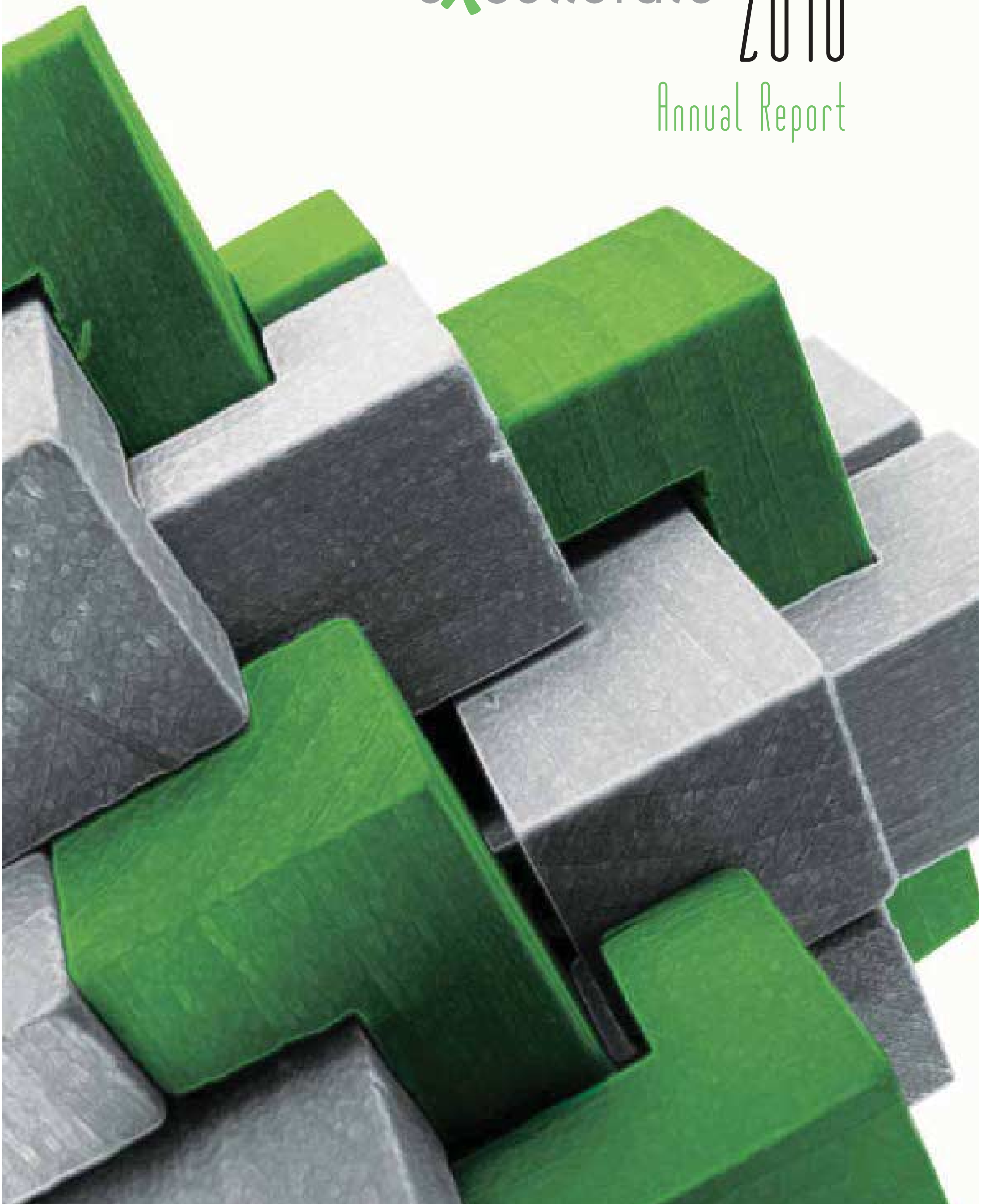
eXcellerate 2010

Annual Report



eXcellerate

"We believe that the rewards from rationalisation measures implemented during the 2010 financial year will bear fruit in the forthcoming months."

Gordon Hulley
Chief Executive Officer

Contents

Exceptional

Excellerate Holdings Limited: an exceptional investment holding company, striving to create value for its employees, shareholders, customers and partners.

Corporate profile

Excellerate is an investment holding company, listed on the JSE Limited, with two core business divisions: trading and distribution, and services. The Group invests in, supports and grows the business units in these divisions to create long-term value for employees, shareholders, customers and partners.

The Group is focused on delivering optimal performance from its current asset base, which it operates on a highly decentralised basis, while at the same time pursuing strategies of aggressive growth across both the Group and the business units.

In developing its business, Excellerate seeks to partner with ambitious people to invest in companies that are highly profitable and well run. The Group believes in the creation of long-term, win-win relationships with partners, employees and the greater economic environment within which it operates.

Central to this philosophy is that the Group, its management and its employees will act with integrity, honesty and honour, with the understanding that without these values being adhered to, our business cannot prosper.

Financial highlights

	30 June 2010	30 June 2009	30 June 2008	30 June 2007	30 June 2006
Extracts from annual financial statements (R'000)					
Revenue	**699 916**[1]	654 998[1]	587 406	515 400	508 714
Profit before interest and taxation	**52 812**[1]	50 558[1]	44 017	33 077	16 308
Profit attributable to equity holders of the parent	**22 964**	28 607	28 925	16 343	9 147
Headline earnings	**23 499**	26 190	28 857	16 289	8 875
Total assets	**475 528**	467 766	407 742	326 255	277 861
Equity attributable to equity holders of the parent	**218 571**	202 522	182 120	152 910	141 057
Share statistics					
Earnings per share (cents)	**10.6**	13.0	13.2	8.5	5.3
Headline earnings per share (cents)	**10.8**	11.9	13.2	8.5	5.1
Net asset value per share (cents)	**100.3**	93.2	83.1	69.9	81.0
Net tangible asset value per share (cents)	**51.9**	45.7	49.4	45.8	49.5
Shares in issue (000s)[2]	**217 864**	217 329	219 045	218 895	174 095
Weighted average number of shares in issue (000s)	**217 701**	219 211	219 004	192 598	173 564
Share price (cents)					
– high	**77**	120	150	149	85
– low	**55**	36	95	55	52
– closing	**71**	77	120	115	59
Market capitalisation (R'000)	**164 745**	178 667	278 442	266 840	102 716
Volumes traded (000s)	**3 240**	3 012	5 183	16 154	8 932
Performance measures and statistics					
Return on average funds employed (%)	**10.9**	14.9	17.3	11.2	6.7
Profit before interest and taxation as percentage of revenue (%)	**7.5**[1]	7.7[1]	7.5	6.6	2.2
Current asset ratio	**1.2**	1.2	1.4	1.4	1.4
Quick asset ratio	**0.9**	0.8	0.9	0.9	0.7
Price earnings ratio	**6.7**	5.9	9.1	13.6	11.1
Number of employees	**2 898**	3 306	3 203	2 703	3 212

[1] These results are for the continuing operations.

[2] Net of treasury shares.

Excited

Despite a challenging financial year, Excellerate is pleased to report that it is both financially and operationally sound and looks forward to the year ahead.

CEO's review

Gordon Hulley

Strong cash performance underpins stable operating profits

Despite the continuing impact of the global financial crisis, the Excellerate Board is pleased to report a sound performance by the Group during the 2010 financial year, with stable profitability supported by strong operating cash flow performance.

With hindsight, this has been a year of review and consolidation, providing a robust platform for development and growth as we seek to deliver on our longer-term growth and profitability objectives. That this could be achieved in a year of financial and market constraints is, we believe, a mark of the Group's fundamental business resilience, the degree of sectoral diversity that we have achieved in the past two years, and the strength of the management team and partnerships that we have developed.

While the contraction in consumer spending and the slow pace of recovery in the South African economy has affected the Group's performance, our operations have remained positive. Moreover, we have continued to focus on the addition of quality revenue, the streamlining and rationalisation of existing operations, and the aggressive management of working capital in an effort to target healthy operating cash flow generation.

The Group's financial commitments during the year, which include the recent acquisition of Gensec Property Services Limited, trading as JHI, as well as other expansion funding requirements, have led to the Board decision that the preservation of cash remains a key objective, and that the payment of a dividend would not be prudent at this time.

Streamlining our focus

A reflection on the year that has passed and the current operating environment has provided the impetus for the Group to further the process of defining its core interests. As a result of this strategic

"With hindsight, this has been a year of review and consolidation, providing a robust platform for development and growth as we seek to deliver on our longer-term growth and profitability objectives."

review, we have re-focused our growth plans on outsourced services, particularly with regards to procurement and logistics services (offered, for example, by Vital Distribution and Vital Fleet) and property-related services (offered by Interpark and Sterikleen). To this end, we are also extremely pleased with the prospects arising from the Group's recent acquisition of a controlling shareholding in JHI, which was concluded subsequent to year end.

The acquisition of 60% of JHI, all the conditions of which were finalised on 14 September 2010, was well-timed, of excellent value and in line with Excellerate's strategy of backing ambitious management. In terms of the agreement, the management of JHI acquired the remaining 40% shareholding and the Excellerate Group directly raised R30.0 million of third-party senior debt on commercial terms normally associated with funding of this nature. Given the size of the JHI transaction, Excellerate is now appropriately geared.

Notwithstanding a tough trading environment, profitability within our trading division improved. This was a function of the stemming of losses at Goldenmarc, combined with a positive contribution from Nu-Africa Comm Trading. We further rationalised our trading businesses during the year, and there remains room for significant volume and profitability enhancement once the general trading environment recovers.

Profitability within our services division was significantly affected by losses in Delawood, which was hard hit by a decline in the demand for luxury cabinetry due to the slowdown in the development of residential housing. As a means of mitigating this, management implemented significant cost reductions at Delawood, and the business has since undertaken several initiatives to broaden its revenue base.

During the year under review, the Group wound up or disposed of the last remaining operations of Sunkist. The effects of this have been disclosed as a discontinued operation, and have had a material impact on the Group's profitability.

Looking ahead, the Group remains both operationally and financially sound and is well placed to improve performance in the forthcoming financial year.

Financial performance

Key features of the Excellerate Group's financial performance during the 2010 financial year include:

- Group revenue for the year increased by 6.9% to R699.9 million (2009: R655.0 million), despite the challenging trading environment.
- Profit before interest, tax and discontinued operations increased by 4.3% to R52.8 million (2009: R50.6 million).
- Once again, cash generation has been a highlight of the Group's results, with cash generated by operations increasing by 5.6% to R68.4 million (2009: R64.8 million).
- Cash flows from operating activities before dividends paid rose nominally by 0.8% to R51.2 million (2009: R50.8 million).
- While net finance costs increased by 16.4% to R7.1 million (2009: R6.1 million), the net effect was an increase in operating profit before taxation attributable to continuing operations of 2.7% to R45.7 million (2009: R44.5 million).
- Net cash finance costs increased by 17.9% to R6.6 million (2009: R5.6 million), thereby maintaining a healthy cash interest cover of 8.0 times from continuing operations. This ratio will be impacted by term debt taken on to finance the JHI acquisition.
- Discontinued operations contributed a net after-tax loss of R4.9 million (2009: R3.5 million).
- Earnings per share and diluted earnings per share from continuing operations decreased to 12.8 cents (2009: 14.6 cents) and 12.6 cents (2009: 14.3 cents) respectively.
- Earnings per share and diluted earnings per share from discontinued operations amounted to a loss of 2.2 cents (2009: 1.6 cents).

CEO's review (continued)

A conservative approach resulted in the non-recognition of a deferred tax asset at Delawood. This has been the primary driver behind a high effective tax rate of 40.8% (2009: 28.2%), including the tax effects of discontinued operations. Profit for the year therefore showed a decline of 19.4% to R23.2 million (2009: R28.8 million).

During the year, cash flows from investing activities amounted to R35.7 million (2009: R66.9 million). The major components of this investment included vendor for acquisition payments (R10.3 million) in respect of Vital Distribution, Vital Fleet and Staffing Logistics; a buy-back of shares and interests in Excellerate Investment Holdings (Proprietary) Limited (R4.2 million); and capital expenditure to maintain and expand operations (R21.6 million). This was after nominal cash flows from financing activities, cash and cash equivalents increased to R31.2 million from R21.8 million.

Overall, the Group's statement of financial position remains strong, with limited gearing. Total assets have increased by 1.6% to R475.5 million (2009: R467.8 million), while interest-bearing debt has risen by R1.2 million to R33.3 million (2009: R32.1 million).

Review of operations

In order to reflect segmental performance more accurately, internal financial re-structuring occurred within the Group during the current year, resulting in a significant re-allocation of finance costs between operating segments. The discontinuation of the Sunkist operations during 2010 has resulted in segmental analysis being undertaken before the impact of discontinued operations, and at a profit before interest and taxation level.

The trading and distribution division shows signs of recovery

The trading and distribution division demonstrated modest improvement during the 2010 financial year with revenue for the year increasing by 6.3% to R353.9 million (2009: R333.0 million), largely as a result of the less than anticipated levels of consumer spending over the year.

Notwithstanding this revenue performance, it is pleasing to note that profit before interest and taxation in this segment rose by 28.2% to R20.0 million (2009: R15.6 million). The improvement in profitability has been largely due to improved margins and efficiencies at Goldenmarc, combined with a positive contribution from Nu-Africa Comm Trading, as well as an improved performance at Ferrengi.

Cash generated from operating activities within the trading and distribution segment increased by 45.6% to R23.3 million (2009: R16.0 million), reflecting a strong cash flow performance from Foodserv, together with a working capital reduction at Goldenmarc.

The services division undergoes a challenging year

The segmental revenue for the year increased by 8.4% to R345.0 million (2009: R318.3 million), reflecting a mixed performance from the underlying business units.

Profit before interest and tax for the division was, however, flat at R38.2 million (2009: R38.3 million). While most business units within this division enjoyed improved profitability, particularly in the second half of the financial year, profitability was significantly impacted by losses at Delawood of R5.0 million (2009: R0.4 million).

Cash generated from operating activities within the services segment declined by 6.9% to R39.2 million (2009: R42.1 million), largely as a result of the above-mentioned operating losses at Delawood.

As the 2011 financial year gets under way, the expansion into Africa of the Group's procurement and logistics operations remains a focus, and the prospects in this field remain strong in terms of both growth and earnings.

Changes to the Board

It is with deep sadness that we report the passing of Mr Harold Bloch on Tuesday, 22 June 2010. I would like to extend my deepest condolences to Harold's family and colleagues, and to express my gratitude for his commitment and invaluable contribution to the Group over the years.

Mr Arnold Meyer was appointed to the Board of Directors with effect from 25 November 2009. Arnold has also been appointed a member of the Audit and Risk Committee.

In the context of working towards the Board composition recommended by the revised King Code and Report on Corporate Governance (King III), and subsequent increased efficiency, the Board accepted the resignations of Mr Alan Lipchin and Mr Peter Kramer from the Board with effect from 13 May 2010. Alan and Peter will continue to serve as executive directors on the operational boards of other companies within the Group.

Dividend

Due to financial commitments made with respect to the acquisition of JHI, as well as other expansion funding requirements, the Board has decided that payment of a dividend would not be appropriate at this time. This decision will be reviewed at the interim reporting stage.

Looking ahead

Though the Excellerate Group remains cautious about the regional economy in the year ahead, I believe that we are well positioned to benefit from the economic improvements which we expect 2011 to deliver. Furthermore, we believe that the rewards from rationalisation measures implemented during the 2010 financial year will bear fruit in the forthcoming months.

The acquisition of JHI post year end is an exciting development for the Group and, together with the Group's existing outsourced services businesses, provides a platform for strong future growth in the property-related services market. Though the effects of the acquisition are yet to be felt, I look forward to reporting on the integration of JHI into the Group, as well as the cash-generative capabilities of this transaction in the next financial year.

Looking ahead, a culture of organic earnings growth will continue to be pursued, and the Group expects 2011 to be a year of increased strategic focus and consolidation.

Gordon Hulley
Chief Executive Officer
26 November 2010

Divisional structure

Trading and distribution

Housewares

Goldenmarc distributes kitchen cloths, towels, dishcloths, swabs, oven gloves, place mats, pot holders, table cloths, matching co-ordinate sets, face cloths, sponges and sponge cloths, furniture, luggage and travel-related goods, and gifting and giftware to mass-merchant retailers under various brands, including Goldenmarc, AA, Bad Boy and Bad Girl, and other house brands.

Hypertrade and Louis Smiedt are distributors of:

- entertainment and function products, including torches, kitchen hanging tools and gadgets, entertainment tableware, baking trays, party balloons and refrigerator magnets to mass-merchant retailers under various brands including Hurricane, Party Time, It's Academic and Magnetix; and
- glass cookware and ovenware, dishes, coffee plungers, insulated products, kitchen gadgets, water purifiers, paper napkins, glassware and giftware to mass-merchant retailers under various brands, including international brands such as CorningWare, Pyrex, Bodum, Thermos, Culinare, Bohemia, Kronson and Gourmet's Pride.

Ferrengi Household Products is a manufacturer and distributor of kitchen sponges, textiles, brass and steel scourers and wools to mass-merchant retailers and independents under the Sir Scrub brand and other house brands.

Food and catering equipment

Foodserv Solutions is a leading supplier of internationally and locally branded sophisticated technical equipment to quick-service restaurants, supermarkets, restaurants, and the hospitality and industrial catering industries. Foodserv manufactures, imports and supplies catering and refrigeration equipment, heavy-duty kitchen equipment and industrial catering smalls. The company is brand-driven and has the sole distribution rights for Henny Penny, Frymaster, Angela Po, Lincoln, Euro Grill, Turbochef and Prince Castle equipment. The company operates in the South African market and exports products into Africa and the Middle East.

Nu-Africa Comm Trading distributes food and retail products into neighbouring countries.

Exclusive

Excellerate is immensely proud to be affiliated with the companies here listed, and is committed to contributing positively to their individual and collective growth.

Services

Soft services

Sterikleen is a property care operation specialising in contract cleaning, sanitation, washroom hygiene and rentals, hospitality services and the distribution of consumable products and specialised chemicals.

Greenmachine is a service business which provides indoor plant rentals and outdoor landscaping maintenance and installations.

Eradico is a pest control service focused on servicing commercial, rental and industrial sites to international standards and HACCP requirements.

Autoclenz is a cost-effective vehicle cleaning service, providing dealership wash bay cleaning, valet services, paint protection and the cleaning of heavy vehicles, such as buses, trucks and other haulage vehicles.

Outsourced services

Interpark, FirstPark and Omnipark are South Africa's foremost parking brands with a substantial number of car parks at leading retail, entertainment and commercial complexes both nationwide and in neighbouring territories. The business is at the forefront of car park design and management, providing a range of parking and related services within real estate environments, and also offering gate management services at national parks. Autoclean, a division of Interpark, provides a professional mobile car cleaning service to shoppers and landlords in parking facilities.

Divisional structure (continued)

Consumer services

Levingers, VIP, Procleen and BC Dry Cleaners provide a range of services to consumers and corporates, including dry cleaning, shoe repair, and tailoring and mending services within large retail shopping centres and real estate environments, under the umbrella of 60 company-owned stores.

Event management and infrastructure development

Chattels is an infrastructure solutions company which specialises in the provision and management of infrastructure for events and projects in the public sector. Infrastructure is provided on a temporary, medium-term or permanent basis.

Warehousing and distribution

Vital Distribution Solutions and Vital Fleet are specialist distribution companies that provide an all-encompassing trans-shipment, warehousing and transport service to South African businesses. Vital provides a dependable, 100%-managed and cost-effective distribution service, which uses current information systems and procedures to enable businesses to focus their energy on core business activities and to substantially reduce their administration costs.

Staffing solutions

Staffing Logistics provides professional and cost-effective labour solutions to select clients, enabling the clients to focus on their core business.

Light manufacturing

Delawood Designs has been making quality furniture and cabinets for 10 years. Delawood's scope of work now covers fitted and free-standing furniture in all personal and corporate environments, while also catering to the premium end of the hospitality industry. Main areas of business include kitchens, built-in-cupboards, vanities, doors and custom-crafted cabinetry designed to custom specifications.

Empowerment

Katanga is a black economic empowerment group which renders outsourced services and supplies trade products to a range of customers. Ikamva Labantu owns the majority of shares and Excellerate acts as a facilitator for the growth and development of black empowerment, providing skills development and capacity building. Excellerate holds a strategic shareholding in this group.

Exclamation

Excellerate's divisional structure is likely to change in the year ahead following the successful finalisation of the JHI transaction subsequent to year end.

Directors

Executive directors

1 *Gordon Hulley (38), Chief Executive Officer*

BCom (Hons), CA (SA) • Appointed 23 February 2006

After completing his articles with Arthur Andersen in 1997, Gordon entered the merchant banking fraternity with Barclays Merchant Bank, first in Harare, Zimbabwe, and later in London. In 2000 he returned to Africa to focus on specialised finance and private equity as a founding partner of 4D Investments Africa, and later as a founding partner at finance and equity group, Eton Capital. He joined Excellerate as Operations Director in February 2006 and was appointed CEO in November 2006.

