A focused manufacturer of wood-based panels

williamtell

ANNUAL REPORT 2009

WILLIAM TELL ANNUAL REPORT 2009

Mission, vision, core values and business review

Our client-base ranges from individual contractors to large businesses in the built-in furniture, office furniture, shopfitting, exhibition, case goods, wholesaling, merchandising, retailing and related industries in southern Africa.

We strive to nurture a dynamic environment in which individuals realise and surpass their potential

Our mission, vision and core values

MISSION

Sustainable delivery of world class products, service and results: At William Tell, we relentlessly pursue excellence. We strive to nurture a dynamic environment in which individuals realise and surpass their potential. Our culture encourages all members of the team to perform to the best of their potential.

VISION

Recognition as a world class organisation within the broader wood-based panels industry: We are on a journey towards the realisation of a clearly defined and focused integration strategy and the attainment of independence through self sufficiency. Our goals are continually evolving in the pursuit of excellence in technology, corporate behaviour and sustainable advancement for the benefit of all stakeholders.

CORE VALUES

Truth, integrity, courage, unity, fortitude, respect and independence: These words are what Swiss national hero William Tell stood for – values we take as a given and why 28 years ago we chose to name our company after this hero. Values that embody our great respect for environment, country and the enhancement of the society in which we live.

OVERVIEW OF THE BUSINESS

William Tell is a focused manufacturer of wood-based panels. The Group produces chipboard, adds value by applying melamine surfaces and adds further value by producing systems and components for the building and related industries. Products are marketed under the William Tell, Evopan and Ultrabord brand names. Our client-base ranges from individual contractors to large businesses in the built-in furniture, office furniture, shopfitting, exhibition, case goods, wholesaling, merchandising, retailing and related industries in southern Africa.

Our background

The Group produces chipboard from wood waste, adds value by applying melamine surfaces and further adds value by producing systems and components for the broader building and related industries

William Tell was founded in 1980 as a sole proprietorship offering general joinery and manufacturing custom-built home furniture. Since then the business has grown organically from an initial capital base of R900 operating out of a 36m² garage workshop, to having a net asset value of R211,5 million (30 June 2009) and owning 5,3 hectares of industrial land. William Tell has evolved from a custom furniture producer into a vigorous competitor in South Africa's wood-based panel industry, by producing and adding value to chipboard products supplied to numerous businesses in sub-Saharan Africa.

In the early 2000s an impending national shortage of melamine-faced boards and chipboard prompted William Tell to acquire a high capacity melamine surfacing line in 2003 and its first chipboard facility, which in late 2006 was commissioned in Booysens, Johannesburg. **William Tell recently built and opened a second and significantly larger particleboard plant at Chamdor.**

William Tell enjoys a major competitive advantage in that our plants are sited in the greater Johannesburg region, our primary market. Another is that our newer, self-designed manufacturing equipment allows us to manufacture panel formats that will result in fewer off-cuts and less waste to clients.

With costs being critical, **William Tell, a truly South African wood-based panel producer is strategically situated to take advantage of low-cost wood waste from the biggest urban forest in Africa.**

Definitions of industry terms

The terms below are generically used within the industry and by William Tell. They are defined here to enable a greater understanding by the users of this annual report.

ALTX – the Alternative Exchange of the JSE Limited.

BBBEE – Broad Based Black Economic Empowerment.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) – a series of standards of accounting issued by the International Accounting Standards Board requiring transactions and events to be accounted for and reported in a like way both within an entity over time and among entities in those jurisdictions that have adopted IFRS. South Africa has adopted IFRS and reporting in accordance with IFRS is compulsory for companies listed on the JSE.

GROUP – The William Tell group of companies, consisting of William Tell Group, William Tell Industries (Pty) Limited, William Tell Board (Pty) Limited, Tellprop (Pty) Limited and ELB Ultrabord (Pty) Limited.

THE JSE – The JSE Limited, registration number 2005/022939/06, a public company incorporated in South Africa and which is licensed as an exchange in terms of the Securities Services Act, 2004 (Act 36 of 2004), as amended.

MEDIUM DENSITY FIBRE BOARD (MDF) – MDF is produced from uniform wood fibres (as opposed to wood chips) in a similar process to particleboard, has a higher density and is a homogenous panel that lends itself to being worked in a similar way to timber.

MELAMINE FACED BOARD (MFB) – Either particleboard or MDF board (panels) that have been coated with decorative melamine surfaces in a process that requires high pressure and temperature to form a closed decorative surface over the surface of the boards making them suitable for further processing into furniture parts.

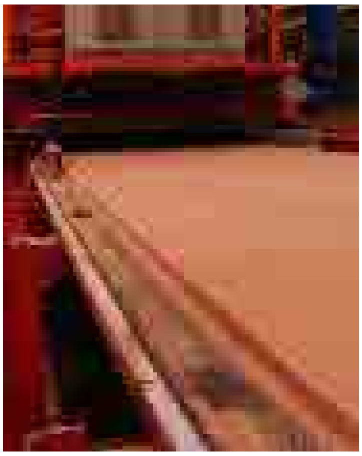
PARTICLEBOARD – Particleboard (chipboard), is produced from logs, wood-waste and low grade timber, reduced to suitable, various sized particles, combined with resins and cured under high pressure and temperature, thickness calibrated and finish sanded to produce a solid wood based panel.

RAND OR "R " – South African Rand, being the Group's functional and presentation currency.

SENS – the Securities Exchange News Service of the JSE.

SOUTHERN AFRICA – Republic of South Africa, Mozambique, Zimbabwe, Swaziland, Lesotho, Namibia, Botswana, Malawi, Zambia and Angola.

WOOD-BASED PANELS (WBP) – Collective term for particleboard, MDF and MFB.



We're a truly South African wood-based panel producer

Our investment case

MARKET POSITION IN SOUTH AFRICA

The flexibility of our plant and the increase in our product range will provide better opportunities.

CLEAR BUSINESS STRATEGY

William Tell's strategy is two-pronged. Firstly, it aims to drive increased returns by becoming the industry's lowest cost producer through a continual focus on optimising capital, cutting costs and maximising efficiencies.

The second part of the strategy is profitable growth through diversifying revenue streams into new income markets and geographies, thus spreading the risk and underpinning a resilient performance in all market conditions. William Tell's planned export drive into earmarked African countries is a part of this strategy.

RISK MANAGEMENT

William Tell is fortunate to have access to solid risk management expertise in the form of our experienced executive team. We utilise conservative risk/return measures in all acquisitions and new capital allocations. Not only are we planting the seeds for future growth through a disciplined and methodical approach to ventures, we are also ensuring that the Group's overall returns are enhanced over the long term. Innovation has allowed the Group to pre-empt changes in an uncertain regulatory environment. William Tell has the proven human capital to build on our proud 29 year track record.

CORE EXPERTISE

William Tell enjoys core competencies from a motivated management team who have designed, sourced and commissioned state-of-the-art particleboard manufacturing plants at a significant discount to market prices and which are capable of high quality low-cost production.

To date we have invested R155,1 million in plant and equipment in our Chamdor facility

Our business strategy

The current economic downturn caused a sharp slowdown in the residential property market, which has reduced demand for wood-based panels. The major producers were saddled with excess capacity, although this was partly offset by the recent closure of four competitor production plants.

In these challenging times our strategy is to position ourselves to benefit when the economy starts to recover. Our new Chamdor manufacturing facility is designed for low-cost production and has sufficient latent capacity to gear up swiftly when demand rises. William Tell is also working to secure its self-sufficiency and ongoing low-cost production through greater control of its raw material supplies.

Opportunities for William Tell are geographic and through product diversification. Africa is a continent of growth that offers William Tell opportunities for geographic expansion. Product diversification will be achieved by adding value to our core product and commissioning thin board manufacturing capacity.

William Tell Group

- WILLIAM TELL INDUSTRIES 100%
  - William Tell Division
  - Evopan Division
- WILLIAM TELL BOARD 100%
- TELLPROP 100%
- ELB ULTRABORD 100%

Our history and milestones



Over 29 years of history and milestones, from 1980 to 2009...

1980 – Founded William Tell as a manufacturer of home furniture and general joinery; start up capital R900

2000 – William Tell firmly established as a leading brand of value-added wood-based panel (WBP) components and systems

2003 – Commissioned melamine surfacing line and the formation of a new division, Evopan

2006 – Commissioned our first chipboard plant, which converts wood waste into chipboard

2007 – In April commenced siteworks for Chamdor chipboard plant

2007 – July 3rd/Listed on the ALTX board of the JSE, raising R106,5 million

2008 – In January commenced construction of second chipboard plant in Chamdor, Krugersdorp

2008 – ELB Ultrabord was acquired from ELB Limited in February 2008 for R7 million

2009 – The Chamdor plant goes into production

Our Chamdor facility in Krugersdorp

Directorate



Our directors are all South African citizens

Our management's CVs

RALPH PATMORE (57) BCom MBA

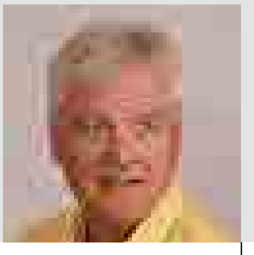
Chairman of the board of directors of William Tell Holdings Limited, effective 1 February 2009. He has 10 years of building materials distribution experience from his former position as chief executive officer of Iliad and a wealth of industrial manufacturing experience from his time as member of the board of directors of Everite and later as member of the board of directors of Group Five, prior to his appointment as chief executive officer of Iliad in 1998. He holds a Bachelor of Commerce degree from the University of the Witwatersrand, a Masters degree in Business Leadership from the School of Business Leadership of the University of South Africa – (UNISA), and a SEP from the Stanford University. He is an Accredited Associate of the Institute for Independent Business of London.

BARRY LOK (51) B Compt (Unisa)

Chief executive officer of William Tell Holdings Limited. Matriculated from West Ridge High School in Roodepoort in 1975 and served articles with Robert C Palk and Co. and completed his national service. Started William Tell in 1980, converting the business to a private company in 1983. Graduated from Unisa in 1983 and was instrumental in expanding the business of William Tell.

WARWICK LOK (60) BSc (Civil Engineering) (University of Witwatersrand)

Managing director of William Tell Holdings Limited. Warwick matriculated from Randfontein High School in 1966 and obtained his degree in 1970. His career includes being resident engineer on a number of civil projects for the South African Railways and Harbours. Joined William Tell Industries in 1992. Appointed as managing director in 2001.



NIRVANA GOVENDER (29) BCom Honours

Financial director of William Tell Holdings Limited. Graduated from University of KwaZulu-Natal. Completed her articles with Deloitte and Touche. She has completed the first part of her board exam and will be writing the second part in November 2009. Joined William Tell in January 2008 as financial manager. Appointed as financial director on 1 June 2009.

NEVILLE DE WINNAAR (35) Dip (Business administration) Wits Business School

Sales director of William Tell Holdings Limited. He commenced his career in sales, advancing to sales manager, Gauteng and sub-Saharan Africa, for WBP producer Sonae Novobord. He completed the Programme in Business Management (Unisa) and the Management Advancement Programme. Joined William Tell Industries in April 2004 as general manager in Evopan division. Appointed as a director of William Tell Industries in May 2005.

MICHAEL MEEHAN (62) CA(SA)

Non-executive director of William Tell Holdings Limited. Graduated from the University of Natal. Completed articles and practised as a Chartered Accountant in Durban before commencing a 23-year career in shipping and ship owning with the Grindrod Group, where he served as a main board director, as chief executive officer of Unicorn Shipping and chief executive officer of the listed Griffin Shipping Holdings. He subsequently co-founded and listed Trematon Capital Investments. He has filled the roles of president of the Durban Chamber of Commerce and president of the South African Ship Owners' Association and now operates in the property, investments and business consultancy fields in Durban. Appointed director on 11 June 2007.

SIRKIEN VAN SCHALKWYK (32) BLC (University of Pretoria), LLB (Unisa)

Company secretary of William Tell Holdings Limited. Sirkien completed her BLC in 1998 and entered the company secretarial market whereafter she completed her LLB part time while doing assistant company secretarial work at a listed company. She worked briefly at Ernst & Young mainly attending to statutory audits before she entered the financial markets in compliance. Sirkien started her own company secretarial business in 2005. Appointed at William Tell on 1 February 2007.

Ralph Patmore Chairman

We are pleased to report that the bulk of the strain is behind the Company

A South African company

The year under review proved to be one of the most trying from all aspects. The economy turned downwards at a faster pace than anticipated, while the Company was moving through the peak of a shift in strategy planned six years ago.

Changing the strategic intent embedded in the Company, consumes a disproportionate amount of management's time. William Tell's CEO Barry Lok and his executive team, navigated these stormy waters and have emerged stronger and more resolute to make this vision work.

The start of production at the Chamdor plant, although not fully commissioned, is the peak of the strategic shift from a component manufacturer as the dominant driving force to a mass low cost producer of raw chipboard, which requires different core competencies and places a strain on both financial and human resource capital. Overlay a significant drop off in demand for product and one enters a period of extreme stress and pressure on all fronts.

We are pleased to report that the bulk of the strain is behind the Company and the light at the end of the tunnel has begun to shine brightly.

