

**Wesco
Investments
Limited**

Annual Report 2008



Salient features

	2008	2007	2006	2005	2004
Group financial statistics					
Basic earnings per share – cents	1 015	3 345	2 913	2 712	2 417
Headline earnings per share – cents	(352)	2 195	2 913	2 712	2 417
Adjusted headline earnings per share – cents ¹	318	1 400	2 913	2 712	2 417
Dividend cover – times	0.1	2.8	1.2	6.8	11.0
Net asset value per share – cents	14 323	23 101	20 349	19 359	16 536
Return on average ordinary shareholders' equity	5.4%	15.4%	14.7%	15.1%	15.8%
Total debt as a percentage of total assets	2.2%	4.3%	0.7%	0.3%	0.3%
Domestic motor vehicle sales and market statistics for the 12 months ended 31 December					
	2007	2006	2005	2004	2003
Total market²					
Units sold	676 097	714 340	617 450	481 520	382 600
Toyota South Africa³					
Domestic – units sold and market share					
Passenger cars	91 546	102 277	77 288	71 218	60 604
	21.1%	21.2%	18.4%	21.7%	23.5%
Light commercial vehicles	58 314	44 002	43 943	38 891	32 699
	28.5%	22.0%	25.8%	29.4%	30.4%
Medium and heavy commercial vehicles	5 384	4 776	4 464	3 425	2 784
	14.5%	14.4%	16.3%	16.0%	16.4%
Total domestic sales	155 244	151 055	125 695	113 534	96 087
	23.0%	21.1%	20.4%	23.6%	25.1%
Exports – units sold	59 378	49 142	20 660	10 812	9 337
Total sales	214 622	200 197	146 355	124 346	105 424

¹ The earnings categories are defined in Note 4 in the annual financial statements.

² Total market statistics include sales reported by both NAAMSA members and non-NAAMSA members.

³ Toyota South Africa (Proprietary) Limited is an associate company in which the group holds a 25% interest.

Board of directors



Appearing in the order in the photograph FROM LEFT TO RIGHT:

Dr ML (Marius) Benade

(76)

BA (Law) LLB LLD

Independent non-executive director

Member of the audit and remuneration committees

Marius joined the Wesco board as an independent non-executive director in September 2007.

Having held the appointments of professor and head of department of mercantile law and dean of the faculty of law at UNISA between 1959 and 1974, he retired from practising as an attorney in 1997. Currently he is a director of Corporate Law Services (Proprietary) Limited.

Marius has been involved with the provision of specialist legal services for many years and has co-authored publications on company law.

E Le R (Elisabeth) Bradley

(69)

BSc (UOFS) MSc (London)

Non-executive chairman

Elisabeth has been a director of Wesco since its incorporation on 29 May 1968. She was appointed managing director in 1986 and executive chairman in 1991.

She relinquished her position as executive chairman upon her retirement at end December 2003 and assumed the office of non-executive chairman with effect from January 2004.

She is non-executive chairman of Toyota South Africa (Proprietary) Limited, and a non-executive director of Sasol Limited, The Standard Bank Group Limited and Tongaat-Hulett Limited.

Elisabeth is deputy chairman of the South African Institute of International Affairs and director of the Centre for Development and Enterprise.

PR (Pieter) Robinson

(64)

BCom

Independent non-executive director

Chairman of the audit and remuneration committees

Pieter joined the Wesco board in a non-executive capacity in September 2003.

He was categorised as an independent non-executive director by the board with effect from 1 April 2007.

He retired as executive vice president: group finance and IT of Toyota South Africa (Proprietary) Limited at end-August 2003, after completing 30 years of service with the Toyota SA group.

GJ (Gerrit) Strydom

(44)

BCompt (Hons) CA (SA)

Chief executive officer

Gerrit joined Wesco in January 1992 as financial manager, after qualifying as a chartered accountant with Coopers Theron du Toit.

He was appointed an executive director of Wesco in December 2002 and became chief executive officer in January 2004. He retains his board responsibility for the financial affairs of Wesco.

RS (Ralph) Broadley

(75)

Advanced Technical Certificate (Engineering)

Independent non-executive director

Member of the remuneration committee

Ralph was appointed a non-executive director of Wesco in January 1996. He was categorised as an independent non-executive director by the board in November 2005.

After completing 21 years of service with the Ford Motor Company, Ralph joined Toyota SA as director in charge of assembly and manufacturing in 1972.

He retired as managing director of the manufacturing arm of Toyota SA in 1997, having served in that capacity from 1988. Ralph was also a director of Toyota SA's main board between 1984 and 2002.

Toyota vehicle sales units (000)

12 months ended 31 December

Domestic sales

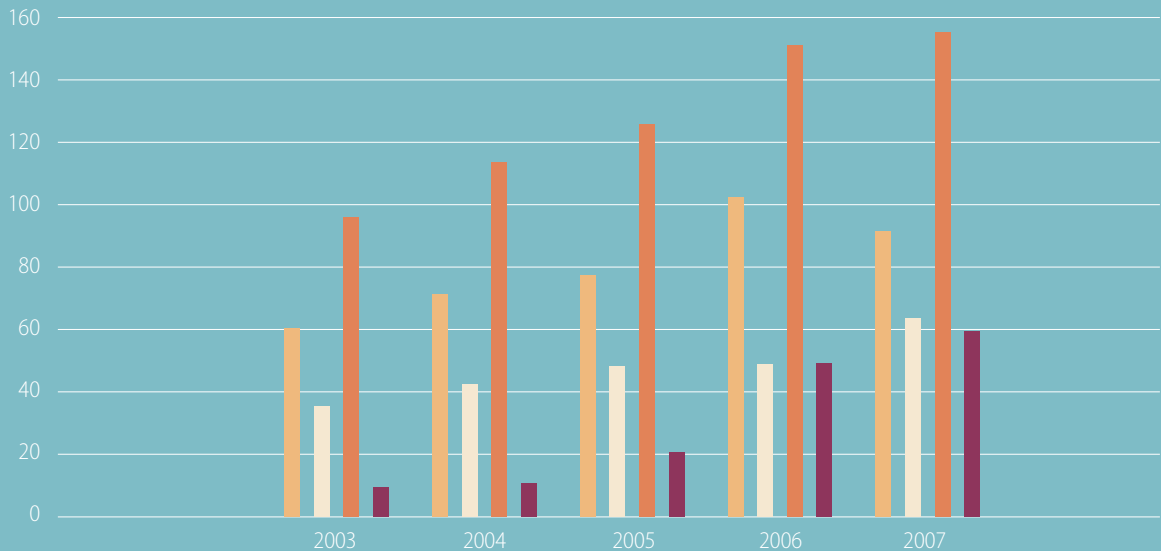
Passenger

Commercial

Total

Exports

Total

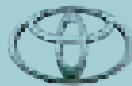


Major investments

Toyota South Africa (Proprietary) Limited



Importers and marketers of selected models, parts and accessories



TOYOTA

Manufacturers of Corolla and Fortuner passenger cars and Hilux pick-up vehicles, as well as a range of Dyna medium trucks

Importers of: Corolla Verso, Prius, Yaris, RAV4, Avensis, Avanza and Auris passenger cars. Land Cruiser Prado, Land Cruiser 100 and 200 series, Land Cruiser pick-up and station wagon. Quantum panel van and mini bus

Marketers of passenger cars, light and medium commercial vehicles

Marketers of motor vehicle parts and accessories

Exporters of built-up Hilux, Fortuner and Corolla vehicles, as well as parts and accessories



HINO

Assemblers of Hino medium-heavy and heavy trucks

Marketers of a range of Hino trucks

Marketers of motor vehicle parts and accessories

It is with considerable nostalgia that I start this review knowing that it is likely to be the last one I will write. For 47 years, since my father obtained the licence for South Africa in 1961, our family via Wesco and its predecessor companies have been involved with the distribution and later manufacturing of Toyota vehicles and automotive components.



Chairman's review

It is with considerable nostalgia that I start this review knowing that it is likely to be the last one I will write. For 47 years, since my father obtained the licence for South Africa in 1961, our family via Wesco and its predecessor companies have been involved with the distribution and later manufacturing of Toyota vehicles and automotive components. This will now finally terminate when we obtain the approval of Wesco's shareholders to sell the 25% of Toyota South Africa shares still owned by Wesco, to Toyota Motor Corporation of Japan (TMC). I am confident that the shareholders will approve this deal when they are asked to vote on the issue in a general meeting, the date of which will be announced in due course.

Wesco's Board unreservedly recommends that they do so; withholding such approval will result in an uncertain future for Wesco.

The offer of R2 139 317 000 for the 25% of Toyota South Africa's shares is reasonable and fair. In the many years of co-operation with TMC, we have found the executive of that company

supportive of our South African venture and this licence offered us the opportunity to create the largest motor company in South Africa. My father, already in 1960 an admirer of Japanese industry, made an excellent choice when he approached Toyota for the South African licence. During the years of partnership with Toyota, we watched TMC grow from a modest world player to the largest company in Japan and the sixth largest in the world (according to Fortune Magazine's rankings). We never doubted that it would one day become an international automotive giant; we just did not imagine the speed at which it would happen.

If shareholders vote to accept the TMC offer, it will be our intention to pass the proceeds through to Wesco shareholders in the form of a dividend. Costs and capital gains tax will have to be paid and dividends are of course subject to STC, but shareholders should receive about R217 per Wesco share.

This transaction had for some time been anticipated by commentators and advisors as a logical final step after



previous sales of Toyota South Africa shares to TMC, but the timing was never clear. I am in part sad to see the final sale of our family business, but on the other hand I am glad that the business will be in such good hands and that it remains a significant manufacturer in South Africa, that it will employ South Africans and train them to the highest technical standards.

Toyota South Africa (Pty) Ltd

Toyota SA's turnover in the financial year ended 31 March increased from R30 764.8 million in 2007 to R35 062 million in 2008. Profit after tax decreased from R435.1 million to R61.6 million. Significant factors affecting profitability include low price increases on domestic sales, and higher finance costs on interest-bearing debt following substantial capital expenditure in recent years. Toyota SA recognises allocated retirement benefit fund surpluses in income, and during the year under review partly utilised these surpluses to purchase defined benefit fund rights from its employees. The net

effect of recognition and utilisation of surpluses on profit after tax for the year amounted to an expense of R220.8 million, while in the previous financial year R259.7 million was recognised as income.

In almost all other respects Toyota South Africa had a most successful year. For the 28th consecutive year it remained the market leader in terms of vehicle unit sales with a market penetration of 23%, an improvement on the previous year. It also won what in automotive terms is described as the Triple Crown – overall market leader, passenger car market leader and commercial vehicle market leader and set a new local sales record of 155 244 units. A record number of vehicles were exported. During the year a new model Corolla was launched. This is the vehicle that is being exported also to Europe and satisfying the technical requirements of that demanding market was a major achievement. In doing so it achieved a step on the way to becoming a volume manufacturer, building a total of over 200 000 vehicles on two platforms –

Corolla and Hilux – and a serious exporter. Toyota continues to strive for a high local content and has helped actively to promote and assist an enlarged local supplier base.

