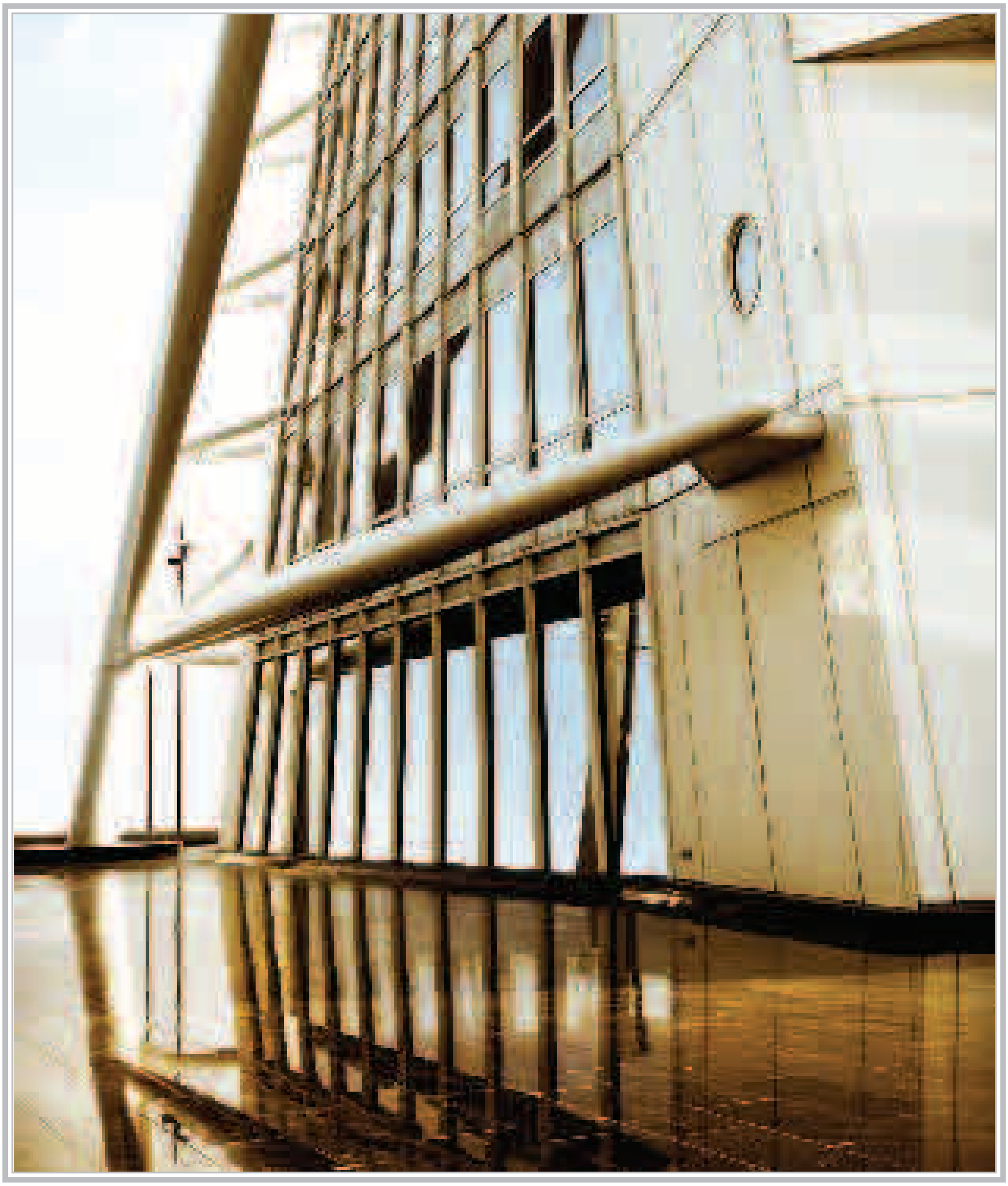
Accentuate

annual réport 2008



perfecting structures

Our commitment – the eight e's

équity • énsured • énforced • éxcellence

émpowerment • éarnings • éngagement • émployment

Profile

This annual report, for the period 1 July 2007 to 30 June 2008, is the first report to the shareholders as Accéntuate Limited (Accéntuate) (previously SAFIC Holdings). This report deals with both the financial and corporate issues that have impacted on the organisation over this period.

Accéntuate has its roots dating back to 1953 when Marley Flooring established itself within the domestic economy. More recently, in 1981, South African Fine & Industrial Chemicals SAFIC (Pty) Limited was established and these two strong brands were brought together and listed on the Alternative Exchange (AltX) of the Johannesburg Stock Exchange (JSE) in November 2006. During 2007 Safic Holdings acquired Centurion Glass & Aluminium (CGA) and during the first half of 2008, Safic Holdings Limited changed its name to Accéntuate Limited in order to better reflect the strategic direction of the organisation and to create a platform for the future growth of the company within the defined vision.

Nature of the business, major products and services

Accéntuate is a group of world class companies serving the construction and infrastructural development markets, with a strong presence in South Africa and a focus on the construction economies of the developing African market. Strategically the company is set to become a leading supplier of products and services into the infrastructure development sector through product and service extensions and acquisitions within clearly identified market segments.

Infrastructure Supplies Division

- **Flooring**

As the only local manufacturer of vinyl flooring, FloorworX (formerly Marley Flooring) supplies approximately 64% of the resilient flooring market within South Africa. Products include, vinyl, rubber linoleum and wood laminate flooring.

- **Glass & Aluminium**

Centurion Glass and Aluminium is a leading manufacturer and installer of bespoke glass and aluminium solutions to the construction and infrastructure development industries. Operating primarily in the design and specification area within the construction industry, CGA has grown to become a major player within the defined niche and as such has completed numerous landmark projects.

Environmental Solutions Division

As an ISO 9001, 14001 & OHSAS 18001 certified company SAFIC (Pty) Limited has been recognised as the leader within the environmental chemical market having won the *Mail & Guardian* "Greening the Future – Chemical Safety" award for two consecutive years. In addition to the provision of the highest quality floor treatments and maintenance products, a comprehensive range of chemical products are also offered into the mining, industrial, transportation as well as health and hygiene industries.

The board of Accéntuate is committed to profitable growth as the primary generator of value and positioning the business to meet the knowledge and solutions demands of the new economy, leveraging off our proven resource and asset base. As a proud South African company Accéntuate will continue to pursue future growth in our chosen markets from our domestic base. Much of this growth will be achieved by organic expansion into economic sectors that are aligned to our business strategy through the acquisition of appropriate new business platforms.

This report is also available in an electronic version on the Accéntuate website (www.accentuatelimited.co.za).

annual réport 2008

Vision

As a truly African company operating within the global economy, we strive to provide comprehensive, innovative and cost effective solutions to accentuate sustainable development of infrastructure on the African continent.

Mission

We strive to become the partner of choice to industry through the application of innovative technologies, world class products and the effective management of the value chain. This will be done within a framework embracing global benchmarks while taking cognisance of local realities.

Values

We accept our position as a responsible corporate citizen and therefore uphold and respect:

- The rule of law
- Responsible development
- Trust and respect for individuals
- Conducting business with uncompromising integrity

Strategy

As an empowered infrastructural solutions provider, listed on the JSE, Accéntuate's strategy is to capitalise on the enormous growth opportunities that currently exist in the Southern African market and particularly in the construction and infrastructure industry. While capitalising on the anticipated organic growth, we will look at increasing our existing footprint. We will also pursue identified opportunities (projects and acquisitions) that have strong cash flows and provide the opportunity for both product and geographic expansion.

Targeted acquisitions

In addition to the anticipated organic growth through our existing operations, Accéntuate has identified a number of potential acquisitions that will enhance our product offering to the market, while simultaneously giving us access to previously untouched markets. Certain of these discussions are at a relatively advanced stage and as such announcements in the regard will be made shortly.

Expansion

The group will continue to focus on market share growth, new-client acquisition and growing our product offering into our extensive and valued customer base. We have launched a number of initiatives across all our business divisions that aim at reducing attrition and increasing our effectiveness in meeting the ever changing demands of the market. This will be done through:

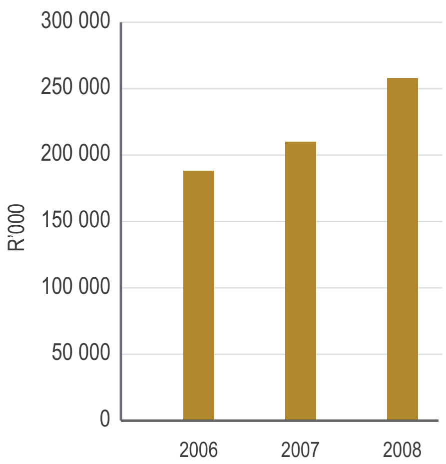
- Increasing geographical representation, through maximising existing regional and divisional facilities to the benefit of the group;
- Expanding our export operations into clearly identified African markets, most notably Angola;
- Emphasis on existing product and service expansion initiatives into current customer base;
- Expanding current customer base; and
- Expanding current product offering.

Contents

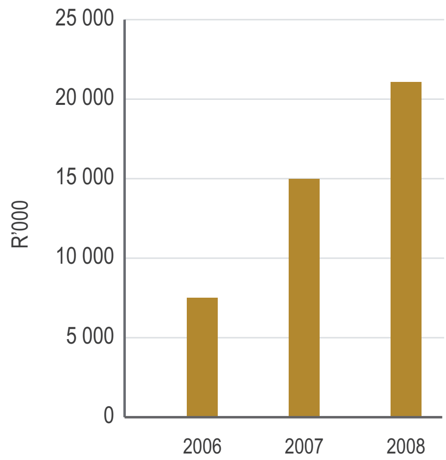
Group salient features

	Actual 2008	Actual 2007	% Increase/ (Decrease)
Financial results (R'000)			
Revenue	**257 767**	210 199	22,6
Operating profit	**21 071**	15 315	37,8
Net profit after tax	**16 710**	10 755	55,4
Net asset value	**161 640**	87 122	85,5
Share performance (cents per share)			
Earnings	**19,25**	15,62	23,2
Headline earnings (HEPS)	**19,59**	16,60	18,0
Dividend – maiden	**4,0**	–	–
Net tangible asset value	**153**	116	31,9
Financial statistics			
Return on average shareholders' equity (%)	**10,3**	12,3	

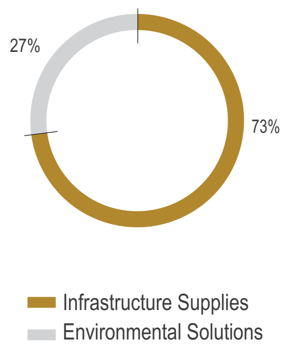
Revenue



Operating profit



Segmental revenue split R'000



Our history

1953 – Marley Flooring established

1981 – SAFIC established

2002 – EFIC acquires Marley Flooring. FloorworX Africa established

Group structure

Accéntuate Limited

27,13%
BEE shareholding*

- StructworX (Pty) Limited
  - FloorworX Africa (Pty) Limited
  - Silver Falcon Trading 12 (Pty) Limited t/a Centurion Glass and Aluminium
- SAFIC Environmental Services (Pty) Limited
  - SAFIC (Pty) Limited
  - SAFIC Black Empowerment Enterprises (Pty) Limited
  - SAFIC Academy (Pty) Limited
  - Ben Evelyn Laboratories (Pty) Limited
- Accéntuate Management Services Limited

**Main BEE partner is Thebe Investment Corporation*

Dormant companies have been excluded

2006

SAFIC Holdings lists on the AltX of the JSE

2007

SAFIC Holdings acquires Centurion Glass & Aluminium (CGA)

2008

SAFIC Holdings changes its name to Accéntuate Limited

Directorate

The board of Accéntuate is committed to profitable growth as the primary generator of value. Furthermore, the board ensures that the group complies with all relevant laws, regulations and codes of business practice and it communicates with its shareholders and relevant internal and external shareholders openly and promptly.

Dr Malesela David Clement Motlatla (68)
Non-executive Chairman
BA, Post-graduate diploma in Marketing, Diploma in Business Management (Wharton School of Business, Philadelphia), DCom (UNISA)

Dr Malesela Motlatla worked for the South African Breweries for more than twenty years where his main job functions included marketing and sales management, research, business development and training, corporate affairs, management consultancy and employee relations. He then established the first black business consortium in the Northern Cape region, namely Malesela Holdings (Pty) Limited, which currently operates in the areas of logistics, health, power and energy. He serves as Chairman on the board of several companies, including Crossroads Distribution (Pty) Limited and The Office of the Banking Adjudicator. His commitment to community development and education was recognised through the 'Nelson Mandela Award for Black Education Upgrade Projects'.

Frederick Cornelius Platt (41)
Chief Executive Officer
BA (Industrial Psychology), MBA (Brunel University, UK)

Mr Platt began his career in Human Resources Management in 1990, progressing to HR Director at United Fram Footwear – a division of Conshu Holdings Limited. He represented Conshu on the South African Breweries Human Resources Committee before joining SAFIC in 1997. Mr Platt moved rapidly through the ranks serving as Operations Director in 1998, Managing Director in 2000 and finally Group Managing Director for SAFIC in 2003. His vision for the organisation facilitated the strategic acquisition of Marley Flooring in 2003 and the consolidation of the various companies into Accéntuate Limited, which culminated in the listing on the AltX of the JSE in 2006. Mr Platt serves on the board of several companies and furthermore, is a member of the Institute of Directors (IOD).

Andreas Jacobus Voogt (42)
Chief Financial Officer
BCom Accounting (Hons) (UJ), MBA (Brunel University, UK)

After qualifying as a chartered accountant in 1993, Mr Voogt joined Conshu Limited as financial manager, and during his seven years with the group was appointed financial director and thereafter managing director of a leading manufacturing company within the group. He then joined Group 5 Limited as Group Financial Director: Construction Operations. In 2004 he joined Digicore Holdings Limited where he retained the position of Group Financial Director and in 2005 was appointed Financial Director of the SAFIC Group.

From left to right: Ré Voogt, Dr Donald Platt, Alex Kerrod, Dr Malesela Motlatla, Frederick Platt
**Absent:* Manne Dipico

Dr Donald Ernest Platt (49)

Executive Director
Bachelor's and Master's degrees in Business Administration and PhD in Management (Pacific Western University, California), Senior Executive Programme (Harvard Business School), course in Moral and Political Philosophy (Oxford), Global Management – INSEAD, France

Dr Platt started his working career in sales and marketing, spending twelve years in the industrial gas industry and thereafter served as a director of a subsidiary of Conshu Limited. He joined Marley SA as Sales and Marketing Director in 1998 and was promoted to Managing Director of Marley Flooring in 2001. The division was acquired by EFIC (Empowerment and Financial and Investment Company) in 2004. Dr Platt is currently Managing Director of FloorworX Africa and Chairman of Centurion Glass and Aluminium.

Manne Emsley Dipico (49)

Non-executive Deputy Chairman
BA Personnel Management (Fort Hare), Emerging Economic Leadership programme (Wharton School of Business, Philadelphia)

Mr Dipico is a former Premier of the Northern Cape (1994 – 2004) and is Chairperson of Ponahalo Capital and Vice-Chairperson of De Beers Consolidated Mines. He entered the engineering division of De Beers' Finsch Mine in the Northern Cape and became Regional Organiser for the National Union of Mineworkers (NUM). In 1990 he was appointed NUM's National Education Coordinator.

He has maintained strong ties with the ANC since his student days, when he was an executive member of the Azanian Students Organisation. He was elected Regional Secretary of the Northern Cape ANC in 1991 and chairperson in 1994. After the elections in 1994 Mr Dipico served two terms as Premier of the Northern Cape, and in 2004 was appointed as Parliamentary councillor to president Thabo Mbeki.

Alex Kerrod (43)

Director
BComm Industrial Psychology

Mr Kerrod started his career as a trainee representative for Shell Oil Company whilst completing his BComm. After graduating he started his own lubricants distribution company, which he sold four years later in October 1997. He then joined PFG Building Glass as the National Sales Manager. He left PFG in 2001, joined the PG Group as a specialist marketer setting up processed product exports to the UK and driving a regaining of domestic market share. In 2003 he was contracted by National Auto Glass to start and drive their new flat (building) glass laminating sales initiative. In November 2003 he concluded the purchase of Centurion Glass and Aluminium.

Chairman's report

Dr Malesela DC Motlatla
Chairman

"Your company today is stronger and more focused than it has ever been and it is comforting to see the company delivering on the strategic vision that we as an organisation set for ourselves."

Overall a solid performance from Accéntuate

It gives me great pleasure once again to report that the group continued to experience favourable trading conditions in the key market segments in which it operates. This is reflected in group revenues, which grew 23% to R258 million, and headline earnings, which grew 48% to R17 million.

Accéntuate continued the drive to execute the business plan effectively, focusing on producing share gains in key markets, increasing revenue and growing both earnings and earnings per share. Our results from continuing operations saw revenue grow to R258 million, an increase of 23%; headline earnings of R17 million, an increase of 48%; and headline earnings per share of 19,59 cents, an increase of 18%; this is 33,72% of the forecast as presented in the listing prospectus.

Every year has its set of challenges and the year under review was no exception. Apart from the changing macroeconomic conditions and the associated challenges, much time and attention was dedicated to those underperforming areas within the group and we are confident that we can look forward to greatly improved performance from these areas within the coming year. Overall, it was a solid performance from Accéntuate. The results confirm that we are in the right businesses and the right segments of the market. It is a testament to the underlying strength of Accéntuate that it can deliver a 18% increase in headline earnings per share, in a macroeconomic environment that can be described as less than favourable.

The year was characterised by the name change from SAFIC Holdings Limited to Accéntuate, the acquisition of Centurion Glass and Aluminium and the involvement of Thebe Investment Corporation as a strategic partner.

Again we are proud to state that your company today is stronger and more focused than it has ever been and that it is comforting to see the company delivering on the strategic vision that we as an organisation set for ourselves.

Name change

As the organisation grew and the strategic implementation progressed, it became more and more evident that the SAFIC Holdings name was restricting the overall growth of the organisation in many ways. For this reason, the company was renamed Accéntuate, as this creates the environment within which we as an organisation can achieve our strategic objectives. It also clearly identifies and articulates the strategic direction of the organisation.

Acquisition of Centurion Glass & Aluminium

The year under review saw the strategic acquisition of Centurion Glass & Aluminium. This niche glass and aluminium company specialising in the design and construction of bespoke solutions is part of the strategy of Accéntuate to broaden its product offering into the well-established architectural specification channel that currently exists and allows the group to maximise our interaction with the architects and specifiers through the provision of a broadened product offering.

Macroeconomic issues

The year under review can, from a macroeconomic perspective, be divided into two parts. The first six months were characterised by the continued buoyancy of the construction and related markets and the second by a marked decline in business confidence, a much greater degree of political uncertainty as well as a much greater degree of economic volatility.