The entrepreneurial spirit in the Company is strong and is being nurtured, while taking cognisance of the corporate governance requirements of a listed company. These entrepreneurs are not afraid to talk openly of their vision and desires, no matter how long term they may be. This, in a conservative corporate environment is often frowned upon and even considered to be arrogant. However, with these executives it is merely a passion and commitment which is refreshing and can only be admired. This executive commitment was further demonstrated on their own initiative by taking reduced remuneration packages.

William Tell's CEO Barry Lok and his executive team, navigated these stormy waters and have emerged stronger and more resolute to make this vision work

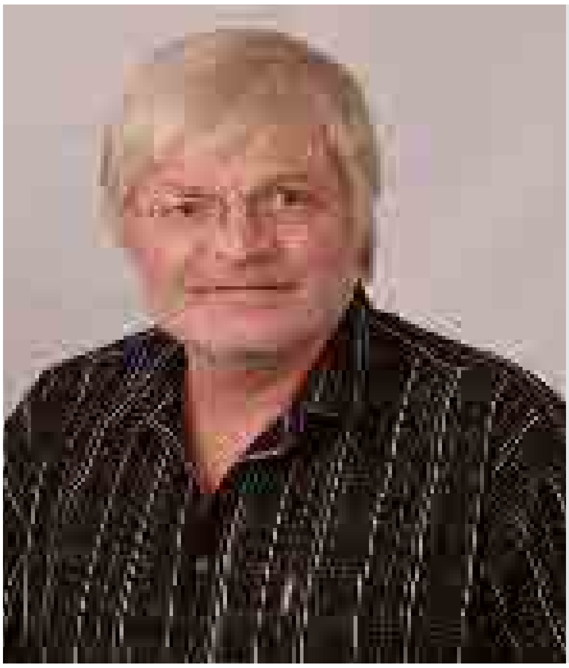
From a shareholder's perspective, the results achieved were not confidence boosting but we believe the vision is a sound one and that the return on investment will be forthcoming.

There is still a lot to be achieved in the next financial period but we remain confident that the objectives are clear and that they will be successfully implemented.

I would like to congratulate Nirvana Govender on her appointment during the year as financial director and welcome her to the board.

Finally I wish to express my sincere thanks and appreciation to the executive team, my fellow directors, the advisers and the staff for the support and hard work over the past year.

Chief executive's review



Barry Lok Chief executive officer

Our best estimate is that demand will equal or marginally exceed supply during 2014

As we enter our 30th year in business we emerge from the worst recession in living memory with a highly capable and proven team, world-class facilities and ownership of 10% of the installed chipboard capacity in South Africa.

The past 18 months saw demand for our industry's products drop 30%. Raw material inputs rose 60% in the space of a few months due to oil and urea prices spiking at record highs in mid-2008 and the sudden excess capacity placed pressure on pricing of our products, squeezing industry margins to new lows. The near doubling of steel prices and shipping rates increased construction costs at our new chipboard plant.

Our financial performance suffered under these circumstances. Turnover dropped 18% to R134 million and headline earnings decreased by 76% to 5,1 cents per share.

Despite these character-testing economic times our team has built a R500 million facility for just on R200 million and succeeded in September 2009 in disposing of our Booysens properties for R46 million which is 28% more than book value.

This post year end transaction will markedly strengthen our balance sheet and allows for the accelerated consolidation of all manufacturing at our Chamdor site in Krugersdorp which will reduce transport, energy and overhead costs by an estimated R6 million per annum. This consolidation will be completed by 28 February 2010.

Current demand levels are 30 – 40% below 2007 peak levels. Current installed capacity after new installations by each of Sonae Novobord, PG Bison and William Tell and the removal or conversion of capacity due to plant closures and the liquidation of Magnaboard is now equal to the 2007 demand levels. Our best estimate is that demand will equal or marginally exceed supply during 2014.

We are looking forward to the growth and opportunities that will eventuate over the next few years. Since the last quarter of our 2009 June year end we have seen the start of modest growth in year-on-year turnovers yet we must expect the next 12 to 18 months to remain challenging

We are looking forward to the growth and opportunities that will eventuate over the next few years. Since the last quarter of our 2009 June year end we have seen the start of modest growth in year-on-year turnovers yet we must expect the next 12 to 18 months to remain challenging.

Our focus now that our major capital expansion is behind us is to maximise profitability and cash flows. We will take advantage of our ability to offer clients higher yielding (less wastage) product sizes that we have ensured our plants can produce. Being self sufficient we can now also exploit our capability to add value to our board products on an increasingly larger scale. We aim to return to and exceed our 2007 29,7% EBITDA levels soonest.

We have managed to transform our owner driven business from being a value adder to chipboard into a professionally run enterprise that can turn firewood into furniture systems.

Finally, it is with a great sense of satisfaction that my brother Warwick and I can look back on the years of challenges that we faced along the road. Having achieved many of our goals we are able to acknowledge that together with our truly committed team players we have succeeded in laying a foundation of quality assets and management that is capable of growing the business responsibly and sustainably create wealth to all our stakeholders.

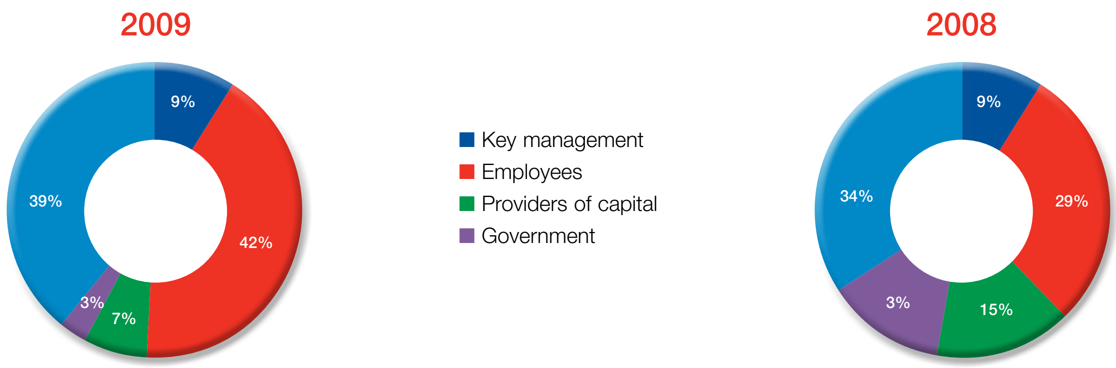
We are secure in the knowledge that our own substantial investments in William Tell will be in capable, responsible hands under the watchful eye of Ralph Patmore and Mike Meehan, both highly capable and respected non-executives on our team.

On ourselves now falls the very satisfying task of continued mentorship and guidance of our successors through the implementation of our growth strategies and to observe the positive results that will eventuate.

Value added statement

The value-added statement measures performance in terms of value added by the Group through the collective efforts of management, employees and the providers of capital. The statement shows how value added has been distributed to those contributing to its creation.

	2009 R'000	%	2008 R'000	%
VALUE ADDED DURING THE YEAR				
Total revenue	134 551		164 166	
Cost of sales and other operating costs	(89 807)		(98 845)	
Value added from trading operations	44 744	93	65 321	86
Income from other sources	1 418	3	1 250	2
Interest income	2 196	5	9 099	12
Total value added	48 358	100	75 670	100
DISTRIBUTIONS DURING THE YEAR				
Key management				
Salaries, retirement and other benefits	4 308	9	6 710	9
Employees				
Salaries, retirement and other benefits	20 103	42	22 211	29
Providers of capital				
Interest on borrowings and dividends paid	3 418	7	11 061	15
Government				
Taxation	1 611	3	9 553	13
Total distributions	29 440	61	49 535	65
Retained for re-investment	18 918	39	26 135	35
Depreciation	6 103		5 100	
Retained in business	12 815		21 035	
Total value-added	48 358	100	75 670	100



Financial highlights

	2009 R'000	2008 R'000	2007 R'000
FINANCIAL PERFORMANCE			
Revenue	134 551	164 166	176 153
Earnings before interest, tax, depreciation and amortisation	14 898	38 825	52 532
Profit before taxation	7 170	36 838	45 762
Net profit	5 559	27 285	31 296
Headline earnings per share (cents)	5,1	21,7	31,3
NAV per share (cents)	169,2	164,8	148,3

Corporate governance report

for the year ended 30 June 2009

William Tell is listed on the ALTX Board of the JSE Limited ("JSE"). The board of directors ("the board") is committed to and subscribes to the values of good corporate governance contained in the Code of Corporate Practices and Conduct recommended by the 2002 King Report on Corporate Governance for South Africa ("King II"), as well as the Listings Requirements of the JSE.

The board endorses the principles of integrity and accountability advocated by King II. The Group's corporate governance structures and practices are reviewed on an ongoing basis in response to changes within and external to the Group. Based on this, the board will also give due consideration to the recommendations and principles as contained in the draft King III report to ensure that the Group and the board aligns its practices and procedures to align with these standards once it becomes effective.

This corporate governance statement sets out the key governance principles and practices of William Tell to inform its stakeholders through fair and understandable disclosure.

Statement of compliance

The Listings Requirements of the JSE require that listed companies report on the extent to which they comply with the principles incorporated in King II as well as the requirements of the Corporate Laws Amendment Act, 2006.

Based on the information set out in this corporate governance statement, the board has committed itself to apply the principles of King II on an ongoing basis and has complied with the provisions set out in the Listings Requirements of the JSE.

Endorsement of King II

William Tell remains fully committed to the principles of effective corporate governance and application of the highest ethical standards in the conduct of its business. We endorse the principles of integrity and accountability advocated by King II. In all dealings we strive to ensure that the interests of stakeholders are foremost in our decisions and that they are fully informed of the process.

We have long recognised that good corporate governance is essentially about leadership and there exists the need to conduct the enterprise with integrity and in compliance with best practices.

BOARD OF DIRECTORS

Composition

The board is based on a unitary structure and exercises full and effective control over the Group. It comprises six members being a independent non-executive chairman, an additional independent non-executive director and four executive directors. Annamarie van der Merwe resigned as chairman and non-executive director on 1 February 2009 and Ralph Patmore, was appointed as chairman. Nirvana Govender was appointed as financial director on 1 June 2009.

The directors as at the writing of this report are:

Independent non-executive directors	Executive directors
Ralph Patmore (Chairman)	Barry Lok (Chief executive officer)
Mike Meehan	Warwick Lok
	Neville de Winnaar
	Nirvana Govender

The board still comprises a majority of executive directors, who bring specific skills and experience to the board. The board remains satisfied that the composition of the board is appropriate for the Group's current position and requirements. The composition of the board is reviewed on a regular basis. Both non-executive directors are classified as independent.

In terms of the Company's articles of association, Mike Meehan and Neville de Winnaar, are required to retire by rotation at the forthcoming annual general meeting and have offered themselves for re-election by shareholders. The appointment of Ralph Patmore and Nirvana Govender will be ratified at the forthcoming annual general meeting.

Additional information regarding the directors can be found on the following pages of the annual report:

- short curriculum vitae, including age and date of appointment – pages 6 to 7
- remuneration – page 22
- shareholding – page 22

MEETINGS

The following meetings of the board were held in the last financial year to date of printing of this report:

Director	11 Sept 2008	28 Oct 2008 (Special)	25 Nov 2008	19 Feb 2009	30 Apr 2009 (Special)	27 May 2009
Barry Lok	Present	Present	Present	Present	Present	Present
Neville de Winnaar	Present	Present	Present	Present	Present	Present
Warwick Lok	Present	Present	Present	Present	Present	Present
Mike Meehan	Present	Present	Present	Present	Present	Present
Annamarie van der Merwe*	Present	Present	Present	—	—	—
Ralph Patmore*	—	—	—	Present	Present	Present
Nirvana Govender***	—	—	—	—	—	—
Designated adviser	Present	Present	Present	Present	Present	Present

* *Annamarie van der Merwe resigned 1 February 2009*
** *Ralph Patmore was appointed 1 February 2009*
****Nirvana Govender was appointed as financial director 1 June 2009*

BOARD COMMITTEES

While the board remains accountable and responsible for the performance and affairs of the Company, it delegates to management and board committees certain functions to assist it in properly discharging its duties. The chairman of each board committee reports at each scheduled meeting of the board and minutes of board committee meetings are provided to the board. All the members of each board committee are independent, non-executive directors. Each board committee functions in accordance with the provisions of the committee mandate as approved by the board.

Both the directors and the members of the board committees are supplied with full and timely information that enable them to properly discharge their responsibilities. All directors have unrestricted access to all Group information.

The chairman of each board committee is required to attend annual general meetings to answer questions raised by shareholders.

The established board committees are:

Audit and Risk Management Committee

The committee comprises:

- Mike Meehan – Chairman
- Ralph Patmore – Member
- PSG Capital (Pty) Limited – Designated adviser

The composition of the committee meets the requirements of the Corporate Laws Amendment Act of 2006, consisting of a minimum of two non-executive directors, acting independently.

The committee meets at least three times a year and is primarily responsible for assisting the board in carrying out its duties relating to accounting policies and procedures, internal controls, financial reporting practices, the appointment of and relationship with the external auditors, including the monitoring of the provision of non-audit services, and the identification and monitoring of significant risks to the business. A report from the chairman of the committee can be found on page 17 of the annual report. Due to the current size of the business, the company has not established an internal audit function. As the business and operations grow going forward, the need for such a function will be revisited on a regular basis.

The managing director, chief financial officer and senior audit partner attend meetings of the committee by invitation. The external auditors have unrestricted access to the chairman of the committee as well as the chairman of the board.

