

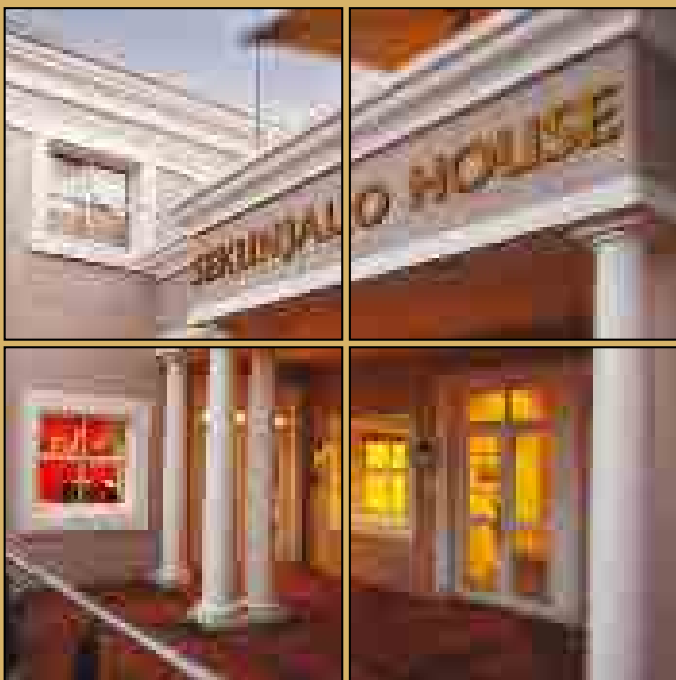


THE
SEKUNJALO
INVESTMENT
GROUP

NOW IS THE TIME

ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2007



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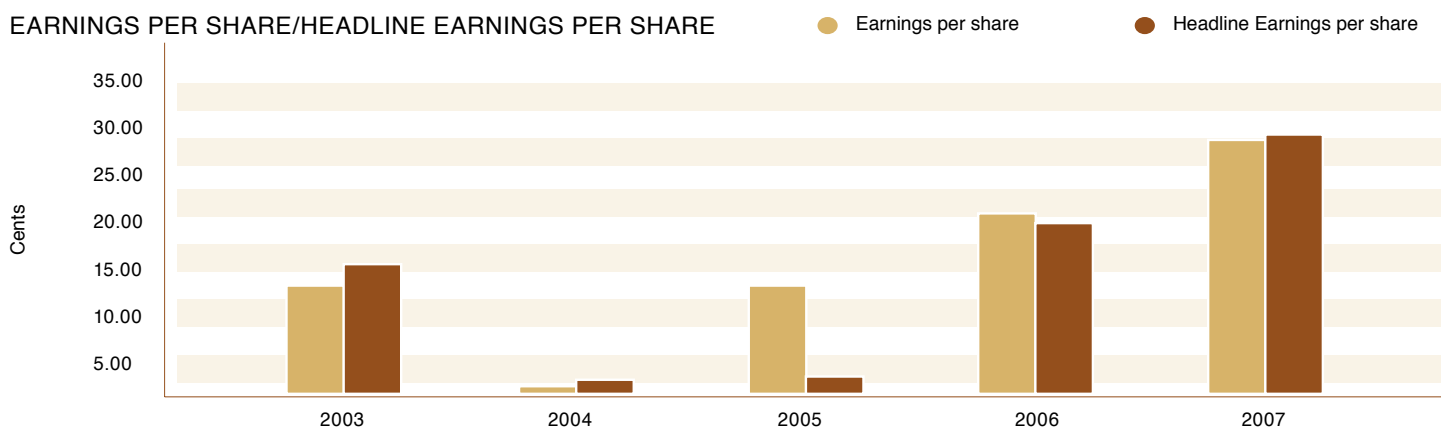
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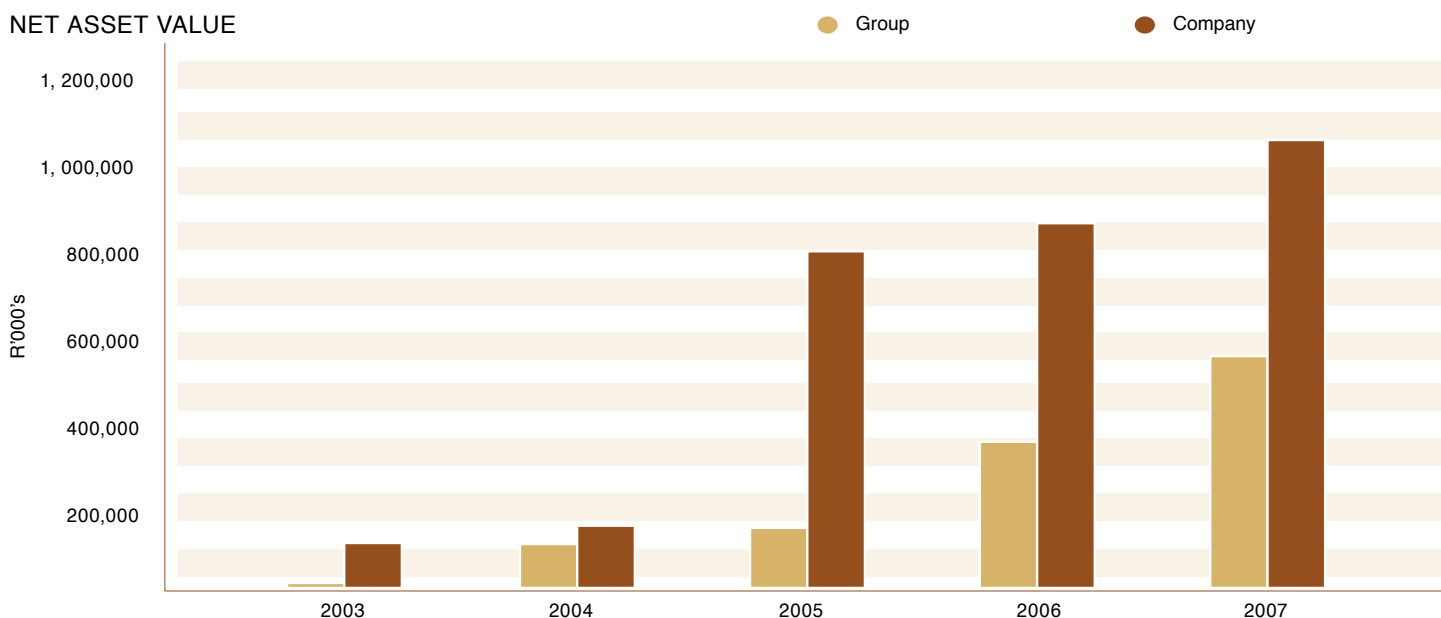
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	2007 R 000's	2006 R 000's	2005 R 000's	Increase
Revenue	449,516	422,418	395,600	6%
Profit after tax (including portion attributable to outside shareholders)	112,415	71,905	42,219	56%
Headline earnings	117,075	65,172	8,906	80%
Net Asset Value - Group	591,072	412,692	271,474	43%
Net Asset Value - Company	1,031,492	903,538	813,825	14%
Earnings per share	28.67	20.94	13.42	37%
Headline earnings per share	29.29	20.60	3.49	42%
Net asset value per share - Group (Cents)	125.97	114.42	81.00	19%

EARNINGS PER SHARE/HEADLINE EARNINGS PER SHARE



NET ASSET VALUE



BALANCE SHEET

	2003	2004	2005	2006	2007
	R 000's	R 000's	R 000's	R 000's	R 000's
Assets	267,545	321,082	576,588	731,371	953,774
Property, plant and equipment	61,608	59,458	184,786	190,440	201,374
Intangible and Biological Assets	49,953	47,228	67,610	122,571	143,948
Investments and loans	13,686	24,829	78,903	202,173	361,081
Deferred tax	-	14,251	20,269	24,412	14,607
Current assets	142,298	175,316	225,020	191,725	192,331
Non-current assets held for sale	-	-	-	-	40,433
Equity	26,784	103,853	271,368	412,692	591,072
Capital and reserves attributable to equity holders of the company	24,633	96,977	1,231,216	364,049	561,330
Minority interests	2,151	6,876	40,152	48,643	29,742
Liabilities	240,761	217,229	305,114	318,679	362,702
Interest bearing borrowings	139,454	61,272	65,807	41,160	35,957
Deferred tax liability	2,248	19,791	52,524	68,382	106,911
Non-interest bearing borrowings	914	2,505	5,094	13,787	10,528
Current liabilities	96,472	133,661	179,151	192,633	178,202
Post employment medical costs	1,673	-	1,789	1,970	2,072
Operating lease liability	-	-	749	747	348
Non-current assets held for sale	-	-	-	-	28,684
Net asset value					
Group	24,633	103,853	271,474	412,692	591,072
Company	84,752	173,061	813,825	903,538	1,031,492

5 YEAR HIGHLIGHTS

- Assets under management grew by 256%
- Long-term borrowings reduced by 67%
- Revenue grew by 6%
- Operating profits grew by 100%
- Profit after taxation grew by 56%

FIVE YEAR REVIEW

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INCOME STATEMENT

	2003	2004	2005	2006	2007
	R 000's	R 000's	R 000's	R 000's	R 000's
Revenue	356,664	310,760	395,600	422,418	449,516
Operating profit before depreciation and amortisation (EBITDA)	51,387	32,297	58,950	101,996	191,077
Profit before taxation	13,053	7,716	35,126	86,812	174,105
Taxation	(10,521)	(4,203)	7,093	(14,907)	(61,690)
Profit after taxation	2,532	3,513	42,219	71,905	112,415
Attributable to :-					
Equity holders of the company	12,203	1,549	34,243	66,259	114,619
Minority interests	(9,671)	1,964	7,976	5,646	(2,204)
Headline earnings	15,030	1,826	8,906	65,172	117,075
	cents	cents	cents	cents	cents
Earnings per share	13.19	1.04	13.42	20.94	28.67
Headline earnings per share	16.14	1.18	3.49	20.60	29.29
Diluted headline earnings per share	12.93	1.04	3.12	18.21	28.11

Please note that financial years 2003 are not adjusted for IFRS

EMPOWERING PEOPLE THROUGH PROFITS



“...best way for business to be sustainable is to partner communities and government in a social contract...”

VISION AND MISSION

ANNUAL REPORT 2007

MISSION STATEMENT

Sekunjalo Investments Limited (Sekunjalo) seeks to empower individuals and communities through profitable investments. We provide affordable products and services to achieve this goal.

“Empowering people through profits” is a key foundation of our mission statement. We recognise that the best way for business to be sustainable is to partner communities and government in a social contract to achieve economic growth and give more South Africans access to this growing prosperity.

TRANSFORMATION

Sekunjalo became operational ten years ago when opportunities were increasing for black business people and professionals to participate in the economic mainstream, due to the political and legislative framework created in 1994.

From the outset our company’s ethos was a transformational one. The majority of the founding members had been social activists. They had participated in the struggle to transform South Africa from a state that denied the majority of its citizens full political, social and economic participation to a democratic country in which full participation was made possible.

The Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice, promulgated earlier this year, emphasise the need to extend empowerment to a broader base of South Africans. They provide guidelines and a balanced scorecard to measure the transformation of a business entity from an empowerment perspective. Sekunjalo champions transformation within the Group and has been recognised for its contribution to this process.

CORPORATE PROFILE

Sekunjalo Investments is a black-controlled investment holding company situated in the Republic of South Africa. Sekunjalo is invested in two primary sectors, namely, Manufacturing and Resource Driven and Technology and Innovation Driven sectors. Within the Manufacturing and Resource Driven sectors the major investments are in Industrials (primarily fishing) and within the Technology and Innovation Driven sectors the major investments are in Healthcare and Pharmaceuticals, Information Technology and Communication, Financial Services and Biotechnology.

Sekunjalo appoints the boards and management of all its subsidiary companies. We currently employ over 1 000 employees directly, and over 10 000 people benefit from our investments and

associated companies, predominantly in the manufacturing and services sectors of the Western Cape and Gauteng. Sekunjalo is a significant exporter and generates a large portion of income in foreign currency.

