



2009

Annual Report 2009



Contents

Mission & Vision	1
Chairperson's statement	2
Chief executive's report	3
Directorate	8
Corporate governance	12
Directors' responsibilities and approval	17
Certificate of company secretary	17
Report of the independent auditors	18
Directors' report	19
Analysis of shareholders	26
Consolidated balance sheets	28
Consolidated income statements	29
Consolidated statements of changes in equity	30
Consolidated cash flow statements	31
Notes to the consolidated financial statements	32
Notice of annual general meeting	84
Form of proxy	91
Notes to proxy	92
Administration	IBC
Shareholders' diary	IBC





Mission

*Calgro will be the housing developer of choice
in select markets for all South Africans,
by consistently delivering homes of the highest quality.*

Vision

Calgro is committed to:

- *Superior building quality and higher service standards*
- *Exceptional, sustainable returns to our shareholders*
- *Broad Based Black Economic Empowerment*
- *Creating employment opportunities and to develop and reward personnel*
- *Developing mutually beneficial relationships with government, financial institutions and suppliers*



Chairperson's Report

It is once again my privilege, on behalf of the board of directors and myself, to take this opportunity to thank our staff, who continuously play a significant role in contributing to the success of the company, for their commitment, hard work and loyalty to the company.

This gratitude is extended to our business partners, advisors, suppliers, clients and our shareholders for their ongoing support.

Having made the transition from a family owned business to a corporate business smoothly, Calgro is poised to grow from strength to strength.

The group did face challenges to deliver its objectives as a result of the knock-on effect from world markets, the introduction of the National Credit Act and change in the banks' lending criteria. However, I am pleased to announce that because of the resilience of the management team, staff and shareholders we were able to meet all objectives in the year under review. Our hard work and continued survival in the midst of the current macro-economic climate is a testament of the group's commitment to all stakeholders. The group's shift to the integrated market segment should position it for even further growth in the future.

As we look ahead to the future we eagerly await the opportunities and challenges that it will bring, knowing that we are committed to delivering a sound all round performance.

Pumla Fadiswa Radebe (Mrs)

Chairperson

11 May 2009

Chief Executive's Report



*A year of challenges met
and a positive outlook
for the future*

Introduction

I am pleased to report on Calgro M3's positive performance over the past year. During this financial year, Calgro M3 has restructured its management and increased exposure to different market segments, in order to secure a sound foundation on which to grow the group while at the same time surviving the current economic crunch. The most significant achievements are:

- selling off a 30% share in our Fleurhof project to IHS subsequent to the year-end, to de-risk the group and in the process securing finance to ensure the successful implementation of the project;
- focusing our resources on the integrated segment of the business that is less impacted by the economy; and
- exiting equity partners and restructuring of the medium to high income segment of the business that enabled us to "land bank" properties bought for this market segment.

Given the current state of the world economy, the group was challenged to deliver on its objectives and it did so admirably. Therefore, I am grateful to the directors, shareholders and staff for their support during this time.

Achievements in the year under review

In the year under review we achieved substantial growth and significant milestones which include:

- Setting new industry standards by refining the integrated model as set out in government's *Breaking New Ground Policy* on our Pennyville project;
- Adding value to land acquired for the mid to high income segment of our market by concentrating our efforts on the township establishment process that will enable the group to actively compete



Chief Executive's Report ... continued

in this market, once this segment of the property market revives itself, with projects ready for implementation;

- Securing partnerships with significant role-players in the industry; and
- Finalising the town planning phase of the Fleurhof project, which will enable the company to break ground in the first half of the new financial year, securing turnover for the group for the next three to four years.

Financial results

Group revenue for the year to end February 2009 decreased by 26.41% from R317m to R233m. Headline earnings per share have decreased by 46.32%. Margins remained consistent with the previous year.

Restructuring of the balance sheet however means that the group is better structured to handle added pressures exerted by the global economy. Cash generated from operations increased from a net negative R288m to net positive R68m with R145m of debt settled from operations during the period under review.

Review of performance

The mid to high income division of the group, taking into account the balance sheet write-down of inventories of R6.5m, together with the added pressure of generating sales in a depressed market, I am delighted to report, performed significantly better than the previous year.

In the integrated segment of the group, projects were affected by unforeseen circumstances that resulted in construction delays. These difficulties have been resolved and construction is well on target to meet contractual completion dates. With the emergence of the strong social housing component of the integrated market, risks were spread over a wider spectrum, taking sales pressure off the end-user, with a significant number of units sold early in the financial year.

Sales in the affordable segment of the market were severely affected by the implementation of the National Credit Act and the resulting failure of prospective buyers to obtain end-user finance. This was compounded by the Financial Institutions changing lending criteria as a result of the global credit crunch. Sales in this market segment did not dry up, as affordable housing is a necessity rather than a luxury and a bottleneck effect was created by the failure to secure bond grants by potential clients. The company is ready to deliver on housing, with serviced stands available, once the market corrects itself with lending criteria making it possible to obtain finance on behalf of end-users.

The availability of electricity returned to normal towards the second half of the financial year after having caused major delays on projects in the first half of the year.

The town planning processes are still a concern and are currently receiving attention as a high priority.

Overheads

The company was faced with the need to contain overhead costs, while appointing skilled project managers and construction related staff in an attempt to gear up for future integrated projects.



*Pennyville
creche
buildings*

The marketing component of the mid to high income division of the group was significantly scaled down, but key personnel were retained, to ensure that market presence was maintained and that expertise accumulated over the years was not lost. This expertise will be highly sought after once market conditions take a turn for the better, as the group still owns various parcels of land that are currently being “land banked”.

The group further reduced non-core divisions in an attempt to curb overhead costs.

Industry overview and prospects

Following the eradication of apartheid and the integration of society, there is currently a deficit of 2.5 million homes in South Africa (Gauteng Department of Housing), growing by 200 000 annually. With significant support from government and financial institutions, valued at R253bn by 2016, the opportunities for housing developers willing to help eradicate



Chief Executive's Report ... continued

the problem in the integrated and affordable housing segment of the market are endless.

Established in Gauteng and primarily targeting the Gauteng province, which generates over 30% to South Africa's GDP and having by far the largest housing shortage, the company sees huge opportunities within the province. Gauteng currently has a population of 9.5 million, with a forecast growth to 11.2 million by 2014, necessitating substantial amounts of immediate affordable housing. A phenomenon known as urban creep has resulted in thousands of people moving to urban work nodes to be closer to working opportunities, a trend set to escalate as more and more previously disadvantaged people become economically active.

Current housing supply is substantially below the required level to meet the demand. I am of the opinion that government's commitment, to build 2.2 million houses by 2014 and in the process eradicate the backlog, can only be achieved by partnering with contractors and specialist affordable housing developers.

Changes to the board of directors

Peter Waweru resigned in December 2008 as an executive director of the company. John Gibbon, Mmakgoshi Petla-Lekhethe and Noxolo Maninjwa were appointed as independent non-executive directors during November 2008, replacing Quinton Woods and Eddie Funde.

The year ahead

I am proud to report that the group has established itself as a role-player in the market with established relationships with other major role-players in the industry. As developers of integrated projects, the Pennyville development has set new industry standards. As a management team we are looking forward to implementing lessons learnt on this project and further refining the integrated model in order to stay ahead of our competition in this market segment.

In conclusion, I am confident to state that as a group we are poised to see these uncertain economic times through. The transition from a family owned business to a corporate business has now been completed and the group is set to grow within this new integrated market segment.

BP Malherbe

Acting CEO

11 May 2009

An aerial photograph showing a residential area. In the foreground, there are several two-story buildings with light-colored walls and red-tiled roofs. Some buildings have red accents. A red car is parked on a dirt area in front of one of the buildings. In the background, there are more houses, some with red roofs and others with white walls. A white van is parked on a street in the upper left. The entire image is framed by a large, semi-circular graphic element that is dark blue on the left and light blue on the right.

*Pennyville
bank units
and
RDP houses*



Directorate

Executive directors

Ben Pierre Malherbe MBA BSc (QS) (43)

Acting chief executive officer

Operations director

Appointed: 05 August 2005

Willem (Wikus) Lategan BComm (Hons) (28)

Financial director

Appointed 01 August 2008

Derek Steyn BSc (QS) (46)

Marketing and strategic planning director

Appointed: 05 August 2005

Non-executive directors

Pumla Radebe BA (53) **

Non-executive chairperson

Appointed 29 June 2007

John Gibbon CA (SA) (68) ^ **

Independent non-executive

Appointed 06 November 2008

Elizabeth Mmakgoshi Phetla-Letkhethe (37)

Independent non-executive

Appointed 06 November 2008

Noxolo Maninjwa BComm (Hons) Economics (37) ^

Independent non-executive

Appointed 18 November 2008

Hatla Ntene BSc (Surv), Dip. Con. Econ, Dip. Civ.Eng,
PRQS, PMAQS (54) **

Non-executive

Appointed 12 October 2007

^ Audit committee

** Remuneration committee

Directorate ... continued



Pumla Radebe



Ben Pierre Malherbe



Derek Steyn



Willem (Wikus) Lategan



John Gibbon



**Elizabeth Mmakgoshi
Phetla-Letkhethe**



Noxolo Maninjwa



Hatla Ntene

Curriculum Vitae of Directors

Executive directors

Ben Pierre Malherbe BSc QS, MBA, (43)

Operations director

Ben Pierre started as a quantity surveyor for civil engineering company Con Roux Construction and later for Stocks & Stocks. In 2001 he and his brother Brand joined forces with the Steyn brothers to form Calgro M3. He is skilled in civils and property development and is responsible for the group's highly acclaimed Pennyville project, an integrated housing development.

Frederik ("Derek") Johannes Steyn BSc. QS, (46)

Marketing and strategic planning director

Derek worked as a quantity surveyor for five years at Eskom, after which he became a project manager at Safrich, an established property development company specialising in the affordable housing market sector. Calgro was started in 1995 by Derek and his brothers, Deon and Douw. Derek is a specialist in cluster developments, land acquisitions and affordable housing.

Willem Jacobus (Wikus) Lategan BComm (Hons), (28)

Financial director

Wikus Lategan wrote articles at Mazars, formerly known as Moores Rowland, a medium to large international audit firm, during which time he gained extensive experience in internal audits, due diligence reviews, foreign audits, tax law and high level consolidations.

Until his departure to join Calgro M3 as financial director, he was employed as audit manager at ARC Inc. Auditors where his portfolio comprised medium and large sized public companies, with turnovers of up to R3 billion. He was responsible for the management and audit team's annual planning and performance reviews as well as general office administration. He gained considerable experience in advising on group structures to ensure operational, tax and compliance optimisation, control, review and implementation thereof, internal management reviews and reports, VAT and PAYE audits. He was also involved in the technical treatment of public companies' financial statements and setting up of corporate governance and SENS reports.

Wikus is not new to Calgro, having been specifically responsible for the company's previous audits and assisting the previous financial director in compiling financial and listing statements, advising management and the board of the company on technical opinions by the auditors, PricewaterhouseCoopers for the maiden results.

Curriculum Vitae of Directors ... continued



Non-executive directors

Pumla Fundiswa Radebe BA, (53)

Non-executive chairperson

Pumla specialises in social analysis, project planning and management, and has more than 20 years' experience at local and regional government level. She holds, in addition to her Bachelor of Arts in Social Sciences, a Certificate in Municipal Management from the University of Johannesburg and a Certificate in Project Management from Pretoria Technikon. Pumla is currently managing partner for Bungane Development Consultants, a former chairperson of Johannesburg City Parks, president of the International Federation for Parks and Recreation Administration, chairperson of PikiTup Johannesburg, a chief examiner and board member on the Films and Publications Board and chairperson of the Independent Development Trust. She also sits on the boards of Khuselo Investments, Khuselo Telecoms and Impi-Linux.

Hatla Ntene BSc QS, (54)

Non-executive director

Hatla obtained his Bachelor of Science (Quantity Surveying) from the University of Dublin and is currently executive chairman of Mvua Property Partners. He became the black employment partner for Farrow Laing Ntene in 1996 where he served for five years. He was also the property executive manager of Propnet (Property Division of Transnet) for three years and brings a wealth of experience dating back to 1977, to Calgro.

Independent non-executive directors

Elizabeth Mmakgoshi Phetla-Lekhethe (37)

Mmakgoshi, until recently, served as senior advisor to the executive director for Africa Group 1, at the World Bank Group Board. She has over 12 years experience in debt capital markets globally and possesses a deep understanding and knowledge of the South African and international financial market operations. She has recently been appointed as deputy chairperson of the Financial Services Board (FSB) and is the chief executive officer of the South African Savings Institute (SASI).

John Braidwood Gibbon CA (SA), (68)

John is a Chartered Accountant by profession and a retired partner at PricewaterhouseCoopers. He has held non-executive directorships for several companies, some of which were JSE listed, and he chaired several of their audit committees.

Noxolo Joyce Maninjwa BComm (Hons), (37)

Noxolo is a Fort Hare Alumnus where she obtained a BComm (Hons) in Economics. She possesses several other qualifications including accounting from Unisa and business management from the Milpark Business School. Noxolo has extensive work experience in the public sector where she has held senior positions, rising to her current position of Deputy Director General, Gauteng Department of Transport, Works & Roads. She was chief financial officer for Gauteng Department of Education, responsible for compliance to the Public Finance Management Act (PFMA) as well as for strategic financing, leadership and implementing internal controls.



Corporate Governance

Calgro is committed to effective and transparent corporate governance to ensure that the interest of the company and its stakeholders are paramount.

As a result the group subscribes to accountability and integrity in its dealings with all stakeholders

THE BOARD OF DIRECTORS

The board consists of eight directors, three executive and five non-executive. Three of the non-executive directors, are deemed to be independent. As recommended in King II the roles of chairperson and chief executive officer have been split, with separate roles and responsibilities as defined in the Board Charter.

The board is responsible for overall accountability, strategy, regulatory compliance, risk management and communication with all stakeholders. The board meets at least four times per annum and more often if the need arises.

The board and its committees are supplied with full and timely information which enables them to discharge their responsibilities and have unrestricted access to all company information, records, documents and property. Non-executive directors have access to management and may even meet separately with management, without the attendance of executive directors.

Directors, both executive and non-executive are appointed for their skill and experience. The appointment of new directors requires the unanimous approval of the board, assisted by the nomination committee, which appointments are formal and transparent.

All directors, in accordance with Calgro Articles of Association are subject, by rotation, to retirement and re-election by shareholders at the AGM.

The board takes final responsibility of the overall strategy and business plan, acquisition and disposals, approves capital expenditure and appraises proposals for the appointment to the executive, remuneration and audit and risk committees.

The daily management of the company's affairs is delegated to the chief executive officer and the chief operating officer, who co-ordinate the implementation of board policy through the executive committee.

Corporate Governance ... continued

Board meeting attendance

	18/03/08	12/05/08	22/05/08	25/06/08	19/09/08	10/10/08	13/01/09
Director							
P F Radebe (Chair)	*	*	#	*	*	*	*
P M Waweru (CEO)	*	*	*	*	*	*	N/A
B P Malherbe (Acting CEO)	*	*	*	*	*	*	*
C T Daly	*	*	*	*	N/A	N/A	N/A
F J Steyn	*	#	*	*	*	*	*
S E Funde	*	*	*	*	N/A	N/A	N/A
H Ntene	*	*	*	*	*	*	*
Q E Woods	*	*	*	*	N/A	N/A	N/A
W J Lategan	N/A	N/A	N/A	N/A	*	*	*
J B Gibbon	N/A	N/A	N/A	N/A	N/A	N/A	*
M Phetla-Lekhethe	N/A	N/A	N/A	N/A	N/A	N/A	*
N Manjiwa	N/A	N/A	N/A	N/A	N/A	N/A	*
Designated advisor	*	*	*	*	*	*	*

* Indicates attendance

Indicates absence with apologies

N/A indicates the individual was not a director at the time

The executive committee

The executive committee (Exco) is responsible for the day to day running of Calgro and includes the executive directors and other subsidiary company executives. The CEO of the group heads Exco and is accountable to the board for its actions.

Exco initiative and progress are reported to the board via means of board packs in advance of the board meetings or whenever deemed necessary by Exco. This body meets at least weekly in a formal environment.

Remuneration and nomination committee

This committee is chaired by Pumla Radebe, a non-executive director. Hatla Ntene and John Gibbon, both non-executive directors are the other members of this committee.

It is the function of this committee to make recommendations to the board on participation of the executive directors and other key staff members in the group share appreciation rights scheme. The committee also makes recommendations on the structure and development of policy on executive and senior management remuneration, performance bonuses and service contracts.



Corporate Governance ... continued

The remuneration committee's overall strategy is to ensure that employees are rewarded for their contribution to the group's operating and financial performance at levels which take account of market and industry benchmarks.

The committee is mandated by the board to identify suitable candidates for directorship and to make recommendations to the board in this regard. It will also advise on the composition of the board and the balance between categories of directors.

The CEO may attend committee meetings by invitation but may not vote on any issues.

Audit committee

The group complies with the requirements of the Corporate Laws Amendment Act as it applies to audit committees.

The board has approved the recommendation that the audit committee of the holding company should act as the audit committee of the subsidiaries. The subsidiaries have passed the necessary resolutions to confirm this arrangement.

The audit committee met twice during the year, and all members attended the meetings. The committee was re-constituted on 6 November 2008, and presently comprises John Gibbon as chairman and Noxolo Maninjwa. The audit committee has confirmed that both members are non-executives acting independently.