The following meetings were held during the financial year to date of the printing of this report:

Remuneration and Nomination Committee

The committee comprises:

- Ralph Patmore – Chairman
- Mike Meehan – Member

The committee meets at least twice a year and is primarily responsible for assisting the board in carrying out its duties relating to the Group's remuneration structures and benefits in general, the specific remuneration and terms of employment of executive directors and senior management in the Group and the regular review of the composition of the board and the nomination of potential candidates for appointment to the board as and when deemed necessary.

Members of the management team responsible for human resources matters in the Group attend meetings of the committee by invitation.

MEETINGS

The following meetings of the Audit and Risk Committee were held in the last financial year to date of printing this report:

Member	10 Sept 2008	24 Nov 2008	18 Feb 2009	27 May 2009
Mike Meehan	Present	Present	Present	Present
Ralph Patmore*	—	—	Present	Present
Annamarie van der Merwe **	Present	Present	—	—
Designated adviser	Present	Present	Present	Present

* *Annamarie van der Merwe resigned 1 February 2009*
** *Ralph Patmore was appointed as member on the committee on 1 February 2009*

The following meetings of the Remuneration and Nomination Committee were held in the last financial year to date of printing this report:

Member	24 Nov 2009	18 Feb 2009
Ralph Patmore**	—	Present
Annamarie van der Merwe*	Present	—
Mike Meehan	Present	Present

* *Annamarie van der Merwe resigned 1 February 2009*
** *Ralph Patmore was appointed chairman of the committee on 1 February 2009*

INTERESTS IN CONTRACTS

During the year ended 28 February 2009 none of the directors had a significant interest in any contract or arrangement entered into by the Company or its subsidiaries, other than as disclosed in note 22 to the annual financial statements.

Directors are required to inform the board timeously of conflicts or potential conflicts of interest they may have in relation to particular items of business. Directors are obliged to excuse themselves from discussions or decisions on matters in which they have a conflicting interest. A conflict of interest policy was implemented to govern this conflicting interest, if applicable.

RELATIONS WITH SHAREHOLDERS

The Group maintains dialogue with its key financial audiences, especially institutional shareholders and analysts. The investor relations team manages the dialogue with these audiences and presentations take place at the time of publishing interim and final results.

The Group adopts a pro-active stance in timely dissemination of appropriate information to stakeholders through print and electronic news releases and the statutory publication of the Group's financial performance.

The Group's website provides the latest and historical financial and other information, including the financial reports.

The board encourages shareholders to attend its annual general meeting, notice of which is contained in this annual report, where shareholders will have the opportunity to put questions to the board, including the chairmen of the board committees.

DIRECTORS' SHARE DEALINGS

The board has an approved trading in shares policy in terms of which dealing in the Group's shares by directors and senior management is prohibited during closed periods.

Directors of the Company and its major subsidiaries may not deal in the Company's shares without first advising and obtaining clearance from the CEO and the financial director. The CEO and financial director may not deal in the Company's shares without first advising and obtaining clearance from the chairman. No director or executive may trade in William Tell shares during closed periods as defined in the JSE Listings Requirements. The directors of the Company keep the company secretary advised of all their dealings in securities.

INSIDER TRADING

No employee may deal, directly or indirectly, in William Tell shares on the basis of unpublished price-sensitive information regarding the business or affairs of the Group.

CODE OF CONDUCT

The Group is committed to the highest ethical standards of business conduct and to complying fully with all applicable laws and regulations.

The directors, employees, employees of outsourced functions as well as suppliers to William Tell, are all expected to comply with the principles and act in terms of the code of conduct. The directors believe that the ethical standards of the Group, as stipulated in the code of conduct, are monitored and are being met. Where there is non-compliance with the code of conduct, the appropriate discipline is enforced with consistency as the Group responds to offences and prevents recurrences.

CODE OF ETHICS

The board has developed a code of ethics that underwrites the board's commitment to the highest level of ethical standards. The company adopts a top down approach where the examples set by the board and individual directors are crucial to the buy-in of everyone involved in the affairs of the Company. It confirms the board's approach of zero tolerance, not only to fraud and dishonest behaviour, but also to criminal behaviour in general. Strong action is taken against any employee found guilty of offences of this nature.

The code of ethics and relevant procedures are supported by a whistle-blowing policy. As part of the education process, employees are also reminded of their duty to report dishonest activities in terms of the relevant statutory requirements.

BOARD PROCEDURES

The directors have access to the advice and services of the company secretary who plays an active role in the corporate governance of the Company. They are entitled, at the Company's expense, to seek independent professional advice about the affairs of the Company regarding the execution of their duties as directors.

A board charter has been put in place and outlines the responsibilities of the board as follows:

- retain full and effective control of the Company;
- give strategic direction to the Company;
- monitor management in implementing plans and strategies as approved by the board;
- appoint the chief executive officer;
- ensure that succession is planned;
- identify and regularly monitor key risk areas and key performance indicators of the business;
- ensure that the Company complies with relevant laws, regulations and codes of business practice;
- ensure that the Company communicates with shareowners and relevant stakeholders openly and promptly;

- identify and monitor relevant non-financial matters;
- establish a formal and transparent procedure for appointment to the board, as well as a formal orientation programme for incoming directors;
- regularly review processes and procedures to ensure effectiveness of internal systems of control and accept responsibility for the total process of risk management; and
- assess the performance of the board, its committees and its individual members on a regular basis.

The charter also addresses issues such as the composition and size of the board, board procedures, matters reserved for board decision and the frequency and proceedings of board meetings.

DISCLOSURE OF INFORMATION

The main aim of the disclosure of information policy is to prevent price sensitive information from being disclosed to a selected audience and to set out the required procedure in the event of such a disclosure taking place.

ANNUAL FINANCIAL STATEMENTS

The board acknowledges its responsibility for ensuring the preparation of the annual financial statements in accordance with IFRS and the responsibility of the external auditors to report on these financial statements. The board is also responsible for ensuring the maintenance of adequate accounting records and effective systems of internal control.

SUSTAINABLE DEVELOPMENT

The founders and management of the William Tell operations have for a number of years been involved in sustainable development initiatives of various kinds.

CORPORATE AND SOCIAL RESPONSIBILITY

One percent of net profit after tax will be allocated to community education in the Chamdor area.

BBBEE

The financial conditions thwarted our attempts to develop our BBBEE status at ownership and management level.

HIV/AIDS

The Group acknowledges the impact of HIV/AIDS and is committed to address the issue in a positive, supportive and non-discriminatory manner through its HIV/AIDS policy which promotes the creation of awareness and knowledge about the effects of the virus on those who are infected and affected by the disease.

SKILLS DEVELOPMENT

The Group supports the development and improvement of individuals as it recognises that highly skilled employees are critical to the survival and success of the business.

The workplace is seen as an active learning environment where in-house training is continual in order to equip employees with the required skills and knowledge to perform optimally. Relevant, accredited providers are sourced for any external training needs.

SAFETY, HEALTH AND ENVIRONMENT

The nature of the Group’s business requires that the Company adopts a health and safety policy which covers all health and safety policies and work procedures within the Group. This includes a wide and extensive range of responsibilities from, *inter alia*, how we operate our forklifts to fire evacuation procedures.

The Group appointed a health and safety manager to oversee this specific function. Through this medium, the Group has formed various health and safety committees to manage and control the process.

The nature of the Group’s activities means that the Company is by statute subject to government regulations, namely the law prescribed by the Department of Environmental Affairs. Environmental audits are done annually and submitted to the relevant authorities.

Audit and Risk Committee report

The Audit and Risk Committee ("the committee") is established under a charter approved by the Board. The committee reviews the charter annually and amends it to meet the changing requirements and practice of corporate governance.

Ralph Patmore and Mike Meehan (Chairman), both independent non-executives comprise the committee. Standing invitees to the committee are the Financial Director and the Managing Director but the independent members of the committee meet separately with the auditors annually, when requested by the auditors. The company secretary also acts as secretary to the committee. A representative from the Designated Advisor, PSG Capital (Pty) Limited, attends all meetings of the committee.

The audit and risk committee has:

1. assessed and is satisfied with the independence of the external auditors,
2. reviewed and negotiated the audit fees,
3. reviewed the extent of non-audit work undertaken by the external auditors and pre-approved such work,
4. reviewed the audit plan and expressed its satisfaction on all these matters to the board,
5. ensured that the appointment of the external auditors complied with the Corporate Laws Amendment Act and any other legislation relating to the appointment of external auditors,
6. reviewed all financial reports, statements, announcements as well as these annual financial statements and has recommended them to the board for submission to shareholders,
7. assessed and positively endorsed the experience and expertise of the Financial Director, Nirvana Govender in her role,
8. nominated, subject to the endorsement of the board and the approval of shareholders, the re-appointment of BDO Spencer Steward (Jhb) Inc. and Nigel Griffith as the independent registered audit firm and the individual registered auditor of the company respectively

William Tell recognises that risk is inherent in business and that it earns reward for undertaking such risk. The company has adopted a risk policy, which is under constant focus but still has to document its risk appetite. William Tell is very risk aware and management of risk is required of all levels of management in the organisation as part of their normal job responsibilities. Senior management review risks under the headings of Enterprise Risk, Operational Risk, Financial Risk and Reputational Risk and populate the risk register with risks assessed under these headings. The audit and risk committee reviews the risk register and the strategy to overcome these risks quarterly and makes appropriate recommendations to the board.

The audit and risk committee met four times in 2009 and plans a further four meetings in 2010.

Michael Meehan
Audit and Risk Committee Chairman
15 September 2009

Consolidated annual financial statements

for the year ended 30 June 2009

Contents

Directors' responsibility statement

for the year ended 30 June 2009

The directors are required by the South African Companies Act 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 at the relevant period ends and the results of its operations and cash flows for those period ends, in conformity with International Financial Reporting Standards. These financial statements are presented on pages 23 to 49.

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 judgements 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 of directors 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 operational 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 financial statements have been prepared on the going-concern basis, since the directors have no reason to believe that the Group will not be a going concern in the foreseeable future, based on forecasts and available cash resources. These financial statements support the viability of the Group.

The Group's external auditors, BDO Spencer Steward (Jhb) Inc audited the financial statements, and their report is presented on page 20.

The financial statements were approved by the board of directors on 15 September 2009 and are signed on their behalf by:

Ralph Patmore
Chairman

Barry Lok
Chief executive officer

Johannesburg
15 September 2009

Statement by the company secretary

I certify that the requirements as stated in section 268G(d) of the Companies Act, 61 of 1973, as amended, have been met and that all returns, as are required of a public company in terms of the aforementioned Act, have been submitted to the Registrar of Companies and that such returns are true, correct and up to date.

Sirkien van Schalkwyk
Secretary

Johannesburg
15 September 2009

Report of the independent auditors

for the year ended 30 June 2009

TO THE MEMBERS OF WILLIAM TELL HOLDINGS LIMITED

We have audited the annual financial statements and Group annual financial statements of William Tell Holdings Limited, which comprise the directors' report, the balance sheet and the consolidated balance sheet as at 30 June 2009, the income statement and the consolidated income statement, the statement of changes in equity and the consolidated statement of changes in equity, the cash flow statement and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 23 to 49.

Directors' responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the annual financial statements and Group annual financial statements present fairly, in all material respects, the financial position of the Company and of the Group as at 30 June 2009, and of their financial performance and their 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.

BDO Spencer Steward (Jhb) Inc

BDO Spencer Steward (Jhb) Inc
Registered Auditors
Per Nigel Griffith

Johannesburg
15 September 2009

Nature of business
The Company is listed on the Alternative Exchange of the JSE Limited (ALTX). William Tell is a leading manufacturer of value added wood-based panel (WBP) products, supplying businesses in the broader building and related industries. William Tell operates predominantly in southern Africa.

Dividends
In light of the current market conditions, the directors regarded it as prudent not to declare a dividend.

Share capital and share premium
The Company did not issue any shares during the financial year.

Operating results
The financial position, results of operations and cash flows of the Company for the 12 months ended 30 June 2009 are set out on pages 23 to 26. The holding company's interest in the aggregate net profit earned by subsidiaries amounted to R5 million (2008: R16 million) for the year.

Going concern
The directors have reviewed the Group's budget and cash flow forecast for the year to 30 June 2010. On the basis of this review and in light of the current financial position of the Group, the directors are satisfied that the Group will continue to operate for the foreseeable future and have adopted the going-concern basis in preparing the financial statements.

Auditors
BDO Spencer Steward (Jhb) Inc will continue in office in accordance with section 270(2) of the Companies Act.

Property, plant and equipment
The Group acquired property plant and equipment during the year ended 30 June 2009 at an aggregate cost of R52 million (2008: R120 million). For further information, refer to note 6.

Borrowings
The directors have unlimited borrowing powers as per the articles of association of the companies.

Interest-bearing borrowings comprise loans secured by mortgage bonds, instalment sale agreements and cession of debtors.

During the year the Group raised R20,7 million (2008: R72,8 million) from financial institutions. These funds were used to acquire the following:

- Plant and equipment: R20,7 million (2008: R62,7 million)
- Vehicles: R0 (2008: R2,9 million)
- Land and buildings (including improvements): R0 (2008: R7,2 million)

Repayment of borrowings in terms of contracted arrangements amounted to R9,8 million.