As a B-BBEE business, Sekunjalo has strong roots amongst historically disadvantaged individuals (HDIs) and community organisations. These form the majority of the Group’s shareholder base. Black control of Sekunjalo exceeds 80%, and the majority of its economic benefits are enjoyed by black stakeholders.

Sekunjalo is recognised by its peers as a pioneer in promoting the interests of HDI’s and previously marginalised communities. The company has received numerous awards for its business performance and its achievement of real economic transformation for marginalised South Africans.

The Group’s commitment to Transformation, including Employment Equity, Skills and Enterprise Development and Corporate Social Investment makes us a role model for B-BBEE.

INVESTMENT PHILOSOPHY

Sekunjalo’s investment philosophy is to follow sound business principles and practices in our quest to create wealth for all our shareholders. We identify and promote entrepreneurs with potential and flair in our prospective business ventures.

A cornerstone of our philosophy is the upliftment of previously marginalised groups by creating employment, emphasising development and transferring of skills. Our investment philosophy is value-driven and we are always aware of the need to maintain and strengthen corporate governance.

We also teach our employees to have respect for the regulatory institutions in the public and private sectors. The Group’s management team is encouraged to run each business unit in a sustainable manner with regard to communities and the environment.

Sekunjalo’s business model has resulted in us acquiring control of the majority of our investments. This enables us to add value through our extensive networks, while also promoting an entrepreneurial culture within our management structure and staff groups.

In selected investments, which are identified as strategic, Sekunjalo will acquire strategic non-controlling stakes, provided that the company is able to influence the business process to create wealth and achieve transformation.

EXECUTIVE CHAIRMAN



Dr M Iqbal Survé (44)

MBChB, B.Sc (Med) (Hons) Sports Med., Fellow of the American College of Sports Medicine (FACSM), MBA (UCT); SEP (Harvard/WITS).

Appointed: 20 May 1996

Nationality: South African

Major Directorships: Siemens Ltd, Nokia Siemens Networks (Pty) Ltd (NSN), Pioneer Food Group Ltd, UCT Graduate School of Business, Modjadji African Empowerment Consortium Ltd, Umkhankhaso iKapa Investments Ltd, Siyolo Energy and African Resources (Pty) Ltd, Sekunjalo Investments Holdings (Pty) Ltd, Premier Fishing SA (Pty) Ltd, Bioclones (Pty) Ltd

NON-EXECUTIVE DEPUTY CHAIRMAN



Norman T Noland (59)

EDP (WITS), AFP (Financial Planning Institute), AEP (UNISA)

Appointed: 12 December 2005

Nationality: South African

Major Directorships: Premier Fishing SA (Pty) Ltd, Sekunjalo Capital (Pty) Ltd

CHIEF EXECUTIVE OFFICER



Mohamed Y Kajee (53)

BCompt (Hons), CA (SA), ACMA

Appointed: 2 October 2006

Nationality: South African

Major Directorships: Petro SA, Premier Fishing SA (Pty) Ltd, Sekunjalo Health Care Ltd, Health System Technologies (Pty) Ltd, Sekunjalo Capital (Pty) Ltd, Sekunjalo Informatics & Telecommunication Africa (Pty) Ltd

CHIEF FINANCIAL OFFICER



Khalid Abdulla (42)

B.Compt (Hons), CTA (UNISA), Proj. Man (GSB, UCT).

Appointed: 29 August 2007

Nationality: South African

Major Directorships: Health System Technologies (Pty) Ltd, Sekunjalo Medical Logistics (Pty) Ltd, Sekunjalo Enterprise Management Technologies (Pty) Ltd, Sekunjalo Informatics & Telecommunication Africa (Pty) Ltd, FIOS (Pty) Ltd, Sekunjalo Life Assurance Ltd, Sekunjalo Capital (Pty) Ltd, Bensure Insurance Underwriters Ltd, Sekunjalo Medical Aid Administrators (Pty) Ltd, Sekunjalo Financial Services (Pty) Ltd, Premier Fishing SA (Pty) Ltd

BOARD OF DIRECTORS

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DIRECTOR FOR ENTERPRISE DEVELOPMENT



Rev. Vukile C Mehana (54)

B.Th (Rhodes University), AMP (INSEAD Business School-France), MBA (De Montfort University- UK), Ordained Minister of the Methodist Church of Southern Africa

Appointed: 8 August 2007

Nationality: South African

Major Directorships: LR Group (Pty) Ltd (Chairman), Mendo Holdings (Pty) Ltd (Non-Executive Chairman), MacDonald Steel (Pty) Ltd, Makana Investment Corporation (Pty) Ltd (Non-Executive Director representing the Ex-Political Prisoners Trust), Debcor (Pty) Ltd (Non-Executive Chairman), Modjadji African Empowerment Consortium Ltd, Umkhankhaso iKapa Investments Ltd, Sekunjalo Corporate Management Board

NON-EXECUTIVE DIRECTOR



Mihe Gaomab, The First (45)

Appointed: 13 September 2006

Nationality: Namibian

Major Directorships: Falcon Resources Holdings (Pty) Ltd (Executive Chairman), Iltenda Trading (Pty) Ltd (Chairman), Namibia Atlantic Shipping Corporation (Pty) Ltd (Chairman), PetroNam (Chairman), Tulipamwe Caterers (Pty) Ltd

NON-EXECUTIVE DIRECTOR



Zoliswa Kota-Fredericks (51)

B.Soc Sci III (UWC), Senior Executive Programme - Harvard Business School (WITS), Certificate Economics and Public Finance (UNISA), Advanced Diploma Economics (UWC)

Appointed: 11 September 1997

Nationality: South African

Major Directorships: Ilitha Labantu, Member of Parliament, Chairperson of ANC Women's League (W Cape), Member of ANC Provincial Executive Committee (PEC)

NON-EXECUTIVE DIRECTOR



Dianne Case (52)

Appointed: 11 September 1997

Nationality: South African

CV: Ms Case is the renowned author of several published works including "Love David". Ms Case won the Maskew Miller Longman Literature Award in 2007 for the novel "Katy of Sky Road".

NON-EXECUTIVE DIRECTOR



Salim Young (50)

B Proc LLB (UWC), LLM (USA)

Appointed: 12 December 2005

Nationality: South African

Major Directorships: British American Tobacco SA (Pty) Ltd, British American Tobacco Holdings SA (Pty) Ltd, International Tobacco Company Limited, Mallinicks Inc., ABSA Bank (W Cape Regional Board)

RETIRED DIRECTORS

Hishaam M Ally (39),
B.Com (Acc)
(Executive)

Appointed: 18 October 2004

Resigned: 15 February 2007

Nationality: South African

Major Directorships: Sekunjalo Capital (Pty) Ltd, Sekpharma (Pty) Ltd, Health System Technologies (Pty) Ltd, Premier Fishing SA (Pty) Ltd

Dr Gilingwe Mayende (47),
BA (Botswana), MA, PhD (Hull)
(Non-Executive)

Appointment: 3 February 2005

Resigned: 15 February 2007

Nationality: South African

Dr Mayende is the former Director General of Land Affairs

Mathuding Ramathodi (47),
B.Sc (Hons) Political Science and Admin,
Post Grad Rural and Urban Planning.
(Non-Executive)

Appointed: 9 March 2004

Resigned: 27 February 2007

Nationality: South African

Major Directorships: Zebebiela Bricks (Pty) Ltd, BKS Group (Pty) Ltd, Lithemba Investment (Pty) Ltd, Jigalong Property Investments, Legakabje Investments Ltd

Dr Iqbal Survé



“Sekunjalo’s real success is increasingly measured by the number of lives it has saved by restoring dignity to working people, entrepreneurs, women in rural communities ...”

EXECUTIVE CHAIRMAN'S REPORT

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“SEKUNJALO KE NAKO”

“Now is the time to celebrate our shared humanity”

It is a privilege and honour to chair Sekunjalo in its 10th year as a Broad-Based Black Economic Empowerment (B-BBEE) Investment Holding company. As can be seen from this Annual Report, Sekunjalo continues to show increased and phenomenal financial success. However, Sekunjalo's real success is increasingly measured by the number of lives it has saved by restoring dignity to working people, entrepreneurs, women in rural communities and many unemployed in our townships.

Sekunjalo has shown that it is possible to be a large holding company, be highly profitable and yet care about people at the same time. Increasingly Sekunjalo is recognised as a company that is able “to do well and do good” at the same time. It would be wonderful if we can convince more businesses on the African continent to follow this approach.

Sekunjalo, which is the Nguni word for “Now is the Time” or “It is so”, is proudly also sung by all South Africans at momentous and important events. Recently, at a celebration, hosted by the provincial government to honour Sekunjalo's achievements, held at the Cape Town International Convention Centre (CTICC), many people spontaneously sang “Sekunjalo Ke Nako” which translated means “Now is the time to share our common humanity”.

It was truly wonderful to see our friends and colleagues in the private sector, the Presidency, Cabinet Ministers, officials and our employees celebrate with us. As Premier Ebrahim Rasool said, Sekunjalo's success must serve to inspire others. Indeed Sekunjalo remains an aspirational organisation for many people who see through the success of Sekunjalo that it is possible to come from a poor or disadvantaged background yet achieve success.

How appropriate therefore that Sekunjalo is increasingly recognised by the business community, the public sector, civil society and many others as an organisation truly committed to a shared humanity.

Our business approach, our business model, our refusal to participate in businesses that worsen the position of poor, our community partnerships coupled with our deep commitment to community and employee development has seen us being differentiated from our peers in the African economy.

Indeed Sekunjalo is considered the business prototype for being able to overcome poverty and create wealth and prosperity using the elements of the market economy.

Sekunjalo's consistent economic performance during the last five years, our commitment to the community and our ethical business model and ethos have contributed to our success - this success is not only evidenced by our results, but has also been validated and recognised by our acknowledgment by numerous prestigious organisations in South Africa, Africa and the World.

Such is the vision of Sekunjalo for a shared humanity that ‘Sekunjalo ke Nako’ has also been proposed as a possible theme for the 2010 FIFA world cup in South Africa. Let's celebrate together in Africa's shared humanity.

INTERNATIONAL RECOGNITION FOR SEKUNJALO

A number of important events have occurred during the last financial year, which further enhance Sekunjalo's position as the business partner of choice in the southern part of the African continent.

During 2007, Sekunjalo continued to consolidate its position as a premier corporate in the B-BBEE environment, the South African business community and in the international economic arena.

A major recognition during 2007 has been our inclusion in the Inaugural Top 125 *New Champion Global Growth Companies* by the World Economic Forum (WEF). WEF is an independent international organization committed to improving the state of the world by engaging leaders in partnerships to shape global, regional and industry agendas.

I was delighted to receive this recognition on behalf of all Sekunjalo employees, management and directors in Dalian in China at the “Summer Davos”. This would not have been possible was it not for the incredible performance of our employees. My sincerest thanks to all of the wonderful employees and stakeholders in Sekunjalo who are responsible for the Group's success.

The “*New Champions*” are regarded as a new generation of companies, which have demonstrated that they have what it takes,

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namely the essential "X" factor, to fundamentally alter the "global competitive landscape" by becoming leaders in the global economy.

The selection followed a meticulous process and was based on a number of factors including

- Business model;
- Innovation;
- Growth record; and
- The quality of the executive leadership of the selected companies as well as
- The demonstrable potential to become a multinational in the next few years

The cornerstone of the Sekunjalo philosophy is the enlistment of previously marginalised groups by creating employment, emphasising development and transferring of skills. We are extremely proud of achieving this accolade at a time when our Group is poised for global expansion through a number of initiatives.

It is our intention to embrace the WEF membership for the benefit of our Group, our country and the African continent at large. We are in the business of developing leadership and a sustainable business for all of our people on the African continent.

CORPORATE STRUCTURE

The success of Sekunjalo and the increase in its portfolio of investments has seen the Sekunjalo Board approve the establishment of a parallel but separate management and operational board, the Sekunjalo Corporate Management Board (SCMB).

This board is comprised of key executives from the Group's diverse investments and is chaired by a Non-executive Director or the Sekunjalo Chairman. Following best practice of larger local and international companies, the Sekunjalo board has delegated the SCMB to manage the operations of the Group. This will allow for increased synergy and benefits between the different businesses. This new structure came into effect in the year under review.

