Colliers Chronicle

ANNUAL REPORT OF COLLIERS SOUTH AFRICA HOLDINGS LIMITED | PUBLISHED 28TH AUGUST 2009 | ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2009

Report of the Chief Executive Officer

An eye on the future to ensure a sound platform for future growth

It is my pleasure to report on the activities of the group for the year ended 28 February 2009. The group's activities are firmly focused on two core areas of expertise, namely personnel management and all aspects of property. The various operations are undertaken by dedicated companies within the group, each managed by a hands - on team of experts.

FINANCIAL RESULTS

Whilst the overall performance of the group when compared to the results for the previous financial year appears poor the directors of the company, taking into account the current depressed local and global markets especially as regards property, are pleased that the group has managed to stabilize its operating entities which are currently being strengthened in order to be poised to grow when the economy regains momentum.

Approximately 60% of the decline in pre – tax profits is attributable to a lower level of fair value adjustments in respect of investment properties. These properties have been valued on a conservative basis with some values having been reduced when compared to the values recorded in 2008. Most of the properties which were developed with a view to selling are complete with sales being made albeit at a much slower rate than previously anticipated.

DEVELOPMENTS

The current world economic climate has forced a slowdown in the level of development actively within the group. There are however opportunities still being presented which are carefully analysed as to viability. The development team is currently evaluating projects in West Africa worth in excess of R5 billion. Colliers Business Park in Cape Town continues to be built out with two major tenants having signed 10-year leases.

AUCTIONS

This new operation has settled down and is operating successfully and making a contribution to group income. It is our intention to expand the operation from a single office in Johannesburg by opening offices in Cape Town and Durban.

BROKING

The Residential and Commercial and Industrial Broking divisions are still suffering from the impact of the overall downturn in the economy. Costs in these operations have been reduced to an acceptable level without affecting the ability of these operations to function. The directors are confident of meaningful positive contributions from these operations in the near future.

With regard to the Commercial and Industrial Broking Operations an agreement was concluded subsequent to the year end in terms of which the operations of Colliers Broking will be merged with another broking operation. The immediate effect would be to increase the number of brokers from 10 to 35, resulting in an increased presence in the market.

The Commercial and Industrial Broking operation is now well positioned to take advantage of the market returning to normal.

PROPERTY AND FACILITIES MANAGEMENT

This division is operating well in a highly competitive market and is steadily growing its client base. This operation will have level one empowerment in place by the end of September 2009.

OUTSOURCE

The Quyn Outsource operations (labour recruitment and payroll services) performed up to expectation and will, despite the challenges of a depressed market with a number of infrastructural projects, especially in the mining industry, being delayed, continue to make a positive contribution into the future. A major factor assisting these operations is a good spread of clients with no reliance on any one sector of the economy.

PROPERTY PORTFOLIO

The company is pleased with the performance of its property portfolio which, on a conservative basis has shown an increase in value over the past few years of 88%. It is disappointing that this "Profit" is never transferred to Headline earnings as the company is required to disclose these increases in earnings per share as an adjustment in computing Headline earnings and when a cash profit is realized it is effectively disregarded in the earnings disclosures.

FUTURE PROSPECTS

Your directors are confident that, with careful selection of development projects as well as clients and a high level of risk management the group will continue to yield positive returns in what can only be seen as trying economic times.

RICKY FERTIG (Chief Executive Officer)

Statement by the Company Secretary

In my capacity as Company Secretary, I hereby confirm, in terms of the Companies Act, 1973, that for the 12 months ended 28 February 2009, the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.

B W KAISER (Company Secretary)

Directors & Administration

Directors, administration, secretaries, bankers, company details and incorporation

DIRECTORS AND ADMINISTRATION

Executive Directors

R P Fertig (Chief Executive Officer)
W P Alcock
B W Kaiser

Non-Executive Directors

S F Cairns (Chairman) +*
B Mothelesi +*
M Moela +*
+ Member of the Audit Committee
* Member of the Remuneration Committee

SECRETARY AND REGISTERED OFFICE

B W Kaiser
36 Fricker Road, Illovo, Sandton 2196
(P O Box 62213, Marshalltown, 2107)

AUDITORS

BDO Spencer Steward (Johannesburg) Inc
Chartered Accountants (SA)
13 Wellington Road, Parktown, Johannesburg 2193
(Private Bag X60500, Houghton 2041)

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Limited
(Registration number 1994/03973/06)
70 Marshall Street, Johannesburg 2001
(P O Box 61051, Marshalltown 2107)

PRIMARY BANKERS

FNB Corporate and Transactional Banking
(Registration number 1929/001225/06)
6th Floor, 4 First Place Bank City
Simmonds Street, Johannesburg
PO Box 7791 Johannesburg 2022

COMPANY REGISTRATION NUMBER

1998/012245/06

COUNTRY OF INCORPORATION AND DOMICILE

South Africa

SHARE CODE

COL

ISIN CODE

ZAE000099461

COLLIERS INTERNATIONAL
International Property Consultants

Corporate Governance

REVIEW
The group is committed to and complies with the principles of openness, integrity, accountability, transparency and social responsibility in accordance with the Code of Corporate Practices and Conduct embodied in the King II Report.

The directors have accordingly established mechanisms and policies which are appropriate to the business and risks of the group and which ensure compliance with principles of responsible corporate governance and the continuous reassessment of the quality of the company's corporate governance practices. Changes and refinements are made from time to time to recognize, where appropriate, international trends and best practices.

BOARD OF DIRECTORS
Composition of the board of directors
The composition of the board of directors remains unchanged at six directors, three of whom are independent non-executive, whilst the remaining three are full-time operating executives involved in all facets of the business operations of the group.

Appointment of directors
Nominees for directorships are evaluated and interviewed by standing executives in order to be satisfied that such nominees will be able to contribute the necessary skills to the group before being offered a position on the board of directors.

Role and function of the board of directors
The board of directors is responsible for the proper management and ultimate control of the group. In order to meet this responsibility to members and other stakeholders, the board of directors is responsible for setting the strategic objectives of the group, determining investment and performance criteria, and taking ultimate responsibility for the proper management and ethical behavior of the business of the group.

The group CEO is primarily responsible for the management of the group and liaising with the appointed operating executives. The CEO's responsibilities include ensuring that agreed strategies are implemented. He also investigates and evaluates corporate opportunities which are then presented to the executive directors for consideration.

The group financial director, who is also the company secretary, is responsible for the compliance with the requirements of the JSE Limited, SARS and CIPRO, as well as other regulatory bodies.

The group marketing director, in addition to his direct responsibility for the operations of the outsource division, coordinates marketing throughout the group.

The non-executive chairman oversees board governance, whilst the other two non-executive directors chair the audit and remuneration committees.

Independence of the board of directors
The board of directors' independence from the daily management team is maintained by:
- keeping the roles of the chairman and the CEO separate
- The non-executive directors do not hold any service contracts and their remuneration is not tied to the financial performance of the group; and
- all directors have access to the advice and services of the company secretary and, with prior agreement of the chairman, are entitled to seek independent professional advice on the affairs of the group at the company's expense.

The board of directors meets on a formal basis quarterly, with additional meetings convened when circumstances necessitate. The group's overall daily operations are managed and overseen by executive directors of each operating subsidiary who report to the main board at least on a monthly basis with ad hoc meetings taking place regularly.

There are comprehensive management reporting disciplines in place which include the preparation of annual budgets by all operating units, which are revised on a six monthly basis. Individual and consolidated operational budgets are reviewed and approved by the board. Monthly results and the financial status of operating units are reported against approved budgets.

Directors' attendance at company meetings
The table below sets out the attendance of directors at the company's formal board meetings, held during the year. Attendance was maintained at 100%, and all directors were actively involved at board level:

Director	*Meetings attended*
S F Cairns	4/4
R P Fertig	4/4
W P Alcock	4/4
B W Kaiser	4/4
B Mothelesi	4/4
M Moela	4/4

Directors' remuneration
The executive directors are paid by a subsidiary which performs the function of a central management company and recovers its costs from the operating subsidiaries in the form of management fees. There are no service contracts with the executive directors. Details of directors' remuneration are set out in note 21 of this report. The remuneration of the executive directors is reviewed on an annual basis in consultation with the chairman and the remuneration committee.

BOARD COMMITTEES
Audit committee
The group audit committee is chaired by an independent non-executive director and consists of three non-executive directors.
Committee Chair
B Mothelesi
Members
M Moela
S F Cairns

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 28 FEBRUARY 2009
The report of the audit committee is presented as required by sections 269A and 270A of the Companies Act of South Africa.

Functions and responsibilities of the audit committee
The role of the audit committee is to assist the board in performing an objective and independent review of the functioning of the organisations' finance and accounting control mechanisms. It exercises its functions through close liaison and communication with corporate management and the external auditors.

The committee is guided by its terms of reference, dealing with membership, structure and levels of authority and has the following responsibilities:
- ensuring compliance with applicable legislation and the requirements of regulatory authorities;
- nominating for appointment a registered external auditor and the assessment of its independence of the company;
- matters relating to financial accounting, accounting policies, reporting and disclosures;
- external audit policy including determination of fees and terms of engagement;
- review/approval of external audit plans, findings, problems, reports, fees and determination and approval of non-audit services that the external auditor may provide to the company;
- consulting with the external auditors alone to discuss any concerns they may have regarding their findings during the audit;
- compliance with the company's code of ethics.

The audit committee addressed its responsibilities properly in terms of the charter during the 2009 financial year. No changes to the charter were adopted during the 2009 financial year. The audit committee has satisfied itself as to the financial director's experience and expertise. The audit committee is in the process of reassessing the charter to comply with King III and the new Companies Act.

Members of the audit committee
The audit committee consists of three non-executive directors. The external auditors, the chief executive officer and the financial director are all invited to attend the audit meetings.

Frequency of meetings
The committee met once during the 2009 financial year.

Independence of external audit
One of the responsibilities of the audit is the assessment of the independence of the external auditor. The committee is satisfied that the external auditor is independent of the company and group. The external auditor has also confirmed that its personnel is independent of the company.

Financial statements
Management has reviewed the financial statements and group annual financial statements with the audit committee, and the audit committee has reviewed them without management or external auditors being present. The quality and the application of the accounting policies were discussed with the external auditors, The audit committee considers the annual financial statements and group annual financial statements of Colliers South Africa Holdings Limited to be a fair presentation of its financial position on 28 February 2009 and the results of the operations, changes in equity and cash flows for the period ended then, in accordance with International Financial Reporting Standards and the Companies Act.

During the year the committee satisfied its responsibilities in compliance with its terms of reference and is satisfied with the independence of the external auditors.

Remuneration/Nominations Committee
The remuneration/nominations committee, which meets at least once per year, is chaired by an independent non-executive director and consists of three non-executive directors.
Committee Chair
M Moela
Members
B Mothelesi
S F Cairns

The group HR Manager attends the meeting by invitation.

