programme was to respond to the scarce skills in this field in the Country. Four students are on full bursaries and a further two students, who are enrolled as part of a joint venture with PricewaterhouseCoopers, started their tuition in the UNISA Bachelor of Accounting Sciences programme at Varsity College's Durban North campus. In their first year of study these students obtained distinctions in 68% of all modules written. The top student achieved an aggregate of 83% with distinctions in all seven modules. In addition to their academic studies, the students have participated in an enrichment personal extension programme and have each been assigned mentors.



The Imagination Lab, a Vega and CAFÉ (Communications and Advertising Forum for Empowerment) initiative was launched in 2003 to fast track transformation within an industry that is still largely not representative of South Africa's diverse cultures and population. It gives matriculants from disadvantaged backgrounds the opportunity to explore the creative world and be exposed to a variety of dynamic career options. In 2009, 157 black students studied at Imagination Labs based in Johannesburg, Durban and Cape Town.

McDonald Musimuko, who lost his parents at the age of 16, is an Imagination Lab Graduate. He started his internship at The Brand Union in 2008 and was permanently employed by them in 2009. McDonald plans to continue his studies in Communication Design and Animation and eventually wants to open his own design studio.



We promote participation in CSI programmes that provide volunteer staff and students with a greater sense of community belonging and responsibility. The majority of our brands are involved in numerous CSI initiatives at either national or site level, or both. Examples range from the children at Junior Colleges Luthuli collecting blankets and clothes for the underprivileged children at Chesterville Crèche, to the food drive hosted by Crawford College Pretoria students for Kids Haven, to Varsity College supporting Reach for a

Dream as its National Community Outreach Project, to staff at Inkokheli HR Appointments who support the Janai Children's Home for orphans. Given that these are but a few examples of many voluntary projects engaged in at most of the 79 sites across the Group, ADvTECH's contribution to social upliftment is considerable.

In 2009 CSI expenditure totalled R42 million (2008: R37 million), equivalent to 19% (2008: 18%) of operating profit.

As part of Trinityhouse's Grade 8 Entrepreneurial Project, pupils run a business for a month, the profits from which were donated to Thandanani, a home for orphaned, abandoned and abused children. The first Grade 8 pupils who participated in the programme in 2001 dreamt of creating a refuge for these children. By 2003 sufficient proceeds were raised to purchase a six hectare property with four houses on the outskirts of the Zandspruit informal settlement. This marked the opening of their refuge home, Thandanani. Since then proceeds from the project have been used to refurbish a house on the property and acquire a 16 seater mini-bus, as well as contribute to the Home's running expenses. Trinityhouse students visit the Home regularly to help children with their home work and play sport with them. Since inception the project has raised R1.4 million for the Home.



Student Liaison Bodies together with the first year sport management students and VC Cares teams from Varsity College Durban North and Westville, joined forces to host an inaugural Varsity College Golf Day to raise funds for a much needed assembly shelter for approximately 1 000 children at Indlela, a school in the Amaoti community. The event forms part of Varsity College's ongoing community engagement programme and the R28 500 raised was used towards the construction of the assembly shelter at the School.



Inkokheli HR Appointments supports the Janai Children's Home for orphans, abused and disabled children. Each of its staff members has unofficially adopted one or two of the children at the Home and spend quality time with them each month.



Mr Mandela turned 91 on 18 July 2009 and in celebration of his life, invited us to spend 67 minutes acting on the idea that each person has the power to change the world. Motivated by this message, ADvTECH's SAM Team identified a project that allowed them to do just this. During September 2009 the team introduced a small change for a better South Africa, starting with the support of everyday needs at Observatory Girls' Primary School such as donating stationery and contributing towards the School's feeding scheme. The team also sponsored six Grade 6 learners on the School's leadership camp. Plans to increase support to the School in 2010 include supplying and fitting a much needed section of palisade fence on the School grounds.

### HIV/Aids

Addressing the HIV/Aids pandemic is both a moral and business imperative. ADvTECH recognises the serious threat that the HIV/Aids pandemic poses to the economy and the nation as a whole.

ADvTECH's HIV/Aids policy is based on the core principles of non-discrimination and confidentiality. The Group is compliant with all workplace legislation relating to HIV/Aids and is committed to protecting staff, students and candidates against unfair discrimination on the basis of their HIV status. Their right to confidentiality is also guaranteed. The HIV/Aids risk to the Group has been defined as relatively low.