2 *James Wellsted (37), Group Financial Director*

BCompt, CA (SA) • Appointed 6 April 2009

James completed his articles with Ernst & Young in 1996, qualifying as a CA (SA). On completion of his articles, he joined Ernst & Young's corporate and structured finance division, specialising in corporate debt origination, mergers and acquisitions, and valuations. Following a short period working for a boutique finance house facilitating project finance within sub-Saharan Africa, James became a founding partner of finance and equity group, Eton Capital. He joined Excellerate in June 2007 as the Head of Acquisitions and Special Projects and was appointed Group Financial Director in April 2009.

3 *Athol Stewart (60)*

Appointed 6 February 1998

After completing a diploma in sales and sales management, and a short time in sales for Mega Plastics, Athol took a 10% stake in a truck rental business, where he remained for four years. He left to start his own business and, in 1981, established FoodServ, which holds several leading agencies in fast food catering equipment from the USA, Holland and Italy. Athol joined Excellerate in February 1998 as Managing Director of FoodServ when it was sold to the Excellerate Group.

Non-executive directors

4 *Graham Davel (40)*

BCom, CA (SA) • Appointed 12 September 2003

Graham is a Non-executive Director of Excellerate Holdings Limited. He is also an investment manager with Nedbank Capital Private Equity, having joined the BoE private equity team in October 2001, prior to the merger with Nedbank. Previously, Graham worked for National Westminster Bank in London, where he was involved with the provision of mezzanine debt and private equity in a range of UK mid-corporate expansion and LBO transactions. Graham also spent two years with Harvest Capital in London where he was involved in corporate finance advisory work and in raising capital for a new venture capital fund. Prior to that, Graham was a manager at KPMG with audit and corporate finance responsibilities.

Directors (continued)

5 *Clive Howell (48), Alternate Director to Graham Davel*

BCom, CA (SA) • Appointed 12 September 2003

Clive is a Non-executive Director of Excellerate Holdings Limited. He has been joint head of Nedbank Capital Private Equity since the merger of Nedbank and BoE, and prior to that was head of BoE Investment Partners since April 1996. Clive has extensive experience in MBO, expansion capital, empowerment and mezzanine transactions in South Africa. Before joining BoE, Clive worked for McCarthy Retail and Unicorn Shipping as the Group Treasury and Tax Manager. There he was responsible for managing and closing out all foreign exchange and interest rate risks as well as all taxation matters.

6 *Rudi Stumpf (40)*

BCom (Hons), FIA • Appointed 25 November 2002

Rudi is a qualified actuary and heads up the private equity division of Buffet Investments. Prior to joining Buffet Investments he was CEO of Citadel Investment Services, a subsidiary of Peregrine Holdings and also served on the Board of Peregrine Holdings. Rudi is a director of a number of private companies and also serves on the board of Trematon Capital Investments, another JSE-listed entity.

Independent non-executive directors

7 *Michael Mohohlo (64), Chairman of the Audit and Risk Committee*

BCom, MBA • Appointed 5 May 2005

Mike has chaired the National Ports Authority Tender Board, the Transnet Properties Audit Committee, and the Spoornet and Protekon Tender Boards. In addition to serving as Executive Director of MDM-Mohohlo and Tsela-Tshweu Tourism Corporation, Mike lends his expertise to a number of other corporations, including the South African Excellence Foundation (SAEF) where he served as a judge from 1999 to 2002. Mike gained extensive corporate and developmental experience during his time as General Manager of the Development Bank of Southern Africa, Chairman of Multisource Telecoms, Executive of NAFCOC, founding member of the Black Management Forum and founding Chairman of the NHBRC. He was appointed an Independent Non-executive Director of Excellerate in May 2005 and Chairman of the Audit and Risk Committee in September 2008.

8 *Arnold Meyer (38)*

MBA • Appointed 25 November 2009

Arnold is the Managing Director and Head of Real Estate in Africa of Renaissance Partners, the merchant banking arm of the Renaissance Group. Prior to joining the Renaissance Group in 2008, Arnold served as Africa CEO of London & Regional Properties. He oversaw completion of the V&A Waterfront transaction, L & R and Dubai World, among other key real estate deals. From 2001 to 2007, Arnold was CEO of Broll Property Group, Africa's largest property services company. He has also led investment banking advisory work on listing African real estate vehicles and large property transactions.

Corporate conduct and governance

The Board of Excellerate and its individual directors have embraced their duty to ensure a culture of qualitative governance, which includes the principles set out in the Code of Corporate Practices and Conduct (the Code) as embodied in the King II Report. The Board is also committed to ensuring that these principles remain an integral part of the way in which the Group conducts its business, but with due consideration for the Group's size and the practical merits of implementing selected principles.

Although the Board is of the opinion that the Group complies with all significant requirements of the Code, it notes that the Group has not as yet appointed an independent non-executive chairman, as recommended by the Code. The Group continues its efforts to identify a suitable non-executive chairman and it is anticipated that such appointment will be made shortly.

King III

The release of the King III report, which is effective for all listed company financial years beginning after 1 March 2010, means that Excellerate will be required to comply for its financial year ending 30 June 2011.

While the Board is confident that the Company's current corporate governance structures, which encompass the requirements of the Code, the JSE listing requirements and the Companies Act, meet both local and international governance standards, the Group's adoption of the recently released King III will further improve the focus and management of governance issues within the Group.

The Board is currently finalising its assessment of the policies and recommendations contained in King III, and identifying those which can practically be implemented and would enhance the current Group's corporate governance structures. As with the implementation of King II, cognisance is being taken of the size, nature and practicality of adhering to the recommendations of King III.

Board of Directors

The Board operates in terms of a board charter which sets out its roles and responsibilities. The primary responsibilities of the Board relate to the adoption of strategic plans; the monitoring of operational and management performance; the evaluation and approval of business acquisitions; and the determination of policies and processes to ensure the integrity of the Group's risk management and internal control environment, communications policy, and director selection, orientation and evaluation. The Board has put various levels of authority policies in place within which the executive management may operate. The Board balances the need for entrepreneurial performance and conformance with corporate governance best practices. The Board meets regularly, at the very least quarterly.

Excellence

Excellerate strives to uphold corporate governance standards of the highest quality and to comply with best practice wherever possible.

Corporate conduct and governance (continued)

The Board currently comprises four non-executive directors, two of whom are independent, and three executive directors.

Non-executive directors add value by bringing their skills, objective judgement and experience to the Board in support of the executive directors. The non-executive directors have unrestricted access to all Group information.

The day-to-day management of the Group is the responsibility of the Chief Executive Officer who co-ordinates the implementation of the strategic plans approved by the Board. The Chief Executive Officer is subject to appraisal by the rest of the Board from time to time.

Procedures for appointments to the Board are formal. The Board as a whole approves the appointment of new directors. Background checks are done prior to the appointment of new directors and include enquiries as to possible disqualifications. All directors, both executive and non-executive, when appointed, are inducted according to a programme in order to make them au fait with the workings of the Group, its businesses and its strategies. In this way they are better able to fulfil their fiduciary duties and financial responsibilities as directors. One third of the directors retire each year on a rotation basis in terms of the Company's Articles of Association.

The Board has established a communications procedure which extends to all levels of the Group. This includes the prohibition from dealing in securities by directors, officers and other employees for a prescribed period preceding the announcement of the financial results of the Group and in any other closed periods during which price-sensitive negotiations are in progress.

The Board has an independent company secretary who is both properly empowered and suitably experienced to fulfil the duties of a company secretary. The company secretary provides the directors with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the Group, in relation to its statutory and other requirements. All directors have access to the advice and services of the company secretary and are entitled, at the Company's expense, to seek independent professional advice about any Group matters.

Board meetings

The number of Board meetings attended by each of the directors of the Company up to 30 September 2010 is set out below.

Board meetings	Sep 09	Nov 09	Feb 10	Mar 10	Apr 10	Jun 10	Jul 10	Sep 10
HB Bloch	✓	✓	(1)	(1)	(1)	(1)	(2)	n/a
GA Davel	✓	✓	✓	✓	✓	(1)	(1)	(1)
CR Howell (3)	(1)	(1)	(1)	✓	✓	✓	(1)	✓
GG Hulley	✓	✓	✓	✓	✓	✓	(1)	✓
PW Kramer	✓	✓	✓	✓	✓	(4)	n/a	n/a
AH Lipchin	✓	✓	✓	✓	✓	(4)	n/a	n/a
M Mohohlo	✓	✓	(1)	✓	(1)	✓	(1)	✓
AC Stewart	(1)	✓	✓	✓	✓	✓	✓	✓
R Stumpf	(1)	✓	✓	✓	✓	✓	✓	(1)
JE Wellsted	✓	✓	✓	(1)	✓	✓	✓	✓
A Meyer (5)	n/a	✓	(1)	(1)	✓	✓	✓	✓

(1) Apologies (2) Deceased 22 June 2010 (3) Alternate to GA Davel
(4) Resigned 13 May 2010 (5) Appointed 25 November 2009

Board committees

The Board has established a number of committees in which non-executives play an active role and which operate within the defined terms of reference laid down by the Board with clearly agreed upon reporting procedures, defined areas of authority and full transparency and disclosure. The committees are free, where appropriate, to take independent outside professional advice on any issues.

Remuneration Committee

The Remuneration Committee is chaired by Rudi Stumpf and its other member is Clive Howell. The Chief Executive Officer is invited when necessary. The committee is responsible for the Group's remuneration strategy, incentives and reward structures, the pay-levels of senior management and executives relative to local and other industry benchmarks, and assessment and authorisation of any other reward proposals relating to executive directors, executives reporting to the Chief Executive Officer and other personnel within the Group.

The Chief Executive Officer is excluded where his own remuneration is reviewed.

The Remuneration Committee sets out to ensure that the employees of the Group are rewarded fairly in accordance with their contributions to the Group's operating and financial performance.

The Remuneration Committee also makes recommendations to the Board with regards to share incentives and all fees payable to non-executive directors for membership of the Board and any sub-committee. A schedule setting out directors' remuneration and equity interests appears in the notes to the annual financial statements.

Remuneration Committee meetings	Aug 09	Jun 10	Aug 10
R Stumpf	✓	✓	✓
CR Howell	✓	✓	✓

Audit and Risk Committee

The Board has appointed an Audit and Risk Committee, which is chaired by Michael Mohohlo. Graham Davel and Arnold Meyer make up the rest of the committee. The internal and external auditors are invited to attend every meeting of this committee.

The Audit and Risk Committee has written terms of reference that deal adequately with its membership, authority and duties. The committee is responsible for inter alia reviewing the interim reports and annual financial statements and recommending these to the Board for approval, reviewing the appropriateness of accounting policies, monitoring the effectiveness of procedures to identify material business risks, reviewing the internal financial control environment and procedures, monitoring the effectiveness of the internal audit function, reviewing compliance and regulatory matters, appointing external auditors, pre-approving any non-audit services to be performed by the Group's external auditors, and other related issues. The Group's internal audit manager and external auditors have unrestricted access to the Audit and Risk Committee chairman and, if necessary, the non-executive directors.

Audit and Risk Committee meetings	Oct 09	Nov 09	Mar 10	Jun 10(3)	Sep 10
GA Davel	✓	✓	✓	(1)	✓
M Mohohlo	✓	✓	✓	✓	✓
A Meyer (2)	n/a	n/a	✓	(1)	(1)

(1) Apologies (2) Appointed 25 November 2009 (3) Meeting ratified by non-attending members

Accountability and audit

Risk management and internal control

The Board is responsible for ensuring that appropriate processes are in place to timeously identify, assess, manage and monitor key business risks. The Group has established a register of key business risks for each division and risk assessments have been carried out and reviewed by the Board. Operational and financial risks are managed through internal controls which are monitored by management and the Audit and Risk Committee. The Group's assets are adequately insured against loss.

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

The Group has an internal audit function which operates in accordance with terms of reference established by the Audit and Risk Committee. Its role and function are established as envisaged in the Standards for the Professional Practice of Internal Auditing, which is fully endorsed by the applicable codes on corporate governance.

Internal audit plans cover matters identified in risk management assessments as well as issues highlighted by the Board, the Audit and Risk Committee, executive directors and senior management. The Audit and Risk Committee approves the internal audit work plan.

Consultation occurs between external and internal auditors to effect an efficient audit process. Co-ordination of efforts involves periodic meetings to discuss matters of mutual interest, the exchange of working papers, management letters and reports, and a common understanding of auditing techniques, methods and terminology.

External auditors

The Board and the Audit and Risk Committee consider that the Group's auditors, KPMG, observe the highest level of business and professional ethics and that their independence is not in any way impaired.

Going concern

The Board minutes the facts and assumptions used in the assessment of the going concern status of the Group at the financial year end following review by the Audit and Risk Committee.

The directors consider their assessment of the Group's ability to continue as a going concern, and determine whether or not, under the guidance of the Audit and Risk Committee, any of the significant factors in the assessment have changed to such an extent that the appropriateness of the going concern assumption has been affected. It is concluded that the Group is a going concern for the next year.

Directors' responsibility

The directors acknowledge their responsibility for the adequacy of accounting records, the effectiveness of risk management and the internal control environment, the appropriateness of accounting policies supported by reasonable and prudent judgements, and the consistency of estimates. The directors further acknowledge their responsibility for the preparation of the annual financial statements, adherence to applicable accounting statements, and presentation of related information that fairly presents the state of affairs and the results of the Company and of the Group.

Group culture and ethics

Business culture

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

- The Board accepts that dissent is not the same as disloyalty and constructive criticism at the boardroom table must be part of our corporate culture.
- Best endeavours are made to ensure that all relevant information is presented to the Board objectively and timeously.
- Information and communication to the Board is essential and individual directors are tasked with keeping the Board appraised of the strategic and operational issues that the Group is facing.
- A culture is created where every decision made must be in the best interests of the Group both in the short and long term.
- The Board is committed to communicating corporate information in a transparent way with substance over form in all its dealings with stakeholders

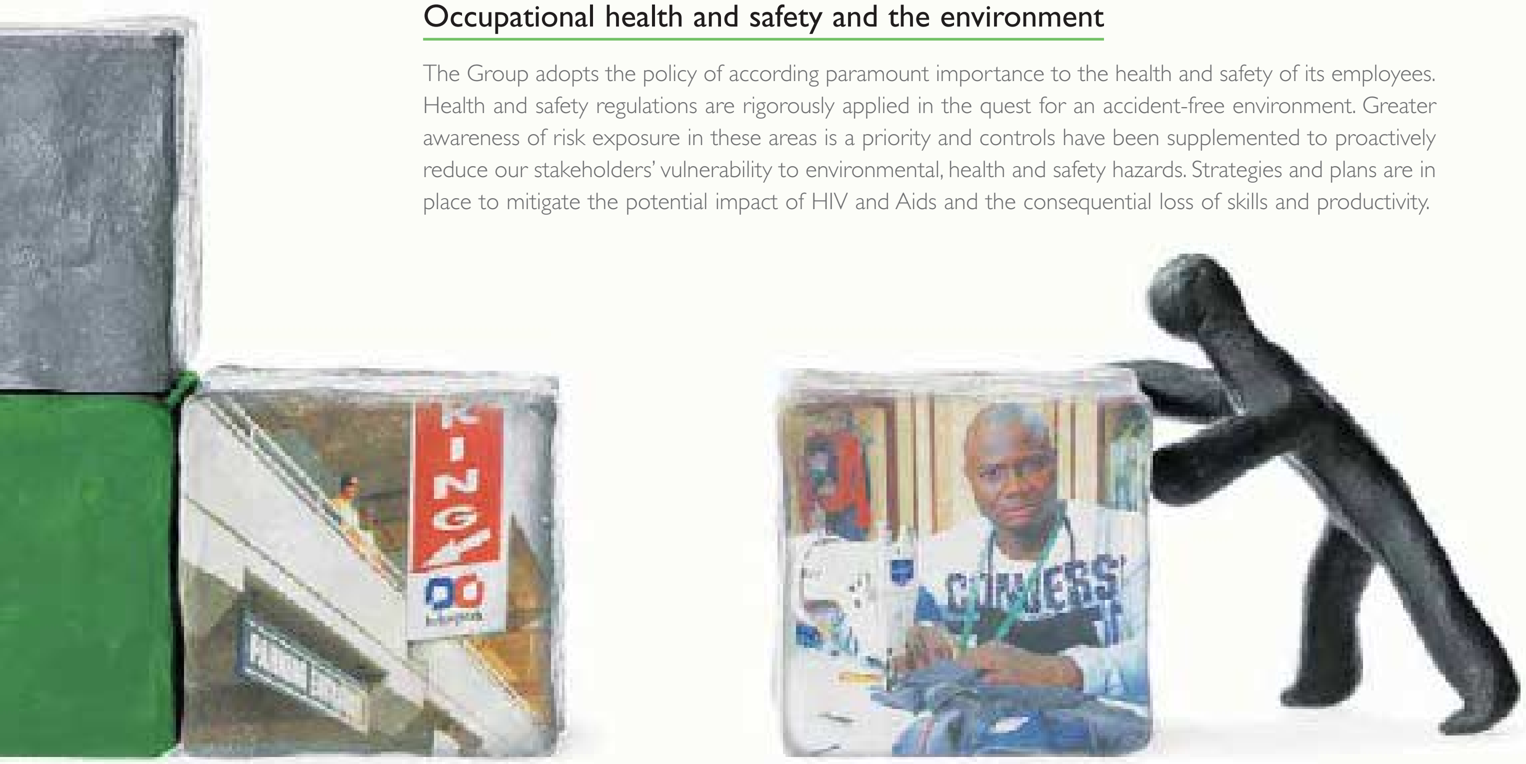
Corporate code of conduct and ethics

Excellerate is committed to the highest standards of integrity, ethics and good corporate citizenship. Our core values are professionalism; respect for Group employees; a permanent concern for health, safety and the protection of the environment; and a commitment to contribute to the development of the communities in which we operate. These values are central to a framework of fundamental principles that include respect for applicable laws and regulations, satisfaction of our shareholders and customers, and solidarity among all Group members.

The management within the Excellerate Group assumes its responsibility for ensuring these standards are implemented.

Occupational health and safety and the environment

The Group adopts the policy of according paramount importance to the health and safety of its employees. Health and safety regulations are rigorously applied in the quest for an accident-free environment. Greater awareness of risk exposure in these areas is a priority and controls have been supplemented to proactively reduce our stakeholders' vulnerability to environmental, health and safety hazards. Strategies and plans are in place to mitigate the potential impact of HIV and Aids and the consequential loss of skills and productivity.



Excellerate acknowledges its responsibility to all employees and the public for compliance with environmental standards. The Group regards the environment as one of its stakeholders in the long term and conducts its business affairs in a responsible manner to ensure minimum impact thereon. Policies have been established, standards identified, regulatory requirements determined, and monitoring and measurement programmes initiated to ensure continuous improvement in environmental compliance.

The Company and its subsidiaries comply with applicable laws regarding quality, safety, health and the environment (QSHE). Legal compliance with health and safety and environmental regulations is tested on a periodic basis. There are no known QSHE issues which can materially impact the annual financial statements of the Group. The Board believes that the Group is well within industry norms in terms of its QSHE performance and, through its continued efforts to maintain a high standard of QSHE compliance, the Group continues to achieve sustainable growth.

Employee participation and employment equity

Excellerate seeks to provide employment equity in which individuals with the ability and application can develop careers, regardless of race, gender or background. The Group supports the principles and objectives contained in the Employment Equity Act.

The Board is committed to improving communication with employees and encourages employees to participate at all levels of the decision-making process of the Group.

A share incentive scheme has been established to provide an incentive to employees to remain in the service of the Group and to increase their proprietary interest in the Group's success. Other mechanisms have been put in place by the Remuneration Committee and sanctioned by the Board, including an executive bonus scheme, to incentivise, motivate and empower management to express dynamic entrepreneurial skills in growing the Group's businesses and identifying appropriate business acquisitions.

Excellerate is concentrating on promoting education and training opportunities for all employees within the organisation. All Excellerate subsidiaries have submitted their employment equity and skills development plans to the relevant authorities and are making satisfactory progress towards meeting the required targets. The Group actively engages in BEE partnerships, notably in its service business, where these opportunities arise.

Training and skills development

Excellerate considers training and skills development as strategically significant to differentiate the Group from its competitors. Succession planning and development of future leaders make it imperative that proper training programmes and skills development opportunities are made available to all employees in the Group, whatever their background or persuasion.

Communication

Share owners

The Chief Executive Officer and other directors regularly communicate with major share owners, institutional investors and media analysts. Share owners are encouraged to attend the annual general meeting and put questions to the Board and chairpersons of the Remuneration and Audit and Risk Committees.

