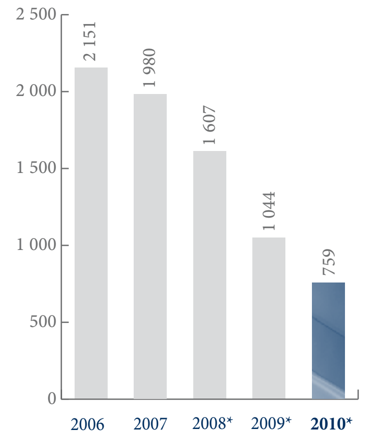
AMALGAMATED APPLIANCE HOLDINGS LIMITED

Contents

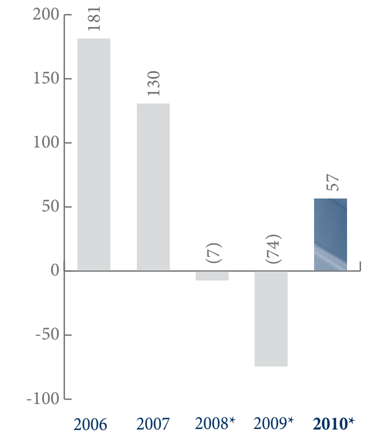
www.amap.co.za

Financial highlights
Five year overview

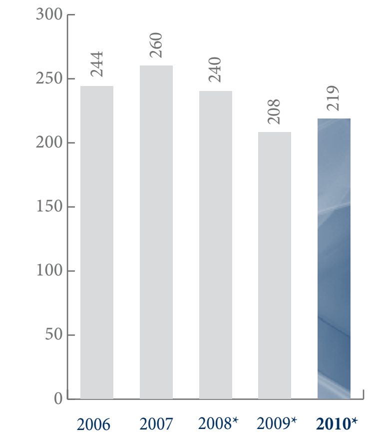
Revenue
(R million)



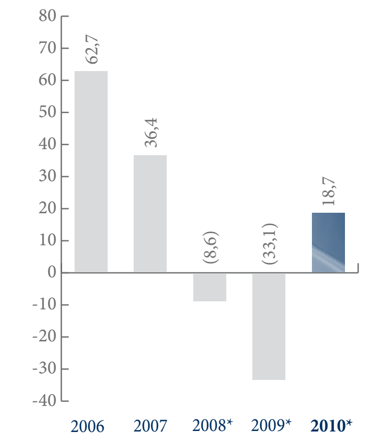
Operating profit/(loss)
(R million)



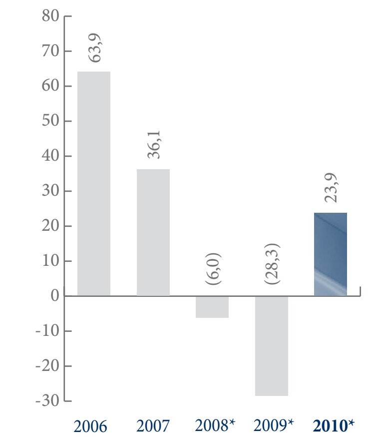
Net asset value
(Cents)



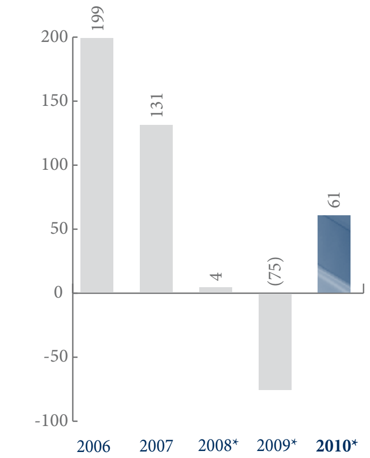
Earnings/(loss) per share
(Cents)



HEPS/(HLPS)
(Cents)



EBITDA/(LBITDA)
(R million)



**Continuing operations only.*

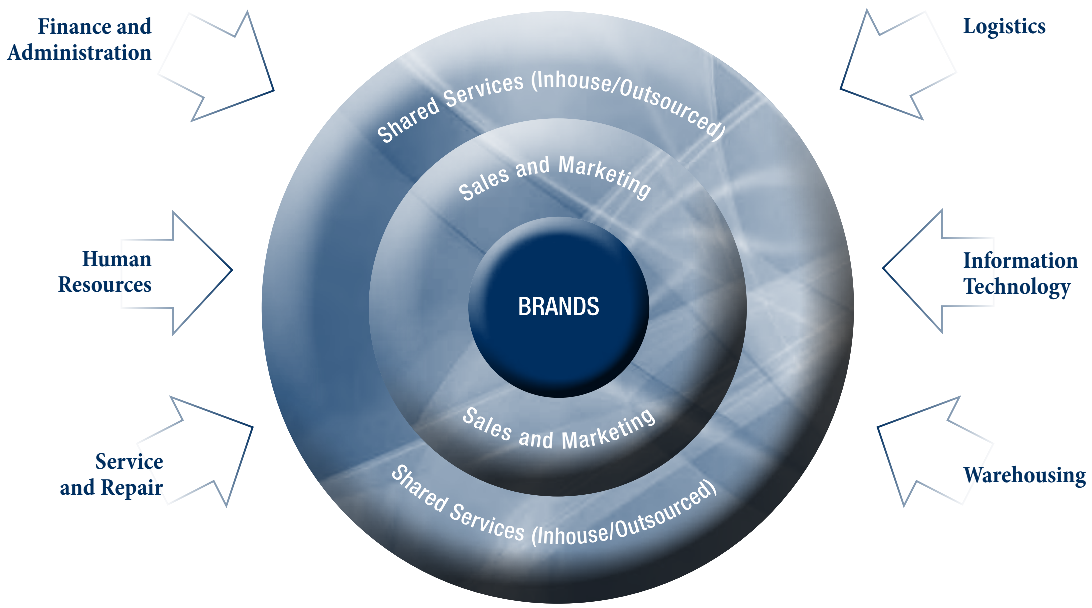
Who we are

Amalgamated Appliance Holdings Limited (AMAP) is a focused group specialising in the sales and marketing of branded household durables.

Our vision

- We are a single business
- We are a sales and marketing group
- We invest in and support our brands
- We have world-class, lowest cost shared services

Our business model



Brand positioning

Best

brother At your side.
Russell Hobbs Elegantly modern, traditionally stylish
stanton
wiltshire
REMINGTON
SANSUI
ETI
Pioneer DJ

Better

George Foreman
Empisal
salton Elite
Hoover
behringer
salton
artifarti
TEDELEX
Living ART

Good

FANE
KRK SYSTEMS
Pineware
HK AUDIO
Berda
HAZ
WESTPOINT
saisho

Current directorate

LEON CAMPHER (62)[SR+N]
Independent Non-executive Chairman
BEcon

Appointed to the Board in November 2007

Appointed Chairman in February 2008

MYRON BERZACK (61)[SRN]
Non-executive Director

Appointed to the Board in December 2009

DAVID CLEASBY (48)[A+]
Non-executive Director
CA(SA)

Appointed to the Board in April 2010

STEVE MÜLLER (49)[SA+]
Independent Non-executive Director
CA(SA)

Appointed to the board in November 2007

COLIN SCOTT (65)[ARN]
Independent Non-executive Director

Appointed to the Board in July 2010

DUMISANI TABATA (55)[SRN]
Independent Non-executive Director
B Proc, LLB, PMB

Appointed to the Board in July 2009



ALAN COWARD (55)+EC
Executive Director
Group Chief Executive Officer
CA(SA)

Appointed to the Board in February 2008

MURRAY CROW (42)+EC
Executive Director
MBA

Appointed to the Board in December 2008

DES OLIVER (58)+EC
Executive Director

Appointed to the Board in July 2008

Directorate resignations during the year

STEVEN KARELE (54)
Executive Director
Group Chief Financial Officer
CA(SA)
Appointed to the Board in December 2008
Resigned from the Board in June 2010

STEVEN LEVITt (55)
Independent Non-executive Director
CA(SA)
Appointed to the Board in 2001
Resigned from the Board in June 2010

RIAN DU PLESSIS (49)
Independent Non-executive Director
CA(SA)
Appointed to the Board in November 2007
Resigned from the Board in June 2010

S Share Trust
A Audit Committee
R Remuneration Committee
+ Risk Committee
E Executive Committee
C Corporate Committee
N Nomination Committee

Chairman's review

The trading environment evinced little sign of improvement over the last financial year, though there is some inkling of a recovery in consumer spending. The South African Chamber of Commerce and Industry (SACCI) is forecasting a slow, drawn-out recovery from the deepest recession the country has experienced in decades. Low levels of consumer spending show tentative signs of recovery at this point in the economic cycle, though much of this improvement can be ascribed to pre-World Cup spending. Reserve Bank figures for the first quarter of 2010 show that consumer spending rose at its fastest pace in more than two years, to 5,7% from 1,6% in the previous quarter. Whether this is the start of a sustained, even if tentative, recovery in consumer spending trends remains to be seen.

According to research by FNB, private consumption is likely to grow by just 2% in 2010, increasing steadily to 4,5% growth by 2014. This is still well below growth figures of 6% and 8% witnessed in 2005 and 2006. The same research forecasts consumer inflation to remain within the Reserve Bank's 3% to 6% target range for the next five years. Our experience is that the consumer remains cautious, due largely to the large-scale job losses experienced over the last year. This lack of consumer confidence, aggravated by low levels of disposable income, is impairing recovery, as consumer spending is the main engine of economic growth. The country's unemployment numbers eked above 25% in the first half of 2010, and is almost certain to go higher. The number of unemployed and "discouraged" work seekers who have given up seeking work has now hit 1,8 million from 1,2 million a year ago, according to the SACCI. Company liquidations are also on the rise, despite the relief of low interest rates.

It is clear that we are, economically speaking, charting entirely new waters and companies seeking to survive and prosper in this environment had better steel themselves against sometimes wild and unpredictable eventualities. Our view is that the country is unlikely to see substantial job growth over the next two to three years, and consumers will henceforth be more cost-conscious in their buying. Our experience in the last two years is that they are buying down, choosing trusted value-for-money brands over premium brands. This is not to say they are forsaking quality at the expense of cost. There is a fine balance between the two, and we have positioned ourselves firmly in this new market paradigm.

We remain cautiously optimistic yet our planning embraces a range of economic scenarios moving forward, and in this environment one must be prepared to adapt rapidly to altering circumstances.

In recognition of this changing environment, your Group embarked two years ago on a major restructuring exercise following a thorough analysis of its core business and the strategic direction required to deliver sustained growth to shareholders. This was done in pursuit of AMAP's vision to be Africa's foremost distributor of leading branded consumer products. We exited the TV manufacturing business, as this was not a core business, and introduced new product categories with international brands sourced through McPhersons and Stoneage to our stable.

The Group has now moved into the technological phase, with the introduction of customer relationship management (CRM) solutions intended to further reduce costs and improve order turnaround times and client communication. We are particularly excited by these developments, as clients are now able to establish stock availability and pricing information in seconds, and place electronic orders directly to our warehouses. This is back-end business stuff, the meat and potatoes of technology buffs, but it is in truth a revolution in the way we interact with our customers. The benefits of these developments will establish AMAP as the leading distributor of branded consumer products in the South African market. The speed of communication with clients and the depth of information now available to them surpasses anything we could have envisaged just two or three years ago. Our sub-Saharan African customers will benefit equally from these technological advances, thereby strengthening our foothold in the African market.

CHANGES TO THE BOARD

The following changes to the Board have taken place for the year under review:

- Dumisani Dumekhaya Tabata was appointed as Independent Non-executive Director with effect from July 2009;
- Myron Cyril Berzack was appointed in December 2009 as a Non-executive Director;
- David Edward Cleasby was appointed in April 2010 as a Non-executive Director;
- Steven Karele, formerly the Group Chief Financial Officer and Executive Director, resigned from the Board in June 2010;
- Steven Levitt, who joined the Board in 2001 as an Independent Non-executive Director, resigned from the Board in June 2010;
- Rian du Plessis, who joined the Board in 2007 as an Independent Non-executive Director, resigned from the Board in June 2010; and
- Colin Kenneth Leman Scott was appointed to the Board as an Independent Non-executive Director in July 2010.

I would like to thank our resigning Board members for their counsel and loyalty over the years, and welcome our new Board members, each of whom brings a unique set of skills and insights to the Board. It is a pleasure to have them on our Board and their value to the business will undoubtedly manifest itself in the years to come.

CORPORATE GOVERNANCE

The Group subscribes to the spirit of good corporate governance as set out in the King II Report and accepts the need to conduct the enterprise with integrity, transparency and equal opportunity. The Board has further embraced the principles of the King III Report, which further raises the corporate governance bar in light of the new Companies Act and changing trends in international governance. King III places emphasis on the requirement to report on how companies enhance those positive aspects and address any possible negative impacts on the economic life of the community in which it will operate in the year ahead. AMAP will report on their application of King III and if any principles and practices are found to be inappropriate for the Group, the reason for not implementing or not complying with King III recommendations, will be disclosed.

DISTRIBUTION TO SHAREHOLDERS

The Board recommends that the shareholders approve a distribution to shareholders by way of a capital distribution out of share premium of 8 cents per share (2009: nil). Refer to the directors' report on page 28.

INTRODUCTION OF STRATEGIC PARTNER

At the corporate level, we are pleased to welcome The Bidvest Group Limited (Bidvest) as a 27,6% shareholder in AMAP. Bidvest acquired this shareholding from Steinhoff Africa Holdings Limited (Steinhoff), and while this is a minority shareholding for Bidvest, we believe this acquisition imparts an important strategic and reputational benefit to the Group (as did the Steinhoff association).

ACKNOWLEDGEMENTS

We would like to extend our sincere thanks to our non-executive directors for their sage advice and counsel. We also want to thank each and every staff member for their dedication and commitment and to our suppliers, customers and shareholders for their support over the past year.

For and on behalf of the Board

Leon Campher
Non-executive Chairman

Operational review

COMMENTARY

The Board is pleased to announce the return to profitability for the 12-month period ended 30 June 2010. The Group continued to focus and invest in its trusted brands through above and below the line advertising and promotion. This resulted in the Group increasing its market share in most categories. Revenue and stock levels were in line with the Group's targets.

ECONOMIC AND TRADING ENVIRONMENT

A year ago the economic commentators were calling an end to the deep recession caused by the sharp collapse in commodity prices in late 2008. Yet the long-awaited recovery has not materialised and we see no evidence of employment growth and increased consumer spending. Here and there are snippets of economic hope: consumer inflation has fallen within the Reserve Bank's target range of 3% to 6%; month-on-month consumer spending was uncharacteristically robust leading up to the World Cup 2010; business confidence surveys point to gentle lifting in the national business psyche; interest rates are at historically low levels and likely to remain there for some time. While we take hope from these glimpses of optimism, our trading experience over the last financial year reminds us that recessionary conditions still persist.

As outlined in the previous year's annual report, two years ago we recognised the imperative of a sweeping corporate restructuring if we were to survive and prosper during these lean economic times. We re-examined every aspect of the business from top to bottom and decided to reposition ourselves as Africa's leading distributor of branded consumer products. AMAP's strategy is to become a sales and marketing company, only manufacturing where necessary, heavy on intellectual capital and brand management. This has resulted in us investing more heavily on new and existing brands through above and below the line marketing, promotional and public relations expenditure. We have integrated all our trading activities into a single corporate entity and outsourced non-core activities and operations. From a working capital perspective, the focus now is on stock reduction and control, matched by intelligent procurement. With this came the decision to exit non-core businesses and during the year under review we exited the TV manufacturing business. This business was sold to Tellumat. Further we have our Atlantis factory premises up for sale and it is listed on the statement of financial position as an asset "held for sale". Following the restructuring of the consumer electronics business, we no longer hold stock but now derive royalties from the Group's brands. The electronic service operation has been outsourced and the service provider is being closely monitored to ensure compliance with service level agreements.

Sadly, through the restructuring process, we had to say goodbye to many staff and scale back our overheads. Staff numbers excluding our Pinetown manufacturing

HIGHLIGHTS#

- **Returned to profitability**
- Basic profit per share increased **to 18,7 cents**
- HEPS increased **to 19,0 cents**
- Net cash on hand **R204,4 million**

Highlighted results relate to continuing and discontinuing operations.

operation, have fallen to 170 from 466 two years ago, and while we do not anticipate any further reduction in staff numbers, the composition of the staff will change over time to include a heavier intellectual capital component. As Africa's distributor of leading consumer brands, a key area of investment going forward will be in human and intellectual capital.

Two years ago we took a proactive view of the consumer market and the different product sectors and categories. As a result we redefined and transformed our executive strategy to give us a competitive advantage. The fruits of these endeavours were already evident in last year's financial results, and we continued to build on this strong foundation in the year under review. The Group has built up a sizable cash position which leaves us well positioned to make acquisitions, grow market share and develop new businesses which will increase our profitability. Our intention is to be the front-runner in the African consumer brands market and we have developed a strategy to achieve export revenue of up to 10% of the Group's revenue over the next few years. As the economic turnaround materialises, however tentatively, we are perfectly positioned to scale up our operations without a concomitant increase in overheads.

While the restructuring is now complete, we are in the process of upgrading our customer relationship management centre to streamline communication, information flow and electronic ordering for the benefit of clients. This has huge advantages not just for the Group, but for our growing list of clients across sub-Saharan Africa and the Indian Ocean islands. This is an example of leveraging technology to deliver competitive advantage and at the same time achieve considerable savings over the long term. Some 80% of our customers are now on e-billing, and portals are in place allowing customers to access stock, price and other information on product lines, as well as place orders direct to our warehouse.

The Group achieved sales volume growth of 5% during the year under review while the total market shrank by 3%, which illustrates the extent of the competitive pressures facing retailers, as consumers trade down in search of good quality merchandise at reasonable prices. There is little scope for price increases in this low inflation and highly competitive environment. The strong rand worked to our benefit in reducing the costs of imported products, and making it possible to pass on cost savings to consumers. We were able to make market share gains in most categories during the year under review. Margin improvements in this environment are realised through more efficient procurement, efficient logistics and effective marketing. We are pleased to report that the Group achieved a modest improvement in net margins on ongoing business activities during the year due to the above-mentioned efficiency improvements.

Our push into Africa is predicated on a growing body of evidence that the continent is on the cusp of a major consumer boom, fuelled by increasing urbanisation, buoyant economic growth and improving standards of administrative and political governance. The MasterCard Africa 10/21 survey identifies 10 African countries that will lead the rest of the continent into a sustained period of economic prosperity: Angola, Kenya, Ghana, Mauritius, Mozambique, Nigeria, South Africa, Tanzania, Zimbabwe and Zambia. According to the MasterCard survey: "There are increasing signs of a new stirring in sub-Saharan Africa since the dawn of the 21st century. Globalisation appears to have reached sub-Saharan Africa; and both African governments and the people are, in sharp contrast with the past, eager to engage the global economy actively; and increasingly on their own terms. While many of the old shackles are still there, sparks of growth and entrepreneurship are beginning to fly; and with them, aspiration for peace and prosperity."

OPERATIONS

We continue to feel the impact of the National Credit Act introduction in 2007, in that spending patterns have shifted from credit-driven furniture chains, where the Group has traditionally dominated, to the mass discounters and independent specialists. We expect consumer demand to remain weak as long as employment numbers across the economy diminish.

The downturn in the consumer market forced the Group to change its model of selling consumer electronic products to the retail trade from one where products are procured and warehoused based on market research or demand, to one where orders are now placed on a "back-to-back" basis. This change resulted in substantial staff retrenchments and much reduced inventories and overheads, leading to a sustained improvement in margins. Sales in the categories of small domestic appliances and sewing machines continue to be encouraging. While year-on-year revenue in these categories were marginally higher, we continue to make market share gains in key product categories, and margins improved somewhat on the previous year.
The imminent introduction of the Consumer Protection Act poses challenges for all participants in the consumer markets and the Group is positioned to deal with it. We fully support the intention to arm consumers with better information on which to base purchasing decisions, and we believe this act will be to the benefit of reputable brand distributors such as AMAP.