At year end the Group had interest-bearing borrowings of R106 million (2008: R95,2 million) which represented 50% of equity. For further information, refer to note 13.

Shareholders' spread
Details of shareholders are set out on page 50 of this report.

Directorate
The following were directors of the Company for the period under review:

Annamarie van der Merwe
Independent non-executive chairman
(Resigned 31 January 2009)

Ralph Patmore
Independent non-executive chairman
(Appointed 1 February 2009)

Michael Meehan
Independent non-executive director

Barry Lok
Chief executive officer

Neville de Winnaar
Executive director

Warwick Lok
Executive director

Russell Watt
Financial director
(Resigned 31 July 2008)

Nirvana Govender
Financial director
(Appointed 1 June 2009)

Directors' emoluments

Executive directors	Cash portion of package R	Benefits* R	Incentive bonus R	Total R
Paid by subsidiary for services rendered to subsidiary:				
30 June 2009				
Barry Lok	986 000	297 291	–	1 283 291
Neville de Winnaar	986 000	190 653	–	1 176 653
Warwick Lok	986 000	217 959	–	1 203 959
Russell Watt*	99 953	9 515	–	109 468
Nirvana Govender**	40 000	6 503	–	46 503
Total emoluments	**3 097 953**	**721 921**	**–**	**3 819 874**

*Resigned 31 July 2009
**Appointed 1 June 2009

30 June 2008				
Barry Lok	1 104 000	208 427	85 000	1 397 427
Sidney Coetzee	1 137 707	212 179	608 333	1 958 219
Neville de Winnaar	1 086 000	134 759	85 000	1 305 759
Warwick Lok	1 086 000	155 483	85 000	1 326 483
Russell Watt	618 000	91 883	50 000	759 883
	5 031 707	802 731	913 333	6 747 771

Benefits include the Company's contribution towards medical and provident funds, and travel allowances.

Non-executive directors	Services as director R	Other services R	Total R
30 June 2009			
Ralph Patmore	124 583	–	124 583
Annamarie van der Merwe	137 500	–	137 500
Michael Meehan	255 000	–	255 000
	517 083	–	517 083
30 June 2008			
Andre Wagenaar	236 250	–	236 250
Annamarie van der Merwe	208 750	–	208 750
Michael Meehan	280 000	–	280 000
	725 000	–	725 000

Interest of directors and officers in share capital

The interest, direct and indirect, of the directors and officers in office at year end and the date of this report are as follows:

	Number of shares held Direct	Indirect	% held
June 2009			
Neville de Winnaar	7 000 000		5,6
Barry Lok	56 526 000	20 000 000	61,2
Warwick Lok	7 000 000		5,6
Michael Meehan	15 000		0,0
June 2008			
Neville de Winnaar	7 000 000		5,6
Barry Lok	55 198 000	20 000 000	60,2
Warwick Lok	7 000 000		5,6
Michael Meehan	15 000		0,0
Russell Watt*	100 000		0,1

Resigned as at 31 July 2008

Special resolutions

There was a special resolution passed for the general authority for the repurchase of ordinary shares.

Subsequent events

The Group entered into a binding sale agreement to dispose of the Booysens property. The consideration receivable for the property is R46 million.

Company secretary

The company secretary is Sirkien van Schalkwyk (BLC, LLB). Refer to page 51 for the company secretary's business address.

Income statement

for the year ended 30 June 2009

		Group		Company	
	Note	2009 R'000	2008 R'000	2009 R'000	2008 R'000
Revenue	1	134 551	164 166	—	—
Cost of sales		(104 110)	(105 422)	—	—
Gross profit		30 441	58 744	—	—
Other income		1 154	1 501	875	—
Administrative expenses		(15 544)	(17 318)		(248)
Sales and marketing expenses		(2 393)	(1 509)	(60)	—
Other operating expenses		(4 863)	(7 693)	(1 632)	(265)
Operating profit	2	8 795	33 725	(817)	(513)
Investment income	3	2 196	9 099	1 621	13 743
Foreign exchange loss	3	(403)	(1 175)	—	—
Finance costs	3	(3 418)	(4 811)	—	—
Profit before taxation		7 170	36 838	804	13 230
Taxation	4	(1 611)	(9 553)	(232)	(1 897)
Profit attributable to ordinary shareholders		5 559	27 285	572	11 333
Basic and diluted earnings per share attributable to shareholders (cents)	5	4,4	21,8		

Balance sheet
as at 30 June 2009

		Group		Company	
	Note	**2009 R'000**	2008 R'000	**2009 R'000**	2008 R'000
ASSETS					
Non-current assets		**267 151**	250 532	**185 759**	146 289
Property, plant and equipment	6	**267 097**	250 453	**—**	—
Intangible assets	7	**54**	79	**—**	—
Investments in subsidiaries	8	**—**	—	**185 759**	146 289
Current assets		**62 067**	95 537	**443**	39 333
Inventories	9	**24 675**	26 941	**—**	—
Trade and other receivables	10	**22 410**	18 701	**—**	—
Current taxation receivable		**387**	99	**82**	76
Cash and cash equivalents	21	**14 595**	49 796	**361**	39 257
Non-current assets held-for-sale	6	**33 321**	—	**—**	—
Total assets		**362 539**	346 069	**186 202**	185 622
EQUITY AND LIABILITIES					
Capital and reserves		**211 516**	205 957	**186 169**	185 597
Share capital	11	**1 250**	1 250	**1 250**	1 250
Share premium	12	**179 265**	179 265	**179 265**	179 265
Accumulated profits		**31 001**	25 442	**5 654**	5 082
Non-current liabilities		**104 769**	108 069	**—**	—
Interest-bearing borrowings	13	**80 515**	85 722	**—**	—
Deferred taxation	15	**21 012**	19 149	**—**	—
Deferred income	14	**3 242**	3 198	**—**	—
Current liabilities		**46 254**	32 043	**33**	25
Trade and other payables	16	**19 460**	21 164	**33**	25
Interest-bearing borrowings	13	**25 582**	9 502	**—**	—
Provisions	17	**1 212**	974	**—**	—
Current taxation payable		**—**	403	**—**	—
Total equity and liabilities		**362 539**	346 069	**186 202**	185 622

Statement of changes in equity

for the year ended 30 June 2009

	Group		Company	
	2009 R'000	2008 R'000	**2009 R'000**	2008 R'000
Share capital				
Balance at the beginning of the year	**1 250**	1 250	**1 250**	1 250
Shares issued during the year	**—**	—	**—**	—
Balance at the end of the year	**1 250**	1 250	**1 250**	1 250
Share premium				
Balance at the beginning of the year	**179 265**	179 758	**179 265**	179 758
Share premium on issues for the year	**—**	—	**—**	—
	179 265	179 758	**179 265**	179 758
Share issue expenses	**—**	(493)	**—**	(493)
Balance at the end of the year	**179 265**	179 265	**179 265**	179 265
Accumulated profit				
Balance at the beginning of the year	**25 442**	4 407	**5 082**	(1)
Profit for the year	**5 559**	27 285	**572**	11 333
	31 001	31 692	**5 654**	11 332
Dividend paid during the year	**—**	(6 250)	**—**	(6 250)
Balance at the end of the year	**31 001**	25 442	**5 654**	5 082

Cash flow statement

for the year ended 30 June 2009

	Note	Group 2009 R'000	Group 2008 R'000	Company 2009 R'000	Company 2008 R'000
Cash flow from operating activities		**9 955**	20 352	**574**	1 154
Cash generated by/(utilised from) operating activities	18	**12 830**	31 123	**(809)**	(4 367)
Net finance (costs)/income	3	**(1 625)**	3 113	**1 621**	13 743
Dividends paid	19	**—**	(6 250)	**—**	(6 250)
Taxation paid	20	**(1 250)**	(7 634)	**(238)**	(1 972)
Cash flow from investing activities		**(56 029)**	(125 269)	**(39 470)**	(67 689)
Acquisitions of property, plant and equipment		**(58 572)**	(118 903)	**—**	—
Acquisitions of intangible assets		**—**	(46)	**—**	—
Proceeds on disposal of property, plant and equipment		**2 543**	680	**—**	—
Acquisition of subsidiaries	29	**—**	(7 000)	**—**	(7 000)
Advances (to)/repaid by subsidiaries		**—**	—	**(39 470)**	(60 689)
Cash flow from financing activities		**10 873**	21 860	**—**	(17 493)
Interest-bearing borrowings raised		**20 721**	72 891	**—**	—
Interest-bearing borrowings repaid		**(9 848)**	(33 538)	**—**	—
Amounts collected on behalf of directors' sale of shares	22	**—**	(17 000)	**—**	(17 000)
Issue of shares		**—**	(493)	**—**	(493)
Movement in cash and cash equivalents		**(35 201)**	(83 057)	**(38 896)**	(84 028)
Cash and cash equivalents					
Beginning of year		**49 796**	132 853	**39 257**	123 285
Cash and cash equivalents					
End of year	21	**14 595**	49 796	**361**	39 257

BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared in accordance with International Financial Reporting Standards and the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis except for certain financial instruments carried at fair value.

As at the date of authorisation of these financial statements, the following standards and interpretations relevant to the Group were issued but not yet effective:

- **IFRS 3:** ***Business Combinations (revised)***
  (effective date – financial periods commencing on/after 1 July 2009)
  Requires the application of the purchase method of accounting in all cases and amends certain aspects of the application of this method.

- **IFRS 8:** ***Operating Segments***
  (effective date – financial periods commencing on/after 1 January 2009)
  Defines segments on a basis that is consistent with the information management uses in the management of the business.

- **IFRIC 12:** ***Service Concession Arrangements***
  (effective date – financial periods commencing on/after 1 January 2008)
  This interpretation sets out general principles on recognising and measuring the obligations and related rights in service concession arrangements.

- **IAS 1:** ***Presentation of Financial Statements (Revised)***
  (effective date – financial periods commencing on/after 1 January 2009)
  Introduces new terminology as well as a statement of comprehensive income which will include certain items currently accounted for directly in equity. It also requires the presentation of three years' financial position in certain circumstances.

- **IAS 27:** ***Consolidated and Separate Financial Statements (Revised)***
  (effective date – financial periods commencing on/after 1 July 2009)
  Includes certain consequential amendments arising from the revision of IFRS 3.

  The application of the above will have no affect on the financial position and results of the Group other than presentation. Other statements amended and interpretations issued do not currently apply to the Group and if implemented in the future such implementation will be for the first time. The assessment of the effects of introduction is therefore not applicable.

The following accounting policies have been consistently applied to all the years presented unless otherwise stated.

Holding company investments

William Tell Holdings Limited's investment in subsidiaries is recognised at cost less impairment if any.

Group accounting

Subsidiaries, which are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies, are consolidated.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill. Goodwill is not amortised but tested for impairment annually. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss.

Property, plant and equipment

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

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Group; and
- the cost of the item can be measured reliably.

Other costs not so recognised are treated as repairs and maintenance expenses and are charged to profit or loss in the period in which they are incurred.

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

- Buildings: 50 years
- Plant and equipment: between 5 and 35 years
- Furniture and fittings: between 10 and 15 years
- Motor vehicles: between 5 and 6 years
- Office equipment: between 3 and 4 years

Where items of plant consist of a number of significant components, each with different estimated useful lives, such components are depreciated separately.

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

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

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

Non-current assets held-for-sale

A non-current asset held-for-sale will be recovered principally through a sale transaction rather than through continuing use.

Intangible assets

– Developed computer software

Computer software represents computer software modules specifically developed for the Group by software resellers. The cost of software is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Group; and
- the cost of the item can be measured reliably.

Software is carried at cost less accumulated amortisation and any impairment losses.

Amortisation is provided on software to write down the cost to its residual value, on a straight-line basis over its estimated useful life over a period between three and five years.

Financial instruments

Financial instruments recognised on the balance sheet include trade and other receivables, cash and cash equivalents, interest-bearing borrowings, trade and other payables and bank overdraft.

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

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

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

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in profit or loss as they arise.

– Subsequent measurement

After initial recognition financial assets are measured as follows:

- Trade and other receivables are measured at amortised cost using the effective interest rate. In view of their short-term maturities, trade and other receivables are stated at their nominal values. Their carrying values approximate their fair values.
- Cash and cash equivalents and derivative instruments are measured at fair values.

After initial recognition financial liabilities are measured as follows:

- Trade and other payables are measured at amortised cost using the effective interest rate. In view of their short-term maturities, trade and other payables are stated at their nominal values. Their carrying values approximate their fair values.
- Interest-bearing borrowings are measured at amortised cost using the effective interest rate.

– Derecognition

Financial assets (or portions thereof) are derecognised when the Group realises the rights to the benefits specified in the contract, the rights expire or the Group surrenders or otherwise loses control of the contractual rights that comprise the financial asset. On derecognition, the difference between the carrying amount of the financial asset and proceeds receivable, as well as any prior adjustments to reflect fair value that had been recognised in equity, is included in profit or loss.

Financial liabilities (or portions thereof) are derecognised when the obligation specified in the contract is discharged or cancelled or has expired. On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and the amount paid for it is included in profit or loss.

– Gains or losses

A gain or loss arising from a change in a financial asset or financial liability is recognised as follows:

- A gain or loss on a financial asset or financial liability classified as at fair value through profit or loss is recognised in profit or loss.
- Financial assets and financial liabilities carried at amortised cost: a gain or loss is recognised in profit or loss when the financial asset or financial liability is derecognised or impaired, and through the amortisation process.