Disclosure

The annual report deals adequately with disclosures pertaining to annual financial statements, auditors' responsibility, accounting records, internal control, risk management, accounting policies, adherence to accounting standards, going concern issues, and adherence to codes of governance.

Directors' responsibility statement

The directors are responsible for the preparation and fair presentation of the Group annual financial statements and the annual financial statements of Excellerate Holdings Limited, comprising the statements of financial position at 30 June 2010, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended; and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

The directors responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management.

The directors' have made an assessment of the Group and Company's ability to continue as a going concern and there is no reason to believe the businesses will not be going concerns in the year ahead.

The external auditors are responsible for reporting on whether the Group annual financial statements and annual financial statements of Excellerate Holdings Limited are fairly presented in accordance with the applicable financial reporting framework.

Approval of Group annual financial statements and annual financial statements of Excellerate Holdings Limited

The Group annual financial statements and the annual financial statements of Excellerate Holdings Limited, as identified in the first paragraph, were approved by the Board of Directors on 26 November 2010 and are signed on its behalf by

GG Hulley
Chief Executive Officer

JE Wellsted
Group Financial Director

Audit and Risk Committee report

The Audit and Risk Committee has carried out its duties and responsibilities during the financial year in accordance with its formal terms of reference, which have been approved by the Board and take into account the statutory responsibilities in terms of the Companies Act No. 61 of 1973, as amended.

Specifically, the committee has satisfied itself that the Company's external auditors, KPMG Inc., are independent of the Company, and that the nature and extent of non-audit services provided by the external auditors to the Company does not impair their independence. The committee also approved the terms of engagement and the fees paid to the external auditors, and pre-approved all contracts for the provision of non-audit services to the Company during the financial year. The committee has recommended the reappointment of KPMG Inc. as external auditors of the Company and its subsidiaries for the 2011 financial year.

The committee has also satisfied itself with the competence of the Group Financial Director.

A more comprehensive description of the functions of the committee, and details of meeting attendance, is included in the corporate conduct and governance report.

Mike Mohohlo
Chairman Audit and Risk Committee

Declaration by secretary

The secretary certifies that the Company has lodged with the Registrar of Companies all such returns as are required of a public company, in terms of the Companies Act No. 61 of 1973, as amended, in that all such returns are true, correct and up to date.

ER Goodman Secretarial Services CC
Company Secretary

Independent auditors' report

Independent auditors' report to the members of Excellerate Holdings Limited

We have audited the Group annual financial statements and the annual financial statements of Excellerate Holdings Limited, which comprise the statements of financial position at 30 June 2010, and the statements of comprehensive income, the statements of changes in equity and statements of cash flows for the year then ended; and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report as set out on pages 22 to 76.

Directors' responsibility for the financial statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Excellerate Holdings Limited at 30 June 2010, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

KPMG Inc.
Registered auditor

Per K Volschenk
Chartered Accountant (SA)
Registered auditor
Director
26 November 2010
85 Empire Road, Parktown, 2193

Directors' report

The directors have pleasure in presenting their report for the year ended 30 June 2010.

Nature of business

Excellerate is an investment holding company, whose main businesses are in the fields of trading and distribution, and services. Details of the Group's activities are included in the section on divisional structure on pages 8 to 10.

Directors' responsibilities

The responsibilities of the directors are detailed on page 19 of this report.

Financial statements and results

The results of the Group's operations are set out in the annual financial statements.

Further segmental information is included on pages 73 and 74.

Corporate governance

The corporate conduct and governance report is contained on pages 13 to 18.

Share capital

Details of the authorised share capital and issued share capital at 30 June 2010 are set out in note 23 to the annual financial statements. There was no change to the authorised or issued share capital during the year.

Dividend

A dividend of 3 cents per share was declared on 29 September 2009 (2009: 3 cents).

Share incentive scheme

The share incentive scheme has been established to facilitate the acquisition of shares by employees. The aggregate number of shares which may be made available for purposes of the scheme shall not exceed 20% of the entire issued share capital of Excellerate Holdings Limited which amounts to 46 406 970 number of shares. The shares are not required to be issued unless and until the options are exercised. The scheme provides for taking up of shares in unequal tranches from the first to the fifth anniversary date, up to a maximum of 10 years.

No options were issued during the year.

Acquisitions and disposals

The Kosher business within Sunkist Distributors (Pty) Ltd was disposed of during the year. The effective date of the transaction was 1 August 2009. The business was sold for R100 000.

A 66.6% share of the Fruti Flow business within Sunkist Distributors was disposed of during the year. The effective date of the transaction was August 2009.

In August 2009, Excellerate reached an agreement with Akenton Services, one of our black empowerment partners, whereby Excellerate acquired Akenton's 25% shareholding in Excellerate Investment Holdings (Pty) Ltd, for R1 200 000 in cash. Akenton Services's loan account amounts to R2 997 500 and has also been repaid.

Events subsequent to year end

Subsequent to year end, the Group concluded the acquisition of 60% of JHI. The terms of this transaction were set out in a SENS announcement dated 19 August 2010. Management of JHI acquired the remaining 40% shareholding. All outstanding conditions precedent to the transaction were fulfilled on 14 September 2010. As an integral part of the financing of this acquisition, the Group directly raised R30.0 million of third-party senior debt on commercial terms normally associated with funding of this nature.

Subsequent to year end, the management of Delawood, together with Excellerate, worked at growing the corporate market. In October 2010, the partners reached a decision that their strategies for the business were different, resulting in the offer being made to Excellerate to re-acquire their share for R3 million. On 24 November 2010, the Board approved the sale, meeting the final condition precedent. The loss on sale is estimated to be R1.5 million.

The directors are not aware of any other significant events that have occurred between the end of the financial year and the date of this report that may materially affect the results of the Group for the period under review or the financial position as at 30 June 2010.

Directorate and secretary

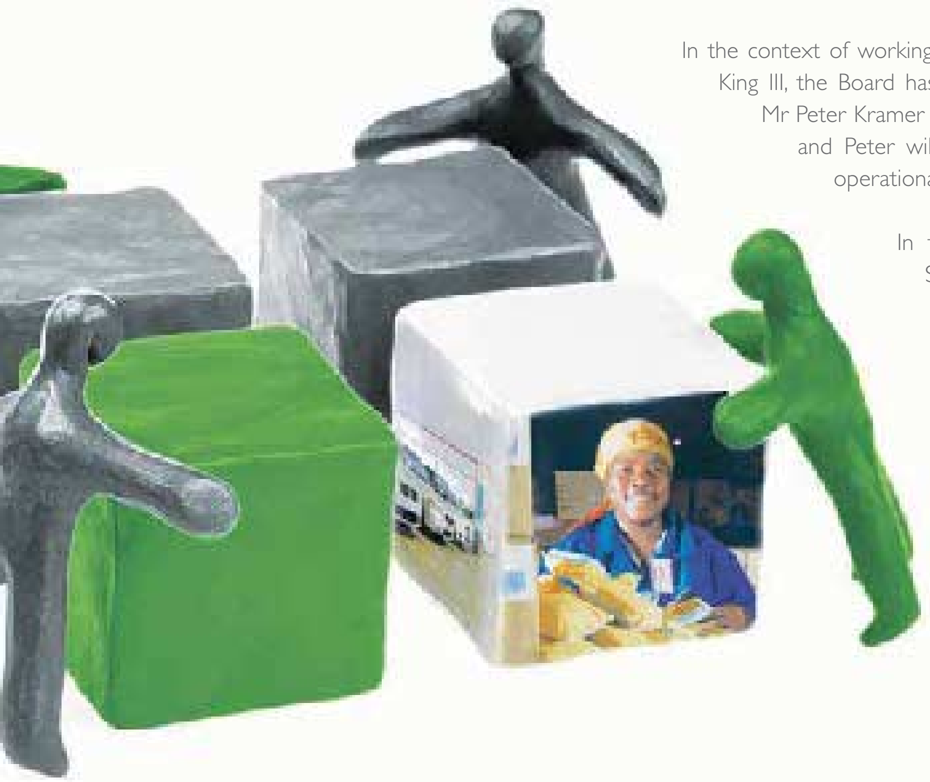
The names of the directors appear on pages 11 and 12. The company secretary in office at the date of this report and the Company's business and postal addresses appear inside the back cover.

Mr Arnold Meyer was appointed to the Board of Directors of the Group with effect from 25 November 2009. Mr Meyer has also been appointed as a member of the Audit and Risk Committee.

Mr Harold Bloch passed away on Tuesday, 22 June 2010 after suffering from an untimely and devastating illness. The Board wishes to express its appreciation for Harold's commitment and invaluable contribution to the Group over the years.

In the context of working towards a Board composition as recommended by King III, the Board has accepted the resignations of Mr Alan Lipchin and Mr Peter Kramer from the Board, with effect from 13 May 2010. Alan and Peter will continue to serve as executive directors on the operational boards of other companies within the Group.

In terms of the Articles of Association, Messrs Rudi Stumpf, Mike Mohohlo and Athol Stewart will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.



Special resolutions

Special resolutions were passed for Excellerate Holdings Limited and Excellerate Investment Holdings (Pty) Ltd, granting the authority to acquire its own shares, upon terms and conditions and in such amounts as the directors of the Company may from time to time decide, but subject to the Articles of Association of the Company, the provision of the Companies Act and the JSE Listings Requirements.

Subsidiary companies

Details of subsidiary companies are set out on page 75.

Excellerate Holdings Limited

The interest of the directors in the issued share capital of the Company is as follows:

Names	Beneficially held Indirect	Non-beneficially held Indirect	Total	Percentage of issued share capital (%)
AC Stewart	36 550	5 085 419	5 121 969	2.2

Up to th date of the approval of the annual report, there has been no change in the directors' interest in the share capital of the Company. No direct interest in shares were held by directors.

Details of outstanding share options at 30 June 2010:

	Share options as at 30 June 2009			Share options forfeited during the year		Share options exercised during the year	
Name	Number '000	Exercise price Cents	Weighted average remaining contractual life Years	Number '000	Exercise price Cents	Number '000	Exercise price Cents
All employees	7 733	35.6	4.1	(60)	50.0	(553)	31.9

	Share options as at 30 June 2010			Exercisable at the end of the period	
Name	Number '000	Weighted average exercise price Cents	Weighted average remaining contractual life Years	Number '000	Weighted average Exercise price Cents
All employees	7 120	35.8	3.1	7 120	35.8

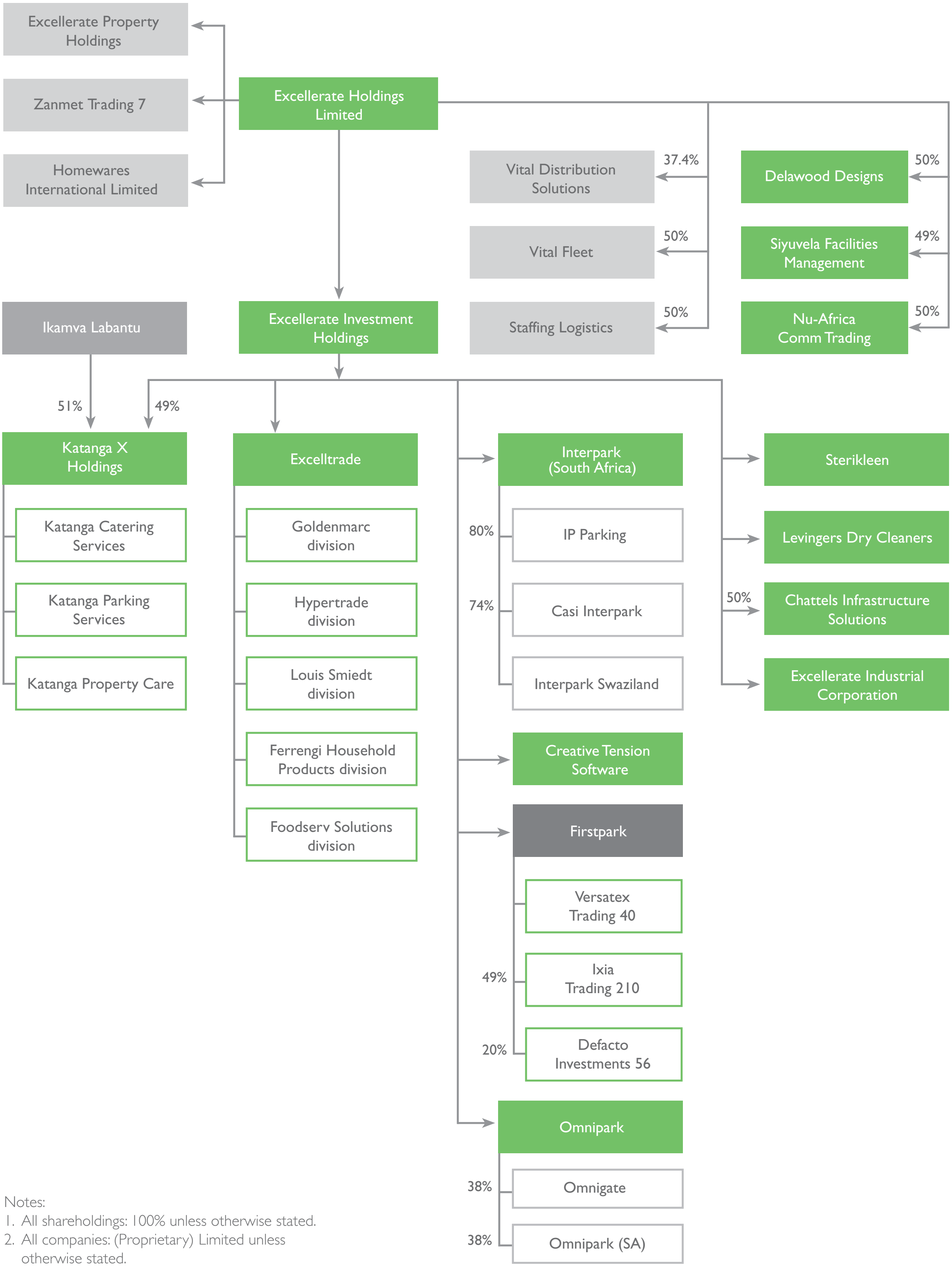
Note: No share options were granted during the year.

The Company used the Black Scholes Merton option pricing model to determine the fair value of options. Inputs into the model included:
- a weighted average share price of 30 cents;
- an exercise price of 30 cents;
- an expected volatility of 6.8%, being the annual standard deviation in the price over the 12 preceding months;
- an option life of 10 years;
- no expectation of a dividend; and
- a risk-free interest rate of 9.5%.

Share-based payment reserve

A share-based payment reserve of R1 602 000 (2009: R1 733 000) is carried in respect of the fair value of share options that are likely to be exercised.

Group structure



Notes:
1. All shareholdings: 100% unless otherwise stated.
2. All companies: (Proprietary) Limited unless otherwise stated.

Statements of comprehensive income

for the year ended 30 June 2010

		Group		Company	
		2010	2009	2010	2009
	Note	R'000	R'000	R'000	R'000
Continuing operations					
Revenue	3	699 916	654 998	13 608	9 720
Cost of sales		(475 656)	(444 070)	–	–
Gross profit		224 260	210 928	13 608	9 720
Operating expenditure		(171 448)	(160 370)	(5 838)	(390)
Selling and distribution costs		(29 201)	(33 068)	–	–
Administrative expenses		(83 005)	(79 240)	(5 652)	(390)
Other expenses		(59 242)	(48 062)	(186)	–
Profit before net finance (costs)/income and taxation	4	52 812	50 558	7 770	9 330
Finance income	7	2 599	3 860	2 137	2 464
Finance costs	7	(9 727)	(9 937)	(1 992)	(927)
Profit before taxation		45 684	44 481	7 915	10 867
Taxation - current	8	(12 359)	(7 653)	(23)	–
- deferred	8	(4 334)	(3 814)	(353)	(451)
- secondary taxation on companies	8	(961)	(696)	–	(696)
Profit and total comprehensive income for the year from continuing operations		28 030	32 318	7 539	9 720
Discontinued operations					
Loss for the year from discontinued operations	9	(4 862)	(3 509)	–	–
Profit and total comprehensive income for the year		23 168	28 809	7 539	9 720
Attributable to:					
Equity holders of the parent		22 964	28 607	7 539	9 720
Non-controlling interest		204	202	–	–
		23 168	28 809	7 539	9 720
Total operations					
Earnings per share (cents)	10	10.6	13.0		
Diluted earnings per share (cents)	11	10.4	12.8		
Continuing operations					
Earnings per share (cents)		12.8	14.6		
Diluted earnings per share (cents)		12.6	14.3		
Discontinued operations					
Earnings per share (cents)	9	(2.2)	(1.6)		
Diluted earnings per share (cents)	9	(2.2)	(1.6)		

Statements of financial position

at 30 June 2010

		Group		Company	
		2010	**2009**	**2010**	**2009**
	Note	R'000	R'000	R'000	R'000
Assets					
Non-current assets					
Property, plant and equipment	12	**74 672**	71 506	**–**	–
Intangible assets	13	**110 639**	106 147	**–**	–
Investments in subsidiaries	14	**–**	–	**172 547**	179 496
Investments in joint ventures	15	**–**	–	**49 620**	44 999
Investment in associate	16	**631**	–	**–**	–
Interest-bearing receivables	17	**2 222**	560	**–**	–
Amounts owing by joint venture partners	18	**–**	306	**–**	612
Deferred taxation	19	**6 438**	10 213	**1 397**	1 099
		194 602	188 732	**223 564**	226 206
Current assets					
Inventories	20	**86 345**	95 025	**–**	–
Trade and other receivables	21	**136 739**	139 022	**953**	139
Dividends receivable		**–**	–	**15 847**	16 413
Interest-bearing receivables	17	**2 604**	1 238	**–**	–
Investment in associate	16	**4 462**	–	**–**	–
Amounts owing by joint venture partners	18	**11 478**	13 449	**14 061**	7 428
Taxation receivable		**8 031**	8 455	**208**	266
Other financial assets	22	**79**	–	**–**	–
Cash and cash equivalents		**31 188**	21 845	**4**	238
		280 926	279 034	**31 073**	24 484
Total assets		**475 528**	467 766	**254 637**	250 690
Equity and liabilities					
Equity					
Share capital	23	**2 179**	2 173	**2 321**	2 321
Share premium	23	**64 939**	64 687	**74 664**	74 664
Share-based payment reserve		**1 602**	1 733	**1 602**	1 733
Retained earnings		**149 851**	133 929	**154 314**	153 605
Equity attributable to equity holders of the parent		**218 571**	202 522	**232 901**	232 323
Non-controlling interest		**779**	985	**–**	–
Total equity		**219 350**	203 507	**232 901**	232 323
Non-current liabilities					
Deferred taxation	19	**6 930**	6 977	**–**	–
Interest-bearing debt	24	**20 897**	18 788	**–**	–
Amounts owing to subsidiaries		**–**	–	**900**	946
		27 827	25 765	**900**	946
Current liabilities					
Trade and other payables	25	**182 096**	184 286	**4 308**	296
Amounts owing to joint venture partners	18	**8 868**	12 473	**–**	–
Vendors for acquisitions		**7 820**	12 978	**7 820**	12 978
Taxation payable		**16 887**	14 427	**–**	–
Current portion of interest-bearing debt	24	**12 401**	13 342	**–**	–
Other financial liabilities	22	**132**	909	**–**	–
Bank overdraft		**–**	–	**8 561**	4 068
Shareholders for dividend		**147**	79	**147**	79
		228 351	238 494	**20 836**	17 421
Total equity and liabilities		**475 528**	467 766	**254 637**	250 690

Statements of changes in equity

for the year ended 30 June 2010

	Share capital R'000	Share premium R'000	Share-based payment reserve R'000	Retained earnings R'000	Attributable to equity holders of parent R'000	Non-controlling interest R'000	Total R'000
Group							
Balance at 30 June 2008	2 190	66 078	1 830	112 022	182 120	783	182 903
Total comprehensive income for the year							
Profit for the year	–	–	–	28 607	28 607	202	28 809
Transaction with owners, recorded directly in equity							
Share-based payment transactions	–	–	(97)	97	–	–	–
Sale of treasury shares	5	495	–	–	500	–	500
Repurchase of shares	(22)	(1 886)	–	–	(1 908)	–	(1 908)
Dividends paid	–	–	–	(6 797)	(6 797)	–	(6 797)
Balance at 30 June 2009	2 173	64 687	1 733	133 929	202 522	985	203 507
Total comprehensive income for the year							
Profit for the year	–	–	–	22 964	22 964	204	23 168
Transaction with owners, recorded directly in equity							
Movement in share-based payment reserve	–	–	(131)	131	–	–	–
Sale of treasury shares	6	262	–	–	268	–	268
Repurchase of shares	*	(10)	–	–	(10)	–	(10)
Repurchase of non-controlling share of subsidiary				(828)	(828)	(372)	(1 200)
Dividends paid	–	–	–	(6 345)	(6 345)	(38)	(6 383)
Balance at 30 June 2010	2 179	64 939	1 602	149 851	218 571	779	219 350