Currency fluctuations and abnormally high price of crude oil and other commodities, have continued to be the major challenge facing the companies within the group. The strategy to become a comprehensive service provider and the additional value, provided by the group is in some way a hedge but still needs to be managed carefully.

Although the macroeconomic environment has created a number of challenges in terms of input costs and the associated preservation of margins, astute management, strong branding and strategic positioning have seen Accéntuate well positioned to weather the current macroeconomic environment.

Sustainability

Sustainability has always underpinned the way in which Accéntuate does business. Structures that ensure sustainability cascade throughout the group in the integration of sustainability as a performance indicator in the economic, social and environmental aspects of our business. In formulating a group-wide approach to sustainability, Accéntuate is guided by the considerations of South African legislation, as well as recommendations on corporate governance and international benchmarks such as those issued by the International Standards Organisation.

Sustainability is integrated into the core strategic direction of the organisation and is encapsulated in the eight "e's" commitments.

People

Accéntuate has always understood that superior human capital practices do not only correlate with financial returns: they are, in fact, a leading indicator of increased shareholder value. Much emphasis has been, and continues to be, placed on attracting competent energetic staff who share in the vision of this wonderful company whilst at the same time focusing on the legislative requirements and the social realities within our magnificent country. In line with the motto "beyond compliance", our focus will remain on exceeding compliance targets in South Africa by training and development to maximise individual potential – and reduce the shortage of skills in our industry – equality and safety in the workplace, meeting our employment equity targets and improving standards of living in our stakeholder communities.

Accéntuate employment equity reports at 30 June 2008 show that we have made significant progress towards addressing the imbalances of the past while striving towards a situation where our company can be truly representative of the demographic realities in the areas where we operate. We understand the social and economic imperative in this regard and can assure you of the commitment of the Executive in achieving this situation.

We are also pleased to announce we have officially opened a state of the art training facility at our Steeledale site. This world-class training facility focuses on the development of skills in the areas of resilient flooring installation and maintenance. We are of the opinion that this initiative will go some way towards addressing the acute skills shortage currently experienced in the market and simultaneously address some of the past imbalances in these areas. Extensive training initiatives have been undertaken and we would like to thank our international partners for their participation in this regard.

Black economic empowerment

Our commitment to addressing certain historical imbalances remains at the forefront of our agenda. Audited equity ownership as at June 2008 would reflect that in the region of 30% of the issued share capital rests in the hands of previously disadvantaged individuals and organisations, fully paid up with no additional liabilities to the company or the shareholders. We are very pleased with this situation and would like to see it maintained and even improved.

I am excited to welcome Thebe Investment Corporation, who became a strategic partner of Accéntuate during the period under review. We are honoured to be considered by Thebe as a partner of choice and we are confident that this relationship will grow and prosper to the mutual benefit of both esteemed organisations.

Outlook

Continued and increasing activity within the infrastructural construction sector has seen an increased demand for the products and services of the group – specifically the demand for vinyl flooring products as well as the glass and aluminium product offering, and Accéntuate is well positioned to take advantage of the increased infrastructural spend. We are confident that, notwithstanding the macroeconomic difficulties and challenges, we will once again be in a position to deliver a strong set of results in the coming year.

Closing remarks

I cannot conclude without referring once again to the values and principles that govern this organisation. We are proud to be value-driven and focused on our "founding principles". We understand and accept our continued responsibility in this regard. Furthermore, we recognise the need for continuous improvement and a stronger sense of shared responsibility across the enterprise, focused on creating and implementing targeted management that will result in enhanced performance to the benefit of all stakeholders.

Thanks

Accéntuate has yet again produced a year of consistent performance. Fred and his executive team must be complimented for their leadership of the group. Thank you to my board colleagues for their insight and wisdom in overseeing the affairs of the group. In closing, I thank our shareholders for their vote of confidence in our business and the broader investment community for their insightful analysis of Accéntuate. Finally, I would like to thank God for his favour and protection and for bestowing many blessings upon this company.

Dr Malesela DC Motlatla
Chairman

Chief Executive Officer's review

FC Platt
Chief Executive Officer

"The completion of another year with robust performance sets a challenging pace for the years ahead."

Delivering on our commitments

I have chosen the heading "delivering on our commitments", as I believe that it aptly describes the activities of Accéntuate for the period under review. We have completed another year with an extremely robust performance, setting a challenging pace for the years ahead and proving to our shareholders that we are a company worthy of their investment. Turnover increased by 23% to R258 million, while earnings attributable to shareholders accelerated by 55% to R16,7 million, representing earnings per share growth of 23%, up to 19,25 cents per share.

Earnings and shareholder value

The group has achieved an attributable profit of R16,7 million for the year ended 30 June 2008. This is 55% up on the previous corresponding period and 52% up on the forecast as outlined in the listing prospectus. On a turnover growth of 23%, the group has increased profitability by 41%. EBITDA increased from 8,48% to 9,73% over this period, compared to 8,54% presented in the forecast. Headline earnings of 19,59 cents per share have exceeded the forecast of 14,65 cents by 33,72% and are up 18% year on year.

The results significantly exceeded those of the previous financial year as well as the forecasts issued in the listing prospectus (the listing forecasts).

Management has taken a view that sufficient cash was generated by operations to validate the issue of a maiden dividend of 4 cents per share.

Although all indicators are significantly up, it is important to note that this growth is partly attributable to organic growth but also includes the CGA acquisition for the period 1 November 2007 to 30 June 2008.

All key performance indicators are ahead of forecast.
Revenue up 23%
EBITA up 41%
PBIT up 41%
Earnings up 55%
HEPS up 18%
Increase over listing forecast 33,7%
Maiden dividend of 4 cents per share

Focus of Accéntuate

Accéntuate aims to provide products and services primarily for the construction and infrastructure development sectors of the Southern African economy. It has at its core the provision of resilient flooring solutions through FloorworX Africa (Pty) Limited and advanced environmental solutions through South African Fine and Industrial Chemicals, SAFIC (Pty) Limited, as well as bespoke glass and aluminium solutions through Centurion Glass and Aluminium, an acquisition undertaken during the year under review.

Products are primarily specification-driven and supplied to the construction and infrastructure development industry and include both the products used in the construction process and those associated with the ongoing maintenance of the facility, thus participating in the initial spend as well as the continued annuity income derived from the ongoing maintenance of the product and at the same time providing our customers with a comprehensive solution offering.

Through selective and targeted acquisitions and organic growth, Accéntuate aims to extract synergies between the respective companies while exploiting strong relationships within the construction and infrastructural development industry to the benefit of all stakeholders. Furthermore, we aim to expand the product offering through our strong existing distribution network while at the same time expanding the geographic footprint of this network.

Ultimately Accéntuate aims to provide our investors with:

- Sustainability of earnings
- Steady dividend record
- Outperformance of the economy
- No massive fluctuations
- Conservative profile

Name change

On listing, SAFIC Holdings took on the name of one of the subsidiary companies. SAFIC, the chemical and environmental solutions company within the group, had played a major role in bringing together the various companies and preparing them for listing. After completing a year of trading on the AltX of the JSE, a number of issues became clear, including the following:

- An identified need for an overriding brand that would accommodate the ambitions of the group into the future;
- Such a brand to clearly communicate the positioning and intentions of the group both in terms of market positioning and geographic footprint; and
- A brand that will serve to unify the diverse interests behind a common vision and mission that does not give preference to any operating division but recognises the huge potential of the collective.

For this reason, management developed the Accéntuate brand, as we believe that it will clearly communicate the direction of the organisation to external stakeholders while unifying the divisional aspirations behind a common vision, mission and objectives.

Furthermore, the change in name to Accéntuate and the development of the logo incorporating the eight "e's" has led to a commitment to all stakeholders enunciated as follows:

- Earnings and shareholder value
- Employment of resources
- Enforced corporate governance
- Empowerment of individuals and communities
- Equitable individual development
- Ensured sustainability
- Excellence in products & services
- Engaging stakeholders & the value chain

Acquisition of Centurion Glass & Aluminium

The period under review has also seen the strategic acquisition of Centurion Glass & Aluminium as a going concern. The rationale for this acquisition is in line with the strategic objective of the organisation to exploit the existing relationships within the construction industry developed over more than 50 years through the broadening of the product offering to specifiers, architects and developers.

The niche identified exists within the specification, design and erection of bespoke glass and aluminium solutions for the construction and infrastructural development areas. Centurion Glass & Aluminium was identified for a number of reasons: current market position and size, managerial and technical expertise and the scalability of the business.

The strategic entry into the area of designer glass and aluminium construction is the first step in a strategy that will ultimately see Accéntuate dominate the identified niche within the industry.

A number of strategic synergies were identified and the ensuing years will see the full effect of this strategy impacting on the effectiveness and market dominance of the organisation.

Employment of resources

Remaining competitive while at the same time dealing with the challenges of rising input costs, currency fluctuations and volatile market conditions are some of the major challenges facing organisations today. Increasing competition, more demanding customers and the relentless drive to manage costs down create greater risk and uncertainty for business and therefore we understand the importance of the effective and efficient management and employment of resources. Ensuring the competitive market position of Accéntuate is to a large degree the ability of the organisation to manage and deploy the available resources to maximum effect and this has become an integrated part of the organisation's strategy. Management of current assets and the effective utilisation of these resources have become a key strategic deliverable of the treasury within Accéntuate.

Excellence in products & services

Accéntuate has positioned itself as a leading provider of products and services to the construction and infrastructure development industries and to this end has a number of long-established and well-recognised brands within its product offering.

FloorworX (previously Marley Flooring)

During the period under review, **Flooring** continues to be the major contributor to both the revenue and the profitability of the group. During this period we have started to see some of the impact of government's infrastructure spend. Although this spend materialised only during the latter part of the year under review and has not had a major impact on the results during the current reporting period, we can now confidently state that the long-anticipated government spend is finally having an impact on the flooring component of our business. Notwithstanding a dramatic slowdown in residential construction, the lack of major exposure to this sector has meant that the impact of this on the companies within the group has largely been negligible. All indications point towards a steady increase in the demand for flooring products, with strong revenue increases anticipated for the next financial year. Major projects awarded to FloorworX include a number of major national hospitals, including a flagship facility in Nigeria, the majority of stadiums for the 2010 World Cup as well as major classroom construction projects and refurbishments. Other major areas of growth include transportation in terms of buses, coaches and station upgrades, prisons and airports. The overall outlook for this division remains bullish.

SAFIC

The chemical division has seen a substantial increase in profitability and a major mitigation of risk mainly due to a rigorous process of cost-cutting and re-engineering that has accompanied the appointment of a new managing director in October 2007. Focus on sustainable long-term contracts with major corporate and parastatals continues and

Chief Executive Officer's review continued

we are confident that the drastic remedial action taken will ensure sustainable earnings at an acceptable level into the future. As mentioned the year in question includes substantial restructuring costs and we are confident that the period ending June 2009 will see the chemical division as a substantial contributor to the overall profitability of the group.

Centurion Glass & Aluminium

CGA is a long-established and trusted brand within the glass and aluminium industry. With a focus on the high-end specification-driven design and implementation of solutions, the company complements the current product offering of Accéntuate. Focus on expanding the geographic footprint and utilising the current infrastructure will see an increase in activity as well as the level of profitability going forward. Although the glass and aluminium industry is overtraded in many areas, the niche market that we have identified continues to offer great opportunity within the year ahead. Major projects awarded to CGA include the Natalspruit Hospital upgrade as well as the refurbishment of the Sunnyside Park Hotel. The ability of CGA to participate both in the government's infrastructure programme as well as the upgrade of hospitality facilities leading up to 2010 allow it to participate in the major anticipated growth areas within the South African economy.

Ensured sustainability

The key deliverable by the management of Accéntuate to the stakeholders is the sustainability of the organisation going forward. As responsible corporate citizens, we accept our responsibility towards our people, our community, our planet and our shareholders. Ongoing attention to issues such as the health and safety of our employees, the impact of our operations on the environment and social responsibility rank high on the agenda of the organisation and are integrated into performance measurements throughout the organisation. Our commitment in this regard remains unchanged.

Equitable individual development

Understanding that effective management of our human capital is the ultimate differentiating factor is core to our organisation. The strategic advantage of the organisation is greatly enhanced through the level of competency and effectiveness that we have attracted in this area.

Our goal is to continue to attract the highest calibre of staff and to manage these strategic resources in order to achieve an environment where organisational and individual goals come together. The strong expansionary vision coupled with a strong performance-based environment and effective remuneration strategies have ensured that we have attracted some of the best skills within the market. The case for investing in people is strengthened through understanding that such an investment ultimately results in an increased competitive position.

Empowerment of individuals & communities

Our commitment to addressing the social imbalances that plague our wonderful country is well known and our successes in this regard have been well documented historically. The development of 250 small black-owned and managed businesses within the cleaning industry earned SAFIC a presidential award as far back as 2000. This commitment continues and we constantly strive to implement sustainable strategies for the empowerment of both individuals and communities.

We have embarked on a process of ensuring that all companies within the Accéntuate stable achieve a level 4 contributor status in terms of the generic BBBEE scorecard. This programme has been driven by the Executive and we have seen a major improvement in this area in the past year with the majority of companies having achieved at least a level 5 status.

In addition to this we are extremely happy to officially welcome Thebe Investment Corporation as our strategic partner and we are confident that the partnership will ensure a mutually beneficial relationship into the future. We are honoured that an organisation with the credentials of Thebe would identify Accéntuate as a strategic partner and view this as a definite vote of confidence in both the positioning and management of Accéntuate.

Enforced corporate governance

Much attention has been focused on the area of corporate governance during the period under review. Corporate governance has always received attention and focus but with changing legislative requirements and taking into account best practice guidelines as presented in the King reports, we are in the process of continual improvement and striving towards full compliance to the letter as well as the spirit and essence of the relevant legislation and best practice. We do however accept that good corporate governance is more a journey than a destination and to this end we have embarked on an ongoing process of assessing compliance.

Similarly the audit committee and its functions have been reviewed over the past year with the development of effective internal audit regimes, risk identification and mitigation strategies as well as a framework for the appointment and management of the external audit function.

To increase the value of Accéntuate, the company will also reinforce corporate governance and bolster its organisational structure through highly capable human resources. Management recognises the increased importance of its management philosophy based on the principles of soundness, vigour and dignity.

Engaging stakeholders & the value chain

At Accéntuate, we understand that we cannot exist in isolation and that what we do impacts on society at large. Our success is thus inextricably linked to that of our stakeholders including our suppliers, customers, staff, shareholders and the communities in which we operate. For this reason we have actively committed to engaging wherever possible with the relevant stakeholders. Furthermore, we are cognisant that, today, companies do not compete against companies; rather, value chains compete with value chains.

Engaging with our customers and our suppliers alike is thus crucial in securing our sustainable continued existence. In addition to this we understand the importance of engaging with our staff and ensuring that they share the vision that we hold for our organisation. Finally, it is critical that we have the confidence and commitment of our shareholders, as their commitment ensures that we can execute the vision that we hold. To this end we will continually endeavour to engage with all involved to the benefit of the organisation at large.

The year ahead

Market conditions

Conditions in the South African economy have changed dramatically over the past 12 months, with increased interest rates and energy costs and lower business confidence. We have seen a dramatic slowdown in the domestic construction and other interest rate-sensitive sectors of the domestic economy. The sectors in which Accéntuate primarily operates remain buoyant and, despite these challenges, demand remains strong. Government's announced infrastructure spend, aimed at stimulating GDP growth, is creating an environment conducive to demand for group products, particularly within FloorworX and CGA. Recent exchange rate declines have assisted in alleviating, to some degree, the threat of import competition, although imports from India, China and Korea remain competitively priced even with the weaker exchange rates and we are still experiencing price pressure on a number of our product categories, especially the more commoditised product offerings.

Rising input costs continue to place margins under pressure, but we are confident that the strategies implemented in these areas plus the anticipated increase in volumes will to a large degree mitigate this risk.

Strategy

Accéntuate's strategy remains to capitalise on the enormous growth opportunities in the infrastructural development areas of the Southern African economies. We intend to capitalise on the anticipated organic growth and we will look at increasing our existing geographic footprint, while pursuing identified opportunities that have strong cash flows and provide the opportunity for both product and geographic expansion. The relative lack of gearing on the balance sheet creates opportunities for strategic acquisitions at very attractive pricing.

Expansion of existing footprint

The group will continue to focus on market share growth, new-client acquisition and growing our product offering into our extensive and valued customer base. A number of initiatives aimed at reducing attrition and increasing our effectiveness in meeting the ever changing demands of the market have been launched across all our business divisions. We continue to do this through:

- Increasing geographical representation, through maximising existing regional and divisional facilities to the benefit of the group;
- Expanding our export operations into clearly identified African markets, most notably Angola and Nigeria;
- Emphasising existing product and service expansion initiatives into the current customer base;
- Expanding our current customer base; and
- Expanding our current product offering.

Acquisitions

In addition to the anticipated organic growth through our existing operations, Accéntuate has identified a number of potential acquisitions that will enhance our product offering into the market, while simultaneously giving us access to previously untouched markets.

Acknowledgements

As mentioned earlier, we understand that in the global economy in which we operate, value chains compete against value chains and for this reason I would like to take this opportunity to personally thank our suppliers for their loyalty and understanding of the strategic direction of the organisation and for sharing the vision that we hold for our organisation. I would also like to thank our customers, who over many years, have loyally supported us and enabled us today to claim a leadership position in the markets in which we operate.

Finally I would like to thank our Chairman, Dr Motlatla, and the non-executive directors for their insightful leadership and guidance, the Executive for executing the vision and for delivering over and above their commitment and our expectations and our staff that ultimately make this wonderful company possible. I am exceptionally honoured and proud to be able to lead a team of this calibre that strives to succeed at everything that it commits to while adhering to the core values of the organisation.

FC Platt

Chief Executive Officer

Review of operations

FLOORWORX

Donald Platt
Managing Director

"FloorworX is the dominant player in the resilient flooring market with a two-thirds market share."

Well managed basket of products and flooring solutions

The Flooring Division exceeded expectations for the period under review as a result of a well managed basket of products and flooring solutions to satisfy the needs of the burgeoning infrastructural market.

FloorworX is the dominant player in the resilient flooring market with a two-thirds market share. In South Africa, FloorworX is a household name in the construction industry and its reputation locally has assisted in positioning the company to penetrate markets in the rest of the continent. Significant export destinations exist, including Namibia, Botswana, Zambia, Kenya, Tanzania, Uganda, Ghana and Mauritius, to name a few. A large teaching hospital in Nigeria was the most recent export success for FloorworX.

FloorworX is capitalising on the South African government's major hospital overhaul plan and has supplied the flooring for, *inter alia*, King George V, 1 Military Hospital and Chris Hani Baragwanath. Other major areas of growth have been police stations, school classrooms and the sports stadiums in preparation for the World Cup Soccer in 2010.