The Group owns roughly one-third of its brands and is licensed to distribute non-owned brands on an exclusive basis across sub-Saharan Africa. A key achievement over the past financial year was the decision to rebuild AMAP-owned brands and strengthen their market position. This strategy paid off handsomely in 2010 and will continue in the coming financial year. We also invested heavily in established brands such as Hoover, which has now been re-energised, as well as the Remington and personal care brands, which we have identified as a major growth area going forward. The premium Russell Hobbs brand is performing well in the current market due to our strong promotional campaigns. Furthermore, in the house wares category, we are in the process of launching the Aide de Chef, Wiltshire and Stanley Rogers brands which we acquired under licence from McPhersons during the year under review. We also signed an agreement with Stoneage for dinnerware and we will launch the product during the coming year.

STRATEGY: FOUNDATIONS FOR THE FUTURE

The Group has defined five key building blocks to lay the foundation for a prosperous future:

Absolute focus on driving profitability in each market in which we operate: this is now well under way, with the new, leaner business model; the reduction in overhead costs; the focus on profitable brands, and; reduced inventory levels.

Attract and retain top talent: through appropriate incentives, empowerment and organisational culture.

Introduce a culture of performance management: by measuring key staff's performance and assisting their development to ensure a win-win for both parties.
Total accountability: by adhering to the strictest standards of corporate governance and holding every staff member accountable for performance.

Our growth strategy going forward is to redouble our focus on operational performance, through the use of innovative marketing and technology. We remain committed to strong organic growth within our existing and new product ranges and to make acquisitions when there is a strong business case for it. The Group has amassed a healthy cash reserve to enable it to make acquisitions as and when these arise, and when they advance our overall business strategy. We are also in the process of creating new business channels and mitigating risk within existing channels. Finally, we are committed to our African growth strategy as a fundamental pillar of the Group's future vision.

Our brand strategy is to use the world's best brands to engage customers across the LSM range, from the cost-conscious to the status-seeking. We pioneer the use of brands to improve and uplift the lives of consumers, and we are actively pursuing the development and distribution of environmentally friendly appliances and accessories, for example, through the use of recyclable packaging and energy-saving appliances.

FINANCIAL PERFORMANCE

Statement of comprehensive income (continuing operations)

Revenue from continuing operations for the year under review decreased by 27% to R759,1 million (2009: R1 044,3 million), due to the restructuring of our business model. Pre-tax profit for the year is R68,6 million (2009: loss R89,2 million).

Restructuring costs for the period totalled R0,9 million (2009: R7,8 million).

As a result of stringent working capital management, the Group received net interest of R12,2 million (2009: interest paid of R2,7 million).

Total comprehensive income for the year for continuing operations amounted to a profit of R48,9 million (2009: loss of R63,4 million).

Basic earnings per share increased to 23,7 cents (2009: loss per share of 30,4 cents) and HEPS increased to 23,9 cents (2009: HEPS of 28,3 cents).

Statement of financial position (continuing operations)

The statement of financial position shows a marked improvement over two years in the key areas of gearing, inventories, and cash on hand. Current assets exceed current liabilities by a factor of more than three, while the statement of financial position is net ungeared. Cash on hand amounted to R204,4 million (2009: R124,9 million). Stringent working capital management had a considerable impact on strengthening the Group's statement of financial position. In a particularly challenging trading environment, inventory decreased to R146,0 million from R154,3 million a year ago, and from R365,2 million in 2008. This was primarily attributable to the action of changing the method of sale of consumer electronics products as well as improved management control over the categories of seasonal small domestic appliances and electrical accessories.

Trade and other receivables at year-end was R181,7 million, compared with R187,3 million a year ago. This is an improvement on historical practice, and is due largely to the better collection of overdues, and stricter control on credit approvals.

Management is confident that the business will continue to generate cash through inventory control, overhead savings and the benefits of improved product category selection that has been implemented.

PROSPECTS

We expect retail sales to remain flat in the categories in which we trade for the coming financial year, with hopes of improvement now deferred till 2012. Bottom-line profit improvement must therefore come from a relentless pursuit of cost savings, efficiency gains and excellent management of our brand portfolio. The restructuring exercise now largely complete has resulted in a lower overhead base, positive cash generation and a virtually ungeared statement of financial position. This is an excellent foundation going forward, as we can now grow the business without substantially increasing overheads. We continue to make inroads into new product categories. Given the strong statement of financial position we are currently investigating a number of suitable acquisitions, but only if they follow our overall business vision to be Africa's top distributor of branded consumer merchandise. Our Africa growth strategy is on track and we are excited by the opportunities that await us to the north.

In light of the above, the Group expects to improve operational performance in the new financial year.

SEGMENTAL REPORTING

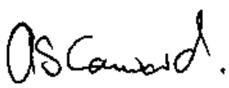
The Group predominantly markets and distributes consumer durables from a single business unit. Information regarding aggregated customer and geographical information will be disclosed in the annual report in line with the requirements of IFRS 8 *Operating Segments*.

SUBSEQUENT EVENTS

No events material to the understanding of the report have occurred during the period between 30 June 2010 and the date of this report.

ACKNOWLEDGEMENTS

On behalf of the entire executive team I would like to extend our sincere thanks to our Non-executive Directors for their sage advice and counsel. I also want to thank each and every staff member for their dedication and commitment and to our suppliers, customers and shareholders for their support over the past year.



Alan Coward
Chief Executive Officer

Divisional directors

Johan Deetlefs (63) †^◊

BCom (Hons)

Human Resources

Bruce Drummond (53)†^◊

BCom, FCIS

Group Accountant

Company Secretary

Herman Ellis (53)†^◊

Logistics and Repair Services

Theo Theodorou (50)^

Trade Sales Director

Peter Shorten (57)

BSc (Mech Eng)

Technical Director

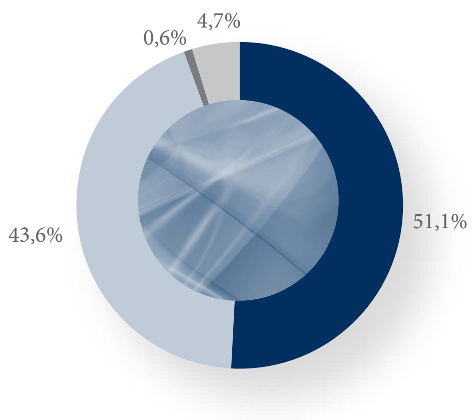
† Risk Committee
^ Executive Committee
◊ Corporate Committee

Value added statement

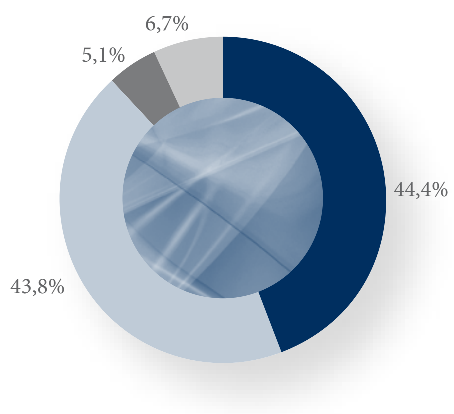
for the year ended 30 June 2010

Continuing and discontinuing operations	2010 R'000	%	2009 R'000	%
REVENUE	**845 285**		1 062 878	
Investment income	**13 636**		8 488	
Cost of materials, services and expenses	**(625 426)**		(852 223)	
VALUE ADDED	**233 495**	**100**	219 143	100
Distribution as follows:				
Employees				
– Salaries and wages, commission and other benefits	**119 299**	**51,1**	97 171	44,4
Government				
– Taxation current	**3 012**	**1,3**	11 564	5,3
– PAYE	**13 200**	**5,6**	14 547	6,6
– Customs duty, excise duty, VAT and import surcharge	**63 862**	**27,3**	50 605	23,1
– Ad valorem	**21 877**	**9,4**	19 346	8,8
Providers of capital				
– Interest paid	**1 491**	**0,6**	11 182	5,1
Reinvestment in the Group				
– Depreciation, amortisation and impairment	**7 696**	**3,3**	12 092	5,5
– Reinvestment for expansion	**3 058**	**1,4**	2 636	1,2
Employees headcount	**311**		515	

2010



2009



- Employees
- Government
- Providers of capital
- Reinvestment in the Group

Governance of the business

INTRODUCTION

The corporate governance statement documented below sets out the key governance principles and practices of AMAP. Our aim is to fairly and honestly inform our internal and external stakeholders through reasonable and understandable disclosure.

ENDORSEMENT

The Company's Board of Directors ("the Board") is committed to ensuring that the Group is governed appropriately. The Board recognises the responsibility of the Group to conduct its affairs with prudence, transparency, accountability, fairness and in a socially responsible manner. The Group complies with the principles of the Code of Corporate Practices and Conduct as recommended in the King Report on Corporate Governance in South Africa 2002, as well as with the spirit and form of the obligations that exist in terms of the Listings Requirements of the JSE Limited. Specifically, the directors report the following:

In terms of the King Report on Governance for South Africa, 2009 (King III), the Board needs to consider the interests of the Company and shareholders, taking into account the concerns and issues of its wider stakeholders, including supplier, customers, employees and the environment. AMAP understands the importance of balancing long-term social, environmental and economic interests with the principle need to maximise the profits of the Company.

The Company is in the final review in most respects with King III, as can be seen from the table below.

	Requirements in King III	Company's present position
1.	Chairman of the Board	Final review to be completed in next year in line with reporting requirements
2.	Board composition	Final review to be completed in next year in line with reporting requirements
3.	Independence of non-executive directors	Final review to be completed in next year in line with reporting requirements
4.	Director information reported	Final review to be completed in next year in line with reporting requirements
5.	Board performance	Final review to be completed in next year in line with reporting requirements
6.	Rotation of directors	Final review to be completed in next year in line with reporting requirements
7.	Lead independent director	Final review to be completed in next year in line with reporting requirements
8.	Board committees and reporting structure	Final review to be completed in next year in line with reporting requirements
9.	Audit Committee	Final review to be completed in next year in line with reporting requirements
10.	Risk Committee	Final review to be completed in next year in line with reporting requirements
11.	IT governance	Final review to be completed in next year in line with reporting requirements
12.	Assurance of sustainability information	Final review to be completed in next year in line with reporting requirements

BOARD OF DIRECTORS

Chairman of the Board of Directors

The Chairman Leon Campher, an Independent Non-executive Director was appointed as Chairman on 1 February 2008. The Chairman is responsible for ensuring the effectiveness of governance practices within the Group.

Particular areas of responsibility for the Chairman include guidance regarding strategic planning, relationships with principals, government and customers, Group economic empowerment, corporate relations, top-level contact with regulatory bodies, and advice on local and overseas acquisitions.

The Chairman's duties are governed by a formal Board-approved mandate regulating the terms of reference of his office, and this is reviewed from time to time when appropriate.

Composition of the Board

AMAP has a fully functional Board that leads and controls the Group. The Board of Directors comprises three executive directors and six non-executive directors chosen for their achievements, business acumen and skills.

The Board considers Leon Campher, Steve Müller, Colin Scott and Dumisani Tabata as Independent Non-executive Directors and Myron Berzack and David Cleasby are Non-executive Directors as defined in King III and the Companies Act Amendment 2006 noted on pages 4 and 5.

All directors bring independent judgement to the issues of performance, strategy and resources including key appointments of directors and staff and standards of conduct within the Group. Details of the non-executive and executive directors of the Board are listed on pages 4 and 5.

The non-executive directors have no fixed term of appointment and no service contracts with AMAP. Letters of appointment confirm the terms of their service. Their fees are independent of the Group's financial performance. The non-executive directors receive no share options or bonuses.

The Board meets regularly (refer tables of attendance on page 17). In addition, the articles of association of the Company provide for material decisions taken between meetings to be confirmed by way of directors' resolutions.

Changes to the Board during the year

The following changes took place during the year under review:

– Dumisani Dumekhaya Tabata was appointed as Independent Non-executive Director with effect from July 2009;
– Myron Cyril Berzack was appointed in December 2009 as Non-executive Director
– David Edward Cleasby was appointed in April 2010 as Non-executive Director
– Steven Karele, formerly the Group Chief Financial Officer and Executive Director, resigned from the Board in June 2010;
– Steven Levitt, who joined the Board in 2001 as Independent Non-executive Director, resigned from the Board in June 2010;
– Rian du Plessis, who joined the Board in 2007 as Independent Non-executive Director, resigned from the Board in June 2010; and
– Colin Kenneth Leman Scott was appointed to the Board as Independent Non-executive Director in July 2010.

Role and responsibilities of the Board

The Board is responsible for the strategic direction, performance, affairs and risk management of AMAP. In directing the Group, the Board exercises leadership, integrity and judgement based on fairness, accountability, responsibility and transparency directed to achieve the ongoing prosperity of the Group.

The Board approves operational and investment plans and strategies and empowers executive management to implement these plans and strategies. There is a clear division between the responsibilities of the Board and management.

Structured management succession planning, for purposes of identifying, developing and advancing future leaders in the Group, is an important element in the management process.

The Board remains accountable for the overall success of the approved strategies, based on values, objectives and stakeholder requirements, and for the process and policy to ensure the integrity of risk management and internal control. The Board is the focal point of the Group's corporate governance structure and is also responsible for ensuring that it complies with all relevant laws, regulations and codes of best business practice.

Duties of directors

The Companies Act places certain duties on directors and stipulates that they should apply the necessary care and skill in fulfilling their duties. To ensure that this is achieved, best practice principles, as contained in the King II Report on Corporate Governance for South Africa, are applied. As part of the implementation of King III, the Board approved changes to its governance structure going forward as previously noted.

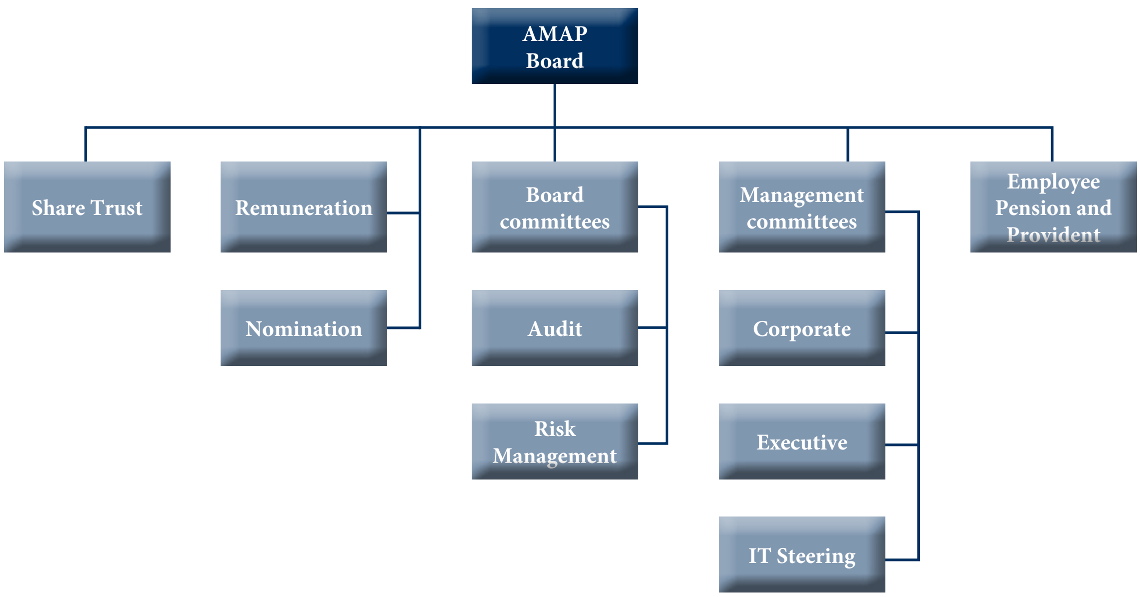
The Board is responsible for formulating the Company's communication policy and ensuring that spokespersons adhere to it. This responsibility includes clear, transparent, balanced, truthful and timeous communication to shareholders and relevant stakeholders.

In terms of the respective directors' charters, the directors are of the opinion that the Board and the subcommittees have discharged all their responsibilities.

The Board meets at least four times annually and more frequently if circumstances or decisions require. Directors declare their interests in contracts and other appointments at all Board meetings. Meetings are conducted in accordance with formal agendas, ensuring that all substantive matters are properly addressed. Standing subcommittees of AMAP have been appointed while ad hoc subcommittees are created as and when required. The Chairman of the relevant subcommittee sets the agenda for each meeting in consultation with the Group Chairman and Group CEO. Any director may request that additional matters be added to the agenda. Board packs are circulated to the directors in advance of the meetings. The non-executive directors take responsibility for ensuring that the Chairman reviews all matters requiring the Board's attention. The Board ensures that there is an appropriate balance of power and authority in its make-up, so that no one individual or block of individuals can dominate its decision-making process. All directors are entitled to seek independent professional advice concerning the affairs of the Group, at the Company's expense.

Financial statements

The financial statements as set out in this report have been prepared by management in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act of South Africa. They are based on appropriate accounting policies which are supported by reasonable and prudent judgements and estimates. The directors are responsible for ensuring that Group companies maintain adequate accounting records, and for reporting on the financial position of the Group at all levels to meet this responsibility. The external auditors are responsible for independently auditing and reporting on these financial statements in conformity with IFRS and in the manner required by the Companies Act of South Africa. The Group's auditors have confirmed that the financial information is in accordance with the underlying audited financial records of the Company and its subsidiaries.



Board committees

The Board has established several committees on which non-executive directors play an active and pivotal role. All committees operate under Board-approved terms of reference, which were reviewed and updated during the period under review to align them further with best practice and to take into consideration the recommendations set out in King III. All Board committees, except the Executive Committee, are chaired by a non-executive director who attend the annual general meeting in order to respond to shareholder queries. The various committee mandates and terms of reference are available from the AMAP Group Company Secretary on request.

Membership of each committee are reviewed regularly by the Group Chairman and adjusted accordingly. The chairmen of the committees are elected by the members of each committee, unless sound reasons cause the committees and the Board to determine otherwise.

In view of the fact that the Audit Committee will become a statutory committee once the new Companies Act becomes law and in terms of the recommendations set out in King III, shareholders will now be required to elect the members of this committee at the Company's 2010 annual general meeting.

Attendance at Board meetings for the period 23 September 2009 – 22 September 2010

	Attended	Eligible to attend
P L Campher (Chairman)	4	4
M C Berzack	3	3
D E Cleasby	2	2
A S Coward	4	4
M G Crow	4	4
S H Müller[1]	4	4
D B Oliver	4	4
C K L Scott	2	2
D D Tabata	3	4
B G Drummond (Secretary)	4	4
W A du Plessis*	1	2
S Karele*	2	2
S A Levitt[1]*	2	2

** Resigned during the year under review.*
[1] *Occasionally attends by teleconference.*

Audit Committee

The Audit Committee consists of two independent non-executive directors, Steve Müller (Chairman), Colin Scott and David Cleasby, a non-executive director. Alan Coward, Murray Crow, Des Oliver and Bruce Drummond attend meetings by invitation.

The Audit Committee monitors proposed changes in accounting policy and all published financial information, reviews the internal and external audit function and discusses the accounting implications of major transactions prior to Board approval.

The JSE Limited (JSE) Listings Requirements were amended with effect from 1 September 2008, requiring all listed companies to have a financial director. The Company has complied with this requirement as at 30 June 2010 on which date the CFO resigned. The Audit Committee and the Board have decided to appoint the Group Accountant as FD designate. The Group Accountant has held this position for eight years and performs the required responsibilities of FD designate and will be accountable during the six-month period to December 2010 at which time the appointment of the CFO will be finalised. The committee has considered and has satisfied itself of the appropriateness of the expertise and experience of the Group Accountant (the Group Accountant is the Financial Director of all operating companies).

The Audit Committee meets quarterly with the Group's external and internal auditors to review accounting controls, disclosure requirements, corporate governance practices, as well as auditing and financial matters and reports to the Board of Directors on its findings.