As in the past Toyota vehicles won numerous awards for quality and customer satisfaction. Neither the company nor the vehicle awards would have been possible without the involvement of TMC. This will naturally continue when they are sole owners of Toyota South Africa.

Wesco's results are entirely dependent on those of Toyota South Africa. Although the general economic climate was still healthy, 2007 saw a sharp reversal to the robust growth in vehicle sales of the previous three years. Unfortunately in my outlook statement of last year I had not foreseen either the speed or the extent of the market's deterioration. My only consolation is that very few more able analysts and advisors did so a year ago. The results were certainly a disappointment.

Details of the group and company results for the 12 months ended 31 March 2008

	Group		Company	
	2008 R000	2007 R000	2008 R000	2007 R000
Income	39 950	21 694	400 458	19 269
Administrative expenses	(8 869)	(5 364)	(1 064)	(753)
Operating profit	31 081	16 330	399 394	18 516
Share of associates' income	15 389	187 671		
Profit on disposal of available-for-sale financial assets	135 057			
Profit on disposal of associate		162 828		180 744
Profit before taxation	181 527	366 829	399 394	199 260
Taxation	(96 975)	(80 080)	(26 971)	(30 884)
Profit for the year	84 552	286 749	372 423	168 376
Attributable to:				
Equity holders of the company	85 722	282 408	372 423	168 376
Minority interest	(1 170)	4 341		
	84 552	286 749	372 423	168 376
Earnings in cents per share:				
Basic earnings and diluted earnings	1 015	3 345		

Group results

The group's share of Toyota SA's profit after tax amounted to R15.4 million (2007: R108.8 million).

In the comparative period motor component manufacturer Metair Investments Limited contributed R78.9 million to the group's income from associates, up to its disposal during December 2006.

Available-for-sale financial assets (unit trust investments) were sold during the year at a profit of R135 million.

Surplus cash of R658 million was paid to shareholders as special dividend in December 2007. Taxation expense for the year under review includes R69.4 million in respect of secondary tax on companies, calculated on net dividends paid.

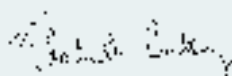
Dividend

In view of the special dividend paid in December last year the Board has decided not to declare a final dividend for 2008.

Directors and Staff

More even than during a normal year, I have had to depend on assistance, support and advice from directors and staff. This was given unstintingly and assisted in easing a difficult time for me. I have been fortunate during my entire career in the people I worked with and this year was certainly no exception.

I also want to thank staff members of Toyota South Africa for their achievement under sometimes difficult circumstances.



Elisabeth Bradley

Chairman
19 June 2008





Notice of annual general meeting

Notice is hereby given that the fortieth annual general meeting of shareholders of Wesco Investments Limited will be held at Arcay House, 3 Anerley Road, Parktown, Johannesburg on Monday, 4 August 2008 at 10:00 to consider and, if deemed fit, to pass, with or without modification, the following ordinary resolutions in the manner required by the Companies Act, 61 of 1973, as amended, and subject to the Listings Requirements of the JSE Limited on which the company's ordinary shares are listed.

Ordinary business

1. Adoption of financial statements

Ordinary resolution number 1

"Resolved that the consolidated audited annual financial statements of the company and its subsidiaries, incorporating the auditors' and directors' reports, for the year ended 31 March 2008, be received and adopted."

The directors are required to present to shareholders at the annual general meeting the company and group annual financial statements for the last completed financial year, together with the reports of the directors and auditors. These are contained within the annual report 2008.

2. Confirmation of appointment of director

Ordinary resolution number 2

"Resolved that the appointment of Dr ML Benade as a director of the company with effect from 1 September 2007 is hereby confirmed."

Dr Benade's appointment as a director in between annual general meetings is required to be confirmed in terms of the Articles of Association.

3. Re-election of directors

Ordinary resolution number 3

"Resolved that Mr PR Robinson who retires

The introduction of the Quantum in its role as 'taxi to the nation' was well received in the marketplace.

With its reliable engine and superior seating layout the Quantum enables owners and passengers alike to experience a stress-free journey to and from their workplace.



in terms of the Articles of Association, and who is eligible and available for re-election, is hereby re-elected as a director of the company."

Mr Robinson retires as a director of the company by rotation at the annual general meeting. Biographical details of Mr Robinson appear on page 2.

Ordinary resolution number 4

"Resolved that Mr GJ Strydom who retires in terms of the Articles of Association, and who is eligible and available for re-election, is hereby re-elected as a director of the company."

Mr Strydom retires as a director of the company by rotation at the annual general meeting. Biographical details of Mr Strydom appear on page 2.

Voting instructions

A shareholder entitled to attend and vote at the meeting may appoint one or more proxies to attend, speak and vote or abstain from voting in his/her stead. A proxy need not be a shareholder of the company. A form of proxy accompanies

this notice. The form of proxy should be completed by those shareholders who are:

- holding shares in certificated form; or
- "own name" registered dematerialised shareholders.

Shareholders holding dematerialised shares in the company through a CSDP or broker, other than with an "own name" registration, must timeously advise their CSDP or broker of their intention to attend and vote at the annual general meeting in order for their CSDP or broker to provide them with the necessary letter of authority to do so, or should they not wish to attend the annual general meeting in person but wish to be represented thereat, they must timeously provide their CSDP or broker with their voting instruction, in terms of the relevant custody agreement entered into between them and the CSDP or broker, in order for the CSDP or broker to vote in accordance with their instruction at the annual general meeting.

Proxy forms must be lodged at, posted to, or faxed to: Computershare Investor Services (Pty) Limited, 70 Marshall Street,

Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), fax: (011) 688 5238, to reach the company by 10:00 on Friday, 1 August 2008. The completion of a proxy form will not preclude a shareholder from attending the meeting.

By order of the Board

A handwritten signature in black ink, appearing to read "FDW Peachey".

FDW Peachey

Company Secretary
Johannesburg
19 June 2008

Registered office

Wesco House
10 Anerley Road
Parktown
Johannesburg

Vehicles manufactured by Toyota South Africa will be exported to 46 global destinations in the coming year.



The projected volume for exports of Hilux and Corolla sedan for 2008 is 147 000 vehicles.

Corporate governance

Wesco is compliant in most respects with the South African King Code on Corporate Governance 2002 (the King Code).

Board of directors

Ultimate responsibility for governance rests with the board of directors. The company has a unitary board structure and the roles of the chairman and chief executive officer are separate and distinct. The board comprises one executive director – the chief executive officer, three independent non-executive directors and one non-executive director – the chairman. The names and credentials of the directors in office are detailed on page 2.

Three of the four non-executive directors, namely Dr ML Benade (appointed 1 September 2007), Mr RS Broadley and Mr PR Robinson – Mr AD Plummer resigned on 7 June 2007 – meet the test of independence, as embodied in the King Code, the JSE Listings Requirements and the provisions of the Companies Act as introduced by the Corporate Laws Amendment Act which became effective in December 2007. Because of her present

or past involvement in the operations of the Wesco group in its broader context, Mrs E Le R Bradley cannot be categorised as independent at this point in time. All of the non-executive directors are high-calibre individuals and make a significant contribution to the board's deliberations and decisions.

All the directors have the appropriate knowledge, experience and ability to meet the present and future requirements of the group.

The board normally meets at least on a quarterly basis to discuss and review issues of strategy, planning, operational and financial performance, stakeholder communications and other material matters reserved for its decision. Further meetings are held as and when required. There is also provision in the company's Articles of Association for decisions to be taken between meetings by way of directors' written resolutions.

An agenda, the minutes of the previous meeting and supporting papers are distributed in a timely manner to all directors prior to each board meeting,

thereby giving directors sufficient time to consider matters for discussion. Corporate governance has become a standard item on the agenda of every board meeting. Where directors are unable to attend board meetings for any reason, every effort is made to obtain and communicate to the meeting any comments they may have on agenda and general items. Explanations and motivations for items of business requiring decisions are given in the meeting, thereby ensuring that all the relevant facts and circumstances are brought to the attention of directors who, in any event, have unrestricted access to, and may inspect, all company property and records. In addition, directors are kept fully informed of progress on matters between formal meetings by way of ad hoc meetings and other communications on a regular basis. The directors also have unrestricted access to the company secretary for advice and information.

Four board meetings were held during the financial year. All directors attended the board meetings during their tenure.

Members of the board completed a self-evaluation analysis of the board's performance during the year.

Any new appointment of a director is considered by the board as a whole, on the recommendation of the remuneration committee. The company secretary ensures that new directors are provided with an induction programme aimed at deepening their understanding of the company and the business environment and markets in which it operates. The programme also includes an explanation of the directors' fiduciary duties and responsibilities.

Directors are appraised, whenever relevant, of any new legislation and changing commercial risks that may affect the affairs of the company.

Executive directors retire from the board at 65 years of age. There is no age limit for the retirement of non-executive directors.

At every annual general meeting, at least one-third of the directors retire by rotation from the board. In addition, a director appointed by the board to fill a vacant or additional seat is required to have his/her appointment confirmed at the next annual general meeting. Directors retiring by rotation may offer themselves for re-election.

Non-executive directors do not hold service contracts with the company. The office of the chief executive officer is terminable at one month's notice.

The board of directors have given general declarations of interest in terms of section 234(3) of the Companies Act 1973. These declarations indicate that each member of the board holds various other positions in local entities and some members of the board hold interests in certain entities. A register detailing directors' and officers' interests in contracts is available for inspection at the company's registered office.

Board accountability and delegated functions

The general powers of the directors of Wesco are conferred either in the company's Articles of Association or by the South African Companies Act or in terms of the JSE Listings Requirements.

The board charter outlines the following major responsibilities:

- giving of strategic direction to the company;
- retention of full and effective control of the company and the monitoring of the implementation of board plans and strategies by management;
- identification and the monitoring of key risk areas to ensure the integrity of

the company's management of risk and internal control;

- appointment of directors in terms of the company's policy and procedures;
- appointment of the chief executive officer;
- maintenance of succession plans at executive level; and
- any other matters that have a material impact on the group's affairs.

While retaining overall accountability and subject to matters reserved to itself, the board has delegated authority to run the day-to-day affairs of the company to the chief executive officer.

Audit and remuneration committees have been constituted to assist the board in the discharge of its duties and responsibilities. Both committees act within their respective terms of reference, under which certain functions of the board are assigned with defined purposes, membership requirements, duties and reporting procedures. They are required to carry out self-evaluations of their performance at least annually. Board committees are also required to be reviewed by the board. Board committees may take independent professional advice at the company's expense when necessary. Chairmen of the board committees or their representatives are required to attend annual general meetings to answer questions raised by shareholders.