** Less than R500.*

	Share capital R'000	Share premium R'000	Share-based payment reserve R'000	Retained earnings R'000	Attributable to equity holders of parent R'000	Non-controlling interest R'000	Total R'000
Company							
Balance at 30 June 2008	2 321	74 664	1 830	150 749	229 564	–	229 564
Total comprehensive income for the year							
Profit for the year	–	–	–	9 720	9 720	–	9 720
Transaction with owners, recorded directly in equity							
Share-based payment transactions	–	–	(97)	97	–	–	–
Dividends paid	–	–	–	(6 961)	(6 961)	–	(6 961)
Balance at 30 June 2009	2 321	74 664	1 733	153 605	232 323	–	232 323
Total comprehensive income for the year							
Profit for the year	–	–	–	7 539	7 539	–	7 539
Transaction with owners, recorded directly in equity							
Share-based payment transactions	–	–	(131)	131	–	–	–
Dividends paid	–	–	–	(6 961)	(6 961)	–	(6 961)
Balance at 30 June 2010	2 321	74 664	1 602	154 314	232 901	–	232 901

Statements of cash flows

for the year ended 30 June 2010

		Group		Company	
		2010	2009	2010	2009
	Note	R'000	R'000	R'000	R'000
Cash flows from operating activities		**44 880**	44 039	**3 911**	(2 620)
Cash generated/(utilised) by operations	33.1	**68 368**	64 813	**2 972**	(56)
Finance income	33.3	**2 626**	3 919	**1 435**	1 802
Finance costs	33.3	**(9 260)**	(9 513)	**(1 503)**	(427)
Dividends paid	33.7	**(6 315)**	(6 718)	**(6 893)**	(6 882)
Dividends received	33.8	**–**	–	**8 562**	3 831
Taxation paid	33.2	**(10 539)**	(8 462)	**(662)**	(888)
Cash flows from investing activities		**(35 661)**	(66 874)	**(2 617)**	6 323
Additions to property, plant and equipment					
– to expand		**(16 946)**	(10 826)	**–**	–
– to maintain		**(4 629)**	(7 537)	**–**	–
Additions to intangible assets – to expand		**(2 718)**	(2 301)	**–**	–
Proceeds on disposal of property, plant and equipment		**2 282**	161	**–**	–
Acquisition of businesses	33.4	**(14 475)**	(46 371)	**–**	–
Increase in investments in subsidiaries and joint ventures	33.5	**–**	–	**(10 268)**	(32 510)
Proceeds on disposal of business	33.6	**825**	–	**–**	–
Decrease in amounts owing by subsidiaries		**–**	–	**7 697**	41 022
Increase in amounts owing by subsidiaries		**–**	–	**–**	(1 281)
Decrease in amounts owing to subsidiaries		**–**	–	**(46)**	(908)
Cash flows from financing activities		**124**	(5 309)	**(6 021)**	(7 733)
Interest-bearing debt raised		**15 031**	4 183	**–**	–
Interest-bearing debt repaid		**(10 863)**	(4 873)	**–**	–
Increase in amounts owing by joint venture partners		**(3 936)**	(11 608)	**(6 021)**	(8 040)
Decrease in amounts owing by joint venture partners		**6 238**	5 445	**–**	–
Increase in amounts owing to joint venture partners		**99**	2 979	**–**	–
Decrease in amounts owing to joint venture partners		**(3 729)**	–	**–**	–
Repayment of loan provided to associate company		**54**	–	**–**	–
Shares repurchased		**(10)**	(1 908)	**–**	–
Increase/(decrease) in interest-bearing receivables		**(3 028)**	(27)	**–**	307
Sale of treasury shares		**268**	500	**–**	–
Increase/(decrease) in cash and cash equivalents		**9 343**	(28 144)	**(4 727)**	(4 030)
Cash and cash equivalents at beginning of year		**21 845**	49 989	**(3 830)**	200
Cash and cash equivalents at end of year		**31 188**	21 845	**(8 557)***	(3 830)

** The Group operates a cash management system and for the years ended 30 June 2009 and 30 June 2010, all banks were in a net positive position.*

Notes to the annual financial statements

for the year ended 30 June 2010

1. Accounting policies

The consolidated financial statements as at and for the year ended 30 June 2010 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities) and the Group's interest in jointly controlled entities.

The principal accounting policies applied in the preparation of the Company annual financial statements and Group annual financial statements are set out below.

The accounting policies applied in these financial statements are consistent with those applied for the year ended 30 June 2009, with the exception of the adoption of the following new and amended standards and interpretations, in response to changes to IFRS.

– IAS 1 - Presentation of financial statements
– IAS 23 - Borrowing costs
– IAS 32 - Financial instruments: Presentation
– IAS 39 - Financial instruments: Recognition and measurement
– IFRS 2 - Amendments to IFRS 2 Share-based payment - vesting conditions and cancellations
– IFRS 3, IAS 27, IAS 28, IAS 31 and IAS 38 - Comprehensive revision on applying the acquisition method affecting the following standards: Business combinations, Consolidated and separate financial statements, Investment in associates, Interest in joint ventures and Intangible assets
– IFRS 5 - Non-current assets held for sale and discontinued operations
– IFRS 7 - Financial instruments: Disclosure

Results for the comparative year have not been restated as the transitional arrangements for IFRS 3 and IAS 27 are effective for business combinations which have occurred on or after 1 July 2009.

The adoption of the new and amended standards and interpretations has had no material effect on the results of the Group.

1.1 Basis of preparation

The Company annual financial statements and Group annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), its interpretations adopted by the International Accounting Standards Board (IASB), the AC 500 standards as issued by the Accounting Practices Board or its successor, the Listing Requirements of the JSE Limited (the JSE) and in the manner required by the South African Companies Act. The annual financial statements are prepared in accordance with the going concern principle on the historical-cost basis, modified for the fair value measurement of financial instruments through profit or loss.

These financial statements are presented in South African Rand, which is the Company's functional currency. All information has been rounded to the nearest thousand unless stated otherwise.

The preparation of the annual financial statements in conformity with IFRS requires the use of certain critical accounting estimates, judgements and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Although estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances (the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources), the actual outcome may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on amounts recognised in the financial statements are included in the following notes.

1. Accounting policies (continued)

1.1 Basis of preparation (continued)

Note 1.14.1:	Trade and other receivables
Note 1.12:	Allowances for slow moving, damaged and obsolete inventory
Note 1.8:	Useful lives of property, plant and equipment
Note 32:	Acquisitions and disposals of interests in joint ventures, shares and businesses
Note 13:	Impairment of intangible assets
Note 8:	Utilisation of assessed loss
Note 1.19:	Measurement of share-based payments

A significant area of estimation and judgement in applying accounting policies for the Company is the calculation of the fair value of loans to subsidiaries (at initial recognition).

1.2 Basis of consolidation

1.2.1 Investment in subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable are taken into account.

Investment in subsidiaries is stated in the Company's financial statements at cost less accumulated impairment losses.

The Group annual financial statements incorporate the assets, liabilities and results of the operations and the cash flows of the Group. The results of subsidiaries acquired and disposed of during the financial year are included from the effective dates of acquisition to the effective dates of disposal. The assets and liabilities of subsidiaries acquired are assessed and included in the statements of financial position at their estimated fair value to the Group (at the date of acquisition).

1.2.2 Investment in joint ventures

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. The Group's interest in joint ventures is accounted for using the proportionate consolidation method and its share of the underlying assets, liabilities, income, expenditure and cash flows is included in the consolidated financial statements on a line-by-line basis from the date that joint control commences until the date joint control ceases.

The Company carries its investments in joint ventures at cost less accumulated impairment losses.

1.2.3 Investment in associate

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50% of the voting power of another entity.

Investment in associate entities are accounted for using the equity method (equity accounted investees) and are recognised initially at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

1. Accounting policies (continued)

1.2 Basis of consolidation (continued)

1.2.4 Inter-group transactions

Inter-group balances and transactions, and any unrealised gains arising from inter-group transactions, are eliminated in preparing the consolidated annual financial statements. Unrealised gains arising from transactions with joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.3 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

1.3.1 Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3.2 Services rendered

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed with reference to the terms of the contract.

Revenue from services rendered includes rental income earned by the Group from the rental of plant and equipment, as well as administration income earned by the Company.

1.3.3 Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variation in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in profit or loss in proportion to the stage of completion of the contract.

The stage of completion is based on the percentage of costs incurred in the year, compared to the total estimated construction costs. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

1.3.4 Dividend income

Dividend income is recognised in revenue on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

1.4 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1. Accounting policies (continued)

1.5 Employee benefits

1.5.1 Short-term employee benefits

The cost of short-term employee benefits, payable within 12 months after the service is rendered, such as paid vacation leave and bonuses, is recognised in the period in which the service is rendered and is not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance, and the obligation can be estimated reliably.

1.5.2 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined-contribution pension plans are recognised as an expense in profit or loss in the periods during which services are rendered by employees.

1.6 Taxation

1.6.1 Current taxation assets and liabilities

Current taxation for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current taxation liabilities and assets for the current and prior periods are measured at the amount expected to be paid to and recovered from the taxation authorities respectively, using the taxable income or loss for the year and taxation rates (and taxation laws) that have been enacted or substantively enacted by the reporting date.

1.6.2 Deferred taxation assets and liabilities

Deferred taxation is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities used for financial reporting purposes and the amounts used for taxation purposes. Deferred taxation is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred taxation is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred taxation is measured at the taxation rates that are expected to be applied to the temporary differences when they reverse, based on the rate and laws that have been enacted or substantively enacted by the reporting date. Deferred taxation assets and liabilities are offset if there is a legally enforceable right to offset current taxation liabilities and assets, and they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle current taxation liabilities and assets on a net basis or their taxation assets and liabilities will be realised simultaneously.

A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred taxation assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related taxation benefit will be realised.

1. Accounting policies (continued)

1.6 Taxation (continued)

1.6.3 Taxation expenses

Current and deferred taxation is recognised in profit or loss for the period, except to the extent that the taxation arises from a transaction or event which is recognised, in the same or a different period, directly in equity or from a business combination, in which case it is recognised against goodwill.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

1.7 Construction work in progress

Construction work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date, less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction work in progress is presented as part of trade and other receivables in the statements of financial position. If payments received from customers exceed the revenue recognised, then the difference is presented as part of trade and other payables in the statements of financial position.

1.8 Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on the straight-line basis at rates considered appropriate to reduce the carrying values to estimated residual values over their expected useful lives.

Costs include expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and that the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

The assets' depreciation methods, residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

The estimated useful lives are as follows:

	Years
Computer equipment	2 – 3
Office furniture and equipment	5 – 6
Motor vehicles	4 – 8
Plant and machinery	5 – 6

Leasehold improvements are depreciated over the shorter of the period of the lease, or the asset's useful life.

1. Accounting policies (continued)

1.9 Goodwill

Goodwill/(negative goodwill) arises on the acquisition of subsidiaries and joint ventures.

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss. Goodwill that arises upon the acquisition of subsidiaries is presented together with intangible assets.

Subsequent to initial measurement, goodwill is measured at cost less accumulated impairment losses.

1.10 Intangible assets (other than goodwill)

An intangible asset is recognised if, and only if, it is probable that the expected future economic benefits attributable to the asset will flow to the entity, and its cost can be measured reliably.

Intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is only capitalised when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation on the cost of the asset is recognised in profit or loss on a straight line basis over the estimated useful lives of the intangible assets, from the date that they are available for use. The estimated useful lives are as follows:

	Years
Tradenames	3 - 10
Customer relationships	1 - 5
Computer software	2

1.11 Impairment of assets

1.11.1 Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

1. Accounting policies (continued)

1.11 *Impairment of assets (continued)*

1.11.2 Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred taxation assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-taxation discount rate that reflects current market assessments of the time value of money and the risks specifics to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or groups of assets (the cash-generating unit). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the goodwill associated with the cash generating unit and then the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.12 *Inventories*

Inventories are measured at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition, and is determined on the weighted average method. The cost of work in progress, finished goods and contracts in progress includes direct costs and an appropriate allocation of overheads based on normal production levels. Obsolete, redundant and slow moving inventories are identified on a regular basis and are written down to their net realisable values.

1.13 *Leases*

Leases are classified as finance leases when the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

1.13.1 Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statements of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease. Any initial direct costs are added to the amount recognised as an asset. The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of return on the remaining balance of the liability.

1. Accounting policies (continued)

1.13 *Leases (continued)*

1.13.2 Finance leases – lessor

Finance lease receivables are recognised at the amount of net investment in leases. Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the Company's or Group's net investment in the finance lease. Finance lease receivables are disclosed as interest-bearing receivables.

1.13.3 Operating leases – lessee

Operating lease payments are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease. Any contingent rents are expensed in the period they are incurred.

1.14 *Financial instruments*

Financial instruments reflected on the statements of financial position comprise interest-bearing receivables, trade and other receivables, dividends receivable, amounts owing by/to our joint venture partners, derivative financial assets and liabilities, cash and cash equivalents, interest-bearing debt, trade and other payables and vendors for acquisitions.

1.14.1 Non-derivative financial instruments

Non-derivative financial instruments are initially measured at fair value, which includes transaction costs. Subsequent to initial recognition, these instruments are measured as set out below:

Cash and cash equivalents, bank overdraft, interest-bearing debt, amounts owing to joint venture partners, trade and other payables and vendors for acquisitions are stated at amortised cost using the effective interest method.

Interest-bearing receivables, dividends receivable and amounts owing by joint venture partners are stated at amortised cost less impairment losses.

Trade and other receivables are subsequently measured at amortised cost using the effective interest method, less impairment allowances. An impairment allowance for trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The movement of the allowance is recognised in profit or loss.

1.14.2 Derivative instruments

Derivative financial instruments are assets or liabilities derived from contracts, the values of which change in response to changes in market factors. They require no initial net investment, or else they require an initial net investment that is smaller than that which would be required for other types of contracts that would be expected to have a similar response to changes in market factors. Derivative financial instruments are settled at a future date.

Derivatives are recognised initially at fair value with attributable transaction costs being recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are recognised at fair value, and changes therein are accounted for in profit or loss in the period in which the change arises.

1.14.3 Offset

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when the company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1. Accounting policies (continued)

1.15 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the rate of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Gains and losses arising on translation are recognised in profit or loss.

1.15.1 Foreign operations

Foreign subsidiaries with functional currencies other than the presentation currency are translated as follows:

- Assets and liabilities are translated at rates of exchange approximating those ruling at the end of the financial year.
- Income, expenditure and cash flows are translated at the average rate for the year which approximate actual rates.
- Differences arising on translation of foreign operations are accounted for in a foreign currency translation reserve in equity.

1.16 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

1.17 Segmental reporting

The Group is involved in the services and trading and distribution industries, which includes light manufacturing as described below.

A segment is a group of assets and operations engaged in providing products and services that are subject to risks and returns that are different from those in other segments. On a primary basis, the Group is segmented into the above mentioned activities. The financial impact of light manufacturing remains small within the Group results, and therefore has not been reported as a separate segment.

The segmental report has been prepared in accordance with IFRS 8. The classification of the business units into the segments have remained the same as the previous year.

Segment results reflect revenues and expenses directly attributable to a segment. For the purposes of segmental reporting inter-segmental revenues/expenses are not eliminated.

For the purpose of internal performance management, certain inter-group loans and cash have been treated as segment equity.

1.18 Share capital

1.18.1 Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the equity, net of any tax effects.

1. Accounting policies (continued)

1.18 Share capital (continued)

1.18.2 Repurchase of share capital (treasury shares)

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs net of any tax effects, is deducted from equity attributable to the Group's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable costs, is included in equity attributable to the Group's equity holders. Shares in the Group held by a subsidiary are treated as treasury shares and presented in the statements of financial position as a deduction from equity. Any resulting surplus or deficit on the transaction is transferred to or from share premium.

1.19 Share-based payment transactions

The Group has an employee share incentive plan and an employee share trust for the granting of non-transferable options to certain employees.

1.19.1 Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they were granted. The fair value is determined by using the Black Scholes Merton option pricing model to determine the fair value of options granted.

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

1.20 Financial guarantee contracts

Financial guarantee contracts are classified as insurance contracts as defined in IFRS 4 Insurance Contracts. A liability is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle such contracts and a reliable estimate can be made of the amount of the obligation. The amount recognised is the best estimate of the expenditure required to settle the contract at the reporting date.

1.21 Earnings per share

The Group provides basic, diluted, headline and diluted headline earnings per share data for its ordinary shares. Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to equity holders of the parent, while headline EPS is calculated by dividing headline earnings of the Group by the weighted average number of ordinary shares outstanding in the Group during the period. Diluted EPS and diluted headline EPS is determined by adjusting the profit or loss or headline earnings attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding in the Group, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

1.22 Finance income and expenses

Finance income comprises interest income on funds invested, and changes in the fair value of financial assets at fair value through profit or loss. Finance income is recognised as it accrues, in profit or loss using the effective interest method.

Finance costs comprise interest expenses on borrowings, unwinding of the discount on provisions and changes in the fair value of financial assets at fair value through profit or loss. All finance costs are recognised in profit or loss using the effective interest method.

Preference dividends on financial assets are included in finance income and recognised using the effective interest method.

1. Accounting policies (continued)

1.23 Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

1.23.1 Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of items of property, plant and equipment is based either on the quoted market prices or external valuations for similar items.

1.23.2 Intangible assets

The fair value of patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the patent or trademark being owned. The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets. Customer relationships arising as a result of business combinations are valued using a multi-period excess earnings methodology.

1.23.3 Inventories

The fair value of inventories acquired in a business combination is determined based on their estimated selling prices in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

1.23.4 Trade and other receivables and trade and other payables

The fair value of trade and other receivables and trade and other payables excluding construction work in progress, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The carrying value of these instruments is a reasonable approximation of fair value.

1.23.5 Derivatives

The fair value of forward-exchange contracts is based on their listed market prices, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

1.23.6 Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

2. Relevant standards and interpretations effective for years ending after 30 June 2010

At the date of authorisation of these financial statements for the year ended 30 June 2010, the following standards and interpretations were in issue but not yet effective for the company:

	Standard/interpretation	Effective date
IAS 24 (revised)	Related-party Disclosures	Annual periods beginning on or after 1 January 2011
IAS 32 amendment	Financial Instruments: Presentation: Classification of Rights Issued	Annual periods beginning on or after 1 February 2010
Various	Improvements to International Financial Reporting Standards 2009	Annual periods beginning on or after 1 January 2010
Various	Improvements to International Financial Reporting Standards 2010	Annual periods beginning on or after 1 July 2010 or for annual periods beginning on or after 1 January 2011
IFRS 1 amendment	Additional Exemptions for First-time Adopters	Annual periods beginning on or after 1 January 2010
IFRS 1 amendment	First-time Adoption of International Financial Reporting Standards	Annual periods beginning on or after 1 July 2010
IFRS 2 amendment	Group Cash-settled Share-based Payment	Annual periods beginning on or after 1 January 2010
IFRS 9 amendment	Financial Instruments	Annual periods beginning on or after 1 January 2013
IFRIC 14 (AC 447) amendment	Prepayments of a Minimum Funding Requirement	Annual periods beginning on or after 1 January 2010
IFRIC 19 (AC 452)	Extinguishing Financial Liabilities with Equity Instruments	Annual periods beginning on or after 1 January 2010

The Group will adopt the above standards, interpretations and amendments on the effective dates, or prior to that.