The remuneration philosophy of the group and the main purpose of the committee is to ensure that the company's executive directors and senior employees are appropriately rewarded for their individual and joint contributions to the group's overall performance. The remuneration structure comprises two major elements, namely guaranteed package and short-term incentive schemes. Independent external studies and comparisons are used to ensure that compensation is market and industry related.

RISK MANAGEMENT
The directors have set a framework of financial reporting, internal and operating controls to ensure reasonable assurance as to timeous reporting of business information, safeguarding of company assets, compliance with statutory law and regulations, recording of company results and operations in terms of the company's standards of business conduct. This includes monthly meetings with operating executives and weekly cash flow reviews.

Further information regarding Financial Risk Management is contained in the notes to the financial statements.

The board of directors is responsible for monitoring the ongoing effectiveness of these controls and operating frameworks. The external auditors have unrestricted access to the chairman and directors of the group. There is a close communication between the board of directors and the external auditors. Areas of control weakness are brought to the attention of all relevant parties and remedial action is taken immediately to ensure no loss or misstatement due to the inadequacy of the internal control environment.

CODE OF ETHICS
The board of directors forms the core of the values and ethics subscribed to by the group. These values and ethics are sustained by the directors' belief in free and fair dealings in utmost good faith and respect for the law and regulations. All employees, including directors, are required to act with honesty and integrity and to maintain the highest ethical standards internally and externally.

SUSTAINABILITY
In the opinion of the directors the group has adequate resources to continue in operational existence for the foreseeable future. Financial gearing, cash flows and access to loan capital are considered to be sufficient to fund existing and future operations. For this reason, the directors continue to adopt the going concern basis in preparing the annual financial statements.

HUMAN RESOURCES
The company has a variety of participative structures on issues which affect employees directly or materially. These structures are designed to achieve good employer/employee relations through effective sharing of relevant information, consultation and the identification and resolution of conflict.

The group is committed to providing equal opportunities for its employees regardless of their ethnic origins, or gender or any other matter. A programme is in place to ensure that the employee profile will be more representative of the demographics of the country whilst maintaining the group's high standards. The company has submitted its original Employment Equity Report and the ongoing annual revisions of the Report are submitted to the Department of Manpower in compliance with the Employment Equity Act.

SAFETY, HEALTH, THE ENVIRONMENT AND SOCIAL RESPONSIBILITY
The company accepts its responsibility to its employees and the community in which it operates in matters relating to the environment, health and safety. All activities are conducted in compliance with applicable laws and regulations. In this regard, the group has a full-time health and safety officer who chairs an internal health and safety committee, comprising staff members.

The company:
- adopts a non-discriminatory employment practice regardless of an employee's HIV/AIDS status.
- prohibits the testing of individuals for the purpose of selection of employees
- maintains confidentiality regarding an employee's HIV/AIDS status.

The company actively supports the upliftment of the previously disenfranchised by supporting desirable causes in the social welfare arena.

COMMUNICATION WITH STAKEHOLDERS
The company is committed to a policy of timeous and effective communication with shareholders and other stakeholders through shareholder meetings, the annual financial report and interim financial report. Matters of both financial and non-financial nature are communicated to stakeholders in a timeous and transparent fashion.

SHARE DEALINGS BY DIRECTORS
All dealings by directors are regulated and monitored as required by the listing requirements of the JSE Limited. No director or staff member is permitted to deal in shares without prior approval from the company secretary. Details of directors' shareholdings are set out in the shareholders information section of this annual report.

Shareholders Diary

Number of Employees during 2009 are 236 (2008: 243)
Financial Year-end: February
Annual General Meeting: September/October
Interim Report:
Half-year To 31 August: September/October
Preliminary Announcement of Annual Results: May
Annual Financial Statements: August

Directors Report for the Year Ended 29 February 2008

The directors have pleasure in presenting their report for the 12 months ended 28 February 2009.

NATURE OF BUSINESS
The group provides services and outsourced solutions to a wide range of clients in the fields of payroll management and the outsourcing of human resources. Through Colliers RMS the group provides property and facilities management, broking, auctioneering and development services.

SHARE CAPITAL
During the year under review, the company purchased 132 544 (2008: 33 800) of its own shares at an average price of 100cents each (2008: 192cents), resulting in 55 748 458 (2008: 55 881 002) shares being held by the general public.

LITIGATION
Other than for the claim by Wild and Marr (Pty) Limited as set out in note 12, the directors are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may or have in the previous 12 months had, a material effect on the group's financial position.

GENERAL REVIEW AND FINANCIAL RESULTS
The group recorded a profit before taxation of R27 million (2008: R48 million). A large portion of these earnings are attributable to unrealised profits resulting from fair value adjustments to investment properties.

Directors Report for the Year Ended 29 February 2008 (cont.)

REVIEW OF OPERATIONS AND SEGMENTAL RESULTS
Operating revenue and profit before taxation has been achieved as follows:

	29 February 2009 R'000	28 February 2008 R'000
Revenue		
Colliers Property Division	98 004	71 355
Quyn Outsource Division	295 097	258 580
Intergroup income	(6 729)	(4 587)
	386 372	**325 348**
Profit before taxation		
Colliers Property Division	24 030	40 705
Quyn Outsource Division	2 897	7 468
	26 927	**48 173**

COLLIERS PROPERTY DIVISION
The contributions by this division before adjusting for the values of a number of current assets to realistic levels was positive. The successful development of certain investment properties has resulted in a significant reserve of unrealized profit.

QUYN OUTSOURCE DIVISION
The labour broking and payroll operations continued their good growth pattern and made solid contributions to overall group profit.

DIVIDENDS
Taking into account the negative impacts of interest rates and related problems in the property industry, your directors have resolved to retain cash in the group, so as to bolster and grow the annuity income operations for the benefit of shareholders.

DIRECTORS' INTERESTS
The direct and indirect interests of the directors in the issued share capital of the company at 28 February 2009 was as follows:

	2009	2008
Beneficial – Direct	6 176 290	4 838 262
Beneficial – Indirect	5 431 061	6 769 089
	11 607 351	**11 607 351**

DIRECTORS AND SECRETARY
For directors' interests in contracts see related party contracts in note 14:

Executive directors
R P Fertig (CEO)
W P Alcock
B W Kaiser

Independent non-executive directors
S F Cairns (Chairman) – Non-resident
B Mothelesi
M Moela

Secretary
B W Kaiser

Messrs Kaiser and Cairns retire by rotation but have offered themselves for re-election.

Mr Cairns, CA (SA), H Dip Tax, is 60 years of age and is a member of the Society of Trust and Estate Practitioners. Mr Cairns operates out of the British Isles and, addition to his Trust Business, is a non- executive director of a number of Southern African and British companies.

Mr Kaiser, aged 64, is a qualified accountant and has been with the group since listing. He has extensive experience in the financial services field, having spent 30 years in Merchant Banking and Stock Broking and in excess of 10 years in financial management.

HOLDING AND SUBSIDIARY COMPANIES
The company is not a subsidiary/subsidiaries of any other company.

Details of investments in and loans to subsidiaries (before intercompany adjustments) are set out in Appendix A to the financial statements.

The aggregate pre-tax profits and losses of subsidiaries (before intercompany adjustments) for the year are summarised below:

	Aggregate Profits R'000	Aggregate Losses R'000
Including fair value adjustments	42 253	(12 074)
Excluding fair value adjustments	8 193	(12 074)

REPORTABLE IRREGULARITIES
During the course of the audit, our auditors advised of certain reportable irregularities. These related to the late or non-payment of VAT and STC which was caused by clerical errors due to a change in staff in the accounting division. Your directors have taken the necessary steps and have rectified the errors.

During the year under review the following subsidiaries passed special resolutions:

1. Colliers Properties One Limited
Date registered: 18 February 2009
Resolutions:
a) Conversion into public company
b) Adoption of new memorandum and articles
c) Increase authorized share capital by R100 000 by the creation of 10 000 000 cumulative convertible redeemable preference share of 1cent each.

2. Quyn Payroll Services (Pty) Limited (Colliers Outsourcing)
Date registered: 15 January 2009
Resolution:
Change the name of the company.

3. Quyn HR Consulting (Pty) Limited (Quyn Integrated)
Date registered: 22 May 2008
Resolutions:
a) Change name of company.
b) Change main business and main object.

4. Quyn Financial Services (Pty) Limited (Colliers Financial Services)
Date registered: 12 December 2008
Resolution:
Change the name of the company.

5. Colliers Auctions (Pty) Limited (Moneyline 886)
Date registered: 27 March 2008
Resolutions:
a) Change of name.
b) Change main business and object.

GOING CONCERN
The financial statements have been prepared on the going-concern basis, since the directors have every reason to believe that the company has adequate resources in place to continue as a going concern in the foreseeable future.

Report of the Independent Auditors
to the Members of Colliers South Africa Holdings

We have audited the accompanying company and group annual financial statements of Colliers South Africa Holdings Limited, which comprise the balance sheet as at 28 February 2009, the income statement, the statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 04 to 13, including the Directors' Report, which appears on pages 02 and 03.

DIRECTOR'S 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. Those 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 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION
In our opinion, the annual financial statements and the group annual financial statements present fairly, in all material respects, the financial position of Colliers South Africa Holdings Limited and the group at 29 February 2009 and their financial performance and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS
In accordance with our responsibilities in terms of sections 44(2) and 44(3) of the Auditing Profession Act, we report that we have identified certain omissions by persons responsible for the management of Colliers South Africa Holdings Limited, which constitute reportable irregularities in terms of the Auditing Profession Act, and have reported such matters to the Independent Regulatory Board for Auditors. The matters pertaining to the reportable irregularities have been described in the directors' report.

BDO Spencer Steward (JHB) Inc

BDO SPENCER STEWARD (JOHANNESBURG) INCORPORATED
Chartered Accountants (SA)
Registered Auditors
A member of BDO Global
Director: NA Griffith
Registered Auditor
Johannesburg
28 August 2009

Directors Responsibilities & Approval of the Financial Statements

The directors are required by the South African Companies Act, 1973, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The financial statements which are prepared in accordance with the listing requirements of the JSE Limited, International Financial Reporting Standards and the South African Companies Act, 1973, are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecasts for the year to 28 February 2010 and, in the light of the review and the current financial position, they are satisfied that the group has or will have access to adequate resources to continue in operational existence for the foreseeable future.

Although the directors are primarily responsible for the financial affairs of the group, they are supported by the group's external auditors. The external auditors are responsible for independently reviewing and reporting on the group's financial statements. The financial statements have been examined by the group's external auditors and their report is presented herewith.