The Gautrain project will also be significant for FloorworX, with the supply of flooring to the newly built stations and the train coaches.

The backlog of school classrooms and rural clinics is also an area of potential for FloorworX. Government is far behind in infrastructure rollout and under-spending has been a major challenge. This government infrastructure boom is anticipated to continue until at least 2015.

The FloorworX philosophy is to view every new building that goes up as a business opportunity. The FloorworX product may not be visible in the foyer of the building, but it is almost certain that there will be a FloorworX product somewhere in the building.

Apart from maintaining its reputation of delivering quality flooring products, FloorworX focuses on building a sustainable skills base. For this reason, the company has invested in a state-of-the-art Training Centre that improves the skills of 300 flooring fitters per year.

FloorworX is in the enviable position of having the complete range of resilient products, whether they be locally manufactured semi-flexible tiles and sheeting, or the imported range which includes rubber from Germany, linoleum from Holland, non-directional PU coated sheeting from Sweden, anti-static, conductive and safety flooring from Ireland, or sports flooring from Hungary.

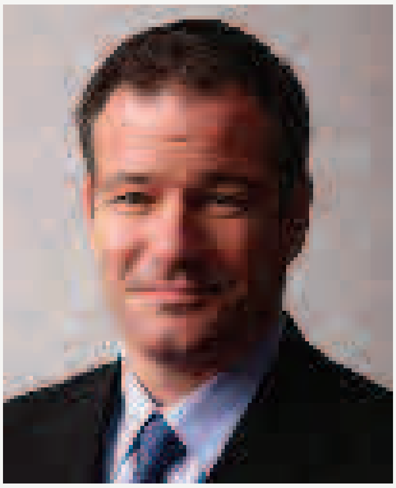
Reputation speaks volumes in the flooring industry and FloorworX has certainly "earned its stripes".

Donald Platt
Managing Director


CENTURION
CG
ALUMINIUM

Review of operations continued

CENTURION GLASS AND ALUMINIUM



Alex Kerrod
Managing Director CGA

"We have positioned our business well to deal with challenges, opportunities and risks."

Third consecutive year of record growth

The sixteen months up to June 2008 is presented in two parts: pre- and post-November 2007.

During the financial period March 2007 to February 2008 we saw our third consecutive year of record growth, continuing with our strategy of focusing on larger contracts whilst consolidating our financial position, maintaining consistent revenue and margin growth year on year. Projects successfully implemented include the Fairlands Banking development for First National Bank and Wesbank, Sandhurst Towers on Sandton Drive, Greenstone Shopping Centre, Sun City Hotel renovation, Tuks Residence, the University of Johannesburg and other landmark developments.

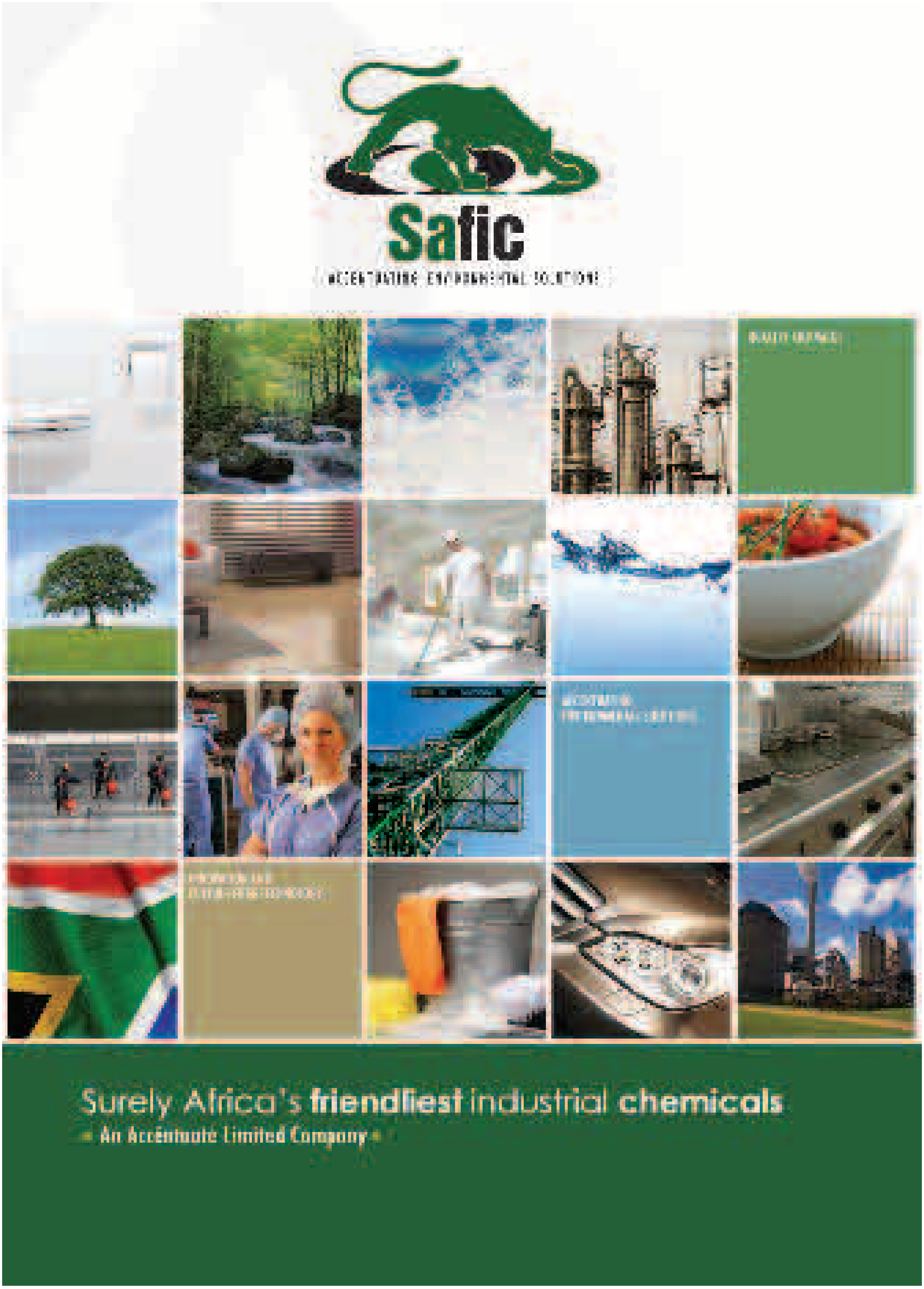
We have always been mindful of the cyclical nature of the construction industry and have followed a strategy designed to take advantage of the opportunities, face the challenges and mitigate the risks which present themselves to differing degrees throughout the entire cycle.

To this end, and after having achieved our goal of consistent organic growth, our strategy was to take the business to the "next level", which we achieved in November 2007 through the sale of Centurion Glass and Aluminium to Accéntuate Limited – then SAFIC Holdings Limited – elevating CGA into the listed company environment. The move was designed to strengthen our position in the industry by aligning ourselves with and becoming part of a larger group operating in the same broader construction/infrastructure supply space.

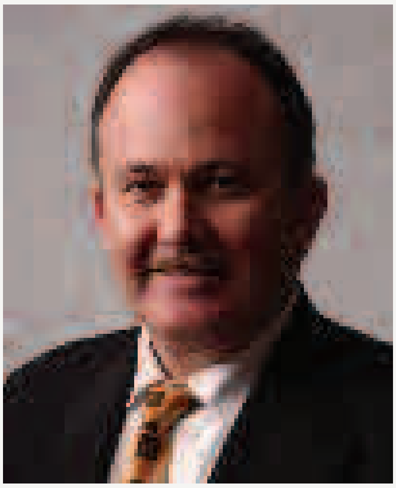
The period from November 2007 to June 2008 saw a continuation of the trend of growth in both margin and revenue despite the challenges facing both the global and domestic economies from January of this year.

Looking ahead, we believe we have positioned our business well to deal with the challenges, opportunities and risks that will present themselves over the coming months and look forward to maintaining our trend of organic growth. In addition, being part of Accéntuate Limited will enable our "next level" strategy through the possibility of acquisitions and clear group synergies. Such achievements are rarely possible without the dedication and commitment of staff members and I would like to thank the team at CGA for their efforts during this period. Thank you all, and well done!

Alex Kerrod
Managing Director


Safic
Surely Africa's friendliest industrial chemicals
An Accéntuate Limited Company

ENVIRONMENTAL SOLUTIONS



Eric Platt
Managing Director

SAFIC ENVIRONMENTAL SOLUTIONS is a specialist chemical blending business which provides customised, environmentally acceptable solutions directed at the industrial and retail markets. The financial year under review has seen the successful re-structuring of the Environmental Solutions Division under the newly appointed Managing Director, Eric Platt, who joined the division on 1 October 2007. We have seen a major re-engineering of the business including the sale of Kems, the closure of Safesco, and the right-sizing of the staff complement throughout the division, contributing to substantial savings. A new management and operational structure was put in place, and emphasis has been placed on employment equity, skills development and performance appraisals focused on Key Performance Areas. A major drive has been to reduce costs, increase efficiencies and improve our systems and controls throughout the division. Customer service has been a top priority and we have embarked on a programme to ensure an improved professional call centre with trained consultants. We will also in the new financial year set up a tele-sales department to further improve on our service to customers, which should have a positive impact on our revenue. Further to this our **ISO 9001, ISO 14001** and **OHSAS 18001** standards have been renewed and are valid until September 2010. As a member of the Chemical and Allied Industries Association we have committed our division to strive for continuous improvement in health, safety and environmental performance by becoming a signatory of the Responsible Care Pledge.

Macro environment

The macro environment in which the company operates has experienced dramatic volatility in the period under review, underpinned by increases in key input costs and shortages of vital raw material components. This was caused by higher world commodity prices due to world shortages and a weaker rand. The division maintained its market share over this period, but operating profit experienced intense pressure. Longer-term pricing contracts were renegotiated during the last quarter of the year. The steep and rapid increases in raw material costs necessitated an additional series of negotiations in terms of which prices are adjusted on a monthly, rather than quarterly or bi-annual, basis. These renegotiations were completed only during the last quarter of the year and should reverse the decline in margins. We have also placed a major focus on procurement of raw materials, managing the risk of out of stocks and escalation in costs and believe the division is well positioned to deal with the changes taking place in the macro environment in the year ahead.

Market outlook

Traditionally, through its large sales force, SAFIC has focused on down-the-road type sales and has built up a good customer base of small to medium customers buying small volumes. The new focus is to position SAFIC's products into clearly defined market segments and target larger blue-chip customers. The key sectors that have been identified are mining and industrial, transport, governmental and parastatal, food and beverage and the retail sector. Special teams will be established to service these sectors and training of these teams will be high on our priority list. These teams will undertake proper needs analyses of these sectors to assess the potential. Products for each sector will be identified and further developed through an expanded R&D department. We expect significant growth in all these sectors over the next financial year.

Owing to the high cost of transport, we have opted to focus on distributors to service the needs of customers in outlying areas. We are in the process of identifying and appointing key distributors. This will ensure focused and efficient distribution of our products to these customers.

The export market is expected to grow significantly, and we believe we will be able to extend our footprint into Africa, focusing on growing the established market in Angola and further penetrating the markets in our neighbouring states by establishing key distributors in these identified countries. Significant growth is expected in the oil industry internationally as we are receiving a positive response to our advanced rig-washing chemicals. Further interest has been expressed by potential distributors in the USA and Europe.

The retail arm's Magic Maid brand has been firmly established and we expect significant growth in identified niche markets such as Braai Grill Cleaner, Super Concentrated Laundry Liquid and Power Pot and Pan Cleaner. The Magic Maid brand will also be retailed from a wider range of retailers in the coming financial year.

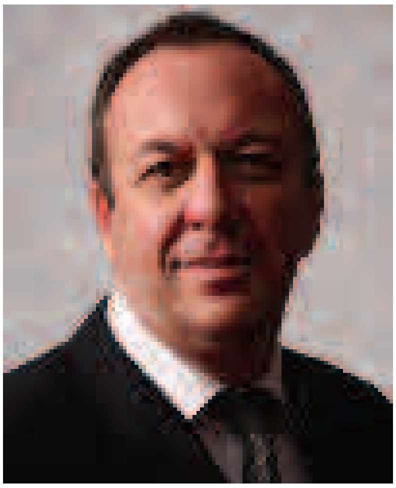
The new branding of our industrial range of products is at an advanced stage and we believe that it will add tremendous value to our current range of products, which is already accepted in the market place as being of the highest quality available.

Lastly, we have set ourselves high goals for the new financial year and believe that, with the commitment shown by all our employees and a focused approach, we will achieve this.

Eric Platt

Managing Director

Corporate Social Investment (CSI)



Wesley Delport
Company Secretary

SAFIC was instrumental in the establishment of the Black Economic Empowerment Cleaning Association (BEECA) in 2001.

Accéntuate, as a responsible corporate citizen operating in the global economy, takes cognisance of the local realities and therefore we have an integrated Corporate Responsibility Programme in place.

As a truly South African company, we believe in supporting initiatives that will improve the lives of the people in this country. Investing time, skills and money in improving the quality of life of South Africans is an investment into our future. We aim to ensure that what we do is relevant and makes a difference where it is needed most.

Our commitment to transformation, reconstruction and development is therefore focused into the areas of education, social development and health. We focus on assisting the most vulnerable amongst us, those being the children and specifically those suffering from, or as a result of, HIV and Aids.

Our corporate social investment (CSI) initiatives underpin the group's community mission, which is to:

- Be a responsible corporate citizen
- Contribute towards the sustainable upliftment of the communities in which we operate
- Be identified as a caring and responsible organisation

During the period under review, we continued to strengthen existing partnerships with government, community-based organisations and non-governmental organisations, while exploring opportunities for new partnerships.

The areas of involvement during the past year include, but are not limited to:
Education – Little Sparklers Day-care, East Rand Children's Fund, Patrick Mashego School, Werda Laerskool, Bobbi Bear
Health – Sophumelela Clinic, the Lighthouse Ministries, Westbury Clinic, St Johns DSG
Social Development – Thembalethu Work4all, Jacaranda Winter Warmer Campaign, Popup, East London SPCA, Shree Emperimal Hindu Temple

Some of the more notable projects during the year include 301m² of flooring to EBENEZER Care Centre in Johannesburg and the Sophumelela HIV/Aids project in East London, which sees ongoing involvement.

Training

In addition to our involvement in community projects as outlined above, Accéntuate also focuses on the development of emerging entrepreneurs and skills training within our areas of operation. The year has seen the opening of the National Vinyl Flooring Training Centre at our facility in Steeledale. Focusing on the development of skills within the industry, the facility has been hailed as the best of its kind on the African continent.

With the involvement of our international partners, the training facility has already contributed significantly to the upliftment of numerous individuals as well as building capacity in an area where massive skills shortage is currently being experienced.

BEECA

SAFIC was instrumental in the establishment of the Black Economic Empowerment Cleaning Association (BEECA) in 2001. Focusing on the establishment, training and development of emerging entrepreneurs within the cleaning industry, the association provides an area for shared learning, capacity building and networking that ensures the success of these fledgling companies while instilling an ethos of quality and customer service.

Accéntuate continues to support this noble initiative and provides the infrastructure and facilities for this organisation to function effectively. The historical success of this organisation in dealing with national issues such as empowerment, job creation, small business development and education is, to say the least, impressive and we believe that this can serve as a model for our country.

perfecting structures

"We cannot direct the wind but we can adjust the sails"

Bertha Calloway

Corporate governance

Business Trust

As a proud member of the Business Trust since its inception, Accéntuate continues to participate in and contribute to this noble and highly successful initiative launched by responsible business to contribute towards addressing the social and economic ills of our country.

The Board of Directors is committed to ensure that the principles set out in the King II report's Code of Corporate Practices and Conduct are observed.

Accéntuate will continue to accept its position as a responsible corporate citizen and will wherever possible contribute both time and resources towards initiatives that sustainably address the social issues within our economy.

Accéntuate and its subsidiaries fully support the King ll report's Code of Corporate Practices and Conduct and the Board of Directors is committed to ensure that the principles set out in the Code are observed. The board is satisfied that the group complies with all the material provisions of the Code as well as the JSE Listing Requirements.

The board ensures that the group complies with all relevant laws, regulations and codes of business practice and it communicates with its shareholders and relevant internal and external shareholders openly and promptly.

The Board of Directors

The group has a unitary board, which comprises two non-executive directors, of which one acts as the Chairman, and four executive directors. The roles of the Chairman and the CEO have been separated. The Chairman, Dr Motlatla, a non-executive director, leads the board. The executive management is the responsibility of the CEO, Fred Platt. The executive directors are directly involved in the day-to-day management and operation of the group's activities and are full-time salaried employees of the group.

The non-executive directors are not directly involved in the day-to-day management of the group and are not full-time salaried employees of the group. Non-executive directors are individuals of high calibre and credibility, and have the necessary skills and experience to bring judgement to bear, independently of the management, on issues of strategy formulation, performance management, resources planning and allocation, transformation and employment equity and standards of conduct.

The board meets at least quarterly, with additional meetings being convened when necessary. The board is responsible for the effective management and control of the group and sets the strategic direction and policies of the group. The board participates in all discussions regarding transactions and disposals, approval of major capital expenditure, oversight of financial and administrative activities and any other matters that may materially impact on the business of the group. Directors are entitled to seek independent and professional advice relating to the affairs of the group. The board and its committees are supplied with full and timely information which enables them to discharge their responsibilities and have unrestricted access to all company information, records, documents and property. Non-executive directors have access to management and may meet separately with management, without the attendance of executive directors.

Board responsibility

The Board of Directors is responsible for the proper management and ultimate control of the group. In order to meet this responsibility to the members and all other stakeholders, the board is responsible for setting the strategic objectives of the company, determining investment and performance criteria and taking responsibility for the proper management and ethical behaviour of the business of the group. There exists a clear division of responsibility at board level that ensures a balance of power and authority.

The board has ultimate responsibility for the internal, financial and operating systems of the group and for monitoring their effectiveness. These systems are designed to provide reasonable assurance against material misstatement and loss. Nothing has come to the attention of the board to indicate that there has been a material breakdown in the internal systems of control during the year.

Various policies and procedures exist to address conflicts of interests. These cover areas such as interests of directors of Accéntuate in companies with which Accéntuate has contractual relationships.

Audit committee

The audit committee is chaired by a non-executive director. The committee consists of two non-executive directors. The internal and external auditors have unrestricted access to the audit committee and its chairman.

The committee is responsible for reviewing the functioning of the internal control systems, risk areas of the group's operations and the reliability and accuracy of the financial information provided to management and other users of the financial information. The duties include reviewing the scope and results of the external audit and its cost effectiveness.