The Audit Committee performs the following activities:

- approve the external auditor's terms of engagement, audit approach and audit fees;
- ensure the independence of the external auditor;
- approve external auditor's appointment for the ensuing financial year;
- preapprove all fees paid to the external auditor for non-audit service;
- approval and appointment of internal auditors charter and audit plan;
- consider and set mandatory term limits on the period the lead partner of the external auditors may serve the company;
- review risk areas of the company's operations to be covered in the scope of internal and external audits; and

- reviewing half-year and annual financial statements before submission to the Board focusing on inter alia:
  - any changes in accounting policies and practices
  - major judgemental areas
  - significant adjustments arising from the audit
  - the going-concern statement
  - compliance with stock exchange and statutory requirements
  - reliability and accuracy of the financial information provided by management to other users of financial information
  - satisfying itself regarding the experience and expertise of the financial director or FD designate
  - satisfying itself that the external auditor of AMAP and of AMAP's major subsidiaries are accredited in terms of the JSE list of accredited auditors
  - discussing any problems and reservations arising from the year-end audit and any related matters that the external auditors may wish to discuss.

Where required, the Audit Committee implements procedures to guide and record its decision-making process.

The Audit Committee is responsible for approving the principles for recommending the use of the external auditors for non-audit services.

The Audit Committee chairman and its members confirm their review and approval of the above-mentioned activities.

Attendance at Audit Committee meetings for the period 23 September 2009 – 22 September 2010

	Attended	Eligible to attend
S H Müller (Chairman)[2]	4	4
D E Cleasby	1	2
C K L Scott	2	2
A S Coward (by invitation)	4	4
M G Crow (by invitation)	4	4
D B Oliver (by invitation)	4	4
B G Drummond (by invitation)	4	4
W A du Plessis[1]*	1	2
S Karele (by invitation)*	2	2
S A Levitt^	2	2

** Resigned during the year under review.*
[1] Occasionally attends by teleconference.
[2] Appointed chairman in July 2010.
^ Resigned as chairman and member in June 2010.

Risk Management Committee

Risk Management Committee forms an integral component of the Group's governance framework and enables management to limit the impact of business, industry and general risks and protect the interests of all stakeholders.

The Board retains accountability for risk management. The Risk Committee ensures the Group has adequate risk management and internal control procedures in place.

No significant change in the overall risk profile of the group was identified during the year. The directors confirm that risk mitigation and monitoring processes have proved to be robust and have been effective in limiting the impact of risks on the business in the current challenging economic environment. The potential impact of some of the key risks was actively reduced during the year through focused management actions.

The focus of the Risk Management Committee is on identifying, assessing, managing and monitoring material forms of risk encompassing strategic performance, trading, investment and operational risks. The committee consists of three non-executive directors, David Cleasby (Chairman), Steve Müller and Leon Campher, with executive directors attending each meeting, being Alan Coward, Des Oliver and Murray Crow as well as executive managers, namely Bruce Drummond, Johan Deetlefs, Herman Ellis and Ian Molyneux. The committee meets regularly and is responsible for monitoring key risk areas for which a comprehensive Group risk matrix has been developed, addressing the general business risks, trading conditions, succession planning, credit risk, exchange rate exposure, IT risk, insurable losses and interest rate and liquidity risks.

A Group information technology (IT) disaster recovery plan is in place and is tested bi-annually to ensure systems continuity at all times.

The Risk Committee have identified and monitored the following major risks:

- Exchange rate fluctuation
- Loss of major customers
- Loss of major suppliers
- Consumer Protection Act
- Product quality and failure
- Statutory and legal compliance
- IT Risk

Attendance at Risk Management Committee meetings for the period 23 September 2009 – 22 September 2010

	Attended	Eligible to attend
D E Cleasby[1] (Chairman)	2	2
P L Campher[2]	3	4
S H Müller[3]	4	4
A S Coward	4	4
M G Crow	4	4
S Karele*	2	2
J H Deetlefs	4	4
B G Drummond	4	4
H D Ellis	2	4
I Molyneux	1	1
D B Oliver	4	4
S A Levitt*	1	2

** Resigned during the year under review.*
[1] *Appointed chairman in July 2010.*
[2] *Occasionally attends by teleconference.*
[3] *Resigned as chairman in June 2010.*

REMUNERATION COMMITTEE REPORT

In the year under review, the Remuneration Committee was combined with the Nomination Committee (Remnom).

During the year, the committee comprised Messrs L Campher (Chairman), S Levitt, D Tabata and M Berzack. All members were Independent Non-executive Directors except for M Berzack, and the committee satisfied its responsibilities in compliance with its written terms of reference during the year.

Attendance at Remnom meetings for the period 23 September 2009 – 22 September 2010

	Attended	Eligible to attend
P L Campher (Chairman)	4	4
M Berzack	1	1
S A Levitt*	4	4
D D Tabata	3	4
J H Deetlefs (secretary)	4	4
A S Coward (by invitation)	4	4

** Resigned during the year under review.*

With effect from 1 July 2010, the two functions have been split into two separate committees.

For the new financial year, the Remco composition was changed to comply with King III requirements as follows:

C Scott	Chairman	Non-executive Director (Independent)
L Campher	Member	Non-executive Chairman (Independent)
D Tabata	Member	Non-executive Director (Independent)
M Berzack	Member	Non-executive Director

The Chief Executive Officer and the Human Resources Director attend all meetings of the committee by invitation, unless deemed inappropriate by the committee.

Remco meets at least twice a year, and is responsible for reviewing the general annual salary increase for all staff, as well as reviewing and recommending to the Board, the remuneration of executive directors.

Non-executive directors' fees

In respect of non-executive directors' fees, Remco proposes annually, the fees to be paid to the membership of the Board and Board committees. Such fees take into account the time required to undertake their duties. Their remuneration is not linked to the performance of the Group, nor its share performance, and the non-executive directors do not participate in any type of share option scheme.

Remuneration philosophy

The Company philosophy is to remunerate its employees fairly in relation to the market and services they provide. The primary executive remuneration objective is also to attract, retain and motivate executive directors by ensuring that appropriate portions of their remuneration package is performance related. To this end, an annual cash incentive is set, which rates performance against a balanced scorecard of key performance areas are agreed to. This ensures that the interests of management and the shareholders are aligned.

Guaranteed pay

During the year under review, Remco adopted a cost-to-company philosophy for salaried employees. Consequently, salary increases into the future, will take into account the total cost of employment (TCOE), which incorporates basic pay, allowances, pension and medical aid, etc, but will exclude incentive annual cash or long-term incentives. This approach will also assist when comparative evaluations are made with related market salaries.

Share Trust option scheme

The Group share option scheme, which was approved by the shareholders a number of years ago, is managed by a Share Trust Fund. The Trustees of the Trust Fund for the period under review were as follows:

L Campher – Chairman (Non-executive Director)
S Levitt – Trustee (Non-executive Director) – resigned
D Tabata – Trustee (Non-executive Director)

The main function of the Share Trust Committee, is to award share options on recommendation of Remco to employee participants in terms of the trust deed, and to manage the share option scheme accordingly.

Remco utilises the share option scheme as the basis for long-term incentives to retain key employees, and reward deserving employees on a merit basis.

NOMINATION COMMITTEE REPORT

Going forward from 1 July 2010, the Nomination Committee (Nomco) is now an independent committee. There is no formal meeting schedule because it will meet as and when required. This committee will meet at least twice a year.

The members of the committee are Messrs L Campher (Chairman), C Scott, M Berzack and D Tabata. All members are Independent Non-executive Directors except for M Berzack, Non-executive Director in terms of the King III report. The CEO and the HR Director attend by invitation when appropriate.

The appointment of executive and non-executive directors is a transparent and formal procedure governed by Nomco's terms of reference. Special emphasis is placed on the development of diverse leadership representation of all race groups. Specific areas of responsibility include:

- Ensuring a balance of skills at Board level.
- Succession planning of Executive Management.
- Nomination of members to serve on subcommittees.

Recent resignations from the Board required that the Nomination Committee identify and evaluate suitable candidates to the Board. The composition of the various subcommittees were also revisited, and appointments recommended to the Board for approval.

Management committees

Corporate Committee

The Corporate Committee comprising Alan Coward (CEO, Executive Director), Des Oliver (Executive Director), Murray Crow (Executive Director), Johan Deetlefs (HR), Bruce Drummond (Group Accountant) and Herman Ellis (Service and Logistics) is an informal grouping of executive management responsible for making key operational and strategic decisions, controlling policies within parameters defined by the Board and the other committees. The committee meets weekly.

Executive Committee

The Executive Committee comprises the executive directors, namely, Alan Coward (Chairman), Murray Crow and Des Oliver and executive managers, namely, Bruce Drummond, Johan Deetlefs, Herman Ellis, Ian Molyneux, Rene Grundling, Mike Christofides, Fanie Janse van Rensburg, Theo Theodorou, Marc Duthoit and Irene Borges. The committee monitors the operations of the Group giving monthly operational feedback on administrative, treasury and operational issues in order to keep abreast of economic and business trends. The committee meets monthly.

Attendance at Executive Committee meetings for the period 23 September 2009 – 22 September 2010

	Attended	Eligible to attend
A S Coward (Chairman)	6	6
I Borges	3	3
M Christofides	6	6
M G Crow	6	6
J H Deetlefs	4	6
B G Drummond	6	6
M Duthoit	2	3
H D Ellis	6	6
R Grundling	6	6
B Kramer	1	1
I Molyneux	6	6
D B Oliver	6	6
F Janse V Rensburg	4	6
T S Theodorou	5	6
D Cooper*	2	2
S Karele*	4	4

** Resigned during the year under review.*

Information Technology Steering Committee

The Information Technology Steering Committee comprises Bruce Drummond (Chairman), Theo Theodorou, Herman Ellis, Ian Molyneux, Lyanne Minnie and supported by senior management as and when required. The committee meets regularly and ensures that Group strategic business needs and core objects are met. In addition, the committee is tasked to keep up with ongoing technological changes in order to provide management with accurate and meaningful data to run the Group effectively.

Attendance at Information Technology Steering Committee meetings for the period 23 September 2009 – 22 September 2010

	Attended	Eligible to attend
B G Drummond (Chairman)	3	3
A S Coward[1]	1	2
H D Ellis	3	3
I Molyneux	3	3
S Parsath (by invitation)	2	3
T S Theodorou	2	3
M Snyders (by invitation)	1	2
L Minnie	1	1
S Karele*	1	2

* *Resigned during the year under review.*
[1] *Attended meetings on an ad hoc basis.*

Internal audit

The internal auditors, Grant Thornton report directly to the Audit Committee and the Chief Financial Officer. Annually, the internal auditors execute a proposed audit plan jointly with management that ensures sufficient evidence will be obtained to evaluate the effectiveness of the all internal control procedures prioritised by the relevant degree of inherent risk in each activity. The activities and output of this function are reviewed and approved by the Audit Committee. As a consequence of the restructuring of the Group, the internal audit completed the adequacy review of internal control documentation and procedures during the year. All controls are adequately controlled. The internal auditors will review the effectiveness of internal controls for all areas in the next financial year.

Internal control

The directors and management are responsible to maintain effective systems of internal control. These systems are designed to provide reasonable but not absolute assurance as to the integrity and reliability of the financial statements, to safeguard, verify and maintain accountability of the Group's assets and to detect and minimise significant fraud, potential liability, loss and material misstatement while complying with applicable laws and regulations.

Close day-to-day control of operations and procedures are maintained and monitored by senior management, producing monthly performance reports and management accounts for review by management, Corporate and Executive Committee and the board.

No significant internal control problems have come to the attention of the directors to indicate that a material breakdown in the controls within the Group has occurred during the year.

Materiality and approval framework

Issues of a material or strategic nature, which can impact on the reputation and performance of the Group, are referred to the Board. Other issues, as mandated by the Board, are dealt with at executive management level.

The minutes of all the committee meetings are circulated to the members of the Board. Issues that require the Board's attention or a Board resolution, are highlighted and included as agenda items for the next Board meeting.

Company, secretarial and professional advice

To enable the Board to function effectively, all directors have full and timely access to all information that may be relevant to the proper discharge of their duties and obligations. This includes information such as agenda items for Board meetings, corporate announcements, investor communications and any other developments, which may affect AMAP or its operations. The office of the Group Company Secretary is responsible for facilitating this access.

Council and guidance is provided to the Board on their powers and duties, individually and collectively by the Company Secretary as and when requested. All new directors are appropriately inducted to AMAP by the CEO and the Group Company Secretary which includes a briefing on their fiduciary and statutory duties and responsibilities (including without limitation the JSE Listings Requirements), as well as two- to three-day induction discussion with Group operation management around South Africa.

The Group Company secretary is responsible for the functions specified in section 268(G) of the Companies Act of 1973 (as amended) (the Act). All meetings of shareholders, directors and Board subcommittees are properly recorded as per the requirements of section 242 of the Act. The appointment and removal of the Group Company Secretary would be a matter for the Board as a whole.

The Company Secretary is Bruce Drummond, who is required to ensure that the minutes of all shareholders' meetings, directors' meetings and minutes of any committee of the directors are properly recorded (excludes the Remuneration/Nomination Committee and the Corporate Committee).

The directors have unlimited access to the services of the Company Secretary who is responsible to the Board for ensuring that proper corporate governance principles are adhered to. Board orientation and training are done when appropriate.

Dealing in securities

In accordance with the Listings Requirements of the JSE, AMAP has adopted a code of conduct for insider trading. During the closed period, directors and designated senior employees are prohibited from dealing in the Company's securities. Directors may only deal in the Company's securities outside the closed period, with the authorisation of the Chairman and the Group CEO. The closed period lasts from the end of the financial reporting period until the publication of financial results for that period. Additional closed periods may be declared from time to time if circumstances warrant.

Stakeholder communication

AMAP is committed to transparent, timeous and consistent communications with stakeholders and aims to present in all its communications, a balanced and logical assessment of the Group's position. The Group encourages stakeholder attendance at general meetings and, where appropriate, provides full and comprehensive explanations of the effect of resolutions to be proposed at these meetings.

Company announcements are released on SENS and posted on the Company's website. Further results' announcements are posted to shareholders. The Chairman and Board are available to answer queries from stakeholders at all times and wherever possible, the Group CEO will engage with the financial media to ensure accurate reporting. Communications with institutional shareholders and investment analysts is maintained through semi-annual presentations of financial results, one-on-one visits, trading statements and press announcements of interim and annual results.

Fraud and illegal acts

AMAP does not engage in or accept or condone the engaging in of any illegal acts in the conduct of its business. The directors' policy is to actively pursue and prosecute the perpetrators of fraudulent or other illegal activities, should they become aware of any such acts. There is an ongoing external fraud hotline in place to support this philosophy.

Legal/Arbitration

There are no pending or threatened legal or arbitration proceedings which had or many have a material effect on the financial position of the Company or the Group.

Going concern

The directors confirm, giving due cognisance to the Group's current financial position and cash flows, that the Group is a going concern. The Group expects to improve operational performance in the new year and therefore considers the deferred tax asset to be utilisable in the foreseeable future.

INTRODUCTION

The Group is committed to adopting sound business practices to ensure the long-term viability of the Group in the interest of the stakeholders it serves.

In pursuit of this sustainability objective, the Group embraces the philosophy of the King III Report, and endeavours to implement the principles in all areas.

LABOUR RELATIONS

The Group subscribes fully to the principle of freedom of association. Labour harmony remains the key to our employee relationship, which helps to promote the necessary climate for positive and active employee participation.

As a result of the restructuring of the Group over the past two years numerous employees were retrenched mainly as a result of the closure of the television factory in Atlantis and the exiting of the electronics business. The process was successfully managed with Numsa, the majority trade union at the time.

EMPLOYMENT EQUITY

The Group recognised that employees are the drivers of business excellence and performance. The performance driven culture is focused on rewarding achievement of the Group strategic, financial and operational objectives through the following reward mechanisms:

- Short-term cash incentives governed by a rated balanced scorecard.
- The payment of a discretionary 13th cheque to employees who are not on any incentive scheme. The payment thereof is subject to an acceptable merit assessment through a performance management appraisal exercise.
- In the long term, performance is rewarded through the allocation of share options by the Group through the Share Trust.

The employee/employer relationship is governed by the customary human resource policies, which are reviewed on a regular basis, ie safety and health, training and development, etc.

The Group also subscribes to all employment equity related legislation, and the necessary returns are submitted annually to the Department of Labour.

As a consequence, the equity committees and structures are now being re-established to address the issue of our employee profile as a sales and marketing organisation into the future.

ENVIRONMENTAL PERFORMANCE

AMAP has adopted a philosophy, that the Group has a responsibility to reduce negative environmental impacts where-ever practical.

The Group has implemented a process to determine the profile of our existing carbon footprint, and when this has been determined, a strategy will be implemented to continually improve our carbon footprint. In the interim, efforts of the Group are geared to improve our environmental performance in the following areas:

- Limiting the use of any hazardous substance.
- The promotion of energy saving to minimise electrical consumption.
- To ensure that Group products are manufactured from environmental friendly material whenever practical.
- Centralised computer printers to reduce the use of printer cartridges and paper.
- Soft documents or scanned documents as opposed to printing them, thus reducing the need to print and to save paper.
- Reduce air and motor transportation where possible.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT ("BBBEE")

AMAP is committed to black economic transformation as a process to address the economic inequalities of the past. As a good corporate citizen, the Group also subscribes to the BBBEE principles in the legislation and Codes of Good Practice. Significant progress was made in this regard, and in 2009, Tedelex Manufacturing (Pty) Limited, our factory in Atlantis secured a level 3 BBBEE rating. However, the closure of this factory and other retrenchments through the Group restructuring exercise had a negative impact on our BBBEE profile.

An external accredited empowerment rating Agency, has now been commissioned to evaluate our current BBBEE status, and to recommend possible steps to obtain an acceptable compliance rating during the next financial year.

The overall BBBEE strategy is driven by the CEO. However, the pursuit of a sustainable equity ownership deal will be pursued with the Board of Directors in the longer term to ensure that such ownership will benefit all stakeholders.

SKILLS DEVELOPMENT/SUCCESSION PLANNING

Skills development is viewed as a strategic and business imperative. The Group recognises that diversity will enable management to use differing skills expertise and cultures to enhance our ability to provide proper employee succession and deliver sustained growth of the Group into the future. Skills development remained static during the restructuring phases of the Group, due to financial constraints, and the need to retain key skills. Both skills development programmes and the related succession planning systems are now back on track.

CORPORATE SOCIAL INVESTMENT (CSI)

During the restructuring phases of the Group, our CSI efforts were considered low key. The previous CSI strategy has also been reviewed, and our major CSI efforts into the future will be combined with our carbon/environmental interests, our client base, and the previously disadvantaged poor and disabled communities.

To this end, our future CSI efforts have been delegated to Des Oliver, Executive Director, who will start this initiative with our client base and through the part-time use of a CSI professional with the required experience. It is hoped that our CSI efforts into the future will not only be unique to our Group, but also beneficial to many of our underprivileged citizens. Our CSI efforts into the future will also enhance our social economic development profile.

ETHICAL BEHAVIOUR

The Group conducts its business in a proper and professional manner. In this regard, a Code of Ethics is in place, which requires all employees to maintain high ethical standards in dealing with shareholders, customers, suppliers and the community.

In support of the Code of Ethics, is a fraud hotline, with an outside independent Company to protect the confidentiality of whistle-blowers. The hotline also assists with the protection of shareholder interests and corporate governance requirements, by dealing with any criminal irregularities reported to them in conjunction with the South African Police Services.

PREFERENTIAL PROCUREMENT

Most of the Group's procurement spend is in product and components from international suppliers, and therefore, our local spend is comparatively small. Nevertheless, we seek to place our local spend with black empowered and/or black-owned companies whenever possible.

We also encourage the development of black-owned SMMEs by inter alia procuring services from them.

In addition assistance will be given, whenever possible, to key local suppliers to transform their businesses to achieve BEE status.

HIV/AIDS

The Group has an HIV/Aids policy in place, and staff members had the benefit of viewing video programmes and the opportunity of confidential discussions with their superiors. The Group also participates in the "Wellness" programme run by Discovery Health, where HIV counselling is available for employees who wish to make use of these services. Participation by employees is voluntary, and counselling confidential, and the Group complies with workplace legislation (Code of Good Practice) relating to HIV/Aids.

Annual financial statements

Contents

Directors' responsibility statement and approval

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements included in the annual report.