The financial statements set out herein which have been prepared on the going concern basis, were approved by the board on 28 August 2009 and are signed on its behalf by:

R P FERTIG	**B W KAISER**
Director	**Director**
Johannesburg	

Balance Sheet

For the year ended 28 February 2009

	NOTES	GROUP 2009 R'000	GROUP 2008 R'000	COMPANY 2009 R'000	COMPANY 2008 R'000
ASSETS					
Non-current assets					
Property, plant and equipment	2	5 773	4 806	–	–
Investment properties	3	191 367	175 585	–	–
Goodwill		865	–	–	–
Investments	4	–	–	2 695	3 789
Investments and loans	5	797	806	–	–
Operating lease debtors		2 355	2 385	–	–
Deferred taxation	6	10 698	9 359	488	–
		211 855	192 941	3 183	3 789
Current assets					
Amounts owing by group companies	7	–	–	19 051	15 451
Inventory	8	43 364	52 384	–	–
Accounts receivable	9	55 456	49 973	–	814
Cash and cash equivalents		7 445	4 882	418	121
		106 265	107 239	19 469	16 386
Total assets		318 120	300 180	22 652	20 175
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	10	558	559	559	559
Share premium	10	(147)	8	8	8
Reserves		133 522	116 730	19 281	16 922
Minority interest		19	205	–	–
Shareholders' interest		133 952	117 502	19 848	17 489
Non-current liabilities					
Borrowings	11	107 695	61 556	–	–
Deferred taxation	6	16 206	7 642	–	–
		123 901	69 198	–	–
Current liabilities					
Current portion of borrowings	11	1 835	66 721	–	–
Amounts owing to group companies	7	–	–	2 096	2 096
Accounts payable	9	38 309	30 091	224	106
Taxation		7 629	5 149	484	484
Bank overdraft		12 494	11 519	–	–
		60 267	113 480	2 804	2 686
Total equity and liabilities		318 120	300 180	22 652	20 175

Statement of Changes in Equity

For the year ended 28 February 2009

	NOTES	GROUP 2009 R'000	GROUP 2008 R'000	COMPANY 2009 R'000	COMPANY 2008 R'000
SHARE CAPITAL					
Ordinary share capital					
Balance at beginning of period		559	559	559	628
Share repurchase		(1)	–	–	–
Share cancellation		–	–	–	(69)
Share trust shares released to participants		–	–	–	–
Balance at end of period		558	559	559	559
SHARE PREMIUM					
Balance at the beginning of the period		8	8	8	1 065
Share cancellation / repurchase		(155)	–	–	(1 057)
Balance at the end of the period		(147)	8	8	8
RESERVES					
Retained income					
Balance at the beginning of period:		116 794	75 819	16 922	16 237
Income attributable to ordinary shareholders		16 728	40 911	2 359	685
Balance at the end of the period		133 522	116 730	19 281	16 922
Reserves attributable to ordinary shareholders		133 522	116 730	19 281	16 922
Reserves attributable to minority shareholders		19	205	–	–
Total reserves		133 541	116 935	19 281	16 922
Total equity		133 952	117 502	19 848	17 489

Income Statement

For the year ended 28 February 2009

	NOTES	GROUP 2009 R'000	GROUP 2008 R'000	COMPANY 2009 R'000	COMPANY 2008 R'000
REVENUE	15	386 372	325 348	3 022	1 704
Operating income before					
interest and revaluations	16	2 066	11 290	1 861	674
Fair value adjustment on investment properties		34 060	46 729	–	–
Investment income	17	3 594	2 281	10	11
Finance costs	18	(12 793)	(12 127)	–	–
Net income before taxation		26 927	48 173	1 871	685
Taxation	19	(10 180)	(7 089)	488	–
Income after taxation		16 747	41 084	2 359	685
Minority interest		19	109	–	–
Income attributable to ordinary shareholders		16 728	40 975	2 359	685
		16 747	41 084	2 359	685
Basic earnings per share (cents)	22	30,0	73,5		

Cash Flow Statement

For the year ended 28 February 2009

	NOTES	GROUP 2009 R'000	GROUP 2008 R'000	COMPANY 2009 R'000	COMPANY 2008 R'000
Cash (utilised)/generated by operations	24.1	15 027	(23 195)	1 216	(337)
Interest paid		(12 793)	(12 127)		
Interest received		3 594	2 281	10	11
Taxation paid		(676)	(4 676)		
		5 152	(37 717)	1 226	(326)
Cash flows from investing activities					
Proceeds on sale of property, plant and equipment		1 405	404	–	–
Acquisition of property, plant and equipment		(2 793)	(1 338)	–	–
Purchase of investment property		(16 738)	(42 654)	–	–
Acquisition of minorities		(1 020)	–	–	–
Proceeds of sale of investment properties		34 300	25 855	–	–
Sale of financial assets		162	832	1 094	–
Loans advanced to/(from) group companies				(2 023)	1 447
		15 316	(16 901)	(929)	1 447
Cash flows from financing activities					
Shares repurchased / cancelled		(133)	–	–	(1 126)
Proceeds from/(repayment of) borrowings		(18 747)	38 579	–	–
		(18 080)	38 579		(1 126)
Movement in cash and cash equivalents		1 588	(16 039)	297	(5)
Cash and cash equivalents at beginning of period		(6 637)	9 402	121	126
Cash and cash equivalents at the end of the period	24.2	(5 049)	(6 637)	418	121

Notes to the Financial Statements

For the year ended 28 February 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, except for the measurement of investment properties and certain financial instruments at fair value and incorporate the principal accounting policies set out below. These accounting policies are consistent with previous years.

(i) Significant judgements

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Judgement was applied in the following areas:

- classification and valuation of investment properties;
- residual values and useful lives of plant and equipment;
- impairment of assets;
- provisions for taxation and deferred taxation.

B. Investments in Subsidiaries

Group Annual Financial Statements

The group annual financial statements include those of the holding company and its subsidiaries. Intercompany transactions are eliminated on consolidation. The results of the subsidiaries are included from the effective dates control is acquired to the dates such control is relinquished.

Notes to the Financial Statements
For the year ended 28 February 2009 (cont.)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)
Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

On acquisition the group recognises a subsidiary's identifiable assets, liabilities and contingent liabilities at fair value except for assets classified as held-for-sale, which are recognised at fair value less costs to sell.

Company annual financial statements
In the company's separate annual financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:
- the fair value, at the date of exchange, of assets acquired, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

Any adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

C. Investment properties
(i) Initial measurement
Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the investment property can be measured reliably. Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently in respect of additions and improvements.

(ii) Fair value
Subsequent to initial measurement investment property is measured at fair value.

The group's investment property is revalued annually to open market value, with changes in the carrying value recognised in the income statement.

Rent receivable is spread on a straight-line basis over the period of the lease. The carrying value of the investment property excludes any amount reported as a separate asset as a result of recognising rental income on this basis.

D. Property, plant and equipment
Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

The cost of an item of property, plant and equipment is recognised as an asset, when:
- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently in respect of additions and replacements. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided on all property, plant and equipment other than freehold land, to write down the cost, less residual value, on a straight-line basis over their useful lives as follows:

ITEM	USEFUL LIFE
Furniture and fixtures	6 years
Motor vehicles	10 years
Office equipment	5 years
IT equipment	3 years

Depreciation methods, residual values and useful lives are reassessed at each accounting date.

The depreciation charge for each period is recognised in profit or loss, unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

E. Associates
Associates are those companies in which the group holds an equity interest and over which it has the ability to exercise significant influence and which are neither subsidiaries nor joint ventures. Associates are accounted for on the equity method and the post-acquisition results are incorporated in the group financial statements from the dates the group exercised significant influence to the effective dates of disposal.

Equity accounted income, which is included in the respective carrying values of the investments, represents the group's proportionate share of the associate companies' retained income after accounting for dividends payable by those associates. Dividends received from associates are included in income from investments.

Provision is made for the group's share of losses incurred by associates limited to the carrying value of the investment.

The carrying value of the group's associates includes goodwill identified at acquisition.

F. Joint ventures
Joint ventures are those entities in respect of which there is a contractual agreement whereby the group and one or more other venturers undertake an economic activity, which is subject to joint control.

Joint ventures are accounted for by means of the proportionate consolidation method whereby the attributable share of each of the assets, liabilities, income and expenses and cash flows of the jointly-controlled entities is combined on a line-by-line basis with similar items in the group's annual financial statements.

The consolidated cash flow statement includes the group's share of the cash flows of the jointly controlled entities. A proportionate share of intercompany items is eliminated.

G. Inventory
Land acquired for future development and sale in the ordinary course of business is reflected under current assets and is valued at the lower of cost or net realisable value for each specific property.

H. Goodwill
Goodwill represents the excess of the cost of a business combination over the interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired. Cost comprises the fair values of assets acquired, liabilities assumed and equity instruments issued, plus any direct costs of acquisition.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the income statement. Goodwill is initially measured at cost, being the excess of the cost of the business combination over the company's interest of the net fair value of the identifiable assets, liabilities and contingent liabilities.

Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the income statement. Subsequently goodwill, acquired in a business combination, is carried at cost less any accumulated impairment.

Internally generated goodwill is not recognised as an asset.

I. Financial instruments
(i) Initial recognition
The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities initially are recognised at fair value on the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are recognised at fair value. In the case of financial assets or liabilities not classified at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument are added to the fair value.

Cash and cash equivalents are designated at fair value through profit and loss.

(ii) Subsequent measurement
After initial recognition financial assets are measured as follows:
- Loans and receivables are measured at amortised cost using the effective interest method;
- Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost;
- Other financial assets, including derivatives and cash and cash equivalents, are measured at fair values, without any deduction for transaction costs which may incur on sale or other disposal.

After initial recognition financial liabilities, including accounts payable, are measured at amortised cost using the effective interest method.

(iii) Gains and losses
A gain or loss arising on a financial asset or financial liability is recognised as follows:
- A gain or loss on a financial asset or financial liability as at fair value through profit or loss is recognised in profit or loss.
- Financial assets and financial liabilities carried at amortised cost; a gain or loss is recognised in profit or loss when the financial asset or financial liability is derecognised or impaired, and through the amortisation process.

(iv) Financial liabilities
Financial liabilities at amortised cost include interest bearing loans and borrowings, and are recognised initially at fair value less attributable transaction costs. Subsequent to the initial recognition, interest bearing loans and borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in the income statement over the year of borrowings on an effective interest basis.

(v) Amounts owing to/from group companies
These include current accounts to holding companies, fellow subsidiaries, joint ventures and associates. These are carried at amortised cost.

(vi) Derecognition
The group derecognises financial assets if the contractual rights to cash flows have expired or are transferred without the retention of any risk or reward. The group derecognises financial liabilities when the obligations thereto have been discharged, cancelled or expired.

J. Share capital and equity
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If the company reacquires its own equity instruments, those treasury shares are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received is recognised directly in equity.

K. Provisions and contingencies
Provisions are recognised when:
- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised, when it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised.