- The Sekunjalo main Board, which comprises predominantly non-executive directors, will continue to be the major oversight instrument, especially with regards to governance and risk management.
- The SCMB has been tasked with the implementation of the strategic, operational and financial management of the Sekunjalo Group of companies and is second only to the Sekunjalo Board in terms of authority and stature.

We have also seen a number of positive and significant changes to the main Board of Sekunjalo.

- We welcome Mohammed (Mo) Kajee who stepped into the position of Group CEO during the year. Mo is the previous COO and CFO, having previously managed the group's large investment in the Fishing and Aquaculture sector. Mo will continue to encourage and grow the business and foster the ethos and culture for which Sekunjalo is renowned.
- Khalid Abdulla has been appointed as Group CFO and with major executive experience in leading Health Information Technology and Capital businesses, he is perfectly positioned to head up this important portfolio.

Norman Noland retires as Deputy CEO and takes up a non-executive role. I want to thank him for his sterling service and valued contribution as an executive to Sekunjalo during the last two years.

INVESTING IN THE COMMUNITY

Sekunjalo is committed to supporting Black Economic Empowerment and transformation by helping to eradicate poverty through its Enterprise Development and Corporate Social Investment (CSI) portfolios.

In this regard we are delighted that Rev Vukile Mehana has joined the group as Executive Director for Enterprise Development. He will focus his efforts in assisting entrepreneurs from the Western, Eastern and Northern Cape townships and rural communities. They will partner Sekunjalo who will



contribute towards assisting them to overcome poverty and achieve prosperity. Our Enterprise Development portfolio is one which supports other broad-based, women's groupings and black businesses emanating from the communities, especially in the Cape Region.

Through our Enterprise Development and CSI programmes, the Group demonstrates its strong commitment to the eradication of poverty, wealth and employment creation for black women, communities and individuals.

THANKS AND APPRECIATION

In this truly successful year for Sekunjalo, in the spirit of Ubuntu (a shared humanity), where 'I am because of you' and where our success is the success of others, we would like to sincerely thank

the Sekunjalo Board of Directors, executives, management and all our staff for their commitment, dedication and hard work this past year. This dedication will contribute to building a great and good African society.

DR IQBAL SURVE
December 2007

“The cornerstone of the Sekunjalo philosophy is the enlistment of previously marginalised groups by creating employment, emphasizing development and transferring of skills. “

Mohamed Kajee



“Sekunjalo has continued to grow in international and local stature...”

CHIEF EXECUTIVE OFFICER'S REPORT

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Sekunjalo Investments Limited ("Sekunjalo") has continued to grow in international and local stature and has once again been in the spotlight of the world economic stage. In the year under review, we have once again continued with our aggressive strategy to achieve growth organically and through acquisition.

The Sekunjalo Investment Group ("the Group") is invested in two primary sectors, namely Manufacturing and Resource-Driven Investments and Technology and Innovation-Driven Investments.

Within the Manufacturing and Resource-Driven Investments the major investments are in Industrials (primarily fishing) and within the Technology and Innovation-Driven Investments the main investments are in Healthcare and Pharmaceuticals, Information Technology and Communication, Financial Services, Aquaculture and Biotechnology.

RECENT HIGHLIGHTS

Sekunjalo has recently received a number of prestigious awards and accolades:

- In 2007, Sekunjalo received Global Recognition by the World Economic Forum.
- The Business Map Foundation Top BEE Partnership Award for 2007.
- The Financial Mail Empowerdex Award for 2007 for the top-ranked listed BEE Firm in the General Industrials sector of the JSE.

Sekunjalo received a major honour when it was selected as the only South African company to be a Founding Member of the Top 125 World Economic Forum (WEF) New World Champion companies in Dalian, China.

WEF in partnership with the Government of the People's Republic of China, hosted this Inaugural Annual Meeting of the New Champions at the gathering of founding members of fast growing "Global Growth Companies". Sekunjalo was one of five companies on the African continent to receive this recognition and was the only South African company to be included in this prestigious group of international companies.

GROUP PERFORMANCE

During our previous financial year, Sekunjalo focused on acquisitions in particular in the Information Technology and Financial Services sectors. However, the past financial year has been focused on consolidating our various investments within these divisions and ensuring that synergies across the divisions were being effectively leveraged.

Operating profit is up 107% to R186m, Headline earnings at R117m reflects an increase of 80%, Revenue is up 6% to R450m. These continued excellent results are largely due to a much improved performance in fishing and an increasingly solid performance in our Technology and Innovation-Driven Investments.

GROUP	R'm	2005	2006	%	2007	%
Group revenue	R'm	395.60	422.42	7%	449.52	6%
Earnings for the group	R'm	34.24	66.26	94%	114.62	73%
Operating profit achieved	R'm	45.82	89.68	96%	185.53	107%
Headline earnings for the group	R'm	8.91	65.17	631%	117.08	80%
Headline earnings per share	cents	3.49	20.60	490%	29.29	42%
Basic earnings per share	cents	13.42	20.94	56%	28.67	37%
COMPANY	R'm	2005	2006	%	2007	%
NAV FOR THE COMPANY	R'm	813.83	903.54	11%	1031.49	14%
NAV PER SHARE	cents	286.72	250.51	-13%	219.84	-12%
MARKET CAPITALISATION	R'm	150.40	270.50	80%	394.96	46%

CHIEF EXECUTIVE OFFICER'S REPORT (CONTINUED)

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REVIEW OF INVESTMENTS

*MANUFACTURING AND
RESOURCE DRIVEN
INVESTMENTS*

FISHING AND AQUACULTURE

The allocation of long term rights has brought much needed stability to the Fishing Industry in South Africa. Due to the stability in the Industry, it is widely acknowledged that we will see much needed consolidation in the Industry.

Premier Fishing's (Premier) success in the long-term rights allocation process is an excellent platform for its aggressive growth strategy. Building on its current lobster rights, Premier has become one of the largest lobster fishing companies in the Southern Hemisphere.

Premier's results have vastly improved on last year's figures. This is largely due to 1) cost efficiencies and a favourable rand/dollar exchange rate resulting in export revenue exceeding 50% of total revenue, 2) a rollover of West Coast Rock Lobster quotas from last year and 3) good catches of West and South Coast Rock Lobster.

Premier has also significantly reduced its long term debt and is in a good position to make acquisitions and facilitate consolidation particularly amongst Black businesses in the fishing industry.

The Pelagic sector is experiencing a significant decline in the Total Allowable Catch (TAC). A further set back in this sector is that the pelagic resource traditionally found on the West Coast is moving to the East Coast of Southern Africa, where most catches are around Mossel Bay.

As most of the Canneries are on the West Coast the transport of catches from Mossel Bay has resulted in significant increased unit costs of canned pilchard production. Premier is currently in discussion with other Pelagic sector companies to enter into long-term joint ventures and/or partnership arrangements to address the challenges of this sector.

Furthermore, management continues to seek cost efficiencies in all the sectors in which Premier operates with a view to improving profitability.

The Abalone farm based in Gansbaai continues to deliver steady results. The decision to invest in aquaculture and create an environmentally sustainable fishing resource in our country, is now validated by the Government's move to close the wild abalone sector. This area of the business is poised for significant expansion and the Group is currently in discussions to acquire another farm.

ENTERPRISE DEVELOPMENT

During 2006, the Group identified various actions for business development in the small and medium enterprises sector and actively pursued opportunities to partner with various enterprises. In the year ahead, the Group will continue to focus on strengthening its involvement in Enterprise Development and commits to supporting previously disadvantaged groups. One of the more prominent successful investments has been into ESP Afrika, the owner of the Cape Town International Jazz Festival. This is now the 4th largest festival of its kind internationally.

*TECHNOLOGY AND
INNOVATION DRIVEN
INVESTMENTS*INFORMATION TECHNOLOGY AND
COMMUNICATIONS (ICT)

The Groups ICT businesses are known as Sekunjalo Informatics and Telecommunications Africa ("SITCA"). During the past year, management has focused on consolidating the ICT businesses across the group and managing it as an autonomous division.

SITCA is a business solutions provider that through its investments, is focused on:

- providing business intelligence solutions;
- developing and supporting a variety of software products that are custom designed to meet the objectives of businesses operating in specific sectors; and
- providing cost effective IT solutions to the health care industry.

The Group is preparing to list the ICT division in the second half of the next financial year. Management believes that it is prudent to consolidate and rationalise the businesses to enable it to provide support structures for the ICT division. The four main



operating ICT companies - Synergy, FIOS, HST and Saratoga performed well and both Synergy and Saratoga received prestigious ICT awards. Synergy was named the Cognos South African Reseller Partner of the Year by New York Stock Exchange listed Cognos, whilst Saratoga was acknowledged as a leading innovator of mobile software when it won a DTI award for its 'Shine' Initiative project. 'Shine' is a DTI-sponsored initiative to create service delivery by creating a field-worker productivity suite for local government and utilities.

FINANCIAL SERVICES

The Group's financial services interest is held through its wholly-owned subsidiary, Sekunjalo Capital (Pty) Ltd.

In the past year, Sekunjalo Capital sold its international business to an international private equity firm based in Mauritius allowing Sekunjalo Capital to focus on its core South African business.

Sekunjalo Financial Services has developed an integrated financial services platform through extensive investment in software development. This platform is able to deal with the complexity of distributing financial services products.

This division provides a wide range of products and services including:

Retirement structuring, administration and consulting;

- Direct marketing of financial products and services;
- Life insurance services encompassing life insurance, funeral benefits and short term insurance;
- Asset finance and structured finance consulting services; and
- Internet equity trading

The strategy going forward is to market directly to established affinity groups. The business is currently in the process of implementing an agreement with one of South Africa's largest Trade Unions. This will:

- populate the business significantly;
- contribute to earnings; and
- provide annuity income from distribution of the products

SEKUNJALO CAPITAL INTERNATIONAL

Sekunjalo sold its shareholding in Sekunjalo Capital International (Pty) Ltd, during the latter half of this financial year.

Over the past three years, Sekunjalo has developed a strategic partnership with a private equity investment firm listed and quoted on the Stock Exchange of Mauritius. In the past year, this company made an arms-length approach for the offshore

assets of Sekunjalo Capital International in Mauritius. After careful consideration the Board decided to accept this offer on the basis that (1) the offer represented fair value; and (2) would allow the Company to refocus efforts on its core South African market where the Board believes the greatest opportunity lies for Sekunjalo and yet retain the good relationship with the acquiring company.

HEALTHCARE AND PHARMACEUTICALS

Sekunjalo Health Care ("SHC") and its associated health care companies, has been successful in the past financial year in securing significant government contracts for medical devices through an open tender process.

However, in the year under review, Sekunjalo made significant attempts to turn around the Health Care division. Unfortunately, the past year continued to deliver disappointing results. This was largely due to the planned turnaround of the Pharmaceuticals business taking much longer than anticipated. However, the Rapid Diagnostics business has delivered satisfactory results through both locally produced test kits and the importation of diagnostics kits to service the state tender market.

In accordance with good accounting practice, the Group has decided to impair the outstanding loan owing by SHC to Sekunjalo and has embarked on significant cost cutting exercises with a view to getting the Pharmaceutical business to a break-even position by year end 2008 whilst pursuing alternate strategies for this business.

BIOTECHNOLOGY

Sekunjalo, through African Biotechnological and Medical Innovation Investments (Pty) Ltd ("ABMI"), owns 49% in Bioclones (Pty) Ltd, the leading biotechnology company on the African continent and in the developing world.

The stature of Bioclones has been recognised and enhanced by one of the world's foremost biotechnology cell lines companies based in Switzerland, Solidago AG. This company chose Bioclones as its licensee for GCSF (a cancer treatment drug) with current global revenues of US\$ 5 billion annually. This is the partner drug to Bioclones' own Repotin (EPO) which is also used in cancer treatment and kidney failure and which has a current global market of US\$ 12 billion.

Bioclones currently has a state-of-the-art EPO facility in Pretoria, which it intends to expand through the proceeds of an international listing in London or New York.