ADvTECH capitalises on its learning environment to proactively educate our students and promote their responsible behaviour on HIV/Aids issues, examples of which include:

- speakers who regularly address pupils, staff and parents at our schools on HIV/Aids related issues
- HIV/Aids Awareness workshops
- voluntary counselling and testing programmes
- presentations during student orientation, and
- readily available condoms, pamphlets and brochures at our tertiary institutions.

Scrutinise is an initiative between the United States Agency for International Development (USAID), John Hopkins University and Levis which raises awareness around behaviour that places people at risk of contracting HIV. In September Rosebank College Braamfontein together with LifeLine and Scrutinise, held a four day long campaign on campus, urging students to 'Scrutinise' their behaviour to lower their risk of being infected with HIV. Students at Rosebank College who are LifeLine Ambassadors addressed their peers on issues such as multiple partners and substance abuse. Other students performed plays, rap songs, poems and dances to encourage their audience to 'Scrutinise' their behaviour. The four day event was attended by over 1 400 students.



Voluntary counselling and testing promotes responsible behaviour that will avoid HIV infection in personal relationships.

An NGO, Right to Care, facilitates this process at all College Campus sites. Over 464 staff and students were tested during the 2009 campaign. Based on this encouraging participation, the programme will be regularly repeated across all College Campus sites.



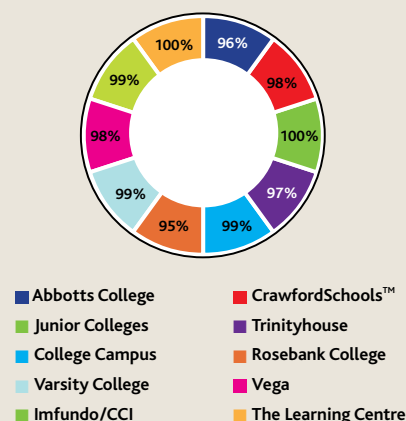
## Health and safety

ADvTECH is committed to a safe, healthy and hygienic working environment in compliance with the South African Occupational Health and Safety Act. A dedicated Group Health and Safety Manager trains, audits and proactively ensures adherence to the Group's Occupational Health and Safety (OHS) policies across our operations. Group Health and Safety is managed by the Properties department and is thus independent of the internal audit and insurance management portfolios.

As a Group we place particular emphasis on the safety of staff and students. In 2009, 31 employees were trained as OHS representatives. In addition 85 staff members participated in first aid training, while a further 106 were trained in fire fighting.

Externally conducted legal compliance audits were carried out at all of our education sites during 2009. Given that a score of 90% and above is acceptable, our brands scored exceptionally well with all of them obtaining an average site score of 95% and above. This is an indication of our dedication to the well being and safety of the learners in our care.

## Occupational health and safety legal compliance audits



Comply Online is an internet based OHS system that has been operational at ADvTECH since 2007. It provides the OHS representatives across the ADvTECH brands with a management tool to effectively maintain the compliance standards required by the Departments of Labour and Education, as well as other interested parties.

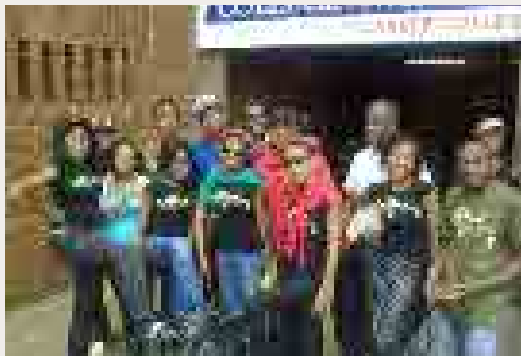
We regularly publish OHS bulletins to communicate vital and interesting OHS information to the various sites across the Group. Some of the topics covered in 2009 included slips, trips and falls, computer eye strain, the protection of electrical equipment from lightning, safety in art classrooms and road safety.

### Environmental performance

Managing our impact on both the environment and communities in which we operate is very important to ADvTECH. We have a responsibility to monitor and reduce negative environmental impacts where possible.

Accordingly, the Group abides by an Environmental policy that focuses on achieving and demonstrating sound environmental practices and performance with particular reference to engagement with the communities of which we are already a part or are seeking to join.