The Company and Group annual financial statements are prepared, in accordance with International Financial Reporting Standards (IFRS) and the requirements of the South African Companies Act, on the going-concern basis and incorporate full and responsible disclosure. The annual financial statements are based upon appropriate accounting policies and are supported by reasonable and prudent judgements and estimates.

The directors are satisfied that the information contained in the financial statements fairly represents the results of operations for the year and the financial position of the Company and Group at year-end. The accuracy of the other information included in the annual report was considered by the directors and they are satisfied that it accords with the financial statements.

The directors and management are also responsible for the Company and Group's system of internal financial controls. The system was developed to provide reasonable, but not absolute, assurance regarding the reliability of the financial statements, the safeguarding of assets, and to prevent and detect misrepresentation and losses.

The directors are of the opinion that the Company and Group will continue as a going concern in the future.

The financial statements were audited by independent auditors, Deloitte & Touche, to whom unrestricted access was given to all financial records and related information. The directors are further of the opinion that all statements that were made to the auditors during the course of the audit were valid and relevant. The independent auditors' report is presented on page 27.

The annual financial statements which appear on pages 28 to 62 were approved by the Board of Directors on 30 September 2010 and are signed on its behalf by:

P L Campher
Chairman

A S Coward
Group CEO

Johannesburg

Certification by Company Secretary

In my capacity as Company Secretary, I hereby confirm in terms of section 268G (d) of the Companies Act of South Africa, 1973, as amended, that for the year ended 30 June 2010, to the best of my knowledge and belief, the Company has lodged with the Registrar all such returns as are required by a public company in terms of the Companies Act, and that all such returns are true, correct and up to date.

B G Drummond
Company Secretary
Johannesburg
30 September 2010

Independent auditors' report

to the members of Amalgamated Appliance Holdings Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the annual financial statements and Group annual financial statements of Amalgamated Appliance Holdings Limited, which comprise the audit committee report on pages 17 and 18 and the directors' report, the statement of financial position and consolidated statement of financial position as at 30 June 2010, the statement of comprehensive income and consolidated statement of comprehensive income, the statement of changes in equity and consolidated statement of changes in equity and statement of cash flows and consolidated statement of cash flows for the year then ended, a summary of significant account policies and other explanatory notes, as set out on pages 28 to 62.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement including the assessment of the risks of material misstatements on 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 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 principles used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall financial statement presentation.

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

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company and of the Group as at 30 June 2010, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

Deloitte & Touche

Deloitte & Touche
Registered Auditors
Per M Ajoodha
Partner

30 September 2010

Building 1 and 2
Deloitte Place
The Woodlands
Woodlands Drive
Woodmead Sandton

National Executive: GG Gelink *Chief Executive*, AE Swiegers *Chief Operating Officer*, GM Pinnock *Audit*, DL Kennedy *Tax and Legal and Risk Advisory*, L Geeringh *Consulting*, L Bam *Corporate Finance*, CR Beukman *Finance*, TJ Brown *Clients and Markets*, NT Mtoba *Chairman of the Board*, MJ Comber *Deputy Chairman of the Board.*

A full list of partners and directors is available on request.

B-BBEE rating: Level 3 contributor/AA (Certified by Empowerdex).

Member of Deloitte Touche Tohmatsu Limited

Directors' report
for the year ended 30 June 2010

Your directors have pleasure in submitting their report on the affairs of the Company and Group for the year ended 30 June 2010.

NATURE OF BUSINESS
The main business of the Group is in manufacturing, importing, exporting and distributing small domestic appliances, housewares, personal care, sewing, electronic products as well as electrical accessories.

GROUP RESULTS
The Company and Group financial statements for the year under review are set out on pages 28 to 62.

FINANCIAL OBJECTIVES
The Group's objectives are to maintain consistent long-term real growth in earnings.

SHARE CAPITAL

	June 2010 R'000	June 2009 R'000
Authorised		
800 000 000 ordinary shares of 1 cent each	**8 000**	8 000
Issued		
212 189 689 ordinary shares of 1 cent each	**2 122**	2 122

REVIEW OF OPERATIONS
The Group reported a return to profitability during the year. The most significant positive and negative factors affecting the results were:

Positive factors
- Costs of integrating back office functions and corporate restructuring
- Change of business model selling consumer electronic products
- "back-to-back" selling
- Marginal export sales growth
- Excellent management of branded products sales
- Cost reduction and efficiency gains

Negative factors
- The economic recession and its impact on spending in the consumer goods sector
- Substantial staff retrenchments
- Closure of the TV factory in Atlantis
- Introduction of the Consumer Protection Act
- Restructuring costs attributable to the above.

DIRECTORATE AND SECRETARY
Details of the non-executive and executive directors are stated on pages 4 and 5 and details of the Company Secretary are stated on page 12.

INTEREST OF DIRECTORS
The directors' interests, directly or indirectly, in the issued share capital of the Company as at 30 June 2010 were:

	Direct beneficial		Indirect beneficial	
	30 June 2010	30 June 2009	**30 June 2010**	30 June 2009
M C Berzack	**38 589**	—	**—**	—
A S Coward	**—**	—	**100 000**	—
S Karele*	**205 246**	70 246	**—**	—
S A Levitt*	**2 704**	92 416	**—**	—

** Resigned in June 2010.*

CKL Scott was appointed to the board on 1 July 2010. As at 30 June 2010 CKL Scott held 600 000 direct beneficial shares and 50 000 indirect beneficial shares.

No other changes in the interest of directors were noted since 30 June 2010 and the date of this report.

DISTRIBUTION TO SHAREHOLDERS
The Board recommends that the shareholders approve a distribution to shareholders by way of a capital distribution out of share premium of 8 cents per share (2009: nil). Shareholders will be asked to consider, and if deemed fit, approve the capital distribution at the annual general meeting of AMAP to be held on or about 5 November 2010. Salient dates and times pertaining to the capital distribution will be announced in due course.

DATE OF INCORPORATION
The Company was incorporated on 20 March 1997.

SUBSIDIARIES
The interest of the Company in the aggregate net profit after taxation of the subsidiaries is R38 475 000 (2009: loss R69 016 000). Details of subsidiaries are set out in note 30 on page 62 of the annual financial statements.

	2010 R'000	2009 R'000
Net profit	**49 959**	44 447
Net loss		
Tedelex Manufacturing (Pty) Limited	**(11 441)**	(494)
Tedelex Trading (Pty) Limited	**—**	(112 969)
Amalgamated Appliances (Pty) Limited	**(43)**	—
Profit/(loss) attributable to ordinary shareholders	**38 475**	(69 016)

The above table excludes any profits made in the current or prior year.

ASSETS CLASSIFIED AS HELD-FOR-SALE

During the prior year, it was decided to transfer assets of Tedelex Manufacturing (Pty) Limited and the Atlantis property to assets "held-for-sale" in line with the requirements of IFRS 5 *Non-current Assets Held-for-Sale and Discontinued Operations.*

As a result of the assets being disposed of in Tedelex Manufacturing (Pty) Limited in June 2010, the assets are no longer held-for-sale. It is still the intention of the Group to dispose of the Atlantis property. Tedelex Manufacturing (Pty) Limited and the Atlantis property are reflected as discontinued operations in line with the requirements of IFRS 5.

EMPLOYEE SHARE SCHEME

An employee share scheme, which has been in existence from the listing date, allows for broad participation in the equity of the Company at all levels.

Share options granted	Allocation price cents	Number	Number unexercised 30 June 2010
Allocation August 2006	500	1 306 000	233 200
Allocation June 2008	185	4 900 000	3 900 000
Allocation July 2008	174	1 000 000	1 000 000
Allocation December 2008	106	500 000	375 000
Allocation September 2009	151	5 040 000	5 040 000
Allocation April 2010	171	200 000	200 000
Allocation June 2010	176	2 640 000	2 640 000
Total options granted		15 586 000	13 388 200

Shares available	2010	2009
Opening balance	**2 653 292**	2 754 292
Exercise of options granted	**(229 000)**	(101 000)
Shares purchased	**10 154 207**	—
Closing balance including options	**12 578 499**	2 653 292
The average share price of the exercise of options granted was 103 cents per share (2009: 100 cents per share)		
Share options reconciliation		
Opening balance	**6 206 500**	6 587 500
Exercise of options granted – after 2002	**(229 000)**	(101 000)
Resignation	—	(1 780 000)
Shares lapsed	**(469 300)**	—
New options granted	**7 880 000**	1 500 000
Closing balance	**13 388 200**	6 206 500
Number of participants	**24**	37

The fair value of shares held at year-end amounted to R20 628 738 (2009: R3 183 950). The loan account between the Amalgamated Appliances Share Trust and Tedelex Trading (Pty) Ltd was impaired at year-end. The impairment is reversed on consolidation.

	Number of employees	
	2010	2009
Employee headcount	**311**	515

DIRECTORS' REMUNERATION

The details of the directors' remuneration and share options are tabled on pages 42 and 43.

SEGMENT REPORTING

The Group predominantly markets and distributes consumer durables from a single business unit. Information regarding aggregated customer and geographical information is disclosed in note 24.

PROPERTY, PLANT AND EQUIPMENT

The Group acquired various property, plant and equipment during the year. Refer to pages 47 and 48 for details.

Statements of comprehensive income

for the year ended 30 June 2010

		GROUP		COMPANY	
			Restated		
		2010	2009	**2010**	2009
	Notes	**R'000**	R'000	**R'000**	R'000
Continuing operations					
Revenue		**759 095**	1 044 294	**—**	—
Dividends received		**—**	—	**5 292**	—
Investment income	3.1	**13 616**	8 450	**—**	—
Impairment of goodwill and trademarks	8.1, 8.2	**—**	(5 766)	**—**	—
Restructuring costs – operations		**(926)**	(7 820)	**—**	—
Raw materials and consumables used	1.25	**(517 867)**	(890 978)	**—**	—
Depreciation and amortisation expense		**(4 698)**	(5 828)	**—**	—
Employee benefits expense		**(97 939)**	(75 213)	**—**	—
Consulting expense		**(2 804)**	(5 212)	**—**	—
Fair value adjustments on financial instruments		**—**	909	**—**	—
Finance costs	3.2	**(1 401)**	(11 144)	**—**	—
Other expenses		**(78 451)**	(140 908)	**—**	—
Profit/(loss) before taxation	2	**68 625**	(89 216)	**5 292**	—
Taxation	4	**(19 730)**	25 821	**—**	—
Profit/(loss) for the year from continuing operations		**48 895**	(63 395)	**5 292**	—
Discontinued operations	2, 13	**(10 420)**	(5 621)	**—**	—
Profit/(loss) for the year from continuing and discontinued operations attributable to shareholders		**38 475**	(69 016)	**5 292**	—
Total comprehensive income/(loss) for the year from continuing and discontinued operations attributable to shareholders		**38 475**	(69 016)	**5 292**	—
From continuing and discontinued operations					
Basic earnings/(loss) per share (cents)	6.1	**18,7**	(33,1)	**—**	—
Diluted basic earnings/(loss) per share (cents)	6.3	**18,6**	(33,1)	**—**	—
From continuing operations					
Basic earnings/(loss) per share (cents)	6	**23,7**	(30,4)	**—**	—
Diluted basic earnings/(loss) per share (cents)	6	**23,7**	(30,4)	**—**	—
From discontinued operations					
Basic loss per share (cents)	6	**(5,1)**	(2,7)	**—**	—
Diluted basic loss per share (cents)	6	**(5,0)**	(2,7)	**—**	—
Proposed capital distribution per share – (cents)	5	**8,0**	—	**—**	—

Restated – refer to note 1.25.

Statements of financial position

at 30 June 2010

	Notes	GROUP 2010 R'000	GROUP 2009 R'000	COMPANY 2010 R'000	COMPANY 2009 R'000
ASSETS					
Non-current assets		**66 886**	87 459	**95 257**	89 965
Property, plant and equipment	7	**8 585**	11 890	**—**	—
Trademarks	8	**1 645**	1 645	**—**	—
Interest in subsidiaries	9	**—**	—	**95 257**	89 965
Deferred taxation	10	**56 656**	73 924	**—**	—
Assets classified as held-for-sale	13	**11 707**	41 070	**—**	—
Current assets		**542 705**	473 174	**—**	—
Inventories	11	**145 958**	154 293	**—**	—
Trade and other receivables	12	**181 755**	187 289	**—**	—
Current tax asset		**10 615**	6 649	**—**	—
Bank and cash on hand		**204 377**	124 943	**—**	—
Total assets		**621 298**	601 703	**95 257**	89 695
EQUITY AND LIABILITIES					
Total share capital and reserves		**465 135**	438 672	**95 100**	89 808
Share capital	14	**2 122**	2 122	**2 122**	2 122
Share premium	15	**94 841**	94 841	**94 841**	94 841
Treasury shares		**(22 699)**	(9 433)	**—**	—
Accumulated profit/(loss)		**384 789**	346 314	**(1 863)**	(7 155)
Share-based compensation reserve		**6 082**	4 828	**—**	—
Non-current liabilities		**1 257**	1 433		—
Long-term borrowings	16	**101**	676	**—**	—
Deferred taxation	10	**1 156**	757	**—**	—
Liabilities directly associated with assets classified as held-for-sale	13	**11 707**	41 070	**—**	—
Current liabilities		**143 199**	120 528	**157**	157
Trade and other payables	17	**110 174**	96 729	**—**	—
Derivative financial liability		**439**	2 077	**—**	—
Capital distribution		**157**	157	**157**	157
Taxation		**—**	318	**—**	—
Overdraft		**—**	868	**—**	—
Short-term portion of long-term borrowings	16	**482**	1 125	**—**	—
Provisions	18	**31 947**	19 254	**—**	—
Total equity and liabilities		**621 298**	601 703	**95 257**	89 965

Statements of changes in equity

for the year ended 30 June 2010

	Share capital R'000	Share premium R'000	Treasury shares R'000	Accumulated profits/(loss) R'000	Share-based compensation reserve R'000	Attributable to equity holders of the parent R'000
GROUP						
Balance at 30 June 2008	2 122	94 841	(9 507)	415 330	3 551	506 337
Total comprehensive loss for the year	—	—	—	(69 016)	—	(69 016)
Net treasury movement	—	—	74	—	—	74
Share-based payment	—	—	—	—	1 277	1 277
Balance at 30 June 2009	2 122	94 841	(9 433)	346 314	4 828	438 672
Total comprehensive income for the year	**—**	**—**	**—**	**38 475**	**—**	**38 475**
Net treasury movement	**—**	**—**	**(13 266)**	**—**	**—**	**(13 266)**
Share-based payment	**—**	**—**	**—**	**—**	**1 254**	**1 254**
Balance at 30 June 2010	**2 122**	**94 841**	**(22 699)**	**384 789**	**6 082**	**465 135**
COMPANY						
Balance at 30 June 2008 and 2009	2 122	94 841	—	(7 155)	—	89 808
Total comprehensive income for the year	**—**	**—**	**—**	**5 292**	**—**	**5 292**
Balance at 30 June 2010	**2 122**	**94 841**	**—**	**(1 863)**	**—**	**95 100**

Statements of cash flows

for the year ended 30 June 2010

	Notes	GROUP 2010 R'000	GROUP 2009 R'000	COMPANY 2010 R'000	COMPANY 2009 R'000
Cash flow from operating activities					
Cash receipts from customers		**979 254**	1 352 412	**—**	—
Cash payments to suppliers and employees		**(885 201)**	(1 199 561)	**—**	—
Cash generated by operations	A	**94 053**	152 851	**—**	—
Capital distribution and dividends (paid)/received	B	**—**	(2)	**5 292**	(2)
Income taxes paid	C	**(3 012)**	(11 564)	**—**	—
Investment income		**13 636**	8 488	**—**	—
Finance costs		**(1 491)**	(11 182)	**—**	—
Net cash flows from operating activities	E	**103 186**	138 591	**5 292**	(2)
Investing activities					
Proceeds from disposal of property, plant and equipment		**7 909**	2 335	**—**	—
Purchases of property, plant and equipment expansion		**(3 058)**	(2 636)	**—**	—
Net cash flows from investing activities	E	**4 851**	(301)	**—**	—
Financial activities					
(Increase)/Decrease in amounts due from subsidiaries		**—**	—	**(5 292)**	2
Repayments of obligations under finance leases		**(5 710)**	(5 598)	**—**	—
Net movement in treasury shares		**(13 266)**	74	**—**	—
Net cash flow from financing activities	E	**(18 976)**	(5 524)	**(5 292)**	2
Net increase in cash and cash equivalents		**89 061**	132 766	**—**	—
Cash and cash equivalents at the beginning of the year		**115 316**	(17 450)	**—**	—
Cash and cash equivalents at the end of the year	D, E	**204 377**	115 316	**—**	—

Notes to the statements of cash flows

for the year ended 30 June 2010

	GROUP 2010 R'000	GROUP 2009 R'000	COMPANY 2010 R'000	COMPANY 2009 R'000
A. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED BY OPERATIONS				
Profit/(loss) before taxation for the year	**54 330**	(97 023)	—	—
Adjusted for:				
Loss/(profit) on disposal of property, plant and equipment	**929**	(102)	—	—
Acquisitions of trademarks	—	(1 645)	—	—
Impairment of goodwill	—	1 170	—	—
Depreciation, impairment and amortisation	**7 696**	12 092	—	—
Investment revenue	**(13 636)**	(8 488)	—	—
Unrealised translation (gains)/loss	**(731)**	3 689	—	—
Share-based payments	**1 254**	1 277	—	—
Finance costs	**1 491**	11 182	—	—
Operating profit/(loss) before working capital changes	**51 333**	(77 848)	—	—
Working capital changes	**42 720**	230 699		—
Decrease in inventories	**18 083**	196 382	—	—
Decrease in trade and other receivables	**15 661**	109 887	—	—
Increase/(decrease) in trade and other payables	**8 976**	(75 570)	—	—
Cash generated by operations	**94 053**	152 851	—	—
B. CAPITAL DISTRIBUTION AND DIVIDENDS PAID				
Opening balance – June 2009	**157**	159	**157**	159
Dividends received for the year	—	—	**(5 292)**	—
Closing balance (including dividends payable)	**(157)**	(157)	**(157)**	(157)
Capital distribution and dividends paid	—	2	**(5 292)**	2
C. TAXATION PAID				
Opening balance	**(6 242)**	(2 431)	—	—
Taxation charge for the year	**15 855**	(28 007)	—	—
Reversal of deferred tax movement	**(17 216)**	35 760	—	—
Closing balance	**10 615**	6 242	—	—
Income tax paid	**3 012**	11 564	—	—
D. CASH AND CASH EQUIVALENTS				
Bank and cash on hand	**204 377**	116 481	—	—
Borrowings	—	(1 165)	—	—
Cash and cash equivalents at the end of the year	**204 377**	115 316	—	—

	GROUP		COMPANY	
	2010 R'000	2009 R'000	**2010 R'000**	2009 R'000
E. CASH FLOW FROM OPERATING ACTIVITIES	**103 186**	138 591	**(5 292)**	(2)
– Continuing operations	**96 725**	126 447	**(5 292)**	(2)
– Discontinuing operations	**6 461**	12 144	**—**	—
Cash flow from investing activities	**4 851**	(301)	**—**	—
– Continuing operations	**(1 940)**	(3 090)	**—**	—
– Discontinuing operations	**6 791**	2 789	**—**	—
Cash flow from financing activities	**(18 976)**	(5 524)	**5 292**	2
– Continuing operations	**(14 484)**	(2 747)	**5 292**	2
– Discontinuing operations	**(4 492)**	(2 777)	**—**	—
Cash surplus/(deficit) at the end of the year	**204 377**	115 316	**—**	—
– Continuing operations	**204 377**	124 075	**—**	—
– Discontinuing operations	**—**	(8 759)	**—**	—

Notes to the annual financial statements
for the year ended 30 June 2010

1. ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the South African Companies Act of 1973 as amended. The annual financial statements are prepared on the historical cost basis and fair value basis of accounting. In preparation of the annual financial statements uniform accounting policies have been applied throughout the Group. The principal accounting policies adopted in the preparation of these financial statements are set out below and are consistent in all material respects with those applied in the previous year except for IAS 1 – *Presentation of Financial Statements* and IFRS 8 – *Operating Segments*. The implementation of these statements required no prior year restatement. The functional currency of the holding company is rand.