Bioclones' experience in the manufacture of EPO is that its cost structure in the manufacture and research process will allow it to deliver EPO to the global market at a far lower cost. During March

CHIEF EXECUTIVE OFFICER'S REPORT (CONTINUED)

ANNUAL REPORT 2007

2007, Government partnered with Bioclones via the Biopad Trust, whereby the Biopad Trust invested US\$ 5,3 million in the upgrading of the GCSF facility in Cape Town and the licensing with Solidago AG, Switzerland.

GCSF is expected to contribute to Sekunjalo's global revenues in 18 months and the facility will be upgraded to meet European and US standards. Bioclones has recently concluded its clinical trials for one of its other novel products for the treatment of HIV/Aids. It is Bioclones' intention to make such drugs affordable to the population of Africa and the poor in particular. Bioclones is currently valuing its 22 global patents and is assessing investments in novel drug compounds as well as bio-similar products with further developments.

The biotechnology sector continues to afford significant worldwide growth opportunities.

GROUP PROSPECTS

The strategy of the Group is to grow and consolidate investments in its two primary Investments, namely the Manufacturing and Resource-Driven Investments, and the Technology and Innovation-Driven Investments.

Sekunjalo is confident about its prospects. We have formed significant partnerships with multinational companies in fishing, ICT, health care and biotechnology.

In fishing, our lobster brand "South Atlantic Lobster" is globally recognised and we have partnerships in the USA, Asia and Europe. Our farmed abalone is highly sought after in the Far East. At a recent organic fertiliser exhibition in the UK, our organic fertiliser "Seagro" and our kelp products were well received.

In Biotechnology, Bioclones' partnership with Swiss based Solidago AG, has the potential for Bioclones to acquire further licences in this highly lucrative global industry. Bioclones are currently in discussion with two multinational companies to licence its successful Repotin and GCSF products into the European, Mid-East and Asian markets.

Bioclones' partnerships with global private equity groups based in Mauritius, Europe and USA are a potentially important contribution to the Group's earnings in the years ahead.

Sekunjalo Investment Holdings (Pty) Ltd ("Holdings") is the largest shareholder of Sekunjalo Investments Ltd. Holdings, through its subsidiary Sekunjalo Telekom (Pty) Ltd, recently acquired 13% of Nokia Siemens Networks ("NSN") RSA, by fulfilling stringent empowerment and other criteria. Holdings has tabled a memorandum of agreement to Sekunjalo whereby Sekunjalo will accrue the full benefit of the NSN RSA investment, subject to conditions precedent being fulfilled by 31 March 2008 - including the approval of NSN RSA and NSN Global.

The Group aims to continue to grow through organic growth and/or targeted acquisitions. The strategy is to unlock value through separate listings. There are many opportunities to partner organisations as BEE partners in such transactions. In this regard, we are targeting the larger blue chip investments by acquiring minority stakes of up to 30% in various businesses.

We are aware that this signals a departure from our traditional investment strategy of holding majority stakes in our various businesses. However, we believe that the gains for stakeholders in this strategy has the potential to deliver significant returns on investments.

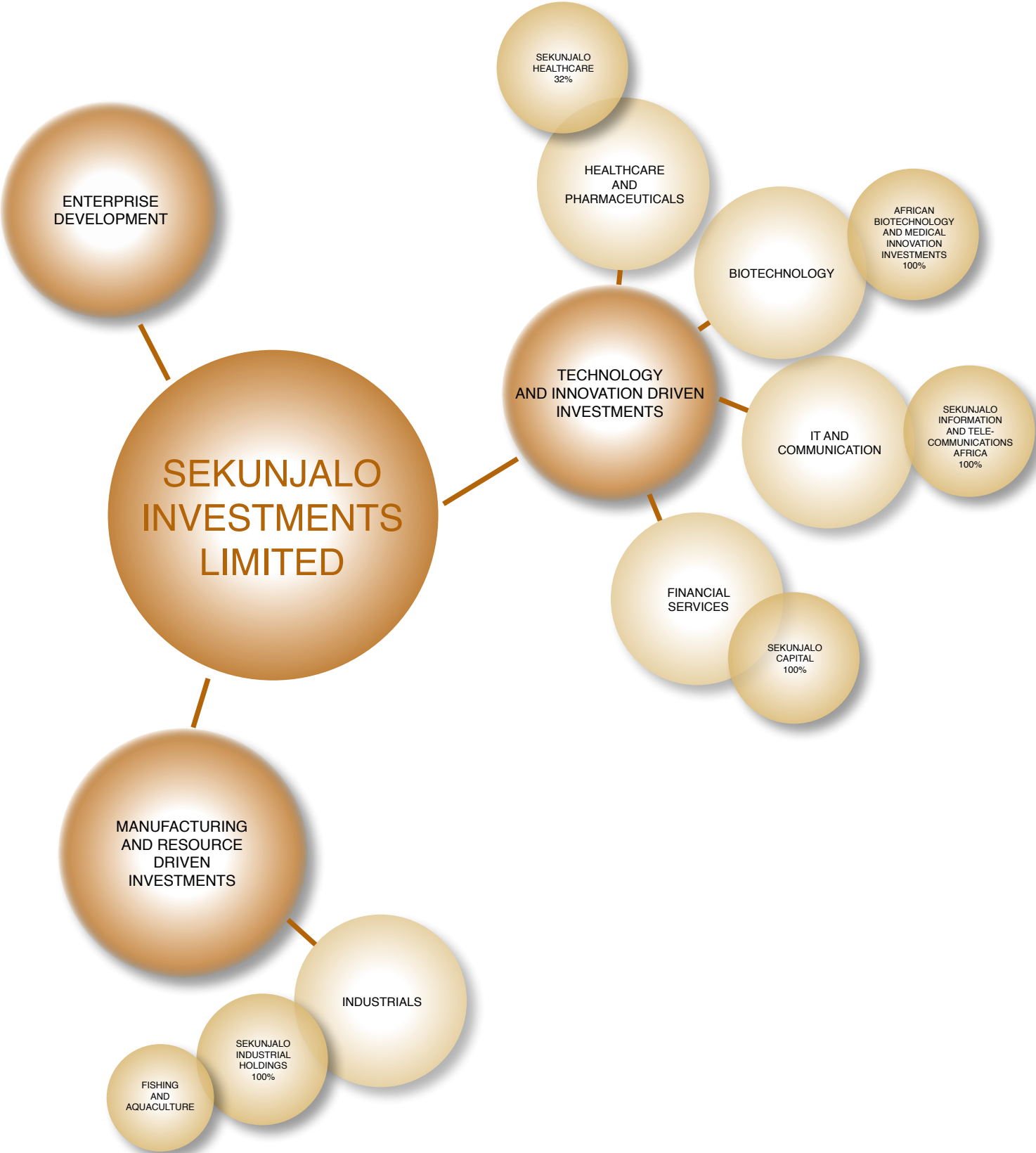
THANK YOU

I would like to thank the Sekunjalo Board of Directors for their support which is appreciated. To all our executives and staff a big thank you for all your hard work and commitment to Sekunjalo, without which we would not enjoy the success that we do.



MO KAJEE
December 2007

CORPORATE PROFILE



EXECUTIVE MANAGEMENT REPORT

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FISHING AND AQUACULTURE

Premier Fishing is the largest black controlled fishing company in the South African fishing industry. It is a major business of Sekunjalo Industrial Holdings (SIH) and specialises in the harvesting, processing and marketing of fish and fish-related products.

This solid company has long-term rights in all the major sectors of South Africa's fisheries, namely South Coast and West Coast Rock Lobster, pelagic and squid and also owns an abalone aquaculture farm in Gansbaai.

Premier Fishing is a major player in the lobster sector. The company's premium brand, South Atlantic Lobster, has been traded internationally in the USA for the past 20 years and the West Coast Lobster is a favourite in Japan, China, Taiwan, Europe and North America.

Due to a shortage of supply in international markets, squid performed very well this year. Firm prices and the weakening of the rand against the Euro contributed to an excellent performance in this division. Combined with the roll-over from last years' rights' allocation, Premier Fishing concluded the year on a very high note.

Low gearing and an exceptionally strong balance sheet holds promise of excellent acquisitive and organic growth in the coming year. Our strategy of reducing costs and strengthening efficiencies in the operation is yielding results.

Demand for South African lobster continues to be strong in international markets. Due to declining fish resources and an increased health consciousness worldwide, we are poised to increase our market share internationally.

Atlantic Fishing Enterprises (AFE) is a division of Premier Fishing. AFE owns an abalone aquaculture farm. South African abalone is highly sought after internationally, second only to the Japanese abalone.

Due to aggressive poaching, the wild abalone sector has been severely restricted by the marine authorities with a severe reduction in the Total Allowable Catch (TAC) in 2007. Marine authorities have decided to close this fishery. However, due to strong objections to this action, a three month period of grace has been granted to enable all related parties to come to an agreement on the future.

We are filling the void left by the ever-decreasing wild abalone quota and this has had a positive impact on our results. In 2007 we will continue to produce the larger size abalone. Our strategy is to expand the farm and to reach our maximum capacity of 200 tons.

Our branded organic fertiliser *Seagro Organic* enjoys a 55% market share in the local organic fertiliser market. Seagro was launched in the United Kingdom market earlier this year, where it has been well received. We look forward to excellent growth for this product, both locally and abroad.

ENTERPRISE DEVELOPMENT

Sekunjalo Enterprise Development (SED) was established to enable previously disadvantaged individuals to enter the mainstream economy. SED continues to assist in the development of small and medium enterprises thereby contributing to the transformation of the South African economy.

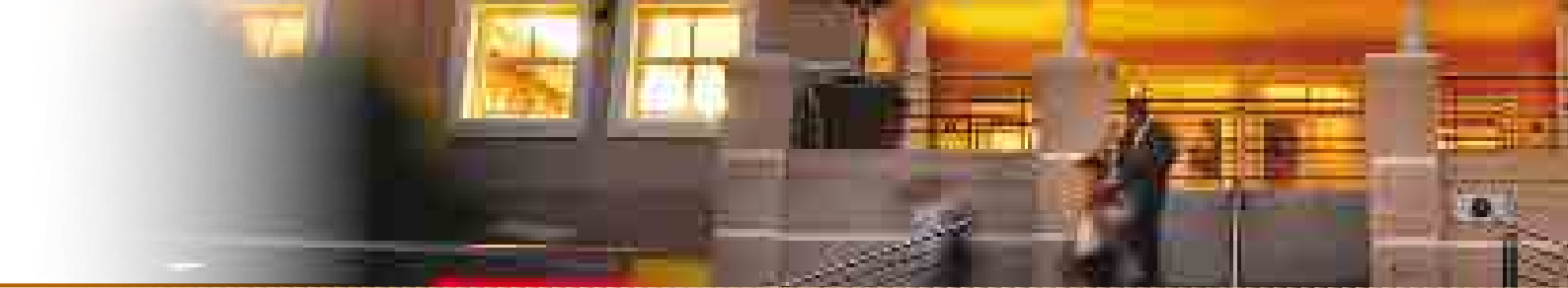
INFORMATICS AND TELECOMMUNICATIONS

Sekunjalo Informatics and Telecommunications Africa (SITCA) is a wholly-owned subsidiary of Sekunjalo Investments Ltd acting as a holding company for:

- Fios (Pty) Ltd (100%),
- Synergy Computing (Pty) Ltd (100%),
- Saratoga Software (Pty) Ltd (51%),
- Semtech (Pty) Ltd (76%),
- XN Corporation Africa (Pty) Ltd (24%)
(sold during the year)

SITCA was established to acquire, develop and hold niche market software solution businesses. SITCA investments are focused on business performance improvement solutions for corporate and government enterprises, primarily in South Africa.

SITCA has a significant investment in the Cognos business intelligence (BI) market through *Synergy*, a leading provider of BI solutions to corporate customers for the past 29 years and Fios, one of the top providers of Cognos office finance solutions. Recognition of this performance came in the form of an international award, presented by Cognos to



Synergy as the best reseller in South Africa, at a prestigious banquet in Orlando, Florida, in May.

Amongst Fios' recent achievements is the deployment of the Cognos consolidation, budgeting and reporting (CPM) suite for Nedbank and installation plans for AngloGold Ashanti in Ghana.

Synergy achieved great progress in the financial year under review to attract, develop and retain the skills required to grow Synergy's consulting team into one of the most experienced and knowledgeable in the local market.