The audit committee has resolved to meet on at least three occasions during the year. In sequence, the principal matters to be dealt with at each meeting will be the review of the annual report and the audit for the past year; the review of the half-year results and announcement and the external audit plan; and the results of the interim audit. The chairman of the audit committee reports to the board after each audit committee meeting.

The audit committee operates under approved terms of reference, has confirmed the nomination of the auditors for 2009 and determined their fees, and is satisfied that they are independent. The audit committee has established a procedure for the approval of the nature and extent of any non-audit services, and for the pre-approval of any proposed contract with the auditors for the provision of non-audit services to the group.

The audit committee has resolved to undertake a self-assessment of its responsibilities every second year to assist the board in evaluating the performance of its committees. The audit committee has considered the appropriateness and experience of the group financial director and is assisting with the revision of a risk register that will be tabled at each meeting of the audit committee and the board.

Risk management

Although the group does not have an internal audit department, the nature of the operations of the group is such, that the risk management function may be satisfactorily performed by the executive committee, of which the group financial director is a member.

The systems of controls and procedures in place, together with the close monitoring by the financial director and the executive committee of the identified risks and the monthly financial statements prepared for each division, form the basis of the risk management process. Where required, the external auditors may be asked to review certain procedures or areas that may be of concern.

The board is of the opinion that the systems of controls and the standard of accounting are adequate to minimise the risk of material loss and to provide accurate and reliable monthly reporting.

SOCIAL RESPONSIBILITY AND SUSTAINABILITY

The board is responsible for the development and management of a sustainable business for the benefit of all stakeholders and the community at large.



*Pennyville
bank units
and
RDP houses*



Corporate Governance ... continued

Skills development and training

The group is committed to the ongoing training and development of employees in order to ensure continuous growth in the skills base of the group.

Corporate social investment

The board approves an annual budget for making donations to charitable institutions with the aim of improving the lives and opportunities of disadvantaged communities.

Code of Conduct

It is the policy of Calgro to conduct its business with integrity and in accordance with the highest legal and ethical standards. The company has implemented a formal policy that governs the code of ethics in order to:

- distinguish between unacceptable practices
- provide a comprehensive set of ethical corporate standards
- encourage ethical behaviour by the board, management and the employees of the group
- guide ethical decision making and
- assist in resolution of conflicts

SAFETY, HEALTH AND ENVIRONMENT

The group is committed to a safe and healthy working environment and ensures compliance with the South African Occupational Health and Safety Act throughout its operations.

EMPLOYMENT EQUITY

Appropriate structures are in place to ensure good employer-employee relationships through effective resolution of conflict. The group also complies with legislative and regulatory requirements to favour previously disadvantaged individuals and updates these strategies in accordance with the Employment Equity Act.

COMMUNICATION WITH SHAREHOLDERS

It is the policy of the group to pursue dialogue with institutional investors based on constructive engagement having regard to the statutory and regulatory environment regulating the dissemination of information by companies and their directors.

The chief executive officer acts as chief spokesperson for the company.

PSG Capital (Pty) Ltd acts as Calgro's designated advisor in compliance with the JSE Listings Requirements.

DEALING IN SECURITIES

Directors of Calgro as well as directors of the major subsidiaries may only deal in securities, provided pre-approval has been granted from the chair of the board and the CEO and the company is not in a "closed period" or "prohibited period", as defined by the JSE. Group directors have certain JSE regulated restrictions in terms of quantum of securities they may sell, and all approved share dealings are submitted to the group designated advisor. All share trading is governed by a formal policy adopted in the Board Charter.

COMPLIANCE

The board is of the opinion that the group complies with the King II Code of Corporate Governance.



Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the consolidated financial statements and related information included in this report.

It is their responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated financial statements.

The consolidated 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 operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial reports may be relied on for the preparation of the consolidated financial statements. However, any system of internal controls can provide only reasonable, and not absolute, assurance against material misstatement or loss. The directors have reviewed the group's cash flow forecast for the year to 28 February 2010 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the group's consolidated financial statements. The consolidated financial statements have been examined by the group's external auditors and their report is presented on page 18.

The consolidated financial statements set out on pages 19-83, which have been prepared on the going concern basis, were approved by the board of directors on 11 May 2009 and were signed on its behalf by:



BP Malherbe

Director

11 May 2009



WJ Lategan

Director

Certificate of Company Secretary

We, Barnard Attorneys Inc., being the company secretary of Calgro M3 Holdings Limited and its subsidiaries, certify that the company has, for the year under review, lodged all returns required of the public company with the Registrar of Companies and that all such returns are, to the best of our knowledge and belief, true, correct and up-to-date.



Barnard Attorneys Inc.

Company secretary

11 May 2009



Report of the Independent Auditors

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CALGRO M3 HOLDINGS LIMITED

We have audited the group annual financial statements and annual financial statements of Calgro M3 Holdings Limited, which comprise the consolidated and separate balance sheets as at 28 February 2009, and the consolidated and separate income statements, the consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 19 to 83.

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.

Auditor's 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 management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of Calgro M3 Holdings Limited as at 28 February 2009, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers Inc.'.

PricewaterhouseCoopers Inc.

Director: M Horsfield

Registered Auditor

Sunninghill

12 May 2009

Directors' Report



The directors submit their report for the year ended 28 February 2009.

1. Nature of the business

Calgro M3 is a mixed-use housing development company, established in 1995. Our business model focuses on the acquisition of land, town planning, project management of civil infrastructure, installation of infrastructure, marketing and construction of homes.

The niche market for the group's housing products comprises two specific market segments viz.: Integrated housing and mid to high income developments.

Integrated housing comprises three components:

- RDP homes – valued at government subsidy scales which currently stand at R54 650 for “give away” houses. In addition to this, there is a subsidy of R22 418 per unit for the provision of municipal engineering services;
- “GAP” homes – valued between R180 000 and R340 000, this falls within the requirements of the financial services sector charter of 2005; and
- Affordable homes - valued between R240 000 and R600 000.

Our business strategy supports government's proactive drive, which is expressed in the 'Breaking New Ground' initiative aimed at ensuring the creation of sustainable settlements. This is achieved through the integration of various income groups, as well as the provision of socio-amenities such as schools, hospitals, etc, within a fully integrated community.

Mid to high income residential

These are homes valued at between R600 000 and R1.6m.

2. Financial position

The results of the company and the group are set out in these financial statements. The nature of business and operations and financial results are discussed in more detail in the report of the chief executive officer.

The group results, split by segments, are presented in note 5 of the financial statements. The different segments are split in line with the business sectors, being mid to high income and integrated housing.

3. State of affairs

Financial overview

Group revenue for the year-ended February 2009 decreased by 26.41%, from R317m to R233m; whilst this decrease had a material impact on gross profit which declined by R26.1m the gross profit margin stayed consistent with the prior year. Close monitoring and tight control of the administrative overheads in the last six months of the year contained these to R36.2m for the year compared with R26.2m for the first six months and R29.5m for 2008. This



Directors' Report ... continued

has helped to contain the overall decreases of 82.34% in operating profit and 46.32% in headline earnings per share. Certain profits, in respect of a land exchange agreement concluded before 28 February 2009, will only be accounted for in the following financial year, based on a recent technical opinion.

Achievements in the year under review:-

- The company listed on the Yield X on 11 October 2008, and raised R45m;
- Township application was submitted for 441ha of land for the Fleurhof integrated development project, which is located 12km south west of Johannesburg CBD. This development will accommodate 6 500 homes. The estimated turnover from this project is approximately R1.6bn;
- On 1 October 2008 Calgro M3 acquired the 37.5% minority shares held by Refihlile Consulting (Pty) Ltd in the Fleurhof Project with loan finance and cash; and
- Units in the Pennyville Project were officially handed over to beneficiaries by the Mayor and MEC for Housing on 2 October 2008 at a ceremony.

Operations

Unavoidable delays were experienced in construction in the first six months of the financial year; this was due to a procurement process, which in turn necessitated contractual adjustments on the Pennyville project.

MS5 Projects (Pty) Ltd, our subsidiary focusing on the affordable housing market, was heavily impacted by the introduction and enforcement of the regulations of the National Credit Act in addition to the changes in banks' lending criteria. However, towards the end of the financial year, the reduction in interest rates saw a marked improvement in approved bonds. MS5 Projects (Pty) Ltd has an added advantage in that the affordable housing market has an overall shortage of houses, ensuring that the company should perform well in the future.

During the period under review, the mid to high income developments segment was under pressure for new sales, however, the significant presold book assisted in generating construction profits.

For the Fleurhof and Midrand projects, building capacity infrastructure contributed to a material increase in overheads. This will have no major effects on profits going forward as all the infrastructure and feasibility studies have been completed, with no corresponding income recognition.

4. The "Green" Initiative

Calgro M3 has commissioned an on-going study in the area of energy conservation and the reduction of carbon emissions. Our policy is to support these initiatives by promoting the use of natural resources with the installation of electricity-saving devices. The enhanced appeal to the community will be reduced electricity expenses, benefits of which will be felt in the long-term.

Prospects

The shortage of housing in South Africa is estimated to be approximately 2.6 million homes, of which 2 million are RDP and 600 000 are affordable houses. There are excellent prospects for the group to contract for a sizable portion of this shortage to assist government in its endeavours to fulfill its constitutional obligation to the people of South Africa. Calgro M3's solid performance, in the delivery of good quality houses has it well positioned to unlock this opportunity. It is with this regard that we have formed excellent working relationships with government in a private-public partnership to support their goals. Government has set aside R73bn for housing projects over the



Directors' Report ... continued

next four years and aims to deliver 250 000 houses a year. Government's "breaking new ground" principle, which focuses on integrated and mixed housing developments, is in direct alignment of our business model.

As part of the Financial Sector Charter of 2005, the major banks committed to the provision of R65bn by 2011 for the "GAP" market, this further supports Government's initiative for the development of integrated housing. Integrated housing is the model for the future and Calgro M3 has the proven track record to deliver.

In the mid to high income residential market, Calgro M3 expects the macroeconomic environment to continue to play a significant role. The impact will continue to be one of a slowdown for the next year in sales and will see prices soften. We do however, foresee a positive upturn in the residential property market in the not too distant future.

The affordable housing market's continued housing shortage translates to strong demand, even in the prevailing macroeconomic environment. This market shows price elasticity as individuals continue to purchase houses as they become available. In the light of interest-rate movements, clients are purchasing smaller houses due to the National Credit Act's impact and affordability.

We are currently investigating a number of viable projects being prioritised by the government based on the "breaking new ground" principle.

Calgro M3 delivery

With delivery on the Pennyville project and with development of the new integrated projects, namely Fleurhof and Midrand to commence in the near future, a solid pipeline in for the next seven to ten years has been established. This coupled with the remedial action in the mid to high income residential division to a strategic fit of 20% mid to high income residential and 80% integrated housing business model, will ensure the group's viability, delivery of good profits and sustainable earnings growth. Management is confident that Calgro M3 has the capability and capacity to handle all its chosen projects particularly through the successful Pennyville model roll out. In addition to this management still maintains over 51% shareholding in the company and this provides a powerful incentive for all of the team members to create wealth for all shareholders. The way forward remains focused on growing shareholder earnings through the delivery of the group's strategy as previously outlined.

5. Post balance sheet events

Sale of a 30 % share in the Fleurhof project

In the announcement released on SENS on 13 March 2009, shareholders were advised that Calgro M3 Land had entered into a Sale of Shares Agreement, in which Calgro M3 Land will dispose of 30% of its equity interest in Fleurhof, to South Africa Workforce Housing Fund for a total cash consideration of R30 million. A further amount of R50 million in the form of a shareholder's loan will also be advanced.

Rationale for the transaction

In response to current depressed and uncertain market conditions facing both local and international businesses, and in light of ongoing commitments facing Calgro M3 in connection with various upcoming development projects, management considered it prudent and in the best interests of the company, to inject capital into the business by partnering with a locally based equity funder. The capital raised from the transaction will be used to partly satisfy the medium-term funding requirements of the Fleurhof project, but will also assist in de-risking the wider Calgro M3 Group by providing a source of easily accessible capital funds and to some extent, reducing current debt levels.



Directors' Report ... continued

Furthermore, management believes that the relationship with South Africa Workforce Housing Fund will not only provide capital resources, but also potential future investment opportunities for the wider Calgro M3 group, as well as access to the research, risk assessment and technical advisory capabilities of South Africa Workforce Housing Fund.

6. Subsidiary companies

All subsidiaries direct and in-direct are South African based and are engaged in land development.

Name of company	2009 Issued share capital (Rand)	2008 Issued share capital (Rand)	% holding 2009	% holding 2008	Carrying amount 2009	Carrying amount 2008	Loans to group companies 2009	Loans to group companies 2008
DIRECT								
Calgro M3 Land (Pty) Ltd	100	100	100	100	2 998 350	100	8 474 499	2 998 250
Calgro M3 Developments (Pty) Ltd	100	100	100	100	89 233 766	1 635 541	5 663 354	88 017 803
MS5 Projects (Pty) Ltd	-	100	-	100	-	100	-	271 782
MS5 Pennyville (Pty) Ltd	-	100	-	100	-	100	-	-
Calgro M3 Project Management (Pty) Ltd	100	100	100	100	4 500 100	100	-	-
INDIRECT								
MS5 Projects (Pty) Ltd	100	-	100	-	-	-	-	-
MS5 Pennyville (Pty) Ltd	100	-	100	-	-	-	-	-
CM3 Northriding Ext 86 – Mio Bella (Pty) Ltd	100	100	100	100	-	-	-	-
CM3 Randpark Ridge Ext 120 (Pty) Ltd	100	100	100	100	-	-	-	-
CM3 Witkoppen Ext 131 (Pty) Ltd	100	100	100	100	-	-	-	-
Hightrade-Invest 60 (Pty) Ltd	100	100	100	100	-	-	-	-
Calgro M3 Land 102 (Pty) Ltd	100	100	100	100	-	-	-	-
PZR Pennyville Zamimphilo Relocation (Pty) Ltd	100	100	100	100	-	-	-	271 782
Aquarella Investments 265 (Pty) Ltd	100	100	100	100	-	-	-	-
CTE Consulting (Pty) Ltd	100	100	100	100	-	-	514 925	4 500 000



Directors' Report ... continued

Name of company	2009 Issued share capital (Rand)	2008 Issued share capital (Rand)	% holding 2009	% holding 2008	Carrying amount 2009	Carrying amount 2008	Loans to group companies 2009	Loans to group companies 2008
Midfield Estate (Pty) Ltd	100	100	100	100	-	-	-	-
Baybridge Canal Development Company (Pty) Ltd	100	100	100	100	-	-	-	-
Tres Jolie Ext 24 (Pty) Ltd	100	100	100	100	-	-	-	-
Fluerhof Ext 2 (Pty) Ltd	100	100	100	100	-	-	-	-
Business Venture Investments No 1243 (Pty) Ltd	100	100	100	100	-	-	-	-
Business Venture Investments No 1244 (Pty) Ltd	100	100	100	100	-	-	-	-
Ridgewood Estate (Pty) Ltd	100	-	100	-	-	-	-	-
Business Venture Investments No 1221 (Pty) Ltd	100	-	100	-	-	-	-	-
CM3 Witkoppen Ext 87 (Pty) Ltd	100	-	100	-	-	-	-	-
29 of 459 Baybridge Canal (Pty) Ltd	100	-	100	-	-	-	-	-
Business Venture Investments No 1326 (Pty) Ltd	100	-	100	-	-	-	-	-
CM3 Northriding Ext 94 – Cherrywood Estate (Pty) Ltd	100	100	100	100	-	-	-	-
PZR Fleurhof (Pty) Ltd	100	-	100	-	-	-	-	-
Neoprop (Pty) Ltd	100	100	100	100	-	-	-	-
					96 732 216	1 635 941	14 652 778	96 059 617

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

The attributable interest of the holding company in the aggregate income earned and losses incurred after taxation by its subsidiaries, is as follows:

R'000	February 2009	February 2008
Profit	28 626	39 196
Losses	(12 305)	(7 235)



Directors' Report ... continued

7. Directors' interest in shares and remuneration

At the financial year-end the directors held the following direct and indirect interest in the company's shares:

	Direct 2009	Direct 2008	Indirect 2009	Indirect 2008
Ordinary Shares				
PF Radebe	-	-	1 787 400	# 1 787 400
H Ntene	63 500	-	15 000 000	15 000 000
WJ Lategan	1 353 000	-	-	-
BP Malherbe	-	-	13 340 000	11 984 000
FJ Steyn	-	-	12 333 225	11 984 000
Total	1 416 500	-	42 460 625	40 755 400

: Incorrect 2008 figure restated

There has been no change in the directors interest since 28 February 2009.

Directors' remuneration was as follows:-

2009	Salary as a director	Directors' fees	Expense allowances	Fringe benefits and other amounts	Total
PF Radebe	-	225 000	-	-	225 000
PM Waweru	1 520 246	-	168 000	53 810	1 742 056
SE Funde	-	90 000	-	-	90 000
H Ntene	-	-	-	-	-
QE Woods	-	540 000	-	-	540 000
WJ Lategan	620 000	-	84 000	31 000	735 000
CT Daly	618 852	-	60 000	26 905	705 757
JB Gibbon	-	60 000	-	-	60 000
BP Malherbe	1 291 429	-	144 000	439 571	1 875 000
FJ Steyn	1 291 429	-	144 000	439 571	1 875 000
Total					7 847 813
2008	Salary as a director	Directors' fees	Expense allowances	Fringe benefits	Total
PF Radebe	-	90 000	-	-	90 000
PM Waweru	843 571	-	160 000	37 206	1 040 777
SE Funde	-	90 000	-	-	90 000
QE Woods	-	360 000	-	-	360 000
H Ntene	-	-	-	-	-
CT Daly	1 195 174	-	122 000	46 332	1 363 506
BP Malherbe	1 563 921	-	144 000	48 743	1 756 664
FJ Steyn	1 656 363	-	144 000	49 668	1 850 031
Total					6 550 978



Directors' Report ... continued

Share Appreciation Rights

The following people identified were awarded Share Appreciation Rights (SAR) in accordance with the provisions of the SAR and upon the terms specified in this letter and the rules of the SAR.