L. Taxation
(I) Current tax assets and liabilities
Current tax 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 tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

(ii) Deferred tax assets and liabilities
A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:
- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
  – is not a business combination; and
  – at the time of the transaction, affects neither accounting profit or taxable profit(tax loss).

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures, except to the extent that both of the following conditions are satisfied:
- the parent, investor or venturer is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:
- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences arising from investments in subsidiaries, branches and associates, and interest in joint ventures, to the extent that it is probable that:
- the temporary difference will reverse in the foreseeable future; and

Notes to the Financial Statements
For the year ended 28 February 2009 (cont.)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

L. Taxation (cont.)

- taxable profit will be available against which the temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and take into account the manner of realisation of the assets.

(iii) Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, directly in equity, or
- a business combination.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

M. Impairment of assets

The group assesses at each balance sheet date whether there is any indication that an asset other than goodwill may need to be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. Goodwill is tested for impairment annually.

If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. Where the carrying value of an asset exceeds its recoverable amount, the carrying value is reduced to such recoverable amount.

N. Leases

(i) Leases as Lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

(ii) Finance leases

The company recognises finance lease receivables on the balance sheet. Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the company's net investment in the finance lease.

(iii) Operating leases

Operating lease income is recognised in income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in the income statement.

(iv) Leases as Lessee

Leases are classified as finance leases whenever 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.

Finance leases are recognised as assets and liabilities in the balance sheets at amounts equal to the fair value of the leased property or, if lower, the present value on 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 terms so as to produce a constant rate of expense on the remaining balance of the liability.

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

O. Employee Benefits

(i) Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses and non-monetary benefits such as medical care) are recognised in the period in which the service is rendered and are not discounted.

The expected cost of the 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.

(ii) Retirement benefits

The group has a defined contribution provident fund which is administered independently of the finances of the group by a registered private fund administrator. This defined contribution provident fund is subject to the Pensions Fund Act. Membership of the fund is optional for all employees employed at the time of inception of the fund but compulsory for all new employees. Current contributions to the provident fund are charged against income statement as an expense.

P. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale) are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from borrowing costs capitalised.

All other borrowing costs are expensed in the period in which they are incurred.

Q. Segment reporting

The group's primary reporting basis is business segments. The group is organised into two main operating activities namely property and payroll outsourcing services and labour broking. Financial information about business segments is presented in the schedule in note 23. Segmental results include revenue and expenses directly attributable to a segment. Segment assets and liabilities comprise those assets and liabilities that are directly attributable to the segment.

R. Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the balance sheet date.

The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the balance sheet date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

When the outcome of a transaction involving the disposal of property becomes unconditional and there is reasonable certainty as to its conclusion, the related net revenue is recognised.

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.

S. Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are relevant to the group and are mandatory for future accounting periods but which the group has not early adopted as follows:

- IFRIC 15 – "Agreements for the Construction of Real Estate";
- IFRS 8 – "Operating Segments";
- IFRS 3 – Business Combinations;
- IAS 23 – Borrowing Costs;
- IAS 27 – Consolidated and Separate Financial Statements;
- IAS 1 – Presentation of Financial Statements;
- IAS 32 – Financial Instruments: Presentation;
- IAS 36 – Impairment of Assets;
- IAS 38 – Intangible Assets;
- IAS 40 – Investment Property.

The application of the above standards, interpretations and amendments are not expected to have a significant effect on the groups' results, financial position and cash flows.

ABOVE: NORTHGATE SHOPPING CENTRE, GAUTENG

Notes to the Financial Statements
For the year ended 28 February 2009 (cont.)

GROUP R'000	2009 COST	2009 ACCUMULATED DEPRECIATION	2009 NET BOOK VALUE	2008 COST	2008 ACCUMULATED DEPRECIATION	2008 NET BOOK VALUE
2. PROPERTY, PLANT AND EQUIPMENT						
Computer equipment	4 318	(3 638)	680	5 163	(4 639)	524
Furniture and fittings	3 692	(2 669)	1 023	2 942	(2 514)	428
Motor vehicles	4 980	(910)	4 070	3 991	(660)	3 331
Plant and machinery	–	–	–	1 140	(617)	523
	12 990	(7 217)	5 773	13 236	(8 430)	4 806

The carrying value of property, plant and equipment can be reconciled as follows:

2009	OPENING BALANCE AT CARRYING AMOUNT	ADDITIONS	DISPOSALS	DEPRECIATION	CARRYING AMOUNT
Computer equipment	524	684	(128)	(400)	680
Furniture and fittings	428	746	–	(151)	1 023
Motor vehicles	3 331	1 363	(93)	(531)	4 070
Plant and machinery	523	–	(444)	(79)	–
	4 806	2 793	(665)	(1161)	5 773

2008	OPENING BALANCE AT CARRYING AMOUNT	ADDITIONS	DISPOSALS	DEPRECIATION	CARRYING AMOUNT
DEPRECIATION					
Computer equipment	692	245	(40)	(373)	524
Furniture and fittings	293	280	–	(145)	428
Motor vehicles	3 570	813	(339)	(713)	3 331
Plant and machinery	713	–	–	(190)	523
	5 268	1 338	(379)	(1 421)	4 806

Property, plant and equipment are encumbered as set out in note 11.

Notes to the Financial Statements (cont.)
For the year ended 28 February 2009

	GROUP 2009 R'000	GROUP 2008 R'000	COMPANY 2009 R'000	COMPANY 2008 R'000
3. INVESTMENT PROPERTY				
Balance at the beginning of the year	175 585	112 598	–	–
Disposals	(34 061)	(24 934)	–	–
Amortisation of right of use	(731)	(731)	–	–
Net gain from fair value adjustment revaluations	34 060	46 729	–	–
Acquisitions	16 738	26 135	–	–
Capitalised expenses	(224)	13 895	–	–
Capitalised interest	–	1 893	–	–
Balance at the end of the year	191 367	175 585	–	–

Investment properties were valued at 28 February 2009 on the open market basis by the professional valuators at Quadrant Property Group who are registered with the South African Institute of Valuers. Quadrant Property Group are independent from Colliers South Africa Holdings Limited.

The properties were valued utilising a market orientation approach which considers and analyses each property in relation to the greater comparable market and takes into account locality, improvements, market demand, tenants and lease details. Thereafter a open market valuation is determined which takes into account existing use value and alternative use value by the capitalisation of net rentals at market related rates.

Investment properties are encumbered as per note 11. Further information relating to investment properties is contained in Appendix B.

	GROUP 2009 R'000	GROUP 2008 R'000	COMPANY 2009 R'000	COMPANY 2008 R'000
The following amounts included in the income statement relate to these properties:				
Rental income	12 874	13 967	–	–
Direct operating expenses arising from income generating property	3 431	6 161	–	–
4. INVESTMENTS				
– investments in subsidiaries	–	–	2 695	3 789

Details of investments are available for inspection at the registered office of the company. Refer to Appendix A for details relating to the investments in and loans to subsidiaries.

Notes to the Financial Statements
For the year ended 28 February 2009 (cont.)

	GROUP 2009 R'000	GROUP 2008 R'000
5. INVESTMENTS AND LOANS		
Joint ventures		
Loans to joint ventures		
Atteridge Investments (Pty) Ltd	(87)	(37)
Alpcoll (Pty) Limited	76	35
MDB Holdings (Pty) Limited	26	26
	15	24
Other investments	782	782
	797	806

An amount of R782 000 has been reclassified from accounts and other receivables to investments and loans in 2008 to better reflect the nature of the asset.

	% SHARE-HOLDING	YEAR-END
Principal joint venture undertakings:		
– Alpcoll (Pty) Limited	50	31 Mar
– Atteridge Investments (Pty) Limited	50	28 Feb
– MDB Holdings (Pty) Limited	50	28 Feb

	2009 R'000	2008 R'000
Summarised financial position and result of operations:		
Assets		
Non-current assets	14 051	15 262
Current assets	1 976	2 220
Liabilities		
Non-current liabilities	(3 046)	(4 132)
Current liabilities	(76)	(174)
Turnover	1 295	2 346
Net profit	(271)	817

All holdings are unchanged from the previous year.
All joint ventures are involved in property holding and investment.

ABOVE: SALT ROCK, KWAZULU-NATAL NORTH COAST

Notes to the Financial Statements (cont.)
For the year ended 28 February 2009

GROUP 2009 R'000	BALANCE AT 01-03-2008	CHARGE TO INCOME FOR THE PERIOD	BALANCE AT 28-02-2009
6. DEFERRED TAXATION			
The major components of the deferred tax assets and liabilities, together with movements during the year, are analysed as follows:			
Deferred tax asset			
Finance lease	–	285	285
Assessed losses	6 252	(1 215)	5 037
Provisions	1 633	2 154	3 787
Investment property	1 514	(320)	1 194
Operating leases	(110)	140	30
Property, plant and equipment	70	295	365
	9 359	1 339	10 698
Deferred tax liability			
Income received in advance	–	(441)	(441)
Finance leases	27	111	138
Valuation surpluses	8 389	8 247	16 636
Provisions	(198)	198	–
Assessed loss	(576)	449	(127)
	7 642	8 564	16 206

GROUP 2008 R'000	BALANCE AT 01-03-2008	CHARGE TO INCOME FOR THE PERIOD	BALANCE AT 28-02-2009
Deferred tax asset			
Finance lease	51	(51)	–
Assessed losses	8 064	(1 812)	6 252
Provisions	1 304	329	1 633
Investment property	(273)	1 787	1 514
Operating lease	–	(110)	(110)
Prepayments	(64)	64	–
Property, plant and equipment	(9)	79	70
	9 073	286	9 359
Deferred tax liability			
Investments	1 073	(1 073)	–
Finance leases	–	27	27
Valuation surpluses	2 197	6 192	8 389
Provisions	–	(198)	(198)
Assessed loss	(200)	(376)	(576)
	3 070	4 572	7 642

At balance sheet date the company had an estimated unutilised tax loss of R812 036(2008: R2 500 355) available for set-off against future profits, which has not been recognised as a deferred tax asset due to the unpredictability of the revenue stream.

At balance sheet date the group had estimated unutilised tax losses of R46 million (2008: R52 million) available for set-off against future profits, certain of which have not been recognised as deferred tax assets due to the unpredictability of the revenue stream.

The potential liability in respect of Secondary Taxation on Companies should all reserves be declared as dividends would be approximately R13,3 million. The company has a deferred tax asset of R488 000.