Hedging and the use of derivative financial instruments

The Group uses forward exchange contracts to hedge its exposure to foreign exchange risk. These are accounted for as fair value hedges. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value, with changes in fair value recognised in profit or loss. Any gain or loss on the hedged item attributable to the hedged risk is adjusted against the carrying amount of the hedged item and recognised in profit or loss.

Taxation

– Current tax asset 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. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

– Deferred tax asset and liabilities

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax is charged to profit or loss, except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination that is an acquisition. The effect on deferred tax of any changes in tax rates is recognised in profit or loss, except to the extent that it relates to items previously charged or credited directly to equity.

Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are expensed to the extent that it is no longer probable that the related tax benefit will be realised.

Inventories

Inventories are measured at the lower of cost and net realisable value. 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 all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs include an appropriate share of all direct expenditure and production overheads.

The cost of inventories is determined on the first in, first out (FIFO) basis. The same cost basis is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amounts 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, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Impairment of non-financial 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. 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 recognised as an impairment loss through profit or loss.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss.

Impairment of financial assets

A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably measured.

If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, such as improved credit rating, the previously recognised impairment loss is reversed and is recognised in the income statement.

Leases as lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. The Group's instalment sales are classified as finance leases for accounting purposes. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as an obligation.

The lease payments are apportioned between the finance charges and reduction of the outstanding obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

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), is recognised in the period in which the service is rendered.

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

The expected cost of 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

Eligible salaried employees are members of the William Tell Industries Provident Fund. The fund is administered by the Liberty Life Association of South Africa. The fund is a defined contribution plan under which benefits are determined solely by contributions to the fund together with invested earnings thereon and accordingly there were no unfunded liabilities as at year end.

Weekly paid employees are members of a provident fund administered by the Industrial Council for the Furniture Industry. The fund is a defined contribution plan under which benefits are determined solely by the contributions to the fund together with invested earnings thereon and accordingly there were no unfunded liabilities at year end.

Provisions

Provisions are recognised when:

- The Group has a present legal or constructive 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.
- 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.

Revenue

Revenue arises from the sale of goods and 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.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Interest revenue is recognised using the effective interest method.

Dividend revenue is recognised when the shareholders' right to receive payment is established.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Foreign currency transactions

The functional and presentation currency of the Group is South African Rand. A foreign currency transaction is recorded, on initial recognition in Rand by applying to the foreign currency amount the spot exchange rate at the date of the transaction.

At each balance sheet date:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised directly in equity, any exchange component of that gain or loss is recognised directly in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rand by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Government grants related to assets

Government grants are recorded as deferred income when they become receivable and are then recognised as income on a systematic basis over the periods necessary to match the grants with the related costs which they are intended to compensate.

Deferred income relating to government grants in respect of capital expenditure on plant and equipment is recognised as income on a straight-line basis over the remaining useful life of plant and equipment to which they relate.

Dividends

Dividends are recorded in the Group's financial statements in the period in which they are approved.

	Group		Company	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
1. REVENUE				
Sale of goods – net	134 551	164 166	–	–
Gross invoiced sales	139 265	169 927	–	–
Rebates	(1 365)	(1 311)	–	–
Settlement discounts allowed	(3 348)	(4 450)	–	–
2. OPERATING PROFIT				
The following items have been (charged)/credited in arriving at operating profit:				
Depreciation of property, plant and equipment				
– Owned assets	(5 043)	(4 266)	–	–
Plant and equipment	(4 470)	(3 798)	–	–
Furniture and fittings	(34)	(36)	–	–
Motor vehicles	(192)	(195)	–	–
Office equipment	(347)	(237)	–	–
– Instalment sale assets	(1 035)	(813)	–	–
Plant and equipment	(775)	(664)	–	–
Furniture and fittings	–	–	–	–
Motor vehicles	(260)	(149)	–	–
Office equipment	–	–	–	–
Amortisation	(25)	(21)	–	–
Computer software	(25)	(21)	–	–
Government grant income	274	236	–	–
Auditors' remuneration	(406)	(386)	–	–
For services as auditors	(406)	(345)	–	–
For other services	–	(41)	–	–
(Loss)/profit on sale of property, plant and equipment	(1 114)	161	–	–
Employee costs (refer to note 26)				
3. NET FINANCE COSTS				
Interest paid	(3 418)	(4 811)	–	–
Interest-bearing borrowings	(9 818)	(10 392)	–	–
Bank overdraft and other	(25)	(6)	–	–
	(9 843)	(10 398)	–	–
Interest capitalised	6 425	5 587	–	–
Investment income				
Investment income on cash and cash equivalents	2 196	9 099	1 621	13 743
Current and call accounts	2 196	6 667	1 621	5 785
Dividends received from preference share investment	–	2 432	–	7 958
Foreign exchange	(403)	(1 175)	–	–
Loss on foreign exchange – settlement	(256)	(1 274)	–	–
(Loss)/profit on foreign exchange – forward contracts	(147)	99	–	–
	(1 625)	3 113	1 621	13 743

Interest capitalised has been calculated at prime less 1,75%.

	Group		Company	
	2009 R'000	2008 R'000	**2009 R'000**	2008 R'000
4. TAXATION				
South African normal taxation				
Current taxation	**559**	7 542	**232**	1 476
– current year	**559**	7 441	**232**	1 476
– prior year	**—**	101	**—**	—
Deferred taxation	**1 052**	1 591	**—**	—
– current year	**1 052**	2 196	**—**	—
– rate change	**—**	(605)	**—**	—
Secondary taxation on companies (STC)	**—**	420	**—**	420
– current year	**—**	420	**—**	420
Total taxation charge	**1 611**	9 553	**232**	1 896
Reconciliation of the standard rate of taxation to the effective rate	**%**	%	**%**	%
South African normal rate of taxation	**28,0**	28,0	**28,0**	28,0
Prior year assessments	**—**	0,3	**—**	—
Assessed losses used	**(5,4)**	0,2	**—**	—
Deferred tax rate change	**—**	(1,6)	**—**	—
Permanent differences	**(0,1)**	(2,0)	**0,9**	(13,7)
Secondary tax on companies (STC)	**—**	1,1	**—**	—
Effective tax rate	**22,5**	26,0	**28,9**	14,3

	Group	
	2009	2008
5. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS (CENTS)		
Earnings and diluted earnings per share (cents) The calculation of earnings per share is based on profit after taxation of R5 559 123 (2008: R27 284 891) and the average weighted number of shares in issue during the year of 125 000 000 (2008: 125 000 000) shares.	**4,4**	21,8
Headline earnings per share (cents) The calculation of headline earnings per share is based on profit after taxation of R6 361 409 (2008: R27 168 629) and the average weighted number of shares in issue during the year of 125 000 000 (2008: 125 000 000) shares.	**5,1**	21,7
	R'000	R'000
Reconciliation between basic earnings and headline earnings is as follows:		
Basic and diluted earnings	**5 559**	27 285
Adjusted by the after tax effect of the following:		
– (Profit)/loss on sale of property, plant and equipment (refer note 2)	**802**	(116)
Headline earnings	**6 361**	27 169

There are no instruments in issue that have a dilutive effect on the average weighted number of shares.

	Land and buildings R'000	Plant and equipment R'000	Furniture and fittings R'000	Motor vehicles R'000	Office equipment R'000	Total R'000
6. PROPERTY, PLANT AND EQUIPMENT AND NON-CURRENT ASSETS HELD-FOR-SALE						
Group						
Cost price – 1 July 2007	43 588	100 961	649	3 922	991	150 111
Additions and improvements	21 405	97 181	32	917	643	120 178
Interest capitalised	655	4 932	—	—	—	5 587
Disposals	—	(759)	—	(686)	(68)	(1 513)
Cost price – 30 June 2008	65 648	202 315	681	4 153	1 566	274 363
Classified as held-for-sale	(33 321)	—	—	—	—	(33 321)
Additions and improvements	2 307	49 803	10		27	52 147
Interest capitalised	862	5 563				6 425
Disposals	(2 440)			(147)		(2 587)
Cost price – 30 June 2009	**33 056**	**257 681**	**691**	**4 006**	**1 593**	**297 027**
Accumulated depreciation						
Accumulated depreciation and impairment – 1 July 2007	—	(17 632)	(502)	(1 086)	(605)	(19 825)
Depreciation	—	(4 462)	(36)	(344)	(237)	(5 079)
Disposals	—	577	—	379	38	994
Accumulated depreciation and impairment – 30 June 2008	—	(21 517)	(538)	(1 051)	(804)	(23 910)
Classified as held-for-sale	—	—	—	—	—	—
Depreciation	—	(5 245)	(25)	(452)	(356)	(6 078)
Disposals				58		58
Accumulated depreciation and impairment – 30 June 2009	**—**	**(26 762)**	**(563)**	**(1 445)**	**(1 160)**	**(29 930)**
Book value – 30 June 2009	**33 056**	**230 919**	**128**	**2 561**	**433**	**267 097**
Book value – 30 June 2008	65 648	180 798	143	3 102	762	250 453
Non-current assets held-for-sale						
Transferred from property, plant and equipment	33 321	—	—	—	—	33 321

As at 30 June 2009, management was committed to a plan to sell the Booysens property. The Group subsequently entered into a binding sale agreement with a proposed date of transfer of 1 October 2009.

Net book values of property, plant and equipment subject to encumbrances (see note 13) are as follows:

	Group 2009 R'000	Group 2008 R'000
Instalment sale agreements		
Cost	**12 519**	10 427
Accumulated depreciation and impairment	**(2 311)**	(2 180)
Net book values	**10 208**	8 247
Medium-term loan facility		
Cost	**67 566**	62 703
Accumulated depreciation and impairment	**—**	—
Net book values	**67 566**	62 703
Mortgage bond		
Cost	**66 089**	63 203
Accumulated depreciation and impairment	**—**	—
Net book values	**66 089**	63 203

Additions to land and buildings of R2,3 million (2008: R19,6 million) relate to improvements to land and building and infrastructure at the Group's Chamdor property.

A register in terms of paragraph 22(3) of Schedule 4 of the Companies Act containing details of land and buildings is available for inspection by members or their proxies at the registered office of the Company.

The fair value of land and buildings for Booysens was R46 million (2008: R47,6 million) which was the selling price.

The fair value of land and buildings at Chamdor was estimated to be R34,2 million (2008: R33 million). The value has been determined based on open market value. The open market value was determined by applying current market rentals, net of expenses, for similar properties in the same condition in Chamdor.

	Group		Company	
	2009 R'000	2008 R'000	**2009 R'000**	2008 R'000
7. INTANGIBLE ASSETS				
Cost				
Opening balance	**116**	70	**—**	—
Additions	**—**	46	**—**	—
Closing balance	**116**	116	**—**	—
Accumulated amortisation				
Opening balance	**(37)**	(16)	**—**	—
Amortisation	**(25)**	(21)	**—**	—
Closing balance	**(62)**	(37)	**—**	—
Book value	**54**	**79**	**—**	**—**

	Company	
	2009 R'000	2008 R'000
8. INVESTMENT IN SUBSIDIARIES		
Unlisted investments		
Shares at cost	**79 121**	79 121
Fluctuating current accounts with subsidiaries	**106 638**	67 168
	185 759	146 289
ELB Ultrabord (Pty) Limited	**6 570**	6 698
Shares at cost	**155**	155
Fluctuating current account with subsidiary	**6 415**	6 543
Tellprop (Pty) Limited	**7 848**	7 915
Shares at cost	**7 982**	7 982
Fluctuating current account with subsidiary	**(134)**	(67)
William Tell Board (Pty) Limited	**—**	—
Shares at cost	**—**	—
Fluctuating current account with subsidiary	**—**	—
William Tell Industries (Pty) Limited	**171 341**	131 676
Shares at cost	**70 984**	70 984
Fluctuating current account with subsidiary	**100 357**	60 692

Fluctuating current accounts are interest free, unsecured and not subject to any fixed terms of repayment.