Name of employee	Number of SARs awarded
BP Malherbe – CEO	1 400 000
FJ Steyn – Marketing & strategic planning director	1 400 000
Divisional directors – 4	2 808 000
Key employees – 5	500 000

The grant price of all the above SARs is R3.75 each, a 25% premium to the listing price of R3.00.

One third of the SAR's vest in three years, another third in four years and the final third in five years.

There are HEPS and CPIX performance conditions for the SAR's to become exercisable.

8. ACCOUNTING POLICIES

The annual financial statements have been prepared based on International Financial Reporting Standards.

9. AUTHORISED AND ISSUED SHARE CAPITAL

The authorised and issued share capital remained unchanged during the year.

Total number of ordinary shares in issue at 28 February 2009 127 100 000

10. PROPERTY, PLANT AND EQUIPMENT

There have been additions to property, plant and equipment during the period under review but no changes in the policy relating to their use. Property, plant and equipment to the amount of R2 389 483 was acquired, and disposals of R11 904 were made during the year.

11. DIVIDENDS

No dividends were declared or paid to shareholders during the 12 months.

12. DIRECTORS

The directors of the company during the 12 months and to the date of the report are as follows:

Name	Position	Date appointed	Date resigned
Pumla Fundiswa Radebe	Non-executive chairperson	29.06.2007	
Peter Muriuki Waweru	Chief executive officer	01.06.2007	30.01.2009
Sonwabo Edwin Funde	Non-executive	29.06.2007	30.08.2008
Quinton Encombe Woods	Non-executive	01.06.2007	30.08.2008
Hatla Ntene	Non-executive	12.10.2007	
Craig Terence Daly	Finance director	30.04.2007	30.07.2008
Willem Jakobus Lategan	Finance director	01.08.2008	



Directors' Report ... continued

Name	Position	Date appointed	Date resigned
Ben Pierre Malherbe	Acting chief executive officer	05.08.2005	
Frederick Johannes Steyn	Strategic planning director	05.08.2005	
John Braidwood Gibbon	Independent non-executive	6.11.2008	
Elizabeth Mmkgoshi Phetla-Lekhethe	Independent non-executive	6.11.2008	
Noxolo Joyce Maninjwa	Independent non-executive	18.11.2008	

13. AUDITORS

PricewaterhouseCoopers Incorporated will continue in office in accordance with section 270(2) of the Companies Act.

14. ANALYSIS OF SHAREHOLDERS

Shareholder spread analysis as at 28 February 2009:

Shareholder spread	No. of shareholders	%	No. of shares	%
1 – 1 000 shares	21	10.14	9 685	0.01
1 001 – 10 000 shares	84	40.58	452 279	0.36
10 001 – 100 000 shares	52	25.12	1 845 348	1.45
100 001 – 1 000 000 shares	31	14.98	9 233 397	7.26
1 000 001 shares and over	19	9.18	115 559 291	90.92
	207	100.00	127 100 000	100.00

Distribution of shareholders	No. of shares	%
Empowerment	21 600 000	16.99
Individuals	15 667 946	12.33
Nominee and Trusts	72 401 614	56.96
Other corporations	1 320 212	1.04
Private and public companies	16 110 228	12.68
	127 100 000	100.00

Public/non-public shareholders		
Non-public shareholders	71 934 453	56.60
Directors and associates of the holding company	71 934 453	56.60
Public shareholders	55 165 547	43.40
	127 100 000	100.00



Directors' Report ... continued

Shareholders with an interest of 5% or more in shares

	No. of shares	%
Day Break Properties 42 (Pty) Ltd	6 600 000	5.193
BPM Family Trust	13 000 000	10.228
DGS Trust	11 984 000	9.429
DNS Trust	12 792 228	10.065
FJS Trust	12 333 225	9.704
Hendrik Brand Trust	11 984 000	9.429
Planet Waves 266 (Pty) Ltd	15 000 000	11.802
Vencor Capital (Pty) Ltd	7 824 000	6.156

15. SECRETARY

The secretary of the company is Barnard's Attorneys Inc. of:

Business address

33 Ballyclare Drive,
Ballyclare Office Park
Cedarwood House
Bryanston



Consolidated Balance Sheets

as at 28 February 2009

Figures in Rand	Notes	Group		Company	
		2009	2008	2009	2008
Assets					
Non-current assets					
Investment property	6	7 492 601	1 393 171	-	-
Property, plant and equipment	7	8 100 077	7 782 200	-	-
Intangible assets	8	33 073 543	26 737 702	-	-
Investment in subsidiaries	9	-	-	96 732 216	1 635 941
Loans to group companies	10	-	-	14 652 778	96 059 617
Deferred income tax asset	11	8 866 542	478 734	-	-
		57 532 763	36 391 807	111 384 994	97 695 558
Current assets					
Inventories	12	260 115 196	251 416 533	-	-
Loans and receivables	13	7 749 659	7 129 587	-	-
Current tax receivable		6 856	225 190	-	-
Construction contracts	14	64 389 035	90 999 810	-	-
Trade and other receivables	15	18 367 944	54 683 882	-	-
Prepayments	16	6 079 978	35 672 589	-	-
Cash and cash equivalents	17	30 593 690	3 111 129	330	330
		387 302 358	443 238 720	330	330
Assets of disposal group classified as held for sale	18	126 300 999	-	-	-
		513 603 357	443 238 720	330	330
Total assets		571 136 120	479 630 527	111 385 324	97 695 888
Equity and liabilities					
Equity					
Equity attributable to owners of the parent					
Ordinary shares	19	96 021 721	96 021 721	96 021 721	96 021 721
Reserves		-	963 141	672 200	1 635 341
Retained income		42 208 687	36 186 235	775 616	27 566
		138 230 408	133 171 097	97 469 537	97 684 628
Liabilities					
Non-current liabilities					
Borrowings	20	117 956 681	165 268 692	-	-
Finance lease obligations	21	1 842 872	677 144	-	-
Deferred income tax liability	11	17 423 647	13 089 097	-	-
		137 223 200	179 034 933	-	-
Current liabilities					
Borrowings	20	69 350 369	91 205 048	-	-
Short-term advance		30 000 000	-	-	-
Current income tax liabilities		8 110 499	2 629 327	315 511	11 260
Finance lease obligations	21	1 204 642	375 490	-	-
Trade and other payables	22	64 779 323	67 906 881	121 869	-
Bank overdraft	17	15 842 326	5 307 751	13 478 407	-
		189 287 159	167 424 497	13 915 787	11 260
Liabilities of disposal group classified as held for sale	18	106 395 353	-	-	-
		295 682 512	167 424 497	13 915 787	11 260
Total liabilities		432 905 712	346 459 430	13 915 787	11 260
Total equity and liabilities		571 136 120	479 630 527	111 385 324	97 695 888



Consolidated Income Statements

for the year ended 28 February 2009

Figures in Rand	Notes	Group		Company	
		2009	2008	2009	2008
Revenue	23	233 054 190	316 676 698	-	-
Cost of sales	24/26	(182 204 989)	(239 718 985)	-	-
Gross profit		50 849 201	76 957 713	-	-
Other income	25	17 508 301	24 032	2 238 027	815 345
Administrative expenses	26	(36 260 736)	(29 456 405)	(1 425 865)	(776 519)
Other expenses	26	(23 704 665)	-	-	-
Operating profit		8 392 101	47 525 340	812 162	38 826
Finance income	27	962 188	508 211	1 053 602	-
Finance costs	28	(1 467 892)	(2 901 115)	(813 463)	-
Profit before tax		7 886 397	45 132 436	1 052 301	38 826
Taxation	29	(1 863 945)	(13 722 992)	(304 251)	(11 260)
Profit after taxation		6 022 452	31 409 444	748 050	27 566

Attributable to:

Equity holders of the company	6 022 452	31 409 444
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Earnings per share for profit attributable to the equity holders of the company during the year (expressed in cents per share)

- basic	40	4.74	30.33
- diluted	40	3.80	28.32



Consolidated Statements of Changes in Equity

for the year ended 28 February 2009

	Share capital	Share premium	Total share capital	Reserves for own shares/ Share repurchase reserve	Retained income acquired through reverse acquisition	Total reserves	Retained income	Total	Minority interest	Total equity
Group										
Balance at 01 March 2007	930	-	930	-	-	-	4 776 791	4 777 721	206 926	4 984 647
Profit for the year	-	-	-	-	-	-	31 409 444	31 409 444	-	31 409 444
Issue of shares	341	96 020 450	96 020 791	-	-	-	-	96 020 791	-	96 020 791
Share appreciation scheme	-	-	-	963 141	-	963 141	-	963 141	-	963 141
Acquisition of minority interest	-	-	-	-	-	-	-	-	(206 926)	(206 926)
Balance at 01 March 2008	1 271	96 020 450	96 021 721	963 141	-	963 141	36 186 235	133 171 097	-	133 171 097
Profit for the year	-	-	-	-	-	-	6 022 452	6 022 452	-	6 022 452
Share appreciation scheme	-	-	-	(963 141)	-	(963 141)	-	(963 141)	-	(963 141)
Balance at 28 February 2009	1 271	96 020 450	96 021 721	-	-	-	42 208 687	138 230 408	-	138 230 408
Notes	19	19	19	31						

Company

Balance at 01 March 2007	930	-	930	-	672 200	672 200	-	673 130	-	673 130
Profit for the year	-	-	-	-	-	-	27 566	27 566	-	27 566
Issue of shares	341	96 020 450	96 020 791	-	-	-	-	96 020 791	-	96 020 791
Share appreciation scheme	-	-	-	963 141	-	963 141	-	963 141	-	963 141
Balance at 01 March 2008	1 271	96 020 450	96 021 721	963 141	672 200	1 635 341	27 566	97 684 628	-	97 684 628
Profit for the year	-	-	-	-	-	-	748 050	748 050	-	748 050
Share appreciation scheme	-	-	-	(963 141)	-	(963 141)	-	(963 141)	-	(963 141)
Balance at 28 February 2009	1 271	96 020 450	96 021 721	-	672 200	672 200	775 616	97 469 537	-	97 469 537
Notes	19	19	19	31						



Consolidated Cash Flow Statements

for the year ended 28 February 2009

Figures in Rand	Notes	Group		Company	
		2009	2008	2009	2008
Cash generated from operations					
Cash generated from operations	32	68 474 479	(287 503 961)	934 032	38 826
Interest received		962 188	508 211	1 053 602	-
Interest paid		(979 211)	(1 275 666)	(813 463)	-
Tax paid	33	(217 696)	(1 055 951)	-	-
Net cash from operating activities		68 239 760	(289 327 367)	1 174 171	38 826
Cash flows from investing activities					
Purchase of property plant and equipment		(2 389 483)	(7 195 609)	-	-
Proceeds from the sale of property plant and equipment		11 904	-	-	-
Purchase of investment property		(6 099 430)	(28 655)	-	-
Purchase of intangible assets		(205 201)	(858 271)	-	-
Proceeds from the sale of intangible assets		1 014	-	-	-
Purchase of subsidiary shares	8	(21 364 946)	-	-	-
Increase in investment in subsidiaries		-	-	(96 059 417)	-
Acquisition of businesses	34	-	(4 155 000)	-	-
Increase in loans and receivables		(620 072)	(489 962)	-	-
Net cash from investing activities		(30 666 214)	(12 727 497)	(96 059 417)	-
Cash flows from financing activities					
Proceeds on share issue		-	341	-	341
Share premium		-	96 020 450	-	96 020 450
(Decrease)/increase in borrowings		(20 625 560)	204 351 281	-	-
Loans advanced to group companies		-	-	81 406 839	(96 059 617)
Net cash from financing activities		(20 625 560)	300 372 072	81 406 839	(38 826)
Net (decrease)/increase in cash and cash equivalents and bank overdraft		16 947 986	(1 682 792)	(13 478 407)	-
Cash and cash equivalents and bank overdraft at the beginning of the year		(2 196 622)	(513 830)	330	330
Cash and cash equivalents and bank overdraft at end of the year	17	14 751 364	(2 196 622)	(13 478 077)	330



Notes to the Consolidated Financial Statements

for the year ended 28 February 2009

1 General information

Calgro M3 Holdings Limited (the “company”) and its subsidiaries (together “the group”) is an investment and management company with trading subsidiaries engaged in investment holding, residential land development and construction.

The company is a limited liability company incorporated and domiciled in South Africa. The address of its registered office is Cedarwood House, Ballyclare Office Park, 33 Ballyclare Drive, Bryanston 2024.

The company has its primary listing on the Johannesburg Stock Exchange.

The groups presentation currency is the South African Rand, while the company’s functional and presentation currency is the South African Rand.

These group annual financial statements were authorised for issue by the board of directors on 11 May 2009.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of Calgro M3 Holdings Limited and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the annual financial statements, are disclosed in Note 4.

(a) New standards and interpretations

(i) Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group’s accounting periods beginning on or after 01 March 2009 or later periods:

• IAS 1 (Revised) Presentation of Financial Statements

The main revisions to IAS 1 (AC 101):

- Require the presentation of non-owner changes in equity either in a single statement of comprehensive income or in an income statement and statement of comprehensive income.
- Require the presentation of a balance sheet at the beginning of the earliest comparative period whenever a retrospective adjustment is made. This requirement includes related notes.
- Require the disclosure of income tax and reclassification adjustments relating to each component of other comprehensive income. The disclosures may be presented on the face of the statement of comprehensive income or in the notes.
- Allow dividend presentations to be made either in the statement of changes in equity or in the notes only.
- Have changed the titles to some of the financial statement components, where the ‘balance sheet’ becomes the ‘statement of financial position’ and the ‘cash flow statement’ becomes the ‘statement of cash flows.’ These new titles will be used in International Financial Reporting Standards, but are not mandatory for use in financial statements.
- The effective date of the standard is for years beginning on or after 01 January 2009. The group expects to adopt the standard for the first time in the 2010 annual financial statements. It is unlikely that the standard will have a material impact on the group annual financial statements.



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

- **IAS 23 (Revised) Borrowing costs**

The revision requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs has been removed. The group expects to adopt the interpretation for the first time in the 2010 annual financial statements. The impact of this interpretation is currently being assessed.

- **IFRS 8 Operating segments**

IFRS 8 (AC 145) replaces IAS 14 (AC 115) Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes.

The effective date of the standard is for years beginning on or after 01 January 2009.

The group expects to adopt the standard for the first time in the 2010 annual financial statements.

It is unlikely that the standard will have a material impact on the group annual financial statements.

- **IFRIC 15 Agreements for the Construction of Real Estates**

IFRIC 15 (AC 448) specifies whether an agreement for the construction of real estate is within the scope of IAS 11 (AC 109) Construction Contracts or IAS 18 (AC 111) Revenue, and thus impacts the related recognition of revenue. An agreement for the construction of real estate is a construction contract within the scope of IAS 11 (AC 109) only when the buyer is able to specify the major structural elements of the design of the real estate before construction begins and/or specify major structural changes once construction is in progress. Revenue in such cases should be determined in accordance with the percentage of completion of the contract. In all other cases, IAS 18 (AC 111) applies. If IAS 18 (AC 111) applies and the entity is required to provide the materials for the construction as well as carry out the construction activity, the supply represents the sale of goods. In such cases, revenue is recognised on delivery of the constructed asset.

If the entity is not required to provide materials, but only to construct the real estate, the supply is the rendering of services, and revenue should be recognised on the percentage of completion basis.

The effective date of the interpretation is for years beginning on or after 01 January 2009.

The group expects to adopt the interpretation for the first time in the 2010 annual financial statements.

The impact of this interpretation is currently being assessed.

- **IFRS 2 Amendment: IFRS 2 – Share-based Payment: Vesting Conditions and Cancellations**

The amendment clarifies that vesting conditions are only performance conditions or service conditions. All other conditions are non-vesting conditions. Non-vesting conditions are accounted for in the same manner as market conditions. It further clarifies that if either party can choose not to satisfy a non-vesting condition, then the arrangement is treated as a cancellation upon non fulfilment of that condition. The effective date of the amendment is for years beginning on or after 01 January 2009. The group expects to adopt the amendment for the first time in the 2010 annual financial statements.

It is unlikely that the amendment will have a material impact on the group annual financial statements.

- **IAS32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements Amendment: Puttable Financial Instruments and obligations Arising on Liquidation**

The revision requires that certain puttable financial instruments and other instruments that impose on the entity an obligation to deliver a pro rata share of the net assets of the entity on liquidation should be classified as equity if certain conditions are met. Any classifications of such items are to be disclosed in the financial statements, together with information concerning the entity's objectives and policies with regards to managing such obligations.



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

The effective date of the standard is for years beginning on or after 01 January 2009.

The group expects to adopt the standard for the first time in the 2010 annual financial statements. It is unlikely that the standard will have a material impact on the group annual financial statements.

- **May 2008 Annual Improvements to IFRS's: Amendments to IFRS 7 Financial Instruments: Disclosures**

The amendment relates to changes in the Implementation Guidance of the Standard. "Total interest income" was removed as a component of finance costs from paragraph IG13. This was to remove inconsistency with the requirement of IAS 1 (AC 101) Presentation of Financial Statements which precludes the offsetting of income and expenses.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The group expects to adopt the amendment for the first time in the 2010 annual financial statements.