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
3. Revenue				
Revenue consists of:				
Sale of goods	371 304	372 055	–	–
Rendering of services	297 111	273 205	5 612	328
Construction contracts	32 417	32 794	–	–
Dividends received	–	–	7 996	9 392
Total revenue	700 832	678 054	13 608	9 720
Less: Discontinued operations				
Sale of goods	(916)	(23 056)	–	–
Revenue from continuing operations	699 916	654 998	13 608	9 720
4. Profit before net finance (costs)/income and taxation				
Profit before net finance (costs)/income and taxation is arrived at after taking the following into account:				
Depreciation	14 937	14 963	–	–
– computer equipment	1 585	1 572	–	–
– office furniture and equipment	1 894	1 736	–	–
– leasehold improvements	273	546	–	–
– motor vehicles	5 537	4 318	–	–
– plant and machinery	5 648	6 791	–	–
Operating lease charges	30 684	26 822	–	–
– equipment	589	456	–	–
– motor vehicles	11	–	–	–
– property	30 084	26 362	–	–
– other	–	4	–	–
Bad debts written off	3 839	1 505	–	–
Impairment allowance of trade receivable recognised	2 228	294	–	–
Impairment (release of allowance)/allowance of inventory	(132)	858	–	–
Negative goodwill	–	(2 498)	–	–
Impairment of intangibles	152	–	–	–
Amortisation of intangible assets	1 238	1 422	–	–
– trademarks and tradenames	49	35	–	–
– customer relationships	679	1 347	–	–
– software	510	40	–	–
(Profit)/loss on disposal of property, plant and equipment	(331)	113	–	–
Loss on disposal of business and subsidiary	621	–	–	–
Remuneration for secretarial services	187	72	–	–
Remuneration for consulting services	2 926	1 474	746	–
Effect of share-based payment transactions	194	–	194	–
Salaries, wages and other employee benefits, (including directors' emoluments)	194 276	186 386	3 487	–
Foreign exchange (gains)/losses	(90)	(6)	35	(8)

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000

5. Auditors' remuneration

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
– audit fees – current	3 578	2 935	–	–
– prior year	139	–	–	–
– other services	558	28	–	–
	4 275	2 963	–	–

6. Directors' emoluments

The directors' emoluments in respect of the financial years ended 30 June 2010 and 2009 were as follows:

		Directors' fees R'000	Basic remune-ration R'000	Other benefits R'000	Allowances R'000	Retire-ment/ medical R'000	Perfor-mance bonus R'000	Total R'000
Group								
2010								
Executive								
AC Stewart	1	–	903	–	131	199	1 216	2 449
HB Bloch	1, 2	–	510	1 225	89	108	–	1 932
PW Kramer	1, 3	–	792	–	60	121	–	973
AH Lipchin	1, 3	–	964	–	120	11	–	1 095
GG Hulley	1	–	805	–	56	68	1 739	2 668
JE Wellsted	1	–	990	–	40	69	551	1 650
Non-executive								
MM Mohohlo		105	–	–	–	–	–	105
R Stumpf	4	52	–	–	–	–	–	52
GA Davel	5	44	–	–	–	–	–	44
CR Howell	5	44	–	–	–	–	–	44
A Meyer	6	70	–	–	–	–	–	70
		315	4 964	1 225	496	576	3 506	11 082
2009								
Executive								
AC Stewart	1	–	849	–	131	183	1 249	2 412
HB Bloch	1	–	922	108	–	159	85	1 274
PW Kramer	1	–	959	–	72	136	833	2 000
AH Lipchin	1	–	1 086	–	144	10	703	1 943
GG Hulley	1	–	821	–	43	61	1 866	2 791
JE Wellsted	1	–	183	–	6	–	280	469
RA Owens	7	–	646	–	64	55	210	975
Non-executive								
MM Mohohlo		105	–	–	–	–	–	105
R Stumpf	4	52	–	–	–	–	–	52
GA Davel	5	52	–	–	–	–	–	52
CR Howell	5	44	–	–	–	–	–	44
		253	5 466	108	460	604	5 226	12 117

6. Directors' emoluments (continued)

Company

		Directors' fees R'000	Basic remuneration R'000	Other benefits R'000	Allowances R'000	Retirement/ medical R'000	Performance bonus R'000	Total R'000
2010								
Executive								
GG Hulley	1, 8	–	267	–	19	23	1 739	2 048
JE Wellsted	1, 8	–	334	–	15	19	551	919
Non-executive								
MM Mohohlo		105	–	–	–	–	–	105
R Stumpf	4	52	–	–	–	–	–	52
GA Davel	5	44	–	–	–	–	–	44
CR Howell	5	44	–	–	–	–	–	44
A Meyer	6	70	–	–	–	–	–	70
		315	601	–	34	42	2 290	3 282
2009								
Non-executive								
M Mohohlo		105	–	–	–	–	–	105
R Stumpf	4	52	–	–	–	–	–	52
GA Davel	5	52	–	–	–	–	–	52
CR Howell	5	44	–	–	–	–	–	44
		253	–	–	–	–	–	253

1 Participated in an executive incentive scheme
2 Deceased 22 June 2010
3 Resigned from Board effective 12 May 2010
4 Paid to Buffet Investments (Pty) Ltd
5 Paid to Nedbank Limited
6 Appointed 25 November 2009
7 Resigned 6 April 2009
8 Appointed as employee in company on 1 March 2010

	Group		Company	
	2010	2009	2010	2009
	R'000	R'000	R'000	R'000

7. Net finance (costs)/income

Finance income				
– bank	1 345	2 707	81	314
– subsidiaries	–	–	–	954
– joint venture partners	713	742	1 354	524
– interest-bearing receivables	367	257	–	–
– unwinding of interest on initial recognition				
– loan accounts	–	–	702	662
– trade and other receivables	193	1 459	–	–
– other	490	213	–	10
Total finance income	3 108	5 378	2 137	2 464
Less: Discontinued operations	(509)	(1 518)	–	–
– bank	(27)	(59)	–	–
– unwinding of interest on initial recognition				
– trade and other receivables	(193)	(1 459)	–	–
– other	(289)	–	–	–
Finance income from continuing operations	2 599	3 860	2 137	2 464
Finance costs				
– bank	(3 580)	(3 756)	(1 447)	(427)
– imputed interest on amounts owing to vendors	(489)	(777)	(489)	(500)
– trade finance facilities	(568)	(1 323)	–	–
– other borrowings	(2 604)	(1 039)	(56)	–
– joint venture partners	–	(20)	–	–
– unwinding of interest on initial measurement				
– trade and other payables	–	(391)	–	–
– capitalised leases and installment sales	(2 508)	(3 098)	–	–
Total finance costs	(9 749)	(10 404)	(1 992)	(927)
Less: Discontinued operations	22	467	–	–
– bank	7	1	–	–
– capitalised leases and installment sales	–	57	–	–
– other borrowings	15	409	–	–
Finance costs from continuing operations	(9 727)	(9 937)	(1 992)	(927)
Net finance (costs)/income from continuing operations	(7 128)	(6 077)	145	1 537

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
8. Taxation				
South African normal taxation				
Current taxation				
– current year	(11 280)	(7 319)	–	–
– prior year	(1 079)	(206)	(23)	–
Total current tax	(12 359)	(7 525)	(23)	–
Less: Discontinued operations				
– current year	–	(128)	–	–
Net current taxation from continuing operations	(12 359)	(7 653)	(23)	–
Deferred taxation				
– current year	(2 154)	(3 120)	(27)	(451)
– prior year	(468)	–	(326)	–
Total deferred taxation	(2 622)	(3 120)	(353)	(451)
Less: Discontinued operations				
– current year	(1 712)	(694)	–	–
Net deferred taxation from continuing operations	(4 334)	(3 814)	(353)	(451)
Secondary taxation on companies	(961)	(696)	–	(696)
Per statement of comprehensive income	(17 654)	(12 163)	(376)	(1 147)
Reconciliation of the company taxation rate with the effective taxation rate is as follows:				
	%	%	%	%
Rate of South African company taxation	28.0	28.0	28.0	28.0
Adjusted for:				
– disallowable expenses	2.6	0.1	0.7	0.4
– exempt income	–	(0.3)	(28.3)	(24.2)
– prior year taxation	4.0	0.5	4.4	–
– deferred taxation asset not raised	3.7	0.2	–	–
– secondary taxation on companies	2.5	1.7	–	6.4
– non-taxable income	–	(2.0)	–	–
Taxation for the year as a percentage of profit before taxation – total operations	40.8	28.2	4.8	10.6
Less: Discontinued operations	(2.2)	(0.9)	–	–
Taxation for the year as a percentage of profit before taxation – continuing operations	38.6	27.3	4.8	10.6
Estimated taxation losses available for utilisation against future taxable income	25 175	35 499	281	1 166

	Group 2010 R'000	Group 2009 R'000

9. Discontinued operations

During the year, the last remaining operations of Sunkist were wound up or disposed of. The comparative statement of comprehensive income has been re-presented to show the discontinued operations separately from continuing operations.

	2010 R'000	2009 R'000
Results of discontinued operations		
Revenue	916	23 056
Expenses	(6 869)	(27 387)
Results from operating activities	(5 953)	(4 331)
Taxation – current	–	128
– deferred	1 712	694
Results from operating activities, net of income taxes	(4 241)	(3 509)
Loss on sale of discontinued operations	(621)	–
Loss for the period	(4 862)	(3 509)
Loss per share (cents)	(2.2)	(1.6)
Diluted loss per share (cents)	(2.2)	(1.6)
Cash flows from/(utilised in) discontinued operations		
Cash flows from operating activities	(2 399)	4 739
Cash flows from investing activities	894	–
Cash flows from financing activities	1 268	(7 351)
Net cash utilised by discontinued operations	(237)	(2 612)
Effect of disposal on the financial position of the Group		
Property, plant and equipment	1 521	–
Intangible assets	1 464	–
Loan account	(948)	–
Inventories	1 866	–
Bank and cash	2	–
Deferred taxation	1 209	–
	5 114	–

	Group 2010 R'000	Group 2009 R'000

10. Earnings per share and headline earnings per share

The calculation of earnings per share of 10.6 cents (2009: 13.0 cents) is based on earnings of R22 964 000 (2009: R28 607 000) for the year and a weighted average of 217 701 494 (2009: 219 210 545) shares in issue for the year.

The calculation of headline earnings per share of 10.8 cents (2009: 11.9 cents) is based on headline earnings of R23 499 000 (2009: R26 190 000) and a weighted average of 217 701 494 (2009: 219 210 545) shares in issue. The following adjustments to profit attributable to equity holders of the parent were taken into account in the calculation of headline earnings:

	2010 R'000	2009 R'000
Attributable to equity holders of the parent	22 964	28 607
– negative goodwill	–	(2 498)
– impairment of intangibles*	152	–
– loss on disposal of business/subsidiary*	621	–
– (profit)/loss on disposal of property, plant and equipment	(331)	113
– taxation effect of adjustments	93	(32)
Headline earnings	23 499	26 190

** No taxation effect on these items.*

11. Diluted earnings and diluted headline earnings per share

The calculation of diluted earnings per share of 10.4 cents (2009: 12.8 cents) is based on earnings of R22 964 000 (2009: R28 607 000) for the year and an adjusted weighted average of 221 015 524 (2009: 223 846 354) shares in issue for the year.

The calculation of diluted headline earnings per share of 10.6 cents (2009: 11.7 cents) is based on diluted headline earnings of R23 499 000 (2009: R26 190 000). An adjusted weighted average of 221 015 524 (2009: 223 846 354) shares in issue was used, as set out below:

There are no reconciling items between headline earnings and diluted headline earnings.

	2010 R'000	2009 R'000
Diluted weighted average number of shares in issue:		
Weighted average number of shares (000's)	217 701	219 211
Dilutive effect of share options (000's)	3 315	4 635
	221 016	223 846

	2010			2009		
	Cost R'000	Accumu-lated depre-ciation R'000	Carrying value R'000	Cost R'000	Accumu-lated depre-ciation R'000	Carrying value R'000

12. Property, plant and equipment

Group

	Cost R'000	Accumulated depreciation R'000	Carrying value R'000	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
Owned						
Computer equipment	8 755	7 166	1 589	8 782	6 810	1 972
Office furniture and equipment	10 680	7 829	2 851	10 081	6 551	3 530
Leasehold improvements	1 115	703	412	2 960	1 873	1 087
Motor vehicles	23 186	5 640	17 546	24 497	4 114	20 383
Plant and machinery	40 298	23 964	16 334	34 413	18 905	15 508
Assets acquired under installment sale agreements						
Computer equipment	1 881	782	1 099	1 774	411	1 363
Office furniture and equipment	2 646	1 033	1 613	2 193	638	1 555
Motor vehicles	34 442	5 391	29 051	22 060	3 721	18 339
Plant and machinery	6 428	3 007	3 421	11 175	3 624	7 551
Capitalised finance leases						
Plant and machinery	571	5	566	–	–	–
Motor vehicles	494	304	190	548	330	218
	130 496	55 824	74 672	118 483	46 977	71 506

The movement in the carrying value of property, plant and equipment can be analysed as follows:

	Carrying value at beginning of year R'000	Additions R'000	Acquisition of businesses R'000	Depre-ciation R'000	Disposals R'000	Disposal of businesses R'000	Reclassi-fications R'000	Carrying value at end of year R'000
2010								
Owned								
Computer equipment	1 972	880	–	(1 214)	(39)	(10)	–	1 589
Office furniture and equipment	3 530	831	–	(1 499)	–	(11)	–	2 851
Leasehold improvements	1 087	293	–	(273)	–	(695)	–	412
Motor vehicles	20 383	908	–	(2 788)	(754)	(10)	(193)	17 546
Plant and machinery	15 508	3 632	–	(5 582)	(572)	(611)	3 959	16 334
Assets acquired under installment sale agreements								
Computer equipment	1 363	107	–	(371)	–	–	–	1 099
Office furniture and equipment	1 555	453	–	(395)	–	–	–	1 613
Motor vehicles	18 339	13 854	–	(2 708)	(553)	(74)	193	29 051
Plant and machinery	7 551	–	–	(61)	–	(110)	(3 959)	3 421
Capitalised finance leases								
Plant and machinery	–	571	–	(5)	–	–	–	566
Motor vehicles	218	46	–	(41)	(33)	–	–	190
	71 506	21 575	–	(14 937)	(1 951)	(1 521)	–	74 672

	Carrying value at beginning of year R'000	Additions R'000	Acquisition of businesses R'000	Depre-ciation R'000	Disposals R'000	Disposal of businesses R'000	Reclassi-fications R'000	Carrying value at end of year R'000
12. Property, plant and equipment (continued)								
2009								
Owned								
Computer equipment	1 616	1 530	224	(1 355)	(43)	–	–	1 972
Office furniture and equipment	3 972	741	322	(1 461)	(44)	–	–	3 530
Leasehold improvements	1 485	148	–	(546)	–	–	–	1 087
Motor vehicles	2 139	919	19 745	(2 261)	(159)	–	–	20 383
Plant and machinery	11 656	4 599	3 966	(4 712)	(1)	–	–	15 508
Assets acquired under installment sale agreements								
Computer equipment	301	1 279	–	(217)	–	–	–	1 363
Office furniture and equipment	789	1 041	–	(275)	–	–	–	1 555
Motor vehicles	7 247	4 952	8 142	(1 975)	(27)	–	–	18 339
Plant and machinery	6 476	3 154	–	(2 079)	–	–	–	7 551
Capitalised finance leases								
Motor vehicles	300	–	–	(82)	–	–	–	218
	35 981	18 363	32 399	(14 963)	(274)	–	–	71 506

Certain items of property, plant and equipment with a carrying value of R35 940 000 (2009: R29 026 000) are secured as stated in note 24.

	2010			2009		
	Cost R'000	Accumu-lated amorti-sation R'000	Carrying value R'000	Cost R'000	Accumu-lated amorti-sation R'000	Carrying value R'000
13. Intangible assets						
Group						
Goodwill	104 173	357	103 816	100 996	335	100 661
Trademarks and tradenames	42 774	42 746	28	42 787	42 697	90
Customer relationships	3 775	2 139	1 636	3 775	1 460	2 315
Software	5 839	680	5 159	3 121	40	3 081
	156 561	45 922	110 639	150 679	44 532	106 147

	Carrying value at beginning of year R'000	Additions R'000	Acquisition of businesses R'000	Amor-tisation R'000	Disposal of businesses R'000	Impair-ment R'000	Carrying value at end of year R'000

13. Intangible assets (continued)

The movement in the carrying value of intangible assets can be analysed as follows:

Group

	Carrying value at beginning of year R'000	Additions R'000	Acquisition of businesses R'000	Amor-tisation R'000	Disposal of businesses R'000	Impair-ment R'000	Carrying value at end of year R'000
2010							
Goodwill	100 661	–	4 628	–	(1 451)	(22)	103 816
Trademarks and tradenames	90	–	–	(49)	(13)	–	28
Customer relationships	2 315	–	–	(679)	–	–	1 636
Software	3 081	2 718	–	(510)	–	(130)	5 159
	106 147	2 718	4 628	(1 238)	(1 464)	(152)	110 639
2009							
Goodwill	72 846	–	27 815	–	–	–	100 661
Trademarks and tradenames	125	–	–	(35)	–	–	90
Customer relationships	226	–	3 436	(1 347)	–	–	2 315
Software	820	2 301	–	(40)	–	–	3 081
	74 017	2 301	31 251	(1 422)	–	–	106 147

Intangible assets acquired relate to further vendor payments for the businesses of Vital Distribution Solutions (Pty) Ltd, Vital Fleet (Pty) Ltd and Staffing Logistics (Pty) Ltd.

Intangible assets disposed of relate to the Fruti Flow business that was disposed of by Sunkist Distributors, a division of Excelltrade (Pty) Ltd.

For the purposes of impairment testing, goodwill is allocated to the Group's operating division or entity which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Main assumptions used for value-in-use calculations:	
Growth rate – Producer Price Index (PPI)	6% – 8%
Discount rate – Weighted Average Cost of Capital (WACC) (pre-tax)	25%

Management determines the expected performance of the assets based on its expectations of mutual growth over a five-year period. The weighted average growth rate used is consistent with the increase within the industry where the asset is deployed. Future cash flows are determined for a cash generating unit in its current condition based on the latest approved budget by management. If necessary, these cash flows are then adjusted to take into account any changes in assumptions or operating conditions that have been identified subsequent to the preparation of the budgets.

Sensitivity to changes in assumptions

Management has considered the sensitivity of the values in use determined above to various key assumptions such as sales volumes and product pricing. The sensitivities have been taken into consideration in determining the required impairment and reversals of impairments as applicable.

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
14. Investments in subsidiaries				
Unlisted				
Shares at cost less amounts written off	–	–	26	26
Preference shares	–	–	70 000	70 000
Amounts owing by subsidiaries	–	–	99 038	105 867
Initial recognition adjustment of amounts due by subsidiaries	–	–	3 483	3 603
	–	–	172 547	179 496

Refer to the schedule of interest in subsidiaries on page 75 for a detailed listing of investments in subsidiaries and breakdown of amount owing by and to subsidiaries.

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
15. Investments in joint ventures				
Unlisted				
Shares at cost	–	–	49 620	44 999

Refer to the schedule of interest in joint ventures on page 76 for a detailed listing of investments in joint ventures.

Summarised financial information of joint ventures

The investments in jointly controlled entities are accounted for using the proportionate consolidation reporting format. The following is an aggregate of the proportional share of the major components of the joint ventures:

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
Current assets			73 001	56 520
Non-current assets			60 860	53 056
Current liabilities			(80 517)	(61 899)
Non-current liabilities			(15 088)	(16 423)
Revenue			234 315	178 205
Expenses			(221 824)	(174 872)

	Group 2010 R'000	Group 2009 R'000

16. Investment in associate

During the year the Group disposed of 66.7% of Sunkist Manufacturing (Pty) Ltd. The remaining 33.3% is being accounted for as an investment in associate. The Group has not recognised losses relating to this company, since the Group has no obligation in respect of these losses. No dividend was received from the associate.

Summary financial information for equity accounted investees, not adjusted for the percentage ownership held by the Group:

	2010 R'000	2009 R'000
Current assets	2 042	–
Non-current assets	3 917	–
Current liabilities	(3 613)	–
Non-current liabilities	(3 986)	–
Revenue	(10 480)	–
Expenses	(10 690)	–
Loss	(287)	–
Loans to associate		
Current	4 462	–
Non-current	631	–
	5 093	–

Loans to associate consist of the following:

1 Working capital loans.

2 Loans for the sale of the Fruti Flow business by Sunkist Distributors, a division of Excelltrade to the associate.

These loans are unsecured, bear interest at market-related interest rates and are repayable within the next two years.

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
17. Interest-bearing receivables				
Present value of interest-bearing receivables				
Secured loans	4 216	1 138	–	–
Unsecured loans	610	660	–	–
	4 826	1 798	–	–
Current portion of interest-bearing receivables	(2 604)	(1 238)	–	–
Long-term portion of interest-bearing receivables	2 222	560	–	–
Minimum payment analysis				
Secured loans	5 073	1 236	–	–
Unsecured loans	643	660	–	–
	5 716	1 896	–	–
Unearned finance income	(890)	(98)	–	–
Present value of interest-bearing receivables	4 826	1 798	–	–
Schedule of repayments of borrowings				
1 July 2010 to 31 December 2010	2 845	334	–	–
1 January 2011 to 30 June 2011	1 101	964	–	–
1 July 2011 to 30 June 2012	886	495	–	–
1 July 2012 to 30 June 2015	884	103	–	–
	5 716	1 896	–	–

Terms and debt repayment schedule	Nominal interest rate	Year of maturity
Secured loans	9.0% – 14.0%	2011 – 2015
Unsecured loans	12.50%	2011 – 2015

Certain items of property, plant and equipment serve as security for the secured loans.