		Group		Company	
		2009	2008	**2009**	2008
		R'000	R'000	**R'000**	R'000
9.	**INVENTORIES**				
	Raw materials	**14 075**	17 764	**–**	–
	Consumables	**3 578**	2 142	**–**	–
	Work in progress	**2 333**	1 863	**–**	–
	Finished goods	**4 972**	5 494	**–**	–
	Provision for impairment	**(283)**	(322)	**–**	–
		24 675	26 941	**–**	–
	Provision for impairment				
	Balance at the beginning of the year	**322**	367		
	Provisions created	**104**	133		
	Provisions utilised	**(143)**	(178)		
	Balance at the end of the year	**283**	322		
10.	**TRADE AND OTHER RECEIVABLES**				
	Trade receivables (net of allowance for impairment)	**19 676**	14 693	**–**	–
	Prepayments	**29**	202	**–**	–
	Deposits	**1 406**	359	**–**	–
	Other receivables	**1 299**	3 447	**–**	–
		22 410	18 701	**–**	–
	Trade receivables are ceded as additional security for banking facilities.				
	Allowance for impairment				
	Balance at the beginning of the year	**2 103**	1 377		
	Provisions created	**1 503**	1 076		
	Provisions utilised	**(381)**	(350)		
	Balance at the end of the year	**3 225**	2 103		
	The allowance for impairment has been determined by assessing the debtors against objective evidence of impairment and by reference to past default experience. The carrying amount of trade and other receivables approximates their fair value. Trade receivables do not carry interest and are stated at their nominal value. The impact of discounting the receivables is not considered to be material. For further details on the Group's exposure to credit risk, refer to note 24.				
11.	**SHARE CAPITAL**				
	Authorised				
	Ordinary shares				
	250 000 000 ordinary par value shares of R0,01 each	**2 500**	2 500	**2 500**	2 500
	Issued				
	Ordinary shares				
	125 000 000 ordinary par value shares of R0,01 each	**1 250**	1 250	**1 250**	1 250
	Issued share capital at the end of the year	**1 250**	1 250	**1 250**	1 250

	Group		Company	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
12. SHARE PREMIUM				
Balance at the beginning of the year	179 265	179 758	179 265	179 758
Share issue expenses	—	(493)	—	(493)
Balance at the end of the year	179 265	179 265	179 265	179 265
13. INTEREST-BEARING BORROWINGS				
Held at amortised cost				
– Loan secured by participation mortgage bond	9 500	9 500	—	—
The liability is payable to Standard Bank over 10 years commencing on 31 October 2009. Fixed instalments of R950 000 per annum are payable, with the final repayment being expected to be on 1 June 2019. Effective interest rates are currently being charged at 9,75% and are linked to the prime lending rate. The loan is secured by mortgage bonds over erf 103, 104, 105, 106 Reuven Extension 1, Booysens, Johannesburg. Refer to note 6. Subsequent to year end the Booysens property was disposed of and will require the full payment of this bond.				
– Other loans secured by mortgage bond	13 619	14 487	—	—
The liabilities are payable to Nedbank over 10 years. Current instalments of between R106 208 and R94 124 per month are payable, with the final repayment being expected to be on 30 November 2017. Effective interest rates are currently being charged at 9,25% and are linked to the prime lending rate. The loans are secured by mortgage bonds over erf 85, Chamdor, Krugersdorp, Johannesburg.				
– Instalment sale agreements and other loans	78 978	71 237	—	—
Liabilities under instalment sale agreements are payable over periods from 1 to 8 years. Current instalments of between R3 199 and R1 089 113 are payable per month, with the final repayment being expected to be on 31 August 2016. Effective interest rates of between 11% and 9,25% are currently being charged and are linked to the prime lending rate. The liabilities are secured in terms of reservation of ownership in instalment sale agreements.				
– Directors' loans	4 000	—	—	—
These loans are repayable on 1 July 2010. Interest rates are being charged at the prime lending rate.				
	106 097	95 224	—	—
Less: Current portion transferred to current liabilities	(25 582)	(9 502)		
– Loan secured by participation mortgage bond	950	950	—	—
– Other loans secured by other mortgage bond	1 194	633		
– Instalment sale agreements	23 438	7 919	—	—
	80 515	85 722	—	—

Should the Group default on the obligations, the creditors have the right to perfect their security over the encumbered assets.

	Group 2009 R'000	Group 2008 R'000	Company 2009 R'000	Company 2008 R'000
13. INTEREST-BEARING BORROWINGS continued				
Future minimum payments on loans secured by participation mortgage bond are as follows:				
Due within the next 12 months	**950**	950	**—**	—
Due between 1 and 5 years	**3 800**	3 800	**—**	—
Thereafter	**4 750**	4 750	**—**	—
	9 500	9 500	**—**	—
Finance charges	**—**	—	**—**	—
Present value	**9 500**	9 500	**—**	—
Future minimum payments on loans secured by other mortgage bonds are as follows:				
Due within the next 12 months	**2 404**	2 785	**—**	—
Due between 1 and 5 years	**12 020**	11 141	**—**	—
Thereafter	**3 724**	11 209	**—**	—
	18 148	25 135	**—**	—
Finance charges	**(4 529)**	(10 648)	**—**	—
Present value	**13 619**	14 487	**—**	—
Future minimum payments on instalment sale agreements are as follows:				
Due within the next 12 months	**26 086**	14 474	**—**	—
Due between 1 and 5 years	**56 954**	64 255	**—**	—
Thereafter	**29 985**	29 985	**—**	—
	113 025	108 714	**—**	—
Finance charges	**(30 047)**	(37 477)	**—**	—
Present value	**82 978**	71 237	**—**	—
14. DEFERRED INCOME				
Opening balance	**3 198**	3 434	**—**	—
Amount received during current financial year	**318**	—	**—**	—
Written off to income statement	**(274)**	(236)	**—**	—
Closing balance	**3 242**	3 198	**—**	—
15. DEFERRED TAXATION				
The movement on the deferred tax account is as follows:				
Balance at beginning of year	**19 149**	17 558	**—**	—
Movements during the year attributable to:				
Tax rate change for the year	**—**	(605)	**—**	—
Temporary differences for the year	**1 863**	2 196	**—**	—
Balance at end of year	**21 012**	19 149	**—**	—

Unused tax losses of subsidiaries available for offset against future taxable income amount to R27 946 985 (2008: R30 817 234). Deferred tax has not been raised on this assessed loss.

The movement in the Group's deferred taxation liability during the period is as follows:	Accelerated tax depreciation R'000	Fair value adjustment on land and buildings R'000	Provisions and accruals R'000	Pre-payments and income received in advance R'000	Total R'000
15. DEFERRED TAXATION continued					
Balance as at 1 July 2007	13 131	5 459	(994)	(38)	17 558
Charged to the income statement					
– Tax rate change for the year	(453)	(188)	34	1	(606)
– Temporary differences	2 374	—	(201)	24	2 197
Balance as at 30 June 2008	15 052	5 271	(1 161)	(13)	19 149
Charged to the income statement					
– Temporary differences	1 815	—	18	30	1 863
Balance as at 30 June 2009	**16 867**	**5 271**	**(1 143)**	**17**	**21 012**

	Group		Company	
	2009 R'000	2008 R'000	**2009 R'000**	2008 R'000
16. TRADE AND OTHER ACCOUNTS PAYABLE				
Trade creditors	**7 175**	9 217	**—**	—
Accruals	**9 712**	10 985	**22**	10
Other payables	**1 151**	18	**11**	15
Payments received from customers in advance	**1 141**	708	**—**	—
Deferred income	**281**	236	**—**	—
	19 460	21 164	**33**	25

A portion of the deferred income is reclassified as long term. Refer to note 14.

The carrying value of trade and other payables approximate their fair value due to the short-term maturities of these balances.

	Group 2009 R'000	Group 2008 R'000	Company 2009 R'000	Company 2008 R'000
17. PROVISIONS				
All provisions are expected to be settled within 12 months.				
Provisions consist of the following:				
– Rebate provision				
Balance at the beginning of the year	**437**	596	**–**	–
Provisions created	**1 365**	1 311	**–**	–
Provisions utilised	**(1 093)**	(1 470)	**–**	–
Balance at the end of the year	**709**	437	**–**	–
The Group is liable in terms of a rebate agreement for payment to major customers over a negotiated period provided that the said customer's account is fully reimbursed.				
– Holiday pay				
Balance at the beginning of the year	**537**	518	**–**	–
Provisions created	**659**	834	**–**	–
Provisions utilised	**(693)**	(815)	**–**	–
Balance at the end of the year	**503**	537	**–**	–
Holiday pay relates to the benefit to wage earners of the Group who are entitled in terms of the Group's negotiations with the Industrial Council for the Furniture Industry.				
	1 212	974	**–**	–
18. CASH GENERATED BY OPERATING ACTIVITIES				
Operating profit/(loss)	**8 795**	33 725	**(817)**	(513)
Adjustment for non-cash items:	**7 181**	4 563	**–**	(1)
Depreciation and amortisation	**6 103**	5 100	**–**	–
Government grant income	**(274)**	(236)	**–**	–
Other	**238**	(140)	**–**	(1)
Loss/(profit) on sale of property, plant and equipment	**1 114**	(161)	**–**	–
Operating cash flow	**15 976**	**38 288**	**(817)**	**(514)**
Movements in working capital:	**(3 147)**	(7 165)	**8**	(3 853)
Inventories	**2 266**	(9 722)	**–**	–
Trade and other accounts receivable	**(3 709)**	5 638	**–**	1
Trade and other accounts payable	**(1 704)**	(3 081)	**8**	(3 854)
Cash generated/(utilised) in operating activities	**12 830**	**31 123**	**(809)**	**(4 367)**

		Group		Company	
		2009 R'000	2008 R'000	2009 R'000	2008 R'000
19.	**DIVIDENDS PAID**				
	Dividends paid	–	6 250	–	6 250
20.	**TAXATION PAID**				
	Taxation payable/(receivable) at the beginning of the year	304	(24)	(76)	–
	Normal taxation and STC charged to the income statement (refer to note 4)	559	7 962	232	1 896
	Taxation payable/(receivable) at the end of the year	387	(304)	82	76
	Taxation paid	1 250	7 634	238	1 972
21.	**CASH AND CASH EQUIVALENTS – END OF YEAR**				
	Bank balances	14 565	49 687	361	39 257
	Cash on hand	30	109	–	–
		14 595	49 796	361	39 257

22. RELATED PARTIES

Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the party. Related parties are identified as subsidiaries, key management personnel and shareholders. Refer to note 30, the directors' report and ordinary shareholders' analysis shown on page 50.

Amounts payable and receivable from related parties are as follows:

	Group	
	2009 R'000	2008 R'000
Payable to executive directors		
Offer for sale of shares	–	17 000
		17 000

Refund of amounts collected on shares sold on listing by executive directors. The subscribers to such shares remitted funds into the Company bank account which was subsequently paid to such directors in July 2007.

	Group 2009 R'000	Group 2008 R'000
Amounts paid to key management		
All amounts relate to short-term benefits		
Remuneration and incentives	4 596	8 066
	4 596	8 066

Loans from executive directors

Directors' loans to the value of R4 million were made to William Tell Industries. Amounts outstanding at year end:

	Group 2009 R'000	Group 2008 R'000
	4 000	–
Barry Lok	3 000	–
Warwick Lok	500	–
Neville de Winnaar	500	–

23. SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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:

– Provision for impairment of trade receivables

The allowance is raised where there is objective evidence of impairment. Objective evidence of impairment includes: significant financial difficulties of the debtor and probabilities that the debtor will default or be liquidated.

Impairment is the difference between the carrying amount of the receivable and the present value of the future expected cash flows.

– Allowance for slow-moving, damaged and obsolete inventory

An allowance is made for inventory that is identified as being slow moving or obsolete. The determination of slow-moving inventory and obsolete inventory is dependent on the nature of the product and its related market and is not confined to quantitative factors. Any stock that is physically identified as damaged is written off when identified.

– Impairment testing

Management uses the higher of fair value less cost to sell or value in use to determine the recoverable amount of assets that may have been impaired. Where the fair value less cost to sell method does not indicate any impairment, the value in use is not calculated.

– Provisions

Provisions are liabilities that are uncertain in terms of timing and amount. Liabilities are present legal or constructive obligations of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits. Provisions are made on the basis of management estimates of amounts expected to be paid. Additional disclosure of these estimates of provisions are included in note 17 – Provisions.

– Depreciation on assets

Depreciation on assets is calculated using the straight-line method to reduce their cost amounts down to their residual values over their estimated useful lives. The useful lives are determined annually by evaluating the condition and status of the asset against its current age and condition. Residual values are assessed annually against the saleability, technical obsolescence and condition of the asset.

– Deferred tax

Deferred tax is provided on a basis that reflects the expected manner of recovery.

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks. They include market risk (incorporating foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's financial risk management programme addresses the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. In terms of its policy, the Group uses derivative financial instruments such as forward exchange contracts to hedge its exposures.

Risk management is carried out by financial management under policies approved by the board of directors and the Audit and Risk Committee. This function identifies, evaluates and, in certain circumstances, hedges financial risks.

FOREIGN EXCHANGE RISK

The Group trades internationally and is exposed to foreign exchange risk arising from various currency exposures from the date of purchase to the date of settlement. The Group uses forward exchange contracts to hedge its exposure to foreign currency risk.

		Group		Company	
		2009	2008	**2009**	2008
		R'000	R'000	**R'000**	R'000
24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued					
– Exposure					
The Group's exposure to foreign currency risk at the balance sheet date is as follows:					
Bank and cash balances	Euro	**(12)**	(14)	**–**	–
	USD	**(5)**	(7)	**–**	–
	Other	**(3)**	(3)	**–**	–
Trade and other payables	Euro	**1 487**	3 123	**–**	–
Net exposure		**1 467**	3 099	**–**	–
The following exposures were covered by forward exchange contracts as at balance sheet date:					
Trade and other payables		**1 487**	1 240	**–**	–
The following exchange rates were applicable for the financial period:					
Euro – average rate for the financial period		**12,21**	10,85	**–**	–
Euro – mid spot reporting rate at year end		**11,05**	12,51	**–**	–
– Sensitivity					
In the event of a ten percent (10%) strengthening of the South African Rand (ZAR) against the Euro (EUR) as at 30 June, the after-tax effect on profit or loss would be as follows (including the restatement of forward exchange contracts):					
Increase/(decrease)		**107**	135	**–**	–
In the event of a ten percent (10%) weakening of the South African Rand (ZAR) against the Euro (EUR) as at 30 June, the after-tax effect on profit or loss would be as follows (including the restatement of forward exchange contracts):					
Increase/(decrease)		**(107)**	(135)	**–**	–

	Group		Company	
	2009 R'000	2008 R'000	**2009 R'000**	2008 R'000
24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued				
INTEREST RATE RISK				
The Group is exposed to interest-rate risk through its cash and cash equivalents and interest-bearing long-term liabilities. The Group manages this risk through adequate working capital policies and an effective treasury function. The Group's exposure to interest-rate risk and the effective interest rates of financial assets and financial liabilities, at balance sheet date which is representative of normal trading conditions, is as follows:				
– Exposure				
The Group's exposure to interest-rate risk at the balance sheet date is as follows:				
Current assets				
Cash and cash equivalents	**14 595**	49 796	**361**	39 257
Non-current liabilities				
Interest-bearing borrowings	**80 515**	85 722	**–**	–
Current liabilities				
Interest-bearing borrowings	**25 582**	9 502	**–**	–

	2009 %	2008 %	**2009 %**	2008 %
The weighted average interest rate of these instruments as at the balance sheet date is as follows.				
Current assets				
Cash and cash equivalents	**7,6**	11,1	**7,6**	11,4
Non-current liabilities				
Other financial liabilities	**9,5**	13,8		
Current liabilities				
Other financial liabilities	**9,5**	13,8		
The Group was not exposed to fixed rate financial instruments during the current or previous financial period.				