It is unlikely that the amendment will have a material impact on the group annual financial statements.

- **May 2008 Annual Improvements to IFRS's: Amendments to IAS 1 Presentation of Financial Statements**

The amendment is to clarify that financial instruments classified as held for trading in accordance with IAS 39 (AC 133) Financial Instruments: Recognition and Measurement are not always required to be presented as current assets/liabilities.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The group expects to adopt the amendment for the first time in the 2010 annual financial statements.

It is unlikely that the amendment will have a material impact on the group annual financial statements.

- **May 2008 Annual Improvements to IFRS's: Amendments to IAS 8 Accounting Policies Changes in Accounting Estimates and Errors**

The amendment clarified that Implementation Guidance related to any Standard is only mandatory when it is identified as an integral part of the Standard. The effective date of the amendment is for years beginning on or after 01 January 2009.

The group expects to adopt the amendment for the first time in the 2010 annual financial statements.

It is unlikely that the amendment will have a material impact on the group annual financial statements.

- **May 2008 Annual Improvements to IFRS's: Amendments to IAS 10 Events after the Reporting Period**

The amendment clarified that if dividends are declared (appropriately authorised and no longer at the discretion of the entity) after the reporting period but before the financial statements are authorised for issue, the dividends may not be recognised as a liability as no obligation exists at the reporting date. Thus clarifying that in such cases a liability cannot be raised even if there is a constructive obligation.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The group expects to adopt the amendment for the first time in the 2010 annual financial statements. It is unlikely that the amendment will have a material impact on the group annual financial statements.

- **May 2008 Annual Improvements to IFRS's: Amendments to IAS 16 Property, Plant and Equipment**

The term 'net selling price' has been replaced with 'fair value less cost to sell' in the definition of recoverable amount.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The group expects to adopt the amendment for the first time in the 2010 annual financial statements.

It is unlikely that the amendment will have a material impact on the group annual financial statements.

- **May 2008 Annual Improvements to IFRS's: Amendments to IAS 16 Property, Plant and Equipment**

The amendment requires entities that routinely sell items of property, plant and equipment that they have



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

previously held for rental to others, to transfer such assets to inventories at their carrying amount when they cease to be rented and are held for sale. The proceeds from the sale of such assets should be recognised as revenue in accordance with IAS 18 (AC 111) Revenue. IFRS 5 (AC 142) Non-current Assets Held for Sale and Discontinued Operations does not apply in these situations.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The group expects to adopt the amendment for the first time in the 2010 annual financial statements.

It is unlikely that the amendment will have a material impact on the group annual financial statements.

- **May 2008 Annual Improvements to IFRS's: Amendments to IAS 7 Statement of Cash Flows**

Cash payments to manufacture or acquire property, plant and equipment that entities routinely sell and which they have previously held for rentals to others, and cash receipts from rental and sale of such assets are to be included within operating activities.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The group expects to adopt the amendment for the first time in the 2010 annual financial statements. It is unlikely that the amendment will have a material impact on the group annual financial statements.

- **May 2008 Annual Improvements to IFRS's: Amendments to IAS 18 Revenue**

With regards to financial service fees, the term 'direct costs' have been replaced with 'transaction costs' as defined in IAS 39 (AC 133) Financial Instruments: Recognition and Measurement. This was in order to remove the inconsistency for costs incurred in originating financial assets and liabilities that should be deferred and recognised as an adjustment to the underlying effective interest rate.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The group expects to adopt the amendment for the first time in the 2010 annual financial statements.

It is unlikely that the amendment will have a material impact on the group annual financial statements.

- **May 2008 Annual Improvements to IFRS's: Amendments to IAS 19 Employee Benefits**

With regards to curtailments and negative past service costs clarification has been made that:

The definition of 'return on plan assets' has also been amended to require the deduction of plan administration costs only to the extent that such costs have not been reflected in the actuarial assumptions used to measure the defined benefit obligation.

The term "fall due" in the definition of "short term employee benefits" has been replaced with "due to be settled". The effective date of the amendment is for years beginning on or after 01 January 2009. The group expects to adopt the amendment for the first time in the 2010 annual financial statements. It is unlikely that the amendment will have a material impact on the group annual financial statements.

- **May 2008 Annual Improvements to IFRS's: Amendments to IAS 23 Borrowing Costs (as revised in 2007)**

The description of specific components of borrowing costs has been replaced with a reference to the guidance in IAS 39 (AC 133) Financial Instruments: Recognition and Measurement on effective interest rate.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The group expects to adopt the amendment for the first time in the 2010 annual financial statements.

It is unlikely that the amendment will have a material impact on the group annual financial statements.

- **May 2008 Annual Improvements to IFRS's: Amendments to IAS 27 Consolidated and Separate Financial Statements**

The amendment requires that investments in subsidiaries, jointly controlled entities and associates accounted for in accordance with IAS 39 (AC 133) Financial Instruments: Recognition and Measurement in the parent's



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

separate financial statements should continue to be measured in accordance with IAS 39 (AC 133) when classified as held for sale (or included in a disposal group classified as held for sale), and not in accordance with IFRS 5 (AC 142) Non-current Assets held for Sale and Discontinued Operations.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The group expects to adopt the amendment for the first time in the 2010 annual financial statements.

It is unlikely that the amendment will have a material impact on the group annual financial statements.

- **May 2008 Annual Improvements to IFRS's: Amendments to IFRS 7 Financial Instruments: Disclosures; IAS 32 Financial Instruments: Presentation; IAS 28 Investments in Associates and IAS 31 Interests in Joint Ventures**

The amendment adjusted the disclosure requirements of investments in associates and interests in joint ventures which have been designated as at fair value through profit or loss or are classified as held for trading. The amendment provides that only certain specific disclosure requirements of IAS 28 (AC 110) Investments in Associates and IAS 31 (AC 119) Interests in Joint Ventures are required together with the disclosures of IFRS 7 (AC 144) Financial Instruments: Disclosures; IAS 32 (AC 125) Financial Instruments: Presentation. The effective date of the amendment is for years beginning on or after 01 January 2009. The group expects to adopt the amendment for the first time in the 2010 annual financial statements. It is unlikely that the amendment will have a material impact on the group annual financial statements.
- **May 2008 Annual Improvements to IFRS's: Amendments to IAS 28 Investments in Associates**

The amendment clarifies that because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognised, it is not tested separately for impairment. Instead the entire carrying amount of the investment is tested for impairment. Any resulting impairment loss is not allocated to any of the assets, including goodwill, that make up the carrying amount of the investment. Therefore any reversal of an impairment loss is reversed to the extent that the recoverable amount of the investment increases. This applies to the full impairment loss, because the impairment was not allocated to goodwill. The effective date of the amendment is for years beginning on or after 01 January 2009. The group expects to adopt the amendment for the first time in the 2010 annual financial statements. It is unlikely that the amendment will have a material impact on the group annual financial statements.
- **May 2008 Annual Improvements to IFRS's: Amendments to IAS 34 Interim Financial Reporting**

The amendment clarifies that the requirement to present information on earnings per share in interim financial reports applies only to entities within the scope of IAS 33 (AC 104) Earnings per Share. The effective date of the amendment is for years beginning on or after 01 January 2009. The group expects to adopt the amendment for the first time in the 2010 annual financial statements. It is unlikely that the amendment will have a material impact on the group annual financial statements.
- **May 2008 Annual Improvements to IFRS's: Amendments to IAS 36 Impairment of Assets**

The amendment requires disclosures of estimates used to determine the recoverable amount of cash-generating units containing goodwill or intangible assets with indefinite useful lives. Specifically, the following disclosures are required when discounted cash flows are used to estimate fair value less costs to sell:

 - The period over which management has projected cash flows;
 - The growth rate used to extrapolate cash flow projections; and
 - The discount rate(s) applied to the cash flow projections.



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

The effective date of the amendment is for years beginning on or after 01 January 2009.
The group expects to adopt the amendment for the first time in the 2010 annual financial statements.
It is unlikely that the amendment will have a material impact on the group annual financial statements.

- **May 2008 Annual Improvements to IFRS's: Amendments to IAS 38 Intangible Assets**

The amendments clarify the circumstances in which an entity can recognise a prepayment asset for advertising or promotional expenditure. Recognition of an asset would be permitted up to the point at which the entity has the right to access the goods purchased or up to the point of receipt of services. In addition, wording perceived as prohibiting the use of the unit of production method if it results in a lower amount of accumulated amortisation than under the straight line method has been removed. Entities may use the unit of production method when the resulting amortisation charge reflects the expected pattern of consumption of the expected future economic benefits embodied in an intangible asset.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The group expects to adopt the amendment for the first time in the 2010 annual financial statements.

It is unlikely that the amendment will have a material impact on the group annual financial statements.

- **May 2008 Annual Improvements to IFRS's: Amendments to IAS 39 Financial Instruments: Recognition and Measurement**

IAS 39 (AC 133) prohibits the classification of financial instruments into or out of the fair value through profit or loss category after initial recognition. The amendments set out a number of changes in circumstances that are not considered to be reclassifications for this purpose. The amendments have also removed references to the designation of hedging instruments at the segment level. The amendments further clarify that the revised effective interest rate calculated when fair value hedge accounting ceases, in accordance with paragraph 92 IAS 39 (AC 133) should be used for the remeasurement of the hedged item when paragraph AG8 of IAS 39 (AC 133) is applicable.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The group expects to adopt the amendment for the first time in the 2010 annual financial statements.

It is unlikely that the amendment will have a material impact on the group annual financial statements.

- **May 2008 Annual Improvements to IFRS's: Amendments to IAS 40 Investment Property and IAS 16 Property, Plant and Equipment**

Property being constructed for use as investment property is now classified as investment property and not property, plant and equipment (as previously required). Even if the entity accounts for investment property at fair value, such property may be measured at cost until the earlier of date fair value is determinable or construction is complete. Some terminology in the Standard has been amended to be consistent with other Standards and Interpretations.

In determining the carrying amount of investment property held under a lease and accounted for using the fair value model, the amendment clarified that any lease liability should be added back to the valuation to arrive at the carrying amount, rather than the fair value of the investment property.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The group expects to adopt the amendment for the first time in the 2010 annual financial statements.

It is unlikely that the amendment will have a material impact on the group annual financial statements.



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

- **IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements: Amendment for determining cost of investment in the separate financial statements on first time adoption**

The amendments:

- Allow for the purposes of first time adoption of IFRS, investors to use a deemed cost to measure the initial cost of investments in subsidiaries, jointly controlled entities, and associates in the separate financial statements. This deemed cost is either fair value or the carrying amount under previous accounting practice.
- Require that, when a new parent is formed in a reorganisation, the new parent must measure the cost of its investment in the previous parent at the carrying amount of its share of the equity items of the previous parent at the date of the reorganisation.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The group expects to adopt the amendment for the first time in the 2010 annual financial statements.

It is unlikely that the amendment will have a material impact on the group annual financial statements.

- **IAS 18 Revenue: Consequential amendments**

Dividends paid out of pre-acquisition profits are no longer deducted from the cost of the investment.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The group expects to adopt the amendment for the first time in the 2010 annual financial statements.

It is unlikely that the amendment will have a material impact on the group annual financial statements.

- **IAS 36 Impairment of Assets: Consequential amendments**

Under certain circumstances, a dividend received from a subsidiary, associate or joint venture could be an indicator of impairment. This occurs when:

- Carrying amount of investment in separate financial statements is greater than carrying amount of investee's net assets including goodwill in consolidated financial statements or
- Dividend exceeds total comprehensive income of investee in period dividend is declared.

The effective date of the amendment is for years beginning on or after 01 January 2009.

The group expects to adopt the amendment for the first time in the 2010 annual financial statements.

It is unlikely that the amendment will have a material impact on the group annual financial statements.

- **IFRS 3 (Revised) Business Combinations**

The revisions to IFRS 3 (AC 140) Business combinations require:

- Acquisition costs to be expensed.
- Non-controlling interest to either be calculated at fair value or at their proportionate share of the net identifiable assets of the acquiree.
- Contingent consideration to be included in the cost of the business combination without further adjustment to goodwill, apart from measurement period adjustments.
- All previous interests in the acquiree to be remeasured to fair value at acquisition date when control is achieved in stages, and for the fair value adjustments to be recognised in profit or loss.
- Goodwill to be measured as the difference between the acquisition date fair value of consideration paid, non-controlling interest and fair value of previous shareholding and the fair value of the net identifiable assets of the acquiree.
- The acquirer to reassess, at acquisition date, the classification of the net identifiable assets of the acquiree, except for leases and insurance contracts.



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

- Contingent liabilities of the acquiree to only be included in the net identifiable assets when there is a present obligation with respect to the contingent liability.
The effective date of the standard is for years beginning on or after 01 July 2009.
The group expects to adopt the standard for the first time in the 2011 annual financial statements.
It is unlikely that the standard will have a material impact on the group annual financial statements.

- **IAS 27 (Amended) Consolidated and Separate Financial Statements**

The revisions require:

- Losses of the subsidiary to be allocated to non-controlling interest, even if they result in the non-controlling interest being a debit balance.
- Changes in level of control without loss of control to be accounted for as equity transactions, without any gain or loss being recognised or any remeasurement of goodwill.
- When there is a change in the level of control without losing control, the group is prohibited from making reclassification adjustments.
- When control is lost, the net identifiable assets of the subsidiary as well as non-controlling interest and goodwill are to be derecognised. Any remaining investment is remeasured to fair value at the date on which control is lost, and a gain or loss on loss of control is recognised in profit or loss

The effective date of the amendment is for years beginning on or after 01 July 2009.

The group expects to adopt the amendment for the first time in the 2011 annual financial statements.

It is unlikely that the amendment will have a material impact on the group annual financial statements.

- **IAS 7 Statement of cash flows: Consequential amendments due to IAS 27 (Amended) Consolidated and Separate Financial Statements**

Cash flows arising from changes in level of control, where control is not lost, are equity transactions and are therefore accounted for as cash flows from financing transactions.

The effective date of the amendment is for years beginning on or after 01 July 2009.

The group expects to adopt the amendment for the first time in the 2011 annual financial statements.

It is unlikely that the amendment will have a material impact on the group annual financial statements.

- **IAS 28 Investments in Associates: Consequential amendments due to IAS 27 (Amended) Consolidated and Separate Financial Statements**

When an investment in an associate is reduced but significant influence is retained, a proportionate share of other comprehensive income must be reclassified to profit or loss.

The effective date of the amendment is for years beginning on or after 01 July 2009.

The group expects to adopt the amendment for the first time in the 2011 annual financial statements.

It is unlikely that the amendment will have a material impact on the group annual financial statements.

- **IAS 12 Income Taxes – consequential amendments due to IAS 27 (Amended) Consolidated and Separate Financial Statements**

The amendment is as a result of amendments to IAS 27 (AC 132) Consolidate and Separate Financial Statements. The amendment refers to situations where a subsidiary, on acquisition date, did not recognise a deferred tax asset in relation to deductible temporary differences, because, for example, there may not have been sufficient future taxable profits against which to utilise the deductible temporary differences. If the deferred tax asset subsequently becomes recognisable, the amendment now requires that the deferred tax asset should be recognised against goodwill (and profit or loss to the extent that it exceeds goodwill), only if it results from information in the measurement period about circumstances that existed at acquisition date. No adjustment may be made to goodwill for information outside of the measurement period.



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

The effective date of the amendment is for years beginning on or after 01 July 2009.

The group expects to adopt the amendment for the first time in the 2011 annual financial statements.

It is unlikely that the amendment will have a material impact on the group annual financial statements.

- **Amendment to IAS 39 and IFRS 7: Reclassification of Financial Assets**

The amendment permits an entity to reclassify certain financial assets out of the fair value through profit or loss category if certain stringent conditions are met. It also permits an entity to transfer from the available for sale category to loans and receivables under certain circumstances. Additional disclosures are required in the event of any of these reclassifications.

The effective date of the amendment is for years beginning on or after 01 July 2009.

The group expects to adopt the amendment for the first time in the 2011 annual financial statements.

It is unlikely that the amendment will have a material impact on the group annual financial statements.

- **May 2008 Annual Improvements to IFRS's: Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations**

The amendment clarifies that assets and liabilities of a subsidiary should be classified as held for sale if the parent is committed to a plan involving loss of control of the subsidiary, regardless of whether the entity will retain a non-controlling interest after the sale.

The effective date of the amendment is for years beginning on or after 01 July 2009.

The group expects to adopt the amendment for the first time in the 2011 annual financial statements.

It is unlikely that the amendment will have a material impact on the group annual financial statements.

- (ii) **Standards and interpretations not yet effective or relevant**

The following standards and interpretations have been published and are mandatory for the group's accounting periods beginning on or after 01 March 2009 or later periods but are not relevant to its operations:

- **IFRIC 13 Customer Loyalty Programmes**

IFRIC 13 (AC 446) clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values.

The effective date of the interpretation is for years beginning on or after 01 July 2008.

- **IFRIC 16 Hedges of a Net Investment in a Foreign Operation**

The interpretation deals with the following issues:

- Presentation currency does not create an exposure to which an entity may apply hedge accounting. Consequently, a parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation.
- Any entity or entities within a group can hold a hedging instrument in a hedge of a net investment in a foreign operation. The parent entity holding the net investment in a foreign operation therefore does not also have to hold the hedging instrument.
- How an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item when the entity disposes of the investment.
- IAS 39 (AC 133) Financial Instruments: Recognition and Measurement must be applied to determine the amount that needs to be reclassified to profit or loss from the foreign currency translation reserve in respect of the hedging instrument, and IAS 21 (AC 112) The Effects of Changes in Foreign Exchange Rates must be applied in respect of the hedged item.