College Campus Pretoria co-ordinates regular 'Clean Up' projects throughout the year to keep their campus clean whilst at the same time highlighting the negative effects of pollution to its students. Those taking part this year also cleaned up the block that the campus is a part of. Many members of the community commended these students for creating awareness and taking ownership of environmental issues.



ADvTECH reduces its environmental footprint by comprehensive waste management, limiting the use of hazardous substances and promoting energy saving – an approach which has obvious benefits. In 2009 ADvTECH partnered with an approved energy services company that installs energy management systems to minimise electrical consumption. Results after two months indicated that substantial energy savings can be expected from the new system.

In establishing new buildings or expanding existing buildings, the Properties department conducts impact studies to identify ways to mitigate potential negative effects on the environment. They also develop environmental management plans for new sites situated in eco-sensitive areas. These plans are audited during building phases and

after construction by environmental engineers. While this is not compulsory, ADvTECH believes that it is our responsibility to protect and maintain the sites we acquire and develop.

The recently built Abbotts College in Century Gate in Century City, a development in Cape Town which features eight kilometres of navigable canals, Intaka Island, a 16 hectare wetland and bird sanctuary. The campus was built to blend in with the ethos of this conservation area and its indigenous, waterwise gardens were designed to support this environmentally sensitive development.



At Crawford Fourways a man-made wetland was designed to accommodate the run-off storm water. This has created an environment where bushbabies, 39 bird species as well as several frog species thrive. The wetland is used extensively by all students who are literally able to watch the frog's lifecycle in action.



The planning of the new Abbotts' Suideroord campus took into account the fact that the building should operate on minimal electrical power and be as maintenance free as possible. As many windows as possible were introduced in an aesthetically pleasing manner to minimise the need for electric lighting and air-conditioning in classrooms. In addition, the colours for wall interiors were carefully chosen to reflect the right quality and quantity of light. Building materials such as facebrick, new age roofing and seamless gutters were used to make the campus largely maintenance free.



When Crawford La Lucia was founded in 1999, vegetation on the campus was basically non-existent. Over the past 11 years, the parents and pupils at the School have contributed indigenous trees towards establishing a conservancy on the campus. The campus now has an eco-friendly mini nature reserve with insects, amphibians and over 150 species of birds. It is also home to a small variety of mammals and reptiles. A joint initiative with Hirsch's Umhlanga Branch has been launched to build a 'classroom-in-the-bush' in the middle of the conservancy from recyclable material. Lessons in this eco-friendly classroom will be integrated into the School's environmental curriculum.



When Fourways became a main development node, the bushbabies indigenous to the Craigavon area were negatively affected. Madeline Reed and other concerned residents founded Bushbaby SOS to set guidelines for people and bushbabies to co-exist. On an average night, a bushbaby can visit up to 500 indigenous trees to forage for insects and gum. A few years ago ADvTECH purchased property from Ms Reed to expand the facilities at Crawford Preparatory Fourways and has since maintained corridors of indigenous trees on the property to help the bushbabies forage for food. The School is continuously involved in raising funds for Bushbaby SOS and hosts regular bushbaby viewing evenings at the campus.

We run environmental awareness programmes on an ongoing basis throughout our operations, to encourage a greater sense of environmental responsibility. These programmes also form part of the curriculum at our schools.

Rosebank College Pretoria organised a 'Go Green Week' on campus in June 2009. Students were provided with green ribbons and displays in the library provided them with information on the different types of pollution and ways in which they could protect our environment. Staff staged an environmental dress up and walked into lecture rooms as flowers, and even rubbish cans, to engage students and speak to them about the environmental issues facing our world.



The theme for the annual Science Expo at Crawford College Lonehill was 'Our Planet in Crisis'. Pupils investigated topics relating to the conservation of energy, recycling, greening the planet and the conservation of fresh water.

Pupils had to display an experiment, innovation, research or applied technology project that had to reflect value to humanity, the results of which could be utilised in our Country.

The Science Expo made the pupils and parents in the Lonehill community more aware of the fact that we are all responsible for reducing carbon emissions.