Board committees

A description of each board committee is provided below:

Audit committee

Mr AD Plummer resigned as a member of the company's audit committee on 7 June 2007. Dr ML Benade was appointed with effect from 1 October 2007.

Corporate governance (continued)

Pursuant to the signing into operation of the Corporate Laws Amendment Act No. 24 of 2006 (the Amendment Act) on 14 December 2007, Mrs E Le R Bradley resigned as a member of the audit committee on 14 January 2008, thereby reducing the size of the committee to the statutory requirement of a minimum of two members, namely Mr PR Robinson (chairman) and Dr ML Benade. As required by the Amendment Act, the board, on 3 March 2008, passed a resolution formally re-appointing the company's audit committee for the financial year from 1 April 2008 to 31 March 2009. Both Mr Robinson and Dr Benade are independent non-executive directors and have relevant qualifications and financial experience.

The company secretary is the secretary of this committee.

The company's chairman and the chief executive officer attend meetings of the committee by invitation. A quorum for a meeting is two members present. Each member has one vote and the chairman has no casting vote. The terms of reference of the audit committee are reviewed annually.

Wesco and its subsidiary companies fall within the definition of widely held companies in terms of the Amendment Act. The audit committee of Wesco, as holding company, will perform the function of such a committee on behalf of its subsidiaries.

The audit committee's terms of reference have been amended subsequent to the Amendment Act coming into effect, and approved by the board. Besides the new statutory functions for audit committees instituted by the Amendment Act, the key terms of reference of the company's audit committee comprise various categories of responsibility and include the following:

- the company's relationship with the external auditors;
- the presentation of financial statements and reports complying with all relevant corporate disclosure requirements and accounting standards;
- the review of any other announcement regarding the company's results or other financial information, including dividends proposed for declaration;
- the identification of exposure to significant risks;
- the operation of adequate processes of internal control, and
- the monitoring of the group's corporate governance practices in relation to statutory and other regulatory requirements and guidelines.

In addition, the committee considers any matters referred to it by the board.

The chairman of the committee reports to the board on recommendations made by the committee.

All members attended the committee meetings during their tenure.

The committee met on the undermentioned occasions during the year under review and subsequent to the year end for the primary purposes mentioned below:

- 30 May 2007, to consider the financial statements and preliminary report for the year ended 31 March 2007. These documents were approved by the board on 7 June 2007.
- 5 November 2007, to consider the interim report for the six months ended 30 September 2007. The report was approved by the board on 9 November 2007.
- 14 March 2008, to consider the provisions introduced by the Amendment Act and take steps to ensure compliance

with its requirements. At this meeting, inter alia, the committee

- appointed, for the financial year ending 31 March 2009, PricewaterhouseCoopers Inc. (PWC) as the registered auditing firm, with Mr Leon de Wet as its individual registered auditor who undertakes the audit of the company's financial records. The committee is satisfied that both PWC and Mr de Wet are independent of the company;
- approved PWC's letter of engagement and proposed audit fee for the financial year ended 31 March 2008.

The chairman of the committee reported on the meeting's proceedings at the board meeting held subsequently on the same day.

- 26 May 2008, to consider the financial statements and preliminary report for the year ended 31 March 2008. The documents were approved by the board on 4 June 2008.

PWC was represented by Mr de Wet at all of the aforementioned meetings of the company's audit committee.

Members of the committee completed a self-evaluation analysis of the committee's performance during the year. The board has determined that the audit committee had satisfied its responsibilities for the year under review in compliance with its terms of reference and new statutory requirements.

The committee has reviewed this governance report, and in particular, this note on its operation.

Remuneration committee

Mr AD Plummer resigned as a member of the remuneration committee on 7 June 2007. Dr ML Benade was appointed

with effect from 1 October 2007. The committee currently comprises Mr PR Robinson (chairman), Dr ML Benade and Mr RS Broadley.

The company secretary is the secretary of this committee.

The remuneration committee, which must have a minimum of three members, is composed of three independent non-executive directors. The company's chairman and the chief executive officer attend meetings by invitation. Neither of them, nor any other senior executive, may be present at meetings of the committee when remuneration issues applicable to them are discussed or considered. A quorum for a meeting is two members present. Each member has one vote and the chairman has no casting vote. The terms of reference of the remuneration committee are reviewed annually.

The areas of responsibility of the committee are:

- an annual review of;
 - the salary package payable to the chief executive officer and the company secretary;
 - the remuneration payable to directors and board committee members of the company;
 - the company's compliance with employment equity requirements;
 - the company's share purchase scheme; and
 - the composition of the board.
- identifying and nominating fit and proper candidates for approval of the board as additional directors or to fill any board vacancies as they arise.

The committee also advises the board on succession planning, especially in regard to the chairman of the board and chief executive officer.

In addition, the committee considers any matters referred to it by the board.

The chairman of the committee reports to the board on recommendations made by the committee.

The committee met on three occasions during the year under review, two such meetings being ad hoc meetings convened for the purpose of considering an amendment to the company's articles of association to remove the retirement age limit for non-executive directors and to recommend for approval of the board the proposed appointment of Dr Benade as a director of the company. All members attended the meetings either in person or by telephone link during their tenure.

Members of the committee also completed a self-evaluation analysis of the committee's performance during the year. The board has determined that the remuneration committee had satisfied its responsibilities for the year under review in compliance with its terms of reference.

Directors' remuneration

Composition of executive director's remuneration

The remuneration paid to the executive director comprises a basic salary and retirement and other benefits. The executive director has elected to receive no remuneration as a director of the company, such remuneration being paid to a subsidiary company of Wesco.

Basic salary

The salary of the executive director is reviewed annually by the remuneration committee and is benchmarked against external market data taking into account the size of the company and its business complexity. Individual performance and overall responsibility are also taken into consideration. The chairman appraises

the performance of the executive director annually.

Retirement benefits

The executive director and all other staff personnel were members of the Toyota South Africa Pension Fund, a defined benefit pension fund, until 30 November 2007. With effect from 1 December 2007, all employees accepted an offer to purchase their defined benefit rights and converted to an umbrella retirement scheme operated by Alexander Forbes. The scheme is a defined contribution retirement plan with the company contributing 9.4% of gross pensionable salary for retirement funding purposes.

Other benefits

The executive director is a member of an external medical aid scheme which covers the director and his immediate family. The company's share of contributions to the medical scheme is 50%.

The executive director also has the benefit of a fully expensed vehicle.

The total value of the remuneration paid to the executive director for the year ended 31 March 2008 is set out in the table on page 15 of this report. This information has been audited by PricewaterhouseCoopers Inc.

Non-executive directors' emoluments

The remuneration of the directors of the company is approved by the shareholders in terms of Article 16.4 of the company's Articles of Association. In terms of the Articles of Association, non-executive directors who perform services outside the scope of the ordinary duties of a director may be paid additional remuneration, the reasonable maximum of which is fixed by a disinterested quorum of directors.

Corporate governance (continued)

For the year ended 31 March 2008, non-executive director remuneration, as approved by shareholders at the annual general meeting held on 18 July 2007, was as follows:

For services as directors of the company:

Director – R70 000

Chairman – R120 000

As representatives on the board of Toyota South Africa (Proprietary) Limited:

Mrs E Le R Bradley – R25 000

Mr PR Robinson – R25 000

In addition, Mrs Bradley and Mr Robinson are provided with fully maintained vehicles leased by the company.

The remuneration and fees of non-executive directors are reviewed annually to ensure that they remain competitive and that they attract individuals of appropriate reputation and experience to the board.

Board committee fees

The remuneration of board committee members is determined by the board, as provided in the Articles of Association.

For the financial year to 31 March 2008, the following rates of fees were paid:

Audit committee (which usually meets twice in a financial year, three times in the past year):

Members – R20 000 per meeting

Chairman – an additional amount of R20 000 per meeting.

Remuneration committee (which usually only meets once a year, three times in the past year):

Members – R14 000 per meeting

Chairman – an additional amount of R7 000 per meeting

Individual disclosure of the remuneration of non-executive directors is set out in the table on the opposite page.

The company secretary

Appointment and removal of the company secretary is a matter for the board as a whole. The board has adopted a code of ethics for this official.

The company secretary's functions include the following:

- providing the directors of the company, collectively and individually, with detailed guidance on their duties, responsibilities and powers;
- providing information on all laws, legislation, regulations and matters of ethics and good corporate governance relevant to or affecting the company;
- making certain that all statutory requirements are complied with in administering the Wesco Share Purchase Scheme;
- ensuring that the minutes of all shareholders' meetings, directors' meetings, board committee meetings, as well as meetings of management are properly recorded;
- administering closed periods for dealing in the company's shares;
- managing the induction of new directors.

Annual financial statements

The directors are required by the South African Companies Act to maintain adequate accounting records and are responsible for the preparation of the annual financial statements and related financial information of the company and the Wesco group at the end of the financial year, in conformity with International Financial Reporting Standards (IFRS) and in terms of the JSE Listings Requirements.

The external auditors, PricewaterhouseCoopers Inc., are responsible for independently auditing and reporting on the financial statements in conformity with International Standards

on Auditing and the Companies Act.

Their unqualified report on these financial statements appears on page 18.

Going concern

On the recommendation of the audit committee, the board annually considers and assesses the going concern basis for the preparation of financial statements at the year end.

The directors are satisfied that the group has adequate resources to continue in operational existence for the foreseeable future.

The board is not aware of any legal or arbitration proceedings, pending or threatening, that may have or have had a material effect on the group's position.

Risk management and internal control

The board has ultimate responsibility for the total process of risk management and its effectiveness within the group. Management is accountable to the board and has established internal controls to manage significant group risk. This system assists the board in discharging its responsibility for ensuring that the range of risks, associated with its operations, are effectively managed in support of the creation and preservation of shareholder wealth.

In view of the limited extent of the nature of the company's business, the board considers it unnecessary to operate an internal audit function.

Regular management reports, which provide a balanced assessment of key risks, are an important component of board assurance.

The board is satisfied that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the group.