The effective date of the interpretation is for years beginning on or after 01 October 2008.



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

- **May 2008 Annual Improvements to IFRS's: Amendments to IAS 20 Accounting for Government Grants and Disclosure of Government Assistance**
The amendment requires that the benefit of loans from Government with a below market rate of interest be accounted for as a government grant, measured as the difference between the initial carrying amount of the loan determined in accordance with IAS 39 (AC 133) Financial Instruments: Recognition and Measurement and the proceeds received.
The terminology in the Standard was also amended to bring it in line with other Standards and Interpretations. The effective date of the amendment is for years beginning on or after 01 January 2009.
- **May 2008 Annual Improvements to IFRS's: Amendments to IAS 29 Financial Reporting in Hyperinflationary Economies**
The standard was amended to reflect the fact that in historical cost financial statements, some assets and liabilities may be measured at current values (e.g. property, plant and equipment measured at fair value). Some terminology of the standard was amended to make it consistent with other Standards and Interpretations. The effective date of the amendment is for years beginning on or after 01 January 2009.
- **May 2008 Annual Improvements to IFRS's: Amendments to IAS 41 Agriculture**
The amendment impacts the discount rate used for fair value calculations. The discount rate was previously required to be a pre-tax rate. The amendment requires a current market rate to be used, but permits this to be a pre-tax or post-tax rate according to the valuation methodology used.
Additional biological transformation may now be taken into consideration when calculating the fair value of biological assets using discounted cash flows.
In addition, the definition of 'agricultural activity' has been amended to include the harvest of biological assets. 'Point of sale costs' have been replaced with 'costs to sell', where costs to sell are defined as the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes.
Logs are now an example of products as a result of processing after the harvest rather than an example of agricultural produce. Felled trees replaces the example of logs in agricultural produce.
The effective date of the amendment is for years beginning on or after 01 January 2009.
- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Consequential amendments**
A dividend paid out of pre-acquisition profits is no longer considered to be part of a disposal of an interest in a foreign operation.
The effective date of the amendment is for years beginning on or after 01 January 2009.
- **IAS 31 Interests in Joint Ventures: Consequential amendments due to IAS 27 (Amended) Consolidated and Separate Financial Statements**
When an interest in a joint venture is reduced but joint control is retained, a proportionate share of other comprehensive income must be reclassified to profit or loss.
The effective date of the amendment is for years beginning on or after 01 July 2009.
- **IAS 39 Financial Instruments: Recognition and Measurement - Amendments for eligible hedged items**
The amendment provides clarification on two hedge accounting issues:
 - Inflation in a financial hedged item and
 - A one sided risk in a hedged item.The effective date of the amendment is for years beginning on or after 01 July 2009.



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

2.2 Basis of preparation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. 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 the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(b) Transactions and minority interests

The group applies a policy of treating transactions with minority interests as transactions with parties external to the group. Disposals to minority interests result in gains and losses for the group and are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

2.3 Investment in subsidiaries

(a) Group consolidated financial statements

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

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

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

(b) Company financial statements

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

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

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

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



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

2.4 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

2.5 Property, plant and equipment

All property, plant and equipment is stated at historical cost less accumulated depreciation and impairments. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Item	Average useful life
- Machinery	5 years
- Furniture, fittings and equipment	3 - 8 years
- Vehicles	5 years
- Office equipment	6 years
- IT Equipment	3 years
- Leasehold Improvements	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the income statement.

2.6 Investment property

Investment property, which is disclosed separately and is property held to generate independent cash flows through rental or capital appreciation, is carried at cost with changes in cost included in the income statement.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Item	Average useful life
- Land	Indefinite
- Building	20 years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the income statement.

2.7 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(b) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three years).

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Impairment of assets

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

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

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

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

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

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

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

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

2.10 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

2.11 Financial assets

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the balance sheet (note 15 and 17)

Loans and receivables are initially and subsequently measured at fair value.

(c) Available for sale financial assets

The group does not currently have any available for sale financial assets.

(d) Impairment

The group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

(e) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The group designates certain derivatives as:

Derivatives at fair value through profit or loss and accounted for at fair value through profit or loss.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any of these derivative instruments are recognised immediately in the income statement within administrative expenses or other income.



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of land under development held for sale comprises design costs, building materials, direct labour and other direct costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.13 Cost of sales

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

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

Contract costs comprise:

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

2.14 Construction contracts

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

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

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

2.15 Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'selling and marketing costs'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement.



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

2.16 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown separately under current liabilities on the balance sheet.

2.17 Share capital and equity

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

2.18 Trade payables

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

2.19 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Facilitation fees are incurred for new borrowings raised. These fees are capitalised accordingly.

2.20 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 determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.

Qualifying assets consist of work-in-progress assets acquired for development related purposes.

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.

2.21 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the annual financial statements. However, the deferred income 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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).

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

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

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

Tax expense

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

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

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



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

2.22 Employee benefits

(a) Pension obligations

The group operates a defined contribution plan, the group pays contributions to a privately administered pension insurance plan on a mandatory basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

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

(b) Other post-employment obligations

The group has no post-employment obligations

(c) Share based compensation

The group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

(d) Bonus plans

The group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.23 Share-based payments

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

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

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

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



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

2.24 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the group's activities. Revenue is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the group.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sale of developed land

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

- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership or effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(b) Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

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

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

Service revenue is recognised by reference to the stage of completion of the transaction at balance sheet date. Stage of completion is determined by the proportion of costs incurred to date bear to the total estimated costs of the transaction.

Contract revenue comprises:

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

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



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

(c) Finance income

Finance income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as finance income. Finance income on impaired loans is recognised using the original effective interest rate.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.25 Leased assets

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

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

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

2.26 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the company's shareholders.

3 Financial risk management

3.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. Risk management is carried out by the group's management committee and identifies and evaluates financial risks in close co-operation with the group's operating units. The board is responsible for overall risk management, as well as guidance covering specific areas, such as interest rate risk, credit risk and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign currency and commodity price risks

The group is not exposed to foreign currency, equity and commodity price risks.

(ii) Cash flow and fair value interest rate risk

As the group has no significant interest-bearing assets, the group's income is substantially independent of changes in market interest rates. The group's interest rate risk arises from non-current borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk.



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

The group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the group calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

Based on the simulations performed, the impact on post-tax profit of a 2% shift would be a maximum increase/decrease of R1.8 million.

(b) Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The group only deposits cash with major banks with high quality credit standing and limits exposure to any one counter party. Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis but credit risk is limited due to the nature of trade debtors which consist of outstanding draw-downs from banks, government and municipal institutions.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

Details of financial assets are set out in note 41.

(c) Liquidity risk

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

Management monitors rolling forecasts of the group's liquidity reserve and cash and cash equivalents on the basis of expected cash flow.

A specific liquidity risk associated to the group is the raising of loans at specified dates of repayment, against construction projects. The related cash inflows from these construction projects are however uncertain and dependant on factors not under the control of the group.

The group's risk in respect of liquidity results from the funds available to cover future commitments.

at 28 February 2009	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Borrowings	70 555 011	119 799 552	-	-
Bank	15 842 326	-	-	-
Trade and other payables	61 746 914	-	-	-
at 29 February 2008	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Borrowings	91 580 538	48 470 210	102 554 822	14 920 804
Bank	5 307 751	-	-	-
Trade and other payables	63 032 277	-	-	-

The group has facilities with major banks to the value of R22 500 000 of which R15 842 326 has been used.



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

3.2 Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. 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.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

3.3 Fair value estimation

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

4 Critical accounting estimates and judgements

4.1 Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimated impairment of goodwill

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.7 (a). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (note 8).

(b) Share based payments

These calculations require the use of estimates (note 31).

(c) Construction contracts revenue recognition and profit taking

The group uses the percentage-of-completion method in accounting for its construction contracts. Use of the percentage-of-completion method requires the group to estimate the construction services and activities performed to date as a proportion of the total services and activities to be performed. In addition, judgements are required when recognising and measuring any variations or claims on each contract.

(d) Impairment of debtors

The group continually assesses the recoverability of any debtor carried on the balance sheet. This requires an estimate of the future recoverable value of the debtor balance of whether there is observable data indicating a measurable decrease in the estimated future cash flow from a financial asset.

5 Segment information

Primary reporting format – business segments



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

At 28 February 2009, the group is organised on a national basis into two main business segments:

- construction of residential cluster housing with a wide range of variety; and
- construction of low cost and affordable residential housing with a wide range of variety.

The segment results for the year ended 28 February 2009 are as follows:

	Clusters	Integrated housing	Group
Revenue	73 332 278	159 721 912	233 054 190
Depreciation and amortisation	2 452 468	126 549	2 579 017
Impairment of goodwill	-	14 713 978	14 713 978
Operating (loss)/profit	(12 667 919)	21 060 020	8 392 101
Finance income	-	-	962 188
Finance costs	-	-	1 467 892
Profit before taxation	-	-	7 886 397
Taxation	-	-	1 863 945
Profit after taxation	-	-	6 022 452

The segment results for the year ended 29 February 2008 are as follows:

	Clusters	Integrated housing	Group
Revenue	72 629 372	244 047 326	316 676 698
Depreciation and amortisation	895 299	90 059	985 358
Impairment of goodwill	-	-	-
Operating (loss)/profit	(7 654 674)	55 180 014	47 525 340
Finance income	-	-	508 211
Finance costs	-	-	2 901 115
Profit before taxation	-	-	45 132 436
Taxation	-	-	13 722 992
Profit after taxation	-	-	31 409 444

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, trade and other receivables and cash and cash equivalents, construction contracts and prepayments.

Segment liabilities comprise operating liabilities, tax and finance leases.

The segment assets and liabilities at 28 February 2009 are as follows:

	Clusters	Integrated housing	Group
Total assets	343 659 989	227 476 131	571 136 120
Total liabilities	250 053 186	182 852 526	432 905 712



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

The segment results for the year ended 29 February 2008 are as follows:

	Clusters	Integrated housing	Group
Total assets	234 291 802	245 338 725	479 630 527
Total liabilities	140 615 103	205 844 327	346 459 430

Secondary reporting format - Geographical segments

No secondary segmental information is disclosed, as there are no separately defined segments that contribute more than 10% of revenue or accumulate to more than 10% of total asset value.

6 Investment property

Group	2009			2008		
	Accumulated Cost	depreciation	Carrying amount	Accumulated Cost	depreciation	Carrying amount
Investment property	7 492 601	-	7 492 601	1 393 171	-	1 393 171

Reconciliation of investment property - Group - 2009

	Opening balance	Transfer from inventory	Closing balance
Investment property	1 393 171	6 099 430	7 492 601

Reconciliation of investment property - Group - 2008

	Opening balance	Additions	Closing balance
Investment property	1 364 516	28 655	1 393 171



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

	Group		Company	
Figures in Rand	2009	2008	2009	2008
Details of properties				
Building situated on stand 2334 Northriding Ext 82				
Building - Transfer from inventory - At cost	684 177	684 176	-	-
Building situated on stand 2336 Northriding Ext 82				
Building - Transfer from inventory - At cost	708 995	708 995	-	-
Land situated on stand 1849 Witkopp Ext 87				
Land - At cost	582 794	-	-	-
Building - Transfer from inventory - At cost	169 067	-	-	-
	751 861	-	-	-
Land situated on stand 1858 Witkopp Ext 87				
Land - At cost	582 794	-	-	-
Building - Transfer from inventory - At cost	170 171	-	-	-
	752 965	-	-	-
Land situated on stand 2032 Witkopp Ext 136				
Land - At cost	517 043	-	-	-
Land situated on stand 2033 Witkopp Ext 136				
Land - At cost	517 043	-	-	-
Building - Transfer from inventory - At cost	562 748	-	-	-
	1 079 791	-	-	-
Land situated on stand 2034 Witkopp Ext 136				
Land - At cost	517 043	-	-	-
Building - Transfer from inventory - At cost	406 402	-	-	-
	923 445	-	-	-
Building situated on stand 2020 Witkopp Ext 136				
Building - At cost	36 671	-	-	-



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

	Group		Company	
Figures in Rand	2009	2008	2009	2008
Land and building situated on stand 1810 Witkoppen Ext 131				
Land - At cost	711 452	-	-	-
Building - Transfer from inventory - At cost	734 194	-	-	-
	1 445 646	-	-	-
Building situated on stand 1999 Witkoppen Ext 136				
Building - At cost	592 007	-	-	-
Total	7 492 601	1 393 171	-	-

Land under investment property has a fair value of R7 500 000.

7 Property, plant and equipment

Group	2009			2008		
	Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying amount
Plant and machinery	2 640 629	(923 169)	1 717 460	1 313 009	(364 501)	948 508
Furniture and fixtures	3 669 288	(846 302)	2 822 986	3 594 288	(230 340)	3 363 948
Motor vehicles	1 910 261	(351 753)	1 558 508	1 234 096	(147 873)	1 086 223
Office equipment	60 425	(15 575)	44 850	34 273	(7 160)	27 113
IT equipment	1 220 498	(506 369)	714 129	1 134 663	(156 827)	977 836
Leasehold improvements	1 632 941	(390 797)	1 242 144	1 458 835	(80 263)	1 378 572
Total	11 134 042	(3 033 965)	8 100 077	8 769 164	(986 964)	7 782 200



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

7 Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2009					
	Opening balance	Additions	Disposals	Depreciation	Closing balance
Plant and machinery	948 508	1 327 620	-	(558 668)	1 717 460
Furniture and fixtures	3 363 948	75 000	-	(615 962)	2 822 986
Motor vehicles	1 086 223	676 166	-	(203 881)	1 558 508
Office equipment	27 113	26 152	-	(8 415)	44 850
IT equipment	977 836	110 438	(11 904)	(362 241)	714 129
Leasehold improvements	1 378 572	174 107	-	(310 535)	1 242 144
	7 782 200	2 389 483	(11 904)	(2 059 702)	8 100 077

Reconciliation of property, plant and equipment - Group - 2008					
	Opening balance	Additions	Disposals	Depreciation	Closing balance
Plant and machinery	1 005 066	213 011	-	(269 569)	948 508
Furniture and fixtures	166 784	3 467 626	(41 462)	(229 000)	3 363 948
Motor vehicles	255 162	943 820	-	(112 759)	1 086 223
Office equipment	17 174	13 450	-	(3 511)	27 113
IT equipment	61 056	1 098 868	(30 984)	(151 104)	977 836
Leasehold improvements	-	1 458 834	-	(80 262)	1 378 572
	1 505 242	7 195 609	(72 446)	(846 205)	7 782 200

	Group		Company	
Figures in Rand	2009	2008	2009	2008
Pledged as security				
Carrying value of assets pledged as security under finance lease obligations				
Plant and machinery	1 377 316	948 508	-	-
Motor vehicles	942 786	-	-	-
	2 320 102	948 508	-	-



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

8 Intangible assets

Group	2009			2008		
	Cost	Accumulated amortisation/ impairment	Carrying amount	Cost	Accumulated amortisation/ impairment	Carrying amount
Goodwill	47 383 530	(14 713 978)	32 669 552	26 018 584	-	26 018 584
Computer software	1 060 920	(656 929)	403 991	858 271	(139 153)	719 118
	48 444 450	(15 370 907)	33 073 543	26 876 855	(139 153)	26 737 702

Reconciliation of intangible assets - 2009

Group						
	Opening balance	Additions	Amor- tisation	Impairment	Disposals	Closing balance
Goodwill	26 018 584	21 364 946	-	(14 713 978)	-	32 669 552
Computer software	719 118	205 201	(519 314)	-	(1 014)	403 991
	26 737 702	21 570 147	(519 314)	(14 713 978)	(1 014)	33 073 543

Reconciliation of intangible assets - 2008

Group						
	Opening balance	Additions through business combinations	Additions through minority acquisitions	Additions	Amortisation/ impairment	Closing balance
Goodwill	3 799 950	4 155 000	18 063 634	-	-	26 018 584
Computer software	-	-	-	858 271	(139 153)	719 118
	3 799 950	4 155 000	18 063 634	858 271	(139 153)	26 737 702

Impairment of goodwill

For integrated housing, the recoverable amount of a cash generated unit is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a three-year period discounted using the discount rate (15%) applicable. The growth rate does not exceed the short-term high risk rate for the property market.

The key assumptions used for clusters value-in-use calculations were a discount rate of 15% and a price earnings ratio of 3.

Management determined budgeted profit margin based on past performance and its expectations of market development.

Impairment tests for goodwill are performed annually. The impairment charge for the year relates to the cancellation of the put and call option. Refer to note 20.

Goodwill is allocated to the group's cash-generated units identified according to the business segment.