This division performed satisfactorily during the past financial year.

Saratoga is a young company developing and supporting a variety of software products for corporate customers that consider custom-developed software an essential and strategic advantage to their business.

Saratoga is a Microsoft Gold Certified partner with competencies as an ISV/software solutions and mobility partner. With a dedicated team of highly skilled professionals, the company has developed a number of world-class niche products, particularly in mobility, insurance, accounting, and human resources. With our skills and experience we compete well against other international software development houses.

Our products that continue to do well are Fuzion, our call centre and insurance administration management system with four new clients and HRonline, our web-based human resources management system.

Saratoga has successfully developed new software technologies, which has received recognition. This year we were runners-up in the SPII Large Companies Category for the Department of Trade & Industry (dti) Technology Awards. The Shine Initiative was developed to streamline business processes, increase efficiency and reduce costs through the use of mobile technology and wireless devices. Shine has created a mobile solution for work order management, inventory management, meter management, meter reading, CRM, Surveys, GPS mapping and intelligent reporting.

Health System Technologies (HST) is a wholly-owned subsidiary of Sekunjalo Health Care - but is managed as part of the SITCA division. HST is a leading supplier of integrated health care information system products to both the public and the private sector – from small primary health care clinics to very large and complex tertiary hospitals.

HST offers cost-effective IT solutions to the health care industry and plays a leading role within the public Health IT sector. Our largest client is the Western Cape Department of Health, for whom

we have implemented a comprehensive hospital information system in a centralised environment across 16 hospitals. The rollout to the remaining hospitals is continuing with the final target being 41 hospitals.

During 2007, HST's turnover and profit increased significantly compared to 2006 as we increased our range of service and product offerings, whilst containing our staff complement.

HST has also formed strong alliances with major role players in the health care and IT industries, and are very well positioned for significant growth in future. These include:

- Siemens Medical Services in South Africa, Erlangen and Malvern (USA)
- Siemens Business Services in South Africa
- T-Systems South Africa
- SAP South Africa
- AME International and AME Africa
- Intersystems
- Fujitsu Siemens

Demand for IT solutions continues to grow steadily in both the private and public sectors and SITCA anticipates its subsidiaries to grow organically notwithstanding the current acute skills shortage. A number of small and medium sized acquisitions are planned in order to acquire products, skills and gain access to select niche markets.

We anticipate that SITCA will list on the AltX during the coming financial year in order to facilitate future acquisitions in the IT sector.

FINANCIAL SERVICES

Sekunjalo Capital (Pty) Ltd ("Sekcap") is a wholly-owned subsidiary of Sekunjalo and serves as the holding company for our financial services and related operations.

Although we are strongly focused on the provision of financial products and services to the under-served historically disadvantaged individuals, our extensive service and product offering, as depicted in the table below, spans every aspect of the financial services industry:

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Company	Focus
Sekunjalo Financial Services (Pty) Limited	Provision of cost-effective financial services to the under-served market.
Sekunjalo Structured Finance (Pty) Limited	Formulation and implementation of corporate transactions such as mergers, acquisitions and disposals.
Sekunjalo Private Equity (Pty) Limited	Investment in the equity of companies to facilitate their transformation and increase value for shareholders.
Sharenet (Pty) Limited	Sharenet (Pty) Limited investment website providing relevant and timely information to potential and existing investors and an online trading system.
Sekunjalo Asset Finance (Pty) Limited	Provision of asset finance through traditional banking institutions.

Over the past two years a number of businesses in the financial services sector were bought and restructured to lay the foundation for *Sekunjalo Financial Services (Pty) Ltd*. This business is our main vehicle in the provision of financial services products to the emerging market. We use a range of service companies to provide products that can be tailored to the needs of specific target markets.

Sekunjalo created one platform for the manufacturing, administration, IT and distribution of our products and services, which have been integrated with a consumer-friendly call centre. Through our website which will be activated in 2008, the middle market will have access to a low-cost, high-value product suite that can be managed online. We are in discussions with several UK life administrators who have shown an interest in buying usage rights for this platform.

Our strategy for growth, besides targeted acquisitions, is to develop strategic partnerships with established companies in our target markets and affinity groups. This enables us to distribute our products through existing, mature infrastructures trusted by our target markets.

HEALTH CARE AND PHARMACEUTICALS

Sekunjalo Health Care Ltd (SHC) aims to be a leading health care company in South Africa by providing market-driven products of superior quality that are affordable and will ultimately improve quality of life.

SHC houses Sekunjalo's investments in health care and pharmaceuticals.

SHC entered into a management contract with Promex Health and Medical & Surgical Corporation (previously New Promex (Pty) Ltd) ("Promex") - who are the leading manufacturer of needles and syringes in Sub-Saharan Africa - to manage the daily operations of Promex. Promex has already proven to be successful in the public sector on a national and provincial level.

Sekpharma (Pty) Ltd provides affordable, quality health care products that include:

- The leading injectible antibiotic *Fortum*,
- The well-established ethical dermatological products *Dermovate*, *Betnovate* and *Eumovate* and
- *Becotide* and *Becloforte* will be introduced to the market during 2008, once a manufacturer has been identified and the subsequent product amendments have been submitted to the Medicines Control Council for approval.

Sekpharma's strategy is to establish joint ventures with reputable pharmaceutical multinationals and market their products to add value for all stakeholders.

Through joint ventures and strategic alignment Sekpharma continues to scope the pharmaceutical landscape to further enhance its product offerings. The expansion strategy will include ethicals, generics and OTC product lines.



Wynberg Pharmaceuticals (Pty) Ltd trading as Rapimed, manufactures and markets medical diagnostic strips to be used for pre-admission purposes in hospitals, pharmacies and doctors' rooms.

The products include:

- *Uricheck* for routine urine tests;
- *Glycostrip* for glucose testing;
- *Pregistrip* for routine pregnancy testing; and
- *Wondfo* for HIV screening and confirmatory blood tests. Rapimed and Wondfo have won a two year National Government tender to roll out HIV rapid diagnostic testing kits.

Rapimed's strategy for 2008 is to aggressively penetrate the private sector and the export market into Sub-Saharan Africa with its existing range of rapid testing products.

With the turnaround strategy now embedded, opportunities for SHC continue to be scoped through all divisions.

BIOTECHNOLOGY

Bioclones (Pty) Ltd (Bioclones), 49,9% owned by our wholly-owned subsidiary *African Biotechnological and Medical Innovation Investments (Pty) Ltd*, and its subsidiary *Ribotech (Pty) Ltd (Ribotech)* had a positive year.

Towards the end of 2006 a licensing agreement was concluded with *Solidago AG* which provides Bioclones with an engineered micro-organism expressing, in internationally competitive yield, a growth factor used to offset one of the major side-effects of certain chemotherapeutic agents used in the treatment of cancer. This project is being developed by the Bioclones subsidiary, *Ribotech*.

During January 2007 a non-renounceable rights offer, underwritten by Bioclones, was made to the shareholders of Ribotech to recapitalise the company to reduce the level of debt and to facilitate an investment into the company by the Biopad Trust, a Biotechnology Regional Innovation Centre funded by the Department of Science and Technology.

The rights offer raised R18,0 million through the issue of 2,250 shares in Ribotech to Bioclones. The sum raised was applied to reduce the Ribotech loan account with Bioclones.

In March 2007 Bioclones concluded agreements with the Biopad Trust whereby the Biopad Trust subscribed for 35% of the issued share capital of Ribotech for a consideration of US\$5,3 million.

Bioclones currently manufactures recombinant human erythropoietin (r-HuEPO) and has some 16 years of experience in the manufacture of this product. Since 1999, Bioclones has supplied state hospitals under the state tender system with this important medication at a much lower price than that of its competitors.

Bioclones is planning to raise capital through an international listing for which purpose a listing committee has been formed.

The biotechnology sector continues to afford significant worldwide growth opportunities. The first generation biotechnology products for medical use are all, outside the USA, patented and command a market of some US\$35,0 billion. The second generation products are gaining acceptance in the market and are currently forecast to achieve a market of US\$23,0 billion by 2011, at which date some patents will expire.

SEKUNJALO CELEBRATES WEF RECOGNITION



1. Norman Noland; Premier Ebrahim Rasool; Adi du Plessis; Dr Iqbal Survé 2. Lawrence Khoza; 3. Redi Direko (MC) 4. Dr Fatima Survé; Khalid Abdulla; Zenariah Barends; Faye Kariem, Dr Saadiq Kariem 5. Dr Iqbal Survé 6. Jean Alfeld; Lawrence Khoza; Haiko Alfeld 7. Dr Iqbal Survé; Nadia Kamies 8. Russell Turner; Kevin Patel; Patrick Mngxunyeni

VISUAL DISPLAY

ANNUAL REPORT 2007

“A MAJOR RECOGNITION DURING 2007 HAS BEEN OUR INCLUSION IN THE INAUGURAL TOP 125 NEW CHAMPION GLOBAL GROWTH COMPANIES BY THE WORLD ECONOMIC FORUM (WEF).

THE “NEW CHAMPIONS” ARE REGARDED AS A NEW GENERATION OF COMPANIES... THAT HAVE WHAT IT TAKES... TO FUNDAMENTALLY ALTER THE “GLOBAL COMPETITIVE LANDSCAPE” BY BECOMING LEADERS IN THE GLOBAL ECONOMY.”



9. Reverend Vukile Mehana, Heidi Raizenberg; Rashid Lombard; Zo Kota 10. Haiko Alfeld; 11. Dr Anthony Mbewu; Dr Iqbal Survé; Alex Mathole; Jerry Mathole 12. Mo Kajee; Premier Ebrahim Rasool 13. Sammy Hartman Band 14. Minister Essop Pahad 15. Minister Membathisi Mdladlana; Dr Iqbal Survé; Ambassador Harold Doley 16. Faye Kajee; Derrick Rosslind; Tracey-Lee Rosslind; Mo Kajee; 17. Premier Ebrahim Rasool



“Sekunjalo remains committed to the principles of effective corporate governance, integrity, transparency and application of the highest ethical standards”

CORPORATE GOVERNANCE REPORT

ANNUAL REPORT 2007

CORPORATE GOVERNANCE VISION

The Board of Sekunjalo remains committed to the principles of effective corporate governance, integrity, transparency and application of the highest ethical standards in doing business. The Directors endorse the principles of *The Code of Corporate Practices and Conduct* contained in the *King Report on Corporate Governance* (2002). In supporting the Code, the Directors recognise the need to conduct the Group's businesses with integrity and reporting its results in accordance with *International Financial Reporting Standards (IFRS)*.

BOARD OF DIRECTORS

The Sekunjalo Board of Directors consists of five Non-Executive Directors and four Executive Directors who determine the standards and policies to ensure that the highest quality of corporate governance is maintained within the Group. In the interest of ascertaining a suitable balance of power and authority, the Sekunjalo Board of Directors has during the period under review, sanctioned the separation of the offices of Chairman and Chief Executive Officer. This has seen the appointment of Dr Iqbal Survé to the position of Executive Chairman and that of Mohammed Yusuf Kajee as Chief Executive Officer. The office of Deputy Chief Executive Officer has since been abolished and Norman Noland has taken up the position of Non-Executive Deputy Chairman of the Group.

Two members have been appointed to the Board during the last financial year. Reverend Vukile Mehana has joined Sekunjalo as Executive Director for Enterprise Development and Khalid Abdulla has assumed the position of Chief Financial Officer. The Board has seen three resignations during the period under review. Mathuding Ramathodi and Gilingwe Mayende tendered their resignations to pursue personal interests outside Sekunjalo. Hishaam Ally also relinquished his position to focus on his appointment as Chief Financial Officer of Premier Fishing SA (Pty) Ltd, a subsidiary of Sekunjalo Investments Limited.

The Non-Executive Directors are completely independent of management or any relationship that could significantly affect their decisions and advice. It is envisaged that with the contributions of the independent and experienced cadre of directorship Sekunjalo has established a suitable balance of powers and a solid framework for the examination and calculation of risk.