The following tables record the remuneration paid to each director during the year under review:

All figures in R000	Fees for services	Committee fees	Basic salary	Other benefits	Pension contributions	Total
2008						
Executive director						
GJ Strydom	70.0*		962.0	117.7	90.4	1 240.1
Non-executive directors						
<i>As directors of Wesco</i>						
E Bradley	120.0	40.0				160.0
Dr ML Benade (appointed 1 September 2007)	40.7	54.0				94.7
RS Broadley	70.0	42.0				112.0
AD Plummer (resigned 7 June 2007)	13.1	41.0				54.1
PR Robinson	70.0	183.0				253.0
	383.8	360.0	962.0	117.7	90.4	1 913.9
<i>As representatives of Wesco on the board of Toyota South Africa</i>						
E Bradley	25.0			66.9		91.9
PR Robinson	25.0			94.4		119.4
Total	433.8	360.0	962.0	279.0	90.4	2 125.2
Paid by subsidiary			962.0	279.0	90.4	1 331.4
Paid by Wesco	433.8	360.0				793.8
2007						
Executive director						
GJ Strydom	40.0*		884.0	116.4	83.1	1 123.5
Non-executive directors						
<i>As directors of Wesco</i>						
E Bradley	65.0	20.0				85.0
RS Broadley	40.0	7.0				47.0
AD Plummer (resigned 7 June 2007)	40.0	27.0				67.0
PR Robinson	40.0	50.5				90.5
	225.0	104.5	884.0	116.4	83.1	1 413.0
<i>As representatives of Wesco on the board of Toyota South Africa</i>						
E Bradley	12.7			68.8		81.5
PR Robinson	12.7			77.4		90.1
Total	250.4	104.5	884.0	262.6	83.1	1 584.6
Paid by subsidiary			884.0	262.6	83.1	1 229.7
Paid by Wesco	250.4	104.5				354.9

* Amounts paid to Wesco Bestuursmaatskappy (Pty) Ltd

Corporate governance (continued)

Dealing in securities

The company has a policy in place to restrict the dealing in its securities by directors, employees or other designated persons.

No employee may deal either directly or indirectly in the company's ordinary shares on the basis of unpublished price-sensitive information regarding its business or affairs. No director, company secretary, officer or other employee of the company or other designated person may trade in the company's shares during a closed period as determined by the board in accordance with the JSE's Listings Requirements. A list of persons who are restricted for this purpose has been approved by the board and is revised from time to time. A register of directors, company secretary and officers is available for inspection at the company's registered office in Parktown, Johannesburg.

Trading in the company's shares is conducted on completion of an application form. Authorisation of the transaction is given in writing by the chairman of the board, or in her absence, the chief executive officer. The written authority is kept by the company secretary with the record of the particular transaction. In the event that the chairman wishes to trade, permission to do so is obtained from the board.

Corporate social responsibility

The company has in place a donations policy in terms of which financial contributions are made to national charities and institutions involved in the upliftment of less advantaged communities, as well as to environmental organisations whose mission is the conservation of South Africa's natural habitat and wildlife.

Company ethics and business

The company is committed to the highest standards of professionalism and organisational integrity, as well as ethical and legal conduct in business dealings with stakeholders. A code of business conduct, which outlines the ethical and professional management that Wesco upholds, has been adopted by the board and distributed to all staff members. Persons and enterprises doing business with Wesco are expected to observe the same level of commitment to group integrity.

Communication

Wesco subscribes to a policy of full, accurate and consistent communication in respect of both its financial and operating affairs.

The company regularly communicates with major shareholders, institutional investors, analysts and the media.

Wesco encourages its shareholders to attend the company's general meetings, which provide opportunities for shareholders to ask questions of the board, including the chairmen of the two standing committees of the board, or their representatives.

Shareholders are informed at annual general meetings of the results of voting, in person and by proxy, in respect of all ordinary and special resolutions proposed under ordinary and special business at such meetings.

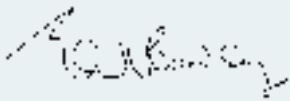
The company's website address is www.wesco.co.za.

Sponsor

Arcay Moela acts as sponsor to the company in compliance with the Listings Requirements of the JSE.

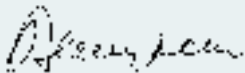
Directors' approval

The annual financial statements and group annual financial statements for the year ended 31 March 2008 as set out on pages 19 to 46, as well as the corporate governance statement as set out on pages 10 to 16, were approved by the board of directors on 19 June 2008 and are signed on its behalf by:



E Le R Bradley

Chairman



GJ Strydom

Chief Executive Officer

Company secretary's certificate

In accordance with section 268G(d) of the Companies Act, 1973, I certify that, in respect of the year ended 31 March 2008, the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.



FDW Peachey

Company Secretary

19 June 2008

Report of the independent auditors

To the members of Wesco Investments Limited

We have audited the annual financial statements and group annual financial statements of Wesco Investments Limited which comprise the directors' report, the balance sheet and the consolidated balance sheet as at 31 March 2008, the income statement and the consolidated income statement, the statement of changes in equity and the consolidated statement of changes in equity, the cash flow statement and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 19 to 46.

Directors' responsibility for the financial statements

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

making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

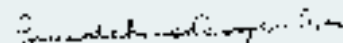
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates

made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company and of the group as at 31 March 2008, 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.



PricewaterhouseCoopers Inc

Director: Leon de Wet

Registered Auditor

Johannesburg

19 June 2008

Directors' report

This directors' report forms part of the audited financial statements of the company and the group for the year ended 31 March 2008.

Nature of business

Wesco Investments Limited is an investment holding company, listed on the JSE Limited, with one principal investment, namely, a 25% holding in Toyota South Africa (Proprietary) Limited.

Toyota South Africa holds the franchise for the importation, assembly, manufacture and distribution of Toyota and Lexus motor vehicles and Hino trucks and motor vehicle parts in the Southern African customs union. Toyota South Africa exports Corolla passenger cars and Hilux pick-up vehicles to Europe and Africa and Corolla and Fortuner passenger cars to countries in Africa.

The nature of the business of the company's subsidiaries is set out on page 46.

Holding company

The company has no holding company. Details of the principal shareholders of the company are provided on page 21 of this report.

Share capital

There was no change in either the authorised or issued share capital of the company during the year under review. Details of the authorised, issued and unissued shares, as well as the share premium and share purchase scheme, are given in note 12 on page 39.

Financial results

The financial statements which accompany this report set out fully the

financial position, results of operations and cash flows of the group and the company for the financial year ended 31 March 2008.

Dividends

The company's dividend policy is to declare one dividend in respect of each financial year.

Details of final ordinary dividend number 39 and special dividend number 40, declared and paid to shareholders during the year under review, are set out in note 5 on page 34.

In view of the payment of the special dividend on 3 December 2007, no final dividend in respect of the year ended 31 March 2008 was declared at the board meeting held on 4 June 2008.

Shareholders who have dematerialised their ordinary shares receive payment of their dividends electronically, as provided for by STRATE. For those shareholders who have not yet dematerialised their shares, or who may intend retaining their shareholding in the company in certificated form, the company operates an electronic funds transmission service, whereby dividends may be electronically transferred to shareholders' bank accounts. These shareholders are encouraged to mandate this method of payment for all future dividends.

Borrowing powers

In terms of the Articles of Association, the borrowing powers of the company are unlimited.

Investments

Particulars of the group's subsidiaries and associates are reflected on page 46.

Special resolutions

The following special resolution was passed by shareholders at the annual general meeting held on 18 July 2007:

Nature of resolution

An amendment to the Articles of Association of the company to provide for the deletion of sub-paragraph 16.7.3 in Article 16.7, relating to the age (75) by which a director of the company is to cease holding office as such, and the re-numbering, accordingly, of the subsequent sub-paragraphs of Article 16.7.

Date of registration

10 August 2007.

No special resolutions were passed by any subsidiary companies during the period covered by this report.

Aggregate income and losses of subsidiaries

The attributable interest of the company in the income and losses of its subsidiaries is set out in note 7 on page 37.

Auditors

The auditors of the company, PricewaterhouseCoopers Inc., will continue in office in accordance with section 270(2) of the Companies Act, 1973.

Annual general meeting

At the annual general meeting held on 18 July 2007, shareholders passed ordinary resolutions relating to:

- the adoption of the annual report for the year ended 31 March 2007;
- the re-election of Mrs E Le R Bradley and Mr RS Broadley as directors of the company;

Directors' report (continued)

- the approval of the payment of remuneration (R12 734 per annum) and the granting of vehicle benefits to directors of the company as representatives on the board of Toyota South Africa (Proprietary) Limited, with effect from 1 April 2006;

- the increase in directors' remuneration with effect from 1 April 2007, as follows:

- * For services as director of the company R70 000 (previously: R40 000) per annum for each director, other than the incumbent of the office of chairman; R120 000 (previously: R65 000) per annum for the office as chairman.

- * As representative on the board of Toyota South Africa (Proprietary) Limited From R12 734 to R25 000 per annum.

Details concerning the special resolution passed by shareholders at this meeting are disclosed above.

Notice of the fortieth annual general meeting to be held at Arcay House, 3 Anerley Road, Parktown, Johannesburg on Monday, 4 August 2008 at 10:00 is given on page 8.

Directorate and secretary

As previously reported, Mr AD Plummer resigned from the board on 7 June 2007. Dr ML Benade was appointed a director of the company on 1 September 2007.

The names and biographies of the directors of the company in office at the date of this report are listed on page 2.

In accordance with Article 16.2 of the Articles of Association, Dr ML Benade's

appointment as a director of the company is subject to confirmation at the forthcoming annual general meeting.

Mr PR Robinson and Mr GJ Strydom retire by rotation in terms of Article 17.1 of the Articles of Association at the forthcoming annual general meeting, and being eligible, offer themselves for re-election.

There has been no change in the office of company secretary whose name and business and postal addresses are set out on page 48 of this annual report.

Directors' remuneration

The remuneration payments to all directors are set out in the Corporate Governance report on page 15 of this annual report and have been audited by PricewaterhouseCoopers Inc.

Directors' interests in the company's shares

The interests of the directors in the ordinary shares of the company at 31 March 2008 were:

	31 March 2008			31 March 2007		
	Direct	Beneficial Indirect	Total	Direct	Beneficial Indirect	Total
Executive director						
GJ Strydom	13 855	–	13 855	16 595	–	16 595
Non-executive directors						
E Bradley	100	758 715	758 815	100	758 715*	758 815
Dr ML Benade (appointed 1.9.2007)	–	–	–	–	–	–
RS Broadley	–	–	–	–	–	–
AD Plummer (resigned 7.6.2007)	–	–	–	–	–	–
PR Robinson	–	–	–	–	–	–
	100	758 715	758 815	100	758 715*	758 815
	13 955	758 715	772 670	16 695	758 715*	775 410

The 2008 shareholdings have remained unchanged up to the date of this report.

No shares are held through associates.

* Restated

Shareholding

Major shareholdings equal to or in excess of 5% of the total issued ordinary share capital of the company

	31 March 2008		31 March 2007	
	Shares	%	Shares	%
South African Trust and Finance Company Limited	2 788 557	33.03	2 788 557	33.03
Contax Investments (Proprietary) Limited	1 013 943	12.01	1 013 943	12.01
Alpha Institute (Proprietary) Limited	879 500	10.42	879 500	10.42
Old Mutual Group	521 277	6.17	523 954	6.21

Public and non-public shareholding

	31 March 2008				31 March 2007			
	Share-holders	%	Shares held	%	Share-holders	%	Shares held	%
Non-public shareholders								
Directors	2	0.25	13 955	0.17	2	0.22	16 695	0.20
Wessels family interests held through six companies/trusts	6	0.76	4 990 300	59.11	6	0.66*	4 990 300*	59.11
Public shareholders	8	1.01	5 004 255	59.28	8	0.88*	5 006 995*	59.31
	784	98.99	3 437 545	40.72	907	99.12*	3 434 805*	40.69
	792	100.00	8 441 800	100.00	915	100.00	8 441 800	100.00

* Restated

Further shareholder analyses are reflected on page 47.