Goodwill is allocated to the business segments on the following basis:



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

8 Intangible assets (continued)

	Group	
Figures in Rand	2009	2008
Clusters	4 155 000	4 155 000
Integrated housing	28 514 552	21 863 584
	32 669 552	26 018 584

9 Investment in subsidiaries

Figures in Rand	% Holding 2009	% Holding 2008	Carrying amount 2009	Carrying amount 2008
Name of company				
Direct				
Calgro M3 Developments (Pty) Ltd	100.00	100.00	89 233 766	1 635 541
Calgro M3 Land (Pty) Ltd	100.00	100.00	2 998 350	100
Calgro M3 Project Management (Pty) Ltd	100.00	100.00	4 500 100	100
MS5 Pennyville (Pty) Ltd	-	100.00	-	100
MS5 Projects (Pty) Ltd	-	100.00	-	100
			96 732 216	1 635 941
Indirect				
MS5 Pennyville (Pty) Ltd	100.00	-	100	-
MS5 Projects (Pty) Ltd	100.00	-	100	-
PZR Pennyville Zamimphilo Relocation (Pty) Ltd	100.00	100.00	100	100
CTE Consulting (Pty) Ltd	100.00	100.00	100	100
High-Trade Invest 60 (Pty) Ltd	100.00	100.00	100	100
Calgro M3 Land 102 (Pty) Ltd	100.00	100.00	100	100
CM3 Witkoppen Ext 131 (Pty) Ltd	100.00	100.00	100	100
Midfield Estate (Pty) Ltd	100.00	100.00	100	100
Baybridge Canal Development Company (Pty) Ltd	100.00	100.00	100	100
Tres Jolie 24 Pty Ltd	100.00	100.00	100	100
Ridgewood Estate (Pty) Ltd	100.00	100.00	100	100
Fleurhof Ext 2 (Pty) Ltd	100.00	100.00	100	100
CM3 Northriding Ext 94 - Cherrywood Estate (Pty) Ltd	100.00	100.00	100	100



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

9 Investment in subsidiaries (continued)

Figures in Rand	% Holding 2009	% Holding 2008	Carrying amount 2009	Carrying amount 2008
Name of company				
In-direct				
CM3 Northriding Ext 86 - Mio Bella (Pty) Ltd	100.00	100.00	100	100
CM3 Randpark Ridge Ext 120 (Pty) Ltd	100.00	100.00	100	100
Neoprop (Pty) Ltd	100.00	100.00	100	100
Business Venture Investments No 1244 (Pty) Ltd	100.00	100.00	100	100
Business Venture Investments No 1243 (Pty) Ltd	100.00	100.00	100	100
Business Venture Investments No 1221 (Pty) Ltd	100.00	-	100	-
CM3 Witkoppen Ext 87 (Pty) Ltd	100.00	100.00	100	100
Aquarella Investments 265 (Pty) Ltd	100.00	100.00	100	100
29 of 459 Baybridge Canal (Pty) Ltd	100.00	-	100	-
Business Venture Investments No 1326 (Pty) Ltd	100.00	-	100	-
PZR Fleurhof (Pty) Ltd	100.00	-	100	-
			2 400	1 800

The carrying amounts of subsidiaries are shown net of impairment losses. Refer to note 20 for shares ceded as security for borrowings.

10 Loans to group companies

	Company	
Figures in Rand	2009	2008
Subsidiaries		
Calgro M3 Developments (Pty) Ltd	5 663 354	88 017 803
The loan is unsecured, bears interest at a rate linked to prime and is not repayable in the following 12 months.		
CTE Consulting (Pty) Ltd	514 925	4 500 000
The loan is unsecured, bears interest at a rate linked to prime and is not repayable in the following 12 months.		
Calgro M3 Land (Pty) Ltd	8 474 499	2 998 250

The loan is unsecured, bears interest at a rate linked to prime and is not repayable in the following 12 months.



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

	Group		Company	
Figures in Rand	2009	2008	2009	2008
10 Loans to group companies (continued)				
Subsidiaries (continued)				
PZR Pennyville Zamimphilo Relocation (Pty) Ltd The loan is unsecured, bears interest at a rate linked to prime and is not repayable in the following 12 months.			-	271 782
MSS Projects (Pty) Ltd The loan is unsecured, bears interest at a rate linked to prime and is not repayable in the following 12 months.			-	271 782
Loans to group companies			14 652 778	96 059 617
Loans from group companies			-	-
			14 652 778	96 059 617
11 Deferred income tax assets/(liabilities)				
Deferred tax (liability)/asset				
Opening balance	(12 610 363)	596 521	-	-
Accelerated capital allowances for tax purposes	(248 063)	(13 795 488)	-	-
Construction contracts	(4 029 489)	-	-	-
Tax losses available for set off against future taxable income	8 330 810	613 424	-	-
Reduction due to rate change	-	(24 820)	-	-
Closing balance	(8 557 105)	(12 610 363)	-	-
Reconciliation of deferred tax (liability)/asset				
Construction contracts	(17 175 584)	(13 034 460)	-	-
Capital allowances	(248 063)	(54 637)	-	-
Deferred tax liabilities	(17 423 647)	(13 089 097)	-	-
Tax losses available for set off against future taxable income	8 866 542	478 734	-	-
Deferred tax assets	8 866 542	478 734	-	-



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

	Group		Company	
Figures in Rand	2009	2008	2009	2008
11 Deferred income tax assets/(liabilities) continued				
Recognition of deferred tax asset				
A deferred tax asset has been raised as management expects future taxable profits in the subsidiaries concerned will be in excess of the losses incurred to date, based on future developments planned and the profit forecasts thereon.				
12 Inventories				
Land under development held for sale	260 115 196	251 416 533	-	-
Inventory pledged as security				
Land under development is secured by mortgage bonds over the properties as set out in note 20. Inventories to the value of R6 799 253 are stated at net realisable value.				
13 Loans and receivables				
Autumn Star Trading 910 (Pty) Ltd	5 756 677	5 920 562	-	-
The loan is unsecured, interest free and is payable on demand.				
Other loans and receivables	1 992 982	1 209 025	-	-
The loan is unsecured, interest free and is payable on demand.				
Subtotal	7 749 659	7 129 587	-	-
Current assets	7 749 659	7 129 587	-	-
Other loans and receivables are fully performing.				
Autumn Star Trading loan of R5 756 677 is past due but not impaired. Management expects settlement within 12 months.				



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

	Group		Company	
Figures in Rand	2009	2008	2009	2008
14 Construction contracts				
Contracts in progress at balance sheet date				
The aggregate costs incurred and recognised profits to date	302 888 901	187 776 445	-	-
Less: Progress billings	(238 499 866)	(96 776 635)	-	-
Construction contracts	64 389 035	90 999 810	-	-
Advances received in excess of work completed are included in trade and other payables.				
15 Trade and other receivables				
Trade receivables	13 059 888	29 084 957	-	-
Securing deposits	884 505	2 008 803	-	-
Value added tax	4 423 551	23 590 122	-	-
	18 367 944	54 683 882	-	-
Financial instruments	13 059 888	29 084 957	-	-
Non-financial instruments	5 308 056	25 598 925	-	-
	18 367 944	54 683 882	-	-
All trade receivables are fully performing				
16 Prepayments				
Prepayments listed on the face of the balance sheet, are expenses incurred on land under development that have not yet transferred into the group's name.	6 079 978	35 672 589	-	-
17 Cash and cash equivalents				
Cash and cash equivalents consist of:				
Cash on hand	1 165	100 729	330	330
Bank balances	30 592 525	3 010 400	-	-
Bank overdraft	(15 842 326)	(5 307 751)	(13 478 407)	-
	14 751 364	(2 196 622)	(13 478 077)	330
Current assets	30 593 690	3 111 129	330	330
Current liabilities	(15 842 326)	(5 307 751)	(13 478 407)	-
	14 751 364	(2 196 622)	(13 478 077)	330



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

	Group		Company	
Figures in Rand	2009	2008	2009	2008
18 Assets/(liabilities) of disposal group classified as held-for-sale				
Assets and liabilities described as "Assets/liabilities of disposal group classified as held for sale" in the balance sheet, with the difference being "Borrowings", represent 100% of the assets and liabilities of Fleurhof Ext 2 (Pty) Limited. 30% of the shares of Fleurhof Ext 2 (Pty) Ltd will be sold to South African Workforce Housing Fund (SA GP) (Pty) Ltd shortly after 28 February 2009, as described in note 5 of the directors report. In compliance with IFRS 5 the remaining 70 % group interest in Fleurhof Ext 2 (Pty) Ltd will in future be reclassified as a net investment in an associate company, and will be equity accounted.				
(a) Assets of disposal group classified as held for sale				
Inventory	126 300 999	-	-	-
Total	126 300 999	-	-	-
(b) Liabilities of disposal group classified as held for sale				
Borrowings	106 395 353	-	-	-
Total	106 395 353	-	-	-
The borrowings are payable to First National Bank Limited, the loan is secured over the inventory classified as held for sale, and there is a pledge and cession of shares in Calgro M3 Land (Pty) Ltd. The loan bears interest at prime less 1.5% and is repayable on 18 June 2010.				
For further details of assets/(liabilities) of disposal group classified as held-for-sale, refer to note 5 of the directors' report.				



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

	Group		Company	
Figures in Rand	2009	2008	2009	2008
19 Ordinary shares				
Authorised				
500 000 000 ordinary shares of R0.00001 each	5 000	5 000	5 000	5 000
Reconciliation of number of shares issued:				
Reported as at 01 March 2007	127 100 000	93 000 000	127 100 000	93 000 000
Issue of shares - ordinary shares	-	34 100 000	-	34 100 000
	127 100 000	127 100 000	127 100 000	127 100 000
Issued				
127 100 000 ordinary shares of R0.00001 each	1 271	1 271	1 271	1 271
Share premium	100 049 659	100 049 659	100 049 659	100 049 659
Share issue costs written off against share premium	(4 029 209)	(4 029 209)	(4 029 209)	(4 029 209)
	96 021 721	96 021 721	96 021 721	96 021 721
All issued shares are fully paid.				
Share based payments (Note 31).				
Unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.				
20 Borrowings				
Non-current				
Refihlile Consulting Services (Pty) Ltd	15 057 958	-	-	-
The loan is unsecured, bears interest at prime less 5% and is repayable in 3 instalments of R7 500 000 (30 June 2010), R2 500 000 (31 December 2010) and R7 500 000 (28 February 2011)				
Russell Lund	4 000 000	-	-	-
The loan is unsecured, interest free and has no fixed terms of repayment.				



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

	Group		Company	
Figures in Rand	2009	2008	2009	2008
20 Borrowings continued				
Rand Merchant Bank Limited	94 648 843	-	-	-
The loan is secured over land under development included in inventory, bears interest at prime less 1% and is repayable by 31 August 2010.				
BOE Bank Limited	4 249 880	-	-	-
The loan is secured over land under development included in inventory, bears interest at prime less 1 % and is repayable on registration of the property to homeowners.				
TUM Investments (Pty) Ltd	-	6 062 264	-	-
The loan is unsecured, bears interest at 30 % compounded annually and repayable by 19 June 2009				
Rand Merchant Bank Limited	-	6 789 369	-	-
The loan is secured over land under development included in inventory, bears interest at prime less 0.25% and is repayable by 31 July 2009.				
Rand Merchant Bank Limited	-	8 347 500	-	-
The loan is secured over land under development included in inventory, bears interest at prime plus 2% and is repayable by 31 May 2009.				
Rand Merchant Bank Limited	-	3 658 201	-	-
The loan is secured over land under development included in inventory, bears interest at prime and is repayable by 1 August 2009.				



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

	Group		Company	
Figures in Rand	2009	2008	2009	2008
20 Borrowings continued				
Salamax 1583 (Pty) Ltd	-	28 306 805	-	-
The loan is secured over land under development included in inventory and with a pledge and cession of shares in Hightrade Invest 60 (Pty) Ltd, bears interest at 30% compounded annually and repayable by 1 March 2009				
Put and call option loan for acquisition of 37.5% of PZR Pennyville Zamimphilo Relocation (Pty) Ltd	-	16 546 254	-	-
The put and call option expires on 31 December 2009 with a final option value of R20 million. This option arises from the acquisition of the minority share (37.5%) of PZR Pennyville Zamimphilo Relocation (Pty) Ltd. The liability was determined by discounting the final option value at a risk free rate. In the current year the put and call gain was realised on cancellation of the put and call option, and the liability was de-recognised. The goodwill was then impaired to cancel the full effect.				
Rand Merchant Bank Limited	-	4 713 302	-	-
The loan is secured over land under development included in inventory, bears interest at prime less 0.25% and is repayable by 1 May 2009.				
First National Bank Limited	-	90 744 997	-	-
The loan is secured over the Fleurhof property included in inventory, and there is a pledge and cession of shares in Calgro M3 Land (Pty) Ltd. The loan bears interest at prime less 1.5% and repayable 18 June 2009.				
32 Craigavon (Pty) Ltd	-	100 000	-	-
The loan is unsecured, interest-free and has no fixed terms of repayment.				
Total non-current borrowings	117 956 681	165 268 692	-	-



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

	Group		Company	
Figures in Rand	2009	2008	2009	2008
20 Borrowings continued				
Current borrowings				
Nedbank Corporate	45 000 000	-	-	-
This is a 3 month listed note and bears interest at a JIBAR related rate determined every three months.				
Salamax 1583 (Pty) Ltd	6 539 279	-	-	-
The loan is secured over land under development included in inventory and with a pledge and cession of shares in Hightrade Invest 60 (Pty) Ltd, bears interest at 30% compounded annually and is repayable by 1 March 2009.				
Thomas Henry Walter Priday	5 000 000	6 268 351	-	-
The loan is secured over land under development included in inventory and bears interest at 20% and is repayable by 24 September 2009.				
Mettle Development Finance One (Pty) Ltd	5 756 677	5 865 703	-	-
The loan is secured over land under development included in inventory and with a surety provided by Calgro M3 Holdings Ltd, bears interest at prime compounded monthly and repayable on demand.				
Holdgro Projects (Pty) Ltd	68 390	356 437	-	-
The loan is unsecured, interest-free and is repayable in the following 12 months.				
Capricorn Finance (Pty) Ltd	1 224 677	-	-	-
The loan is unsecured, interest-free and is repayable in the following 12 months.				
TUM Investments (Pty) Ltd	5 761 346	-	-	-
The loan is unsecured, bears interest at 30% compounded annually and repayable by 19 June 2009.				
BOE Bank Limited	-	3 690 802	-	-
The loan is secured over land under development included in inventory, bears interest at prime less 1% and is repayable on registration of the property to homeowners.				



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

	Group		Company	
Figures in Rand	2009	2008	2009	2008
20 Borrowings continued				
Rand Merchant Bank Limited	-	4 513 643	-	-
The loan is secured over land under development included in inventory, bears interest at prime less 0.25% and is repayable by 14 June 2008.				
Aquarella Investments 269 (Pty) Ltd	-	16 390 185	-	-
The loan is secured over land under development included in inventory and with a cession and pledge of shares in CM3 Witkoppen Ext 131 (Pty) Ltd, bears interest at 30% per annum and repayable by 7 July 2008.				
Rand Merchant Bank Limited	-	22 010 283	-	-
The loan is secured over land under development included in inventory, bears interest at prime less 0.25% and is repayable by 31 May 2009.				
Saracens Capital Investments (Pty) Ltd	-	7 246 867	-	-
The loan is secured over land under development included in inventory and with, bears interest at 35% compounded monthly and is repayable by 24 September 2008.				
Hightrade 58 (Pty) Ltd	-	9 008 716	-	-
The loan is unsecured, bears interest at 40% per annum and repayable on registration of the property to homeowners.				
Calprop (Pty) Ltd	-	11 349	-	-
The loan is unsecured, interest free and is repayable in the following 12 months.				
Flaming Moon trading 309 (Pty) Ltd	-	2 394 261	-	-
The loan is secured over land under development included in inventory, bears interest at 30% compounded annually and is repayable by 28 February 2009.				
Business Venture Investments 880 (Pty) Ltd	-	3 000 000	-	-
The loan is unsecured, bears interest at prime and is repayable by 30 June 2008.				



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

	Group		Company	
Figures in Rand	2009	2008	2009	2008
20 Borrowings continued				
Brett William Lankester	-	1 829 471	-	-
The loan is secured over land under development included in inventory, bears interest at 30% compounded monthly and is repayable by 30 September 2008.				
Mettle Development Finance One (Pty) Ltd	-	4 950 343	-	-
The loan is secured over land under development included in inventory, bears interest at prime compounded monthly and is repayable on 30 August 2008.				
D Earle	-	2 946 000	-	-
The loan is unsecured, interest-free and is repayable in the following 12 months.				
Refihlile Consulting Services (Pty) Ltd	-	722 637	-	-
The loan is unsecured, interest-free and is repayable in the following 12 months.				
Total current borrowings	69 350 369	91 205 048	-	-
Total borrowings	187 307 050	256 473 740	-	-
Non-current liabilities				
At amortised cost	117 956 681	165 268 692	-	-
Current liabilities				
At amortised cost	69 350 369	91 205 048	-	-
	187 307 050	256 473 740	-	-
The directors have not breached the requirements of the company's Memorandum and Articles of Association in terms of their borrowing powers.				
21 Finance lease obligations				
Minimum lease payments due				
- within one year	1 546 020	428 058	-	-
- in second to fifth year inclusive	2 191 644	771 944	-	-
	3 737 664	1 200 002	-	-
Less: future finance charges	(690 150)	(147 368)	-	-



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

	Group		Company	
Figures in Rand	2009	2008	2009	2008
21 Finance lease obligations continued				
Present value of minimum lease payments	3 047 514	1 052 634	-	-
Present value of minimum lease payments due				
- within one year	1 204 642	375 490	-	-
- in second to fifth year inclusive	1 842 872	677 144	-	-
	3 047 514	1 052 634	-	-
Non-current liabilities	1 842 872	677 144	-	-
Current liabilities	1 204 642	375 490	-	-
	3 047 514	1 052 634	-	-
It is group policy to lease certain equipment under finance leases. The average lease term is 3 -5 years and the average effective borrowing rate is prime. The group's obligations under finance leases are secured by the lessor's charge over the leased assets.				
22 Trade and other payables				
Trade payables	61 746 914	63 032 277	84 369	-
Amounts received in advance	-	510 029	-	-
Value added tax	2 398 501	3 730 667	37 500	-
Provision for leave pay	623 908	623 908	-	-
Deposits received	10 000	10 000	-	-
	64 779 323	67 906 881	121 869	-
Financial instruments	61 746 914	63 032 277	84 369	-
Non-financial instruments	3 032 409	4 874 604	37 500	-
	64 779 323	67 906 881	121 869	-
Trade and other payables are secured, and are repayable within a period of twelve months. The carrying amounts of trade and other payables approximate their fair value.				