In following best practices by larger local and international companies, the Sekunjalo Board of Directors has in this period delegated the management of the Group's operations by approving the establishment of a parallel but separate management and

operational board, the Sekunjalo Corporate Management Board (SCMB). This Board will be tasked with implementing the operational strategic and financial management of the Sekunjalo Group of companies and in terms of authority and stature, is second to the Sekunjalo Board. Membership to the SCMB predominantly comprises of key executives in the Group under the chairmanship of a Non-Executive Director. The SCMB Directors are Norman Noland (Chairman), Zenariah Barends, Andre Wolmarans, Peter van Zyl, Kevin Patel, Andrew Connold, Bruce Knight, *Khalid Abdulla, *Rev. V Mehana, *Mohamed Kajee, and *Dr Iqbal Survé. Directors of SCMB are permitted to attend Sekunjalo Board meetings by invitation.*(also on Sekunjalo Board)

According to the company's articles of association, all Directors are subject to retirement by rotation and re-election by shareholders at least once every three years.

The Board has a policy that allows for the clear division of responsibilities at board level to ensure a balance of power and authority. This means that no one individual has unlimited powers when it comes to decision-making.

The Board meets at least four times a year to review the financial and operational performance of the Group and to consider issues that may have a significant impact on the Group. Senior managers of the company may attend Board meetings by invitation.

The Directors of the Board have to advise the Financial Director or the Company Secretary, should they wish to buy or sell any shares in the company. The Directors are not allowed to make use of internal company information when deciding whether or not to buy or sell shares.

The Board has full and unrestricted access to all company information, records, documents and property, and monitors the non-financial aspects relevant to the business of the company.

The Board recognises its responsibility to report and communicate all matters of significance to all our stakeholders and to ensure effective communication between our internal and external stakeholders.

The Board encourages attendance at the Annual General Meeting (AGM) of its Directors and chairpersons of its committees. We appraise the performance of the Chief Executive Officer on an annual basis through our committees.

CORPORATE GOVERNANCE REPORT (CONTINUED)

ANNUAL REPORT 2007

DIRECTORS' ATTENDANCE AT BOARD MEETINGS

BOARD MEETINGS	
	1 2 3 4 5 6 7 8
Ally*	████████████████████
Case	████████████████████
Kota	████████████████████
Kajee	████████████████████
Noland	████████████████████
Ramathlodi**	████████████████████
Survé	████████████████████
Young	████████████████████
Mayende***	████████████████████
Mehana****	████████████████████
Abdulla*****	████████████████████

* Hishaam Ally resigned with effect from 27 February 2007

** Mathuding Ramathlodi resigned with effect from 27 February 2007

*** Dr Gilingwe Mayende resigned with effect from 15 May 2007

**** Rev Vukile Mehana appointed 01 August 2007

*****Khalid Abdulla appointed 29 August 2007

THE CHAIRMAN

The Chairman ensures that the Board is functioning efficiently and provides guidance and leadership for the Group. The Sekunjalo Board elects the Chairman.

The Board has complied with the *JSE Securities Exchange South Africa's (JSE) Listings Requirements*, in that the roles of Chairman and Chief Executive Officer are separated.

CHIEF EXECUTIVE OFFICER

The Chief Executive Officer, Mr. Mohamed Y Kajee, is responsible for the leadership and strategic direction of the Group. He also serves as Chairman of most of the Subsidiary Boards and as Chairman of the subsidiary Executive Committees.

BOARD COMMITTEES

The Board has established a number of committees to assist it in performing its duties, and to fulfill

its effective decision-making processes. Specific responsibilities have been formally delegated to the sub-committees, with defined regulations and terms of reference. We have appointed audit, remuneration, investment and transformation committees as detailed below.

AUDIT COMMITTEE

The Group's audit committee is chaired by Mr. Norman Noland and has Mrs. Zoliswa Kota-Fredericks, Mr. Salim Young and Mr. Mihe Gaomab as members. The audit committee acts as the link between the external auditors and the Board. This committee's responsibilities include ensuring that internal controls are in place and that management is continuously improving these controls. The committee is also responsible for reporting to the Board on the final Group financial results.

The main objectives of the committee include the following:

- Assisting the Board of Directors in fulfilling their responsibilities by ensuring that the system of internal controls, accounting practices, management information systems, financial reporting systems and auditing processes are functioning effectively;
- To facilitate effective communication between the Board of Directors, senior management and the external auditors;
- To establish the credibility, objectivity and reliability of published financial reports and ensuring that the financial statements comply with *IFRS*. By doing this, the committee can provide an objective independent forum for the resolution of significant accounting and reporting related matters;
- To promote the overall effectiveness of corporate governance;
- To evaluate the independence and effectiveness of the external auditors;
- To monitor the ethical conduct of the company, its executive and senior officials. The external auditors can communicate with the chairman of the audit committee and all of its members throughout the year. The chairman of the committee is also available at the AGM to answer questions about the committee's activities.

REMUNERATION COMMITTEE

The Remuneration Committee consists of Non-Executives and Dr Iqbal Survé under the chairmanship of Mr. Salim Young. Dr Survé is however, recused



from discussions when issues relating to the Chairman's remuneration arise. Each subsidiary company has its own remuneration committee, which consists of Non-executives, and a Non-executive Director chairs this committee. The remuneration committee meets at least once a year, and determines the fees to be paid to Non-executive Directors in consultation with a senior director of the external auditor. Consideration is given to the relative contribution of each Non-executive Director and their participation in the activities of the Board and its committees.

INVESTMENT COMMITTEE

The members of the investment committee are Mr. Mo Kajee, Rev. V Mehana and by invitation, a representative from ABSA. Dr Survé chairs the Investment Committee.

The investment committee has been established to evaluate opportunities that present themselves to the Board, and advises the Board on such investment opportunities. However, the Board is responsible for the final decision on all such investments.

TRANSFORMATION COMMITTEE

The Transformation Committee is chaired by Rev. V Mehana and comprises Mrs. Zoliswa Kota-Fredericks, Ms Dianne Case and Dr. Mohamed Iqbal Survé as members. The Transformation Committee has been established to lead transformation within the Group.

NOMINATION COMMITTEE

Dr. Mohamed Iqbal Survé chairs the Nomination Committee with Messers Norman Noland, Salim Young and Mihe Gaomab being the appointed members.

ANNUAL FINANCIAL STATEMENTS

The Directors are required by the Companies Act to maintain adequate accounting records, and are responsible for the preparation of the annual financial statements. These fairly represent the financial state of affairs of the company. The Group has complied with *International Financial Reporting Standards (IFRS)*.

Statements are based on appropriate accounting policies as set out in the notes to the financial statements, and are supported by reasonable and prudent judgments and estimate support documentation.

The external auditors are responsible for providing an independent assessment of internal controls and reporting on whether the financial statements are fairly presented, and whether they conform to *IFRS*. The external auditors offer reasonable, but not

absolute, assurance on the accuracy of financial statements, but Sekunjalo's management is responsible for the preparation of the financial statements.

External auditors consult with the audit committee to ensure an efficient and accurate auditing process. The audit committee also sets the principles for recommending the use of external auditors for non-auditing services. The external auditors provide no significant non-auditing services.

The Directors believe that the financial statements fairly present the financial position of the Group at the end of the financial year. They also reflect the results of the operations and cash flow information for the year under review.

RISK MANAGEMENT

The Chief Executive Officer is responsible and accountable to the Board for all Group operations. The subsidiary and Group management accounts are prepared on a monthly basis and compare actual results against approved budgets.

The Board is responsible and accountable for ensuring that adequate procedures and processes are in place to identify, assess, manage and monitor key business risks. The Directors of the Group's companies are responsible for ensuring that the Group maintains accounts and implements effective systems of control. Management is responsible for the implementation and maintenance of these controls, based on established procedures and implementation by trained, skilled individuals. Key to this is an appropriate division of duties.

EMPLOYMENT EQUITY AND SKILLS DEVELOPMENT

The Group has been successful in providing equal employment opportunities and in promoting internal candidates. The Group complies with the *Employment Equity Act* and proactively strives to develop its people.

The Group subscribes to affirmative action measures to address any employment disadvantages experienced by historically disadvantaged groups and individuals. The training and development of employees within the subsidiary companies is an important strategic objective of the Group. As such, the *Skills Development Act* has provided a useful framework and guide for the further education and training of the Group's employees.

Additionally, the Group also believes in creating a working environment that will allow its people to develop their abilities, and to benefit from being part of a progressive

CORPORATE GOVERNANCE REPORT (CONTINUED)

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and dynamic organisation. Sekunjalo has played an active role in the advancement of previously disadvantaged persons, a fact that is reflected in the company workforce. The majority of our managers are from historically disadvantaged communities, and the majority of our employees are historically disadvantaged individuals.

HEALTH AND SAFETY

Sekunjalo rigorously applies health and safety regulations in the quest for an accident-free working environment. We have actively created greater awareness of risk exposure in these areas, and controls have been increased to proactively reduce our stakeholders' vulnerability to environmental, health and safety hazards.

Strategies and plans are in place to manage and minimise the potential impact of HIV/Aids and the consequential loss of skills and productivity. Sekunjalo has implemented an appropriate and comprehensive HIV/Aids policy through its subsidiaries. This includes, where possible and appropriate, the provision of antiretroviral treatment. The Group further emphasises the need for education and the inclusion of working representatives in terms of its HIV/Aids policy.

CORPORATE CODE OF ETHICS

The Group subscribes to the highest levels of professionalism and integrity in conducting its businesses and dealing with all stakeholders. All employees are expected to share our commitment to high moral, ethical and legal standards.

All Directors and employees are aware of the high code of ethics that is maintained throughout the Group. The Group subscribes to a code of ethical and moral behaviour that requires total transparency for all stakeholders. Sekunjalo prizes fairness and honesty and is intolerant of theft and dishonesty.

DEALING IN GROUP SHARES

Directors and officers of the company are not permitted to trade in the shares during closed

periods, which commence at the end of the half-year financial year-end and the full-year financial year-end. Directors are updated according to any changes in terms of the *JSE Listings Requirements*.

All dealings in company shares by the Directors are reported on SENS within 24 hours of the trade having been made.

SUSTAINABILITY REPORTING

The Group has as a key strategic objective the creation of a sustainable environment. In this regard, the policies, procedures and systems of the company have been put in place so that it is able to meet its commitments to the various stakeholders in an ethical, socially responsible and environmentally friendly manner.

Sekunjalo acknowledges its responsibility to all employees and the public for compliance with environmental standards. We have also established policies, identified standards and determined regulatory requirements. We have also identified monitoring and measuring programmes to further increase our environmental accountability.

The Group is committed to environmental sustainability and renewal – especially when it comes to fishing resources. In this regard, Premier Fishing works closely with the relevant authorities to safeguard the various fish species. Additionally, this subsidiary company pays careful attention to the environmental impact of its operations.

The Board has affirmed the practice with regard to procurement by its subsidiaries from black economic empowerment companies. The Board has put in place policies to ensure that the entire Group's subsidiaries act in an environmentally friendly manner that takes into account the existence of the communities in which the subsidiary operations are located. The Board is firmly committed to the development of intellectual and human capital. In line with this, the performance assessment of senior managers includes an assessment of how they have developed the human capital of the organisation. The Board focuses on the development of historically disadvantaged individuals in particular.



SEKUNJALO
INVESTMENT
GROUP
NOW IS THE TIME



COMMUNICATION

The Group subscribes to a policy of full, accurate and consistent communication in respect to all its affairs. The Board seeks to present a balanced and understandable assessment of the company's position when reporting to stakeholders – at all times.

The Chairman, Chief Executive Officer, and/or Chief Financial Officer regularly communicate with major shareholders, institutional investors, analysts and the media. We encourage shareholders to attend the annual general meeting which provides shareholders with an opportunity to raise concerns, ideas and participate in discussions at the AGM. We publish our financial results on SENS and shareholders receive a copy of our Annual Report.

The Annual Report deals adequately with disclosures relating to financial statements, auditors' responsibility, accounting records, internal controls, risk management, accounting policies, adherence to accounting standards, going concern issues, as well as our adherence to established codes of governance. The Group acknowledges the role of the media especially that of financial journalists and the Group endeavours to assist these role players as much as possible.

COMPANY SECRETARY

All directors have access to the advice and services of the Company Secretary who provides guidance to the board as a whole and to individual directors with regards to Corporate Governance and how they should discharge their responsibilities in the best interests of the company.