Green Computing has resulted in individuals and businesses increasingly looking for ways to reduce their environmental impact. ADvTECH's Group IT department supports and promotes Green Computing in the following ways:

- the purchase of energy efficient hardware
- the recycling of printer cartridges and paper
- 'Think Before You Print' icons on the signatures of email messages to question the need to print
- video conferencing equipment as an alternative to international and national travel
- the use of collaboration tools such as Microsoft SharePoint, to encourage the online sharing of documents and versions thereof thereby reducing the need to print
- the phasing in of secure student email as an alternative to communicating with students via post, and
- the installation of terminal devices instead of computers, where possible, as they are more energy efficient.



## Corporate governance

The seven characteristics of good corporate governance according to the King II Report are discipline, transparency, independence, accountability, responsibility, fairness and social responsibility.

Sound governance remains one of the top priorities of the ADvTECH Board and executive management. The Board recognises that ADvTECH has a responsibility to conduct its affairs with prudence, transparency, accountability, fairness and social responsibility, in this way safeguarding the interests of all its stakeholders.

ADvTECH adheres to the King II Code on corporate governance which sets the framework for corporate governance in South Africa with guidelines in respect of financial risk management, financial performance, remuneration and auditing committees, sustainability reporting, stakeholder interest, strategy development, the balance of power and the role of directors within the enterprise and society at large.

The Board is confident that the Group currently complies, in all material respects, with the principles incorporated in

King II and the provisions of the Companies Act No 61 of 1973. The Board and its committees acknowledge their responsibility to ensure that the principles of good corporate governance are observed and the directors, collectively and individually, acknowledge their responsibilities in terms of the JSE Limited Listings Requirements.

The third report on corporate governance in Southern Africa (King III) became effective on 1 March 2010. King III was necessary as a result of the much anticipated introduction of the Companies Act, No 71 of 2008 (the new Companies Act which is expected later in 2010), and to incorporate changes in international trends since the publication of King II in 2002. One of the main themes of the report is sustainability and although this aspect was covered in King II, the recent requirements in formulating an integrated report will require more effort.

The Company already complies in most respects with King III, which will apply in the new financial year, as can be seen from the table below.

	Requirement in King III	Company's present position
1.	Board composition	Compliant – Formal review of Board effectiveness is not in place.
2.	Conflict of Executive Directors	Compliant
3.	Non-executive Directors	Compliant
4.	Independence of Non-executive Directors	Compliant
5.	Minimum number of Executive and Non-executive Directors on the Board	Compliant
6.	Rotation of directors	Compliant
7.	Removal of CEO by the Board without shareholder approval	Compliant
8.	Chairman of the Board	Compliant
9.	Lead Independent Director	Not applicable
10.	Share options in respect of Non-executive Directors	Compliant – Shares options are not granted to Non-executive Directors.
11.	Board Committees	Compliant
12.	IT Governance	Compliant
13.	Audit Committee	Compliant
14.	Risk Committee	Compliant – This function is carried out as part of the mandate of the Audit Committee.

Accordingly, sustainability, good governance, risk-based internal auditing, IT governance, transparency and comprehensive integrated reporting are integral to building the Group's credibility among all our stakeholders.

The Group has established and maintains standard and specialist oversight bodies related to all key functions.

Academic governance structures include the Academic Advisory Council, the Senate of the IIE and various other committees, all of which are focused on maintaining and enhancing consistently high standards of academic excellence. The Group's organisational governance structure, including the BTC, HESIO, Remuneration, Audit, Litigation and Nominations Committees, upholds equally high standards of operational excellence.

### **Risk management**

The evaluation, avoidance and mitigation of risk is recognised as a key discipline in managing the affairs of the Group. This is a core function of executives, especially in a Group of ADvTECH's size, where executives are involved in day-to-day operations.

Accordingly, the Board has chosen to exercise its risk management responsibilities through the existing management structures:

- Group Internal Audit has a specific mandate with regard to assessment and reporting of risk. This is reported both to the Group Executive Committee as well as directly and independently to the Audit Committee
- the management of insurance is a defined and separately handled function with external service providers reporting to the Group Executive directors. Operational issues are covered within the Group Financial director's portfolio. The Group's annual insurance renewal programme is reviewed and approved by the Board, and
- business, academic and operational risk is formally assessed at least twice annually by the Group Executive, assisted when appropriate by additional senior managers, and the results are reported to the Board. These reports include details of possible consequences of risks as well as mitigation or avoidance measures deployed, including insurance cover.

## Education brands



### Schools



### Tertiary



### Skills



## Resourcing brands





[www.advtech.co.za](http://www.advtech.co.za)