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

	Group		Company	
Figures in Rand	2009	2008	2009	2008
23 Revenue				
Sale of developed land	9 263 404	15 249 367	-	-
Rendering of services	17 141 163	40 578 678	-	-
Construction contracts	206 649 623	260 848 653	-	-
	233 054 190	316 676 698	-	-
24 Cost of sales				
Sale of developed land				
Development of land	11 122 167	22 650 012	-	-
Rendering of services				
Land infrastructure	12 785 592	31 154 964	-	-
Construction contracts				
Construction costs	158 297 230	185 914 009	-	-
	182 204 989	239 718 985	-	-
25 Other income				
Bond commissions	326 175	-	-	-
Gain on cancellation of put option	17 034 936	-	-	-
Insurance refunds	38 541	24 032	-	-
Management fees	-	-	2 238 027	815 345
Rental income	108 649	-	-	-
	17 508 301	24 032	2 238 027	815 345
Refer to the put & call loan in note 20 for the gain on cancellation of put option.				



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

	Group		Company	
Figures in Rand	2009	2008	2009	2008
26 Expense by nature				
Administrative expenses				
Advertising	2 287 635	1 628 306	5 200	-
Auditors' remuneration	2 881 849	628 930	-	-
Computer expenses	597 670	223 364	-	-
Deficit on disposal of property, plant and equipment	-	72 446	-	-
Depreciation on property, plant and equipment and amortisation on computer software	2 579 016	985 358	-	-
Donations	507 121	191 074	34 311	-
Employee benefit expenses excluding company contributions	13 652 008	11 179 025	-	-
Employer pension fund contribution	-	121 965	-	-
Fines, penalties and interest	604 280	-	-	-
Insurance	971 088	1 609 410	-	-
Lease rentals on operating leases	3 527 531	2 132 353	-	-
Legal fees	449 536	1 005 056	36 260	-
Profit on share appreciation scheme revalued	(963 141)	963 141	-	-
Motor vehicle expenses	384 898	199 918	-	-
Printing and stationery	661 790	614 245	-	-
Professional fees	2 222 878	4 906 824	94 333	-
Project management fees	920 673	-	-	-
Telephone and fax	1 204 549	1 127 128	-	-
Sundry expenses	3 771 355	1 867 862	1 255 761	776 519
Other expenses				
Impairment of goodwill	14 713 978	-	-	-
Impairment of inventory	6 503 247	-	-	-
Impairment of loans	2 487 440	-	-	-
Cost of sales	182 204 989	239 718 985	-	-
Total cost of sales, administration expenses and other expenses	242 170 390	269 175 390	1 425 865	776 519



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

	Group		Company	
Figures in Rand	2009	2008	2009	2008
27 Finance income				
Interest revenue				
Bank	962 188	508 211	21 790	-
Interest bearing borrowings	-	-	1 031 812	-
	962 188	508 211	1 053 602	-
28 Finance cost				
Trade and other payables	-	18 976	-	-
Bank	979 211	1 256 690	813 463	-
Discounting adjustment	488 681	1 625 449	-	-
	1 467 892	2 901 115	813 463	-
29 Taxation				
Major components of the tax expense				
Current				
Local income tax - current period	5 917 203	516 108	304 251	11 260
Deferred				
Current year	(4 053 258)	13 182 064	-	-
Changes in tax rates	-	24 820	-	-
	(4 053 258)	13 206 884	-	-
	1 863 945	13 722 992	304 251	11 260
Reconciliation of tax expense	%	%	%	%
Applicable tax rate	28.00	29.00	28.00	29.00
Unprovided timing differences	-	0.73	-	-
Decrease in tax rate for deferred tax movement	-	(0.94)	-	-
Decrease in tax rate for deferred tax opening balance	-	(0.08)	-	-
Non-deductable expenses	56.19	1.70	0.91	-
Non-taxable income	(60.56)	-	-	-
Effective tax rate	23.63	30.41	28.91	29.00
The statutory corporate tax rate for 2009 was 28%. This rate was reduced from 29% from the 2008 financial year. A deferred tax rate adjustment was taken into account in 2008 for the tax rate adjustment.				



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

	Group		Company	
Figures in Rand	2009	2008	2009	2008
30 Auditors' remuneration				
Fees	2 603 308	312 325	-	-
Prior year under provision	278 541	316 605	-	-
	2 881 849	628 930	-	-

	Exercise date within one year	Exercise date from two to five years	Exercise date after five years	Total
--	-------------------------------------	---	--------------------------------------	-------

31 Share-based payments

Outstanding rights

Number of rights with an exercise price of R3.75	-	10 736 000	-	10 736 000
--	---	------------	---	------------

Information on options granted during the year

Share rights are granted to directors and to selected employees. The exercise price of the granted options is equal to the market price of the shares plus 25% on the date of the grant. Options are conditional on the employee completing three years of service (the vesting period). The following assumptions were used in determining the expense for the year:

- Exercise price - R 3.75,
- Expected volatility - 40%,
- Option life - 5 years,
- Expected dividend yield - 0%,
- The risk-free interest rate - 9.03%,
- Method of valuation - Black Scholes.

No expense was incurred in the 2009 financial year. Because of non-market vesting conditions the rights issue is not expected to be fulfilled so therefore the expenses of R963 141 previously expensed have been reversed in the current financial year.

The share scheme is equity-settled.

See directors' report for details of options granted to directors and key management.



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

	Group		Company	
Figures in Rand	2009	2008	2009	2008
32 Cash (used in)/generated from operations				
Profit before taxation	7 886 397	45 132 436	1 052 301	38 826
Adjustments for:				
Depreciation	2 059 702	846 205	-	-
Loss on sale of assets	-	72 446	-	-
Finance income	(962 188)	(508 211)	(1 053 602)	-
Finance cost	1 467 892	2 901 115	813 463	-
Amortisation of intangible assets	519 314	139 153	-	-
Impairments	14 713 978	-	-	-
Gain on put & call cancellation	(17 034 936)	-	-	-
Share based payments	(963 141)	963 141	-	-
Changes in working capital:				
Inventories	(8 698 663)	(216 983 207)	-	-
Assets of disposal group classified as held for sale	(126 300 999)	-	-	-
Liabilities of disposal group classified as held for sale	106 395 353	-	-	-
Trade and other receivables	36 315 938	(42 591 070)	-	-
Prepayments	29 592 612	(35 612 656)	-	-
Construction contracts	26 610 775	(84 144 334)	-	-
Trade and other payables	(3 127 555)	42 281 021	121 870	-
	68 474 479	(287 503 961)	934 032	38 826
33 Tax paid				
Balance at beginning of the year	(2 404 137)	(2 943 980)	(11 260)	-
Current tax for the year recognised in income statement	(5 917 203)	(516 108)	(304 251)	(11 260)
Balance at end of the year	8 103 643	2 404 137	315 511	11 260
	(217 697)	(1 055 951)	-	-



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

	Group		Company	
Figures in Rand	2009	2008	2009	2008
34 Acquisition of business				
On 18 January 2008, the group acquired 100% of the share capital of CTE Consulting (Pty) Ltd, a town planning company operating in South Africa.				
Details of net assets acquired and goodwill are as follows:				
Fair value of assets acquired				
Property, plant and equipment	-	579 000	-	-
Goodwill	-	4 155 000	-	-
	-	4 734 000	-	-
Consideration paid				
Cash	-	(234 000)	-	-
Equity - 1 500 000 ordinary shares of R3 each in Calgro M3 Holdings Limited	-	(4 500 000)	-	-
	-	(4 734 000)	-	-
Net cash outflow on acquisition				
Cash consideration paid	-	(234 000)	-	-
Net assets acquired represent property, plant and equipment. No intangible assets existed or contingent liabilities were recognised on the date of acquisition.				
The goodwill is attributable to the directors know how of integrated housing developments.				
The fair value of the shares issued was based on the published share price as at the date of acquisition.				
35 Commitments				
Operating leases – as lessee (expense)				
Minimum lease payments due				
- within one year	2 841 924	2 607 269	-	-
- in second to fifth year inclusive	9 173 727	11 715 702	-	-
	12 015 651	14 322 971	-	-
Operating lease payments represent rentals payable by the group for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.				



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

36 Related parties

The following entities are related parties of the company:

Direct subsidiaries:

- Calgro M3 Land (Pty) Ltd
- Calgro M3 Developments (Pty) Ltd
- Calgro M3 Project Management (Pty) Ltd

Indirect subsidiaries:

- MS5 Projects (Pty) Ltd
- MS5 Pennyville (Pty) Ltd
- CM3 Witkoppen Ext 87 (Pty) Ltd
- CM3 Witkoppen Ext 131 (Pty) Ltd
- CM3 Northriding Ext 86 - Mio Bella (Pty) Ltd
- CM3 Northriding Ext 94 - Cherrywood Estate (Pty) Ltd
- CM3 Randpark Ridge Ext 120 (Pty) Ltd
- CM3 Hightrade-Invest 60 (Pty) Ltd
- Aquarella Investments 265 (Pty) Ltd
- Business Venture Investments No 1243 (Pty) Ltd
- Business Venture Investments No 1244 (Pty) Ltd
- Calgro M3 Land 102 (Pty) Ltd
- Baybridge Canal Development Company (Pty) Ltd
- CTE Consulting (Pty) Ltd
- Fleurhof Ext 2 (Pty) Ltd
- Midfield Estate (Pty) Ltd
- Neoprop (Pty) Ltd
- PZR Pennyville Zamimphilo Relocation (Pty) Ltd
- Ridgewood Estate (Pty) Ltd
- Tres Jolie Ext 24 (Pty) Ltd
- Business Venture Investments No 1221 (Pty) Ltd
- 29 of 459 Baybridge Canal (Pty) Ltd
- Business Venture Investments No 1326 (Pty) Ltd
- PZR Fleurhof (Pty) Ltd

Directors of holding company:

- BP Malherbe - Executive
- FJ Steyn - Executive
- WJ Lategan - Executive
- PF Radebe - Non-executive
- H Ntene - Non-executive



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

36 Related parties continued

- JB Gibbon - Independent non-executive
- M Phetla-Lekhethe - Independent non-executive
- N Maninjwa - Independent non-executive

Directors and senior management of subsidiaries:

- DN Steyn
- HB Malherbe
- J Roode
- A de Waal

The directors as stated above exercise control over all of the subsidiaries of the group.

For intercompany balances with group companies refer to note 10

	Group		Company	
Figures in Rand	2009	2008	2009	2008
Related party transactions				
Administration fees paid to Calgro M3 Holdings Limited				
Calgro M3 Developments (Pty) Ltd			587 405	271 782
Calgro M3 Land (Pty) Ltd			25 000	-
MSS Projects (Pty) Ltd			578 106	271 782
PZR Pennyville (Pty) Ltd			1 047 516	271 781
			2 238 027	815 345
Finance income paid to Calgro M3 Holdings Limited				
Calgro M3 Developments (Pty) Ltd			404 643	-
Calgro M3 Land (Pty) Ltd			591 244	-
CTE Consulting (Pty) Ltd			35 925	-
			1 031 812	-
Receivables from related parties				
BPM Family Trust	140 502	-		
Hendrik Brand Trust	118 000	-		
FJS Trust	128 563	-		
DNS Trust	83 343	-		
	470 408	-		



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

37 Contingent liabilities - Company

The company has provided sureties and cross guarantees for the borrowing facilities of certain subsidiary companies to the value of R118 595 602 (2008 - R90 744 997).

38 Directors' emoluments

Details of the individual directors emoluments are set out in the directors' report.

Emoluments paid to key management excluding the directors of the holding company as per the directors' report, amounted to R6 720 000 (2008 - R3 458 320).

39 Going concern

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

40 Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the group by the weighted average number of ordinary shares in issue during the year.

	2009	2008
Profit attributable to equity holders of the company	6 022 452	31 409 444
Weighted average number of ordinary shares in issue	127 100 000	103 562 568
Basic earnings per share (cents per share)	4.74	30.33
(b) Diluted		
Profit attributable to equity holders of the company	6 022 452	31 409 444
Share option (income)/expense	(963 141)	963 141
Profit used to determine diluted earnings per share	5 059 311	32 372 585
Weighted average number of ordinary shares in issue	127 100 000	103 562 568
Adjustments for:		
- Share options	6 108 000	10 736 000
Weighted average number of ordinary shares for diluted earnings per share	133 208 000	114 298 568
Diluted earnings per share (cents per share)	3.80	28.32
(c) Headline		
Profit attributable to equity holders of the company	6 022 452	31 409 444
Loss/(profit) on disposal of property, plant and equipment	-	72 446
Impairment of goodwill	14 713 978	-
Profit used to determine headline earnings per share	20 736 430	31 481 890
Weighted average number of ordinary shares in issue	127 100 000	103 562 568
Headline earnings per share (cents per share)	16.32	30.40



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

41 Financial assets by category

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

	Loans and receivables	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Available for sale	Total
Group - 2009					
Loans and receivables	7 749 659	-	-	-	7 749 659
Trade receivables	13 059 888	-	-	-	13 059 888
Cash and cash equivalents	30 593 690	-	-	-	30 593 690
	51 403 237	-	-	-	51 403 237
Group - 2008					
Loans and receivables	7 129 587	-	-	-	7 129 587
Trade receivables	29 084 957	-	-	-	29 084 957
Cash and cash equivalents	3 111 129	-	-	-	3 111 129
	39 325 673	-	-	-	39 325 673
	Loans and receivables	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Available for sale	Total
Company - 2009					
Loans to group companies	14 652 778	-	-	-	14 652 778
Cash and cash equivalents	330	-	-	-	330
	14 653 108	-	-	-	14 653 108
Company - 2008					
Loans to group companies	96 059 617	-	-	-	96 059 617
Cash and cash equivalents	330	-	-	-	330
	96 059 947	-	-	-	96 059 947

The credit quality of financial assets can be assessed by reference to historical information. Trade receivables (less than 6 months) comprise outstanding draw downs from banks, government and municipal institutions with no history of default. Cash and cash equivalents are deposits with major banks. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The group does not hold any collateral as security.



Notes to the Consolidated Financial Statements ... continued

for the year ended 28 February 2009

42 Financial liabilities by category

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

	Financial liabilities at amortised cost	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Total
Group - 2009				
Borrowings	217 307 049	-	-	217 307 049
Finance Lease obligations	3 047 514	-	-	3 047 514
Trade payables	61 746 914	-	-	61 746 914
Bank overdraft	15 842 326	-	-	15 842 326
	297 943 803	-	-	297 943 803
Group - 2008				
Borrowings	239 927 485	-	16 546 255	256 473 740
Finance Lease obligations	1 052 634	-	-	1 052 634
Trade payables	63 032 277	-	-	63 032 277
Bank overdraft	5 307 751	-	-	5 307 751
	309 320 147	-	16 546 255	325 866 402
	Financial liabilities at amortised cost	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Total
Company - 2009				
Trade payables	84 369	-	-	84 369
Bank overdraft	13 478 407	-	-	13 478 407
	13 562 776	-	-	13 562 776
Company - 2008				
Trade payables	-	-	-	-
Bank overdraft	-	-	-	-
	-	-	-	-

Notice of Annual General Meeting

for the year ended 28 February 2009

Calgro M3 Holdings Limited
(formerly: Double Ring Trading 332 (Proprietary) Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2005/027663/06)
("Calgro" or "the company")

Notice is hereby given to all members of Calgro M3 Holdings Limited ("the company") that the second annual general meeting ("AGM") of members will be held at 10:00 on Tuesday, 23 June 2009 at the boardroom, Calgro, Cedarwood House, Ballywoods Office Park, 33 Ballyclare Drive, Bryanston to transact the following business:

1. Ordinary resolution number one

To receive and adopt the annual financial statements for the year ended 28 February 2009, including the directors' report and the report of the auditors thereon.

2. Ordinary resolution number two

To resolve that the appointment of PF Radebe as the chairperson, who retires by rotation, but being eligible, offers herself for re-election in accordance with Article 31 of the Company's Articles of Association for a further term of office be authorised and confirmed.

(A brief CV appears on page 11 of the annual report)

3. Ordinary resolution number three

To resolve that the appointment of JB Gibbon as an independent non-executive director of the company with effect from 6 November 2008 be and is hereby ratified.

(A brief CV appears on page 11 of the annual report)

4. Ordinary resolution number four

To resolve that the appointment of M Phetla-Lekhethe as an independent non-executive director of the company with effect from 6 November 2008 be and is hereby ratified.

(A brief CV appears on page 11 of the annual report)

5. Ordinary resolution number five

To resolve that the appointment N Maninjwa as an independent non-executive director of the company with effect from 18 November 2008 be and is hereby ratified.

(A brief CV appears on page 11 of the annual report)

6. Ordinary resolution number six

To resolve that the re-appointment H Ntene as non-executive director, who retires by rotation, but being eligible, offers himself for re-election in accordance with Article 31 of the Company's Articles of Association for a further term of office be authorised and confirmed.

(A brief CV appears on page 11 of the annual report)

7. Ordinary resolution number seven

To resolve that the re-appointment BP Malherbe as an executive director, who retires by rotation, but being eligible, offers himself for re-election in accordance with Article 31 of the Company's Articles of Association for a further term of office be authorised and confirmed.