Significant announcements

subsequent to balance sheet date

On 27 May 2008, Wesco issued a trading statement and cautionary announcement.

In terms of the trading statement, shareholders were advised that the headline earnings for the financial year ended 31 March 2008 would be reduced from a profit of 2 195 cents per share to a loss of 352 cents per share, while basic earnings would reduce from 3 345 cents per share to 1 015 cents per share.

In the cautionary announcement, shareholders were informed that the

company had entered into discussion in respect of a proposed disposal of Wesco's 25% interest in Toyota South Africa (Proprietary) Limited to Toyota Motor Corporation of Japan, the successful outcome of which might have a material effect on the price at which Wesco shares trade on the JSE Limited. Shareholders were, accordingly, advised to exercise caution in dealing in their Wesco shares until a further announcement was made in this regard.

On 6 June 2008, pursuant to the aforementioned cautionary

announcement on 27 May 2008, Wesco published an announcement giving salient details pertaining to the transaction for the proposed disposal by the company of its 25% interest in Toyota South Africa for a consideration of R2 139 317 000, payable in cash against delivery of the relevant documents of title to Toyota Motor Corporation, and advising that a circular containing particulars of the proposed disposal and a notice convening a general meeting of the company would be posted to shareholders within 28 days of the announcement.

Accounting policies

The principal accounting policies adopted in preparation of these financial statements are set out below. These accounting policies have been applied consistently to the periods presented in these consolidated financial statements and are consistent with those of the previous year.

Basis of preparation

The consolidated financial statements

have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and the requirements of the South African Companies Act.

a) Standards, amendments and interpretations effective in 2007:

IFRS 7, "Financial instruments: disclosures" and the complementary amendment to IAS 1, "Presentation of financial statements

– capital disclosures", introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the group's financial instruments, or the disclosures relating to taxation and trade and other receivables.

b) Standards, amendments and interpretations effective in 2007 but not relevant:

The following standards, amendments and interpretations became mandatory for the group's accounting periods beginning on or after 1 April 2007 but are not relevant to the group's operations:

IAS/IFRS number	Title	Effective date
IFRIC 8	Scope of IFRS 2	1 May 2006
IFRIC 9	Reassessment of embedded derivatives	1 June 2006
IFRIC 10	Interim financial reporting and impairment	1 November 2006
IFRIC 11	IFRS 2 – Group and treasury share transactions	1 March 2007
AC503	Black Economic Empowerment (BEE) transactions	1 May 2006

The annual financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates

and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS are advised on page 27. The accounting policies have been applied consistently by all group entities.

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

The following new standards, amendments and interpretations to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 April 2008 or later periods but the group has not early adopted. The group is in the process of assessing the impact of these standards on its financial statements:

IAS/IFRS number	Title	Effective date
IAS 1 (Revised)	Presentation of financial statements – revised	1 January 2009
IAS 23 (Revised)	Borrowing costs	1 January 2009
IAS 27 (Revised)	Consolidated and separate financial statements	1 January 2009
IFRS 3	Business combinations	1 July 2009
IFRS 8	Operating segments	1 January 2009
IFRIC 12	Service concession arrangements	1 January 2008
IFRIC 13	Customer loyalty programmes	1 July 2008
IFRIC 14	IAS 19 – The limit of a defined benefit asset, minimum funding requirements and their interaction.	1 January 2008
Amendment to IFRS 2	Amendment to IFRS 2 Share-based payment: vesting conditions and cancellations	1 January 2009
Amendment to IAS 32 and IAS 1	Amendment to IAS 32 Financial instruments: presentation and IAS 1 Presentation of financial statements – puttable financial instruments and obligations arising on liquidation	1 January 2009

Accounting policies (continued)

Basis of Consolidation

Subsidiaries

Subsidiaries, which are those companies in which the group has an interest of more than half of the voting rights or otherwise has power to exercise control over the operations, are consolidated.

The group financial statements incorporate the financial statements of Wesco Investments Limited and its subsidiary companies. The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. All significant inter-group balances and transactions have been eliminated. Investments in subsidiaries are stated by the company at cost. Results of subsidiaries are brought to account from the date on which control is transferred to the group and up to the date that control ceases.

Associated companies

Associated companies are those companies in which the group holds a direct long-term equity interest of not more than 50% and over whose financial and operating policies a significant influence can be exercised. The post-acquisition reserves of such companies are incorporated in the group financial statements using the equity method of accounting with reference to their most recent audited financial statements. Distribution of retained income of associated companies is not under the control of the group. Equity accounted retained earnings is therefore transferred to a non-distributable reserve.

If an associated company applies accounting policies that are recognised

as being materially different to those adopted by the group, appropriate adjustments are made to the financial statements.

When the group's share of losses in an associate equals or exceeds its interest in the associate, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealised gains and losses on transactions between the group and its associates are eliminated to the extent of the group's interest in the associate.

The carrying values of investments in associates represent the original cost, together with the group's share of post acquisition retained income and reserves of associates. Where the fair value of an associate has been permanently reduced below its carrying value, a provision is made for such diminution in value.

Associates are accounted for by the company at cost.

Minority interest

Minority interest is valued at the minorities' portion of the acquirer's identifiable assets, liabilities and contingent liabilities at the acquisition date plus the minorities' portion of post acquisition reserves. Minority interest is included in equity on the balance sheet and is also reconciled in the statement of changes in equity.

Financial assets

The group classifies its financial assets in the following categories: loans and receivables, and available-for-sale. The

classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet. Loans and receivables are carried at amortised cost using the effective interest method.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Regular purchases and sales of investments are recognised on trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all

risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the group's right to receive payments is established. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques.

The group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the

income statement on equity instruments are not reversed through the income statement. Impairment testing of trade receivables is described in the policy note on Trade and other receivables below.

Property and equipment

These assets are included at historical cost less accumulated depreciation, less accumulated impairment losses. Land is not depreciated. Depreciation of buildings and equipment is calculated on the straight-line method at rates designed to write off the cost of the assets over their anticipated useful lives, to the residual value thereof. The depreciation period for buildings is 50 years. Equipment is depreciated over five years.

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

Where parts of an item of property and equipment have different useful lives, they are accounted for as separate items of property and equipment. Residual values and useful lives of all assets are reassessed annually. Depreciation of an item of property and equipment is to begin when it is available for use and ceases at the earlier of the date it is classified as held for sale or the date that it is derecognised upon disposal. Gains and losses on disposal are determined

by comparing proceeds with carrying amount.

Impairment

The group periodically evaluates the carrying value of property and equipment, when events and circumstances warrant such a review. The carrying value of an asset is considered to be impaired, when the recoverable amount of such an asset is less than its carrying value. In that event, a loss is recognised based on the amount by which the carrying value exceeds the recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped to the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

Finance income

Finance income is charged to operating income during the year using the effective interest rate method.

Financial instruments

Financial instruments carried at the balance sheet date include cash and bank balances, investments, receivables and trade creditors. Financial assets consist of cash, a contractual right to receive cash or another financial asset. Financial liabilities are recognised when there is an obligation to transfer benefits and that obligation is a contractual liability to deliver cash or another financial asset

Accounting policies (continued)

or to exchange financial instruments with another entity on potentially unfavourable terms. The adjustment to the carrying value of originated loans and receivables to amortised cost are calculated using the effective interest rate method.

Trade and other receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the original effective interest rate. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivables are impaired. The amount of the provision is recognised in the income statement, in administrative expenses.

Cash and cash equivalents

Cash and cash equivalents are carried at amortised cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, and deposits held on call with banks, net of bank overdrafts, all of which are available for use by the group unless otherwise stated. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

Deferred taxation

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases and carrying values of assets and liabilities. Deferred tax assets relating to the carry forward of unused computed tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Deferred taxation is calculated using taxation rates that have been enacted or substantively enacted at the balance sheet date.

Provisions

Provisions are recognised when:

- the group has a present legal or constructive obligation as a result of past events;
- 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.

Employee benefits

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Retirement benefits

During the year the group's employees elected to convert from a defined benefit plan to a defined contribution plan. A defined contribution plan is a pension plan under which the group pays fixed

contributions into a separate entity.

The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense in the income statement when they are due.

Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The assets of the defined benefit and defined contribution plans are held in separate trustee-administered funds. The plans are funded by payments from employees and by the relevant group companies, taking account of the recommendations of independent qualified actuaries.

The liability or asset recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation or asset is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government securities that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are charged or credited to income over the employee's expected average remaining working lives.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Trade payables

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

Income recognition

The group's principal source of income represents dividend and interest income from investments. Dividends are recognised when the group's right to receive payment is established. Interest is recognised on a time proportion basis that takes into account the effective yield on the asset.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares, for the acquisition of a business, are included in the cost of acquisition as part of the purchase consideration.

Where a group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

Dividends payable

Dividends payable and Secondary Tax on Companies pertaining thereto are recognised in the period in which such dividends are declared.

Critical accounting estimates, judgements and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Impairment of available-for-sale financial assets and investments in associates

The group determines that available-for-sale financial assets and investments in associates are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the group evaluates, among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance and changes in technology. Impairment may be appropriate if there is a decline in any of these factors.

Associates

Associates provide for the estimated liability in terms of products under warranty, surety agreements in respect of vehicles financed by banks and estimated liabilities in respect of vehicles sold under service plan.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The following segments have been identified and reported by the group:

- vehicle assembly and manufacturing (Toyota South Africa (Proprietary) Limited); and
- automotive component manufacturer (Metair Investments Limited) (up to the date of its disposal).