NONQABA KATAMZI
Company Secretary

“The Group subscribes to the highest levels of professionalism and integrity...”

CORPORATE CITIZENSHIP REPORT



Khalid Abdulla, Rev. Vukile C Mehana, Zenariah Barends

“With regards to skills development, enterprise development and social responsibility, Sekunjalo has proved time and time again that they are true leaders in their field.”

CORPORATE CITIZENSHIP REPORT

ANNUAL REPORT 2007

“FROM A MORAL AND BUSINESS PERSPECTIVE, WE FULLY SUPPORT THE SOCIAL TRANSFORMATION OF THE BUSINESS ENVIRONMENT.”

The Group subscribes to a sustainable approach when it comes to doing business. We also take environmental considerations into account when making financial decisions. Our subsidiary, Premier Fishing, supports and upholds sustainable fishing practices to preserve the fishing resources in South Africa for future generations. From a moral and business perspective, we fully support the social transformation of the business environment.

We continually strive to meet and exceed the benchmarks set by the B-BBEE Codes of Good Practice. With regards to skills development, enterprise development and social responsibility, Sekunjalo has proved time and time again that they are true leaders in their field.

SKILLS DEVELOPMENT

The training and development of employees within the Group is an important strategic objective. Our policy in this regard is aligned with government's strategic objective of identifying skills development as a top priority. The Skills Development Act of 1998 provides a useful framework and guidance for the further education and training of the Group's employees.

Furthermore, the Group believes in creating a work environment that will allow its people to develop their potential and to benefit from being part of a progressive and dynamic organisation.

PROCUREMENT

The objective of B-BBEE procurement is to assist in the promotion of black businesses, with a specific focus on Small Medium and Micro Enterprises (SMME's). We try to ensure that these businesses have access to the Group's extensive supply chain, and that procurement is consistent with governmental strategies on B-BBEE.

CORPORATE SOCIAL INVESTMENT

Sekunjalo has an active corporate social investment (CSI) programme managed by the Sekunjalo Development Foundation. We have selected focus areas that have an impact on individual and societal development and play a significant role in nurturing young people who represent the future. Certain subsidiaries are

also engaged in CSI projects. The major focus areas of our CSI programme are education, arts and sports development. Some of the initiatives Sekunjalo is involved in, are.

- **THE MTM HEALTH PROFESSIONALS BURSARY TRUST**
Launched in 2001, the Trust provides bursaries to previously disadvantaged students enrolled in the Health Sciences, specifically MBChB, BSc, Physiotherapy, BSc Occupational Therapy and BA Logopaedics (Speech Therapy). Dr. Survé is Chairman of this Bursary Trust. Fifty students, from all nine tertiary institutions offering health sciences, have benefited from this award. Sekunjalo also administers the bursary trust. In this regard, we work closely with the relevant university administration, academics and students who receive bursaries.
- **THE SEKUNJALO EDUJAZZ CONCERT**
This flagship, annual event is now in its sixth year and combines two focus areas of Sekunjalo's CSI programme, namely: arts and education. School bands and established musicians share a music platform and the proceeds go towards bursaries for students at the poorer primary and high schools in the Western Cape. The Edujazz project has grown tremendously from the initial 15 schools to 62 schools now benefiting from this project. The scope of this event has also been extended through annual workshops conducted by established musicians for school-going music students.

Furthermore, we have observed that opportunities to formally study music at previously disadvantaged schools are not widely available. In circumstances in which there are cutbacks and resource shortages in education, the arts are invariably marginalised, to the detriment of learners. Sekunjalo has identified this as an area deserving of further support and is engaged in processes to facilitate such support.
- **COMMUNITY HEALTH AND ARTS TRUST**
Sekunjalo is involved in the Community Health and Arts Trust (CHAT), which has been established as a non-profit trust for the support and development of artists through the provision of art as therapy to the health and other social services. The trust seeks to provide CSI-initiative opportunities to the private sector with this project. CHAT will also engage public sector partners in facilitating improvement of the services that they render to the public. Brooklyn Chest Hospital is the pilot site of the CHAT programme where a music therapy and art

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therapy treatment programme is provided. Since February 2007, the Music Therapy Community Clinic has been involved with patients at BCH. The programme under development for BCH is tailored to the existing treatment goals of the BCH in-house therapy programmes.

- **HEALTH SYSTEM TECHNOLOGIES GOLF DAY**

This event was launched in 2004 by HST. Public hospitals in the Western Cape, such as Groote Schuur (paediatric ward), GF Jooste, Brooklyn Chest Hospital and Mowbray Maternity have all been recipients of the generous proceeds raised at this annual Golf Day, which is now a firmly established annual event.

- **JACQUES KALLIS SCHOLARSHIP FOUNDATION**

Sekunjalo Capital partnered with Jacques Kallis to launch the Jacques Kallis Scholarship Foundation in 2005 to support young boys from previously disadvantaged communities who have the potential to play professional cricket.

These learners are identified and provided with scholarships to attend one of four nominated schools, namely Wynberg Boys High, Maritzburg College, Pretoria Boys High and Selbourne College. Twelve students are currently on the programme. This initiative will run until at least 2010.

In addition to the above, Sekunjalo has provided support to a number of initiatives concerned with the preservation of our heritage such as the Community Education Video Trust (CVET); community development such as Proudly Manenberg and the Community Ploughback Movement as well as music education of previously disadvantaged individuals such as the Athlone Academy of Music.

ADMINISTRATION

ANNUAL REPORT 2007

COMPANY SECRETARY

Ms Nonqaba Katamzi
Qualifications : B.A Law LLB

BUSINESS ADDRESS AND REGISTERED OFFICE

Sekunjalo House, Block F, The Terraces, Steenberg Office Park, Tokai, 7945
Cape Town, South Africa

Postal address : PO Box 31344, Tokai, 7966, Cape Town, South Africa

Tel: +27 21 702-7700

Fax: +27 21 702-7744

EMAIL AND WEBSITE

Email address: info@sekunjalo.com

Website: www.sekunjalo.com

COMPANY REGISTRATION NUMBER

1996/006093/06

TRANSFER SECRETARIES

Link Market Services South Africa (Pty) Ltd
11 Diagonal Street, Johannesburg, 2001

Postal Address : PO Box 4844, Johannesburg, 2000

Tel: +27 11 630 0800 (Switch Board)

Telefax: +27 11 834 4398

Website: www.linkmarketservices.co.za

AUDITORS

PKF (Newlands) Inc, Claremont

SPONSOR

Rand Merchant Bank, Johannesburg

LISTING

JSE Limited

Sector: Diversified Industrials

Share Code: SKJ

ISIN code: ZAE000017893

DATES OF IMPORTANCE TO SHAREHOLDERS

ANNUAL GENERAL MEETING

28 February 2008, Steenberg Golf Estate

FINANCIAL REPORTS

Announcement of Interim Results : May 2008

Interim Report : May 2008

Announcement of Annual Results : November 2008

Annual Report : December 2008

SEKUNJALO INVESTMENT GROUP

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DIRECTORS' STATEMENT OF RESPONSIBILITY

The directors are required by the Companies Act in South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

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

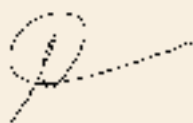
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the year to 31 August 2008 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future and therefore the annual financial statements have been prepared on a going concern basis.

Although the board of directors is primarily responsible for the financial affairs of the company, it is supported by the company's external auditors.

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



DR MI SURVÉ
Executive Chairman



MY KAJEE
Chief Executive Officer

ANNUAL FINANCIAL STATEMENTS

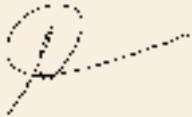
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DIRECTORS' INTERESTS IN CONTRACTS

During the period under review, no director had any material interest in any contract of significance with Sekunjalo Investments Ltd or any of its subsidiaries, associates and joint ventures that would give rise to a conflict of interest in the ordinary course of business.

DIRECTORS' APPROVAL TO THE MEMBERS OF SEKUNJALO INVESTMENTS LIMITED

The consolidated annual financial statements, set out on page 38 to 143, which have been prepared on the going concern basis, were approved by the board of directors on 3 December 2007, and were signed on their behalf by:



DR MI SURVÉ
Executive Chairman



MY KAJEE
Chief Executive Officer

REPORT OF THE COMPANY SECRETARY

I confirm that the company has lodged with the Registrar of Companies all such returns required of a public company in terms of the Companies Act of South Africa, 1973, and that such returns are true, correct and up to date in all significant respects.



MS NONQABA KATAMZI
Company Secretary

3 December 2007

REPORT OF THE INDEPENDENT AUDITORS' TO THE SHAREHOLDERS OF SEKUNJALO INVESTMENTS LIMITED

We have audited the annual financial statements of Sekunjalo Investments Limited group and company, which comprise the directors' report, the balance sheet as at 31 August 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 39 to 143.

Management's Responsibility for the Financial Statements

Management is 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 controls 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Sekunjalo Investments Limited group and company as at 31 August 2007, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

The logo for PKF, consisting of the letters 'PKF' in a bold, stylized, black font.

PKF (Newlands) Inc.

REGISTERED AUDITORS

CHARTERED ACCOUNTANTS (SA)

Per DL Cohen RA CA (SA)

3 December 2007

Newlands

ANNUAL FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors have pleasure in submitting their report for the year ended 31 August 2007.

NATURE OF BUSINESS

Sekunjalo Investments Limited is a black-controlled investment holding company, which holds controlling interests in six sectors and promotes Broad Based Black Economic Empowerment and sound corporate practices. It has many operational subsidiaries, as well as investments in associates and joint ventures.

OPERATING RESULTS

The results and the state of affairs of the group and the company are fully set out in the attached income statement, balance sheet, segmental analysis and notes thereto.

SHARE CAPITAL

There were no increases in the company's authorised share capital.

Issued share capital increased by 108,529,879 (2006: 76,835,299) shares from 360,675,482 (2006: 283,840,183) to 469,205,361 (2006: 360,675,482) due to:

Investment acquisitions	29,508,213
Warranties	18,421,666
Shares for cash	16,600,000
Shares for cash (purchased by ABSA Bank Limited)	44,000,000

VOTING RIGHTS

"A" ordinary shares carry 500 votes per share, while "B" ordinary shares carry 1 vote per share. "B" ordinary shares rank *pari passu* to the "A" ordinary shares in all other respects, including receipt of dividends and proceeds on the winding up of the company. Notwithstanding the aforementioned, all "A" class ordinary shares will convert to "B" class ordinary shares in the year 2013, in terms of Special Resolution 2 approved at the 2005 annual general meeting.

DISTRIBUTION TO SHAREHOLDERS

No dividend has been proposed or declared during the year under review.

REVIEW OF OPERATIONS

A review of the group's activities, operations and future developments is contained in the Executive Chairman's and the Chief Executive Officer's reports.

AUDITORS

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

DIRECTORS' REPORT (continued)

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Disposal	Percentage	Value(Rand)	Comment
Sekunjalo Capital International (Pty) Ltd	70.00%	10,000,000	
XN Corporation (Pty) Ltd	24%	7,000,000	

DIRECTORS AND COMPANY SECRETARY

The directors, as at the date of this report, together with the name, business and postal address of the company secretary, are set out on page 6 and 34. The company secretary, Ms. N Katamzi, has confirmed that the company has lodged with the Registrar of Companies all such returns required by a public company in terms of the South African Companies Act, 1973, and that all such returns are true, correct and up to date.

Mr K Abdulla and Rev VC Mehana were appointed as directors and are subject to approval at the forthcoming annual general meeting on 28 February 2008.

DIRECTORS' INTEREST IN SHARE CAPITAL

There have been no changes in the directors' interests between 31 August 2007 and the date of this report. None of the directors bought or sold any "B" class ordinary listed shares in this period, other than detailed below.