Internal audit

The group internal audit function reports directly to the chairman of the audit committee. The internal audit function is regarded as being sufficiently independent of the activities being audited. The internal audit plan is reviewed and adjusted on a continuous basis to ensure effectiveness and is based on the relevant degree of inherent risk of the business.

Risk committee

The board is responsible for the total risk management process. The committee supports the board to formulate the risk management strategy, which is based on the need to identify, assess, manage and monitor all known forms of risk across the group. The board defines the group's tolerance for risk and has the responsibility to ensure that the group has implemented an effective ongoing process to identify risk, to measure its impact against a broad set of assumptions and then to activate processes required to proactively manage these risks.

Remuneration committee

The committee determines the remuneration arrangements, profit participation and benefits of the executive directors and executive management. The committee is responsible for ensuring that levels of remuneration are sufficient to attract, retain and motivate executives of the calibre required for high-level management and key personnel. It is also responsible for measuring the performance of the executive directors in discharging their functions and responsibilities.

Remuneration is performance-related and is designed to provide incentives for directors and staff to perform at the highest operational levels. The remuneration committee is further responsible for the assessment and approval of the board's remuneration strategy for the group.

Non-executive remuneration

Non-executive directors enjoy no benefits from the company for their services as directors other than their fees and the potential gains and dividends on their interest in ordinary shares.

Directors' attendance at board meetings

The number of meetings attended by each of the directors of Accéntuate for the year ended 30 June 2008. The number in brackets reflects the number of meetings held.

Dr MDC Motlatla	*Chairman*	4 (4)
FC Platt	*Chief Executive Officer*	4 (4)
AJ Voogt	*Chief Financial Officer*	4 (4)
M Dipico	*Deputy Chairman*	2 (4)
Dr DE Platt		4 (4)
AJ Kerrod		3 (3)

Share trading

The group has a formal policy, established by the board and implemented by the company secretary, prohibiting dealing in securities by directors, officers and other selected employees from the end of the respective reporting period to the date of the announcement of the financial results or in any other period considered sensitive.

Shareholder communication

The group holds regular meetings with analysts and institutional shareholders, primarily following the announcement of the financial results. Communication with other investors and shareholders is conducted via the annual and interim reports, as well as the annual general meeting.

Exchange Sponsors acts as the designated advisor in compliance with the JSE Listing Requirements.

Directors' responsibilities and approval

The directors are required by the Companies Act of South Africa, Act 61 of 1973, to maintain adequate accounting records and are responsible for the content and integrity of the 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 group 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 financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group 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 responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group 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 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 forecast for the year to 30 June 2009 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing 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 on page 23.

The financial statements set out on pages 24 to 76, which have been prepared on the going concern basis, were approved by the board on 17 September 2008 and were signed on its behalf by:

FC Platt
Chief Executive Officer

AJ Voogt
Chief Financial Officer

Steeledale
17 September 2008

Report of the independent auditors

To the shareholders of Accéntuate Limited

We have audited the accompanying financial statements of Accéntuate Limited (previously known as SAFIC Holdings Limited), which comprise the directors' report, the balance sheet as at 30 June 2008, 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 24 to 76.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa, Act 61 of 1973. 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 audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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 financial statements present fairly, in all material respects, the financial position of the group as at 30 June 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa, Act 61 of 1973.

PKF Pta Inc.
Chartered Accountants (SA)
Registered Auditors

Per: RP Badenhorst
105 Club Avenue
Waterkloof Heights
Pretoria
16 September 2008

Directors' report

The directors submit their report for the year ended 30 June 2008.

Review of activities

Main business and operations

The group is engaged in the manufacturing, distribution and installation of flooring and glass and aluminium solutions. The Accéntuate group also manufactures and supplies chemical infrastructural maintenance solutions to these sectors. The group principally operates in Southern Africa.

The operating results and state of affairs of the group are fully set out in the attached financial statements and do not in our opinion require any further comment.

Net profit of the group was R16 710 090 (2007: profit R10 755 243), after taxation of R3 214 229 (2007: R3 831 548).

Going concern

The financial statements have been prepared on the going concern basis. This basis presumes that management neither intends to cease trading nor has no realistic alternative but to do so.

Events after balance sheet date

The directors are not aware of any matter or circumstance occurring between the balance sheet date and the date of this report that materially affects the results of the group for the year ended 30 June 2008 or the financial position at that date.

On 8 August 2008 Accéntuate Limited signed a heads of agreement to purchase the business of Interior Wooden Floors as a going concern. The transaction cautionary was issued on 12 August 2008 and renewed on 19 September 2008. Full details of the transaction were announced on 2 October 2008.

Directors' interest in contracts

Various group companies lease certain office, manufacturing and parking space from Accéntuate Management Services (Pty) Limited at market related rates.

Accéntuate Management Services (Pty) Limited has entered into a lease agreement with GSIX Properties (Pty) Limited during 2006 in respect of the lease of certain office, manufacturing and parking space. Accéntuate Management Services (Pty) Limited recovers a portion of the lease expense from the companies based on the usage of space by the companies.

The following directors/members of executive management are also directors/shareholders of GSIX Properties (Pty) Limited: AJ Voogt, CR Garner, FC Platt, DE Platt, GW Delport and WJJ Coetzer.

The operating lease is in respect of stand 30, Steeledale and is situated at 32 Steele Street, Steeledale, totalling 25 500 square metres rentable area, from 1 October 2006, which lease expires on 30 September 2016.

Authorised and issued share capital

During the year under review 7 750 394 shares were issued. A portion of these shares were issued for business combinations and the remainder for cash. As a result of the above issues and conversions, share premium of R14 803 175 was raised after accounting for share issue expenses.

Borrowing limitations

In terms of the articles of association of the company, the directors may exercise all the powers of the company to borrow money, as they consider appropriate. At 30 June 2008 the group's borrowing powers are as described in note 13.

Share incentive scheme

Refer to note 16 for detail about share-based payments during the current year.

Directors' report continued

Non-current assets

Details of major changes in the nature of the non-current assets of the group during the year are as follows:

Property, plant and equipment to the value of R5 374 551 (2007: R8 105 565) was acquired for cash, and items of property, plant and equipment with a book value of R476 174 (2007: R835 575) were disposed of during the year.

Dividend policy

Notice is hereby given that a final dividend of 4 cents per share for the year ended 30 June 2008 has been declared, payable to shareholders recorded in the register of the company at the close of business on the record date appearing below. The dividend will be financed out of current profits.

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

Last day to trade shares cum dividend	Friday, 3 October 2008
Shares traded ex dividend	Monday, 6 October 2008
Record date	Friday, 10 October 2008
Payment date	Monday, 13 October 2008

No share certificates may be dematerialised or rematerialised between Monday, 6 October 2008 and Friday, 10 October 2008, both dates inclusive.

Litigation statement

There are no legal or arbitration proceedings, which may have, or have during the 12 months preceding the date of this annual report, had a material effect on the financial position of the group. The group is not aware of any proceedings that would have a material effect on the financial position of the group or which are pending or threatened against the group.

Share capital

Refer to note 15 on page 55.

Directors' remuneration

Refer to note 29 on page 61.

Directors

The directors of the company during the year and to the date of this report are as follows:

Name	Nationality
MDC Motlatla	South African
FC Platt	South African
AJ Voogt	South African
DE Platt	South African
EM Dipico	South African
AJ Kerrod	South African

Secretary

The secretary of the company is GW Delport of:

Business address	Postal address
SAFIC Business Park	PO Box 1754
32 Steele Street	Alberton
Steeledale	1450
Alberton	
2197	

Directors' report continued

Interest in subsidiaries

Name of subsidiary	Percentage held	R'000 Net income (loss) after tax
FloorworX Africa (Pty) Limited	100	**8 184**
Silver Falcon12 (Pty) Limited trading as Centurion Glass and Aluminium	100	**6 660**
SAFIC (Pty) Limited	100	**(240)**
Accéntuate Management Services (Pty) Limited	100	**205**
Empowerment Financial Investment Company (Pty) Limited (dormant)	100	**(5)**
SAFIC Black Empowerment Enterprises (Pty) Limited	100	**821**
Ben Evelyn Laboratories (Pty) Limited	100	**1 063**
*SAFIC Technologies (Pty) Limited	100	**–**
*SAFIC Environmental Services (Pty) Limited	100	**–**
*Southern Supplies (Pty) Limited	100	**41**
*Renaissance Initiative for Secondary Blending in Africa (Pty) Limited	100	**–**
**SAFESCO North (Pty) Limited	51	**(102)**
SAFIC Academy (Pty) Limited	100	**227**

**This subsidiary was dormant in the current year.*
*** The subsdiary is currently in liquidation*

Details of the company's investment in subsidiaries are set out in note 1 on page 71 of the financial statements.

Auditors

PKF (Pta) Inc. will continue in office in accordance with section 270(2) of the Companies Act.

Analysis of Ordinary Shareholders as at 27 June 2008

Size of holdings	Number of ordinary shareholders	% of total	Number of ordinary shares	% of total
1 - 1 000	32	6,1	21 241	0,02
1 001 - 10 000	227	43,3	1 437 833	1,36
10 001 - 100 000	205	39,1	7 303 409	6,93
100 001 - 1 000 000	45	8,6	13 825 014	13,12
Over 1 000 000 shares	15	2,9	82 820 622	78,57
	524	**100,0**	**105 408 119**	**100,00**
Distribution of shareholders				
Nominees and trusts	42	8,0	39 024 677	37,02
Individuals	427	81,5	26 139 394	24,80
Private companies	17	3,2	19 027 916	18,05
Public companies	1	0,2	7 611 507	7,22
Mutual funds	6	1,1	4 783 706	4,54
Treasury/staff share trust	3	0,6	4 253 793	4,04
Foreign custodians	1	0,2	3 093 364	2,93
Hedge funds	2	0,4	588 654	0,56
Pension funds	7	1,3	328 824	0,31
Close corporations	9	1,7	231 000	0,22
Other corporations	8	1,5	217 156	0,21
Medical aid schemes	1	0,2	108 128	0,10
	524	**100,0**	**105 408 119**	**100,00**

Directors' report continued

Analysis of Ordinary Shareholders as at 27 June 2008 *continued*

Size of holdings	Number of ordinary shareholders	Number of ordinary shares	% of total
Public/Non-public shareholders			
Non-public shareholders			
Directors/Associates	8	54 271 845	51,49
Public shareholders	516	51 136 274	48,50
	524	**105 408 119**	**100,00**

Beneficial shareholders holding more than 5% of share capital	Number of	% of issued share shares
capital		
Thebe Investment Corporation*	17 683 243	16,8
KJA Share Trust**	17 277 487	16,4
Willie Coetzer Family Trust	11 000 000	10,4
Liberty Life Association Of Africa Limited	7 611 507	7,2
Kotula Trust (Mr FC Platt)	5 405 575	5,1
Inyanga Trading 167 (Pty) Limited (Dr MDC Motlatla)	5 271 096	5,0

* *Thebe Investment Corporation, over and above their direct beneficial holding, has an indirect benficial interest via Marble Gold 127 (Pty) Limited.*

** *Mr A J Kerrod, over and above his direct beneficial holding, has an indirect benficial interest via the KJA Share Trust.*

Total number of shareholders	524
Total issued share capital	105 408 119
Share price performance for 2007-2008	
Opening price 2 July 2007	205,00
Closing price 30 June 2008	120,00
High for the period	290,00
Low for the period	80,00
Number of shares in issue	105 408 119
Volume traded during period	18 126 448
Ratio of volume traded to shares issued	17,20

Directors' interest in shares as at 30 June 2008

Name	Direct/indirect		
AJ Kerrod	Indirect 100% of KJA Share Trust + Direct	17 473 822	16,58
FC Platt	Indirect 100% of Kotula Trust	5 405 575	5,00
MDC Motlatla	Indirect 55% of Inyanga Trading 167 (Pty) Limited	2 899 103	2,75
DE Platt	Direct	2 500 000	2,58
AJ Voogt	Direct	1 634 902	1,55

There were no changes to the directors interest since 30 June 2008 to the posting of this report.

Declaration by Company Secretary

I confirm that the group has lodged with the Registrar of Companies in respect of the year ended 30 June 2008 all the returns which are required to be lodged by a public company in terms of section 268G the Companies Act of 1973, as amended, and that all such returns are true, correct and up to date.

GW Delport
Company Secretary

Steeledale
17 September 2008

Group balance sheet

as at 30 June 2008

	Notes	2008 R'000	2007 R'000
Assets			
Non-current assets			
Property, plant and equipment	4	**39 143**	24 376
Goodwill	5	**91 791**	31 232
Intangible assets	6	**1 434**	728
Deferred tax	9	**2 731**	427
		135 099	56 763
Current assets			
Inventories	11	**50 118**	34 665
Other financial assets	7	**1 264**	480
Current tax receivable		**1 308**	–
Operating lease asset	10	**137**	–
Trade and other receivables	12	**43 105**	29 943
Cash and cash equivalents	13	**11 664**	10 858
		107 596	75 946
Total assets		**242 695**	132 709
Equity and liabilities			
Equity			
Equity attributable to equity holders of parent			
Share capital	15	**122 542**	73 754
Reserves		**11 186**	2 482
Retained income		**27 899**	10 873
Minority interest		**13**	13
		161 640	87 122
Liabilities			
Non-current liabilities			
Other financial liabilities	21	**3 343**	3 937
Finance lease obligation	18	**18**	71
Deferred tax	9	**3 509**	2 106
Current liabilities		**6 870**	6 114
Other financial liabilities	21	**916**	609
Loans from shareholders		**50**	738
Current tax payable		**7 542**	2 906
Finance lease obligation	18	**50**	101
Operating lease liability	10	**477**	213
Trade and other payables	20	**48 974**	32 423
Provisions	19	**1 046**	2 463
Bank overdraft	13	**15 130**	20
		74 185	39 473
Total liabilities		**81 055**	45 587
Total equity and liabilities		**242 695**	132 709
Net asset value per share (cents)		**153**	116
Net tangible asset value per share (cents)		**65**	73

Group income statement

for the year ended 30 June 2008

	Notes	2008 R'000	2007 R'000
Revenue	23	**257 767**	210 199
Cost of sales		**(118 631)**	(96 150)
Gross profit		**139 136**	114 049
Other income		**3 018**	1 576
Operating costs		**(121 047)**	(100 310)
Operating profit	24	**21 107**	15 315
Investment revenue	25	**343**	544
Income from equity accounted investments		**180**	(318)
Loss on disposal of subsidiary		**(558)**	–
Finance costs	26	**(1 147)**	(954)
Profit before taxation		**19 925**	14 587
Taxation	27	**(3 215)**	(3 832)
Profit for the year		**16 710**	10 755
Minority interest (loss)		**–**	(49)
Net profit for the year		**16 710**	10 804
Basic earnings per share (cents)	41	**19,25**	15,6
Headline earnings per share (cents)	41	**19,59**	16,6
Diluted earnings per share (cents)	41	**18,60**	16,4

Group statement of changes in equity

for the year ended 30 June 2008

	Share capital R	Share premium R	Total share capital R	Reserves for own shares/ share repur-chase reserve R	Revalu-ation reserve R	Retained income R	Total attributable to equity holders of the group/ company R	Minority interest R	Total equity R
Balance at 1 July 2007	1	73 753	73 754	319	2 163	10 873	87 109	13	87 122
Changes in equity									
Fair value gains: Land and buildings	–	–	–	–	10 698	–	10 698		10 698
Revaluation surplus recognised directly to retained income	–	–	–	–	(315)	315	–	–	–
Deferred tax on revaluation surplus	–	–	–	–	(1 498)	–	(1 498)	–	(1 498)
Net income (expenses) recognised directly in equity	–	–	–	–	8 885	315	9 200	–	9 200
Profit for the year	–	–	–	–	–	16 710	16 710	–	16 710
Total recognised income and expenses for the year	–	–	–	–	8 885	17 025	25 910	–	25 910
Issue of shares	–	52 672	52 672	–	–	–	52 672	–	52 672
Purchase of own/treasury shares	–	(3 884)	(3 884)	–	–	–	(3 884)	–	(3 884)
Business combinations	–	–	–	(180)	–	–	(180)	–	(180)
Balance at 30 June 2008	**1**	**122 541**	**122 542**	**139**	**11 048**	**27 898**	**161 627**	**13**	**161 640**

for the year ended 30 June 2007

	Share capital R'000	Share premium R'000	Total share capital R'000	Share option re-valuation reserve R'000	Re-valuation reserve R'000	Total reserves R'000	Retained income R'000	Total attributable to equity holders of the group/ company R'000	Minority interest R'000	Total equity R'000
Balance at 1 July 2006	–	–	–	–	–	–	–	–	–	–
Profit for the year	–	–	–	–	–	–	10 804	10 804	(49)	10 755
Share issue	1	78 686	78 687	–	–	–	–	78 687	–	78 687
Treasury shares	–	3 500	3 500	–	–	–	–	3 500	–	3 500
Revaluation surplus recognised directly to equity	–	–	–	–	–	–	69	69	–	69
Share premium expenses	–	(1 433)	(1 433)	–	–	–	–	(1 433)	–	(1 433)
Revaluation of land and buildings	–	–	–	–	3 034	3 034	–	3 034	–	3 034
Deferred tax on revaluation	–	–	–	–	(821)	(821)	–	(821)	–	(821)
Depreciation recognised directly in equity	–	–	–	–	(50)	(50)	–	(50)	–	(50)
Minority interest at acquisition reserves	–	–	–	–	–	–	–	–	62	62
Share option reserve	–	–	–	319	–	319	–	319	–	319
Total changes	1	73 753	73 754	319	2 163	2 482	10 873	87 109	13	87 122
Balance at 30 June 2007	1	73 753	73 754	319	2 163	2 482	10 873	87 109	13	87 122
Note(s)	15		15							

Group cash flow statement

for the year ended 30 June 2008

	Notes	2008 R'000	2007 R'000
Cash flows from operating activities			
Cash receipts from customers		**266 887**	208 313
Cash paid to suppliers and employees		**(245 156)**	(193 522)
Cash generated from (used in) operations	31	**21 731**	14 791
Interest income		**343**	544
Finance costs		**(1 147)**	(954)
Tax paid	32	**(6 012)**	(1 981)
Expenses recognised directly in equity		**–**	(1 433)
Net cash from operating activities		**14 915**	10 967
Cash flows from investing activities			
Purchase of property, plant and equipment		**(6 264)**	(8 106)
Sale of property, plant and equipment		**476**	1 222
Purchase of other intangible assets		**(856)**	(235)
Acquisition of businesses (including subsidiaries, joint ventures and associates)		**–**	1 787
Sale of financial assets		**1 217**	149
Sale of businesses	34	**(208)**	–
Acquisition of businesses	33	**(31 500)**	–
Net cash from investing activities		**(37 135)**	(5 183)
Cash flows from financing activities			
Proceeds on share issue		**13 385**	15 000
Reduction of share capital or buy back of shares		**(4 107)**	–
Repayment of shareholders' loans		**(229)**	(1 789)
Long-term liabilities repaid		**(1 028)**	(8 517)
Loans raised		**–**	360
Finance lease payments		**(105)**	–
Net cash from financing activities		**7 916**	5 054
Total cash movement for the year		**(14 304)**	10 838
Cash at the beginning of the year		**10 838**	–
Total cash at end of the year	13	**3 466**	10 838

Notes to the annual financial statements

for the year ended 30 June 2008

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the Companies Act of South Africa, 1973. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

1.1 Significant judgements

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the 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 financial statements. Significant judgements include:

Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management has made estimates of the selling price and direct cost to sell on certain inventory items. The write-down is included in the operation profit note.