	Group		Company	
	2010	2009	2010	2009
	R'000	R'000	R'000	R'000

18. Amounts owing by/(to) joint venture partners

Amounts owing by joint venture partners				
Current				
Delawood Designs (Pty) Ltd	**3 456**	720	**10 662**	5 190
Chattels Infrastructure Solutions (Pty) Ltd	**1 036**	4 966	**–**	–
Nu-Africa Comm Trading (Pty) Ltd	**1 695**	1 420	**3 389**	2 238
Vital Distribution Solutions (Pty) Ltd	**6**	–	**10**	–
Katanga X Holdings (Pty) Ltd	**5 026**	4 225	**–**	–
Siyuvela Facilities Services (Pty) Ltd, previously Coreguard (Pty) Ltd	**25**	–	**–**	–
Ixia Trading 210 (Pty) Ltd	**234**	116	**–**	–
Versatex Trading 40 (Pty) Ltd	**–**	7	**–**	–
Yodata Furniture	**–**	1 995	**–**	–
	11 478	13 449	**14 061**	7 428
Non-current				
Delawood Designs (Proprietary) Limited	**–**	306	**–**	612
Amounts owing to joint venture partners				
Current				
Katanga Parking Services (Pty) Ltd	**(4 969)**	(6 832)	**–**	–
Siyuvela Facilities Services (Pty) Ltd, previously Coreguard (Pty) Ltd	**–**	(177)	**–**	–
Katanga Property Care (Pty) Ltd	**(2 795)**	(4 459)	**–**	–
Defacto Investments 56 (Pty) Ltd	**(1 104)**	(1 005)	**–**	–
	(8 868)	(12 473)	**–**	–

The above amounts are interest-free and are repayable on demand, except for the non-current loans which bear interest at prime linked rates.

19. Deferred taxation

Deferred taxation assets	**6 438**	10 213	**1 397**	1 099
Deferred taxation liabilities	**(6 930)**	(6 977)	**–**	–
Net deferred taxation (liabilities)/assets	**(492)**	3 236	**1 397**	1 099
Reconciliation of movement in deferred taxation:				
Balance at beginning of year	**3 236**	10 560	**1 099**	1 405
Deferred taxation charge				
– current year	**(2 154)**	(3 120)	**(27)**	(451)
– prior year	**(468)**	–	**(326)**	–
Balance on disposal/acquisition of businesses	**(1 209)**	(5 060)	**–**	–
STC credits	**103**	856	**697**	–
Deferred taxation raised on initial recognition of amounts due by subsidiaries	**–**	–	**(46)**	145
Balance at end of year	**(492)**	3 236	**1 397**	1 099

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000

19. Deferred taxation (continued)

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
Comprising:				
– assessed losses	**5 617**	9 940	**79**	326
– capital allowances	**(7 943)**	(7 951)	**–**	–
– intangible assets	**(423)**	(626)	**–**	–
– prepaid expenses	**(431)**	(147)	**(64)**	(3)
– accruals and other items	**1 729**	1 164	**(664)**	–
– STC credits	**959**	856	**697**	–
– initial recognition of amounts due by subsidiaries	**–**	–	**534**	776
	(492)	3 236	**582**	1 099

A deferred taxation asset amounting to R1 432 000 (2009: R239 000) in respect of estimated assessed losses at Delawood Designs (Pty) Ltd, has not been recognised as it is uncertain when future taxable profits will be available against which the Group can utilise the benefit therefrom.

Should it be decided to declare all available retained earnings of the Group, the STC payable would be R12 704 000 (2009: R11 319 000).

20. Inventories

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
Raw materials and consumables	**7 514**	9 962	**–**	–
Finished goods	**2 370**	1 826	**–**	–
Merchandise	**76 461**	83 237	**–**	–
	86 345	95 025	**–**	–

Inventories carried at net realisable value amount to R16 541 000 (2009: R14 508 000).

Current market conditions determine the net realisable value of products and, where required, inventory items are written down to net realisable value.

A General Notarial Covering Bond for R20 000 000 (2009: R20 000 000) in favour of the companies' bankers has been registered over the movable assets of Excelltrade (Pty) Ltd.

21. Trade and other receivables

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
Trade receivables	**133 626**	136 322	**685**	–
Impairment allowance	**(8 075)**	(5 847)	**–**	–
	125 551	130 475	**685**	–
Other receivables (included in the scope of IFRS 7)	**7 741**	6 644	**–**	–
	133 292	137 119	**685**	–
Other receivables (excluded from the scope of IFRS 7)	**3 447**	1 903	**268**	139
	136 739	139 022	**953**	139

The Group's banking facilities are secured by means of a cession of book debts of R122 353 000 (2009: R130 475 000). Trade finance facilities are secured by a reversionary cession of trade receivables.

	Group		Company	
	2010	2009	2010	2009
	R'000	R'000	R'000	R'000

22. Other financial (liabilities)/assets

Assets				
Forward exchange contracts – current	**79**	–	**–**	–
Liabilities				
Forward exchange contracts – current	**(132)**	(909)	**–**	–

The above assets and liabilities represent the fair value of forward exchange contracts outstanding at year-end, using mark-to-market methodology.

23. Share capital and share premium

Share capital				
Authorised				
600 000 000 shares of R0.01 each	**6 000**	6 000	**6 000**	6 000
Issued				
232 034 849 (2009: 232 034 849) shares	**2 321**	2 321	**2 321**	2 321
Less: 14 170 552 (2009: 14 705 903) treasury shares	**(142)**	(148)	**–**	–
	2 179	2 173	**2 321**	2 321

The unissued ordinary shares are under the control of the directors in terms of a general authority. This authority remains in force until the next annual general meeting.

Share premium				
Balance at beginning of year	**64 687**	66 078	**74 664**	74 664
Shares sold	**–**	495	**–**	–
Share options exercised	**262**	–	**–**	–
Shares repurchased	**(10)**	(1 886)	**–**	–
	64 939	64 687	**74 664**	74 664

24. Interest-bearing debt

Present value of minimum lease payments				
Loans secured over certain property, plant and equipment in terms of financial lease and installment sale agreements (refer note 12)	**31 966**	27 611	**–**	–
Unsecured loans	**1 332**	4 519	**–**	–
	33 298	32 130	**–**	–
Current portion of interest-bearing debt	**(12 401)**	(13 342)	**–**	–
Long-term portion of interest-bearing debt	**20 897**	18 788	**–**	–

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
24. Interest-bearing debt (continued)				
Minimum lease payment analysis				
Loans secured over certain property, plant and equipment in terms of financial lease and installment sale agreements (refer note 12)	36 283	31 990	–	–
Unsecured loans	1 467	4 519	–	–
	37 750	36 509	–	–
Finance charges	(4 452)	(4 379)	–	–
Present value of minimum lease payments	33 298	32 130	–	–
Schedule of repayments of borrowings				
1 July 2010 to 31 December 2010	7 645	9 861	–	–
1 January 2011 to 30 June 2011	7 309	5 316	–	–
1 July 2011 to 30 June 2012	14 651	10 949	–	–
1 July 2012 to 30 June 2015	8 145	10 383	–	–
	37 750	36 509	–	–

Term and debt repayments schedule	Nominal interest rate %	Year of maturity
Loans secured over certain property, plant and equipment in terms of financial lease and installment sale agreements (refer note 12)	8.0% – 14.0%	2011 – 2015
Unsecured loans	10.0% – 12.0%	2011 – 2015

All of the above liabilities are in South African Rands.

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
25. Trade and other payables				
Trade and other payables	146 463	148 092	1 425	296
Salary and wage related payables	27 542	26 317	2 877	–
VAT liability	3 655	4 440	6	–
Straight line of operating leases	1 109	1 601	–	–
Other payables (excluded from the scope of IFRS 7)	1 860	1 180	–	–
Advances received in respect of construction work in progress	1 467	2 656	–	–
	182 096	184 286	4 308	296
Construction work in progress comprises:				
Contract cost incurred	9 952	3 145	–	–
Recognised profit	3 551	1 264	–	–
	13 503	4 409	–	–
Progress billings	(12 469)	(6 277)	–	–
Recognised losses	–	–	–	–
	1 034	(1 868)	–	–
Costs in excess of progress billings on construction contracts in progress	2 501	788	–	–
Advances received	(1 467)	(2 656)	–	–
	1 034	(1 868)	–	–

	Group		Company	
	2010	2009	2010	2009
	R'000	R'000	R'000	R'000
26. Commitments				
26.1 Capital commitments				
– authorised and contracted for	521	2 405	–	–
– authorised and not contracted for	1 936	2 263	–	–
	2 457	4 668	–	–
Capital commitments relate to the upgrading and expansion of capital equipment and computer software at various subsidiaries and joint ventures. These will be funded out of working capital or installment sale agreements.				
26.2 Operating lease commitments				
Property lease escalations vary between 7% and 9% per annum.				
Property lease payables				
– due within one year	24 002	23 618	–	–
– due within second to fifth year	19 683	24 662	–	–
	43 685	48 280	–	–
Equipment				
– due within one year	79	112	–	–
– due within second to fifth year	32	99	–	–
	111	211	–	–
Property lease receivables				
– due within one year	(624)	(472)	–	–
– due within second to fifth year	(3 054)	(120)	–	–
	(3 678)	(592)	–	–

27. Contingent liabilities

27.1 The Company has signed a Deed of Suretyship for a creditor of a joint venture, Nu-Africa Comm Trading (Pty) Ltd, and agreed to be bound jointly and severally as surety and co-principal debtor for debts owing to Oilstock Traders (Pty) Ltd, limited to R10 000 000. The amount outstanding at year end amounted to R5 017 000.

27.2 The Company has stood surety as co-principal debtor, for operating property leases entered into by its subsidiaries, for which commitments amounting to approximately R43 685 000 (2009: R48 280 000) existed at year end.

27.3 Banking facilities

The banking facilities of the Group are secured as follows:

27.3.1 A cross guarantee given by Excellerate Holdings Limited and various of its subsidiaries, binding themselves as guarantors for and co-principal debtors with each other.

27.3.2 Unlimited cession and pledge of positive bank balances of certain subsidiaries of Excellerate Holdings Limited.

27.3.3 Subordination by Excellerate Holdings Limited of its loan account with Excellerate Investment Holdings (Pty) Ltd. The subordination is limited to the amount required to achieve shareholders' funds in Excellerate Investment Holdings (Pty) Ltd of not less than R65 000 000.

27. Contingent liabilities (continued)

27.4 Trade finance facilities

The trade finance facilities are secured as follows:

27.4.1 Unlimited suretyship by Excellerate Holdings Limited, its subsidiaries and certain joint ventures.

27.4.1 Reversionary cession of trade receivables by certain subsidiaries of Excellerate Holdings Limited.

28. Retirement benefits

The Group provides retirement benefits for its permanent employees through numerous defined contribution schemes primarily being the Excellerate Provident Fund, the Interpark Provident Fund, Millenium Retirement Fund (Provident section), Retirement and Life Insurance Scheme, Corporate Selection Retirement Fund, the Louis Smiedt Pension Fund, the Metal Industries Provident Fund, the Autoworkers Pension and Provident Fund, the First Park Provident Fund and the National Contract Cleaning Provident Fund. These funds are administered independently of the Group and are subject to the Pension Funds Act. Total Group contributions for the year were R7 087 000 (2009: R8 303 000). The Group currently has 2 898 employees (2009: 3 306).

The Group does not provide post-retirement medical benefits to employees.

29. Borrowing powers

Borrowing powers, in terms of the articles of association, are unlimited.

30. Financial instruments

Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

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

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board established the Audit and Risk Committee, which provides guidance regarding the development and monitoring of the Group's risk management policies. The Committee reports regularly to the Board on its activities.

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

The Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Committee is assisted in its oversight role by Internal Audit, which undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Committee.

30. Financial instruments

(continued)

30.1 Financial instruments by category

	2010				2009			
	Loans and receiva-bles	Other financial liabilities	At fair value through profit and loss	Total	Loans and receiva-bles	Other financial liabilities	At fair value through profit and loss	Total
Group								
Assets								
Trade and other receivables	133 292	–	–	133 292	137 119	–	–	137 119
Cash and cash equivalents	31 188	–	–	31 188	21 845	–	–	21 845
Other financial assets	–	–	79	79	–	–	–	–
Interest-bearing receivables	4 826	–	–	4 826	1 798	–	–	1 798
Amounts owing by joint venture partners	11 478	–	–	11 478	13 755	–	–	13 755
Amounts owing by associate	5 093	–	–	5 093	–	–	–	–
	185 877	–	79	185 956	174 517	–	–	174 517
Liabilities								
Finance lease liabilities	–	(31 966)	–	(31 966)	–	(27 611)	–	(27 611)
Trade and other payables	–	(146 463)	–	(146 463)	–	(148 092)	–	(148 092)
Unsecured loan facilities	–	(1 332)	–	(1 332)	–	(4 519)	–	(4 519)
Amounts owing to joint venture partners	–	(8 868)	–	(8 868)	–	(12 473)	–	(12 473)
Vendors for acquisitions	–	(7 820)	–	(7 820)	–	(12 978)	–	(12 978)
Other financial liabilities	–	–	(132)	(132)	–	–	(909)	(909)
Shareholders for dividend	–	(147)	–	(147)	–	(79)	–	(79)
	–	(196 596)	(132)	(196 728)	–	(205 752)	(909)	(206 661)

	2010				2009			
	Loans and receiva-bles	Other financial liabilities	At fair value through profit and loss	Total	Loans and receiva-bles	Other financial liabilities	At fair value through profit and loss	Total
Company								
Assets								
Trade and other receivables	685	–	–	685	–	–	–	–
Cash and cash equivalents	4	–	–	4	238	–	–	238
Amounts owing by joint venture partners	14 061	–	–	14 061	8 040	–	–	8 040
Amounts owing by subsidiaries	99 038	–	–	99 038	105 867	–	–	105 867
Dividends receivable	15 847	–	–	15 847	16 413	–	–	16 413
Preference shares	70 000	–	–	70 000	70 000	–	–	70 000
	199 635	–	–	199 635	200 558	–	–	200 558
Liabilities								
Trade and other payables	–	(1 425)	–	(1 425)	–	(296)	–	(296)
Amounts owing to subsidiaries	–	(900)	–	(900)	–	(946)	–	(946)
Bank overdraft	–	(8 561)	–	(8 561)	–	(4 068)	–	(4 068)
Vendors for acquisitions	–	(7 820)	–	(7 820)	–	(12 978)	–	(12 978)
Shareholders for dividend	–	(147)	–	(147)	–	(79)	–	(79)
	–	(18 853)	–	(18 853)	–	(18 367)	–	(18 367)

30. Financial instruments (continued)

30.2 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet their contractual obligations. It arises principally from the Group's trade and other receivables.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. Approximately 45% (2009: 44%) of the Group's revenue is attributable to sales transactions with the Group's top ten customers.

Group companies have established credit policies under which material new customers are analysed and reviewed individually for credit-worthiness before standard payment and delivery terms and conditions are offered to them in respect of material amounts. This review includes external ratings, when available, and in some cases, bank references. Purchase limits are established for each customer, which represent the maximum open amount available to them without requiring further approval for any amendment. These limits are reviewed regularly. Customers that fail to meet benchmark credit-worthiness may only transact with the Group on a pre-payment basis.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are individuals or legal entities, whether they are wholesale, retail or end-user customers, their industry, their ageing profile, their maturity and the existence of any prior financial difficulties. Trade and other receivables relate mainly to the Group's wholesale customers. Customers that are graded as "high risk" are monitored by each business unit and any significant problems are communicated to the Board.

The Group establishes a debtors' impairment allowance that represents its estimate of incurred losses in respect of trade and other receivables. This allowance consists of a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of potential losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Investments

At times when the Group's cash position is positive, centralised treasury management procedures and controls ensure that cash deposits are only made with financial institutions having superior local credit ratings.

With regards to acquiring new investments, the Group limits its exposure to credit risk by only investing in companies subsequent to a detailed due diligence review and approval by the Board of Directors.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Group		Company	
	2010	2009	2010	2009
	R'000	R'000	R'000	R'000
Trade and other receivables	133 292	137 119	685	–
Cash and cash equivalents	31 188	21 845	4	238
Interest-bearing receivables	4 826	1 798	–	–
Amounts owing by subsidiaries	–	–	99 038	105 867
Preference shares	–	–	70 000	70 000
Amounts owing by joint venture partners	11 478	13 755	14 061	8 040
Dividends receivable	–	–	15 848	16 413
Amounts owing by associate	5 093	–	–	–
	185 877	174 517	199 636	200 558

	Group		Company	
	2010	2009	2010	2009
	R'000	R'000	R'000	R'000

30. Financial instruments (continued)

30.2 Credit risk (continued)

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
The maximum exposure to credit risk for trade and other receivables and interest-bearing receivables at the reporting date by geographic region was:				
Foreign	6 660	3 645	–	–
Local	131 458	135 272	685	–
– Gauteng	95 538	103 976	685	–
– Mpumalanga	1 530	757	–	–
– Limpopo	2 374	1 889	–	–
– North West	486	504	–	–
– Northern Cape	–	112	–	–
– Western Cape	18 144	14 507	–	–
– Eastern Cape	1 959	2 255	–	–
– KwaZulu-Natal	11 135	10 793	–	–
– Free State	292	479	–	–
	138 118	138 917	685	–

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
The maximum exposure to credit risk for trade and other receivables and interest-bearing receivables at the reporting date by type of customer was:				
Parastatal/government (Eskom, Transnet etc)	6 904	4 982	–	–
Corporates (Large companies)	91 463	99 621	685	–
SMMEs (Small to medium enterprises with revenue of less than R10 million)	33 071	26 304	–	–
Individuals	6 680	8 010	–	–
	138 118	138 917	685	–

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
Impairment losses				
The ageing of trade and other receivables at the reporting date was:				
Gross				
– Not past due	101 984	100 181	143	–
– Past due 0 – 30 days	21 870	16 020	–	–
– Past due 31 – 120 days	11 716	11 814	–	–
– Past due 121 – 365 days	4 444	7 059	542	–
– Past due 365+ days	6 179	9 690	–	–
	146 193	144 764	685	–

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
Impairment				
– Not past due	(361)	(199)	–	–
– Past due 0 – 30 days	(204)	(175)	–	–
– Past due 31 – 120 days	(1 000)	(789)	–	–
– Past due 121 – 365 days	(1 459)	(2 381)	–	–
– Past due 365+ days	(5 051)	(2 303)	–	–
	(8 075)	(5 847)	–	–

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
30. Financial instruments (continued)				
30.2 Credit risk (continued)				
The movement for the allowance for impairment in respect of trade and other receivables during the year was as follows:				
Balance at the beginning of the year	5 847	3 880	–	–
Impairment allowance recognised	2 228	294	–	–
Arising on acquisition of business	–	1 673	–	–
Balance at the end of the year	8 075	5 847	–	–

The impairment allowance is used to account for financial assets which management believe will not be recoverable. Actual write-off of bad debts is done to profit or loss and the allowance is reassessed regularly.

30.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Budgets are prepared for each business unit which are then consolidated into the Group budget for approval by the Board. The budget assists in the planning and monitoring of cash flow requirements. Typically the Group ensures that it has more than sufficient borrowing facilities available to meet expected cash requirements for the entire budget year. These requirements include those for operational expenses and the servicing of financial obligations. The budget is enhanced throughout the year by the reporting of rolling six-month cash forecasts together with the monthly management accounts. These forecasts exclude the potential impact of extreme circumstances that cannot reasonably be predicted, such as a natural disaster.

In addition to budgeting and forecasting, the Group makes use of internally imposed cash limits on subsidiary business units, which are strictly monitored and assessed.

The Group maintains comprehensive and adequate borrowing facilities with four major local banking institutions. At the reporting date, unutilised borrowing facilities were R96 740 000 (2009: R64 614 000) out of total facilities granted of R112 704 000 (2009: R119 538 000).

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flow	< 6 months	6 – 12 months	1 – 2 years	2 – 5 years
Group						
2010						
Non-derivative financial liabilities						
Finance lease liabilities	31 966	36 283	7 549	7 309	13 281	8 144
Trade and other payables	146 463	146 463	140 034	6 429	–	
Unsecured loan facilities	1 332	1 466	96	–	1 370	–
Amounts owing to joint venture partners	8 868	8 868	8 868	–	–	–
Vendors for acquisitions	7 820	9 068	–	6 469	2 599	–
Shareholders for dividend	147	147	147			
Derivative financial liabilities						
Other financial liabilities	132	(4 744)	(4 744)	–	–	–
	196 728	197 551	151 950	20 207	17 250	8 144

30. Financial instruments (continued)

30.3 Liquidity risk (continued)

	Carrying amount	Contractual cash flow	< 6 months	6 – 12 months	1 – 2 years	2 – 5 years
Company						
2010						
Non-derivative financial liabilities						
Trade and other payables	1 425	1 425	1 425	–	–	–
Amounts owing to subsidiaries	900	900	–	–	–	900
Bank overdraft	8 561	8 561	8 561	–	–	–
Vendors for acquisitions	7 820	9 068	–	6 469	2 599	–
Shareholders for dividend	147	147	147	–	–	–
	18 853	20 101	10 133	6 469	2 599	900
Group						
2009						
Non-derivative financial liabilities						
Finance lease liabilities	27 611	31 991	6 626	5 316	9 665	10 384
Trade and other payables	148 092	148 092	145 475	2 617	–	–
Unsecured loan facilities	4 519	4 519	3 235	–	1 284	–
Vendors for acquisitions	12 978	15 226	–	6 158	9 068	–
Amounts owing to joint venture partners	12 473	12 473	12 473	–	–	–
Shareholders for dividend	79	79	79	–	–	–
Derivative financial liabilities						
Other financial liabilities	909	(7 278)	(7 278)	–	–	–
	206 661	205 102	160 610	14 091	20 017	10 384
Company						
2009						
Non-derivative financial liabilities						
Trade and other payables	296	296	258	38	–	–
Amounts owing to subsidiaries	946	946	–	–	–	946
Bank overdraft	4 068	4 068	4 068	–	–	–
Vendors for acquisitions	12 978	15 226	–	6 158	9 068	–
Shareholders for dividend	79	79	79	–	–	–
	18 367	20 615	4 405	6 196	9 068	946

30.4 Market risk

Market risk is the risk that changes in the market price, such as foreign exchange rates, interest rates and equity prices, will affect the Group's profit or loss and the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

The Group is exposed to currency risk on purchases that are denominated in a currency other than the South African Rand primarily the Euro and the US Dollar (USD).