Income statements

for the year ended 31 March

	Notes	Group		Company	
		2008 R000	2007 R000	2008 R000	2007 R000
Income	1	39 950	21 694	400 458	19 269
Administrative expenses		(8 869)	(5 364)	(1 064)	(753)
Operating profit		31 081	16 330	399 394	18 516
Share of associates' income	6	15 389	187 671		
Profit on disposal of available-for-sale financial assets	10	135 057			
Profit on disposal of associate	6		162 828		180 744
Profit before taxation	2	181 527	366 829	399 394	199 260
Taxation	3	(96 975)	(80 080)	(26 971)	(30 884)
Profit for the year		84 552	286 749	372 423	168 376
Attributable to:					
Equity holders of the company		85 722	282 408	372 423	168 376
Minority interest		(1 170)	4 341		
		84 552	286 749	372 423	168 376
Earnings in cents per share:					
Basic earnings and diluted earnings	4	1 015	3 345		

Balance sheets

as at 31 March

	Notes	Group		Company	
		2008 R000	2007 R000	2008 R000	2007 R000
Assets					
Non-current assets					
		1 157 229	1 168 162	153 960	199 201
Investment in associates	6	1 153 671	1 160 216	152 235	152 235
Investment in subsidiaries	7			1 725	45 723
Property and equipment	8	3 558	3 620		
Retirement benefit asset	17		3 083		
Deferred taxation	14		1 243		1 243
Current assets					
		79 067	883 198	8 323	320 175
Accounts receivable	9	12	977		144
Available-for-sale financial assets	10		846 073		
Cash and cash equivalents	11	79 055	36 148		
Loan to subsidiary company	7			8 323	320 031
Total assets					
		1 236 296	2 051 360	162 283	519 376
Equity and liabilities					
Capital and reserves					
		1 209 156	1 950 117	161 645	498 333
Share capital	12	11 752	11 752	11 752	11 752
Non-distributable reserves	13	1 001 456	1 125 573	20	20
Retained earnings		195 948	812 792	149 873	486 561
Minority interest		66	12 941		
Total equity					
		1 209 222	1 963 058	161 645	498 333
Non-current liabilities					
Deferred taxation	14		20 784		
Current liabilities					
		27 074	67 518	638	21 043
Trade and other payables		1 244	857	638	351
Taxation		25 830	66 661		20 692
Total equity and liabilities					
		1 236 296	2 051 360	162 283	519 376

Statements of changes in equity

for the year ended 31 March

	Notes	Attributable to equity holders of the company			Minorities R000	Total R000
		Share capital R000	Non- distributable reserves R000	Retained earnings R000		
Group						
Balance at 31 March 2006		11 752	1 275 031	431 042	9 162	1 726 987
Share of movement in associates' reserves			(125)		(3)	(128)
Dilution of interest in associate			(2 560)		(66)	(2 626)
Transfers	13		(200 644)	200 644		
Profit for the year				282 408	4 341	286 749
Net fair value adjustment to available-for-sale financial assets			53 871			53 871
Dividends	5			(101 302)	(493)	(101 795)
Balance at 31 March 2007		11 752	1 125 573	812 792	12 941	1 963 058
Transfers	13		(6 545)	6 545		
Reserves realised on disposal of available-for-sale financial assets			(117 572)			(117 572)
Profit for the year				85 722	(1 170)	84 552
Dividends	5			(709 111)	(11 705)	(720 816)
Balance at 31 March 2008		11 752	1 001 456	195 948	66	1 209 222
Company						
Balance at 31 March 2006		11 752	20	419 487		431 259
Profit for the year				168 376		168 376
Dividends	5			(101 302)		(101 302)
Balance at 31 March 2007		11 752	20	486 561		498 333
Profit for the year				372 423		372 423
Dividends	5			(709 111)		(709 111)
Balance at 31 March 2008		11 752	20	149 873		161 645

Cash flow statements

for the year ended 31 March

	Notes	Group		Company	
		2008 R000	2007 R000	2008 R000	2007 R000
Cash flows from operating activities					
Profit before taxation		181 527	366 829	399 394	199 260
Adjustments for items not involving cash flows:					
Depreciation		71	85		
Investment income		(39 610)	(17 980)	(400 458)	(19 269)
Profit on disposal of available-for-sale financial assets		(135 057)			
Profit on disposal of associate			(162 828)		(180 744)
Retirement benefit surplus utilised/(recognised)		3 083	(3 083)		
Share of associates' income		(15 389)	(187 671)		
Operating loss before working capital changes		(5 375)	(4 648)	(1 064)	(753)
Working capital changes:					
Decrease (increase) in accounts receivable		965	1 100	144	(13)
Increase (decrease) in trade payables		387	85	287	(26)
Cash utilised in operations		(4 023)	(3 463)	(633)	(792)
Interest received		35 119	15 981		
Dividends received		26 425	113 560	444 456	110 751
Dividends paid - shareholders		(709 111)	(101 302)	(709 111)	(101 302)
Dividends paid - minority shareholders		(11 705)	(493)		
Normal taxation paid	15.1	(69 287)	(2 611)	(20 692)	
Secondary taxation on companies paid		(68 170)		(25 728)	
Net cash (outflow) inflow from operating activities		(800 752)	21 672	(311 708)	8 657
Cash flows from investing activities					
Acquisition of property and equipment		(9)	(43)		
Net available-for-sale financial assets realised (acquired)	10	843 668	(604 245)		
Proceeds on disposal of associate			590 554		185 933
Advances by (to) a subsidiary company				311 708	(194 590)
Net cash inflow (outflow) from investing activities		843 659	(13 734)	311 708	(8 657)
Net increase in cash and cash equivalents	15.2	42 907	7 938		

Notes to the annual financial statements

for the year ended 31 March

	Group		Company	
	2008 R000	2007 R000	2008 R000	2007 R000
1 Income				
Dividend income	4 491	1 999	136 933	19 269
Unlisted subsidiary companies			114 999	12 947
Listed associate				6 322
Unlisted associate			21 934	
Other investments	4 491	1 999		
Net income on winding up of subsidiary company			263 525	
Interest received	35 119	15 981		
Retirement benefit surplus recognised (refer note 17)		3 083		
Other income	340	631		
	39 950	21 694	400 458	19 269
Dividends received by the group from associates are credited to the carrying value of investment in associates (refer note 6).				
2 Profit before taxation				
Profit before taxation is stated after charging:				
Auditors' remuneration	190	122	6	6
Depreciation on property and equipment	71	85		
Directors emoluments:				
<i>Executive directors</i>				
– Salaries and allowances			1 052	967
– Fees for services as directors			70	40
– Other benefits			118	116
			1 240	1 123
Paid by a subsidiary company			(1 170)	(1 083)
			70	40
<i>Non-executive directors</i>				
– Fees for services as directors			948	501
Employee benefit expense:				
Pension costs				
– defined benefit plans	150	208		
– defined contribution plans	70			
Staff costs	2 624	2 483		
	2 844	2 691		
Retirement benefit surplus utilised (refer note 17)	3 083			

The group employed eight (2007: nine) persons at the year-end date.

	Group		Company	
	2008 R000	2007 R000	2008 R000	2007 R000
3 Taxation				
South African normal taxation	27 562	69 888		20 692
Current tax	28 456	68 994		20 692
Deferred tax	(894)	894		
Secondary taxation on companies	69 413	10 192	26 971	10 192
Current tax	68 170		25 728	
Deferred tax	1 243	10 192	1 243	10 192
Total taxation charge	96 975	80 080	26 971	30 884
Reconciliation of taxation rate:	%	%	%	%
Standard rate	29	29	29	29
Increased by:				
Capital gains on base cost	11	18		10
Secondary taxation on companies	38	3	7	5
Decreased by:				
Capital items	(22)	(13)		(26)
Exempt income	(1)		(29)	(3)
Share of associates' income	(2)	(15)		
Effective rate	53	22	7	15

4 Earnings per share

Basic earnings represents profit attributable to equity holders of the company.

Headline earnings represents profit attributable to equity holders of the company excluding items of a capital nature, as calculated in terms of Circular 8/2007: Headline Earnings.

Adjusted headline earnings represents headline earnings excluding items considered to be of a non-recurring nature.

Amounts per share are calculated for each of the earnings categories, by dividing the respective earnings amounts by the weighted average number of shares in issue.

The weighted average number of shares in issue amounted to 8 441 800 (2007: 8 441 800) shares.

Notes to the annual financial statements (continued)

for the year ended 31 March

	Group		Company	
	2008 R000	2007 R000	2008 R000	2007 R000
4 Earnings per share (continued)				
Basic earnings	85 722	282 408		
Adjustments for:				
Disposal of available-for-sale financial assets				
– profit on disposal	(135 057)			
– attributable capital gains tax	19 583			
Disposal of associate				
– profit on disposal		(162 828)		
– attributable capital gains tax		65 722		
Headline earnings	(29 752)	185 302		
Net retirement benefit fund surpluses utilised (recognised)				
– by the group	2 189	(2 189)		
– by an associate	54 428	(64 919)		
Adjusted headline earnings	26 865	118 194		
Earnings per share in cents:				
Basic earnings	1 015	3 345		
Headline earnings	(352)	2 195		
Adjusted headline earnings	318	1 400		
5 Dividends				
Dividend no. 40				
7 800 cents per share, declared on 9 November 2007				
paid on 3 December 2007	658 460		658 460	
Dividend no. 39				
600 cents per share, declared on 7 June 2007				
paid on 30 July 2007	50 651		50 651	
Dividend no. 38				
1 200 cents per share, declared on 25 May 2006				
paid on 17 July 2006		101 302		101 302
	709 111	101 302	709 111	101 302

	Group		Company	
	2008 R000	2007 R000	2008 R000	2007 R000
6 Investment in associates				
Balance at beginning of the year	1 160 216	1 423 104	152 235	157 424
Share of retained income	(6 545)	167 592		
Share of profit	15 389	187 671		
Dividends received	(21 934)	(20 079)		
Dilution in interest		(2 626)		
Share of movement in other reserves		(128)		
Realised on disposal of associate		(427 726)		(5 189)
Balance at end of the year	1 153 671	1 160 216	152 235	152 235
Listed				
Metair Investments Limited				
Shares at cost		9 268		5 189
Share of post-acquisition reserves included in non-distributable reserves		418 458		
In respect of current year		56 051		
In respect of prior years		362 407		
Realised on disposal		(427 726)		(5 189)
Unlisted				
Toyota South Africa (Proprietary) Limited	1 153 671	1 160 216	152 235	152 235
Shares at cost	152 235	152 235	152 235	152 235
At acquisition reserves	501 354	501 354		
Share of post-acquisition reserves included in non-distributable reserves	500 082	506 627		
In respect of current year	(6 545)	108 787		
In respect of prior years	506 627	397 840		
Total carrying value of investment in associates	1 153 671	1 160 216	152 235	152 235

Notes to the annual financial statements (continued)

for the year ended 31 March

Notes	Group		Company	
	2008 R000	2007 R000	2008 R000	2007 R000
6 Investment in associates (continued)				
<i>Fair value of investments at the year-end date</i>				
Unlisted - at directors' valuation	1 153 671	1 160 216	1 153 671	1 160 216
<i>Dividends received from associates</i>				
Metair Investments Limited		20 079		6 322
Toyota South Africa (Proprietary) Limited	21 934		21 934	
	21 934	20 079	21 934	6 322
<i>Profit on disposal of associate</i>				
Metair Investments Limited:				
Carrying value at disposal		(427 726)		(5 189)
Proceeds		590 554		185 933
		162 828		180 744
<i>Summarised financial information of associates</i>	Assets	Liabilities	Revenue	Profit
2008				
Toyota South Africa (Proprietary) Limited	19 214 327	14 599 654	35 062 473	61 554
2007				
Toyota South Africa (Proprietary) Limited	14 666 723	10 025 868	30 764 788	435 148
Metair Investments Limited (at date of disposal)	1 533 247	534 940	2 641 911	202 553
	16 199 970	10 560 808	33 406 699	637 701

Toyota South Africa (Proprietary) Limited implemented an accounting policy change during the year under review, which resulted in a restatement of its revenue for the comparative period, previously reported at R31 168 224 000. The change had no effect on profit.