Options granted

Management used the fair value model to determine the value of the options at issue date. Additional details regarding the estimates are included in note 16 – Share-based payments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value in use calculations and fair values. These calculations require the use of estimates and assumptions. It is reasonably possible that the discounted cashflow assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested for impairment on an annual basis. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could change materially over time. They are significantly affected by a number of factors including supply and demand, together with economic factors such as exchange rates, inflation and interest rates.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 19 – Provisions.

Expected manner of realisation for deferred tax

Deferred tax is provided for on the fair value adjustments of investment properties based on the expected manner of recovery, i.e. sale or use. This manner of recovery affects the rate used to determine the deferred tax liability. Refer note 9 – Deferred tax.

Available-for-sale financial assets

The group follows the guidance of IAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgment. In making this judgment, the group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted marketprices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

Contingent provisions on business combinations

Contingencies recognised in the current year required estimates and judgements, refer to note 34 on acquisition on business combinations.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the balance sheet date could be impacted.

1.2 Property, plant and equipment

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 to add to, replace part of, or service it. 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.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

Land and buildings is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to equity in the revaluation reserve. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current period. The decrease is debited directly to equity in the revaluation reserve to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

All other items of property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Item	Average useful life
Land	Indefinite
Buildings	40 years
Leasehold property and improvements	Over the term of the lease
Plant and machinery	6 to 15 years
Furniture and fixtures	5 to 6 years
Motor vehicles	5 years
Office equipment	5 to 10 years
IT equipment	3 years
Computer software	2 years
Special patterns and tools	4 years

The residual value and the useful life of each asset are reviewed at each financial period-end.

Each component part of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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.

1.3 Goodwill

Goodwill is initially measured at cost, being the excess of the business combination over the company's interest of the net fair value of the identifiable assets, liabilities and contingent liabilities. Subsequently goodwill is carried at cost less any accumulated impairment.

The excess of the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is immediately recognised in profit or loss.

Internally generated goodwill is not recognised as an asset.

1.4 Intangible assets

An intangible asset is recognised when:
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Notes to the annual financial statements continued

for the year ended 30 June 2008

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life. Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	**Useful life**
Patents, trademarks and other rights	5 years
Computer software, other	2 years

1.5 Investments in subsidiaries

Group financial statements

The group financial statements include those of the holding company and its subsidiaries. The results of the subsidiaries are included from the effective date of acquisition.

On acquisition the group recognises the 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.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

An 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.

1.6 Financial instruments

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 are recognised on the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity specific inputs.

Loans to (from) group companies

These include loans to holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs. Subsequently these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

On loans receivable an impairment loss is recognised in profit or loss when there is objective evidence that it is impaired. The impairment is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Loans to (from) group companies are classified as loans and receivables.

Loans to shareholders, directors, managers and employees

These financial assets are initially recognised at fair value plus direct transaction costs.

Subsequently these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

On loans receivable an impairment loss is recognised in profit or loss when there is objective evidence that it is impaired. The impairment is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Trade and other receivables
Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in the income statement.

Trade and other receivables are classified as loans and receivables.

Trade and other payables
Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

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

Bank overdrafts and borrowings
Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

Other financial liabilities are measured initially at fair value and subsequently at amortised cost, using the effective interest rate method.

Other loans and receivables
Other financial assets classified as loans and receivables are initially recognised at fair value plus transaction costs, and are subsequently carried at amortised cost less any accumulated impairment.

These financial assets are not quoted in an active market and have fixed or determinable payments.

Financial assets at fair value through profit or loss
Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Investments are measured initially and subsequently at fair value, gains and losses arising from changes in fair value are included in profit or loss for the period.

Derivatives
Derivative financial instruments, which are not designated as hedging instruments, consisting of foreign exchange contracts and interest rate swaps, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in profit or loss.

Changes in the fair value of derivative financial instruments are recognised in profit or loss as they arise.

Derivatives are classified as financial assets at fair value through profit or loss.

Available-for-sale financial assets
These financial assets are non-derivatives that are either designated in this category or not classified elsewhere.

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

These investments are measured initially and subsequently at fair value. Gains and losses arising from changes in fair value are recognised directly in equity until the security is disposed of or is determined to be impaired. The group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, while translation differences on non-monetary securities are recognised in equity. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of 'other income'. Dividends on available-for-sale equity instruments are recognised in the income statement as part of 'other income' when the group's right to receive payment is established.

Equity investments for which a fair value is not determinable are held at cost. Impairments on such investments are not reversed.

Held to maturity
These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the group has the positive intention and ability to hold to maturity are classified as held to maturity.

1.7 Tax

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

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

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.

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.

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the balance sheet at amounts equal to the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant rate on the remaining balance of the liability.

Operating leases – lessor
Operating lease income is recognised as 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.

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

Any contingent rents are expensed in the period they are incurred.

1.9 Inventories
Inventories are measured at the lower of cost and net realisable value on the weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

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

1.10 Construction contracts and receivables
Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by surveys of work done.

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

1.11 Non-current assets held for sale or disposal groups
Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal groups) are measured at the lower of their carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in profit or loss.

1.12 Impairment of assets

The group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing their carrying amounts with their recoverable amounts. This impairment test is performed during the annual period and at the same time every period; and
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. 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.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.13 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.

1.14 Share-based payments

Goods or services received or acquired in a share-based payment transaction are recognised when the goods or as the services are received. A corresponding increase in equity is recognised if the goods or services were received in an equity-settled share-based payment transaction or a liability if the goods or services were acquired in a cash-settled share based payment transaction.

When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions, the goods or services received are measured, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably.

If the fair value of the goods or services received cannot be estimated reliably, their value and the corresponding increase in equity, indirectly, are measured by reference to the fair value of the equity instruments granted.

For cash-settled share-based payment transactions, the goods or services acquired and the liability incurred are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

If the share-based payments granted do not vest until the counterparty completes a specified period of service, the group accounts for those services as they are rendered by the counterparty during the vesting period (or on a straight line basis over the vesting period).

If the share-based payments vest immediately the services received are recognised in full.

For share-based payment transactions in which the terms of the arrangement provide either the entity or the counterparty with the choice of whether the entity settles the transaction in cash (or other assets) or by issuing equity instruments, the components of that transaction are recorded, as a cash-settled share-based payment transaction if, and to the extent that, a liability to settle in cash or other assets has been incurred, or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.

1.15 Employee benefits

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 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.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to retirement benefit schemes are dealt with as defined contribution plans where the group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.16 Provisions and contingencies

Provisions are recognised when:

- the group 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 shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

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

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

1.17 Revenue

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

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

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 group;
- 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 shall be recognised only to the extent of the expenses recognised that are recoverable.

Contract revenue comprises:
- the initial amount of revenue agreed in the contract; and
- variations in contract work, claims and incentive payments:
  - to the extent that it is probable that they will result in revenue; and
  - they are capable of being reliably measured.

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.

Interest is recognised, in profit or loss, using the effective interest rate method.

Royalties are recognised on the accrual basis in accordance with the substance of the relevant agreements.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.18 Cost of sales

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

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

Contract costs comprise:
- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

1.19 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.20 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities (including special purpose entities) controlled by the company and its subsidiaries. Control is achieved where the company has the power to govern the financial and operating policies so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

1.21 Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured as fair value less costs to sell.

1.22 Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated in terms of their design, technology and functions, or their ultimate purpose or use.

A group of contracts is treated as a single construction contract when the group of contracts is negotiated as a single package and the contracts are so interrelated that they are, in effect, part of a single project with an overall profit margin and are performed concurrently or in a continuous sequence.

Contract costs are recognised when incurred. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised using the percentage of completion method. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The group uses the "percentage of completion method" to determine the appropriate costs to recognise in a given period. The stage of completion is measured with reference to the contract costs or major activity incurred up to the balance sheet date as a percentage of total estimated costs or major activity for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion and are presented as contracts in progress.

The group also presents as contracts in progress the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included in trade and other receivables.

The group presents as a liability (excess billings over work done) the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

1.23 Dividends paid

Dividends paid are recognised when declared by the Board of Directors.

Notes to the annual financial statements continued

for the year ended 30 June 2008

2. Changes in accounting policy

The annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

- IAS 11 Construction Contracts

The reason for the adoption of this standard is owing to the fact that a subsidiary active in the construction sector was acquired during the period.

3. Statements and interpretations not yet effective

IFRS 2 Share-based Payment
Amendment relating to vesting conditions and cancellations (Annual periods beginning on or after 1 January 2009)

IFRS 3 Business Combinations
Comprehensive revision on applying the acquisition method (Annual periods beginning on or after 1 July 2009)

IFRS 8 Operating Segments
(Annual periods beginning on or after 1 January 2009)

IAS 1 Presentation of Financial Statements
Comprehensive revisions including requiring a statement of comprehensive income (Annual periods beginning on or after 1 January 2009)

IAS 23 Borrowing Costs
Comprehensive revision to prohibit immediate expensing. Borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009

IAS 27 Consolidated and Separate Financial Statements
Consequential amendments arising from amendments to IFRS 3 (Annual periods beginning on or after 1 July 2009)

IAS 28 Investments in Associates
Consequential amendments arising from amendments to IFRS 3 (Annual periods beginning on or after 1 July 2009)

IAS 31 Interests in Joint Ventures
Consequential amendments arising from amendments to IFRS 3 (Annual periods beginning on or after 1 July 2009)

IFRIC 12 Service Concession Arrangements (Annual periods beginning on or after 1 January 2008)

IFRIC 13 Customer Loyalty Programmes (Annual periods beginning on or after 1 July 2008)

IFRIC 14 IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
(Annual periods beginning on or after 1 January 2008)

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the group/company.

Notes to the annual financial statements continued

for the year ended 30 June 2008

3. Statements and interpretations not yet effective *continued*

IFRIC 8 Scope of IFRS 2

IFRIC 8 requires the application of IFRS 2 even in the absence of specifically identifiable goods or services. In particular, if the identifiable consideration received (if any) appears to be less than the fair value of the equity instruments granted or liability incurred, IFRIC 8 states that this circumstance typically indicates that other consideration (i.e. unidentifiable goods or services) has been (or will be) received.

The statement will be applied in the 2009 annual financial statements.

IFRS 7 Financial Instruments: Disclosure

The application of IFRS 7 in the year ended 30 June 2008 has not affected the amounts recognised in the balance sheet or income statement as the standards are concerned with disclosure only. Certain comparative information has, however, been restated in order to achieve compliance with the disclosure requirements set out in these standards.

IFRS issued but not yet applied

The following IFRS were available for early application but have not yet been applied by the company/group in these financial statements:

IFRS 2 Share-based Payment for years commencing on or after 1 January 2009;

IFRS 3 (revised) Business Combinations, IAS 27 Consolidated and Separate Financial Statements, IAS 28 Investments in Associates and IAS 31 Investments in Joint Ventures for business combinations occurring on or after 1 July 2009;

;

IFRS 8 Operating Segments for years commencing on or after 1 January 2009;

IAS 1 (revised) Presentation of Financial Statements for years commencing on or after 1 January 2009;

IAS 23 (revised) Borrowing Costs for years commencing on or after 1 July 2009;

IFRIC 12 Service Concession Arrangements for years commencing on or after 1 January 2008;

IFRIC 13 Customer Loyalty Programmes for years commencing on or after 1 July 2008; and

IFRIC 14 The Limit on Defined Benefit Asset, Minimum Funding Requirements and their Interaction for years commencing on or after 1 January 2008.

The application of IFRS 8 in the year ended 29 February 2008 would not have affected the balance sheet or income statement as the standard is concerned only with disclosure.

4. Property, plant and equipment

	2008 Cost/ valuation R'000	2008 Accumulated depreciation R'000	2008 Carrying value R'000	2007 Cost/ valuation R'000	2007 Accumulated depreciation R'000	2007 Carrying value R'000
Land	900	–	900	998	–	998
Buildings	17 531	(471)	17 060	6 833	(139)	6 694
Leasehold property	1 939	(366)	1 573	1 278	(215)	1 063
Plant and machinery	15 807	(5 042)	10 765	13 488	(3 422)	10 066
Furniture and fixtures	3 565	(714)	2 851	3 242	(358)	2 884
Motor vehicles	2 640	(395)	2 245	853	(639)	214
Office equipment	2 141	(767)	1 374	1 611	(498)	1 113
IT equipment	3 007	(1 994)	1 013	2 399	(1 524)	875
Assets under construction	1 336	–	1 336	–	–	–
Special patterns and tools	78	(52)	26	469	–	469
Total	48 944	(9 801)	39 143	31 171	(6 795)	24 376

Reconciliation of property, plant and equipment – Group – 2008

	Opening balance R'000	Additions R'000	Additions through business combi-nations R'000	Disposals R'000	Sold through divesture R'000	Transfers R'000	Revalu-ation R'000	Depre-ciation R'000	Total R'000
Land	998	–	–	–	–	–	(98)	–	900
Buildings	6 694	41	–	–	–	–	10 796	(471)	17 060
Leasehold property	1 063	668	–	–	(5)	–	–	(153)	1 573
Plant and machinery	10 066	1 170	712	–	(30)	469	–	(1 622)	10 765
Furniture and fixtures	2 884	290	6	–	(4)	10	(335)	–	2 851
Motor vehicles	214	1 452	980	(171)	–	–	–	(230)	2 245
Office equipment	1 113	650	7	(33)	(7)	(10)	–	(346)	1 374
IT equipment	875	634	29	(6)	(9)	–	–	(510)	1 013
Assets under construction	469	1 336	–	–	–	(469)	–	–	1 336
Special patterns and tools	–	48	–	–	–	–	–	–	26
	24 376	6 289	1 734	(210)	(55)	–	10 698	(3 689)	39 143

4. Property, plant and equipment *continued*

Reconciliation of property, plant and equipment – Group – 2007

	Opening balance R'000	Additions R'000	Additions through business combi-nations R'000	Disposals R'000	Other changes, move-ments R'000	Depre-ciation R'000	Total R'000
Land	–	–	594	–	404	–	998
Buildings	–	331	3 873	–	2 629	(139)	6 694
Leasehold property	–	1 130	2	–	–	(69)	1 063
Plant and machinery	–	2 433	9 855	(803)	–	(1 419)	10 066
Furniture and fixtures	–	2 773	254	–	–	(143)	2 884
Motor vehicles	–	–	389	(26)	–	(149)	214
Office equipment	–	648	676	(1)	–	(210)	1 113
IT equipment	–	322	1 066	(1)	–	(512)	875
Assets under construction	–	469	–	–	–	–	469
	–	8 106	16 709	(831)	3 033	(2 641)	24 376

	2008 R'000	2007 R'000
Pledged as security		
Carrying value of assets pledged as security:		
Property, plant and equipment	**17 961**	7 692
Property, plant and equipment are encumbered as detailed in note 15:		

Revaluations

The effective date of the revaluations was 1 May 2008. Revaluations were performed by independent valuer, Mr JJF Voges (Professional Associated Valuer), of De Leeuw Powerhouse Valuers. De Leeuw Powerhouse Valuers are not connected to the company. The valuations were performed on request of Nedbank and all the related costs were paid by them. Land and buildings are re-valued independently every two years.

The valuation was performed using the discounted cash flow (of future rental income) approach and the following assumptions were used:

Discount rate: 13,50%
Annual rental income: R2 311 190
Term: 5 years

These assumptions were based on current market conditions.

	2008 R'000	2007 R'000
The carrying value of the revalued assets under the cost model would have been:		
Land	**594**	569
Buildings	**4 004**	3 778
Details of properties		
FloorworX Factory Premises		
Erf 56825, Bert Kipling Street		
Wilsonia, East London		
- Purchase price: 1 October 2005	**4 046**	
- Additions since purchase of valuation	**192**	
Total	**4 238**	

A register containing the information required by paragraph 22(3) of Schedule 4 of the Companies Act is available for inspection at the registered office of the company.

5. Goodwill

Group

	2008 Cost/ valuation R'000	Accumulated amortisation R'000	Carrying value R'000	2007 Cost/ valuation R'000	Accumulated amortisation R'000	Carrying value R'000
Goodwill	**91 791**	**-**	**91 791**	31 232	-	31 232

Reconciliation of goodwill – Group – 2008

	Opening balance R'000	Additions through business combinations R'000	Disposals through business divesture R'000	Total R'000
Goodwill	**31 232**	**61 540**	**(981)**	**91 791**

Reconciliation of goodwill – Group – 2007

	Opening balance R'000	Additions through business combinations R'000	Total R'000
Goodwill	–	31 232	31 232

6. Intangible assets

Group

	2008 Cost/ valuation R'000	Accumulated amortisation R'000	Carrying value R'000	2007 Cost/ valuation R'000	Accumulated amortisation R'000	Carrying value R'000
Brand names	**1 036**	**(129)**	**907**	–	–	–
Computer software, other	**945**	**(418)**	**527**	945	(217)	728
Total	**1 981**	**(547)**	**1 434**	945	(217)	728

Reconciliation of intangible assets – Group – 2008

	Opening balance R'000	Additions R'000	Amortisation R'000	Total R'000
Brand names	**–**	**1 036**	**(129)**	**907**
Computer software, other	**728**	**-**	**(201)**	**527**
	728	**1 036**	**(330)**	**1 434**

Reconciliation of intangible assets Group – 2007

	Opening balance R'000	Additions R'000	Additions through business combinations R'000	Amortisation R'000	Total R'000
Computer software	–	236	683	(191)	728

Notes to the annual financial statements continued

for the year ended 30 June 2008

	2008 R'000	2007 R'000
7. Other financial assets		
Loans and receivables		
Purchaser of Kalahari Environmental and Mining Supplies (Pty) Limited		
The loan is interest free and is expected to be repaid in full within the following six months.	**838**	–
Prometeus		
The loan was repaid in full during the year under review.	**–**	54
BOTFIC (Pty) Limited		
The loan is interest free and has no fixed repayment terms.	**426**	426
	1 264	480
Current assets		
Loans and receivables	**1 264**	480

The fair values of the financial assets were determined as follows:

- The fair values of listed or quoted investments are based on the quoted market price.
- The fair values on investments not listed or quoted are estimated using the discounted cash flow analysis.

Fair values are determined annually at balance sheet date.