The Group enters into foreign exchange contracts for imported goods, in order to manage currency risks. All such transactions are carried out in line with the Group's risk management policies.

	30 June 2010			30 June 2009		
	Euro R'000	USD R'000	GBP R'000	Euro R'000	USD R'000	GBP R'000
30. Financial instruments (continued)						
30.4 Market risk (continued)						
Currency risk						
Exposure to currency risk						
The Group's exposure to foreign currency risk was as follows:						
Trade and other payables	**1 516**	**3 357**	**8**	1 846	5 668	73

All trade and other receivables are denominated in Rands (ZAR) and are therefor not subject to currency risk.

The following significant exchange rates applied during the year:

	Average rate		Reporting date – Spot rate	
	2010	2009	2010	2009
Euro	**10.54**	12.30	**9.36**	10.84
USD	**7.57**	9.01	**7.66**	7.72
GBP	**11.98**	14.40	**11.45**	12.69

Foreign exchange contracts were entered into to cover material outstanding foreign commitments to creditors. Uncovered foreign commitments amounted to R164 000.

Sensitivity analysis

A 10% strengthening of the Rand against the following currencies would have increased profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2009.

	2010	2009
	R'000	R'000
Euro	**153**	185
USD	**336**	567
GBP	**2**	7
	491	759

A 10% weakening of the Rand against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

At any point in time, and in line with policy, the Group economically hedges between 80 and 100% of any known foreign currency exposures, the bulk of which consist of trade and other payables. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than six months from the reporting date. When necessary, forward exchange contracts are rolled over at maturity.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's only exposure is to that of Homewares International, a dormant foreign subsidiary. Any foreign currency risk in this entity is considered to be immaterial.

	Group		Company	
	2010	2009	2010	2009
	R'000	R'000	R'000	R'000

30. Financial instruments (continued)

30.4 Market risk (continued)

Interest rate risk

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	2010	2009	2010	2009
Variable rate instruments				
Financial assets	**52 585**	37 398	**183 103**	184 145
Financial liabilities	**(49 986)**	(57 581)	**(17 281)**	(17 992)
	2 599	(20 183)	**163 822**	166 153

Cash flow sensitivity analysis for variable rate instruments

A change in 100 basis points in interest rates at the reporting date would have (decreased)/increased profit or loss by the amounts shown below. This analysis assumes that all other variables in particular foreign currency rates remain constant. This analysis was performed on the same basis for 2009.

	2010	2009	2010	2009
100 bp increase	**(27)**	(202)	**1 638**	1 662
100 bp decrease	**27**	202	**(1 638)**	(1 662)

The Group has adopted a policy of applying variable rates to any interest-based debt exposure. These rates are linked to the prime overdraft rate, and in most cases are below prime. There is no fixed interest rate exposure.

The rationale behind this policy is that the Group is able to react to interest rate changes by adjusting selling prices reasonably quickly.

30.5 Fair value hierarchy

The forward exchange contracts included in other financial assets/liabilities are analysed in terms of hierarchy levels defined as a: Level 3: Inputs for the asset/liability that are not based on observable market data.

The forward exchange contracts are valued based on forward rates obtained from banks at 30 June 2010.

30.6 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as profit after taxation attributable to equity holders of the parent divided by total average equity attributable to equity holders of the parent and the Group's debt to equity ratio. The Board also monitors the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security awarded by a sound capital position.

From time to time the Group purchases its own shares on the market. The timing of these purchases depends on market prices. Buy and sell decisions are made on a specific transaction basis by the Board. The Group currently does not have a defined share buy-back plan.

	2010 R'000	2009 R'000

31. Related parties

Group

The Company has no holding company and as such the shareholders and any subsidiaries, associate companies or joint venture partners are considered to be related parties.
All transactions with these related parties are on a market-related basis. The subsidiaries and joint venture partners of the Group are identified in the schedule on pages 75 and 76.
The directors are listed on pages 11 and 12.

	2010 R'000	2009 R'000
Remuneration of key management – Short-term employee benefits	**46 569**	43 320

Included in short-term employee benefits, above, are directors' emoluments of all Group companies. Details of the Group's directors' emoluments are reflected in note 6.

Certain key management and employees of the Group's subsidiaries are related to key management of the Group. Their remuneration is included in the short term employee benefits reflected above. They were employed in the Goldenmarc business unit, earning remuneration of R230 000 (2009 – R2 407 000) and are employed in the Sterikleen business unit, earning remuneration of R896 000 (2009 – R785 000).

Key management is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity.

A portion of the premises rented by Excellerate Investment Holdings (Pty) Ltd, is sublet to Buffet Investment Services (Pty) Ltd (Buffet). Buffet and Excellerate Holdings Limited have a common shareholder. The rental received for the year was R498 000 (2009: R445 200). The rental amounts to approximately R41 500 per month and will expire when the main lease agreement expires. Rental is determined on the proportional area occupied. Refer to note 26.2 for the future property lease receivable.

The Group earns administration fee income. The portion relating to the Group is eliminated on consolidation. The following represents the uneliminated portion of the administration fee income which is included in the revenue of the Group:

	2010 R'000	2009 R'000
Administration income		
Katanga X Holdings (Pty) Ltd	**790**	3 522
Chattels Infrastructure Solutions (Pty) Ltd	**111**	118
Delawood Designs (Pty) Ltd	**136**	121
	1 037	3 761

Company

The subsidiaries and joint venture partners of the Company are identified in the schedule on pages 75 and 76. All of these are related parties to the Company. The Company has made loans to and has received loans from certain of these entities as set out in note 18 and on page 15. The Company has charged interest on certain loans provided to subsidiaries at a market-related rate for such subsidiaries. The directors are listed on pages 11 and 12.

	2010 R'000	2009 R'000
Rendering of services		
Excellerate Investment Holdings (Pty) Ltd	**5 340**	–
Delawood Designs (Pty) Ltd	**272**	243
	5 612	243

32. Acquisitions and disposals of interest in joint ventures, shares and businesses

The following acquisitions were made by the Group during the year:

Rationale for acquisitions

1 *Excellerate Investment Holdings (Pty) Ltd*

Excellerate reached an agreement with Akenton Services, one of our black economic empowerment (BEE) partners, whereby Excellerate acquired Akenton's 25% shareholding in Excellerate Investment Holdings (Pty) Ltd.

2 *Vital Distribution Solutions (Pty) Ltd, Vital Fleet (Pty) Ltd and Staffing Logistics (Pty) Ltd*

The intangible assets acquired for these companies relate to further payments made to the vendor. The amounts in excess of the initial estimated payments have been allocated to goodwill, as all other intangible assets were recorded at fair value on the date of obtaining joint control.

	Versatex Trading 40 (Pty) Ltd R'000	Excellerate Investment Holdings (Pty) Ltd R'000	Vital and Staffing Logistics R'000	Total R'000
Acquirees' net assets at the acquisition dates				
Intangible assets	7	–	4 621	4 628
Interest-bearing debt	–	2 997	–	2 997
Share capital and share premium	–	3	–	3
Total purchase consideration	7	3 000	4 621	7 628
Deemed dividend	–	1 200	–	1 200
Cash flow on acquisitions	7	4 200	4 621	8 828

The fair values of the companies and businesses acquired are substantially the same as the carrying values indicated above.

Disposals

	Sunkist Manu-facturing (Pty) Ltd R'000	Fruti Flow business R'000	Kosher business R'000	Total R'000
Net assets at the disposal dates				
Property, plant and equipment	–	(1 521)	–	(1 521)
Intangible assets	–	(1 464)	–	(1 464)
Amount owing to Group company	948	–	–	948
Inventories	–	(1 866)	(244)	(2 110)
Bank and cash	(2)	–	–	(2)
Deferred taxation	(1 209)	–	–	(1 209)
Value of assets and liabilities disposed	(263)	(4 851)	(244)	(5 358)
Loss/(profit) on disposal	263	458	(100)	621
Total consideration on disposal	–	(4 393)	(344)	(4 737)
Less: Cash disposed	2	–	–	2
Amount owing to the Group	–	3 910	–	3 910
Cash flow on disposals	2	(483)	(344)	(825)

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000

33. Notes to the statements of cash flows

33.1 *Cash generated/(utilised) by operations*

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
Operating profit/(loss) before working capital changes	61 512	60 051	(226)	(62)
Profit before taxation after discontinued operations	39 110	40 150	7 915	10 867
Adjustment for:				
– depreciation	14 937	14 963	–	–
– finance income	(3 108)	(5 378)	(2 137)	(2 464)
– finance costs	9 749	10 404	1 992	927
– dividends received	–	–	(7 996)	(9 392)
– loss on disposal of business/subsidiary	621	–	–	–
– impairment of intangibles	152	–	–	–
– (profit)/loss on disposal of property, plant and equipment	(331)	113	–	–
– negative goodwill	–	(2 498)	–	–
– amortisation of intangible assets	1 238	1 422	–	–
– net derivative financial instruments raised	(856)	875	–	–
Working capital changes	6 856	4 762	3 198	6
Decrease in inventories	6 570	9 182	–	–
Decrease/(increase) in trade and other receivables	2 476	9 185	(814)	3
(Decrease)/increase in trade and other payables	(2 190)	(13 605)	4 012	3
	68 368	64 813	2 972	(56)

33.2 *Taxation paid*

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
Balance at beginning of year	(5 972)	(5 207)	266	74
Amounts charged to income statement	(13 320)	(8 221)	(23)	–
Acquisition of interests in joint ventures	–	(150)	–	–
STC paid	(103)	(856)	(697)	(696)
Balance at end of year	8 856	5 972	(208)	(266)
Cash amount paid	(10 539)	(8 462)	(662)	(888)

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000

33. Notes to the statements of cash flows (continued)

33.3 Net finance (costs)/income

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
Finance income received	**2 626**	3 919	**1 435**	1 802
Finance income	**3 108**	5 378	**2 137**	2 464
Non-cash finance income	**(482)**	(1 459)	**(702)**	(662)
Finance costs paid	**(9 260)**	(9 513)	**(1 503)**	(427)
Finance costs	**(9 749)**	(10 404)	**(1 992)**	(927)
Non-cash finance costs	**489**	891	**489**	500
Cash amount paid	**(6 634)**	(5 594)	**(68)**	1 375

33.4 Acquisition of businesses

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
Property, plant and equipment	**–**	(32 399)	**–**	–
Interest-bearing debt	**(2 997)**	7 908	**–**	–
Share capital repurchased (in subsidiary)	**(3)**	–	**–**	–
Trade and other receivables	**–**	(28 650)	**–**	–
Inventories	**–**	(854)	**–**	–
Bank and cash	**–**	(1 978)	**–**	–
Trade and other payables	**–**	25 444	**–**	–
Taxation	**–**	150	**–**	–
Deferred taxation	**–**	4 097	**–**	–
Value of assets and liabilities acquired	**(3 000)**	(26 282)	**–**	–
Goodwill arising on acquisitions	**(4 628)**	(25 411)	**–**	–
Intangible assets arising on acquisitions	**–**	(3 436)	**–**	–
Deferred taxation arising on acquisition	**–**	963	**–**	–
Deemed dividend	**(1 200)**	–	**–**	–
Total purchase consideration	**(8 828)**	(54 166)	**–**	–
Less: Cash acquired	**–**	1 978	**–**	–
	(8 828)	(52 188)	**–**	–
Imputed interest on amounts owing to vendors	**(489)**	(500)	**–**	–
Vendors at the beginning of the year	**(12 978)**	(6 661)[(1)]	**–**	–
Vendors at the end of the year	**7 820**	12 978		
Cash flow on acquisitions	**(14 475)**	(46 371)	**–**	–

[(1)] *Included in this amount are changes relating to the prior year of R94 000.*

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
33. Notes to the statements of cash flows (continued)				
33.5 Increase in investments in subsidiaries and joint ventures				
Increase in investment/acquisition of shares in joint ventures	–	–	(4 621)	(44 999)
Movement in vendors for acquisitions	–	–	(5 158)	12 978
Imputed interest on amounts owing to vendors	–	–	(489)	(500)
Acquisition costs paid in prior year (previously disclosed under trade and other receivables)	–	–	–	11
	–	–	(10 268)	(32 510)
33.6 Disposal of businesses				
Property, plant and equipment	1 521	–	–	–
Intangible assets	1 464	–	–	–
Amount owing to Group company	(948)	–	–	–
Inventories	2 110	–	–	–
Bank and cash	2	–	–	–
Deferred taxation	1 209	–	–	–
Net assets disposed	5 358	–	–	–
Loss on disposal	(621)	–	–	–
Less: Cash disposed	(2)	–	–	–
Amounts owing by purchaser	(3 910)	–	–	–
Cash flow on disposal	825	–	–	–
33.7 Dividends paid				
Balance at beginning of year	(79)	–	(79)	–
Dividends declared	(6 383)	(6 797)	(6 961)	(6 961)
Balance at end of year	147	79	147	79
Cash amount paid	(6 315)	(6 718)	(6 893)	(6 882)
33.8 Dividends received				
Balance at beginning of year	–	–	16 413	10 852
Dividends declared during year	–	–	7 996	9 392
Balance at end of year	–	–	(15 847)	(16 413)
Cash amount received	–	–	8 562	3 831

Group segmental report

for the year ended 30 June 2010

	Services R'000	Trading and distribution R'000	Corporate R'000	Total R'000
2010				
Revenue (external)	344 951	354 845	–	699 796 [(1)]
Revenue (internal)	37 154	2 836	9 926	49 916
	382 105	357 681	9 926	749 712
Profit/(loss) before interest and taxation	38 239	20 011	(5 438)	52 812
Less: Discontinued operations	–	(7 061)	–	(7 061)
	38 239	12 950	(5 438)	45 751
Net finance costs	(2 782)	(1 348)	(2 998)	(7 128)
Finance income	2 353	2 465	5 352	10 170[(2)]
Finance costs	(5 135)	(3 813)	(8 350)	(17 298)[(3)]
Profit/(loss) before taxation	35 457	18 663*	(8 436)	45 684
Less: Discontinued operations	–	(6 574)	–	(6 574)
	35 457	12 089	(8 436)	39 110
Taxation	(11 164)	(5 226)	(1 264)	(17 654)
Less: Discontinued operations	–	1 712	–	1 712
	(11 164)	(3 514)	(1 264)	(15 942)
Depreciation expense	(11 886)	(2 796)	(255)	(14 937)
Amortisation of intangibles	(100)	(102)	(1 036)	(1 238)
Impairment of intangibles	(152)	–	–	(152)
Additions to property, plant and equipment	19 617	1 902	56	21 575
Segment assets	351 104	247 185	(122 761)	475 528
Segment liabilities	(185 687)	(77 751)	7 260	(256 178)
Segment equity	(165 417)	(169 434)	115 501	(219 350)
Cash flows from operating activities	39 213	23 295	(17 627)	44 880
Cash flows from investing activities	(29 274)	2 850	(9 237)	(35 661)
Cash flows from financing activities	(40 416)	(31 472)	72 102	124
2009				
Revenue (external)	318 284	356 057	–	674 341[(1)]
Revenue (internal)	30 424	638	8 938	40 000
	348 708	356 695	8 938	714 341
Profit/(loss) before interest and taxation	38 249	15 565	(3 256)	50 558
Less: Discontinued operations	–	(5 383)	–	(5 383)
	38 249	10 182	(3 256)	45 175
Net finance income/(costs)	2 395	1 141	(9 613)	(6 077)
Finance income	5 411	4 390	5 250	15 051[(2)]
Finance costs	(3 016)	(3 249)	(14 863)	(21 128)[(3)]
Profit/(loss) before taxation	40 645	16 705*	(12 869)	44 481
Less: Discontinued operations	–	(4 331)	–	(4 331)
	40 645	12 374	(12 869)	40 150
Taxation	(11 766)	(4 287)	3 890	(12 163)
Less: Discontinued operations	–	822	–	822
	(11 766)	(3 465)	3 890	(11 341)
Depreciation expense	(11 256)	(3 482)	(226)	(14 963)
Amortisation of intangibles	–	–	(1 422)	(1 422)
Negative goodwill realised	–	–	2 498	2 498

* *Before discontinued operations.*

Group segmental report (continued)

for the year ended 30 June 2010

	Services R'000	Trading and distribution R'000	Corporate R'000	Total R'000
2009				
Additions to property, plant and equipment	15 644	2 522	197	18 363
Segment assets	262 997	223 891	(19 122)	467 766
Segment liabilities	(178 721)	(79 051)	(6 487)	(264 259)
Segment equity	(84 276)	(144 840)	25 609	(203 507)
Cash flows from operating activities	42 096	15 973	(14 030)	44 039
Cash flows from investing activities	(62 903)	(2 507)	(1 464)	(66 874)
Cash flows from financing activities	3 084	1 230	(9 623)	(5 309)

	2010	2009
Reconciliations		
1 Revenue		
Total revenue per reportable segments	**749 712**	714 341
Elimination of inter-segmental revenue	**(49 916)**	(40 000)
	699 796	674 341
Joint venture management fees not included for financial reporting purposes	**1 036**	3 713
	700 832	678 054
Discontinued operations	**(916)**	(23 056)
Consolidated revenue	**699 916**	654 998
2 Finance income		
Total finance income per reportable segments	**10 170**	15 051
Elimination of inter-segmental finance income	**(7 571)**	(11 191)
Consolidated finance income	**2 599**	3 860
3 Finance costs		
Total finance cost per reportable segments	**(17 298)**	(21 128)
Elimination of inter-segmental finance costs	**7 571**	11 191
Consolidated finance costs	**(9 727)**	(9 937)

Interest in subsidiaries, joint ventures and associate

at 30 June 2010

	Issued ordinary capital	Effective holdings 2010	Effective holdings 2009	Company's interest – Shares 2010	Company's interest – Shares 2009	Company's interest – Indebtedness 2010	Company's interest – Indebtedness 2009
	R	%	%	R'000	R'000	R'000	R'000
Subsidiaries							
Directly held							
Excellerate Investment Holdings (Pty) Ltd	750	**100**	75	*	*	**92 198**	99 378
Zanmet Trading 7 (Pty) Ltd	100	**100**	100	*	*	**8 743**	9 260
Excellerate Property Holdings (Pty) Ltd	100	**100**	100	*	*	–	–
Homewares International Limited (incorporated in Guernsey, Channel Islands)	US$4 000	**100**	100	**26**	26	**(900)**	(946)
Other dormant companies	200	**100**	100	*	*	–	–
Indirectly held							
Foodserv Solutions (Pty) Ltd	1	**100**	75	*	*	–	–
Excellerate Industrial Corporation (Pty) Ltd	1	**100**	75	*	*	–	–
Goldenmarc (Pty) Ltd	100	**100**	75	*	*	–	–
Louis Smiedt (Pty) Ltd	100	**100**	75	*	*	–	–
Hypertrade (Pty) Ltd	100	**100**	75	*	*	–	–
Sterikleen (Pty) Ltd	100	**100**	75	*	*	–	–
Interpark (South Africa) (Pty) Ltd	100	**100**	75	*	*	–	–
Excelltrade (Pty) Ltd	200	**100**	75	*	*	–	–
Creative Tension Software Solutions (Pty) Ltd	1000	**100**	75	*	*	–	–
Levingers Dry Cleaners (Pty) Ltd	100	**100**	75	*	*	–	–
Autoclenz (Pty) Ltd	100	**100**	75	*	*	–	–
First Park (Pty) Ltd	100	**100**	75	*	*	–	–
Ferrengi Household Products (Pty) Ltd	100	**100**	75	*	*	–	–
Omnipark (Pty) Ltd	100	**100**	75	*	*	–	–
Omnigate (Pty) Ltd[1]	100	**38**	28.5	*	*	–	–
Omnipark (SA) (Pty) Ltd[1]	100	**38**	28.5	*	*	–	–
Excellshell 6 (Pty) Ltd, previously Outdoor Cooling (Pty) Ltd	100	**100**	75	*	*	–	–
Sunkist Manufacturing (Pty) Ltd	100		75		*		–
Casi Interpark (Pty) Ltd	100	**74**	55.5	*	*	–	–
IP Parking (Pty) Ltd	100	**80**	60	*	*	–	–
Interpark Swaziland (Pty) Ltd (incorporated in Swaziland)	E100	**100**	75	*	*	–	–
Versatex Trading 40 (Pty) Ltd	50	**100**		*		–	
				26	26	**100 041**	107 692