ABOVE: RED SAILS, HOUT BAY, WESTERN CAPE

Notes to the Financial Statements (cont.)
For the year ended 28 February 2009

	COMPANY 2009 R'000	COMPANY 2008 R'000
7. AMOUNTS OWING BY/(TO) GROUP COMPANIES		
Quyn HR Consulting (Pty) Limited	2	–
Quyn Sure (Pty) Limited	(2 096)	(2 096)
Quyn Financial Services (Pty) Limited	931	958
Quyn Outsource (Pty) Limited	3 725	1 550
Colliers RMS (Pty) Limited	14 641	15 211
Quyn International Outsourcing (Pty) Limited	341	240
Quyn Payroll Services (Pty) Limited	342	–
Less: Provisions against loans		
Quyn Outsource (Pty) Limited	–	(1 550)
Quyn Financial Services (Pty) Limited	(931)	(958)
	16 955	13 355
Amounts owing by group companies	19 051	17 959
Amounts owing to group companies	(2 096)	(4 604)
	16 955	13 355

These amounts reflect fluctuating current accounts which vary according to the cash flow requirements of the individual group company. These amounts are interest-free and have no fixed terms of repayment. The loans to Quyn Financial Services (Pty) Limited in 2008 and 2009 and the loan to Quyn Outsource (Pty) Limited in 2008 were subordinated in favour of other creditors. The subordinated loans amount to R931 000 (2008: R2 508 000).

	GROUP 2009 R'000	GROUP 2008 R'000
8. INVENTORY		
Land under development at cost	43 364	52 384

Notes to the Financial Statements
For the year ended 28 February 2009 (cont.)

	GROUP 2009 R'000	GROUP 2008 R'000	COMPANY 2009 R'000	COMPANY 2008 R'000
9. ACCOUNTS RECEIVABLE AND PAYABLE				
Receivables and payables are analysed below:				
Accounts receivable				
VAT	3 922	–	–	–
Trade	35 910	35 409	–	–
Deposits and prepayments	9 226	13 597	–	–
Other	6 398	967	–	814
	55 456	49 973	–	814
Accounts payable				
Trade	18 595	11 547	–	–
VAT	9 611	4 923	204	101
Accruals for leave pay and bonuses	1 754	5 533	–	–
Accruals for statutory payments	4 978	4 875	–	–
Accruals for commission	495	1 790	–	–
Deposits and prepayments	1 728	150	–	–
Other accruals	1 148	1 273	20	5
	38 309	30 091	224	106
10. SHARE CAPITAL				
Authorised				
200 784 314 ordinary shares of 1 cent each	2 008	2 008	2 008	2 008
9 215 686 convertible, redeemable preference shares of 1 cent each	92	92	92	92
Issued				
55 914 802 (2008: 55 914 802) ordinary shares of 1 cent each	559	559	559	559
Less:				
Held by subsidiary company 166 344 (2008: 33 800) ordinary shares of 1 cent each	(1)	–	–	–
	558	559	559	559
Share premium	(147)	8	8	8

Details regarding the movement in share capital and share premium for the period under review are provided in the statement of changes in equity.

Notes to the Financial Statements
For the year ended 28 February 2009 (cont.)

	GROUP 2009 R'000	GROUP 2008 R'000
11. BORROWINGS		
Secured:		
11.1 Absa Trust Limited	1 925	2 171
The loan is repayable in annual installments of R300 000. Interest is currently charged at prime less 0,5%. The loan is secured by sureties provided by Colliers RMS (Pty) Limited and a mortgage bond over portion 1 of erf 1237 and erven 1238, 1239 and 1240, Benoni, having a carrying value of R5,3 million.		
11.2 First National Bank Limited	–	751
Mortgage bond on Erf 9001 Richards Bay ext. 28 repayable over 60 months ending in April 2010 and bearing interest at prime less 1%. This loan has subsequently been repaid.		
11.3 Investec Private Bank	18 410	29 188
The loan is for a fixed period expiring on 28 February 2010. Interest is currently charged at 1% below Investec Bank's prime rate. The loan is secured by a mortgage bond over the remainder of erf 2505, Hout Bay, having a carrying value of R26 million.		
11.4 Commitments under installment sale agreements	1 279	171
Commitments under various installment sale agreements ranging between 34 and 60 months. Interest rates range between 0,5% below prime interest rates and 15%, secured over property, plant and equipment and motor vehicles with a book value of R1 033 839 (2008: R220 443)		
– Within 12 months: R323 000		
– Exceeding 12 months and less than 60 months: R956 000		
11.5 Nedbank Limited	3 047	4 132
The loan is repayable in monthly installments of R91 134 escalating at 10% every 12 months, and are payable over a period of 98 months with a final payment of R1 885 227 on 31 December 2009. Interest is charged at an effective rate of 16,9%. The loan is secured by suretyships provided by Colliers RMS (Pty) Limited and its joint venture partner as well as a pledge of the shares in Alpcoll Shareblock (Pty) Limited. The underlying property has a carrying value of R12 million.		
11.6 Investec Private Bank	–	13 036
The loan is repayable out of the proceeds of sales and bears interest at 1% below prime. The loan is secured by a first mortgage bond on RE of Erf 4 Riverside Industrial Park, Nelspruit. This loan has been repaid.		
11.7 Imperial Bank Limited	7 178	6 965
The loan is repayable over a period of 120 months commencing April 2008 and bears interest at 1.25% below prime. The loan is secured by a mortgage bond over Erf 550, Salt Rock, KwaZulu-Natal, having a carrying value of R21 million, and a suretyship signed by Colliers South Africa Holdings Limited.		
11.8 ABSA Bank Limited	73 644	15 880
The loan is an interest only loan at prime less 1.5% until November 2009 and is thereafter payable in 120 equal monthly installments. The loan is secured by a mortgage bond over RE 21212, and Erf 34754, Goodwood, Cape, having a carrying value of R140 million.		
11.9 ABSA Bank Limited	4 047	4 276
The loan is repayable over 120 months ending 28 February 2018. Interest is payable at prime less 0,5%. The loan is secured by a bond over Unit 4, Block A, Derby Downs Office Park, having a carrying value of R6,8 million.		
11.10 Commitments under finance leases over periods of 12 to 22 months. These commitments include the capital payments due in 2008 in respect of industrial properties in Elsies River (Cape) and Elandsfontein and are secured over the said properties.		
These amounts are interest free.	–	51 437
Total secured loans	109 530	128 007
Unsecured		
Robin Nixon	–	20
B Falconer Estates	–	250
Total unsecured loans	–	270
Total borrowings	109 530	128 277
Short-term	1 835	66 721
Long-term	107 695	61 556
	109 530	128 277

The total borrowings do not exceed the borrowing powers of the company as set out in its memorandum and articles which are unlimited.

Notes to the Financial Statements
For the year ended 28 February 2009 (cont.)

	GROUP 2009 R'000	GROUP 2008 R'000
12. CONTINGENT LIABILITIES AND ENCUMBRANCES		
Group:		
Suretyships by Colliers South Africa Holdings Limited in favour of Momentum Life, limited to a maximum of R1 million.	1 000	1 000
Suretyships on behalf of Ikusasa Communications (Pty) Limited in favour of Wild and Marr (Pty) Limited, limited to a maximum of R4 450 000. A claim has been made due to a default in its obligations by Ikusasa Communications (Pty) Limited to the extent of R1 617 896, including legal costs. The company has disputed the claims against it.	1 618	1 618
Colliers South Africa Holdings Limited has signed a suretyship in favour of First National Bank in respect of facilities provided by First National Bank, Wesbank, Rand Merchant Bank, FirstCard and/or the respective Property Financing Divisions and/or any other division of the Bank in respect of facilities and/or guarantees granted to Quyn International Outsourcing (Pty) Limited, Colliers RMS (Pty) Limited, Colliers Property and Facilities Management (Pty) Limited, Colliers Auctions (Pty) Limited and Quyn Payroll Services (Pty) Limited totalling R20 693 000. These companies have signed cross-suretyships in favour of the bank.	20 693	20 693
The above contingencies are for an unlimited period.		
13. LEASE COMMITMENTS		
13.1 Payable		
Operating lease commitments for the group in terms of premises and equipment	19 742	3 711
– within 12 months	3 544	2 995
– exceeding 12 months and less than 60 months	16 198	716
13.2 Receivable		
In terms of premises	29 757	50 237
– within 12 months	11 756	20 110
– exceeding 12 months and less than 60 months	18 001	30 127

Notes to the Financial Statements
For the year ended 28 February 2009 (cont.)

14. RELATED PARTIES

Group

14.1 During the year the group had the following related party transactions:

14.1.1 Consultancy agreements with Devex Bridge Development (Pty) Limited, a company controlled by a director, Mr R P Fertig, in terms of which property operating subsidiaries paid fees totalling R720 000 (2008: R720 000) to Devex Bridge Development (Pty) Limited.

14.1.2 Consultancy agreements with JNF Investments cc, a financial services company controlled by the wife of a director, Mr W P Alcock, in terms of which group companies paid fees totaling R320 000 (2008: R300 000) to JNF Investments cc.

14.2 Identification of other related parties

Investments and subsidiaries – refer note 4 and Appendix A.
Joint ventures – refer note 6.

14.3 Key Management

The key management of the group consists of the executive directors whose remuneration is disclosed in note 21.

14.4 Transactions with related parties

No intercompany transactions were disclosed as these eliminate on consolidation.

Company

14.5 Transactions with related parties

Management fees were received from group companies to the value of R3 022 000 (2007: R1 704 106).

Notes to the Financial Statements
For the year ended 28 February 2009 (cont.)

	GROUP 2009 R'000	GROUP 2008 R'000	COMPANY 2009 R'000	COMPANY 2008 R'000
15. REVENUE				
The main categories of income comprise the following:				
Property management fees	17 167	20 843	–	–
Administration fees	–	–	3 022	1 704
Commission and project co.-ordination fees	16 799	14 013	–	–
Rentals and operating cost recoveries	23 078	25 329	–	–
Sundry	12 972	12 120	–	–
Labour broking fees and recoveries	284 508	245 740	–	–
Property sales	24 049	–	–	–
Payroll Management fees	7 799	7 303	–	–
	386 372	325 348	3 022	1 704
EXPENSES				
Expenses by nature are summarised below:				
Audit fees	1 191	942	203	90
Bad debts	2 686	3 521	–	–
Depreciation	1 892	2 153	–	–
Staff costs	36 204	34 261	599	270
Director's emoluments	–	–	240	180
Operating lease	7 999	5 065	–	–
Commission	7 086	5 634	–	–
Consulting and professional	9 176	8 569	–	–
Cost of properties sold	22 516	–	–	–
Cost of sales	262 829	231 162	–	–
General operating	32 727	22 751	119	1 084
	384 306	314 058	1 161	1 624
Classified as:				
Cost of sales	285 345	231 162	–	–
Operating costs	98 961	82 896	1 161	1 624
	384 306	314 058	1 161	1 624

Notes to the Financial Statements
For the year ended 28 February 2009 (cont.)