Further details of associates are disclosed on page 46.

	Group		Company	
	2008 R000	2007 R000	2008 R000	2007 R000
7 Interest in subsidiaries				
Unlisted shares at cost less amounts written off Details of subsidiaries are disclosed on page 46.			1 725	45 723
Fair value of share investments at the year-end date			47 921	487 639
Loan to subsidiary company: Wesco Bestuursmaatskappy (Proprietary) Limited This loan is interest-free and repayable as and when funds are available.			8 323	320 031
Aggregate attributable taxed income and losses of subsidiaries:				
Income	131 961	373 212		
Losses	32 574	556		
8 Property and equipment				
Total property and equipment				
At cost	4 106	4 097		
Accumulated depreciation	(548)	(477)		
Net book value	3 558	3 620		
Land and buildings				
At cost	3 519	3 519		
Accumulated depreciation	-	-		
Net book value	3 519	3 519		
Equipment				
At cost	587	578		
Accumulated depreciation	(548)	(477)		
Net book value	39	101		
Reconciliation of movement in equipment				
Opening net book value	101	143		
Depreciation charge	(71)	(85)		
Additions	9	43		
Closing net book value	39	101		
Land and buildings included in property and equipment at 31 March 2008 comprise Erf 828 Parktown (Johannesburg) Township, Registration Division I.R., province of Gauteng, in extent 5 788 m ² , together with improvements thereon.				

Notes to the annual financial statements (continued)

for the year ended 31 March

	Group		Company	
	2008 R000	2007 R000	2008 R000	2007 R000
9 Accounts receivable				
Loans to participants in the Wesco share purchase scheme		690		
Executive directors:				
G J Strydom		651		
Other employees		39		
Other receivables	12	287		144
	12	977		144
The fair value of accounts receivable approximates their carrying value. No interest is applicable to accounts receivable balances. Accounts receivable does not contain impaired assets. All receivables are fully performing. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The group does not hold any collateral as security.				
10 Available-for-sale financial assets				
Investments in unit trusts:				
Movement				
Opening balance	846 073	178 821		
Investments acquired	20 534	604 245		
New investments		600 000		
Income capitalised	20 534	4 245		
Fair value adjustment at the year-end date transferred to equity		63 007		
Decrease in fair value in the current year, up to date of disposal	(2 405)			
Proceeds on disposal	(864 202)			
Closing balance		846 073		
Profit on disposal				
Unrealised gains recognised in previous periods (refer note 13)	117 572			
Deferred taxation (refer note 14)	19 890			
Decrease in fair value in the current year, up to date of disposal	(2 405)			
Profit	135 057			
11 Cash and cash equivalents				
Cash at bank and on hand	545	201		
Short-term bank deposits	78 510	35 947		
	79 055	36 148		

The effective interest rate on short-term bank deposits was 9,5% (2007: 8,5%). These deposits are available on call.

	Group		Company	
	2008 R000	2007 R000	2008 R000	2007 R000
12 Share capital				
Authorised				
9 980 000 ordinary shares of R1 each	9 980	9 980	9 980	9 980
Issued	11 752	11 752	11 752	11 752
8 441 800 (2007: 8 441 800) ordinary shares of R1 each	8 442	8 442	8 442	8 442
Share premium	3 310	3 310	3 310	3 310
A share purchase scheme exists in terms of which shares may, at the discretion of the Board of Directors, be offered for purchase to employees of the company. The maximum number of shares that can be reserved for the scheme is 5% of the issued ordinary shares in the capital of the company, exclusive of shares already issued under the scheme. The maximum number of shares that may be allotted to any one participant is 50 000. A total of 190 000 shares has been issued to date in terms of the scheme. The balance of shares reserved for purposes of the scheme is 222 590 (2007: 222 590). There is no share option arrangement attached to the scheme.				
13 Non-distributable reserves				
The year-end balance comprises:				
Portion of associated companies' post-acquisition reserves	1 001 436	1 007 981		
Net fair value adjustments to available-for-sale financial assets		117 572		
Capital redemption reserve fund	20	20	20	20
	1 001 456	1 125 573	20	20
Movements in reserves comprise:				
Associated companies' post-acquisition reserves	(6 545)	(203 453)		
Share of associated companies' profit transferred from retained income	(6 545)	108 787		
Share of movement in associates' non-distributable reserves		(125)		
Dilution of interest in associate		(2 560)		
Realised on disposal		(309 555)		
Fair value adjustment on available-for-sale financial assets		53 995		
Gross adjustment		63 131		
Deferred taxation		(9 136)		
Fair value reserves realised on disposal of available-for-sale financial assets (refer note 10)	(117 572)			
Total movement in reserves	(124 117)	(149 458)		

Notes to the annual financial statements (continued)

for the year ended 31 March

	Group		Company	
	2008 R000	2007 R000	2008 R000	2007 R000
14 Deferred taxation				
<i>Deferred tax asset</i>				
Recognition of credits in respect of Secondary Tax on Companies (STC), available for set-off against future STC liabilities:				
Balance at beginning of the year	1 243	11 435	1 243	11 435
Current year movement	(1 243)	(10 192)	(1 243)	(10 192)
Balance at end of the year		1 243		1 243
<i>Deferred tax liability</i>				
Provision for taxation on retirement benefit surplus		894		
Balance at beginning of the year	894	894		
Current year movement	(894)			
Provision for capital gains tax on fair value adjustment gains		19 890		
Balance at beginning of the year	19 890	10 754		
Realisation on disposal (refer note 10)	(19 890)	9 136		
		20 784		
15 Cash flow information				
15.1 Normal taxation paid				
Amounts unpaid at beginning of the year	(66 661)	(278)	(20 692)	
Income statement charge (refer note 3)	(28 456)	(68 994)		
Amounts unpaid at end of the year	25 830	66 661		
	(69 287)	(2 611)	(20 692)	
15.2 Net movement in cash and cash equivalents				
Balance at beginning of the year	(36 148)	(28 210)		
Balance at end of the year	79 055	36 148		
Net increase	42 907	7 938		

16 Financial instruments

16.1 Financial Instruments by category

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

	Loans and receivables	Available-for-sale financial assets	Total
31 March 2008			
Assets per balance sheet			
Accounts receivable	12		12
Cash and cash equivalents	79 055		79 055
Total	79 067		79 067

	Financial liabilities carried at amortised cost		Total
Liabilities per balance sheet			
Trade and other payables		1 244	1 244
Total		1 244	1 244

	Loans and receivables	Available-for-sale financial assets	Total
31 March 2007			
Assets per balance sheet			
Available-for-sale financial assets		846 073	846 073
Accounts receivable	977		977
Cash and cash equivalents	36 148		36 148
Total	37 125	846 073	883 198

	Financial liabilities carried at amortised cost		Total
Liabilities per balance sheet			
Trade and other payables		857	857
Total		857	857

Notes to the annual financial statements (continued)

for the year ended 31 March

16.2 Financial risk management

The group's activities expose it to a variety of financial risk: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The board provides written principles for overall risk management, as well as written policies containing specific areas such as foreign exchange risk.

A. Market risk

i. Foreign exchange risk

The group is not exposed to exchange risk, as at year-end it has no amounts payable or receivable in foreign currencies.

ii. Cash flow and fair value interest rate risk

The group's interest rate risk arises from interest bearing assets. Interest bearing assets held at variable rates expose the group to cash flow interest rate risk. Interest bearing assets held at fixed rates expose the group to fair value interest rate risk. The group's interest bearing assets are denominated in Rand.

The group is exposed to interest rate risk as it places funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate placements and placings within market expectations.

Effective interest rates on cash and cash equivalents are disclosed in note 11.

At 31 March 2008 if interest rates on interest bearing assets had been 1% higher with all other variables held constant, post-tax profit for the year would have been R2 625 000 (2007: R1 335 000) higher.

iii. Price risk

The group is not exposed to equity securities price risk as the group does not have investments classified on the consolidated balance sheet either as available-for-sale or at fair value through profit and loss at year end. The group is not exposed to commodity price risk.

B. Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and outstanding receivables. It is the group's policy to limit counterparties and cash transactions to high-credit-quality financial institutions.

Credit quality can be analysed as follows:

The following balances were held with A 1 + rated South African banks:

	2008	2007
Total	79 055	36 148

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

C. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. Repayments of long-term borrowings are structured so as to match the expected cash flows from operations to which they relate.

16 Financial instruments (continued)

16.2 Financial risk management (continued)

The group utilises the credit facilities of various banking institutions when required and has been able to operate within these facilities. This trend is expected to continue into the foreseeable future.

Projected profitability levels will provide adequate liquidity levels to support operational cash flows over the next 5 years.

The borrowing powers of the company are unlimited in terms of its articles of association.

An analysis of the group's financial liabilities into relevant maturity groupings based on the contractual maturity date has not been presented as all financial liabilities at the balance sheet date are expected to be settled during the first quarter of the coming financial year.

16.3 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

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

16.4 Capital risk management

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

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. At year end the group had no borrowings.

Notes to the annual financial statements (continued)

for the year ended 31 March

	Group		Company	
	2008 R000	2007 R000	2008 R000	2007 R000
17 Retirement benefit information				
<i>Pension fund benefits</i>				
The policy of the group is to provide retirement benefits for its employees. All employees of Wesco Bestuursmaatskappy (Proprietary) Limited, a subsidiary company, were members of the Toyota South Africa Pension Fund, a defined benefit pension fund, until 30 November 2007. With effect from 1 December 2007 all employees accepted an offer to purchase their defined benefit rights, and converted to a new fund with defined contribution rights.				
The group pays contributions to the fund, with different rates applying to different classes of members. Contributions are charged against income in the year of payment.				
<i>Retirement benefit fund surplus</i>				
The Group adopted the revised IAS 19 (AC 116) during 2001. A surplus in the defined benefit fund in existence at 31 March 2007 was accounted for as at the previous year-end, following the Financial Services Board's approval of the apportionment scheme.				
Amounts recognised in the balance sheet, as apportioned to the group:				
Opening balance	3 083			
Current year	(3 083)	3 083		
Surplus utilised	(3 083)			
Present value of obligations		(16 218)		
Fair value of plan assets		24 631		
Funded status		8 413		
Unrecognised actuarial profits		(5 330)		
Closing balance		3 083		