1.1 Basis of consolidation

The Group's annual financial statements incorporate the annual financial statements of the Company and its subsidiaries. The results of the subsidiaries are included from the effective dates of acquisition and up to the effective dates of disposal. Intragroup balances, all significant intragroup and resulting unrealised profits are eliminated in full. Differences between the consideration paid for subsidiaries acquired and the net tangible asset values at the dates of acquisition are treated as goodwill as explained in note 1.5. Minority interests in the net asset of consolidation subsidiaries are identified separately from the Group's equity thereon.

1.2 Revenue recognition

Revenue comprises the invoiced value of goods supplied to customers excluding customer rebates, settlement discount and value added tax, on date of delivery.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

1.3 Property, plant and equipment

Property, plant and equipment are stated at cost to the Group less accumulated depreciation and any impairment losses.

Depreciation is provided on the straight-line basis at rates which will reduce the book value of the assets to estimated residual values at the end of their useful lives. The estimated useful lives and residual values are reviewed annually. Major improvements to buildings, plant and equipment are capitalised when economic value is added. Maintenance and repairs are expensed when incurred. The gain or loss on the disposal or retirement of an asset is determined as the difference between sales proceeds and the carrying amount of the assets and is recognised in income. Land is not depreciated.

1.4 Borrowing costs

Borrowing costs directly attributable to any acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.5. Trademarks and goodwill

Purchased trademarks are recognised as assets at their historical cost and are amortised over the shorter of their useful lives unless such lives are indefinite. Goodwill represents the excess of the purchase consideration over the net tangible asset values of subsidiaries or businesses acquired and are carried at cost less any impairment losses. All trademarks and intangibles are assessed for impairment. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Goodwill is tested for impairment at the end of each year or sooner if applicable. The Group does not recognise the reversal of impairment losses for goodwill. Gains and losses on the disposal of any entity include the carrying value of goodwill relating to the entity sold.

1.6 Amortisation

Amortisation of intangible assets is recognised in the statements of comprehensive income on a straight-line basis over the asset's estimated useful lives, unless such lives are indefinite. Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are not amortised but are tested for impairment annually. Other intangible assets are amortised from the date they are available for use. The amortisation methods, estimated useful lives and residual values are reassessed annually.

1.7 Impairment of tangible and intangible assets (excluding goodwill)

The carrying amount of the Group's assets are reviewed at each statement of financial position date to determine if there is any indication of impairment, in which case their recoverable amounts are estimated. Where the assets does not generate cash flows and are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which asset belongs.

Where the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case, the impairment loss is treated as a revaluation decrease. Any excess of the impairment loss over the revaluation surplus is charged to profit and loss. A previously recognised impairment loss will be reversed if the recoverable amount increases as a result of the change in the estimates previously used to determine the recoverable amount, to an amount not higher that the carrying amount that would have resulted had no impairment loss being recognised. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount; in which case the reversal of the impairment loss is treated as a revaluation increase.

The recoverable amount is the higher of the fair value less cost to sell and the value-in-use. Fair value is determined by ascertaining the current market value of an asset and deducting any costs relating to the realisation of the asset. In assessing the value-in-use, the expected future cash flows from the asset are discounted to their net present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that is largely dependent on those of the other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

1.8 Reversal of impairment losses

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in previous years.

1.9 Inventories

Inventories are valued at the lower of cost and net realisable value. The value is determined using the first-in first-out method. The value of work in progress and finished goods include direct material, labour and appropriate overhead costs. These costs are based on rates applicable to normal production capacity. Adequate provision is made for obsolete and slow-moving stock.

1.10 Foreign currency transactions and balances

It is the Group's policy to take forward cover in respect of all foreign liabilities.

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the statement of financial position date. Profits and losses arising on exchange are included in the net profit for the period.

1.11 Taxation

The charge for taxation is based on the results for the period as adjusted for items which are non-assessable or disallowable.

Deferred tax is accounted for using the statement of financial position liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the calculation of assessable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

1.12 Retirement benefits

The policy of the Group is to provide retirement benefits for its employees. The Group expense in respect of contributions to pension and provident funds is based on the current service cost and is charged against income in the period that they become payable. The Group has a defined contribution plan. The Company provides post-retirement medical benefits to certain employees on retirement. The fund is valued annually and the actuarial loss or gain is taken to the statement of comprehensive income.

1.13 Financial instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a part of the contractual provisions of the instrument.

Foreign currency forward contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled. Any increase or decrease in the amount required to settle the asset or liability is offset by a corresponding movement in the value of the forward exchange rate.

1. ACCOUNTING POLICIES continued

1.13 Financial instruments continued

Financial assets

The principal financial assets are bank balances and cash, equity investments and trade receivables. Trade receivables are initially stated at their nominal value and subsequently stated at fair value after reducing the debt by any appropriate allowance for estimated irrecoverable amounts.

Investments are classified as either held-for-trading or available-for-sale, and are measured at subsequent reporting dates at fair value. Where securities are held-for-trading purposes, gains and losses arising from changes in fair value are included in net profit or loss for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

Long-term investments, where the Company is not in a position to exercise significant influence or joint control, are stated at cost less impairment loss, where the investment's carrying value exceeds its estimated recoverable amount.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Financial liabilities include finance lease obligations, interest-bearing bank loans and overdrafts, and trade and other payables.

The accounting policy adopted for finance lease obligations is outlined in note 1.15.

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade and other payables are stated initially and subsequently at their nominal value.

Equity instruments are recorded at the proceeds received, net of direct issue costs.

1.14 Derivative financial instruments

Derivative financial instruments are initially recorded at cost and are remeasured to fair value at subsequent reporting dates.

Changes in the fair value of derivative financial instruments are recognised in the statement of comprehensive income as they arise.

It is the policy of the Group not to trade in derivative financial instruments for speculative purposes.

1.15 Leases

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

Assets held under finance leases are recognised as assets of the Group at their fair value and the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a financial lease obligation. Finance costs, which represent the difference between the total lease commitments of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term in line with the requirements of IAS 17.

1.16 Provisions

Provisions are recognised when the Group has a present constructive, business or legal obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions for warranty costs are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's liability.

Provisions for restructuring costs are recognised when the Group has a detailed formal plan for the restructuring and the Group has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it. Restructuring provisions only include those direct expenditure which are necessarily entailed by the restructuring and not associated with the ongoing activities of the enterprise.

1.17 Cash and cash equivalents
For the purposes of the cash flow statements, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and investment banks, net of bank overdrafts. In the statement of financial position and statement of cash flows, bank overdrafts are included in borrowings.

1.18 Research and development
Research and development costs are charged as an expense in the period in which they are incurred.

1.19 Treasury shares
Treasury shares represent shares in Amalgamated Appliance Holdings Limited that are held by subsidiary companies. These shares are held at cost and treated as a deduction against Group reserves. Dividends relating to treasury shares are eliminated on consolidation.

1.20. Equity compensation benefits
The Company grants share options to certain directors and employees under a share incentive trust.

1.21 Share-based payments
The Group issues equity settled share-based payment to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. Fair value has been calculated by Alexander Forbes Financial Services using their actuarial binomial model. The expected life used in the model has been adjusted, based on management's estimates for the effects of non-transferability, exercise restrictions and behavioural considerations.

1.22 Investments in subsidiaries
Investments in subsidiaries are recorded at cost. All investments are reviewed at each statement of financial position date to determine if there is any indication of impairment.

1.23 Assets held-for-sale and discontinued operations
Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held-for-sale. A discontinued operation results from the sale or abandonment of an operation. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier.

1.24 Pension and provident fund
The Group provides for pension and provident schemes covering substantially all employees. All eligible employees are members of a defined contribution scheme administered by the Company. Total expenses for pension and provident fund are recognised in the various Company's income statements.

1.25 Restatement of prior year figures
The operating profit/(loss) in the statement of comprehensive income has been restated to include the net writedown of inventory. The net inventory raised amounts is now disclosed in note 2.

The restatement did not impact on the statement of financial position and therefore two years' comparative figures need not be presented.

1.26 Dividend
Final dividend distributions to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders at the annual general meeting, while interim dividend distributions are recognised in the period in which the dividends are declared and paid.

	GROUP		COMPANY	
	2010 R'000	2009 R'000	**2010 R'000**	2009 R'000
2. PROFIT/(LOSS) BEFORE TAXATION				
Profit/(loss) before taxation is stated after the following:				
Cost of sales	**616 687**	917 655	**—**	—
– Continuing operations	**517 867**	891 233	**—**	—
– Discontinued operations	**98 820**	26 422	**—**	—
Auditors' remuneration				
– Audit fees	**2 790**	3 674	**—**	—
– Under provision in prior year	**710**	172	**—**	—
– Fees for other services	**412**	892	**—**	—
	3 912	4 738	**—**	—
– Continuing operations	**3 692**	4 240	**—**	—
– Discontinued operations	**220**	498	**—**	—
Depreciation, amortisation and impairment				
– Office furniture and equipment	**1 827**	2 600	**—**	—
– Motor vehicles	**694**	1 550	**—**	—
– Plant	**1 829**	2 842	**—**	—
– Leasehold movements	**348**	290	**—**	—
– Property	**—**	35	**—**	—
– Impairment of trademarks	**—**	4 596	**—**	—
– Impairment of plant	**—**	179	**—**	—
	4 698	12 092	**—**	—
– Continuing operations	**4 698**	10 424	**—**	—
– Discontinued operations	**—**	1 668	**—**	—
Loss/(profit) on disposal of property, plant and equipment				
– Plant	**179**	(169)	**—**	—
– Motor vehicles	**172**	(511)	**—**	—
– Office furniture and equipment	**578**	578	**—**	—
	929	(102)	**—**	—
– Continuing operations	**549**	(83)	**—**	—
– Discontinued operations	**380**	(19)	**—**	—
Operating lease payments				
– Land and buildings	**12 419**	19 485	**—**	—
– Plant, machinery and motor vehicles	**—**	186	**—**	—
	12 419	19 671	**—**	—
– Continuing operations	**9 218**	17 153	**—**	—
– Discontinued operations	**3 201**	2 518	**—**	—

Restated refer note 1.25.

	GROUP		COMPANY	
		Restated		
	2010	2009	**2010**	2009
	R'000	R'000	**R'000**	R'000
2. PROFIT/(LOSS) BEFORE TAXATION continued				
Consultants' fees				
– Managerial	**2 650**	5 303	**—**	—
– Technical	**154**	—	**—**	—
	2 804	5 303	**—**	—
– Continuing operations	**2 756**	5 212	**—**	—
– Discontinued operations	**48**	91	**—**	—
Employee benefits expense				
Post-employment benefits expense (pension and provident fund)				
Defined contribution plan	**4 317**	5 443	**—**	—
Share-based payments	**1 254**	1 277	**—**	—
	5 571	6 720	**—**	—
– Continuing operations	**4 322**	5 755	**—**	—
– Discontinued operations	**1 249**	965	**—**	—
Research and development – continuing operations	**114**	153	**—**	—
Distribution – continuing operations	**51 601**	75 775	**—**	—
Net inventory provision raised	**8 562**	28 128	**—**	—
– Continuing operations	**8 562**	28 080	**—**	—
– Discontinued operations	**—**	48	**—**	—
Foreign exchange translation (gains)/loss	**(731)**	3 681	**—**	—
– Continuing operations	**(731)**	2 595	**—**	—
– Discontinued operations	**—**	1 086	**—**	—
Fair value adjustments on financial instruments	**—**	1 794	**—**	—
– Continuing operations	**—**	909	**—**	—
– Discontinued operations	**—**	885	**—**	—

2. PROFIT/(LOSS) BEFORE TAXATION continued

Directors' emoluments 2010

Individual directors' emoluments

	Fees for services R'000	Basic salary R'000	Bonuses R'000	Expense allowance R'000	Other benefits R'000	Pension contri-butions R'000	Total 2010 R'000
Executive							
A S Coward	—	**1 698**	**171**	**158**	**63**	**140**	**2 230**
M G Crow	—	**1 207**	**126**	**158**	**48**	**102**	**1 641**
D B Oliver	—	**1 223**	**127**	**159**	**46**	**103**	**1 658**
S Karele*	—	**1 207**	**2 128**	**158**	**2 285**	**103**	**5 881**
Total	—	**5 335**	**2 552**	**633**	**2 442**	**448**	**11 410**
Non-executive							
P L Campher	**96,8**	—	—	—	—	—	**96,8**
D E Cleasby[1]	**21,4**	—	—	—	—	—	**21,4**
M C Berzack[1]	**24,1**	—	—	—	—	—	**24,1**
W A du Plessis*	**71,5**	—	—	—	—	—	**71,5**
S A Levitt*	**103,2**	—	—	—	—	—	**103,2**
S H Müller	**87,3**	—	—	—	—	—	**87,3**
D D Tabata	**91,7**	—	—	—	—	—	**91,7**
Total	**496,0**	—	—	—	—	—	**496,0**

* *Resigned during the year under review.*
[1] *Fees paid to The Bidvest Group Limited.*

Note: The directors' emoluments only include payments made during the year ended 30 June 2010. An accrual of R9 723 000 has been raised based on current profits. This amount was approved by Remco and will be paid in the next financial year.

Retention bonuses were provided for various executive directors. Refer note 19.

Directors' emoluments 2009

Individual directors' emoluments

	Fees for services R'000	Con-sultants' fees R'000	Basic salary R'000	Bonuses R'000	Expense allowance R'000	Other benefits R'000	Pension contri-butions R'000	Total 2009 R'000
Executive								
A S Coward	—	—	1 557	1 272	156	77	131	3 193
M G Crow	—	—	657	461	91	27	56	1 292
R D Marais*	—	—	118	320	13	169	—	620
B Nichles*	—	—	676	259	71	116	62	1 184
D B Oliver	—	—	1 096	495	156	42	97	1 886
S Karele	—	—	653	249	91	46	57	1 096
Total	—	—	4 757	3 056	578	477	403	9 271
Non-executive								
P L Campher	135,0	—	—	—	—	—	—	135,0
W A du Plessis	67,5	—	—	—	—	—	—	67,5
M Kahn[1]	17,5	—	—	—	—	—	—	17,5
S H Müller	82,5	—	—	—	—	—	—	82,5
S A Levitt	97,5	—	—	—	—	—	—	97,5
S Scafidas	22,5	555,3	—	—	—	—	—	577,8
Total	422,5	555,3	—	—	—	—	—	977,8

* *Resigned during the 2009 year.*
[1] *Resigned in the 2008 year.*

2. PROFIT/(LOSS) BEFORE TAXATION continued

	Total options granted R	Strike price R	Issue date	Options at which exercised R	Price at which exercised R	Date exercised	Gain on exercise per share R	**Total options held 30 June 2010**
Share options								
Executive								
A S Coward	2 000 000	1,85	June 08					**2 000 000**
	750 000	1,51	Oct 09					**750 000**
	400 000	1,51	Oct 09					**400 000**
	500 000	1,76	June 10					**500 000**
D B Oliver	1 000 000	1,85	June 08					**1 000 000**
	400 000	1,51	Oct 09					**400 000**
	300 000	1,51	Oct 09					**300 000**
	300 000	1,76	June 10					**300 000**
M G Crow	1 000 000	1,74	July 08					**1 000 000**
	400 000	1,51	Oct 09					**400 000**
	300 000	1,51	Oct 09					**300 000**
	350 000	1,76	June 10					**350 000**
S Karele*	55 000	2,52	June 05	11 000	5,95	April 06	3,43	**44 000**
				11 000	4,55	June 07	2,03	**33 000**
				11 000			Lapsed	**22 000**
				22 000			Lapsed	**Nil**
	90 000	5,00	Aug 06	25 000			Lapsed	**65 000**
	500 000	1,85	June 08					**500 000**
	500 000	1,06	Dec 08	125 000	1,67	June 10	0,61	**375 000**

** Resigned in June 2010.*

Notes to the annual financial statements continued
for the year ended 30 June 2010

	GROUP		COMPANY	
	2010 R'000	2009 R'000	**2010 R'000**	2009 R'000
3. FINANCE COSTS				
3.1 Investment income				
Bank deposit	**13 624**	8 487	**—**	—
Other	**12**	1	**—**	—
	13 636	8 488	**—**	—
– Continuing operations	**13 616**	8 450	**—**	—
– Discontinued operations	**20**	38	**—**	—
3.2 Finance costs				
Interest paid on borrowings	**(939)**	(10 930)	**—**	—
Other	**(552)**	(252)	**—**	—
	(1 491)	(11 182)	**—**	—
Continuing operations	**(1 401)**	(11 144)	**—**	—
Discontinued operations	**(90)**	(38)	**—**	—
4. TAXATION				
South African normal taxation – current	**—**	7 749	**—**	—
South African normal taxation – prior	**(1 361)**	—	**—**	—
Deferred – current	**16 169**	(34 701)	**—**	—
Deferred – prior	**1 047**	(1 055)	**—**	—
	15 855	(28 007)	**—**	—
– Continuing operations	**19 730**	(25 821)	**—**	—
– Discontinued operations	**(3 875)**	(2 186)	**—**	—
4.1 Taxation reconciliation				
Standard normal rate of taxation (%)	**28**	28	**—**	—
Taxation at standard rate	**15 212**	(25 285)	**—**	—
Adjusted for				
– Permanent differences	**957**	(1 667)	**—**	—
– Prior year adjustment	**(314)**	(1 055)	**—**	—
– Income tax expense/(credit)	**15 855**	(28 007)	**—**	—
– Effective rate of taxation (%)	**28,7**	28,9	**—**	—
Estimated taxation losses available to offset against future taxation income				
Opening balance	**234 135**	110 049	**—**	—
Raised	**—**	124 342	**—**	—
Utilised	**(71 922)**	(256)	**—**	—
Closing balance	**162 213**	234 135	**—**	—
Tax effect at standard normal rate of taxation	**45 420**	65 558	**—**	—
5. CAPITAL DISTRIBUTION – PROPOSED				
Current year	**16 975**	—	**—**	—

Distribution to shareholders

The directors have resolved to propose a capital distribution to shareholders for the current year of 8 cents per share (2009: nil cents per share).

6. EARNINGS/(LOSS) PER SHARE

6.1 Earnings/(loss) per share – from continuing and discontinued operations

The calculation of the earnings/(loss) per share is based on the net profit/(loss) attributable to ordinary shareholders of R38 475 000 (2009: loss R69 016 000) and the weighted average number of 205 917 000 (2009: 208 469 000) ordinary shares in issue during the respective years.

6.2 Headline earnings/(loss) per share – from continuing and discontinued operations

The calculation of headline earnings/(loss) per share is based on the net profit/(loss) attributable to ordinary shareholders of R38 475 000 (2009: loss of R69 016 000) adjusted by loss of R669 000 (2009: profit of R74 000) after taxation in respect of losses on disposal of property, plant and equipment and net impairment loss of Rnil (2009: R129 000) and impairment of goodwill and trademarks Rnil (2009: R4 479 000) divided by the weighted average of ordinary shares in issue during the respective years.

6.3 Diluted earnings/(loss) per share – weighted

The calculation of weighted diluted earnings/(loss) per share are based on the net profit/(loss) attributable to ordinary shareholders and headline earnings/(loss) as defined below, divided by the diluted number of 206 554 000 (2009: 208 575 000) ordinary shares. The anti-dilutive effect is as a result of the share options in issue.