	GROUP 2009 R'000	GROUP 2008 R'000	COMPANY 2009 R'000	COMPANY 2008 R'000
16. OPERATING INCOME BEFORE INTEREST AND REVALUATIONS				
Operating income before interest and revaluations is arrived at after taking the following into account:				
Audit fees				
– current year	1 191	942	203	90
Depreciation				
– owned assets	1 892	2 152	–	–
Legal fees	2 934	2 827	–	–
Operating lease payments				
– premises	7 414	4 018	–	–
– equipment	585	1 047	–	–
(Profit) on disposal of property, plant and equipment	(557)	(253)	–	–
Professional fees	6 242	6 526	–	–
Total staff costs	42 401	36 518	599	270
Contributions to retirement funds	3 087	3 378	65	31
17. INVESTMENT INCOME				
Interest received – cash	3 594	2 281	10	11
18. FINANCE COSTS				
Interest paid	12 793	12 127	–	–
Interest paid – overdraft	1 790	3 295	–	–
Interest paid – secured loans	10 278	10 705	–	–
Interest paid – instalment finance	229	20	–	–
Interest capitalised	–	(1 893)	–	–
Interest paid – SARS	496	–		
19. TAXATION				
SA normal				
– current	3 156	2 799	488	–
– deferred	7 024	4 290	–	–
	10 180	7 089	488	–
RECONCILIATION OF TAX RATE	%	%	%	%
Tax on net income at standard rate	28,0	29,0	28,0	29,0
Exempt income	(9,9)	(11,5)		–
Assessed losses	(16,2)	(5,1)	0,4	(29,0)
Prior year adjustment	27,3	(0,2)		–
Change in tax rate	0,1	–	(54,5)	–
Capital gains tax adjustment	8,6	2,5		–
Effective tax rate	37,8	14,7	(26,1)	–

Notes to the Financial Statements (cont.)
For the year ended 28 February 2009

20. FINANCIAL RISK MANAGEMENT

Financial risk factors

The group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The group's financial risk management programme focuses on the unpredictability of the financial markets and seeks to minimize potential adverse effects on the group's financial performance.

Interest rate risk

The group has no significant interest-bearing assets and interest rate risk is primarily related to borrowings. As the group's borrowings bear interest at variable rates, it does not have any fair value exposure but it is exposed to future cash flow risks. Had interest rates for the year been 0.5 percentage points higher or lower and been applied to the period end interest bearing debt of R122 million (2008: R88 million), the after tax interest expense for the year would have been higher or lower by R0,43 million (2008: R0,35 million).

The group analyses the impact on profit and loss of defined interest rate shifts, taking into consideration refinancing and alternative financing. The analysis is only for liabilities that represent the major interest-bearing positions. The group does not hedge exposure to interest rate risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, flexibility of funding is maintained through ensuring availability under committed credit lines.

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. All deposits are held with major South African banks.

Creditworthiness of local trade debtors is assessed when credit is first extended and is reviewed on a regular basis thereafter.

Credit risk management

The group manages its credit risk exposure by strict controls over the granting of credit and collection of receivables.

	GROUP 2009 R'000	GROUP 2008 R'000	COMPANY 2009 R'000	COMPANY 2008 R'000
Account and other receivables				
Account receivables	36 327	36 095	–	–
Provision for impairment of receivables	(417)	(686)	–	–
	35 910	35 409	–	
Sundry receivables	19 546	15 346	–	814
Related party receivables	–	–	19 982	18 027
Provision for impairment	–	–	(931)	(2 576)
	55 456	50 755	19 051	16 265

There is no significant concentration of risk in respect of any particular customer or industry segment.

Trade and other receivables with a book value of R36 million (2008: R35 million)(including inter-company debtors) have been ceded as security for borrowing facilities.

The fair values of financial instruments approximates their carrying cost.

Trade receivables other than an amount of R417 000 at 28 February 2009 (2008: R686 000) were neither overdue nor impaired. The credit quality of these debtors is sound.

No trade receivables are past due or impaired at the period end.

No collateral is held in respect of the impaired trade receivables.

Liquidity risk management

The group's policy is the ensure it has access to sufficient funds for the foreseeable future.

	2009 R'000	2008 R'000
The group's facility utilisation at the period end was:		
Total borrowing facilities	181 234	227 610
Less:		
Non current borrowings	(107 695)	(61 536)
Current borrowings	(14 329)	(26 552)
Committed undrawn facilities	–	(115 526)
Available	59 210	23 996

Financial liabilities with contractual maturity dates beyond a year from 28 February 2009 comprise non-current borrowings.

Note: The largest portion borrowings and borrowing facilities are directly linked to investment properties and therefore do not place the operating companies at risk. The only facilities which are available to the operating companies are bank overdraft facilities totalling R18 million.

Notes to the Financial Statements (cont.)
For the year ended 28 February 2009

	GROUP 2009 R'000	GROUP 2008 R'000	COMPANY 2009 R'000	COMPANY 2008 R'000
20. FINANCIAL RISK MANAGEMENT (CONT.)				
Liquidity risk management				
The group's policy is to ensure that the major portion of its borrowing relates directly to and is secured by investment properties.				
Non-current borrowings				
Secured Loans	109 530	76 570	–	–
Finance leases –	–	51 437	–	–
Unsecured loans –	–	270	–	–
Current portion included				
In current borrowings	(1 835)	(66 721)	–	–
	107 695	**61 556**	**–**	**–**
Borrowing payments by financial year				
2010	1 835			
2011	30 838			
2012	8 838			
2013	8 838			
Thereafter	59 181			

As all borrowings bear interest at market rates their fair value approximates their carrying value. The fair value of accounts payable approximates their carrying cost.

In terms of the company's articles of association the borrowing powers of the group are subject to any regulations made by the company in a general meeting to restrict the borrowing powers, failing which they are at the discretion of the directors. To date no such regulation has been imposed.

	GROUP 2009 R'000	GROUP 2008 R'000	COMPANY 2009 R'000	COMPANY 2008 R'000
The group's net debt to equity at the period end was as follows:				
Non-current borrowings		1	107 695	61 556
Current borrowings including bank overdrafts		2	14 329	26 803
Total borrowings			122 024	88 359
Less: cash and cash equivalents			(7 445)	(4 882)
Net borrowings			**114 579**	**83 477**
Net debt to equity			**85,5%**	**71.0%**

Notes
1. Secured by mortgage bonds over properties and pledge of immovable assets.
2. Excludes finance lease liabilities in respect of properties totalling R Nil million (2008: R51,4 million)

Capital management
The group's objectives when managing capital (being shareholders funds and borrowings) are to maintain the optimum mix of liquidity and low cost of capital and to be able to finance future growth.

The group does not target specific capital ratios, with current and future borrowings being evaluated against the group's expected operating cash flows and capital investment needs. Capital adequacy and liquidity are managed by monitoring net debt to equity, interest cover and debt service ratios.

Notes to the Financial Statements (cont.)
For the year ended 28 February 2009

NAME	MONTHS PAID	FEES R'000	REMUNE-RATION R'000	RETIREMENT, MEDICAL, ACCIDENT AND DEATH BENEFITS R'000	OTHER BENEFITS R'000	GROUP R'000
21. DIRECTORS' EMOLUMENTS						
2009						
Non-executive directors						
S F Cairns	–	–	–	–	–	–
B Mothelesi	12	120	–	–	–	120
M Moela	12	120	–	–	–	120
Total (A)		240	–	–	–	240
Executive directors						
R P Fertig	12	–	1 096	221	–	1 317
W P Alcock	12	–	648	154	277	1 079
B W Kaiser	12	–	1 453	248	9	1 710
Total (B)			3 197	623	286	4 106
Total emoluments (A + B)		240	3 197	623	286	4 346
2008						
Non-executive directors						
S F Cairns	–	–	–	–	–	–
B Mothelesi	7	90	–	–	–	90
M Moela	7	90	–	–	–	90
Total (A)		180	–	–	–	180
Executive directors						
R P Fertig	12	–	953	358	–	1 311
W P Alcock	12	–	564	380	–	944
B W Kaiser	12	–	1 272	408	6	1 686
Total (B)		–	2 789	1 146	6	3 941
Total emoluments (A + B)		180	2 789	1 146	6	4 121

There are no directors' service contracts in place.

Directors' emoluments were paid by subsidiary companies.

Notes to the Financial Statements (cont.)
For the year ended 28 February 2009

	2009 R'000	2008 R'000
22. EARNINGS PER SHARE / DIVIDENDS PER SHARE		
Basic earnings per share		
Earnings per shares (cents)	30,0	73,5
Weighted average number of shares in issue (000's)	55 815	55 914
Headline earnings per share (cents)		
Net profit per income statement	16 747	41 084
Profit on sale of property, plant and equipment	(557)	(253)
Impairment of investments	–	2 516
Revaluation of investment property (net of taxation)	(23 387)	(39 978)
Headline earnings/(loss)	(7 197)	3 369
Headline earnings/(loss) per share (cents)	(12,9)	6,0
There was no dilution in basic or headline earnings per share		
Dividends per share		
No dividends were declared during the period	–	–

Notes to the Financial Statements (continued)
For the year ended 28 February 2009

	PAYROLL SERVICES AND LABOUR BROKING 2009 R'000	2008 R'000	PROPERTY 2009 R'000	2008 R'000	ELIMINATIONS 2009 R'000	2008 R'000	TOTAL 2009 R'000	2008 R'000
23. BUSINESS SEGMENTS								
Revenue								
Total sales	295 097	258 580	98 004	71 355	(6 729)	(4 587)	386 372	325 348
Segment result	1 993	6 997	34 133	51 022	–	–	36 126	58 019
Interest (paid)	(306)	(205)	(12 487)	(11 922)	–	–	(12 793)	(12 127)
Interest received	1 210	676	2 384	1 605	–	–	3 594	2 281
Operating income before taxation	2 897	7 468	24 030	40 705	–	–	26 927	48 173
Income taxation	(657)	(360)	(9 523)	(6 729)	–	–	(10 180)	(7 089)
Outside shareholders' interest	(19)	(109)	–	–	–	–	(19)	(109)
Net profit	2 221	6 999	14 507	33 976	–	–	16 728	40 975
Other information								
Segment assets	37 176	36 588	280 944	263 592	–	–	318 120	300 180
Corporate assets	14 738	12 195	–	–	(14 738)	(12 195)	–	–
Consolidated total assets	51 914	48 783	280 944	263 592	(14 738)	(12 195)	318 120	300 180
Segment liabilities	29 556	27 784	154 612	154 894	–	–	184 168	182 678
Corporate liabilities	–	–	14 738	12 195	(14 738)	(12 195)	–	–
Consolidated total liabilities	29 556	27 784	169 350	167 089	(14 738)	(12 195)	184 168	182 678
Depreciation and amortisation	312	402	1 580	1 750	–	–	1 892	2 152
Capital expenditure	559	391	2 334	947	–	–	2 893	1 338

A geographical segmental report is not presented as the majority of the group's operations are carried out in the Gauteng area.