	2008 R'000	2007 R'000
Fair values of loans and receivables		
Loans and receivables	**1 264**	480

Loans and receivables past due but not impaired

Loans and receivables which are less than three months past due are not considered to be impaired. At 30 June 2008, R426 054 (2007: R54 137) were past due but not impaired.

	2008 R'000	2007 R'000
The ageing of amounts past due but not impaired is as follows:		
1 month past due	**–**	–
2 months past due	**–**	–
3 months past due	**426**	54

Loans and receivables impaired

As of 30 June 2008, loans and receivables of Rnil (2007: Rnil) were impaired and provided for.

Reconciliation of provision for impairment of loans and receivables

The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above. The group holds appropriate collateral as security.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Notes to the annual financial statements continued

for the year ended 30 June 2008

8. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

	Loans and receivables R'000	Fair value through profit or loss – held for trading R'000	Fair value through profit or loss – designated R'000	Held to maturity R'000	Available-for-sale R'000	Total R'000
Group – 2008						
Other financial assets	**1 264**	**–**	**–**	**–**	**–**	**1 264**
Trade receivables	**43 105**	**–**	**–**	**–**	**–**	**43 105**
Cash and cash equivalents	**11 660**	**–**	**–**	**–**	**–**	**11 660**
	56 029	**–**	**–**	**–**	**–**	**56 029**
Group – 2007						
Other financial assets	480	–	–	–	–	480
Trade receivables	29 943	–	–	–	–	29 943
Cash and cash equivalents	10 858	–	–	–	–	10 858
	41 281	–	–	–	–	41 281

	2008 R'000	2007 R'000
9. Deferred tax		
Deferred tax liability		
Accelerated capital allowances for tax purposes	**(2 436)**	(2 006)
Disallowed expenditure	**1 461**	884
Timing differences – Income	**(162)**	–
Revaluation, net of related depreciation	**(2 248)**	(801)
Tax losses available for set off against future taxable income	**2 607**	244
	(778)	(1 679)
Reconciliation of deferred tax asset/(liability)		
At beginning of the year	**(1 680)**	–
Reduction due to rate change	**44**	–
Acquisition of subsidiaries	**–**	(437)
Originating temporary difference on tangible fixed assets	**(571)**	321
Sold through business divesture	**(265)**	–
Increase (decrease) in tax losses available for set off against future taxable income	**2 607**	(712)
Originating timing differences related to income/expenses	**584**	(50)
Revaluation surplus	**(1 497)**	(801)
	(778)	(1 679)
Non-current asset	**2 731**	427
Non-current liability	**(3 509)**	(2 106)
	(778)	(1 679)

Use and sales rate

The deferred tax rate applied to the fair value adjustments of investment properties/financial assets is determined by the expected manner of recovery. Where the expected recovery of the investment property/financial assets is through sale the capital gains tax rate of 14% (2007: 15%) is used. If the expected manner of recovery is through indefinite use the normal tax rate of 28% (2007: 29%) is applied.

If the manner of recovery is partly through use and partly through sale, a combination of capital gains rate and normal tax rate is used.

	2008 R'000	2007 R'000
10. Operating lease asset/liability		
Current assets	**137**	–
Current liabilities	**(477)**	(213)
	(340)	(213)
11. Inventories		
Raw materials, components	**9 055**	4 067
Work in progress	**5 050**	3 047
Finished goods	**35 199**	26 797
Merchandise	**2**	36
Production supplies	**148**	1 079
Machinery spares and consumables	**963**	69
Subtotal	**50 417**	35 095
Inventories (write downs)	**(299)**	(430)
	50 118	34 665
Inventory pledged as security		
Inventory pledged as security	**20 000**	–

Inventory was pledged as security for banking facilities as detailed in note 13.
At year end the overdraft amounted to R15 130 055 (2007: R20 896).

	2008 R'000	2007 R'000
12. Trade and other receivables		
Trade receivables	**41 826**	28 095
Prepayments (if immaterial)	**580**	793
Deposits	**242**	146
VAT	**457**	482
Sundry receivables	**–**	427
	43 105	29 943

Trade and other receivables pledged as security

Trade and other receivables were pledged as security for banking facilities as set out in note 13.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Trade and other receivables past due but not impaired

Trade and other receivables which are less than three months past due are not considered to be impaired.

The ageing of amounts past due but not impaired is as follows:

	2008 R'000	2007 R'000
1 month past due	**687**	1 678
2 months past due	**322**	873
3 months past due	**1 051**	2 867

Trade and other receivables impaired

As of 30 June 2008, trade and other receivables of R872 894 (2007: R944 990) were impaired and provided for.

The ageing of these loans is as follows:

	2008 R'000	2007 R'000
Over 6 months	**873**	945

The creation and release of provision for impaired receivables have been included in operating expenses in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

	2008 R'000	2007 R'000
13. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	**35**	36
Bank balances	**9 820**	10 820
Short-term deposits	**1 809**	–
Other cash and cash equivalents	**–**	2
Bank overdraft	**(15 130)**	(20)
	(3 466)	10 838
Current assets	**11 664**	10 858
Current liabilities	**(15 130)**	(20)
	(3 466)	10 838

Borrowing facilities:

Nedbank

The company has the following banking facilities with Nedbank, amounting to an aggregate of R22 250 000 incurring interest at the prime lending rate as quoted from time to time by Nedbank:

– Overdraft and letter of credit facility for an amount up to R20 000 000 (shared between Accéntuate Limited, FloorworX Africa (Pty) Limited, SAFIC (Pty) Limited, SAFIC Black Empowerment Enterprises (Pty) Limited and Empowerment Financial Investment Company (Pty) Limited. Letter of credit shared only between Accéntuate Limited, FloorworX Africa (Pty) Limited and SAFIC (Pty) Limited);
– Letters of guarantee for an amount up to R1 500 000 (shared between Accéntuate Limited, FloorworX Africa (Pty) Limited, SAFIC (Pty) Limited);
– Forward exchange contracts for an amount up to R750 000 (shared between Accéntuate Limited, FloorworX Africa (Pty) Limited, SAFIC (Pty) Limited);
– Bond facility for an amount up to R2 329 000;
– Ned fleet facility for an amount up to R120 000; and
– Premium finance facility for an amount up to R687 000.

These facilities are secured as follows:

– Cession of all current and future debtors;
– Unlimited suretyship by the following group companies (with loan funds);
  – Accéntuate Limited;
  – SAFIC Black Empowerment Enterprises (Pty) Limited;
  – SAFIC (Pty) Limited;
  – Empowerment Financial Investment Company (Pty) Limited; and
  – SAFIC Academy (Pty) Limited;

– Securities offered by FloorworX Africa (Pty) Limited:
  – Covering mortgage bond over erf 25625 East London to a value of R3 250 000;
  – Cession of insurance policy of Fire and Sasria required to cover mortgage bond over erf 25625;
  – Notarial bonds over plant and equipment to a value of R10 000 000;
  – Notarial bonds over stock in the amount of R20 000 000; and
  – Sundry cessions and securities in relation to application for letter of credit and foreign exchange contracts.

ABSA

The company has the following banking facilities with ABSA amounting to an aggregate of R7 500 000.

This facility is secured as follows:

• Unlimited suretyship of the following group companies (with loan funds)
  – Accéntuate Limited;
  – SAFIC (Pty) Limited;
  – FloorWorX Africa (Pty) Limited;
  – Silver Falcon Trading 12 (Pty) Limited;
  – SAFIC Black Empowerment Enterprises (Pty) Limited;
  – SAFIC Academy (Pty) Limited; and
  – Ben Evelyn Laboratories (Pty) Limited.

Notes to the annual financial statements continued

for the year ended 30 June 2008

	2008 R'000	2007 R'000
14. Discontinued operations or disposal groups or non-current assets held for sale		
The group has decided to discontinue its operations in Safesco North Associated Blenders (Pty) Limited and Kalahari Environmental and Mining Supplies (Pty) Limited.		
Kalahari Environmental and Mining Supplies (Pty) Limited was sold during the year under review. The investment was sold as a going concern on 31 October 2007. The assets and liabilities of the disposal group (Safesco North Associated Blenders (Pty) Limited) are set out below.		
The decision was made by the board to discontinue these operations due to the lack of return on investment.		
The company is in liquidation at present.		
Profit and loss		
Revenue	355	–
Expenses	(457)	–
	(102)	–
Assets and liabilities		
Assets of disposal groups		
Property, plant and equipment	34	–
Trade and other receivables	100	–
Cash and cash equivalents	4	–
Liabilities of disposal groups		
Other financial liabilities	(214)	–
Equity		
Revaluation reserve	–	–
Accumulated loss	76	–
	76	–
15. Share capital		
Authorised		
500 000 000 ordinary shares of R0,00001 each	5	5
Reconciliation of number of shares issued:		
Opening balance – total issued	75 187	78 687
Treasury shares held in trust for benefit of employees	(1 000)	(3 500)
Shares issued during period	25 722	–
Shares repurchased	(2 188)	–
Options exercised	689	–
	98 410	75 187
Issued		
Ordinary	1	1
Share premium	122 541	73 753
	122 542	73 754

16. Share-based payments

Share options – Group	2008 Number	Exercise price – cents per share	Total value
Granted during the period	**1 000 000**	**180**	**1 800 000**

The share price at issue date of option was 180 cents.

Outstanding options	Exercise date within one year	Exercise date from two to five years	Exercise date after five years	Total
Options with exercise price of 103 cents	700 000	2 100 000	–	2 800 000
Options with exercise price of 180 cents	200 000	800 000		1 000 000
	900 000	2 900 000	–	3 800 000

Information on options granted during the year

Fair value was determined by subtracting the strike price from the market price at year-end. The following inputs were used:

Closing share price	R1,20
Exercise price	R1,80
Option life	5 years

Total expenses of R51 324 (2007: R318 355) related to equity-settled share-based payment transactions were recognised in 2008.

Executive	Options granted	Date granted	Expiry date	Issue price	Options exercised	Exercise price	Profit/loss realised	Number of options issued and not exercised
FC Platt	382 000	18 Jan 07	18 Jan 12	1,03	76 400	1,03	0,47	305 600
	175 000	20 Nov 07	20 Nov 12	1,80				175 000
AJ Voogt	382 000	18 Jan 07	18 Jan 12	1,03	76 400	1,03	0,47	305 600
	175 000	20 Nov 07	20 Nov 12	1,80				175 000
DE Platt	382 000	18 Jan 07	18 Jan 12	1,03	76 400	1,03	0,47	305 600
	175 000	20 Nov 07	20 Nov 12	1,80				175 000

Notes to the annual financial statements continued

for the year ended 30 June 2008

	2008 R'000	Audited 2007 R'000
17. Revaluation reserve		
Per the articles of association of the company, revaluation reserve is non-distributable		
Revaluation of land and buildings	**11 047**	2 164
18. Finance lease obligation		
Minimum lease payments due		
– within one year	**56**	117
– in second to fifth year inclusive	**18**	77
	74	194
Less: future finance charges	**(6)**	(22)
Present value of minimum lease payments	**68**	172
Present value of minimum lease payments due		
– within one year	**50**	101
– in second to fifth year inclusive	**18**	71
	68	172
Non-current liabilities	**18**	71
Current liabilities	**50**	101
	68	172

It is group policy to lease certain motor vehicles and equipment under finance leases. The average lease term was 3-5 years and the average effective borrowing rate was 15% (2007: 13%).

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The group's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 13.

19. Provisions

Reconciliation of provisions – Group – 2008

	Opening balance R'000	Additions R'000	Utilised during the year R'000	Total R'000
Payroll provisions	**1 184**	**919**	**(1 057)**	**1 046**
Reconciliation of provisions – Group – 2007				
Payroll provisions	–	5 263	(2 800)	2 463

	2008 R'000	Audited 2007 R'000
20. Trade and other payables		
Trade payables	**35 729**	29 212
VAT	**2 702**	379
Accrued leave pay	**968**	–
Accrued bonus	**3 131**	1 650
Accrued payroll expenses	**3 015**	–
Construction contract liabilities	**696**	–
Accrued operating expenses	**2 669**	–
Payroll accruals	**64**	814
Accrued audit fees	**–**	343
Deposits received	**–**	25
	48 974	34 423
21. Other financial liabilities		
At fair value through profit or loss		
Former shareholders of subsidiaries	**–**	2 080
Loans were non-interest bearing and were repaid in full during the period under review		
Held at amortised cost		
Industrial Development Corporation	**1 359**	1 768
The liability consists of two loans and is repayable in 60 monthly instalments. The loans bear interest at 15%.		
Lexus Financial Services	**820**	–
The loan bears interest at prime minus 1% and is repayable in 48 monthly instalments of R22 343. The loan is secured over a motor vehicle as set out in note 13.		
Mortgage bond	**2 080**	419
The loan bears interest at prime less 0,25% per annum and is repayable in 47 monthly instalments of R57 633.		
Former shareholders of subsidiaries	**–**	279
The loan bore no interest and was repaid in full during the year under review.		
	4 259	2 466
	4 259	4 546
Non-current liabilities		
At fair value (fair value adjustments through income statement)	**–**	2 080
At amortised cost	**3 343**	1 857
	3 343	3 937
Current liabilities		
At amortised cost	**916**	609
	4 259	4 546

22. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

	Financial liabilities at amortised cost	Fair value through profit or loss – held for trading	Fair value through profit or loss – designated	Total
Group – 2008				
Loans from shareholders	**50**	**–**	**–**	**50**
Other financial liabilities	**4 258**	**–**	**–**	**4 258**
Finance lease obligation	**68**	**–**	**–**	**68**
Trade and other payables	**48 974**	**–**	**–**	**48 974**
Bank overdraft	**15 131**	**–**	**–**	**15 131**
	68 481	**–**	**–**	**68 481**
Group – 2007				
Loans from shareholders	279	–	–	279
Other financial liabilities	5 005	–	–	5 005
Finance lease obligation	172	–	–	172
Trade and other payables	34 052	–	–	34 052
Bank overdraft	21	–	–	21
	39 529	–	–	39 529

	2008 R'000	2007 R'000
23. Revenue		
Sale of goods	**250 825**	208 311
Rendering of services	**7 107**	1 888
Interest received/(trading)	**(165)**	–
	257 767	210 199
24. Operating profit		
Operating profit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	**5 213**	2 027
Motor vehicles		
• Contractual amounts	**3 270**	1 987
Equipment		
• Contractual amounts	**2 971**	1 220
	11 454	5 234
Profit on sale of property, plant and equipment	**266**	394
(Loss) profit on exchange differences	**(75)**	21
Profit on sale of non-current assets held for sale and net assets of disposal groups	**558**	–
Amortisation on intangible assets	**330**	–
Depreciation on property, plant and equipment	**3 691**	2 838
Employee costs	**53 550**	44 785
Research and development	**50**	20

Notes to the annual financial statements continued

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	2008 R'000	Audited 2007 R'000
25. Investment revenue		
Interest revenue		
Bank	**343**	544
	343	544
26. Finance costs		
Group companies	**(67)**	–
Non-current borrowings	**291**	489
Bank	**706**	231
Current borrowings	**2**	121
Late payment of tax	**215**	88
Other interest paid	**–**	25
	1 147	954
27. Taxation		
Major components of the tax expense		
Current		
Local income tax – current period	**5 891**	3 391
Deferred		
Originating and reversing temporary differences	**(324)**	(272)
Changes in tax rates	**45**	–
Arising from previously unrecognised tax loss/tax credit/temporary difference	**(2 397)**	713
	(2 676)	441
	3 215	3 832
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	**19 924**	14 587
Tax at the applicable tax rate of 28% (2007: 29%)	**5 579**	4 230
Tax effect of adjustments on taxable income		
Non-taxable income	**244**	–
Deferred tax effect income	**(255)**	441
Deferred tax on losses recognised	**(2 397)**	(1 479)
Tax losses utilised	**(221)**	395
Non-deductible expenses	**265**	184
Capital gains tax	**–**	61
	3 215	3 832
28. Auditors' remuneration		
Fees	**576**	619

29. Directors' emoluments

	Emoluments R'000	Pension paid R'000	Bonuses and performance based remuneration R'000	Total R'000
Executive				
2008				
FC Platt	**1 181**	**103**	**367**	**1 651**
AJ Voogt	**1 080**	**91**	**348**	**1 519**
DE Platt	**1 076**	**167**	**372**	**1 615**
AJ Kerrod	**396**	**–**	**–**	**396**
	3 733	**361**	**1 087**	**5 181**

	Emoluments R'000	Pension paid to receivable R'000	Bonuses and performance based remuneration R'000	Total R'000
2007				
FC Platt	1 019	77	158	1 254
AJ Voogt	990	78	110	1 178
DE Platt	904	156	200	1 260
	2 913	311	468	3 692

	Director's fees R'000	Bonuses and performance based remuneration R'000	Total R'000
Non-executive			
2008			
MDC Motlatla	**298**	**14**	**312**
M Dipico	**78**	**7**	**85**
	376	**21**	**397**
2007			
MDC Motlatla	275	15	290
M Dipico	62	15	77
	337	30	367

Notes to the annual financial statements continued

for the year ended 30 June 2008

30. Retirement benefits

Defined contribution plan

The group operates a retirement benefit plan that is governed by the Pension Funds Act (Act No 24 of 1956). The plan covers 312 qualifying employees. The assets of the scheme are held separately from those of the group, in funds under the control of suitably qualified trustees.

The only obligation of the group to the retirement benefit plan is to deduct employee contributions monthly and to pay these over to the administrators. The group's total contribution to the fund amounted to R4 388 722 which represents contributions payable to the scheme by the group based on the rates specified in the rules of the scheme. As at 30 June 2008 no contributions were due in respect of the current reporting period that have not yet been paid over to the scheme. The group is under no obligation to cover any unfunded benefits.