6.4 Headline earnings/(loss) per share – analysed

30 June 2010	Profit/(loss) before tax R'000	Taxation R'000	Net profit/(loss) R'000
Continuing and discontinued operations	**54 330**	**(15 855)**	**38 475**
Profit attributable to ordinary shareholders			
Adjustment			
Loss on disposal of property, plant and equipment	**929**	**(260)**	**669**
Headline profit – continuing and discontinued operations	**55 259**	**(16 115)**	**39 144**
Headline earnings per share – (cents)			**19,0**
Diluted headline earnings per share – (cents)			**19,0**
Continuing operations			
Profit attributable to ordinary shareholders	**68 625**	**(19 730)**	**48 895**
Adjustment			
Loss on disposal of property, plant and equipment	**549**	**(154)**	**395**
Headline earnings – continuing operations	**69 174**	**(19 884)**	**49 290**
Headline earnings per share – (cents)			**23,9**
Diluted headline earnings per share – (cents)			**23,9**
Discontinued operations			
Loss attributable to ordinary shareholders	**(14 295)**	**3 875**	**(10 420)**
Adjustments			
Loss on disposal of property, plant and equipment	**380**	**(106)**	**274**
Headline (loss) – discontinued operations	**(13 915)**	**3 769**	**(10 146)**
Headline loss per share – (cents)			**(4,9)**
Diluted headline loss per share – (cents)			**(4,9)**

6. HEADLINE EARNINGS/(LOSS) PER SHARE continued

6.4 Loss per share – analysed continued

30 June 2009	Loss before tax R'000	Taxation R'000	Net loss R'000
Continuing and discontinued operations			
Loss attributable to ordinary shareholders	(97 023)	28 007	(69 016)
Adjustments			
Profit on disposal of property, plant and equipment	(102)	28	(74)
Impairment of goodwill	1 170	—	1 170
Impairment of trademarks	4 596	(1 287)	3 309
Impairment of property, plant and equipment	179	(50)	129
Headline loss – continuing and discontinued operations	(91 180)	26 698	(64 482)
Headline loss per share – (cents)			(30,9)
Diluted headline loss per share – (cents)			(30,9)
Continuing operations			
Loss attributable to ordinary shareholders	(89 216)	25 821	(63 395)
Adjustments			
Profit on disposal of property, plant and equipment	(83)	23	(60)
Impairment of goodwill	1 170	—	1 170
Impairment of trademarks	4 596	(1 287)	3 309
Headline loss – continuing operations	(83 533)	24 557	(58 976)
Headline loss per share – (cents)			(28,3)
Diluted headline loss per share – (cents)			(28,3)
Discontinuing operations			
Loss attributable to ordinary shareholders	(7 807)	2 186	(5 621)
Adjustments			
(Profit)/loss on disposal of property, plant and equipment	(19)	5	(14)
Impairment of property, plant and equipment	179	(50)	129
Headline loss – discontinued operations	(7 647)	2 141	(5 506)
Headline loss per share – (cents)			(2,6)
Diluted headline loss per share – (cents)			(2,6)

	Office furniture and equipment R'000	Motor vehicles R'000	Plant R'000	Leasehold improve-ments R'000	Total R'000

7. PROPERTY, PLANT AND EQUIPMENT

7.1 30 June 2010

	Office furniture and equipment R'000	Motor vehicles R'000	Plant R'000	Leasehold improve-ments R'000	Total R'000
Cost					
Opening balance	**20 187**	**6 524**	**34 676**	**6 663**	**68 050**
Additions	**1 245**	**—**	**1 751**	**—**	**2 996**
Disposals	**(8 057)**	**(1 851)**	**(1 180)**	**—**	**(11 088)**
Closing balance	**13 375**	**4 673**	**35 247**	**6 663**	**59 958**
Accumulated depreciation					
Opening balance	**16 821**	**3 741**	**30 061**	**5 537**	**56 160**
Disposals	**(7 273)**	**(1 032)**	**(1 180)**	**—**	**(9 485)**
Depreciation for the year	**1 827**	**694**	**1 829**	**348**	**4 698**
Closing balance	**11 375**	**3 403**	**30 710**	**5 885**	**51 373**
Net book value – 2010	**2 000**	**1 270**	**4 537**	**778**	**8 585**
Net book value – 2009	**3 366**	**2 783**	**4 615**	**1 126**	**11 890**
Depreciation rates (%)	**20**	**20**	**10**	**10 – 50**	**—**

7.2 30 June 2009

	Office furniture and equipment R'000	Motor vehicles R'000	Plant R'000	Leasehold improve-ments R'000	Property R'000	Total R'000
Cost						
Opening balance	26 816	10 116	58 186	6 663	12 004	113 785
Additions	718	265	1 653	—	—	2 636
Reclassifications	(344)	—	344	—	—	—
Transferred to held-for-sale	(1 144)	(431)	(19 441)	—	(12 004)	(33 020)
Disposals	(5 859)	(3 426)	(6 066)	—	—	(15 351)
Closing balance	20 187	6 524	34 676	6 663	—	68 050
Accumulated depreciation						
Opening balance	20 215	4 330	42 870	5 247	262	72 924
Reclassifications	252	—	(252)	—	—	—
Disposals	(5 167)	(1 934)	(6 017)	—	—	(13 118)
Transferred to held-for-sale	(1 079)	(205)	(9 561)	—	(297)	(11 142)
Impairment	—	—	179	—	—	179
Depreciation for the year	2 600	1 550	2 842	290	35	7 317
Closing balance	16 821	3 741	30 061	5 537	—	56 160
Net book value – 2009	3 366	2 783	4 615	1 126	—	11 890
Net book value – 2008	6 601	5 786	15 316	1 416	11 742	40 861
Depreciation rates (%)	20	20	10	10 – 50	0 – 2	—

	Office furniture and equipment R'000	Motor vehicles R'000	Plant R'000	Total R'000
7. PROPERTY, PLANT AND EQUIPMENT continued				
Leased assets (included in the property, plant and equipment note 7.1 and 7.2).				
7.3 30 June 2010				
Cost				
Opening balance	**408**	**3 599**	**—**	**4 007**
Disposals	**(408)**	**(1 556)**	**—**	**(1 964)**
Closing balance	**—**	**2 043**	**—**	**2 043**
Accumulated depreciation				
Opening balance	**408**	**2 119**	**—**	**2 527**
Disposals	**(408)**	**(1 081)**	**—**	**(1 489)**
Depreciation for the year	**—**	**548**	**—**	**548**
Closing balance	**—**	**1 586**	**—**	**1 586**
Net book value – 2010	**—**	**457**	**—**	**457**
Net book value – 2009	**—**	**1 480**	**—**	**1 480**
Depreciation rates (%)	**20**	**20**	**—**	**—**
7.4 30 June 2009				
Cost				
Opening balance	408	5 352	13 264	19 024
Additions	—	59	709	768
Transfer to held-for-sale	—	(59)	(12 863)	(12 922)
Disposals	—	(1 753)	(1 110)	(2 863)
Closing balance	408	3 599	—	4 007
Accumulated depreciation				
Opening balance	408	2 243	6 080	8 731
Disposals	—	(1 052)	(402)	(1 454)
Transfer to held-for-sale	—	(9)	(7 255)	(7 264)
Depreciation for the year	—	937	1 577	2 514
Closing balance	408	2 119	—	2 527
Net book value – 2009	—	1 480	—	1 480
Net book value – 2008	—	3 109	7 184	10 293
Depreciation rates (%)	20	20	10	—

7.5 Property

Property consists of:

– Buildings and land on portion 64 (a portion 420 of the farm Melpost No 4, Atlantis), industrial area, local area, Cape Division. The property was acquired in December 1977 for R212 744. Refer to note 13, discontinued operations held-for-sale.

	GROUP		COMPANY	
	2010 R'000	2009 R'000	**2010 R'000**	2009 R'000
8. TRADEMARKS AND GOODWILL				
8.1 Trademarks				
Cost				
Opening balance	**1 645**	13 675	—	—
Addition	—	1 645	—	—
Closing balance	**1 645**	15 320	—	—
Accumulated amortisation and impairment	—	(13 675)	—	—
Opening balance	—	(9 079)	—	—
Impairment during the year	—	(4 596)	—	—
Closing balance	**1 645**	1 645	—	—
The Group does not amortise trademarks. The trademarks are reviewed annually, for impairment taking into account their useful lives and economic values. The projected future cash flows were considered and no impairment was deemed necessary.				
8.2 Goodwill				
Carrying amount at the beginning of the year	—	1 170	—	—
Impairment	—	(1 170)	—	—
Carrying amount at the end of the year	—	—	—	—
9. INTEREST IN SUBSIDIARIES				
Cost – unlisted	—	—	**91 321**	91 321
Amalgamated Appliances (Pty) Limited	—	—	**33 421**	33 421
Tedelex Trading (Pty) Limited	—	—	**57 900**	57 900
Loans to (from) subsidiaries	—	—	**3 936**	(1 356)
Tedelex Trading (Pty) Limited*	—	—	**3 936**	(1 356)
Loans to subsidiaries are interest free and are not repayable within the next 12 months. The directors value the interest in subsidiaries at R95 257 000 (2009: R89 965 000). Refer to page 62 for details of interest in subsidiaries.				
Interest in subsidiaries	—	—	**95 257**	89 965

* *Various contingent assets regarding equity loan for subsidiary companies have not been raised.*

	GROUP		COMPANY	
	2010 R'000	2009 R'000	**2010 R'000**	2009 R'000
10. DEFERRED TAXATION				
Opening balance	**70 692**	34 936	—	—
Movement of deferred tax asset				
– Current	**(16 169)**	34 701	—	—
– Prior	**(1 047)**	1 055	—	—
Closing net deferred tax	**53 476**	70 692	—	—
Deferred tax asset	**56 656**	73 948	—	—
Deferred tax liability	**(3 180)**	(3 256)	—	—
Deferred tax asset				
– Continuing operations	**56 656**	73 924	—	—
– Discontinued operations	—	24	—	—
Deferred tax liability				
– Continuing operations	**(1 156)**	(757)	—	—
– Discontinued operations	**(2 024)**	(2 499)	—	—
Represented by:				
– Provision disallowed	**14 634**	9 002	—	—
– Revised unutilised tax loss	**45 420**	65 558	—	—
– Property, plant and equipment, trademarks and intangibles	**(1 783)**	(2 998)	—	—
– Prepayments	**(4 795)**	(870)	—	—
	53 476	70 692	—	—
11. INVENTORIES				
Raw materials	**5 453**	5 288	—	—
Consumable stores	**96**	87	—	—
Finished goods	**140 409**	148 918	—	—
Inventories	**145 958**	154 293	—	
– At net realisable value	**13 250**	55 726	—	—
– At cost	**132 708**	98 567	—	—
12. TRADE AND OTHER RECEIVABLES				
Trade receivables	**150 854**	184 598	—	—
Allowances for doubtful debts	**(399)**	(1 893)	—	—
	150 455	182 705	—	—
Other receivables	**31 300**	4 584	—	—
Trade and other receivables	**181 755**	187 289	—	—

The directors consider the carrying amount of trade and other receivables to approximate their fair value. The credit period of trade receivables range between 30 and 120 days.

13. DISCONTINUED OPERATIONS AND ASSETS CLASSIFIED AS HELD-FOR-SALE

for the year ended 30 June 2010	Total discontinued operations R'000	Tedelex Manu-facturing (Pty) Ltd R'000	Tedelex Properties (Atlantis) (Pty) Ltd R'000
Revenue	**86 160**	**86 160**	—
Operating (loss)/profit	**(9 265)**	**(10 698)**	**1 433**
Restructuring costs – operations	**(4 960)**	**(4 960)**	—
Net finance costs	**(70)**	**(70)**	—
(Loss)/profit before taxation	**(14 295)**	**(15 728)**	**1 433**
Taxation	**3 875**	**4 287**	**(412)**
(Loss)/profit from discontinued operations	**(10 420)**	**(11 441)**	**1 021**

Discontinued operations held-for-sale

The major classes of assets and liabilities classified as held-for-sale are as follows:

as at 30 June 2010	Total held-for-sale R'000	Tedelex Properties (Atlantis) (Pty) Ltd R'000
Property, plant and equipment	**11 707**	**11 707**
Assets classified as held-for-sale	**11 707**	**11 707**
Liabilities directly associated with assets classified as held-for-sale		
Deferred taxation	**2 024**	**2 024**
Trade, other payables and provisions	**9 683**	**9 683**
Liabilities directly associated with assets classified as held-for-sale	**11 707**	**11 707**

Discontinued operations and assets classified as held-for-sale

Following the decision to dispose of Tedelex Manufacturing (Pty) Ltd and Tedelex Properties (Atlantis) (Pty) Ltd and the Atlantis TV factory operation (a division of Tedelex Trading (Pty) Ltd), these two entities and the Atlantis TV factory have been classified as discontinued in the current year and prior years have been restated accordingly.

for the year ended 30 June 2009	Total dis-continued operations R'000	Tedelex Properties (Atlantis) (Pty) Ltd R'000	Tedelex Manu-facturing (Pty) Ltd R'000	Atlantis TV factory operation R'000
Revenue	18 584	—	—	18 584
Operating (loss)/profit	(8 031)	2 155	1 349	(11 534)
Restructuring costs – operations	(1 296)	—	—	(1 296)
Net write up/(write down) of inventory	635	—	(373)	1 008
Fair value adjustments on financial instruments	885	—	—	885
Net interest paid/(received)	—	—	38	(38)
(Loss)/profit before taxation	(7 807)	2 155	1 014	(10 975)
Taxation	2 186	(603)	(284)	3 073
(Loss)/profit from discontinued operations	(5 621)	1 552	730	(7 902)

13. DISCONTINUED OPERATIONS AND ASSETS CLASSIFIED AS HELD-FOR-SALE continued

Discontinued operations held-for-sale

The major classes of assets and liabilities classified as held-for-sale as follows:

as at 30 June 2009	Total held-for-sale R'000	Tedelex Properties (Atlantis) (Pty) Ltd R'000	Tedelex Manu-facturing (Pty) Ltd R'000	Atlantis TV factory operation[1] R'000
Assets classified as held-for-sale				
Property, plant and equipment	21 878	11 707	10 171	—
Deferred taxation	24	—	24	—
Inventory	9 038	—	299	8 739
Trade and other receivables	10 129	—	761	9 368
Bank and cash on hand	1	—	1	—
Assets classified as held-for-sale	41 070	11 707	11 256	18 107
Liabilities directly associated with assets classified as held-for-sale				
Long-term borrowings	(2 780)	—	(2 780)	—
Deferred taxation	(2 499)	(2 024)	(475)	—
Trade and other payables	(25 230)	(9 683)	(5 904)	(9 643)
Taxation	(89)	—	(89)	—
Bank overdraft	(8 760)	—	(296)	(8 464)
Short-term portion of long-term liability	(1 712)	—	(1 712)	—
Liabilities directly associated with assets classified as held-for-sale	(41 070)	(11 707)	(11 256)	(18 107)

[1]*Atlantis TV factory operation is a division of Tedelex Trading (Pty) Limited.*

	GROUP		COMPANY	
	2010 R'000	2009 R'000	**2010 R'000**	2009 R'000
14. SHARE CAPITAL				
Authorised				
800 000 000 ordinary shares of 1 cent each at the beginning and end of the year	**8 000**	8 000	**8 000**	8 000
Issued				
212 189 689 ordinary shares of 1 cent each	**2 122**	2 122	**2 122**	2 122
15. SHARE PREMIUM				
Premium on shares issued at the beginning of the year	**94 841**	94 841	**94 841**	94 841

Proposed capital distribution for the year to be approved by shareholders at the annual general meeting – refer note 5

	GROUP		COMPANY	
	2010 R'000	2009 R'000	**2010 R'000**	2009 R'000
16. LONG-TERM BORROWINGS				
Amounts payable under finance leases	**583**	1 801	**—**	—
Amounts payable within one year	**(482)**	(1 125)	**—**	—
Long-term borrowings (2 – 5 years)	**101**	676	**—**	—

It is the Group's policy to lease certain of its office furniture and equipment, motor vehicles and plant under finance leases. The average lease term is five years with an average monthly instalment of approximately R100 513 (2009: R227 875). For the period ended June 2010 the average effective borrowing rate was 10,13% (2009: 12,1%) per annum. These are secured over leased assets disclosed in note 7. Interest rates are linked to the prime overdraft rate. In terms of the articles of association of the Company and all its subsidiaries, borrowing powers are unlimited.

16.1 Obligations under finance leases

Finance leases to equipment with finance terms of two to five years. The Company's obligations under finance leases are secured by the financed assets.

	Minimum lease payments		Present value of minimum lease payments	
	2010 R'000	2009 R'000	**2010 R'000**	2009 R'000
GROUP				
Amounts payable within one year	**483**	1 169	**482**	1 125
Amounts payable within two years and not later than five years	**134**	779	**101**	676
	617	1 948	**583**	1 801
Less: Future finance charges	**(34)**	(147)	**—**	—
Present value of minimum lease payments	**583**	1 801	**583**	1 801
Included in the financial statements as:				
Non-current liabilities			**101**	676
Current liabilities			**482**	1 125
			583	1 801

	GROUP		COMPANY	
	2010 R'000	2009 R'000	**2010 R'000**	2009 R'000
17. TRADE AND OTHER PAYABLES				
Trade payables	**48 977**	65 006	**—**	—
Accruals	**61 197**	31 723	**—**	—
Accounts payable	**110 174**	96 729	**—**	—

The directors consider the carrying amount of trade and other payables to approximate their fair value. The credit period of trade payables range between 30 and 90 days.

	Executive retention bonus R'000	Warranty provisions R'000	Post-employment medical benefits R'000	2010 Total R'000	2009 Total R'000
18. PROVISIONS					
GROUP					
Opening balance	—	16 520	2 734	19 254	11 196
Additional provision raised/(reversed) for the year	4 369	13 263	(22)	17 610	22 079
Utilisation of provision	—	(4 748)	(169)	(4 917)	(14 021)
Closing balance	4 369	25 035	2 543	31 947	19 254

Executive retention bonuses

The provision for retention bonuses relates to the provision for the retention of various executive directors in order to retain their services. This bonus is due to be paid in the years ending 30 June 2012 and 30 June 2013. This bonus was approved by the Remuneration Committee. The expected payments amount to R4 000 000 in October 2011 and a further R5 000 000 in October 2012.

Warranty provisions

The warranty provisions represent management's best estimate of the Group's liability under 12-month warranties granted on household domestic products and based on prior experience and industry averages for defective products.

Post-employment medical benefits

An actuarial valuation of Tedelex Trading (Pty) Limited post-employment medical benefits has been performed in accordance with IAS 19 by using the projected unit credit method taking the following actuarial assumptions into account: discount 9% per annum (2009: 9,25% per annum), and post-retirement mortality PA 90 (2009: 90).

	GROUP		COMPANY	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000
18.1 Reconciliation of accrued liability				
The liability has been reconciled as follows:				
Accrued liability at beginning of the year	2 734	2 861	—	—
Interest cost	235	290	—	—
Employer disbursements	(357)	(381)	—	—
Actuarial gain	(69)	(36)	—	—
Total accrued liability as at 30 June 2010	2 543	2 734	—	—
18.2 Projection of valuation results				
Accrued liability as at 30 June 2010	2 543			
Interest cost (at 9% per annum)	212			
Employer benefit payments	(354)			
Projected accrued liability as at 30 June 2011	2 401			

18.3 Sensitivity results

The recalculation of the liability to show the following effects:

- A one percentage point decrease or increase in the discount rate.

	Discount rate		
	Central assumption	(1%)	1%
Accrued liability as at 30 June 2010 R'000	2 543	2 693	2 409
% change	—	5,9%	(5,3%)

	GROUP		COMPANY	
	2010 R'000	2009 R'000	**2010 R'000**	2009 R'000
19. COMMITMENTS				
19.1 Capital expenditure				
Authorised but not contracted				
This capital expenditure is to be financed from external resources	**—**	892	**—**	—
	—	892	**—**	—
19.2 Lease commitments – operating				
The future operating lease commitments for the Group are R29 583 157 (2009: R19 005 000) for property.				
Due as follows:				
– Within one year	**7 952**	3 640	**—**	—
– Two to five years	**21 631**	15 365	**—**	—
	29 583	19 005	**—**	—
20. BANK FACILITIES				
The facilities with the various banks which include bank overdrafts, call loans, short-term loans, foreign finance and letters of credit are as follows:				
Absa Bank Limited	**113 074**	126 674	**—**	—
First National Bank Limited	**35 000**	35 000	**—**	—
Nedbank Limited	**—**	10 000	**—**	—
Standard Bank of South Africa Limited (utilised daily)	**44 000**	45 000	**—**	—
Total banking facilities	**192 074**	216 674	**—**	—
21. GUARANTEES				
The bank guarantees are as follows:				
Absa Bank Limited	**2 520**	1 020	**—**	—
First National Bank Limited	**5 625**	5 500	**—**	—
Nedbank Limited	**100**	100	**—**	—
Standard Bank of South Africa Limited	**1 963**	1 800	**—**	—
	10 208	8 420	**—**	—

Interest on borrowings is incurred at prime less the risk factor attached. Prime interest rate varies between 0,5% – 1,5% below prime.