	Group		Company	
	2008 R000	2007 R000	2008 R000	2007 R000
18 Related party information				
Associate Toyota South Africa (Proprietary) Limited is largely dependent on Toyota Motor Corporation of Japan, its franchisor and controlling shareholder, for the importation, supply and distribution of vehicles and parts in Southern Africa and selected other countries.				
Emoluments paid to executive and non-executive directors (key management personnel) are presented in note 2.				
Information on loans granted to executive directors is set out in note 9. Loans granted to subsidiaries are disclosed in note 7.				
Dividend income from subsidiaries is presented in note 1, and dividends received from associates in note 6.				
19 Segmental consolidated financial results				
Segment results				
Associated companies:				
Toyota South Africa (Proprietary) Limited	15 389	108 787		
Metair Investments Limited				
– results up to disposal		78 882		
– profit on disposal		162 828		
Other income and expenses	166 138	16 332		
Taxation	(96 975)	(80 080)		
Minority interest	1 170	(4 341)		
Profit for the year	85 722	282 408		
Segment assets				
Associated companies:				
Toyota South Africa (Proprietary) Limited	1 153 671	1 160 216		
Other assets	82 625	891 144		
Total assets	1 236 296	2 051 360		

Details of subsidiaries and associates

Unlisted subsidiaries	Nature of business	Type	Share capital			Interest %	Book value R000
			Nominal value	Authorised R000	Issued R000		
<i>Incorporated in South Africa</i>							
Jati Investments (Proprietary) Limited	Investment company	Ordinary	R1	10		96.3	1 723
Wesco Bestuursmaatskappy (Proprietary) Limited	Provides management and administrative services	Ordinary	R1	4		100	
Wesco House (Proprietary) Limited	Property owner	Ordinary	10c			100	1
A E Wesley Investments (Proprietary) Limited	Share dealer	Ordinary	R1	1	1	100	1
Associate	Nature of business		Number of shares (% interest)				
			Group		Company		
			2008 R000	2007 R000	2008 R000	2007 R000	
Unlisted							
Toyota South Africa (Proprietary) Limited	Importation, assembly, manufacture and distribution of motor vehicles and motor vehicle parts		10 133 863 (25.00)	10 133 863 (25.00)	10 133 863 (25.00)	10 133 863 (25.00)	

Additional shareholder information

Stock exchange listing

The company's ordinary shares are listed on the JSE Limited (JSE).

JSE information for the year ended at 31 March:

	2008	2007	2006	2005	2004
Rands per share					
Market price – high	390.00	420.00	405.00	215.00	140.00
– low	173.00	277.00	205.00	125.00	70.00
– year end	205.00	362.49	400.00	214.85	133.00
Shares traded	1 977 954	1 305 353	1 713 304	1 894 296	341 293

Analysis of ordinary shareholdings at 31 March 2008

Shareholders	%	Profile size	Shares held	%
588	74.24	1 – 1 000 shares	186 613	2.21
143	18.06	1 001 – 10 000 shares	466 895	5.53
52	6.57	10 001 – 100 000 shares	1 592 802	18.87
7	0.88	100 001 – 1 000 000 shares	2 392 990	28.35
2	0.25	more than 1 000 000 shares	3 802 500	45.04
792	100.00	Total	8 441 800	100.00
		<i>Category</i>		
9	1.14	Banks	223 484	2.65
18	2.27	Close Corporations	61 512	0.73
13	1.64	Endowment Funds	32 853	0.39
423	53.41	Individuals	422 387	5.00
14	1.77	Insurance Companies	590 340	7.00
7	0.88	Investment Companies	205 508	2.43
3	0.38	Medical Aid Schemes	7 006	0.08
67	8.46	Mutual Funds	1 043 589	12.36
125	15.78	Nominees and Trusts	443 293	5.25
21	2.65	Other Corporations	142 949	1.70
54	6.82	Pension Funds	459 304	5.44
38	4.80	Private Companies	4 809 575	56.97
792	100.00		8 441 800	100.00

Of the total number of shareholders, 750 hold their shares in dematerialised form whilst 42 remain as certificated holders. Of the total number of shares in issue, 99.87% have been dematerialised.

Shareholders' diary 2008

Financial year end	31 March
Preliminary report and final dividend announcement published	
– on SENS	4 June
– in the press	5 June
Annual report issued on or about	27 June
Annual general meeting	10:00 on 4 August
Half-yearly interim report	
– published – on SENS	26 November
– in the press	27 November
– issued	27 November

Administration

Wesco Investments Limited

Registration number 1968/005871/06

Incorporated in the Republic
of South Africa

ISIN: ZAE 000007928

JSE Share code: WES

Company secretary

FDW Peachey ACIS, CPA (SA)

H Dip Tax Law (Wits) (RAU)

Dip Int Fin Man (DMS)

Registered office

Wesco House

10 Anerley Road, Parktown 2193

Johannesburg

Postal address

PO Box 2077, Saxonwold 2132

Telephone

011 646 3011

Fax

011 646 3022

General e-mail enquiries

info@wesco.co.za

Website

www.wesco.co.za

Registrar

Computershare Investor

Services (Proprietary) Limited

70 Marshall Street, Johannesburg

PO Box 61051, Marshalltown 2107

Telephone: 011 370 5000

Fax: 011 688 5221

Auditors

PricewaterhouseCoopers Inc.

Registered Auditors

2 Eglin Road, Sunninghill,

Johannesburg

Private Bag X36, Sunninghill 2157

Telephone: 011 797 4000

Fax: 011 209 5321

Sponsor

Arcay Moela Sponsors

(Proprietary) Limited

Arcay House, 3 Anerley Road,

Parktown 2193, Johannesburg

PO Box 62397, Marshalltown 2107

Telephone: 011 480 8500

Fax: 011 480 8556

Form of proxy



Wesco Investments Limited
 (Incorporated in the Republic of South Africa)
 (Registration number 1968/005871/06)
 JSE share code: WES ISIN: ZAE000007928
 ("Wesco" or "the Company")

THIS FORM OF PROXY IS ONLY FOR USE BY:

- REGISTERED SHAREHOLDERS WHO HAVE NOT YET DEMATERIALISED THEIR WESCO ORDINARY SHARES; AND
- REGISTERED SHAREHOLDERS WHO HAVE ALREADY DEMATERIALISED THEIR WESCO ORDINARY SHARES AND ARE REGISTERED IN THEIR OWN NAMES IN THE COMPANY'S SUBREGISTER.

For completion by the aforesaid registered shareholders who hold ordinary shares of the Company ("shareholder") and who are unable to attend the 2008 Annual General Meeting of the Company to be held on Monday, 4 August 2008, at 10:00 at Arcay House, 3 Anerley Road, Parktown, Johannesburg. ("the annual general meeting").

I/We _____
 (please print)

of (address) _____
 (please print)

being the holder/s of ordinary shares in the Company, do hereby appoint: (see instruction 1 overleaf):

- _____ or failing him/her,
- _____ or failing him/her,
- the chairman of the annual general meeting

as my/our proxy to attend, speak and vote on my/our behalf at the annual general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions to be proposed thereat and at any adjournment thereof, and to vote in favour of or against the resolutions or abstain from voting, in accordance with the following instructions (see note 2 and instruction 2 overleaf):

Voting instruction:

	Insert and "X" or the number of votes exercisable (one vote per ordinary share)		
	In favour of resolution	Against resolution	Abstain from voting
Ordinary business			
Ordinary Resolution No. 1 – Adoption of financial statements			
Ordinary Resolution No. 2 – Confirmation of the appointment of Dr ML Benade as director			
Ordinary Resolution No. 3 – Re-election of Mr PR Robinson as a director			
Ordinary Resolution No. 4 – Re-election of Mr GJ Strydom as a director			

Signed at _____ on _____ 2008

Signature _____

Assisted by (where applicable) _____

Please provide contact details: Tel: () _____

Fax: () _____

e-mail: _____

Please read the notes and instructions overleaf.

Form of proxy

Notes:

1. A shareholder entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies (none of whom need be a shareholder of the Company) to attend, speak and vote or abstain from voting in place of that shareholder.
2. Every shareholder present in person or by proxy and entitled to vote at the annual general meeting of the Company shall, on a show of hands, have one vote only, irrespective of the number of shares such shareholder holds. In the event of a poll, every shareholder shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by such shareholders bear to the aggregate amount of the nominal value of all the shares issued by the Company.
3. Only shareholders who have not yet dematerialised their Wesco ordinary shares, and shareholders who have already dematerialised their Wesco ordinary shares and are registered in their own names in the Company's subregister may complete a form of proxy or, alternatively, attend the annual general meeting.
4. Shareholders holding dematerialised shares in the Company through a CSDP or broker, other than with an "own name" registration, must timeously advise their CSDP or broker of their intention to attend and vote at the annual general meeting in order for their CSDP or broker to provide them with the necessary letter of authority to do so, or should they not wish to attend the annual general meeting in person but wish to be represented thereat, they must timeously provide their CSDP or broker with their voting instruction, in terms of the relevant custody agreement entered into between them and the CSDP or broker, in order for the CSDP or broker to vote in accordance with their instruction at the annual general meeting.

Instructions on signing and lodging the form of proxy:

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the blank spaces provided overleaf, with or without deleting "the chairman of the annual general meeting", but any such deletion must be signed in full and not initialled by the signatory/ies. Any insertion or deletion not complying with the foregoing will be deemed not to have been validly effected. Should the space be left blank, the proxy will be exercised by the chairman of the annual general meeting. The person whose name appears first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder's voting instructions to the proxy must be indicated on behalf of that shareholder in the appropriate spaces provided overleaf. A shareholder or such shareholder's proxy is not obliged to vote in respect of all of the shares held or represented by such shareholder but the total number of votes in favour of or against the resolutions and in respect of which any abstention is recorded, may not exceed the total number of votes to which the shareholder or such shareholder's proxy is entitled. Failure to comply with the above will be deemed to authorise the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of all of the resolutions to be proposed at such meeting or any adjournment thereof and will be deemed to authorise any other proxy to vote or abstain from voting at the annual general meeting or any adjournment thereof as the shareholder's proxy deems fit, in respect of all the shares concerned.
3. To be valid, completed forms of proxy must be returned to the Company's registrar, namely, Computershare Investor Services (Proprietary) Limited ("registrar"), Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107) fax (011) 688 5238, to be received by them not later than 10:00 (South African time) on Friday, 1 August 2008.
4. The completion and lodging of a form of proxy will not preclude the relevant shareholder who grants the proxy from attending the annual general meeting and speaking and voting or abstaining from voting in person thereat to the exclusion of any proxy appointed in terms thereof, should such shareholder wish to do so.
5. Completion of any blank spaces overleaf need not be signed or initialled. Any alterations or corrections made to this form of proxy must be signed in full and not initialled by the signatory/ies.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this proxy form unless previously recorded by the registrar or waived by the chairman of the annual general meeting.
7. The chairman of the annual general meeting may reject or accept a form of proxy which is completed and/or received, other than in accordance with these instructions and notes, provided that he/she is satisfied as to the manner in which the shareholder concerned wishes to vote.
8. A minor must be assisted by his/her parents or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the registrar.

Wesco Investments Limited

Registration number
1968/005871/06

Wesco House
10 Anerley Road
Parktown
Johannesburg