Notes to the Financial Statements
For the year ended 28 February 2009

	GROUP 2009 R'000	GROUP 2008 R'000	COMPANY 2009 R'000	COMPANY 2008 R'000
24. NOTES TO CASH FLOW STATEMENT				
24.1 Cash generated by operations				
Income/(loss) before taxation	26 927	48 173	1 871	685
Adjusted for: Non-cash items and separately disclosable items				
Interest paid	12 793	12 127	–	–
Interest received	(3 594)	(2 281)	(10)	(11)
Depreciation and amortisation	1 892	2 152	–	–
Loss/(profit) on disposal of property, plant and equipment	(557)	(253)	–	–
Movement in provisions	–	(9 047)	–	–
Revaluation of investment property	(34 060)	(46 729)	–	
Impairment/(revaluation) of investments	–	–	(1 576)	(67)
Movement in operating lease assets and accruals	30	(2 385)	–	–
Other non-cash items	(6)	(28)	–	–
Operating profit/(loss) before working capital changes	3 425	1 729	285	607
Changes in working capital				
(Increase)/decrease in accounts receivable	(5 636)	(11 905)	814	(803)
Increase/(decrease) in accounts payable and provisions	8 218	8 124	117	(141)
Movement in inventories	9 020	(21 143)	–	–
Deferred income movement				
	15 027	**(23 195)**	**1 216**	**(337)**
24.2 Cash and cash equivalents				
Cash and cash equivalents comprise:				
Bank and cash balances on hand	7 445	4 882	418	121
Bank overdrafts	(12 494)	(11 519)	–	–
	(5 049)	**(6 637)**	**418**	**121**

Shareholder Information
Analysis of Shareholding

RANGE OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	% OF SHAREHOLDERS	NUMBER OF SHARES	% OF ISSUED SHARES
ANALYSIS OF SHAREHOLDING – AT FINANCIAL YEAR END				
1 – 1 000	199	23,19	114 609	0.21
1 001 – 10 000	470	54,79	1 807 816	3,23
10 001 – 100 000	144	16,78	4 158 365	7,44
100 001 – 1 000 000	34	3,96	9 534 500	17,05
1 000 001 – and over	11	1,28	40 299 514	72.07
TOTAL	858	100,0	55 914 804	100,0

Appendix A: Subsidiary Companies

	ISSUED SHARE CAPITAL	EFFECTIVE % HOLDING	COST OF SHARES R'000	INDEBTED-NESS R'000	TOTAL R'000
COMPANY 2009					
Quyn Outsourcing (Pty) Limited	1	100	–	3 725	3 725
Colliers RMS (Pty) Limited	101	100	2 695	14 641	17 336
Quyn Sure (Pty) Limited *	100	100	1 094	(2 096)	(1 002)
Quyn Financial Services (Pty) Limited) *	1	100	–	931	931
Quyn International Outsourcing (Pty) Limited *	100	100	–	341	341
Quyn Payroll Services (Pty) Limited *	50 000	100	1 020	342	1 362
Colliers Auctions (Pty) Limited *	100	100	–	–	–
Colliers Broking (Pty) Limited *	200	100	–	–	–
Colliers Development (Pty) Limited *	1 000	100	–	–	–
Erf 68 Illovo (Pty) Limited *	4 000	100	–	–	–
Colliers Property Investments One (Pty) Limited *	200	100	–	–	–
Colliers Property Investments Two (Pty) Limited *	200	100	–	–	–
Colliers Property and Facilities Management (Pty) Limited *	100	100	–	–	–
Colliers RMS Nelspruit (Pty) Limited *	1 000	100	–	–	–
Colliers Residential (Pty) Limited *	100	100	–	–	–
Colprop KwaZulu-Natal (Pty) Limited *	100	100	–	–	–
Somerset Mall Developments (Pty) Limited *	100	100	–	–	–
Less: provision against loans					
Quyn Financial Services (Pty) Limited				(931)	(931)
			4 809	**16 953**	**21 762**
COMPANY 2008					
Quyn Clean (Pty) Limited	100	100	–	–	–
Quyn Financial Services (Pty) Limited	1	100	–	958	958
Quyn Outsource (Pty) Limited	1	100	–	1 550	1 550
Quyn Remuneration Services (Pty) Limited	100	100	–	–	–
Quyn Sure (Pty) Limited	100	100	1 094	(2 096)	(1 002)
Colliers RMS (Pty) Limited	101	100	2 695	15 211	17 906
Quyn Payroll Services (Pty) Limited	50 000	80	*	–	–
Quyn International Outsourcing (Pty) Limited	100	100	*	240	240
Colliers Auctions (Pty) Limited *	100	100	–	–	–
Colliers Broking (Pty) Limited *	200	100	–	–	–
Colliers Development (Pty) Limited *	1 000	100	–	–	–
Erf 68 Illovo (Pty) Limited *	4 000	100	–	–	–
Colliers Property Investments One (Pty) Limited *	200	100	–	–	–
Colliers Property Investments Two (Pty) Limited *	200	100	–	–	–
Colliers Property and Facilities Management (Pty) Limited *	100	100	–	–	–
Colliers RMS Nelspruit (Pty) Limited *	1 000	100	–	–	–
Colliers Residential (Pty) Limited *	100	100	–	–	–
Colprop KwaZulu-Natal (Pty) Limited *	100	100	–	–	–
Somerset Mall Developments (Pty) Limited *	100	100	–	–	–
Less: Provisions against loans					
Quyn Financial Services (Pty) Limited				(958)	(958)
Quyn Outsource (Pty) Limited				(1 550)	(1 550)
			3 789	**13 355**	**17 144**

• Indirectly held.

Intercompany loans are interest free and have no fixed terms of repayment. All of the above companies are incorporated in South Africa.

During the year under review all companies within the Outsource group were constituted subsidiaries of Quyn Outsource (Pty) Limited, resulting in the company having two direct subsidiaries, namely Colliers RMS (Pty) Limited in the property sector, and Quyn Outsource (Pty) Limited in the Outsource sector.

Appendix B: Investment Properties

DESCRIPTION	LAND COST R 000	BUILDING COST R 000	FAIR VALUE ADJUSTMENT R 000	TOTAL BOOK VALUE R 000
ADDITIONAL INFORMATION				
A. DETAILS				
1. Office block situated on portion 3 of Erf 204 Bruma Gauteng having a total lettable area of 2000 square metres currently let at R152 per square metre. (A lease at R108 per square has recently been renegotiated.) (50% held)	1 184	5 147	5 669	12 000
2. Retail and office block situated on erven 1238,1239 and 1240 and ptn.1 erf 1237 Benoni Gauteng having a total lettable area of 3482 square metres (1464 retail, 2018 office). The retail is let at a weighted average rental of R36 per square metre. The office potion is vacant.	625	3 935	740	5 300
3. Retail portion of mixed use development situated on Re of Erf 2505 Hout Bay Western Cape having a total lettable retail area of 888 square metres let at a weighted average of R131 per square metre.	8 381	8 604	9 619	26 604
4. Industrial complex situated on Erf 21212 Goodwood Western Cape having a total area of 54693 square metres let at a weighed average rental of R28 per square metre.	21 900	47 479	71 233	140 612
5. Office block situated on Erf 3789 Westville KwaZulu-Natal, having a total lettable area of 630 square metres let at R101 per square metre.	923	3 384	2 544	6 851
	33 013	**68 549**	**89 805**	**191 367**

B. ANALYSIS

	WESTERN CAPE	KWAZULU -NATAL	GAUTENG
1. Gross lettable area (sq. metres)			
Industrial	54 693	–	–
Office	–	630	3 018
Retail	888	–	1 464
	55 581	**630**	**4 482**
2. Annual rental income(R000)			
Industrial	20 004	–	–
Office	–	837	2 034
Retail	528	–	648
	20 532	**837**	**2 880**
3. Vacancy (sq. metres)			
Industrial	320	–	–
Office	–	–	2 018
Retail	328	–	–
	648	**–**	**2 018**
4. Average rent per square metre (Rand)			
Industrial	28	–	–
Office	–	101	152
Retail	82	–	36
5. Average escalation %			
Industrial	8.5	–	–
Office	–	8.5	11
Retail	11	–	6.33
6. Tenant profile %			
Industrial			
A	20	–	–
B	63	–	–
C	11	–	–
Office			
A	–	–	61
B	–	39	–
C	–	–	–
Retail			
A	–	–	–
B	11	–	72
C	17	–	–

A – Large listed companies, SA Government and large franchisees
B – Other listed companies and other large companies.
C – Other

7. Lease Expiry %

	2010	2011	2012	2013	2014+
Area	6	39	20	4	31
Revenue	15	30	18	4	33

8. Weighed averages

	RENT PER m2 (RAND)	ESCALATION BY SECTOR (%)
Industrial	28	8.5
Office	132	10.03
Retail	72	8.09

9. Average annualised property yield
This has not been disclosed as the major portion of the portfolio is under redevelopment.

Shareholder Information
Major Shareholders

	NUMBER OF SHARES	% OF SHARES
MAJOR SHAREHOLDERS – HOLDINGS OVER 5%		
Diamond Edge Business Opportunities	14 000 000	25,04
Pershing Securities	8 456 000	15,12

Shareholder Information

INTERESTS OF DIRECTORS

The details of the beneficial and non-beneficial interest of the directors (whether directly or indirectly) in the share capital of the company are:

NAME OF DIRECTOR	BENEFICIAL HOLDINGS DIRECT	INDIRECT	NON-BENEFICIAL HOLDINGS DIRECT	INDIRECT	% OF ORDINARY SHARES
2009					
R P Fertig	3 502 040	5 171 061	–	–	15,51
B W Kaiser	2 484 250	260 000	–	–	4,91
S F Cairns	–	–	–	–	–
W P Alcock	190 000	–	–	–	0,34
B Mothelesi	–	–	–	–	–
M Moela	–	–	–	–	–
	6 176 290	5 431 061	–	–	20,76
2008					
R P Fertig	1 904 012	6 769 089	–	–	15,51
B W Kaiser	2 744 247	–	–	–	4,91
S F Cairns	–	–	–	–	–
W P Alcock	190 000	–	–	–	0,34
B Mothelesi	–	–	–	–	–
M Moela	–	–	–	–	–
	4 838 259	6 769 089	–	–	20,76

There have been no changes in the interests of directors between the year end and the date of this report.