	2008 R'000	2007 R'000
31. Cash generated from operations		
Profit before taxation	**19 925**	14 587
Adjustments for:		
Depreciation and amortisation	**4 021**	2 838
Profit on sale of assets	**(266)**	(394)
Loss on sale of non-current assets and disposal groups	**558**	–
Share option revaluation	**(180)**	319
Profit on foreign exchange differences	**(75)**	–
Interest received	**(343)**	(544)
Finance costs	**1 147**	954
Movements in operating lease assets and accruals	**128**	30
Movements in provisions	**(138)**	341
Negative goodwill	**–**	(236)
Changes in working capital:		
Inventories	**(12 351)**	(2 702)
Trade and other receivables	**499**	(1 553)
Trade and other payables	**8 806**	1 151
	21 731	14 791
32. Tax paid		
Balance at beginning of the year	**(2 905)**	(1 496)
Current tax for the year recognised in income statement	**(5 891)**	(3 390)
Adjustment in respect of businesses sold and acquired during the year including exchange rate movements	**(3 454)**	–
Balance at end of the year	**6 238**	2 905
	(6 012)	(1 981)

Notes to the annual financial statements continued

for the year ended 30 June 2008

	2008 R'000	2007 R'000
33. Acquisition of businesses		
Fair value of assets acquired		
Property, plant and equipment	**1 734**	16 709
Intangible assets	**(281)**	683
Deferred tax assets/liabilities	**–**	(437)
Other non-current assets	**–**	8 037
Goodwill	**61 542**	31 232
Inventories	**3 700**	31 962
Trade and other receivables	**13 962**	28 452
Trade and other payables	**(6 194)**	(31 488)
Tax assets/liabilities	**(3 453)**	(1 496)
Shareholders' loans	**–**	(2 103)
Cash	**4 531**	1 787
Long-term liabilities	**–**	(20 427)
Dividend payable	**–**	(350)
Provisions	**–**	(2 076)
Minority shareholders	**–**	(62)
Total net assets acquired	**75 541**	60 423
Net assets acquired	**75 541**	60 423
Surplus recognised as profits	**–**	(236)
	75 541	60 187
Consideration paid		
Cash	**(36 031)**	(60 187)
Equity – 20 633 507 ordinary shares in Accéntuate Limited	**(39 510)**	–
	(75 541)	(60 187)
Net cash outflow on acquisition		
Cash consideration paid	**(36 031)**	(60 187)
Cash acquired	**4 531**	1 787
	(31 500)	(58 400)
34. Sale of businesses		
Carrying value of assets sold		
Property, plant and equipment	**30**	–
Long-term loans	**(2 451)**	–
Goodwill	**983**	–
Inventories	**598**	–
Trade and other receivables	**656**	–
Trade and other payables	**(182)**	–
Deferred tax	**264**	–
Cash	**208**	–
Other assets	**1**	–
Total net assets sold	**107**	–
Loss on sale of subsidiary	**(558)**	–
	(451)	–
Consideration received		
Loan accounts written off	**451**	–
Net cash outflow on acquisition		
Cash consideration received	**451**	–
Cash sold	**(208)**	–
	243	–

35. Risk management

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the group's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Interest rate risk

The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. At 30 June 2008, if interest rates on Rand denominated borrowings had been 1% higher/lower with all other variables held constant, post tax profit for the year would have been R26 123 (2007: R380) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

Cash flow interest rate risk

Financial instrument	Current interest rate %	Due in less than a year R'000	Due in one to two years R'000	Due in two to three years R'000	Due in three to four years R'000	Due after five years R'000
Instalment sales agreement	14,50	(162 993)	(188 262)	(217 449)	(251 162)	–
IDC loan	13,75	(122 861)	(140 873)	(161 525)	(152 552)	
IDC loan	13,50	(166 829)	(190 838)	(218 303)	(205 734)	
Overdraft facilities used	16,50	(15 152 718)	–	–	–	
Bond over property – floating rate	15,25	(463 577)	(512 119)	(565 745)	(538 073)	

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Notes to the annual financial statements continued

for the year ended 30 June 2008

35. Risk management *continued*

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Foreign exchange risk

Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the group treasury. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the group use forward contracts, transacted with group treasury. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The group treasury's risk management policy is to hedge between 75% and 100% of anticipated cash flows (mainly export sales and purchase of inventory) in each major foreign currency for the subsequent 12 months. Approximately 90% (2007: 90%) of projected sales in each major currency qualify as 'highly probable' forecast transactions for hedge accounting purposes.

Foreign currency exposure at balance sheet date

Forward exchange contracts which relate to future commitments

Amount in foreign currency purchased	Forward exchange rate	Maturity date
US$101 124,75	8,3516	July 2008
US$108 522,24	8,2548	August 2008
US$112 224,96	7,9940	September 2008
US$97 504,96	8,0576	October 2008
€224 883,55	12,5400	July 2008
€162 645,70	12,9782	August 2008
€47 861,23	12,5160	September 2008

The group reviews its foreign currency exposure, including commitments, on an ongoing basis. The company expects its foreign exchange contracts to hedge foreign exchange exposure.

36. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

37. Post balance sheet events

The directors are not aware of any matter or circumstance occurring between the balance sheet date and the date of this report that materially affects the results of the group for the year ended 30 June 2008 or the financial position at that date.

On 8 August 2008 Accéntuate Limited signed a heads of agreement to purchase the business of Interior Wooden Floors as a going concern. The transaction cautionary was issued on 12 August 2008 and renewed on 19 September 2008. Full details of the transaction were announced on 2 October 2008.

The Board of Directors has declared a dividend of 4 cents per share on 19 September 2008, to all registered shareholders of the company on 10 October 2008.

38. Commitments

Operating leases – as lessee (expense)

Operating lease payments represent rentals payable by the group for certain of its office properties, motor vehicles and plant and machinery. Leases are negotiated for an average term of three to five years (10 years for the head office) and rentals are subject to annual escalation. No contingent rent is payable.

Operating leases – as lessor (income)

Certain of the group's premises are sublet to third parties. Lease agreements are non-cancellable and have terms from three to five years. There are no contingent rents receivable.

39. Related parties

Relationships

Subsidiaries	Refer to note 16
Post employment benefit plan for employees of a related party of a close family member of key management	SAFIC Staff Share Trust
Company owned by key management	GSix Props (Pty) Limited

40. Segmental analysis

R'000	Environmental Solutions	Infrastructural Development	Elimination	Combination
For the year ended 30 June 2008				
Revenue	**73 381**	**191 592**	**(7 206)**	**257 767**
Operating profit	**(175)**	**21 245**		**21 071**
Finance costs	**(653)**	**(493)**		**(1 146)**
Income taxes	**(5 910)**	**2 696**		**(3 215)**
Profit for the period				**16 710**
Segment assets	**202 418**	**128 237**	**(176 537)**	**154 118**
Segment liabilities	**(69 882)**	**(52 979)**	**38 590**	**(84 270)**
Capital expenditure	**6 257**	**3 343**		**9 600**
Depreciation and amortisation	**1 438**	**2 583**		**4 021**
For the year ended 30 June 2007				
Revenue	74 990	148 693	(13 484)	210 199
Operating profit	3 026	12 503	(532)	14 997
Finance costs	(682)	(497)	769	(410)
Income taxes	(1 129)	(2 703)	–	(3 832)
Minority interest				49
Profit for the period				10 804
Segment assets	96 259	75 710	(39 260)	132 709
Segment liabilities	54 351	30 496	(39 260)	45 587
Capital expenditure	5 525	2 585		8 110
Depreciation and amortisation	953	1 884		2 837

	Group 2008	2007
	R	R

41. Earnings per ordinary share

Reconciliation of numerators used for basic and diluted earnings per share		
Profit attributable to the parent entity	**16 710 086**	10 804 325
Numerator for basic earnings and diluted earnings	**16 710 086**	10 804 325
Reconciliation of denominators used for basic and diluted earnings per share		
	Shares	Shares
Weighted average number of shares used for basic EPS	**86 806 290**	69 186 521
Share options	**3 013 800**	537 597
Diluted weighted average number of shares used for diluted EPS	**89 820 090**	69 724 118
Headline earnings per share		
	R	R
Headline earnings per share	**0,1959**	0,166
Diluted headline earnings per share	**0,1860**	0,164
Earnings		
Reconciliation between basic earnings and headline earnings – 2008		
Profit after tax	**16 710 086**	10 804 324
Loss on sale of subsidiary	**558 444**	–
Profit/loss on disposal of property, plant and equipment	**(265 755)**	336 579
Share options revalued		318 855
Headline earnings	**17 002 775**	11 459 758

Reconciliation between basic earnings and headline earnings – 2007

	Profit before taxation R	Taxation R	Minority R	Earnings R
According to financial statements	14 586 977	(3 831 548)	48 896	10 804 325
Basic earnings				10 804 325
Adjustments:				
Profit on disposal of property, plant and equipment	393 660	(57 081)	–	336 579
Fair value on share options	318 855	–	–	318 855
Headline earnings				11 459 759

Company balance sheet

as at 30 June 2008

	Notes	2008 R'000	2007 R'000
Assets			
Non-current assets			
Investments in subsidiaries	1	**135 548**	60 187
Other financial assets	3	**4 590**	3 500
		140 138	63 687
Current assets			
Loans to group companies	2	**19 369**	12 184
Cash and cash equivalents	4	**–**	2 290
Other financial assets	3	**835**	–
Current tax receivable		**15**	–
		20 219	14 474
Total assets		**160 357**	78 161
Equity and liabilities			
Equity			
Share capital	5	**129 927**	77 254
Reserves	7	**138**	319
Retained income		**8 200**	42
		138 265	77 615
Liabilities			
Current liabilities			
Loans from group companies	2	**5 200**	381
Current tax payable	10	**–**	148
Trade and other payables	8	**1 762**	17
Bank overdraft	4	**15 130**	–
		22 092	546
Total equity and liabilities		**160 357**	78 161

Company income statement

for the year ended 30 June 2008

	Notes	2008 R'000	2007 R'000
Revenue	9	**2 168**	701
Other income		**232**	–
Operating expenses		**(1 558)**	(518)
Operating profit		**842**	183
Investment revenue	10	**8 185**	392
Income from equity accounted investments		**(52)**	(318)
Finance costs	11	**(817)**	(68)
(Loss)/profit before taxation		**8 158**	189
Taxation	12	**–**	(147)
(Loss)/profit for the period		**8 158**	42

Company statement of changes in equity

for the year ended 30 June 2008

	Share capital R	Share premium R	Total share capital R	Reserves for own shares/ share repurchase reserve R	Other NDR R	Total reserves R	Retained income R	Total attributable to equity holders of the group/ company R
Balance at 1 July 2006	–	–	–	–	–	–	–	–
Changes in equity								
Profit for the year	–	–	–	–	–		41 612	41 612
Issue of shares	787	78 686 486	78 687 273	–	–	–	–	78 687 273
Purchase of own/treasury shares	–	–	–	–	–	–	–	–
Equity-settled share-based payments reserve	–	–	–	318 855	–	318 855	–	318 855
Share premium expenses	–	(1 433 058)	(1 433 058)	–	–	–	–	(1 433 058)
Total changes	787	77 253 426	77 254 215	318 855	–	318 855	41 612	77 614 682
Balance at 1 July 2007	787	77 253 428	77 254 215	318 855	–	318 855	41 612	77 614 682
Changes in equity								
Depreciation recognised directly in equity	–	–	–	–	–	–	–	–
Net income (expenses) recognised directly in equity	–	–	–	–	–	–	–	–
Profit for the year	–	–	–	–	–		8 158 339	8 158 339
Total recognised income and expenses for the year		–	–	–	–	–	–	–
Issue of shares	267	52 671 825	52 672 092	–	–	–	–	52 672 092
Revaluation of equity	–	–	–	(51 324)	–	(51 324)	–	(51 324)
Exercise of share option	–	–	–	(129 014)	–	(129 014)	–	(129 014)
Total changes	267	52 671 825	52 672 092	(180 338)	–	(180 338)	8 158 339	60 650 094
Balance at 30 June 2008	**1 054**	**129 925 253**	**129 926 307**	**138 517**	**–**	**138 517**	**8 199 951**	**138 264 775**
Note(s)	5	5	5	7				

Company cash flow statement

for the year ended 30 June 2008

	Notes	2008 R'000	2007 R'000
Cash flows from operating activities			
Cash receipts from customers		**2 392**	702
Cash paid to suppliers and employees		**435**	(500)
Cash generated from operations	14	**2 827**	202
Interest income		**185**	392
Dividends received		**8 000**	–
Finance costs		**(817)**	(68)
Share premium expenditure	15	**–**	(1 433)
Tax paid		**(161)**	–
Net cash from operating activities		**10 034**	(907)
Cash flows from investing activities			
Loans advanced to group companies		**(10 898)**	(12 184)
Acquisition of business (including subsidiaries, joint ventures and associates)		**(35 851)**	–
Repayment of loans from group companies		**7 442**	–
Sale of financial assets		**(835)**	–
Proceeds from loans from group companies		**–**	381
Net cash from investing activities		**(40 142)**	(11 803)
Cash flows from financing activities			
Proceeds on share issue	5	**12 689**	15 000
Net cash from financing activities		**12 689**	–
Total cash movement for the year		**(17 420)**	2 290
Cash at the beginning of the period		**2 290**	–
Total cash at the end of the period	4	**(15 130)**	2 290

Notes to the annual financial statements

for the year ended 30 June 2008

	Name of company	Held by	Holding 2008 %	Carrying amount 2008 R'000	Holding 2007 %	Carrying amount 2007 R'000
1.	**Investments in subsidiaries**					
	SAFIC (Pty) Limited		**100,00**	**18 844**	100,00	18 844
	FloorworX Africa (Pty) Limited		**100,00**	**41 342**	100,00	41 342
	Accéntuate Management Services (Pty) Limited		**100,00**	**–**	100,00	–
	Kalahari Environmental and Mining Supplies (Pty) Limited		**–**	**–**	100,00	1
	Empowerment Financial Investment Company (Pty) Limited		**100,00**		100,00	–
	Silver Falcon 12 (Pty) Limited t/a Centurion Glass and Aluminium		**100,00**	**75 362**	–	–
	SAFIC Environmental Services (Pty) Limited	SAFIC (Pty) Limited	**100,00**		100,00	–
	SAFIC Black Empowerment Enterprises (Pty) Limited	SAFIC (Pty) Limited	**100,00**		100,00	–
	SAFIC Academy (Pty) Limited	SAFIC (Pty) Limited	**100,00**		100,00	–
	Renaissance Initiative for Secondary Blending in Africa (Pty) Limited	SAFIC (Pty) Limited	**100,00**		100,00	–
	SAFIC Technologies (Pty) Limited	SAFIC (Pty) Limited	**100,00**		100,00	–
	Southern Supplies (Pty) Limited	SAFIC (Pty) Limited	**100,00**		100,00	–
	Ben Evelyn Laboratories (Pty) Limited	SAFIC (Pty) Limited	**51,00**		51,00	–
	SAFESCO North Associated Blenders (Pty) Limited	SAFIC Black Economic Enterprises (Pty) Limited	**51,00**		51,00	–
	Rise Africa Chemicals (Pty) Limited	Renaissance Initiative for Secondary Blending in Africa (Pty) Limited	**50,00**		50,00	–
				135 548		60 187

The carrying amounts of subsidiaries are shown net of impairment losses.

		2008 R'000	Audited 2007 R'000
2.	**Loans to/from group companies**		
	Subsidiaries		
	These loans bear interest at the prime investment rate. There are no repayment terms.		
	Ben Evelyn Laboratories (Pty) Limited	**297**	92
	Accéntuate Management Services (Pty) Limited	**3 514**	(381)
	SAFIC (Pty) Limited	**15 196**	11 331
	Empowerment Financial Investment Company (Pty) Limited	**22**	627
	SAFIC Academy (Pty) Limited	**28**	27
	SAFIC Black Economic Empowerment (Pty) Limited	**312**	107
	FloorworX Africa (Pty) Limited	**(700)**	
	Silver Falcon 12 (Pty) Limited t/a Centurion Glass and Aluminium	**(4 500)**	
		14 169	11 803
	Current assets	**19 369**	12 184
	Current liabilities	**(5 200)**	(381)
		14 169	11 803

		2008 R'000	2007 R'000
3.	**Other financial assets**		
	Management of Kalahari Environmental and Mining Supplies (Pty) Limited	**835**	
	SAFIC Holdings Limited Staff Share Trust	**4 590**	3 500
	Non-current assets		
	Held for trading	**4 590**	3 500
	The fair values of the financial assets were determined as follows: • The fair values of listed or quoted investments are based on the quoted market price. • Held for trading • Terms and conditions		
	Fair values are determined annually at balance sheet date.		
4.	**Cash and cash equivalents**		
	Cash and cash equivalents consist of:		
	Bank balances	**–**	2 290
	Bank overdraft	**(15 130)**	–
5.	**Share capital**		
	Authorised		
	500 000 000 ordinary shares of R0,00001 each	**5**	5
	Reconciliation of number of shares issued:		
	Reported as at 1 July 2007	**787**	–
	Issue of shares – ordinary shares	**267**	787
		1 054	787
	Unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.		
	Issued		
	Ordinary	**1**	1
	Share premium	**129 926**	78 686
	Share issue costs written off against share premium	**–**	(1 433)
		129 927	77 254

6. Share-based payments

Share options – Group	2008 Number	Exercise price – cents per share	Total value
Granted during the period	**1 000 000**	**180**	**1 800 000**

The share price at issue date of option was 180 cents.

Outstanding options	Exercise date within one year	Exercise date from two to five years	Exercise date after five years	Total
Options with exercise price of 103 cents	700 000	2 100 000	–	2 800 000
Options with exercise price of 180 cents	200 000	800 000		1 000 000
	900 000	2 900 000	–	3 800 000

Information on options granted during the year

Fair value was determined by subtracting the strike price from the market price at year-end. The following inputs were used:

Closing share price	R1,20
Exercise price	R1,80
Option life	5 years

Total expenses of R51 324 (2007: R318 355) related to equity-settled share-based payment transactions were recognised in 2008.

Executive	Options granted	Date granted	Expiry date	Issue price	Options exercised	Exercise price	Profit/loss realised	Number of options issued and not exercised
FC Platt	382 000	18 Jan 07	18 Jan 12	1,03	76 400	1,03	0,47	305 600
	175 000	20 Nov 07	20 Nov 12	1,80				175 000
AJ Voogt	382 000	18 Jan 07	18 Jan 12	1,03	76 400	1,03	0,47	305 600
	175 000	20 Nov 07	20 Nov 12	1,80				175 000
DE Platt	382 000	18 Jan 07	18 Jan 12	1,03	76 400	1,03	0,47	305 600
	175 000	20 Nov 07	20 Nov 12	1,80				175 000

	2008 R'000	2007 R'000
7. Reserves		
Reserve for equity-settled share options	**138**	319
8. Trade and other payables		
Trade payables	**1 762**	17
9. Revenue		
Interest received/(trading)	**2 168**	701
10. Investment revenue		
Dividend revenue	**8 000**	
Bank	**185**	392
	8 185	392
11. Finance costs		
Group companies	**246**	68
Bank	**570**	–
Current borrowings	**1**	–
	817	68

Notes to the annual financial statements continued

for the year ended 30 June 2008

	2008 R'000	2007 R'000
12. Taxation		
Reconciliation of the tax expense	**%**	%
Reconciliation between applicable tax rate and average effective tax rate.		
Applicable tax rate	**–**	29,00
Lower foreign tax rates	**–**	–
Exempt income	**–**	(0,02)
Disallowed expenses	**–**	48,98
	–	77,96
Tax paid		
Balance at beginning of the year	**(147)**	–
Current tax for the year recognised in income statement		(147)
Balance at end of year	**(15)**	147
	(162)	–
13. Auditors' remuneration		
Consulting	**–**	104
14. Cash generated from operations		
(Loss)/profit before taxation	**8 158**	189
Adjustments for:		
Loss on sale of non-current assets and disposal groups	**451**	–
Dividends received	**(8 000)**	–
Share option revaluation adjustment	**(158)**	319
Interest received	**(185)**	(392)
Finance costs	**817**	68
Fair value adjustments	**–**	1
Changes in working capital:		
Trade and other payables	**1 744**	17
	2 827	202

15. Share premium expenditure

This amount represents cash expenditure, which was not recognised in profit/loss for the period but debited to share premium as allowed by the Companies Act.