22. RETIREMENT BENEFITS

The Group has made provision for pension and provident schemes covering substantially all employees. All eligible employees are members of defined contribution schemes administered by the Company. The assets of these schemes are held in administered trust funds separate from the Group's assets. Scheme assets primarily consist of listed shares and fixed income securities. The funds are governed by the Pension Funds Act of 1956.

The total expense recognised in the Group statement of comprehensive income of R4 316 612 (2009: R5 442 960) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

23. FINANCIAL RISK MANAGEMENT

The Group's financial instruments consists mainly of deposits with banks, local money market instruments, accounts receivable and payable and loans to subsidiaries, leases and hire-purchase agreements.

In respect of all financial instruments mentioned above, carrying value approximates fair value.

Derivative instruments are used by the Group for hedging purposes. Such instruments used by the Group are forward exchange contracts. The Group does not speculate in the trading of derivative instruments.

23.1 Interest rate risk

The Group may be exposed to interest rate risk as it borrows funds at floating interest rates.

To minimise a portion of the interest rate risk attached to the leasing of motor vehicles for the Group, use is made of a vehicle access finance (VAF) facility with a major bank.

Interest rate sensitivity analysis

The Group's exposure to interest rates relates to the Group's borrowings and finance leases, all of which attract interest at rates linked to the prime lending rate.

An assessment of the Group's sensitivity to interest rate exposure shows that if the interest rate had been 100 basis points higher and all other variables remained constant, the Group's profit after tax for the year ended 30 June 2010 would increase by R1 735 000 (2009: loss would be increased by R114 600). The assessment assumes that the amount of the outstanding liability at the statement of financial position date was outstanding for the whole year. A 100 basis point increase represents management's assessment of the reasonably possible change in interest rates.

23.2 Foreign currency risk

The Group's policy is to hedge/cover, by use of derivative instruments, all foreign denominated trade commitments, within an agreed treasury policy which has been approved by the Board of Directors.

In this regard, the Group establishes forward cover to meet its foreign commitments not yet due and in the future and for proceeds not received in respect of exports.

The majority of forward cover is established to mature within a period of 90 days from the date cover is taken and the commitment is firm and ascertainable.

The Group does not speculate in the trading of derivative instruments.

23.3 Financial risks for the Group

(a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns

Gearing ratio

The gearing ratios at year-end were as follows:

	2010 R'000	2009 R'000
Debt – continuing operations	**(583)**	(2 669)
– discontinuing operations	**—**	(13 252)
Total debt	**(583)**	(15 921)
Less: Bank and cash on hand – continuing operations	**204 377**	124 943
– discontinuing operations	**—**	1
Net cash	**203 794**	109 023
Equity	**(465 135)**	(438 672)
Net debt to equity ratio (%)	**n/a**	**n/a**

- Debt is defined as long and short-term borrowings;
- Equity includes all capital and reserves of the Group.

23. FINANCIAL RISK MANAGEMENT continued

23.3 Financial risks for the Group

(b) Market risk

Market risk is continuously monitored by senior management of the respective entities within the Group and Board of Directors.

The Group also exposes itself to the financial risks of changes in the interest rates and liquidity.

(c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. It is further managed by ensuring adequate banking facilities are available at all times to meet cash requirements.

23.4 Foreign currency management

Trade exposure

The Group's policy is to forward all trade commitments, within agreed treasury policy which have been approved by the Board of Directors. Each division manages its own trade exposure. In this regard, the Group has entered into certain forward exchange contracts to cover foreign commitments not yet due and proceeds not yet received.

The contracts will be utilised during the next 12 months. Details of these contracts are:

	Foreign exchange contracts		Foreign currency		Market value		Fair value adjustment	
Currency	**2010 R'000**	2009 R'000	**2010**	2009	**2010 R'000**	2009 R'000	**2010 R'000**	2009 R'000
Euro	**3 771**	2 459	**388**	206	**3 680**	2 263	**(91)**	(194)
Hong Kong dollar	**87**	—	**90**	—	**89**	—	**2**	—
US dollar	**161 242**	54 598	**20 628**	6 731	**160 892**	52 715	**(350)**	(1 883)
Total	**165 100***	57 057	**21 106**	6 937	**164 661**	54 978	**(439)**	(2 077)

* *72% of total forward cover matures during the three months ended 30 September 2010, and the 28% balance in the period October 2010 to September 2011.*

Foreign exchange sensitivity analysis

The Group is primarily exposed to the exchange rate fluctuations in relation to the US dollar. An assessment of the Group's sensitivity to the rand: dollar exchange rate shows that should the rand strengthen by 10% against the dollar, the Group's profit after tax would decrease by R15 795 425 (2009: loss after tax would increase by R3 795 480). A 10% weakening of the rand versus the dollar would result in a profit of the same amount. The assessment includes all foreign currency denominated monetary items and adjusts their translation at the end of the year.

23.5 Credit risk

Potential areas of credit risk consist of trade receivables and short-term cash investments. Trade receivables consist mainly of large corporate customers and the Group monitors the financial position of its customers on an ongoing basis.

Where appropriate, the use of credit guarantee insurance is made.

Provision is made for specific bad debts at year-end and management did not consider there to be any material credit risk that was not covered by credit guarantee insurance or a bad debt provision.

It remains Group policy to deposit short-term cash investments with the major banks.

23. FINANCIAL RISK MANAGEMENT continued

23.5 Credit risk continued

The table below sets out the credit limit and carrying amount of the five major customers at year-end.

	2010		2009	
	Credit limit R'000	**Carrying value R'000**	Credit limit R'000	Carrying value R'000
Customer 1	**114 000**	**87 733**	114 000	63 360
Customer 2	**51 300**	**38 823**	51 300	48 270
Customer 3	**34 200**	**30 418**	34 200	22 360
Customer 4	**34 200**	**11 503**	259 920	21 770
Customer 5	**10 260**	**5 846**	155 950	7 820

Trade receivables are shown net of provisions for amounts which are considered doubtful. This provision has been determined based on knowledge of current market conditions and specific risks pertaining to individual customers, as well as past default experience. Included in the trade receivables balance are debtors with a carrying amount of R16 740 114 (2009: R29 479 000) which are past due at the reporting date.

	2010 R'000	2009 R'000
Ageing of past due to not impaired		
60 – 90 days	**6 396**	8 726
90 – 120 days	**1 480**	1 904
+ 120 days	**8 864**	18 849
Total past due	**16 740**	29 479
Less: Accruals	**(11 102)**	(24 508)
Total net past due	**5 638**	4 971

In line with the Group's accounting policies, total accruals in addition to those set out in note 13 amounting to R11 101 782 (2009: R24 508 361) are held in respect of the Group's total trade receivables. These accruals relate to, inter alia customer returns and claims.

24. SEGMENTAL INFORMATION

The Group markets and distributes consumer durables from a single business unit. In line with the requirements of IFRS 8, *Segmental Reporting*, the Group reports the following:

- The Group relies on three major Group customers for its revenue of consumer durables. These three major customers' account (2009: two major customer groups) for at least 10% or more individually of the Group's revenue comprising 35,1%, 11,0%, 10,9% (2009: 26,4%, 14,9%).
- The geographic information regarding export shows that all export sales were to countries within the African continent which aggregated sales were 1,1% of Group sales (2009: 2,0%).

25. RELATED PARTY TRANSACTIONS AND DIRECTORS' INTERESTS

25.1 Related party transactions – Company and subsidiaries

During the year the Company and its subsidiaries, in the ordinary course of business, entered into various sale and purchase, cash deposit transactions. These transactions are no less favourable than those arranged with third parties.

At year-end the company held a deposit with Bidvest Bank Limited of R102 840 311 (2009: nil) a member of The Bidvest Group.

25.2 Directors' interests

The following transactions took place with directors (excluding executive directors) during the year under review.

	Sales		Emoluments		Share option gains	
	2010 R'000	2009 R'000	**2010 R'000**	2009 R'000	**2010 R'000**	2009 R'000
Directors' interests	**38**	106	**7 333**	12 349	**6**	6

26. SUBSEQUENT EVENTS

No events material to the understanding of the report have occurred during the period between 30 June 2010 and the date of this report.

27. CONTINGENT LIABILITY

As disclosed in the Group's annual report for the year ended 30 June 2007 and subsequent years, SARS issued a letter of intent in February 2007 to levy customs and excise on a wholly owned subsidiary for R28,3 million. The subsidiary has raised a formal objection, in line with the professional advice of its external legal customs duty advisers, and remains confident that its objection will be upheld.

There are no other obligations current or pending, which are considered to have an adverse effect on the Group.

28. JUDGEMENTS AND ESTIMATES

Property, plant and equipment

The Group makes judgements based on estimates and assumptions concerning the future of property, plant and equipment and trademarks. The estimated useful lives and residual values are reviewed annually, taking account of the forecast economic and commercial factors and through benchmarking of accounting treatments in the electrical and appliance industries where these assets are used.

Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that taxable income will be available in the future against which these can be utilised. Future taxable profits are estimates based on plans which include estimates and assumptions regarding economic growth, interest, inflation, taxation rates and competitive forces.

Employee share option plan

The Group has an ownership-based compensation scheme for executives and senior employees of the Group. In accordance with the provisions of the plan which provides for the performance share plan and a share option scheme as approved by shareholders at previous annual general meetings.

28. JUDGEMENTS AND ESTIMATES continued

Employee share option plan continued

The valuation is based on the following share option scheme that were in existence at the end of the current reporting year June 2010.

June 2010

Share options granted	Number	Allocation price (cents)	Expiry date	Exercise price (cents)	Fair value at grant date
Allocation September 2009	**5 040 000**	**151**	**Sept 2014**	**151**	**151**
Allocation April 2010	**200 000**	**171**	**Apr 2015**	**171**	**171**
Allocation June 2010	**2 640 000**	**176**	**June 2015**	**176**	**176**
June 2009					
Allocation August 2006	397 000	500	Nov 2012	500	500
Allocation June 2008	3 900 000	185	Oct 2012	185	185
Allocation July 2008	1 000 000	174	July 2012	174	174
Allocation December 2008	500 000	106	Dec 2013	106	106

The share options scheme was priced using the actuarial beneficial model.

Grant date share price	536	210	185	174	106	151	171	176
Exercise price	536	210	185	174	106	151	171	176
Expected volatility	36,24	34,96	38,34	36,47	40,09	41,26	39,79	41,04
Options life	4	4	5	4	5	6	6	7
Dividend yield (2 years) (%)	4,3	4,3	4,3	4,36	4,38	2,86	1,28	1,01
Risk-free interest rate	10,73	8,75	10,45	11,0	8,08	7,90	7,92	8,55

Average over five-year period

The following reconciles the outstanding share options granted under the share option scheme of the beginning and end of the financial year (refer to the directors' report).

The performance share plan was priced as follows:

	Grant date 1/7/2007	Grant date 1/2/2008	Grant date 1/4/2008
Grant date strike price (R)	0,0001	0,0001	0,0001
Risk-free interest rate (%)	8,89	8,84	9,15
Expected volatility (%)	28,46	31,09	33,23
Dividend yield (two years) (%)	3,21	3,62	3,91
Option life (years)	3	3	3

Warranty

Refer to note 18 on provisions for the estimate on warranty.

Provision for stock obsolescence

The directors use their judgement in selecting an appropriate obsolete stock policy based on the saleability of stock, taking into account the ageing of current stock holding and current market trends.

Provision for doubtful debts

The provision for doubtful debt is continually assessed by the directors as set out in note 23.5 (credit risk).

29. NEW ACCOUNTING PRONOUNCEMENTS

At the date of authorisation of these financial statements, the following standards and revision thereof and interpretations were in issue but not yet effective:

Standards and interpretations	Effective date
IFRS 2 – *Share-Based Payments*	1 January 2010
IFRS 9 – *Financial Instruments: Classification and Measurement*	1 January 2013
IAS 32 – *Financial Instruments: Presentation*	1 February 2010
IFRIC 19 – *Extinguishing Financial Liabilities with Equity Instruments*	1 July 2010
Amendments resulting from April 2009 annual improvements to IFRS	
IFRS 5 – *Non-current Assets Held-for-Sale and Discontinued Operations*	1 January 2010
IFRS 8 – *Operating Segments*	1 January 2010
IAS 1 – *Presentation of Financial Statements*	1 January 2010
IAS 7 – *Statement of Cash Flows*	1 January 2010
IAS 17 – *Leases*	1 January 2010
IAS 36 – *Impairment of Assets*	1 January 2010
IAS 39 – *Financial Instruments: Recognition and Measurement*	1 January 2010
Amendments resulting from November 2009 annual improvements to IFRS	Effective date
IAS 24 – *Related Party Disclosures*	1 January 2011
IFRIC 14 – IAS 19 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*	1 January 2011
Amendments resulting from May 2010 Annual Improvements to IFRS	
IFRS 3 – *Business Combinations*	1 July 2010
IAS 27 – *Consolidated and Separate Financial Statements*	1 July 2010
IAS 34 – *Interim Financial Reporting*	1 January 2011
IFRIC 13 – *Customer Loyalty Programmes*	1 January 2011
IFRS 1 – *First-time Adoption of International Financial Reporting Standards*	1 January 2011
IFRS 7 – *Financial Instruments: Disclosures*	1 January 2011

The Company will adopt the above standards, interpretations and amendments on the effective date to the extent applicable. Management expects that the adoption of the standards listed above will have no material impact on the financial statements.

Notes to the annual financial statements continued
for the year ended 30 June 2010

30. INTEREST IN SUBSIDIARIES

	Name of subsidiary company	Date and place of incorporation	Issued ordinary shares	Holding (%)	Effective date of becoming a subsidiary	Principal business
30.1	**Direct**					
	Amalgamated Appliances (Pty) Ltd (Reg No 1991/004931/07)	6 September 1991 Pretoria	3	100	March 1997	Royalty income
	Haz Products (Pty) Ltd (Reg No 1980/006458/07)	24 July 1980 Pretoria	300	100	March 1997	Dormant
	Tedelex Trading (Pty) Ltd (Reg No 1996/014667/07)	25 October 1996 Pretoria	1	100	July 1999	Manufacturing and distribution
	Tedelex Mobile (Pty) Ltd (Reg No 2005/009388/07)	29 March 2005 Pretoria	100	100	July 2005	Dormant
30.2	**Indirect**					
	Africatek (Pty) Ltd (Reg No 1998/025128/07)	15 December 1998 Pretoria	100	100	July 1999	Dormant
	Appliances on Line (Pty) Ltd (Reg No 1998/016078/07)	17 August 1998 Pretoria	1	100	August 1998	Dormant
	Cape Cabinets (Pty) Ltd (Reg No 1975/000672/07)	5 March 1975 Pretoria	"A" shares 3 040 "B" shares 960	100	July 1999	Dormant
	Empisal (Pty) Ltd (Reg No 1950/036126/07)	20 February 1996 Pretoria	20 000	100	July 1999	Dormant
	SMC Sales Logistics (Pty) Ltd (Reg No 1996/002096/07)	21 February 1996 Pretoria	1	100	December 2002	Distributor/ royalty income
	Tedelex (Pty) Ltd (Reg No 89/237)	15 August 1989 Lesotho	1 000	100	July 1999	Dormant
	Tedelex (Botswana) (Pty) Ltd (Reg No 94/642)	22 April 1994 Botswana	2	100	July 1999	Dormant
	Tedelex Manufacturing (Pty) Ltd (Reg No 1969/000612/07)	14 January 1969 Pretoria	100	100	July 1999	Manufacturing and distribution
	Tedelex Properties (Atlantis) (Pty) Ltd Reg No 1971/002455/07)	29 March 1971 Pretoria	2	100	July 1999	Property owing and letting
	Tedelex Properties (Pty) Ltd (Reg No 1968/007860/07)	15 July 1968 Pretoria	200	100	December 2002	Property letting

Analysis of shareholders

as at 30 June 2010

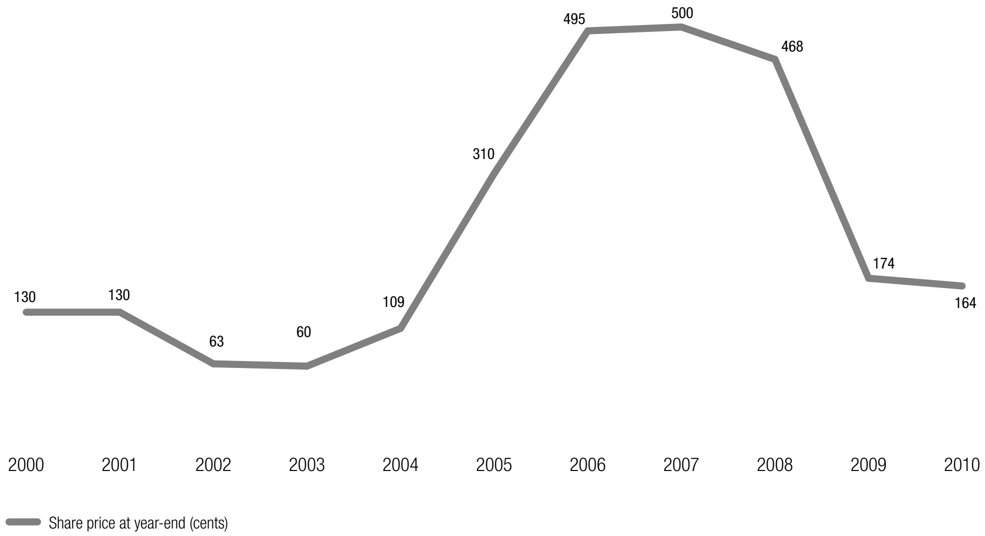
	Number of shareholders	%	Number of shares	%
SHAREHOLDERS' SPREAD				
1 to 1 000	810	41,22	255 915	0,12
1 001 to 10 000	671	34,15	2 800 850	1,32
10 001 to 100 000	333	16,95	12 056 835	5,68
100 001 to 1000 000	116	5,90	36 425 010	17,17
1 000 001 shares and over	35	1,78	160 651 079	75,71
	1 965	100,00	212 189 689	100,00
DISTRIBUTION OF SHAREHOLDERS				
Banks	7	0,36	1 566 148	0,74
Brokers	8	0,41	7 910 154	3,73
Close corporations	36	1,83	4 127 599	1,95
Endowment funds	10	0,51	1 501 363	0,71
Individuals	1 551	78,93	16 671 380	7,86
Insurance companies	8	0,41	6 889 443	3,25
Investment companies	3	0,15	58 793 066	27,71
Medical aid schemes	2	0,10	355 809	0,17
Mutual funds	51	2,60	60 550 496	28,54
Nominees and trusts	99	5,04	4 268 196	2,01
Other corporations	40	2,04	2 007 041	0,95
Pension funds	90	4,58	29 811 296	14,05
Private companies	55	2,80	4 974 728	2,34
Public companies	4	0,20	184 471	0,09
Share trust	1	0,05	12 578 489	5,93
	1 965	100,00	212 189 689	100,00
PUBLIC/NON-PUBLIC SHAREHOLDERS				
Non-public shareholders	8	0,40	72 075 038	33,97
Directors	4	0,20	846 539	0,40
Strategic holdings (more than 10%)	1	0,05	58 500 000	27,57
Associates of the Company holdings	2	0,10	150 000	0,07
Share Trust	1	0,05	12 578 499	5,93
Public shareholders	1 957	99,60	140 114 651	66,03
Total	1 965	100,00	212 189 689	100,00

BENEFICIAL SHAREHOLDERS HOLDING 3% OR MORE	Number of shares	%
BB Investment Co (Pty) Ltd	58 500 000	27,57
Amalgamated Appliance Holdings Share Trust	12 578 499	5,93
Cadiz Equity Ladder fund	10 264 003	4,84
Government Employees Pension Fund	8 257 219	3,89
Investment Securities Limited	7 228 648	3,41

JSE performance

for the year ended 30 June 2010

	2010	2009
STOCK EXCHANGE PERFORMANCE		
– At year-end (cents)	**164**	120
– Highest (cents)	**185**	189
– Lowest (cents)	**118**	80
Number of shares traded (000)	**131 530**	68 354
Value of shares traded (R'000)	**220 447**	86 220
Number of shares in issue (000)	**212 190**	212 190
Volume traded as a percentage of total shares in issue (%)	**62,0**	32,4



Shareholders' diary

Financial period end		30 June 2010
Annual general meeting		5 November 2010
Preliminary profit announcement		6 September 2010
Annual report		Published September 2010
Interim profit announcement		March 2011
Capital distribution – Proposed		3 September 2010
	Salient dates for the payment of the distribution	
	– Last day to trade *cum* the distribution	12 November 2010
	– Shares commence trade *ex* the distribution	15 November 2010
	– Record date	19 November 2010
	– Payment date	22 November 2010

Notice of annual general meeting

for the year ended 30 June 2010

Notice is hereby given that the thirteenth annual general meeting of the Company will be held in the boardroom, Amalgamated Appliance Holdings Limited, Tedelex House, 29 Heronmere Road, Reuven, Johannesburg at 09:00 on 5 November 2010 for the following purposes:

1. APPROVAL OF ANNUAL FINANCIAL STATEMENTS

Ordinary resolution 1

To receive and consider the annual financial statements for the year ended 30 June 2010.