(A brief CV appears on page 10 of the annual report)

Notice of Annual General Meeting ... continued

for the year ended 28 February 2009

8. Ordinary resolution number eight

To resolve that the appointment of W J Lategan as an executive director of the company with effect from 1 August 2008 be and is hereby ratified.

(A brief CV appears on page 10 of the annual report)

9. Ordinary resolution number nine

To resolve that the re-appointment F J Steyn as an executive director, who retires by rotation, but being eligible, offers himself for re-election in accordance with Article 31 of the Company's Articles of Association for a further term of office be authorised and confirmed.

(A brief CV appears on page 10 of the annual report)

10. Ordinary resolution number ten

To resolve that the re-appointment of PricewaterhouseCoopers as auditors, until the conclusion of the next annual general meeting in accordance with S270 (1) of the Companies Act, 1973 (Act 61 of 1973), as amended, be authorised and confirmed.

11. Ordinary resolution number eleven

To resolve that the fees paid to the directors of the company in respect of the year ended 28 February 2009, as set out in the annual financial statements on page 24, be approved.

12. Ordinary resolution number twelve

General payments to shareholders

To resolve that, in terms of Article 39 to 44 of the Company's Articles of Association and section 90 of the Companies Act, No. 61 1973 (as amended) and subject to the directors being satisfied that after considering the effect of such maximum payment, the:

- a. company and the group will in the ordinary course of business to pay its debts for a period of 12 months after the date of the notice of the annual general meeting;
- b. assets of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 month after the date of the notice of the annual general meeting. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements;
- c. share capital and reserves to the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of notice of the annual general meeting; and
- d. working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the annual general meeting.

The directors of the company shall be entitled, from time to time, to pay by way of reduction of share premium, capital distributions to shareholders of the company in lieu of a dividend. Such distributions shall be made pro-rata to all shareholders and be amounts equal to the amounts which the directors would have declared and paid out of profits of the company as interim and final dividends in respect of the financial year ending 28 February 2009. This authority shall not extend beyond the date of the annual general meeting following the date of the annual general meeting at which this resolution is being proposed or 15 months from date of the resolution whichever is shorter.



Notice of Annual General Meeting ... continued

for the year ended 28 February 2009

In terms of the Listings Requirements of the JSE Limited ("Listings Requirements"), any general payment(s) may not exceed 20% of the company's issued share capital, including reserves but excluding minority interests, and revaluations of assets and intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE Limited ("JSE") prepared within the last six months, in any one financial year, measured as at the beginning of such financial year.

General payments, from time to time, to pay by way of a reduction of share premium, capital distributions to shareholders of the company in lieu of a dividend, shall not be effected before the JSE has received written confirmation from the company's designated advisor to the effect that the directors have considered the solvency and liquidity of the company and the group as required in term of section 90 (2) of the Companies Act, 1973 (Act 61 of 1973), as amended.

The company shall publish an announcement in terms of paragraph 11.31 of the Listings Requirements.

Shareholders are referred to the explanatory notes set out under special resolution number one which apply mutatis mutandis to this resolution.

13. Ordinary resolution number thirteen

Control of authorised but unissued shares

"To resolve that all the unissued shares in the authorised share capital of the company be and are hereby placed under the control of the directors of the company, who are authorised to allot and issue the same to such persons and on such terms and conditions as they may determine in their sole and absolute discretion, until the next annual general meeting of the company, subject to the provisions of Section 221 and 222 of the Companies Act, No. 61 of 1973 (as amended) and the Listings Requirements".

14. Ordinary resolution number fourteen

General authority to issue shares for cash

"Resolved that the directors be given the general authority to issue unissued shares of a class already in issue held under their control, for cash, when the directors consider it appropriate in the circumstances, subject to the provisions of the Companies Act, No. 61 of 1973 (as amended) the Listings Requirements and to the following limitations, that:

- the authority shall be valid until the next annual general meeting of the company (provided it shall not extend beyond 15 months from the date of this resolution);
- an announcement giving full details, including the impact on net asset value, net tangible asset value, earnings and headline earnings per share, will be published at the time of any issue representing, on a cumulative basis within one financial year, 5% or more of the number of shares in issue prior to such issue;
- issues for cash in any one financial year may not exceed 50% of the company's issued share capital;
- the issues must be made to public shareholders and not to related parties as defined by the Listings Requirements; and
- in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount permitted will be 10% of the volume weighted average traded price as determined 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".

The approval of this resolution is subject to achieving a 75% majority of the votes cast in favour by shareholders present or represented by proxy at this meeting excluding the designated advisor and the controlling shareholders together with their associates.



Notice of Annual General Meeting ... continued

for the year ended 28 February 2009

Shareholders are referred to the explanatory notes set out under special resolution number one which apply mutatis mutandis to this resolution.

15. Special resolution number one

General authority to repurchase shares

Resolved that the board of directors of the company be hereby authorised, by way of a general authority, to approve the purchase of its own ordinary shares or to approve the purchase of ordinary shares in the company by any subsidiary of the company, provided that:

- a) any acquisition of shares shall be implemented through the order book operated by the JSE Limited's trading system and done without any prior understanding or arrangement between the company and/or its relevant subsidiaries and the counter party;
- b) this authority shall be valid only until the next annual general meeting provided that it shall not extend beyond 15 (fifteen) months from the date of this resolution;
- c) the general repurchase(s) shall in any one financial year be limited to a maximum of 20% of the company's issued share capital of that class at the time the authority is granted;
- d) the acquisition of shares by a subsidiary of the company may not exceed 10% in aggregate of the number of issued shares of the company;
- e) repurchases must not be made at a price more than 10 % above the weighted average of the market value for the securities for the five business days immediately preceding the date of repurchase;
- f) a paid press announcement (complying with paragraph 11.27 of the Listings Requirements) will be published as soon as the company and/or its subsidiaries have acquired shares constituting, on a cumulative basis, 3% of the initial number of ordinary shares in issue at the time of the granting of this authority, giving full details of such acquisitions and for each 3% in aggregate of the initial number of ordinary shares acquired thereafter by the company and/or its subsidiaries;
- g) the company will, at any point in time, appoint only one agent to effect any repurchase(s) on the company's behalf;
- h) the company will only undertake a general repurchase of securities if, after such repurchase, at least 100 public shareholders, as defined in the Listings Requirements, continue to hold at least 10% of the company's issued ordinary shares;
- i) the company will not repurchase its shares during any prohibited period as defined in paragraph 3.67 of the Listings Requirements; and
- j) such repurchase shall be subject to the Act, the Company's Articles of Association and the Listings Requirements.

Reason and effect of special resolution number 1

The reason for special resolution number 1 is to grant the company a general authority in terms of the Act for the acquisition by the company or any of its subsidiaries of shares issued by the company or its holding company, which authority shall be valid until the earlier of the next annual general meeting of the company or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the company, provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this annual general meeting. The passing and registration of this special resolution will have the effect of authorising the company or any of its subsidiaries to acquire shares issued by the company or its holding company.



Notice of Annual General Meeting ... continued

for the year ended 28 February 2009

A repurchase of shares is not contemplated at the date of this notice. However, the board believes it to be in the interest of the company that shareholders grant a general authority to provide the board with optimum flexibility to repurchase shares as and when an opportunity that is in the best interest of the company arises.

Further, the board is of the opinion that, even if the maximum amount of 20% of the current issued share capital of the company is repurchased using the mechanism of the general authority at the maximum price at which repurchases may take place:

- the issued share capital and reserves of the company and the group will be adequate for the purposes of the business of the company and the group for a period of 12 months after the date of the notice of the annual general meeting;
- the working capital available to the company and the group will be sufficient for the group's requirements for a period of 12 months after the date of the notice of the annual general meeting;
- the assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the company and the group for a period of 12 months after the date of the notice of the annual general meeting; and
- the company and the group will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months after the date of the notice of the annual general meeting.

Shareholders are referred to the explanatory notes set out hereunder which apply mutatis mutandis to this resolution.

16. To transact such other business as may be transacted at an annual general meeting.

Explanatory notes

Disclosures in terms of paragraph 11.26 of the JSE Listings Requirements:

- Directors: page 8 of the annual report
- Major shareholders: page 27 of the annual financial statements
- Directors' interests in securities: page 24 of the annual financial statements
- Share capital of the company: page 66 note 19 of the notes to the annual financial statements
- Litigation: Calgro is currently in litigation in respect of a claim from Mettle Development Finance One (Pty) Ltd in the amount of R5 756 677 with respect to Autumn Star Trading 910 (Pty) Ltd and a counter claim against Mettle Development Finance One (Pty) Ltd in the amount of R7 322 962 for Project Annlin. There is no other material litigation.
- Directors' responsibility statement

The directors, whose names are given on page 8 of the annual report in which this notice was included collectively and individually accept full responsibility for the accuracy of the information given in this notice and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the annual report and notice contains all information required by law and the Listings Requirements.

- Material changes

There has been no material change in the financial or trading position of the company and its subsidiaries that has occurred since 28 February 2009.



Notice of Annual General Meeting ... continued

for the year ended 28 February 2009

The directors of the company hereby state:

1. that the intention of the company and/or any of its subsidiaries is to utilise the general authority to make a general payment to shareholders, if at some future date the cash resources of the company are in excess of its requirements. In this regard the directors will take account of, inter alia, appropriate capitalisation structures for the company, the long-term cash needs of the company, and will ensure that any such payments are in the interests of shareholders;
2. that the method by which the company intends to make general payments to shareholders in terms of a general authority and the date on which such payments will take place has not yet been determined; and
3. that after considering the effect of a maximum permitted general payment; the company and its subsidiaries are, as at the date of this notice convening the annual general meeting of the company, able to fully comply with the Listings Requirements. Nevertheless, at the time that the contemplated general payment is to take place; the directors of the company will ensure that:
 - the company and the group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of the notice of the annual general meeting;
 - the assets of the company and the group will be in excess of the liabilities of the company and group for a period of 12 months after the date of the notice of the annual general meeting;
 - for this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in these group annual financial statements;
 - the share capital and reserves of the company and group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of annual general meeting;
 - the working capital of the company and group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of annual general meeting; and
 - the company will provide its designated advisor and the JSE with all documentation as required in Schedule 25 of the Listings Requirements, and will not commence any general payment until the designated advisor has signed off on the adequacy of its working capital, advised the JSE accordingly and the JSE has approved this documentation.

Any shareholders wishing to attend the AGM who have already dematerialised their shares in Calgro, and such dematerialised shares are not recorded in the electronic sub-register of Calgro in their own names, should request letters of representation from their duly appointed Central Securities Depository Participant ("CSDP") or stockbroker, as the case may be, to authorise them to attend and vote at the AGM in person.

Any shareholders entitled to attend and vote at the AGM are entitled to appoint proxies to attend, speak and vote at the AGM in their stead. The proxies so appointed need not be members of the company.

If you have not yet dematerialised your shares in Calgro and are unable to attend the AGM, but wish to be represented thereat, you must complete the attached form of proxy in accordance with the instructions therein and lodge it with the transfer secretaries of Calgro namely, Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg 2001, (PO Box 61051, Marshalltown 2107) to be received by no later than 14:00 on Friday, 19 June 2009.

Notice of Annual General Meeting ... continued

for the year ended 28 February 2009

If you have already dematerialised your shares in Calgro:

- and such dematerialised shares are recorded in the electronic sub-register of Calgro in your own name and are unable to attend the AGM, but wish to be represented thereat, you must complete the attached form of proxy in accordance with the instructions therein and lodge it with the transfer secretaries of Calgro namely, Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001, (PO Box 61051, Marshalltown 2107) to be received by no later than 14:00 on Friday, 19 June 2009; or
- where such dematerialised shares are not recorded in the electronic sub-register of Calgro in your own name, you should notify your duly appointed CSDP or stockbroker, as the case may be, in the manner and cut-off time stipulated in the agreement governing your relationship with your CSDP or broker of your instructions as regards voting your shares at the AGM.

By order of the board

Company secretary
Sandton 2196
Francois Pieterse



11 May 2009

Form of Proxy



FOR USE AT THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD AT 10:00 ON TUESDAY, 23 JUNE 2009 AT THE BOARDROOM, CALGRO, CEDARWOOD HOUSE, BALLYWOODS OFFICE PARK, 33 BALLYCLARE DRIVE, BRYANSTON AND AT ANY ADJOURNMENT THEREOF.

For use by the holders of the company's certificated ordinary shares ("certificated shareholder") and/or dematerialised ordinary shares held through a Central Securities Depository Participant ("CSDP") who have selected own-name registration ("own-name" dematerialised shareholders). Not for the use by holders of the company's dematerialised ordinary shares who are not own-name dematerialised shareholders. Such shareholders must contact their CSDP or broker timeously if they wish to attend and vote at the annual general meeting and request that they be issued with the necessary authorisation to do so, or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the annual general meeting in order for the CSDP or broker to vote thereat in accordance with their instructions.

I/We _____ (full name in block letters)

of _____ (please print address)

being a shareholder of Calgro M3 and holding _____ ordinary shares in the company, hereby appoint

1 _____ of or failing him/her

2 _____ of or failing him/her

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

	FOR	AGAINST	ABSTAIN
Ordinary resolution number one Adopt the annual financial statements for the year ended 28 February 2009			
Ordinary resolution number two Re-appointment of PF Radebe as chairperson			
Ordinary resolution number three Appointment of JB Gibbon as non-executive director			
Ordinary resolution number four Appointment of M Phetla-Lekhethe as non-executive director			
Ordinary resolution number five Appointment of N Maninjwa as non-executive director			
Ordinary resolution number six Re-appointment of H Ntene as non-executive director			
Ordinary resolution number seven Re-appointment of B P Malherbe			
Ordinary resolution number eight Appointment of WJ Lategan			
Ordinary resolution number nine Re-appointment of FJ Steyn			
Ordinary resolution number ten Re-appointment of PricewaterhouseCoopers Inc.			
Ordinary resolution number eleven Directors' fees			
Ordinary resolution number twelve General payments of shareholders			
Ordinary resolution number thirteen Control of authorised but unissued shares			
Ordinary resolution number fourteen General authority to issue shares for cash			
Special resolution number one General authority to repurchase shares			

*Please indicate with an "X" in the appropriate spaces above how you wish your votes to be cast.

Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed at _____ (place) on _____ (date) 2009

Member's signature _____

Assisted by (if applicable) _____

Please read the notes on the reverse side. NOTES TO PROXY

Notes to Proxy

1. This form of proxy is to be completed only by those members who are:
 - a. holding shares in a certificated form; or
 - b. recorded in the sub-register in electronic form in their "own name".
2. Members who have dematerialised their shares other than own-name dematerialised shareholders, and who wish to attend the annual general meeting must contact their Central Securities Depository Participant ("CSDP") or broker who will furnish them with the necessary authority to attend the annual general meeting, or they must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the members and their CSDP or broker.
3. Each member is entitled to appoint one or more proxies (who need not be a member(s) of the company) to attend, speak and, on a poll, vote in place of that member at the annual general meeting.
4. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space provided, with or without deleting "the chairperson of the annual general meeting". 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.
5. A member's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that member in the appropriate box (es) provided. Failure to comply with the above will be deemed to authorise the chairperson of the annual general meeting, if the chairperson is the authorised proxy, to vote in favour of the ordinary resolutions at the annual general meeting, or any other proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit, in respect of all the member's votes exercisable thereat.
6. A member or his/her proxy is not obliged to vote in respect of all the ordinary shares held by such member or represented by such proxy, but the total number of votes for or against the ordinary resolutions and in respect of which any abstention is recorded may not exceed the total number of votes to which the member or his/her proxy is entitled.
7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company's transfer office or waived by the chairperson of the annual general meeting.
8. The chairperson of the annual general meeting may reject or accept any form of proxy which is completed and/or received other than in accordance with these instructions, provided that he/she is satisfied as to the manner in which a member wishes to vote.
9. Any alterations or corrections to this form of proxy must be initialled by the signatory (ies).
10. The completion and lodging of this form of proxy will not preclude the relevant member for attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.
11. 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 company's transfer secretaries.
12. Where there are joint holders of any shares, only that holder whose name appears first in the register in respect of such shares need sign this form of proxy.
13. Forms of proxy must be lodged with the transfer secretaries at the address given below by no later than 14:00 on Friday, 19 June 2009.

Transfer secretaries

Computershare Investor Services (Pty) Limited
Ground Floor, 70 Marshall Street
Johannesburg 2001
PO Box 61051, Marshalltown 2107
Telefax 011 688 5200

Administration

Calgro M3 Holdings Limited

Incorporated in the Republic of South Africa

Registration number: 2005/027663/06

Share code: CGR

ISIN: ZAE000109203

Registered office

Cedarwood House
Ballywoods Office Park
33 Ballyclare Drive
Bryanston
2196

Business address

Cedarwood House
Ballywoods Office Park
33 Ballyclare Drive
Bryanston
2196

Postal address

Private Bag X33
Craighall
2024

Website

www.calgrom3.com

Transfer secretaries

Computershare Investor Services (Pty) Ltd

Business address

70 Marshall Street
Johannesburg
2001

Postal address

PO Box 61051
Marshalltown
2107

Bankers

Nedbank Limited

Auditors

PricewaterhouseCoopers Inc.

Designated advisors

PSG Capital (Pty) Ltd

Secretary

Barnard Attorneys Inc.

Shareholders' Diary

Annual general meeting:

Interim report:

Financial year-end:

Year-end results:

Tuesday, 23 June 2009

November 2009

February

May 2010




CALGRO M3
H O L D I N G S

www.calgrom3.com