	2009 R'000	2008 R'000	**2009 R'000**	2008 R'000
– Sensitivity				
In the event of a 50 basis point decrease in the prime overdraft rate as applied to exposures at year end, the after-tax effect on profit or loss would be as follows:				
Increase	**382**	343	**–**	–
In the event of a 50 basis point increase in the prime overdraft rate as applied to exposures at year end, the after-tax effect on profit or loss would be as follows:				
Decrease	**(382)**	(343)	**–**	–

	Group		Company	
	2009 **R'000**	2008 R'000	**2009** **R'000**	2008 R'000

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

CREDIT RISK

Exposure to credit risk arises on cash deposits, cash equivalents and trade receivables. The Group has policies in place to ensure that contract activity and the sales of products and services are only made to customers with an appropriate credit history. Cash equivalents and cash transactions are limited to high credit quality financial institutions within South Africa, after evaluating the credit rating of these respective financial institutions. The Company has policies that limit the amount of credit exposure to any one financial institution. There were no significant concentrations of credit risk at year end.

– Exposure

The maximum exposure to credit risk at the reporting date was the following:

	Group 2009 R'000	Group 2008 R'000	Company 2009 R'000	Company 2008 R'000
Trade receivables	**22 901**	16 796	**–**	–
Other receivables	**2 734**	4 008	**–**	–
Cash and cash equivalents	**14 595**	49 796	**361**	39 257
	40 230	70 600	**361**	39 257

– Credit quality of trade and other receivables

The trade and other receivables that are neither past nor due nor impaired are of a good quality as they consist of medium to large corporate clients that are well known in the market.

Trade receivables

None of the financial assets that are fully performing have been renegotiated in the last year.

Fair value of trade and other receivables

Due to their current nature the carrying values of the trade and other receivables approximate their fair value.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than two months past due are not considered to be impaired. At 30 June 2009, receivables amounting to R951 203 (2008: R571 318) were past due but not impaired.

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

	Group 2009 R'000	Group 2008 R'000	Company 2009 R'000	Company 2008 R'000
One month past due	**616**	118	**–**	–
Two months past due	**335**	454	**–**	–

	Group 2009 R'000	Group 2008 R'000	Company 2009 R'000	Company 2008 R'000
24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued				
Trade and other receivables impaired				
Impairment for trade receivables is assessed bi-annually based on customers' credit and payment history, together with their current financial and economic standing. When balances have been identified as irrecoverable the amount is charged against the allowance when all efforts of recovery have been exhausted. As at 30 June 2009, trade and other receivables of R3 225 087 (2008: R2 103 224) were impaired and provided for.				
The movement on the provision is as follows:				
Opening balance	**2 103**	1 377	**—**	—
Provisions created	**1 503**	1 076		
Provisions utilised	**(381)**	(350)	**—**	—
Closing balance	**3 225**	2 103	**—**	—
LIQUIDITY RISK				
Prudent liquidity risk management implies maintaining sufficient cash, 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 business, treasury aims at maintaining flexibility in funding by keeping committed credit lines available.				
The maturity analysis of interest-bearing borrowings through committed credit lines is as follows:				
Contracted cash flows for the next 12 months	**29 440**	18 209		
Contracted cash flows for months 13 to 60	**72 774**	79 196		
Contracted cash flows for over 60 months	**38 459**	45 944		
Total committed cash flows	**140 673**	143 349	**—**	—
Present value finance charges	**(34 576)**	(48 125)	**—**	—
Carrying value	**106 097**	95 224	**—**	—
The maturity analysis of other financial liabilities is as follows:				
Committed trade and other payables	**19 460**	21 164	**33**	25
Committed bank overdraft	**—**	—	**—**	—
Total commitments within the next 12 months	**19 460**	21 164	**33**	25
Present value finance charges	**—**	—	**—**	—
Carrying value	**19 460**	21 164	**33**	25

	Group		Company	
	2009	2008	**2009**	2008
	R'000	R'000	**R'000**	R'000
24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued				
Fair values				
Fair values of financial instruments recognised on the balance sheet approximate their carrying amounts due to bearing interest at the market-related rates. Details of these financial instruments and their fair values are as follows:				
Assets				
– Loans and receivables				
Trade and other receivables	**22 410**	18 701	**—**	—
Current taxation receivable	**387**	99	**314**	76
– Fair value through profit or loss				
Cash and cash equivalents	**14 595**	49 796	**361**	39 257
Liabilities				
– Held at amortised cost				
Interest-bearing borrowings	**80 515**	85 722	**—**	—
Trade and other payables	**19 460**	21 164	**33**	25
Short-term portion of interest-bearing borrowings	**25 582**	9 502	**—**	—
Current taxation payable	**—**	403	**—**	—

25. CAPITAL MANAGEMENT

The Group's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by optimising the gearing ratio.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. Capital comprises equity (ie share capital, share premium and accumulated reserves). Refer to the statement of changes in equity for detail on capital balances.

		Group	
		2009	2008
		R'000	R'000
26.	**EMPLOYEE BENEFITS**		
	Staff costs		
	Staff costs (excluding directors emoluments) for 12 months	**20 103**	22 211
	Salaries and wages	**18 674**	20 328
	Pension costs – defined contribution plans	**1 291**	1 701
	Social security costs	**138**	155
	Other	**–**	27
		Number	Number
	Average number of employees employed by the Group	**201**	254

Defined contribution plan

The William Tell Industries Provident Fund covers permanent employees of the Company. Weekly paid employees are members of a provident fund administered by the Industrial Council for the Furniture Industry. Both of these provident funds are defined contribution plans and are registered under the Pension Funds Act of 1965 as privately administered funds.

Medical aid

The Company continually reviews its contribution and benefit structures in its various medical aid schemes to ensure that these are well positioned against steeply rising healthcare costs. The Company has no current exposure to post-retirement medical aid costs.

Share incentive scheme

The shareholders of William Tell Holdings Limited have approved the William Tell Employee Share Incentive Scheme but not yet implemented.

		Group	
		2009	2008
		R'000	R'000
27.	**CAPITAL COMMITMENTS**		
	Capital expenditure contracted for at the balance sheet date	**2 500**	3 857
	The above capital expenditure relates to the Group's second chipboard facility and will be financed from cash generated.		
	Approved by the directors not yet contracted	**–**	26 711

28. SEGMENT REPORT

No segmental reporting is provided as the Group's operations are in the wood-based panels industry with similar risks and returns and the Company operates only in southern Africa.

	Group
	2008 R'000

29. BUSINESS COMBINATIONS

– ELB Ultrabord (Pty) Limited

On 29 February 2008, the Group acquired 100% of the share capital and shareholders' loans of ELB Ultrabord (Pty) Limited. ELB Ultrabord (Pty) Limited is the owner of specialised manufacturing machinery and whose product will complement and enhance the range of products offered by William Tell.

Details of net assets acquired are as follows:

	Group 2008 R'000
Total purchase consideration paid in cash	7 000
Fair value of assets and liabilities at date of acquisition	(7 000)
Goodwill	—

The assets and liabilities as of 29 February 2008 arising from the acquisition are as follows:

	Fair value to Group 2008 R'000	Ultrabord's carrying value 2008 R'000
Property, plant and equipment	6 862	4 486
Inventories	125	125
Trade and other receivables	13	13
Intercompany loan account	(6 845)	(21 998)
Net asset/(liability) at date of acquisition	155	(17 374)

	Group 2008 R'000
Net asset at date of acquisition	155
Intercompany loan account on consolidation	6 845
Fair value of assets and liabilities at date of acquisition settled in cash	7 000

30. SCHEDULE OF GROUP COMPANIES

The following information relates to the Company's financial interest in direct and indirect investments that are material to the Group. All subsidiaries are incorporated in South Africa.

	Currency	Issued ordinary share capital	Proportion held 2009 %	Proportion held 2008 %
William Tell Board (Pty) Limited	R	100	**100**	100
William Tell Industries (Pty) Limited	R	4 000	**100**	100
Tellprop (Pty) Limited	R	100	**100**	100
ELB Ultrabord (Pty) Limited	R	2 500 000	**100**	100

The holding company's interest in the aggregate net profit earned by subsidiaries amounted to R5 million (2008: R16 million) for the year.

Analysis of shareholders

for the year ended 30 June 2009

ORDINARY SHAREHOLDERS' ANALYSIS

The following are the shareholders beneficially holding, directly or indirectly, in excess of 2% of the share capital as at 30 June 2009:

	Number of shares	% held
Barry Lok	56 526 000	45,2
The William Tell Family Trust	20 000 000	16,0
Neville de Winnaar	7 000 000	5,6
Warwick Lok	7 000 000	5,6
Oryx Investment Management	5 916 839	4,7
Investec Employee Benefits Limited	4 697 288	3,8
Sidney Coetzee	3 000 000	2,4

DESCRIPTION OF SHAREHOLDERS

	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Public shareholding				
Corporate	30	6,0	15 098 764	12,1
Nominees/Trusts/Trustees	63	12,5	6 309 553	5,0
Individuals	402	79,9	10 650 683	8,5
	495	98,4	32 059 000	25,6
Non-public shareholding				
Directors	4	0,8	70 541 000	56,4
Associates of directors	4	0,8	22 400 000	17,9
	8	1,6	92 941 000	74,4
	503	**100**	**125 000 000**	**100**

SHAREHOLDER SPREAD

	Number of shareholders	% of shareholders	Number of shares held	% of shares held
1 – 1 000 shares	71	14,1	49 107	0,0
1 001 – 5 000 shares	196	39,0	700 551	0,6
5 001 – 10 000 shares	76	15,1	642 717	0,5
10 001 – 50 000 shares	99	19,7	2 388 062	1,9
50 001 – 100 000 shares	21	4,2	1 595 997	1,3
Over 100 001 shares	40	8,0	119 623 566	95,7
	503	**100**	**125 000 000**	**100**

Corporate information

REGISTERED OFFICE
11/23 Andrea Road
Reuven Estates
Booysens
Johannesburg 2016
(PO Box 39517, Booysens, 2016)

DIRECTORS
Ralph Patmore (Non-executive chairman)
Barry Lok (Chief executive officer)
Nirvana Govender (Financial director)
Neville de Winnaar (Executive director)
Warwick Lok (Executive director)
Mike Meehan (Non-executive director)

COMPANY SECRETARY
Sirkien van Schalkwyk
No 1 Carlsberg
430 Nieuwenhuyzen Street
Erasmuskloof 0048
(PO Box 4896, Rietvalleirand, 0174)

DESIGNATED AND CORPORATE ADVISER
PSG Capital (Pty) Limited
Registration number 2006/015817/07
Building 8, Woodmead Estate
1 Woodmead Drive
Woodmead 2198
(PO Box 987, Parklands, 2121)

AUDITOR
BDO Spencer Steward (Jhb) Inc
Registration number 1995/002310/21
13 Wellington Road
Parktown 2193
(Private Bag X60500, Houghton, 2041)

TRANSFER SECRETARIES
Computershare Investor Services 2004 (Pty) Limited
Registration number 2004/003647/07
Ground Floor
70 Marshall Street
Johannesburg 2001
(PO Box 61051, Marshalltown, 2107)

ATTORNEYS
Deneys Reitz Inc.
Registration number 1984/003385/21
82 Maude Street
Sandton 2196
(PO Box 784903, Sandton, 2146)

COMMERCIAL BANKER
Nedbank Limited
Registration number 1951/000009/06
Peoples Bank Building
100 Main Street
Johannesburg 2001

Shareholders' diary

Financial year end		30 June 2009
Annual general meeting		18 November 2009
Reports		
Year-end results	Announced	17 September 2009
Annual report	Posted	30 September 2009
Interim for the half year to 31 December		19 February 2010

Notice of annual general meeting

WILLIAM TELL HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 2004/030045/06)
Share code: WTL ISIN: ZAE000098133)
("William Tell" or "the Company" or "the Group")

Notice is hereby given that the annual general meeting of the Company's shareholders will be held at 11/23 Andrea Road, Reuven Estates, Booysens on Wednesday, 18 November 2009 at 09:00 ("the annual general meeting") to conduct the following business:

1. **Ordinary resolution number 1:** The adoption of the annual financial statements
   To receive and adopt the annual financial statements of the Company for the financial year ended 30 June 2009, including the report of the directors and the independent auditors thereon.