2. ELECTION OF DIRECTORS

Ordinary resolution 2

To elect the following directors who retire by rotation in terms of the Company's articles of association and being eligible offers himself for re-election (an abbreviated CV of each director appears on page 70 of the annual report):

2.1 M C Berzack

2.2 D E Cleasby

2.3 C K L Scott

3. ELECTION OF AUDITORS

Ordinary resolution 3

To re-elect Deloitte & Touche as auditors of the Company and M Ajoodha as the registered auditor for the ensuing period and approve the auditors' remuneration.

4. APPROVAL OF DIRECTORS' REMUNERATION

Ordinary resolution 4

To approve the remuneration of the executive and non-executive directors.

5. GENERAL AUTHORITY TO MAKE GENERAL PAYMENTS

Ordinary resolution 5

To resolve that, in terms of the Articles 25 and 25.3 of the Company's articles of association and subject to the Company obtaining a statement by the directors that after considering the effect of such maximum payment the:

- Company and the Group will be able in the ordinary course of business to pay its debts for the period of 12 months after the date of such general payments;
- 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 months after the date of such general payments, 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;
- share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of such general payments; and
- 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 such general payment(s).

The directors of the Company shall be entitled, from time to time to pay by way of a reduction of share premium, a capital distribution to shareholders of the Company in lieu of a dividend. Such general payments shall be amounts equal to the amounts which the directors would have declared and paid out of profits of the Company as final dividends in respect of the financial year ending 30 June 2010. 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 for 15 months from the date of the resolution, which ever period is shorter.

In terms of the JSE Listings Requirements any general payment(s) must be made pro rata to all shareholders and may not exceed 20% of the Company's issued share capital, including reserves but excluding minority interests, and revaluations of assets and intangibles assets that are not supported by a valuation by an independent professional expert acceptable to the JSE prepared within the last six months, in any one 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 sponsor to the effect that the directors have considered the solvency and liquidity of the Company and the Group as required in terms of section 90 (2) of the Companies Act of South Africa. The Company shall publish an announcement in terms of paragraph 11.31 of the Listings Requirements of the JSE Limited, following any general payment(s).

6. APPROVAL OF GENERAL PAYMENTS

Ordinary resolution 6

To resolve that the shareholders approve the general payment out of the share premium of eight cents per share. The requirements as detailed in the ordinary resolution 5 above will apply.

7. AUTHORITY TO REPURCHASE SHARES

Special resolution 1

To consider and, if deemed fit, pass the following special resolution with or without modification:

"RESOLVED THAT the Company hereby approves, as a general approval as contemplated in sections 85(2) and 85(3) of the Companies Act, No 61 of 1973, as amended ("the Companies Act"), the acquisition from time to time, by the Company and/or any of its subsidiary companies, of issued shares of the Company upon such terms and conditions and in such amounts as the directors of the Company may from time to time decide:

- any such repurchase of shares is effected through the order book operating by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- the Company is authorised thereto by its articles of association;
- the general authority shall only be valid until the Company's next annual general meeting provided that it shall not extend beyond 15 months from the date of passing of this special resolution;
- provided that the acquisition may not be made at a price greater than 10% (ten percent) above the weighted average of the market value for the issued shares for the 5 (five) business days immediately proceeding the date on which any acquisition by the Company and/or any of its subsidiary companies is effected;
- at any point in time the Company may only appoint one agent to effect any repurchase(s) on the Company's behalf;
- after such repurchase the Company still complies with paragraphs 3.37 to 3.41 of the JSE Listings Requirements concerning shareholders spread requirements;
- the Company or its subsidiary may not repurchase shares during a prohibited period as defined in paragraph 3.67 Listings Requirements of the JSE Limited;
- acquisitions of shares in any one financial year may not exceed 20% of the Company's issued share capital pursuant to this general authority;
- subsidiaries of the Company shall not acquire, in aggregate, more than 10% of the Company's issued share capital; and
- an announcement will be made to shareholders on each and every occasion on which the Company repurchases 3% or more of the issued share capital of the Company from time to time."

The directors will consider the impact of a repurchase of 20% of the Company's shares, it being the maximum permissible of a particular class in any one financial year, and ensure that after the date of such repurchase the:

- Company and the Group will be able in the ordinary course of business to pay its debts for the period of 12 months after the date of such repurchase;
- 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 months after the date of such repurchase, 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;
- share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of such repurchase; and
- 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 such repurchase.

Reason and effect

The reason for an effect of the passing of the aforesaid special resolution is so as to enable the Company and/or any of its subsidiary companies to acquire issued shares of the Company from time to time upon the terms and conditions and in the amounts as the directors of the Company may from time to time decide, subject to the requirements of the Companies Act and the JSE Limited at any time while the general authority exists.

Explanatory notes to ordinary resolution 5 and special resolution 1

Information required in terms of the JSE Listings Requirements with regard to the distribution out of share premium, the general authority for the Company will make general payments to shareholders and the general authority for the Company or any of its subsidiaries to repurchase the Company's securities appears in the annual financial statements, to which this notice of annual general meeting ("notice") is annexed as indicated below:

- Directors and management: pages 4, 5 and 12 of the annual report;
- Major shareholders: page 63
- Directors' interest in securities: page 28 of the annual financial statements;
- Share capital of the Company: page 28 of the annual financial statements; and
- Litigation: There are no legal or arbitration proceedings, including any proceedings that are pending or threatened of which the Company is aware, that may have had in the recent past, a material effect on the Group's financial position.

The directors whose names are given on pages 4 and 5 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 the annual report and notice contains all information required by law and the Listings Requirements of the JSE Limited.

There has been no material change in the financial or trading position of the Company and its subsidiaries that has occurred since 30 June 2010.

Pursuant to and in terms of the Listings Requirements of the JSE, the directors of the Company hereby state:

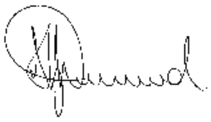
1. That the intention of the Company and/or any of its subsidiaries is to utilise the general authority to repurchase securities and/or general authority to make a general payment to shareholders, if at some future date the cash resources of the Company are in excess of its requirements. In this regard 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 repurchases and/or payments are in the interests of shareholders;
2. That the method by which the Company and/or any of its subsidiaries intends to repurchase its securities and the date on which such repurchases will take place, has not yet been determined;
3. 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.

8. TO TRANSACT SUCH OTHER BUSINESS AS MAY BE TRANSACTED AT AN ANNUAL GENERAL MEETING

Certificated shareholders and own-name dematerialisation shareholders who are unable to attend the annual general meeting but wish to be represented thereat must complete and return the attached form of proxy in accordance with the instructions contained therein so as to be received at the registered office of the Company at lease 48 hours, excluding Saturdays, Sundays and public holidays, before the annual general meeting.

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

By order of the Board



B Drummond
Company Secretary

Johannesburg

Directory and contact details

TEDELEX TRADING (PTY) LIMITED
Head Office
29 Heronmere Road
Reuven 2091
Tel: 011 490 9000
Fax: 011 490 9115
Email: hdoffice@amap.co.za
Email: finance@amap.co.za
Email: marketing@amap.co.za

Durban
30 Hillclimb Road
Westmead
Pinetown 3610
Tel: 031 792 6000

Behringer/Stanton/Fane
3 Jonas Road
Germiston 1401
Tel: 011 873 9666
Fax: 011 873 9151

Cape Town
24 Losack Avenue
Epping 2 7460
Tel: 021 535 0600
Fax: 021 535 0610

EMAIL ADDRESSES DIRECTORY

Remington	bkramer@amap.co.za
Russell Hobbs	iborges@amap.co.za
Brother	rcarlson@amap.co.za
ETI	bkramer@amap.co.za
George Foreman	mmostert@amap.co.za
Pioneer Pro DJ	joss@att.biz
Behringer	joss@att.biz
Empisal	rcarlson@amap.co.za
Salton Elite	mmostert@amap.co.za /iborges@amap.co.za
Salton	mmostert@amap.co.za /iborges@amap.co.za
Hoover	csatterly@amap.co.za
Stanton	joss@att.biz
Pineware	mmostert@amap.co.za /iborges@amap.co.za
Haz	mmostert@amap.co.za
Wiltshire	mduthoit@amap.co.za
Arti Farti	mduthoit@amap.co.za
Living Art	mduthoit@amap.co.za

AMALGAMATED APPLIANCE HOLDINGS LIMITED
Registration No 1997/004130/06
("AMAP" or "the Group")
ISIN number: ZAE000012647
Share code number: AMA

Company Secretary
Bruce Drummond
BCom FCIS

Registered office and postal address
Physical address
29 Heronmere Road
Reuven 2091
Postal address
PO Box 39186
Booysens 2016

EXTERNAL AUDITORS
Deloitte & Touche
Building 1 and 2
Deloitte Place
The Woodlands Office Park
Woodlands Drive
Sandton 2196

INTERNAL AUDITORS
Grant Thornton
137 Daisy Street
Cnr Grayston Drive
Sandown
Sandton 2196

TRANSFER SECRETARIES
Computershare Investor Services (Pty) Ltd
70 Marshall Street
Johannesburg 2001

ATTORNEYS
Eversheds
22 Fredman Drive
Sandown
Sandton 2196

SPONSORS
Bridge Capital Advisors (Pty) Ltd
Second Floor, 27 Fricker Road
Illovo Boulevard
Illovo 2196

BANKERS
Absa Bank Limited
11th Floor
The Diamond Building
11 Diagonal Street
Newtown
Johannesburg 2001

Bidvest Bank Limited
Head Office
11th Floor
Rennie House
19 Ameshoff Street
Braamfontein 2001

First National Bank of Southern Africa Limited
6th Floor
4 First Place Bank Citi
Cnr Pritchard and Simmonds Streets
Johannesburg

Investec Bank Limited
100 Grayston Drive
Sandown
Sandton 2196

Nedbank Limited
1st Floor Finance Place
Nedbank Sandton
135 Rivonia Road
Sandown
Sandton 2196

The Standard Bank of South Africa
Standard Bank Centre
5 Simmonds Street
Johannesburg 2001

AMAP's board and committees

Main Board
Leon Campher (Chairman)
Myron Berzack
Alan Coward
David Cleasby
Murray Crow
Steve Müller
Des Oliver
Colin Scott
Dumisani Tabata
Bruce Drummond (Secretary)

Share Trust
Leon Campher (Chairman)
Myron Berzack
Steve Müller
Dumisani Tabata

Remuneration Committee
Colin Scott (Chairman)
Leon Campher
Myron Berzack
Dumisani Tabata

Nomination Committee
Leon Campher (Chairman)
Myron Berzack
Colin Scott
Dumisani Tabata

Audit Committee
Steve Müller (Chairman)
David Cleasby
Colin Scott
Bruce Drummond (Secretary)

Risk Management Committee
David Cleasby (Chairman)
Leon Campher
Alan Coward
Murray Crow
Johan Deetlefs
Bruce Drummond
Herman Ellis
Ian Molyneux
Steve Müller
Des Oliver

IT Steering Committee
Bruce Drummond (Chairman)
Alan Coward
Herman Ellis
Ian Molyneux
Sean Parsath
Theo Theodorou

Executive Committee
Alan Coward (Chairman)
Irene Borges
Mike Christofides
Murray Crow
Johan Deetlefs
Bruce Drummond
Marc Du Toit
Herman Ellis
Rene Grunding
Fanie Janse van Rensburg
Ian Molyneux
Des Oliver
Theo Theodorou

Corporate Committee
Alan Coward (Chairman)
Murray Crow
Johan Deetlefs
Bruce Drummond
Herman Ellis
Des Oliver

Note: The above committee members take into account all resignations and appointments effective 1 July 2010.

Executive and non-executive directors' CVs

LEON CAMPHER
Independent Non-executive Chairman

Appointed to the Board in November 2007.

Chairman of Nomination Committee and Share Trust and a member of the Remuneration and Risk Committee.

Leon is currently the CEO of Association for Savings and Investments SA (ASISA).

A director of Sun International Limited, Brimstone Investment Corporation, Strate Limited, Safcom, International Investment Funds Association.

Leon serves on the following institutions: Financial Markets Advisory Board, Directorate of Market Abuse, BUSA Council and the Financial Sector Charter Council

MYRON BERZACK
Non-executive Director

Appointed to the Board in December 2009.

Member of the Remuneration, Nomination and Share Trust Committees.

Myron previously served on the AMAP Board from 19 August 1998 to 26 February 2008. Currently he is an executive director of The Bidvest Group Limited ("Bidvest"), a director of numerous Bidvest subsidiaries and a non-executive director of Allied Electronics Corporation. Myron has 40 years' experience in the electrical industry, specialising in marketing, distribution, financial control and reporting functions.

STEVE MÜLLER
Independent Non-executive Director

Appointed to the Board in November 2007.
Chairman of the Audit Committee and a member of the Risk and Share Trust Committees.

Held the position as Executive Director of Gensec Bank and Head of Investment Banking from January 2000 to August 2003.

DAVID CLEASBY
Non-executive Director

Appointed to the Board in April 2010.

(nominated by The Bidvest Group Limited
Chairman of the Risk Committee and a member of the Audit Committee.

David is a qualified chartered accountant. David is the group financial director of The Bidvest Group Limited ("Bidvest") and a director of numerous Bidvest subsidiaries.

COLIN SCOTT
Independent Non-executive Director

Appointed to the Board in July 2010.

Chairman of the Remuneration Committee and a member of the Nomination and Audit Committees.

Colin, with 39 years' retail experience, started one of South Africa's first discount stores in Braamfontein in 1964. In 1970 he was instrumental and a founding director of Dion Discount Centres until 1975. In 1976 he opened Stax Stores which was bought by Metro Cash & Carry. Colin was appointed managing director of Metro Trade Centre and Stax in November 1991 until his retirement in April 2001.

DUMISANI TABATA
Independent Non-executive Director

Appointed to the Board in July 2009.

Member of the Remuneration, Nomination and Share Trust Committees.

Dumisani, a practising attorney, is currently a director of Smith Tabata Inc., a firm he was instrumental in establishing in 1984 and is also an Executive Director of Vuwa Investments (Pty) Limited. Further, he has also served as an acting Judge of the High Court and has acted in various advisory roles to both professional bodies as well as corporate entities.

ALAN COWARD
Chief Executive Officer

Appointed to the Board in February 2008.

Chairman of the Executive Committee and a member of the Risk and Corporate Committee.

A qualified chartered accountant, has extensive industry experience including having spent nine years as Managing Director of Panasonic SA. Thereafter held managerial positions in IBM and Budget.

MURRAY CROW
Executive Director

Appointed to the Board in December 2008.
Member of the Executive, Risk and Corporate Committees.

Completed an MBA from Henley UK and has over 10 years' experience in the domestic appliance industry. Murray held the position of Managing Director at Whirlpool South Africa prior to joining AMAP. He spent seven years in the FMCG industry at Cadbury, Colman Foods and Tongaat Foods prior to joining Whirlpool.

DES OLIVER
Executive Director

Appointed to the Board in April 2008.

Member of the Executive, Risk and Corporate Committees.

Des has over 25 years' experience in the consumer electronics industry including as Sales and Marketing Director of Frank & Hirsch and as Sales Director of Panasonic Consumer Company. He fulfilled a general management role at Saco Systems, a subsidiary of Reunert Limited before joining AMAP.

Form of proxy

AMALGAMATED APPLIANCE HOLDINGS LIMITED
(Registration No 1997/004130/06) SHARE CODE: AMA ISIN: ZAE000012647
("AMAP" or the "Company")

FOR USE BY CERTIFICATED AND OWN-NAME DEMATERIALISED SHAREHOLDERS

I/We ____
(Name/s in block letters)

of ____
(Address)

Being a member of AMAP holding ____________ shares in the Company and entitled to vote, hereby appoint:

1. ____ or failing him/her

2. ____ or failing him/her

the Chairman of the annual general meeting as my/our proxy to attend and speak and vote for me/us on my/our behalf at the annual general meeting of AMAP to be held in the boardroom at Tedelex House, 29 Heronmere Road, Reuven, Johannesburg on Friday, 5 November 2010 at 09:00 and any adjournment/s thereof.

		In favour of	Against	Abstain
1.	Ordinary resolution 1: Approval of annual financial statements			
2.	Ordinary resolution 2: Election of director			
	2.1 M C Berzack			
	2.2 D E Cleasby			
	2.3 C K L Scott			
3.	Ordinary resolution 3: Re-election of auditors, and M Ajoodha as registered auditor and approval of the auditors' remuneration			
4.	Ordinary resolution 4: Approval of executive and non-executive directors' remuneration			
5.	Ordinary resolution 5: General authority to make general payments			
6.	Ordinary resolution 6: Approval of the general payment			
7.	Special resolution 1: Authority to repurchase shares			

(Indicate instructions to proxy by way of a cross in the spaces provided above.) Unless otherwise instructed, my proxy may vote as he/she thinks fit.

Signed this ____________ day of ____________ 2010

Signature ____

Instructions for signing and lodging the form of proxy

1. A member entitled to attend and vote at the abovementioned meeting is entitled to appoint a proxy to attend, speak and vote (on a poll) in his/her stead. The proxy need not be a member of the Company.

2. A shareholder may insert the name(s) of two alternative proxies (neither of whom need be a shareholder of the Company) in the space provided, with or without deleting the words “Chairman of the annual general meeting”. The person whose name stands first on the form of proxy and has not been deleted and who is present at the annual general meeting, will be entitled to act as proxy, to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the chairman of the annual general meeting.

3. A shareholder’s instruction to the proxy must be indicated by the insertion of an “X” or the relevant number of votes exercisable by that shareholder in the appropriate box/boxes provided. If a proxy form, fully signed, is lodged without specific directions as to which way the proxy is to vote, the Chairman of the annual general meeting will be deemed to have been authorised to vote as he/she thinks fit. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy.

4. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alteration or correction must be initialled by the authorised signatory/ies.

5. When there are joint holders of shares, all joint shareholders must sign the form of proxy.

6. The completion and lodging of this form of proxy will not preclude the shareholder, who grants this proxy, from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

7. Documentary evidence establishing the authority of the person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the transfer secretaries.

8. Where this form is signed under power of attorney, such power of attorney must accompany this form unless it has been registered previously with the Company or the transfer secretaries.

9. A minor must be assisted by his/her parent or guardian unless the relevant document establishing his/her legal capacity has been produced or registered by the transfer secretaries.

10. Completed forms of proxy must be forwarded to the registered office of the Company so as to be received at least 48 hours, excluding Saturdays, Sundays and public holidays, before the annual general meeting.

TRANSFER SECRETARIES OFFICE
Computershare Investor Services (Pty) Limited
70 Marshall Street
Johannesburg 2001
(PO Box 61051, Marshalltown 2107)