SHAREHOLDER SPREAD

	NUMBER OF SHAREHOLDERS IN SA NOMINAL NUMBER	%	NUMBER OF SHAREHOLDERS OTHER THAN SA NOMINAL NUMBER	%	TOTAL SHAREHOLDERS NOMINAL NUMBER	%
Public	830	96,73	18	2,10	848	98,83
Directors and associates	10	1,17	–	–	10	1,17
TOTAL	**840**	**97,90**	**18**	**2,10**	**858**	**100,00**

PERFORMANCE ON THE JSE SECURITIES EXCHANGE SOUTH AFRICA

		SHARE PRICE (CENTS)
Ruling price	– 1 March 2008	170
Ruling price	– 28 February 2009	45
Range	– highest price	195
	– lowest price	45
Volume of shares traded in financial period		2 243 725
Value traded in financial period		R2 616 754

Proxy Form

For use by shareholders of Colliers South Africa Holdings Limited (formerly Quyn Holdings Limited)

ANNUAL GENERAL MEETING TO BE HELD IN THE BOARDROOM AT 36 FRICKER ROAD, ILLOVO, SANDTON, ON WEDNESDAY 23 SEPTEMBER 2009, AT 10:00AM.

A member entitled to attend and vote is entitled to appoint a proxy to attend, speak and vote in his stead and such proxy need not be a member of the company.

I, ... of ....

being a member of the above company, hereby appoint ....

of ....

or, failing him/her .... of ....

or, failing him/her, the chairman of the annual general meeting, as my proxy to vote or abstain from voting on my behalf at the annual general meeting of the company to be held on Wednesday, 3 October 2007, at 10:00 and at any adjournment thereof as follows:

Ordinary Business	In Favour Of	Against	Abstain
1. Resolution to adopt the financial statements.			
2. Resolution to sanction the declaration of no dividends.			
3. Resolution to determine the remuneration of the directors.			
4. Resolution to re-elect Mr B W Kaiser as a director of the company.			
5. Resolution to re-elect Mr S F Cairns as a director of the company.			
6. Resolution to appoint the auditors of the company.			
7. Resolution to authorise the directors to fix the auditors' remuneration.			
8. Ordinary resolution number 1: placing the unissued shares under the control of the directors.			
9. Ordinary resolution number 2: authorising the issue of shares for cash.			
10. Special resolution number 1: permitting the company to repurchase shares.			

Signed this .... day of .... 2009.

Signature of member .... Assisted by (where applicable) ....

Notice of Annual General Meeting

(Incorporated in the Republic of South Africa)
(Registration number 1998/012245/06)
(Share code: COL, ISIN code: ZAE000099461)
(Previously QUY ISIN code: ZAE000017257)

NOTICE IS HEREBY GIVEN THAT AN ANNUAL GENERAL MEETING OF MEMBERS OF COLLIERS SOUTH AFRICA HOLDINGS LIMITED WILL BE HELD IN THE BOARDROOM AT 36 FRICKER ROAD, ILLOVO, SANDTON ON WEDNESDAY 23 SEPTEMBER 2009, AT 10:00 FOR THE FOLLOWING PURPOSES:

1. To receive and adopt the annual financial statements for the 12 months ended 29 February 2008.
2. To sanction the decision of the directors not to pay any dividends.
3. To determine the remuneration of the directors.
4. To re-elect Mr B W Kaiser who retires from the board of directors in terms of the company's articles of association and who, being eligible, offers himself for re-election.
5. To re-elect Mr S F Cairns who retires from the board of directors in terms of the company's articles of association, and who, being eligible, offers himself for re-election.
6. To appoint the auditors of the company and to authorise the direction to fix the auditors' remuneration.
7. To grant authority to the directors to issue shares as set out in ordinary resolutions numbers 1 and 2 below and to authorise the repurchase of shares by the company as set out in special resolution number 1 below.
8. To transact any other business capable of being transacted at an annual general meeting.

ORDINARY RESOLUTION NUMBER 1

"Resolved that all the authorised but unissued securities of the company be and they are hereby placed under the control of the directors of the company as a general authority to them to allot and issue the same at their discretion in terms of and subject to the provisions of Section 221 of the Companies Act and the listing requirements of the JSE Limited."

ORDINARY RESOLUTION NUMBER 2

"Resolved that, subject to:

2.1 the passing of ordinary resolution number 1 above; and

2.2 not less than 75 per cent of those shareholders of the company present in person or by proxy and entitled to vote at the meeting at which this resolution is proposed voting in favour of this resolution; the directors of the company be and they are hereby authorised and empowered, by way of a general authority, to allot and issue for cash, without restriction, all or any of the authorised but unissued securities in the capital of the company placed under their control as they in their discretion may deem fit, subject to the provisions of the listing requirements of the JSE Limited."

The restrictions placed by the JSE Limited on such general authority for allotments and issues for cash are as follows:

- The authority is valid until the next annual general meeting but in any event not later than 15 months from the date of meeting.
- Any such issue must be of a class of securities already in issue and can only be made to public shareholders as defined in the listing requirements.
- Issues in the aggregate in any one financial year will not exceed 15% of the number of securities of the company's issued share capital.
- A paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within a financial year, 5% or more of the number of securities in issue.
- In determining the price at which the issue of securities will be made, the maximum discount permitted will be 10% of the average closing price of the securities as determined over the 30 days prior to either the date of the paid press announcement or, where no announcement is required and none has been made, the date of issue of such securities.
- Subject to the approval of not less than 75% of the votes cast by shareholders present or represented by proxy and entitled to vote thereat.

SPECIAL RESOLUTION NUMBER 1

Repurchase of securities

To consider and, if deemed fit, pass with or without notification the following resolution was passed as a special resolution:

"RESOLVED THAT: the acquisition by the company of shares issued by it, as provided for in the company's Articles of Association, on such terms and conditions as may be determined by the directors and the acquisition by any subsidiary of the company of shares issued by the company on terms and conditions as determined by the directors.

(a) the general authority granted to the directors shall be valid only until the company's next annual general meeting and shall not extend beyond 15 (fifteen) months from the date of this resolution;
(b) the general authority for the company or by its subsidiaries to acquire its securities shall be limited to a maximum of 20% of the company's issued securities in any applicable class in any one financial year;
(c) any repurchase may not be made at a price more than 10% above the weighted average of the market value of the security for 5 (five) business days immediately preceding the date of such repurchase (inclusive of any specific authority);
(d) should the company either directly or indirectly through its subsidiaries cumulatively repurchase 3% of its own securities in terms of this general authority it shall make an announcement in accordance with the listing requirements of the JSE Limited ("JSE").
(e) the repurchase will be affected through a single agent appointed for this purpose using the order book operated by the JSE trading system without any prior understanding or arrangement.
(f) the repurchase will only be effected if it does not contravene the JSE Limited's shareholder spread requirements.
(g) the repurchase will not be effected during a prohibited period as defined by the JSE Limited.

Reasons for and effects of special resolution number 1 is to enable the directors of the company up to and including the date of the next annual general meeting of the company to approve the acquisition by the company, of its own securities and which will, upon registration, have that effect.

The board of directors may use the authority granted under special resolution number 1 where circumstances such as market conditions, revenue dispensations or any other circumstances which may be in the best interests of the company and its shareholders, in the opinion of the directors, warrant the use of such authority.

The directors, at the time of taking an executive decision to effect a repurchase on the open market, will:

- provide the JSE with the latest audited annual financial statements or reviewed interim financials;
- provide the JSE with a forecast balance sheet, income statement and cash flow statement covering the 12-month period subsequent to the date of the latest audited financial statements or reviewed interim results, as the case may be, which forecasts will be reviewed by the auditors of the company.

The directors are of the opinion, after considering the possible effects on an acquisition by the company of its own securities, that:

- the company shall be able, in the ordinary course of its business, to pay its debts;
- the consolidated assets of the company, fairly valued in accordance with Generally Accepted Accounting Practice, are in excess of the consolidated liabilities of the company;
- the company shall have adequate working capital for its operations in the following year; and
- the company shall have adequate capital.

For the purposes of considering the special resolution for the company or as a subsidiary of the company to repurchase shares issued by the company, the information below has been included in the annual report in which this notice of annual general meeting is included:

Directors and administration – inside front cover of the report
Major shareholders – page 12 of the report
Directors' interests – page 13 of the report
Share capital – page 08 of the report
Litigation – other than for the claim as set out in note 12 to the Annual Financial Statements to which the notice is attached, the directors are not aware of any legal or arbitration proceeding, including proceedings that are pending or threatened, that may or have in the previous 12 months had a material affect on the group's financial position.
Directors' responsibility statement on page 03 of the report.

Directors' responsibility

The directors of the company whose names are set out inside the back cover of the annual financial statements to which this notice is attached, 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 this circular contains all information required by law and the Listings Requirements.

Voting and proxies

Every holder of ordinary shares present in person or by proxy at the meeting, or in the case of a body corporate represented at the meeting shall be entitled to one vote on a show of hands and on a poll shall be entitled to one vote for every ordinary share held. A proxy form is enclosed for those members who wish to be represented at the meeting but are unable to attend. In order to be effective, a duly completed proxy form must be deposited at the registered office of the company not less than forty-eight hours before the time for holding the meeting.

BY ORDER OF THE BOARD
B W KAISER, COMPANY SECRETARY
ILLOVO

Notes to the Proxy Form

Notes and instructions to the Proxy Form

NOTES

1. Indicate instruction to proxy by way of a cross in the spaces provided above.
2. Unless otherwise instructed, a proxy may vote as he/she thinks fit.
3. This proxy form and the general or special power of attorney or other authority, if any, must be signed, dated and returned so as to reach the registered office of the company at least forty-eight hours before the meeting.
4. Members who have dematerialised their shares in the company and are registered in their own names are members who appointed Computershare Custodial Services as their Central Securities Depository Participants (CSDP) with the express instruction that their uncertificated shares are to be registered in the electronic sub-register of members in their own name.

INSTRUCTIONS ON SIGNING AND LODGING THIS FORM OF PROXY:

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided overleaf, with or without deleting 'the chairman of the meeting', but any such deletion must be initialled by the shareholder. Should this space be left blank, the proxy will be exercised by the chairman of the meeting. The person whose name appears first on the form of proxy and who is present at the meeting to act as proxy to the exclusion of those whose names follow.
2. A shareholder's voting instructions to the proxy must be indicated by the insertion of an "X" or, alternatively, the number of shares such shareholder wishes to vote, in the appropriate spaces provided. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the meeting as he/she thinks fit in respect of all the shareholder's shares. A shareholder or his/her proxy is not obliged to use to use all the shares held by the shareholder, but the total number of shares, or those in respect of which abstention is recorded, may not exceed the total number of shares held by the shareholder.
3. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
4. To be valid the complete form of proxy must be lodged with the transfer secretaries of the company, Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001, (P O Box 61051, Marshalltown, 2107), to be received by them not later than Monday 21 September 2009.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the chairman of the meeting.
6. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof, should such shareholder wish to do so.
7. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory/ies.
8. The chairman of the meeting may accept any form of proxy which is completed, other than in accordance with these instructions and notes, provided that the chairman is satisfied as to the manner in which shareholder wishes to vote.

DESIGNED AND PRODUCED BY DMCB DESIGN & PHOTOGRAPHY: 082 926 0559