2. **Ordinary resolution number 2:** The re-election of retiring directors
   To elect, by way of separate resolutions, directors in the place of those retiring in accordance with the Company's articles of association. The directors retiring are Neville de Winnaar and Mike Meehan, both of whom being eligible, offer themselves for re-election.

   An abbreviated curriculum vitae in respect of each director can be found on pages 6 and 7 of the annual report.

3. **Ordinary resolution number 3:** Confirmation of directors' appointments
   To ratify, by way of separate resolutions, the appointment of Ralph Patmore and Nirvana Govender as directors of the Company with effect from 1 February 2009 and 1 June 2009, respectively.

   An abbreviated curriculum vitae in respect of each director can be found on pages 6 and 7 of the annual report.

4. **Ordinary resolution number 4:** The re-appointment of the auditors
   To re-appoint BDO Spencer Steward (Jhb) Inc as independent auditors of the Company for the ensuing period (the designated auditor being Nigel Griffith) and to authorise the directors to fix the auditors remuneration for the past year's audit as reflected on page 17 of the annual report.

5. **Ordinary resolution number 5:** Approval of directors' remuneration
   5.1 To ratify and approve the remuneration paid by the Company to its directors during the year ended 30 June 2009, as set out on page 22 of the annual report.

   5.2 Proposed remuneration of non-executive directors payable for the period 1 July 2009 to 30 June 2010:

   To sanction the proposed remuneration payable to the non-executive directors with effect from 1 July 2009 as set out in the table hereunder. These fees have not increased from the previous financial year.

Category	Proposed remuneration payable with effect from 1 July 2009
Board	
Chairman	R100 000 annual retainer R5 000 per meeting attended
Board member	R60 000 annual retainer R5 000 per meeting attended
Audit and Risk Committee	
Chairman	R75 000 annual retainer R5 000 per meeting attended
Audit and Risk Committee member	R45 000 annual retainer R5 000 per meeting attended
Remuneration and Nomination Committee	
Chairman	R70 000 annual retainer R5 000 per meeting attended
Remuneration and Nomination Committee member	R40 000 annual retainer R5 000 per meeting attended

6. **Ordinary resolution number 6:** Placing unissued shares under directors' control
   To approve that, subject to the provisions of sections 221 and 222 of the Companies Act, 61 of 1973, as amended ("the Act") and the Listings Requirements of the JSE Limited ("the JSE") ("the Listings Requirements"), the directors of the Company be authorised to allot and issue at their discretion up to a maximum of 5% of the total number of authorised but unissued ordinary shares in the share capital of the Company for such purposes and on such terms and conditions as they may determine, until the next annual general meeting of the Company.

7. **Ordinary resolution number 7:** General authority to issue shares for cash
   To approve that, subject to the Listings Requirements, the directors be authorised to issue up to a maximum of 5% of the total number of issued ordinary shares in the share capital of the Company for cash, without restrictions as to any public shareholder, as defined by the Listings Requirements, as and when suitable opportunities arise, subject to the following conditions:
   - that this authority shall only be valid until the next annual general meeting of the Company or for 15 months from the date of this meeting, whichever period is shorter;

- 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;
- the shares so issued shall be issued only to public shareholders (as defined in paragraphs 4.25 to 4.27 of the Listings Requirements) and not to related parties;
- that an announcement giving full details of the issue, including the impact on net asset value and earnings per share, be published after any issue representing, on a cumulative basis within one financial year, 5% or more of the number of shares in issue prior to the issue concerned;
- that the issues in aggregate in any one financial year shall not exceed 50% of the number of shares of the Company's issued ordinary share capital at the time the issue is made; and
- that in determining the price at which an issue of shares for cash will be made in terms of this authority, the maximum discount permitted shall be 10% of the weighted average traded price of the Company's ordinary shares on the JSE, (adjusted for any dividend declared but not yet paid or for any capitalisation award made to shareholders) 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.

This resolution requires the approval of not less than 75% of the votes cast by shareholders present or represented by proxy and entitled to vote at the meeting, excluding the votes of the Company's designated adviser and controlling shareholders of the Company, together with their associates.

8. **Special resolution number 1:** General authority for the repurchase of ordinary shares

To authorise the Company and any subsidiary of the Company, by way of a general authority contemplated in section 85 of the Act, to approve the acquisition by the Company or any subsidiary of the Company of any ordinary shares issued of the Company on such terms and conditions and in such amounts as the directors of the Company may decide, but subject always to the provisions of the Act and the Listings Requirements, which general authority shall endure until the next annual general meeting of the Company (when this approval shall lapse unless it is renewed at that annual general meeting) or for 15 months from the date of this special resolution, whichever period is shorter), subject to the following limitations:

- the repurchase of shares is implemented through the order book of the JSE, without any prior understanding or arrangement between the Company and the counterparty;
- the Company is so authorised by its articles of association;
- the general repurchase by the Company is limited to a maximum of 20% in aggregate of the Company's issued share capital in any one financial year;
- the general repurchase by the subsidiaries of the Company is limited to a maximum of 10% in aggregate of the Company's issued share capital in any one financial year;
- the repurchase is not made at a price greater than 10% above the weighted average of the market value for the Company's shares for the five business days immediately preceding the date on which the transaction was effected;
- the repurchase does not take place during a prohibited period as defined in paragraph 3.67 of the Listings Requirements unless there is a repurchase programme in place, the dates and quantities of shares to be repurchased during the prohibited period are fixed and full details thereof have been disclosed in an announcement prior to commencement of the prohibited period;
- the Company publishes an announcement after it or its subsidiaries have cumulatively acquired 3% of the number of ordinary shares in issue at the time that the shareholders' authority for the purchase is granted and for each 3% in aggregate of the initial number acquired thereafter;
- the Company remains in compliance with the Listings Requirements concerning shareholder spread after such repurchase;
- the Company appoints only one agent to effect any repurchases on its behalf; and
- the Company may not enter the market to proceed with the repurchase of its shares until the Company's designated adviser has confirmed the adequacy of the Company's working capital."

Reason and effect of special resolution number 1

The reason for and effect of special resolution number 1 is to authorise the Company and its subsidiaries, by way of a general authority, to repurchase the Company's issued ordinary shares on such terms and conditions and in such amounts to be determined by the directors of the Company, subject to certain statutory provisions and the Listings Requirements. The directors of the Company have, at the date of this notice, no specific intention to effect the provisions of special resolution number 1, but will, however, continually review the Company's position, having regard to prevailing circumstances and market conditions in considering whether to effect the provisions of this special resolution.

The Company will not effect such a repurchase of shares unless, after considering the effect thereof as well as the maximum repurchase price payable in terms of special resolution numbers 1, for a period of 12 months from the date of the repurchase:

- the Company and the Group will be able, in the ordinary course of business, to repay their debts;
- the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group, the assets and liabilities being fairly valued in accordance with International Financial Reporting Standards and in accordance with the accounting policies used in the latest audited annual group financial statements;
- the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes; and

- the working capital of the Company and the Group will be adequate for ordinary business purposes.

Other disclosures in terms of paragraph 11.26 of the Listings Requirements

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 the Listings Requirements for purposes of special resolution number 1:

- Directors – pages 6 and 7:
- Major beneficial shareholders – page 50;
- Directors' interests in ordinary shares – page 22; and
- Share capital of the Company – page 36.

Litigation statement

The directors of the Company, whose names appear on pages 6 and 7 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 had in the recent past (being at least the previous 12 months) a material effect on the Group's financial position.

Directors' responsibility statement

The directors, whose names appear on pages 6 and 7 of the annual report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information set out in this notice and the relevant disclosures in the annual report 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, all reasonable enquiries to ascertain such facts have been made and the special resolution contains all information required by the Act and the Listings Requirements.

Material changes

Other than the facts and developments reported on in the annual report, there have been no material changes in the financial or trading position of the Company and its subsidiaries since the date of signature of the audit report up to the date of this notice.

9. **Ordinary resolution number 8:** Authority to action all ordinary resolutions and special resolution

To approve that any one director of the Company or the Company secretary be authorised to do all such things as are necessary and to sign all such documents issued by the Company so as to give effect to the ordinary resolutions and special resolution.

Voting and proxies

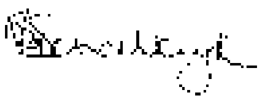
All shareholders will be entitled to attend and vote at the annual general meeting or any adjournment thereof. On a show of hands every shareholder of the Company, who, being an individual, is present or is present by proxy at the general meeting or which, being a Company or body corporate, is represented thereat by a representative appointed in terms of section 188 of the Act, shall have one vote only and on a poll every shareholder of the Company (whether an individual or a Company or a body corporate) or represented by a proxy at the annual general meeting shall have one vote for every share held by such shareholder.

The necessary form of proxy is attached for the convenience of the certified shareholders and dematerialised shareholders with "own name" registration who cannot attend the annual general meeting but wish to be presented thereat. Any shareholder entitled to attend and vote at the annual general meeting may appoint one or more persons to attend, speak and vote in place of such shareholder. A proxy so appointed needs to be a shareholder of the Company. In order to be valid, duly completed proxy forms must be received by the Company's transfer secretaries, Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), by no later than 14:00 on Monday, 16 November 2009.

Ordinary shareholders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker, other than by "own name" registration, who wishes to vote by way of proxy must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between such shareholders and their CSDP or broker. These instructions must be provided to their CSDP or broker by the cut off time or date advised by their CSDP or broker for instructions of this nature.

Dematerialised shareholders, other than "own name" dematerialised shareholders, who wish to attend the annual general meeting, must request their CSDP or broker to provide them with a letter of representation or must instruct their CSDP or broker to vote by proxy on their behalf in terms of the agreement entered into between the shareholders and the CSDP.

By order of the board



Sirkien van Schalkwyk
Company secretary
15 September 2009

Form of proxy

WILLIAM TELL HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 2004/030045/06)
Share Code: WTL
ISIN: ZAE000098133)
("William Tell" or "the Company")

FORM OF PROXY – for use by certificated and "own name" dematerialised shareholders only at the third annual general meeting of shareholders to be held at 11/23 Andrea Road, Reuven Estates, Booysens on Wednesday, 18 November 2008 at 09:00 ("the annual general meeting").

I/We (please print name in full) ______________________________

of (address) ______________________________

being a shareholder/s of William Tell Holdings Limited, holding ______________ shares in the Company hereby appoint:

1. ______________________________ or, failing him/her,

2. ______________________________ or, failing him/her,

3. ______________________________ or, failing him/her,

4. the chairman of the annual general meeting, as my proxy to vote for me/us and on my/our behalf at the annual general meeting and at any adjournment thereof and to speak and act for me/us and, on a poll, vote on my/our behalf.

My/our proxy shall vote as follows:

		Number of shares		
		For	Against	Abstain
1.	**Ordinary resolution number 1:** To receive, consider and adopt the annual financial statements for the year ended 30 June 2009			
2.	**Ordinary resolution number 2:** To re-elect the following retiring directors:			
2.1	Neville de Winnaar			
2.2	Mike Meehan			
3.	**Ordinary resolution number 3:** To ratify the appointment of the following directors:			
3.1	Ralph Patmore			
3.2	Nirvana Govender			
4.	**Ordinary resolution number 4:** To re-appoint BDO Spencer Steward (Jhb) Inc as auditors			
5.	**Ordinary resolution number 5:** Approval of directors' remuneration			
5.1	To ratify the directors' remuneration			
5.2	To approve the non-executive directors' fees			
6.	**Ordinary resolution number 6:** Placing unissued shares under directors' control			
7.	**Ordinary resolution number 7:** General authority to issue shares for cash			
8.	**Special resolution number 1:** General authority to repurchase shares			
9.	**Ordinary resolution number 8:** To authorise any one director or the company secretary to sign all documents to give effect to the resolutions			

Signed this ______________ day of ______________ 2009

Signature ______________________________

Please read the notes on the reverse side hereof.

Notes to the proxy

1. A shareholder may insert the name of a proxy or names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting "the chairman of the general meeting", but any such deletion must be initialled by the shareholder. The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.

2. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of the lesser number of shares than you own in the Company, insert the number of ordinary shares held in respect of which you desire to vote. Failure to comply with the above will be deemed to authorised the proxy to vote or abstain from voting at the annual general meeting as he/she deems fit in respect of entire shareholder's votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder by his/her proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.

3. Forms of proxy must be received by the Company's transfer secretaries, Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by not later than 14:00 on Monday, 16 November 2009.

4. The completion and lodging of this form of proxy 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 hereof.

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

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

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

8. The chairman of the annual general meeting may reject or accept a form of proxy which is completed and/or received, other than in accordance with these notes, if the chairman is satisfied as to the manner in which the shareholder wishes to vote.

9. The chairman of the annual general meeting may in his absolute discretion, accept or reject any form of proxy, which is completed other than in accordance with these notes.

10. If required, additional forms of proxy are available from the transfer secretaries of the Company.

11. Dematerialised shareholders, other than by "own name" registration, must NOT complete this form of proxy but must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between such shareholders and their CSDP or broker.

www.williamtellholdings.co.za

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"Pride is a personal commitment. It is an attitude that separates excellence from mediocrity"