	2010 R'000	2009 R'000
Amounts owing by subsidiaries[2]	**100 941**	108 638
Carrying value of amounts owing by subsidiaries	**99 038**	105 867
Unwinding of the discount on initial recognition	**1 903**	2 771
Amount owing to subsidiary	**(900)**	(946)
	100 041	107 692

[1] *These companies are consolidated, as Omnipark (Pty) Ltd exercises control over the companies by way of having majority vote on shareholders' meetings.*

[2] *Amounts owing by subsidiaries are included in investments in subsidiaries, as they are considered to be equity loans.*

* *Less than R1 000.*

Interest in subsidiaries, joint ventures and associate (continued)

at 30 June 2010

	Issued ordinary capital	Effective holdings 2010	Effective holdings 2009	Company's interest: Shares 2010	Company's interest: Shares 2009	Company's interest: Indebtedness 2010	Company's interest: Indebtedness 2009
	R	%	%	R'000	R'000	R'000	R'000
Joint ventures							
Directly held							
Vital Distribution Solutions (Pty) Ltd	1 000	**37.4**	37.4	**10 355**	10 355	**10**	–
Vital Fleet (Pty) Ltd	100	**50**	50	**21 064**	17 614	**–**	–
Staffing Logistics (Pty) Ltd	100	**50**	50	**17 747**	16 576	**–**	–
Delawood Designs (Pty) Ltd	200	**50**	50	**454**	454	**10 662**	5 802
Nu-Africa Comm Trading (Pty) Ltd	100	**50**	50	*	*	**3 389**	2 238
Siyuvela Facilities Services (Pty) Ltd, previously Coreguard (Pty) Ltd	100	**49**		*		**–**	
Indirectly held							
Chattels Infrastructure Solutions (Pty) Ltd	900	**50**	37.5	*	*	**–**	–
Katanga X Holdings (Pty) Ltd	100	**49**	36.75	*	*	**–**	–
Katanga Property Care (Pty) Ltd	100	**49**	36.75	*	*	**–**	–
Katanga Parking Services (Pty) Ltd	100	**49**	36.75	*	*	**–**	–
Siyuvela Facilities Services (Pty) Ltd, previously Coreguard (Pty) Ltd	100		36.75		*		–
Other dormant companies	100	**49**	36.75	*	*	**–**	–
Versatex Trading 40 (Pty) Ltd	50		37.5		*		–
Ixia Trading 210 (Pty) Ltd	100	**49**	36.75	*	*	**–**	–
Defacto Investments 56 (Pty) Ltd	100	**20**	15	*	*	**–**	–
Yodata Furniture#			37.5		–		–
				49 620	44 999	**14 061**	8 040
Associate							
Indirectly held							
Sunkist Manufacturing (Pty) Ltd	100	**33.3**		*		**–**	

** Less than R1 000.*

 # Unincorporated entity.

The Company has subordinated, in favour of other creditors, loans made to:
- Delawood Designs (Pty) Ltd
- Excellerate Investment Holdings (Pty) Ltd, as disclosed in note 27.3.3

Shareholders' analysis

for the year ended 30 June 2010

	Number of shareholders	%	Number of shares	%
General analysis				
1 – 1 000 shares	60	13.83	36 473	0.02
1 001 – 10 000 shares	186	42.86	1 118 218	0.48
10 001 – 100 000 shares	128	29.49	4 916 790	2.12
100 001 – 1 000 000 shares	34	7.83	10 054 703	4.33
1 000 001 shares and over	25	5.76	201 738 113	86.94
Total Group	433	99.77	217 864 297	93.89
Subsidiary company holding	1	0.23	14 170 552	6.11
	434	**100.00**	**232 034 849**	**100.00**
Analysis per class of sharehoder				
Banks	7	1.61	4 922 728	2.12
Close corporations	9	2.07	444 324	0.19
Individuals	359	82.72	31 001 285	13.36
Investment companies	5	1.15	33 790 794	14.56
Nominees and trusts	27	6.22	33 211 739	14.31
Other corporations	5	1.15	495 350	0.21
Private companies	17	3.93	84 464 231	36.41
Public companies	5	1.15	43 704 398	18.84
	434	**100.00**	**232 034 849**	**100.00**
Non-public shareholders	10	2.30	135 868 547	58.56
Directors and associates of the Group	6	1.38	5 988 835	2.58
Strategic holdings (more than 10%)	3	0.69	115 709 160	49.87
Treasury shares	1	0.23	14 170 552	6.11
Public shareholders	424	97.70	96 166 302	41.44
	434	**100.00**	**232 034 849**	**100.00**

Major shareholders

The following shareholders held more than 5% of the shares in issue:

Pharaoh Limited	43 519 784	18.76
Buff-Shares (Pty) Ltd	43 428 582	18.72
Nedbank Capital Private Equity, a division of Nedbank Ltd	28 760 794	12.40
Zanmet Trading 7 (Pty) Ltd	14 170 552	6.11
Cleveland Capital (Pty) Ltd	13 457 952	5.80
Suikerbos Trust	13 295 112	5.73
	156 632 776	**67.52**

Source: Computershare Investor Services (Pty) Ltd

Notice of annual general meeting

Excellerate Holdings Limited

(Incorporated in the Republic of South Africa)
(Registration number 1997/009884/06)
JSE code: EXL ISIN: ZAE000026092
(Excellerate or the Company)

Notice is hereby given that the thirteenth annual general meeting of members of Excellerate Holdings Limited (the Company) will be held at 1st Floor, Atholl Square, corner Katherine Street and Wierda Road East, Sandown, Sandton, on Friday, 14 January 2011 at 14:00 to consider and, if deemed fit, to pass with or without modification the following resolutions in the manner required by the Companies Act, 61 of 1973, as amended (the Act) and subject to the Listings Requirements of the JSE Limited (the JSE Listings Requirements):

Ordinary business

Ordinary resolution number 1

"Resolved that the consolidated audited annual financial statements of the Company and its subsidiaries, incorporating the auditors' and directors' reports for the year ended 30 June 2010, be received and adopted."

Ordinary resolution number 2

"Resolved that Rudi Stumpf, who retires in terms of Article 15 of the Articles of Association of the Company and is eligible and available for re-election, is hereby reappointed as a director of the Company." Rudi Stumpf, aged 40, is a non-executive director of Excellerate Holdings Limited. He holds a BCom (Hons) degree, is a registered actuary and has more than 18 years' experience in business.

Ordinary resolution number 3

"Resolved that Mike Mohohlo who retires in terms of Article 15 of the Articles of Association of the Company and is eligible and available for re-election, is hereby re-appointed as a director of the Company." Mike Mohohlo, aged 64, is a non-executive director of Excellerate Holdings Limited. He has a BCom degree, an MBA and more than 35 years' commercial experience.

Ordinary resolution number 4

"Resolved that Athol Stewart who retires in terms of Article 15 of the Articles of Association of the Company and is eligible and available for re-election, is hereby reappointed as a director of the Company." Athol Stewart, aged 60, is an executive director of Excellerate Holdings Limited. He has more than 40 years' experience in business.

Ordinary resolution number 5

"Resolved that the directors be granted a general authority to allot and issue the authorised but unissued ordinary shares of the Company after providing for the allotment and issue of ordinary shares in terms of the Company's share scheme, which shares are hereby placed under the control of the directors until the next annual general meeting, upon such terms and conditions as they at their sole discretion may determine, subject to the provisions of the Act, and the JSE Listings Requirements and those of any other stock exchange upon which the shares of the Company may be quoted or listed."

Ordinary resolution number 6

"Resolved that, subject to the renewal of the general authority proposed in terms of ordinary resolution number 5 above and in terms of the JSE Listings Requirements and those of any other stock exchange upon which the shares of the Company may be quoted or listed, directors be granted a general authority to issue ordinary shares in the capital of the Company for cash as and when they consider it appropriate in the circumstances subject to the Act, the Articles of Association of the Company and the JSE Listings Requirements when applicable and subject to the following limitations:

1. that this authority shall be valid until the next annual general meeting of the Company or for 15 (fifteen) months from the date of the passing of this resolution, whichever period is shorter;

2. that an announcement containing full details, including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 (thirty) days prior to the date that the price of the issued shares was determined or agreed by the directors of the Company and the party subscribing for the securities, the effect on net asset value and the effect on earnings per share and headline earnings per share, will be published at the time of issue of shares representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) or more of the ordinary shares in issue immediately prior to any such issue;
3. that issues in the aggregate in any 1 (one) financial year shall not exceed 15% (fifteen percent) of the number of the Company's ordinary shares in issue. The number of ordinary shares which may be issued shall be based on the number of ordinary shares in issue at the date of such application, less any ordinary shares issued or to be issued in the future arising from options/convertible securities issued during the current financial year, provided that any ordinary shares to be issued pursuant to a rights issue (announced and irrevocable and underwritten) or acquisition (concluded up to date of application) may be included as though they were shares in issue at the date of application;
4. that, in determining the price at which the ordinary shares will be issued in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price of the ordinary shares over the 30 (thirty) business days prior to the date that the price of ordinary shares to be issued is determined or agreed by the directors and the party subscribing for the securities;
5. that any issues of ordinary shares in the capital of the Company shall only be made to public shareholders as defined in the JSE Listings Requirements but not to related parties; and
6. the ordinary shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue."

In accordance with the JSE Listings Requirements, approval of this ordinary resolution will require a 75% (seventy-five percent) majority of votes cast by members present or represented by proxy at the annual general meeting.

Ordinary resolution number 7

"Resolve that KPMG be re-appointed as external auditors of the Group and to appoint Mr K Volschenk as the designated auditor to hold office for the ensuing year."

Ordinary resolution number 8

"Resolve that the directors' remuneration as disclosed on page 43 of the financial statements be hereby confirmed."

Ordinary resolution number 9

"Resolve that any director or alternate director of the Group be and is hereby authorised to sign all documents and do all such things as may be necessary for and incidental to, as the case may be, the implementation of the resolutions herein."

Special business

Special resolution

"Resolved that in terms of the authority granted in the Articles of Association of the Company and/or subsidiary/(ies) of the Company, the Company and/or any of its subsidiaries be and is hereby authorised, by way of a general approval contemplated in sections 85(2), 85(3) and 89 of the Act, to acquire the Company's own shares, upon such terms and conditions and in such amounts as the directors of the Company (and, in the case of an acquisition by a subsidiary/(ies), the directors of the subsidiary/(ies)) may from time to time decide, but subject to the Articles of Association of the Company, the provisions of the Act and the JSE Listings Requirements and those of any other stock exchange upon which the shares of the Company may be quoted or listed, subject to the following conditions:

1. that this authority shall be valid until the next annual general meeting of the Company or for 15 (fifteen) months from the date of the passing of this resolution, whichever period is shorter;
2. that any repurchases of shares in terms of this authority be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty, such repurchases being effected by 1 (one) appointed agent of the Company at any point in time;
3. that the acquisitions in any one financial year shall be limited to 20% (twenty percent) of the issued share capital of the Company at the date of this annual general meeting, provided that any subsidiary/(ies) may acquire shares to a maximum of 10% (ten percent) in the aggregate of the ordinary shares in the Company;

4. that any acquisition of ordinary shares in terms of this authority, may not be made at a price greater than 10% (ten percent) above the weighted average traded price of the ordinary shares over the 5 (five) business days immediately preceding the date on which the acquisition is effected;
5. that any acquisition of shares in terms of this authority may not be effected during a prohibited period, as defined in the JSE Listings Requirements unless a repurchase programme is in place;
6. that a press announcement containing full details of such acquisitions of shares, will be published as soon as the Company and/or its subsidiaries has/have acquired ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of shares in issue at the date of the general meeting at which this special resolution is considered and, if approved, passed and for each 3% (three percent) in aggregate of the initial number acquired thereafter;
7. the Company and its subsidiaries (the Group), will be able to pay its debts as they become due in the ordinary course of business for a period of 12 (twelve) months after the date of notice of the annual general meeting;
8. the Company's and the Group's assets, fairly valued, in accordance with International Financial Reporting Standards, will be in excess of the Company's and the Group's liabilities for a period of 12 (twelve) months after the date of notice of the annual general meeting;
9. the Company's and the Group's issued share capital and reserves and working capital will be adequate for a period of 12 (twelve) months after the date of notice of the annual general meeting to meet the Group's current and foreseeable future requirements; and
10. upon entering the market to proceed with the repurchase, the Company's sponsor has complied with its responsibilities contained in the JSE Listings Requirements (2.12 and Schedule 25), and the Company's sponsor will inform the JSE Listings division of this in writing."

The reason for, and effect of the special resolution is to grant the directors a general authority in terms of the Act, which shall be valid until either the next annual general meeting of the Company or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the Company, provided that the general authority shall not exceed 15 (fifteen) months from the date of this annual general meeting and, subject to the JSE Listings Requirements and those of any other stock exchange upon which the shares of the Company may be quoted or listed, for the acquisition by the Company or one of its subsidiaries of the Company's own ordinary shares on the terms set out above.

The directors of the Company have no specific intention to acquire any of the Company's ordinary shares, a position which will be continually re-examined having regard to prevailing circumstances (including the tax dispensation and market conditions).

Other disclosure in terms of the JSE Listings Requirements section 11.26

The JSE Listings Requirements require the following disclosures, some of which are elsewhere in the annual report of which this notice forms part as set out below:
- directors – pages 11 and 12;
- major shareholders of the Company – page 77;
- directors' interests in securities – page 24; and
- share capital of the Company – page 57.

Material changes

Other than the facts and developments as referred to in the directors' report commencing on page 22 there have been no material changes in the affairs or financial position of Excellerate and its subsidiaries since the date of signature of the audit report and to the date of this notice.

Litigation statement

In terms of section 11.26 of the JSE Listings Requirements, the directors, whose names are given on pages 11 and 12 of the annual report of which this notice forms part, are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 (twelve) months, a material effect on the financial position of the Group.

Directors' responsibility statement

The directors, whose names are given on pages 11 and 12 of the annual report, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the annual report contains all information required by law and the JSE Listings Requirements.

Voting and proxies

A member entitled to attend, speak and vote at the annual general meeting is entitled to appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company. For the convenience of registered members of the Company, a form of proxy is enclosed herewith. In order to be effective, proxy forms must be lodged with or posted to the Company's registered office, 1st Floor, Atholl Square, corner Katherine Street and Wierda Road East, Sandown, Sandton, 2196 (PO Box 785448, Sandton, 2146), or to the transfer secretaries, Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received by no later than 14:00 on Thursday, 13 January 2011. The completion of the proxy form will not preclude a member from attending the meeting.

The attached form of proxy is only to be completed by those shareholders who are:
- holding Excellerate ordinary shares in certificated form; or
- recorded on the electronic sub-register in 'own name' dematerialised form.

Shareholders who have dematerialised their shares through a Central Securities Depository Participant (CSDP) or broker, other than with own name registration, who wish to attend the annual general meeting, must instruct their CSDP or broker to provide them with a Letter of Representation, or should they wish to vote by proxy, they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement/mandate entered into between them and the CSDP or broker.

By order of the Board

ER Goodman
Company Secretary
26 November 2010
Sandton

Notes

Form of proxy

Excellerate Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number 1997/009884/06)
JSE code: EXL ISIN: ZAE 000026092
(Excellerate or the Company)

Ordinary shareholders

For use by those shareholders who are holding shares in certificated form or recorded on sub-registered electronic form in own name at the annual general meeting of members to be held at 1st Floor, Atholl Square, corner Katherine Street and Wierda Road East, Sandown, Sandton, at 14:00 on Friday, 14 January 2011 (the annual general meeting).

Shareholders who are holding dematerialised shares are requested to refer to paragraphs 1 and 2 of the notes for further instructions.

I/We* (please print)

of (address)

being a holder of ordinary shares hereby appoint (see note 1):

1. or, failing him/her*

2. or, failing him/her*

3. the chairman of the general meeting

as my/our* proxy to act for me/us* at the annual general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment of postponement thereof, and to vote for and/or* against such resolutions and/or* abstain from voting in respect of the ordinary shares in the issued capital of Excellerate registered in my/our* name (see note 4) as follows:

	Number of votes		
	For	Against	Abstain
Ordinary resolution number 1: Adoption of annual financial statements			
Ordinary resolution number 2: Reappointment of Rudi Stumpf as director			
Ordinary resolution number 3: Reappointment of Mike Mohohlo as director			
Ordinary resolution number 4: Reappointment of Athol Stewart as director			
Ordinary resolution number 5: Authority to place shares under the control of the directors			
Ordinary resolution number 6: Authority to issue shares for cash			
Ordinary resolution number 7: To appoint KPMG as auditors of the Group to hold office for the ensuing year			
Ordinary resolution number 8: Directors' remuneration			
Ordinary resolution number 9: To authorise the signature of documents			
Special resolution: Repurchase of own shares			

and generally to act as my/our* proxy at the annual general meeting. (If no directions are given, the proxy holder will be entitled to vote or to abstain from voting as that proxy holder deems fit.)

Signed at on 2010

Signature

Assisted by me/us* (where applicable) (State capacity and full name)

** Delete that which is not applicable.*

Each member is entitled to appoint one or more proxies (who need not be member/s of Excellerate) to attend, speak and vote in place of that member at the annual general meeting.

Please read the notes on the reverse hereof.

Notes to the proxy

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

    1.1 holding ordinary shares in certificated form; or

    1.2 recorded on sub-register electronic form in own name.

2. Dematerialised shareholders holding shares, other than with own name registration, must inform their Central Securities Depository Participant (CSDP) or broker of their intention to attend the annual general meeting, and request their CSDP or broker to issue them with the necessary Letter of Representation to attend the annual general meeting in person and vote, or provide their CSDP or broker with their voting instructions should they not wish to attend the annual general meeting in person but who wish to be represented thereat.

These shareholders must not use this form of proxy.

3. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space provided. The person whose name stands first on the form of proxy and who is present at the annual general meeting of shareholders will be entitled to act as proxy to the exclusion of those whose names follow.

4. A member's instructions to the proxy must be indicated by the insertion of the relevant numbers of votes exercisable by the member in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the member's votes exercisable thereat. A member or the proxy is not obliged to use all the votes exercisable by the member or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the member or by the proxy.

5. On a show of hands, a member of the Company present in person or by proxy shall have 1 (one) vote, irrespective of the number of shares he/she holds or represents, provided that a proxy shall, irrespective of the number of members he/she represents, have only 1 (one) vote. On a poll, a member who is present in person or represented by proxy shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by him/her bears to the aggregate amount of the nominal value of all the shares issued by the Company.

6. Forms of proxy must be lodged with or posted to the Company's registered office, 1st Floor, Atholl Square, corner Katherine Street and Wierda Road East, Sandown, Sandton, 2196 (PO Box 785448, Sandton, 2146) or to the transfer secretaries, Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received not later than 14:00 on Thursday, 13 January 2011

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

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

9. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.

10. Notwithstanding the foregoing, the chairman of the annual general meeting may waive any formalities that would otherwise be a prerequisite for a valid proxy.

11. If any shares are jointly held, the first name appearing in the register shall, in the event of any dispute, be taken as the member.

Administration

Registered office

1st Floor
Atholl Square
Corner Katherine Street and Wierda Road East
Sandown 2196
P O Box 785448, Sandton 2146
Tel: (+27) 11 523 2980
Fax: (+27) 11 523 2990
Email: info@excellerate.co.za

Company secretary

ER Goodman Secretarial Services CC
(represented by E Goodman)
2nd Floor
Palm Grove
Grove City
196 Louis Botha Avenue
Houghton
Tel: (+27) 11 728 0742
Fax: (+27) 11 728 4226
Email: ergoodmn@netactive.co.za

Auditors

KPMG Inc.

Corporate advisors and sponsor

Barnard Jacobs Mellet Corporate Finance (Pty) Limited

Bankers

FirstRand Bank Limited
The Standard Bank of South Africa Limited
Nedbank Limited

Share transfer secretary

Computershare Investor Services (Pty) Ltd
70 Marshall Street
Johannesburg, 2001
PO Box 61051, Marshalltown, 2107
Tel: (+27) 11 370 5000
Fax: (+27) 11 688 7721

Company registration number

Registration number 1997/009884/06

JSE code

EXL

ISIN

ZAE000026092

Sector

Cyclical Services Sect
Under sub-sector: Business Support Services

Website

www.excellerate.co.za

RUSSELL AND ASSOCIATES 3622/10

eXcellerate

www.excellerate.co.za