16. Related parties

Relationships

Subsidiaries

SAFIC (Pty) Limited
Accéntuate Management Services (Pty) Limited
Empowerment Financial Investment Company (Pty) Limited
FloorworX Africa (Pty) Limited
SAFIC Environmental Services (Pty) Limited
SAFIC Technologies (Pty) Limited
Southern Supplies (Pty) Limited
Ben Evelyn Laboratories (Pty) Limited
SAFESCO North Associated Blenders (Pty) Limited
SAFIC Academy (Pty) Limited
Renaissance Initiative for Secondary Blending in Africa (Pty) Limited
SAFESCO North Associated Blenders (Pty) Limited
Rise Africa (Pty) Limited
SAFIC Black Empowerment Enterprises (Pty) Limited
SAFIC Holdings Limited Staff Share Trust
Silver Falcon 12 (Pty) Limited t/a Centurion Glass and Aluminium

	2008 R'000	Audited 2007 R'000
16. Related parties *continued*		
Related party balances		
Loan accounts – Owing (to) by related parties		
Ben Evelyn Laboratories (Pty) Limited	**297**	92
Accéntuate Management Services (Pty) Limited	**3 514**	(381)
SAFIC (Pty) Limited	**15 196**	11 332
Empowerment Financial Investment Corporation (Pty) Limited	**22**	627
FloorworX Africa (Pty) Limited	**(700)**	–
SAFIC Academy (Pty) Limited	**28**	28
SAFIC Black Empowerment Enterprises (Pty) Limited	**312**	107
SAFIC Holdings Staff Share Trust	**4 590**	3 500
Silver Falcon 12 (Pty) Limited t/a Centurion Glass and Aluminium	**(4 500)**	–
Amounts included in Trade receivable (Trade payable) regarding related parties		
FloorworX Africa (Pty) Limited	**–**	(12)
Related party transactions		
Interest paid to (received from) related parties		
FloorworX Africa (Pty) Limited	**246**	68
SAFIC (Pty) Limited	**(1 964)**	(502)
SAFIC Academy (Pty) Limited	**–**	(28)
SAFIC Black Empowerment Enterprises (Pty) Limited	**(205)**	(8)
Accéntuate Management Services (Pty) Limited	**–**	410

17. Risk management

Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

18. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

	2008 R'000	2007 R'000
19. Acquisition of businesses		
Fair value of assets acquired		
Property, plant and equipment	**1 734**	–
Inventories	**3 701**	–
Trade and other receivables	**13 962**	–
Trade and other payables	**(6 194)**	–
Tax assets/liabilities	**(3 453)**	–
Borrowings	**4 531**	–
Intangible assets	**(281)**	–
Goodwill	**61 362**	–
	75 362	–
Consideration paid		
Cash	**(35 852)**	–
Equity – 20 633 507 ordinary shares in Accéntuate Limited	**(39 510)**	–
	(75 362)	–
Net cash outflow on acquisition		
Cash consideration paid	**(35 852)**	–

Notice of annual general meeting

ACCENTUATE LIMITED
(Previously known as SAFIC Holdings Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2004/029691/06)
JSE code: ACE ISIN: ZAE000088068
(Accéntuate or the company)

NOTICE is hereby given

That the annual general meeting of Accéntuate Limited (the company) will be held at SAFIC Business Park, 404 Southern Klipriviersberg Road, Steeledale on 13 November 2008 at 09:00 for the following purposes:

1. To receive and adopt the auditors' report in respect of the year ended 30 June 2008.
2. To receive and adopt the annual financial statements of the company for the year ended 30 June 2008.
3. To re-appoint AJ Kerrod as director.
4. To confirm the directors' emoluments.
5. To appoint the company's auditors for the ensuing year.
6. To consider and, if deemed fit, to pass, with or without modification, the following resolutions.

Special resolutions

Special resolution number 1: Share repurchases

"Resolved, as a special resolution, that the directors be authorised pursuant *inter alia* to the company's articles of association, until this authority lapses at the next annual general meeting of the company, unless it is then renewed at the next annual general meeting of the company and provided that this authority shall not extend beyond 15 months from date of passing this special resolution, for the company or any subsidiary of the company to acquire shares of the company, subject to the Listings Requirements of the JSE Limited (JSE), provided that:

1. any repurchase of securities must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty;
2. the company may only appoint one agent to effect any repurchases on its behalf;
3. the company must be authorised thereto by its articles of association;
4. the number of shares which may be acquired pursuant to this authority in any financial year (which commenced 1 July 2008) may not in the aggregate exceed 20% (twenty percent) of the company's issued share capital as at the date of passing of this special resolution;
5. repurchases of shares may not be made at a price greater than 10% (ten percent) above the weighted average of the market value of the securities for the five business days immediately preceding the date on which the transaction was effected;
6. repurchases may not be undertaken by the company or one of its wholly owned subsidiaries during a prohibited period (as defined in paragraph 3.67 of the Listings Requirements of the JSE);
7. repurchases may only take place if, after such repurchase, the shareholder spread of the company still complies with the Listings Requirements of the JSE;
8. after the company has acquired shares which constitute, on a cumulative basis, 3% (three percent) of the number of shares in issue (at the time that authority from shareholders for the repurchase is granted), the company shall publish an announcement to such effect, or any other announcements that may be required in such regard in terms of the Listings Requirements of the JSE which may be applicable from time to time; and
9. the company's Designated Adviser shall confirm the adequacy of the company's working capital for purposes of undertaking the repurchase of shares in writing to the JSE prior to entering the market to proceed with the repurchase.

In accordance with the Listings Requirements of the JSE, the directors record that:

Although there is no immediate intention to effect a repurchase of securities of the company, the directors would utilise the general authority to repurchase securities as and when suitable opportunities present themselves, which opportunities may require expeditious and immediate action.

Notice of annual general meeting continued

The directors, after considering the maximum number of securities which may be purchased and the price at which the repurchases may take place pursuant to the buy-back general authority, are of the opinion that for a period of 12 months after the date of notice of this annual general meeting:

- the company and the group will be able to pay their debts in the ordinary course of business;
- the consolidated assets of the company and of the group fairly valued in accordance with generally accepted accounting practice, will exceed the consolidated liabilities of the company and of the group after the buy-back;
- the share capital and reserves of the company and of the group will be adequate for the purposes of the business of the company and its subsidiaries; and
- the working capital available to the company and its subsidiaries will be adequate for the purposes of the business of the company and its subsidiaries."

The following additional information, some of which may appear elsewhere in the annual report of which this notice forms part, is provided in terms of paragraph 11.26 of the Listings Requirements of the JSE for purposes of this general authority:

- Directors – page 4 and 5;
- Major beneficial shareholders – page 26;
- Directors' interests in ordinary shares – page 27; and
- Share capital of the company – page 55.

Litigation statement

The directors, whose names appear on pages 4 and 5 of the annual report of which this notice forms part, are not aware of any legal or arbitration proceedings including proceedings that are pending or threatened, that may have or have had in the recent past (being at least the previous 12 (twelve) months) a material effect on the group's financial position.

Directors' responsibility statement

Directors whose names appear on pages 4 and 5 of the annual report collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution 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, that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required in terms of the Listings Requirements of the JSE.

Material changes

Other than the facts and developments reported on in the annual report, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report for the year ended 30 June 2008 and up to the date of this notice.

Reasons for and effects of special resolution number 1

The reason for special resolution number 1 is to afford directors of the company or a subsidiary of the company a general authority to effect a buy-back of the company's shares on the JSE. The effect of the resolution will be that the directors will have the authority, subject to the Rules and Requirements of the JSE, to effect acquisitions of the company's shares on the JSE.

Ordinary resolutions

Ordinary resolution number 1: The general authority to issue unissued, but authorised shares for cash

"Resolved that the directors be authorised pursuant *inter alia* to the company's articles of association, until this authority lapses at the next annual general meeting of the company, unless it is then renewed at the next annual general meeting of the company provided that it shall not extend beyond 15 months, to allot and issue any ordinary shares for cash subject to the Rules and Requirements of the JSE Limited (JSE) on the following bases:

1. the allotment and issue of the shares must be made to persons qualifying as public shareholders as defined in the Listings Requirements of the JSE;
2. the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;

Notice of annual general meeting continued

3. the number of shares issued for cash shall not in the aggregate in any one financial year exceed 50% (fifty percent) of the company's issued share capital of ordinary shares. The number of ordinary shares which may be issued shall be based on the number of ordinary shares in issue at the date of such application less any ordinary shares issued during the current financial year, provided that any ordinary shares to be issued pursuant to a rights issue (announced, irrevocable and fully underwritten) or acquisition (concluded up to the date of application including announcement of the final terms) may be included as though they were shares in issue at the date of application;
4. the maximum discount at which ordinary shares may be issued is 10% (ten percent) of the weighted average traded price on the JSE of those shares over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors of the company;
5. after the company has issued shares for cash which represent, on a cumulative basis within a financial year, 5% (five percent) or more of the number of shares in issue prior to that issue, the company shall publish an announcement containing full details of the issue (including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 days prior to the date that the price of the issue is determined or agreed to by the directors and the effect of the issue on net asset value and earnings per share), or any other announcements that may be required in such regard in terms of the Listings Requirements of the JSE which may be applicable from time to time."

In terms of the Listings Requirements of the JSE a 75% (seventy-five percent) majority of the votes cast by shareholders present or represented by proxy at the general meeting must be cast in favour of ordinary resolution number 1 for it to be approved.

Ordinary resolution number 2: Unissued ordinary shares
"Resolved that the authorised and unissued ordinary share capital of the company be and is hereby placed under the control of the directors of the company which directors are, subject to the Rules and Regulations of the JSE Limited (JSE) and the provisions of section 221 and 222 of the Companies Act, 1973 as amended, authorised to allot and issue any of such shares at such time or times, to such person or persons, company or companies and upon such terms and conditions as they may determine, such authority to remain in force until the next annual general meeting of the company."

Ordinary resolution number 3: Re-election of directors
"Resolved that AJ Kerrod be re-elected as director of the company."

Ordinary resolution number 4: Directors' remuneration
"Resolved that the remuneration of the directors, as set out on page 61 of the annual report of which this notice forms part, be and is hereby confirmed and ratified."

Ordinary resolution number 5: Signature of documentation
"Resolved that any director or the company secretary of the company be and is hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of special resolution number 1 and ordinary resolutions numbers 1, 2, 3, 4 and 6 which are passed by the members in accordance with and subject to the terms thereof."

Ordinary resolution number 6: Appointment of auditors
"Resolved that PFK (Pta) Inc be appointed as auditors of the company."

Action required

Certificated shareholders and "own name" dematerialised shareholders
If you are unable to attend the annual general meeting of the company to be held at SAFIC Business Park, 404 Southern Klipriviersberg Road, Steeledale on 13 November 2008 at 09:00, and wish to be represented thereat, you must complete and return the attached form of proxy in accordance with the instructions contained therein and lodge it with, or post it to, the transfer secretaries, namely Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg (PO Box 61051, Marshalltown 2107), so as to be received by them by no later than 10:00 on Tuesday, 11 November 2008.

Notice of annual general meeting continued

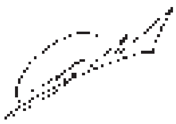
Dematerialised shareholders

If you hold dematerialised shares in the company through a CSDP or broker and do not have an "own name" registration, you must timeously advise your CSDP or broker of your intention to attend and vote at the general meeting or be represented by proxy thereat in order for your CSDP or broker to provide you with the necessary authorisation to do so, or should you not wish to attend the Annual General Meeting in person but wish to be represented thereat, you must timeously provide your CSDP or broker with your voting instruction in order for the CSDP or broker to vote in accordance with your instruction at the Annual General Meeting.

Each shareholder, whether present in person or represented by proxy, is entitled to attend and vote at the Annual General Meeting. On a show of hands every shareholder who is present in person or by proxy shall have one vote, and, on a poll, every shareholder present in person or by proxy shall have one vote for each share held by him/her.

A form of proxy, which sets out the relevant instructions for use, is attached for those members who wish to be represented at the Annual General Meeting of members. Duly completed forms of proxy must be lodged with the transfer secretaries of the company, namely Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg (PO Box 61051, Marshalltown 2107), to be received by not later than 10:00 on Tuesday, 11 November 2008.

By order of the board



GW Delport
Company Secretary

Johannesburg
17 September 2008

Form of proxy

(for use by certificated shareholders and own name dematerialised shareholders)

ACCENTUATE LIMITED
(Previously known as SAFIC Holdings Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2004/029691/06)
JSE code: ACE ISIN: ZAE000088068
(Accéntuate or the company)

Form of proxy for the annual general meeting of the company to be held at 09:00 on 13 November 2008 at the company's Registered offices, at SAFIC Business Park, 404 Southern Klipriviersberg Road, Steeledale (the annual general meeting).

For use by certificated shareholders, nominee companies of Central Securities Depository Participants (CSDP), brokers' nominee companies and shareholders who have dematerialised their shares and who have elected own name registration, who wish to vote on the ordinary and special resolutions per the Notice of the Annual General meeting to which this form is attached.

Shareholders who have dematerialised their shares through a CSDP or broker must not complete this form of proxy and must provide their CSDP or broker with their voting instructions, except for shareholders who elected own name registration in the sub-register through a CSDP, which shareholders must complete this form of proxy and lodge it with Computershare Investor Services (Pty) Limited. Holders of dematerialised shares other than with own name registration, wishing to attend the annual general meeting must inform their CSDP or broker of such intention and request their CSDP or broker to issue them with the necessary authorisation to attend.

I/We (Name in block letters) ______________________________

Of (Address) ______________________________

Being the holder/s of [   ] ordinary shares in the company, do hereby appoint

1. ______________________________ or failing him/her

2. ______________________________ or failing him/her

3. The chairperson of the annual general meeting

As my/our proxy to act for me/us and on my/our behalf at the annual general meeting of the company which will be held for the purpose of considering and, if deemed fit, of passing, with or without modification, the ordinary and special resolutions to be proposed thereat and at any adjournment thereof, and to vote in favour of and/or against the resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (see notes):

	Number of votes on a poll (one vote per ordinary share)		
	In favour	Against	Abstain
Special resolution number 1: To effect share buy-backs			
To pass ordinary resolutions: 1. The general authority to issue unissued, but authorised shares for cash			
2. To place the unissued shares under the control of the directors			
3. To re-elect the following director			
AJ Kerrod			
4. To ratify the directors' remuneration			
5. To authorise the signature of documentation			
6. To appoint PKF (PTA) Inc as the company's auditors			

Signed at ______________________ on ______________________ 2008

Signature ______________________________

Assisted by (if applicable) ______________________________

Notes to the form of proxy

1. A shareholder may insert the name(s) of one or more proxies (none of whom need be a company shareholder) in the space provided, with or without deleting the words "the Chairperson of the annual general meeting of the ordinary shareholders". The person whose name stands first on the form of proxy and has not been deleted and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the Chairperson.

2. A shareholder's instructions to the proxy must be indicated by the insertion of an "X" or the relevant number of votes exercisable by that shareholder in the appropriate box provided. Failure to comply with the above, will be deemed to authorise the proxy to vote as he/she deems fit, where the proxy is the Chairperson, such failure shall be deemed to authorise the Chairperson to vote in favour of the ordinary and special resolutions in respect of all the shareholders' votes exercisable thereat.

3. The completion and lodging of this form of proxy shall in no way preclude the shareholder from attending, speaking and voting in person at the annual general meeting to the exclusion of any proxy appointed in terms hereof.

4. Should this form of proxy not be completed and/or received in accordance with these notes, the Chairperson may accept or reject it, provided that, in respect of its acceptance, the Chairperson is satisfied as to the manner in which the shareholder wishes to vote.

5. Documentary evidence establishing the authority of the person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company's transfer secretaries or waived by the Chairperson of the meeting.

6. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form unless it has previously been registered with the company.

7. Where shares are held jointly, all joint holders are required to sign.

8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity have been produced or have been registered by the transfer secretaries of the company.

9. Any alteration or correction made to this form of proxy must be signed in full and not initialled by the signatories.

10. This form of proxy must be lodged with, or posted to the transfer secretaries, Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107) so as to be received by no later than 10:00 on 11 November 2008.

11. The completion and lodging of this form of proxy by the shareholders holding certificated shares, nominee companies of CSDPs or brokers and the shareholders who have dematerialised their shares and who have elected own-name registration, will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof. The shareholders who have dematerialised their shares, other than with own name registration, and who wish to attend the annual general meeting must instruct their CSDP or broker to issue them with the necessary authority to attend

Administration

Directors
MDC Motlatla*
FC Platt
AJ Voogt
DE Platt
ME Dipico*
AJ Kerrod
*Non-executive

Company Secretary and registered office
GW Delport, MSc IS
32 Steele Street, Steeledale 2197
(PO Box 1754, Alberton 1450)
Telephone: 0860 4 72342
Facsimile: 0861 4 72342

Transfer secretaries
Computershare Investor Services (Pty) Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg 2001
(PO Box 61051, Marshalltown 2107)
Telephone: (011) 370 5000
Facsimile: (011) 688 5210

Attorneys
Knowles Husain Lindsay Inc Attorneys
(Registration number 2000/000004/21)
(PO Box 782687, Sandton 2146)
Telephone: (011) 669 6000
Facsimile: (011) 669 6299

Designated adviser
Exchange Sponsors (Pty) Limited
(Registration number 1999/024433/07)
44A Boundary Road
Inanda 2196
(PO Box 411216, Craighall 2024)
Telephone: (011) 880 2113
Facsimile: (011) 447 4824

Auditors and reporting accountants
PKF (Pta) Inc.
Chartered Accountants (SA)
Registered Accountants and Auditors
Practice number 928231A
(Registration number 2000/026635/21)
PO Box 98060, Waterkloof Heights 0065
Telephone: (012) 460 9000
Facsimile: (012) 346 2380

Commercial banker
Nedbank Limited
(Registration number 1951/00009/06)
Telephone: (011) 723 0600
Facsimile: (011) 452 0459

ABSA Bank Limited
(Registration number 1986/004794/06)
Telephone: (011) 556 6000
Facsimile: (011) 556 6901

Shareholders' diary

Annual general meeting	13 November 2008
Reports and financial statements	
Annual results announcements	18 September 2008
Publication of annual report (mailed to shareholders)	20 October 2008
Interim results announcements	27 February 2009
Financial year-end	30 June

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