AS AT 31 AUGUST 2007

"A" CLASS ORDINARY SHARES

	Direct Beneficial	Direct Non Beneficial	Indirect Beneficial	Indirect Non Beneficial	Total Percentage
Dr MI Survé	-	-	-	2,000,000	100%
Total	-	-	-	2,000,000	100%

"B" CLASS ORDINARY SHARES

	Direct Beneficial	Direct Non Beneficial	Indirect Beneficial	Indirect Non Beneficial	Total Percentage
Dr MI Survé	-	-	-	63,100,225	13.45%
D Case	1,084,154	-	-	-	0.23%
MY Kajee	607,200	-	-	4,006,011	0.98%
ZA Kota	1,367,554	-	-	-	0.29%
NT Noland	333,000	-	-	47,600	0.08%
K Abdulla	101,000	-	-	-	0.02%
Total	3,388,908	-	-	67,153,236	15.03%

ANNUAL FINANCIAL STATEMENTS

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DIRECTORS' REPORT (continued)

AS AT 31 AUGUST 2006

"A" CLASS ORDINARY SHARES

	Direct Beneficial	Direct Non Beneficial	Indirect Beneficial	Indirect Non Beneficial	Total Percentage
Dr MI Survé	-	-	-	2,000,000	100%
Total	-	-	-	2,000,000	100%

"B" CLASS ORDINARY SHARES

	Direct Beneficial	Direct Non Beneficial	Indirect Beneficial	Indirect Non Beneficial	Total Percentage
Dr MI Survé	-	-	-	50,600,225	14.0%
D Case	1,366,554	-	-	-	0.5%
MY Kajee	407,200	-	-	4,006,011	1.0%
ZA Kota	1,367,554	-	-	-	0.5%
Total	3,141,308	-	-	54,606,236	16.0%

POST BALANCE SHEET EVENTS

There were no post balance sheet events at year end.

DIRECTORS

Dr MI Survé, NT Noland, MY Kajee, MH Ally (resigned 15 February 2007), MJ Ramathodi (resigned 27 February 2007), Dr GP Mayende (resigned 16 May 2007), D Case, ZA Kota, M Goamab The First, S Young, K Abdulla (appointed 29 August 2007), Rev VC Mehana (appointed 8 August 2007).

Company Secretary

N KATAMZI

Business Address

Sekunjalo House, Block F
The Terraces, Steenberg Office Park
Tokai, 7945

Postal Address
PO Box 31344
Tokai, 7966

GLOSSARY OF TERMS UTILISED IN THE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Acquisition date	The date on which control, in respect of a subsidiary, significant influence, in respect of an associate or joint control, in respect of a joint venture, is obtained.
Associate (and significant influence)	An entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence in this instance constitutes the power to participate in the financial and operating policy decisions of an entity, but not control over those policies. Significant influence may be gained by share ownership, statute or agreement.
Available-for-sale financial assets	Those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments, or (c) financial assets at fair value through profit or loss.
Basic earnings or loss per share	Profit or loss attributable to ordinary equity holders of the parent entity (the numerator) divided by the weighted average number of ordinary shares outstanding during the period (the denominator).
Borrowing costs	Interest and other costs incurred by an entity in connection with the borrowing of funds.
Business combination	The bringing together of separate entities or businesses into one reporting entity.
Business segment	A distinguishable component of an entity or group that is engaged in providing an individual product or service, or a group of related products or services, and that is subject to risks and returns that are different from those of other business segments.
Carrying amount / Net book value	The amount at which an asset is recognised after deducting any accumulated depreciation or amortisation and accumulated impairment losses thereon, i.e. the amount at which an asset is recognised in the balance sheet.
Cash and cash equivalents	Cash on hand and demand deposits, as well as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
Consolidated financial statements	The financial statements of the group presented as those of a single economic entity.
Contingent liability	<p>(a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or</p> <p>(b) a present obligation that arises from past events but is not recognised because:</p> <ul style="list-style-type: none"> - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or - the amount of the obligation cannot be measured with sufficient reliability.
Credit risk	The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

ANNUAL FINANCIAL STATEMENTS

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GLOSSARY OF TERMS UTILISED IN THE NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Currency risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk is considered a component of market risk, which embodies not only the potential for loss but also the potential for gain.
Date of transition to IFRS's	The beginning of the earliest period for which the company and the group presents full comparative information under IFRS's in its and their respective first IFRS financial statements, i.e. 1 September 2004.
Deemed cost	An amount used as a surrogate for cost or depreciated cost at a given date, e.g. the date of transition to IFRS's. Subsequent depreciation or amortisation assumes that the entity had initially recognised the asset or liability at the given date and that its cost was equal to the deemed cost.
Defined contribution plans	Post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.
Derivative	<p>A financial instrument or other contract within the scope of IAS 39 with all three of the following characteristics:</p> <ul style="list-style-type: none">(a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying');(b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and(c) it is settled at a future date.
Derivative financial instruments	Financial instruments such as financial options, futures and forwards, interest rate swaps and currency swaps, which create rights and obligations that have the effect of transferring between the parties to the instrument one or more of the financial risks inherent in an underlying primary financial instrument. On inception, derivative financial instruments give one party a contractual right to exchange financial assets or financial liabilities with another party under conditions that are potentially favourable, or a contractual obligation to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable. However, they generally do not result in a transfer of the underlying primary financial instrument on inception of the contract, nor does such a transfer necessarily take place on maturity of the contract. Some instruments embody both a right and an obligation to make an exchange. Because the terms of the exchange are determined on inception of the derivative instrument, as prices in financial markets change, those terms may become either favourable or unfavourable.
Disposal date	The date on which control, in respect of a subsidiary, significant influence, in respect of an associate, or joint control, in respect of a joint venture, ceases.
Effective interest method (and effective interest rate)	A method of calculating the amortised cost of a financial asset or a financial liability or group of financial assets or financial liabilities and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.
Equity instrument	A contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

GLOSSARY OF TERMS UTILISED IN THE NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Equity method	A method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of net assets of the investee. The profit or loss of the investor includes the investor's share of the profit or loss of the investee.
Fair value	The amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction.
First-in, first-out (FIFO) method	The assumption that the items of inventory that were purchased or produced first are sold first, and consequently the items remaining in inventory at the end of the period are those most recently purchased or produced.
Finance lease	A lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.
Financial asset	<p>Any asset that is:</p> <ul style="list-style-type: none"> (a) cash; (b) an equity instrument of another entity; (c) a contractual right: <ul style="list-style-type: none"> - to receive cash or another financial asset from another entity; or - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or (d) a contract that will or may be settled in the entity's own equity instruments and is: <ul style="list-style-type: none"> - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.
Financial asset or financial liability at fair value through profit or loss	<p>A financial asset or financial liability that meets either of the following conditions:</p> <ul style="list-style-type: none"> (a) It is classified as held for trading. A financial asset or financial liability is classified as held for trading if it is: <ul style="list-style-type: none"> - acquired or incurred principally for the purpose of selling or repurchasing it in the near term; - part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or - a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

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GLOSSARY OF TERMS UTILISED IN THE NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	<p>(b) Upon initial recognition it is designated by the entity as at fair value through profit or loss. An entity may use this designation only when permitted by IAS 39 or when doing so results in more relevant information, because either</p> <ul style="list-style-type: none">- it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or- a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel.
Financial instrument	Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
Financial liability	Any liability that is: <p>(a) a contractual obligation:</p> <ul style="list-style-type: none">- to deliver cash or another financial asset to another entity; or- to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or <p>(b) a contract that will or may be settled in the entity's own equity instruments and is:</p> <ul style="list-style-type: none">- a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.
Geographical segments	A distinguishable component of an entity that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.
Group / Sekunjalo	The parent company, Sekunjalo Investments Limited, and all its subsidiaries, associates and joint ventures.
Hedged item	An asset, liability, firm commitment, highly probable forecast transaction or net investment in a foreign operation that exposes the entity to risk of changes in fair value or future cash flows and is designated as being hedged.
Hedging instrument	A designated derivative (for a hedge of the risk of changes in foreign currency exchange rates only) or a designated non-derivative financial asset or non-derivative financial liability whose fair value or cash flows are expected to offset changes in the fair value or cash flows of a designated hedged item.
Held-to-maturity investments	Non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity, other than: <ul style="list-style-type: none">- those that the entity upon initial recognition designates as at fair value through profit or loss;- those that the entity designates as available for sale; and- those that meet the definition of loans and receivables.

GLOSSARY OF TERMS UTILISED IN THE NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

	<p>An entity shall not classify any financial assets as held to maturity if the entity has, during the current financial year or during the two preceding financial years, sold or reclassified more than an insignificant amount of held-to-maturity investments before maturity (more than insignificant in relation to the total amount of held-to-maturity investments) other than sales or reclassifications that:</p> <ul style="list-style-type: none"> - are so close to maturity or the financial asset's call date (for example, less than three months before maturity) that changes in the market rate of interest would not have a significant effect on the financial asset's fair value; - occur after the entity has collected substantially all of the financial asset's original principal through scheduled payments or prepayments; or - are attributable to an isolated event that is beyond the entity's control, is non-recurring and could not have been reasonably anticipated by the entity.
Interest rate risk	<p>The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is considered a component of market risk, which embodies not only the potential for loss but also the potential for gain.</p>
Joint venture (and joint control)	<p>A contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control in this instance constitutes the contractually agreed sharing of control over an economic activity; it exists only when the strategic and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).</p>
Liquidity risk	<p>The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. It may result from an inability to sell a financial asset quickly at close to its fair value.</p>
Loans and receivables	<p>Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:</p> <ul style="list-style-type: none"> - those that the entity intends to sell immediately or in the near term, which shall be classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss; - those that the entity upon initial recognition designates as available for sale; or - those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which shall be classified as available for sale. <p>An interest acquired in a pool of assets that are not loans or receivables (for example, an interest in a mutual fund or a similar fund) is not a loan or receivable.</p>
Market risk	<p>The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.</p>
Minority interest / Outside shareholders interest	<p>That portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent.</p>

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GLOSSARY OF TERMS UTILISED IN THE NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Net realisable value	<p>The estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.</p> <p>Net realisable value refers to the net amount that an entity expects to realise from the sale of inventory in the ordinary course of business. Fair value reflects the amount for which the same inventory could be exchanged between knowledgeable and willing buyers and sellers in the marketplace. The former is an entity-specific value; the latter is not. Net realisable value for inventories may not equal fair value less costs to sell.</p>
Non-current assets or disposal groups held for sale	<p>Non-current assets or disposal groups whose carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets or disposal groups and its sale must be highly probable.</p>
Operating activities	<p>The principal revenue-producing activities of an entity and other activities that are not investing or financing activities.</p>
Operating lease	<p>A lease other than a finance lease.</p>
Other price risk	<p>The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.</p>
Policyholder	<p>A party that has a right to compensation under an insurance contract if an insured event occurs.</p>
Recoverable amount	<p>The higher of an asset's or cash-generating unit's, fair value less costs to sell (net selling price) and its value in use.</p>
Related party (and related party transaction)	<p>A party is related to an entity if:</p> <ul style="list-style-type: none">(a) directly, or indirectly through one or more intermediaries, the party:<ul style="list-style-type: none">- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);- has an interest in the entity that gives it significant influence over the entity; or- has joint control over the entity;(b) the party is an associate of the entity;(c) the party is a joint venture in which the entity is a venturer;(d) the party is a member of the key management personnel of the entity or its parent;(e) the party is a close member of the family of any individual referred to in (a) or (d);(f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or(g) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity. <p>A related party transaction constitutes a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.</p>
Residual value (of an asset)	<p>The estimated amount that an entity would currently obtain from disposal of an asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.</p>

GLOSSARY OF TERMS UTILISED IN THE NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Trade date	The date that an entity commits itself to purchase or sell an asset.
Subsidiary (and control)	An entity that is controlled by another entity (known as the parent). Control in this instance constitutes the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
Useful life	Either the period over which an asset is expected to be available for use by an entity; or the number of production or similar units expected to be obtained from the asset by the entity.
Value in use	The present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

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MEASUREMENT BASES AND ACCOUNTING POLICIES

ACCOUNTING FRAMEWORK

The financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS’s”) and the South African Companies Act using the historical cost convention except if stated otherwise in the accounting policies below.

The basis of preparation is consistent with the prior year.

Underlying concepts

The financial statements are prepared on the going concern basis using accrual accounting.

Assets and liabilities and income and expenses are not offset unless specifically permitted by an accounting standard.

Changes in accounting policies are accounted for in accordance with the transitional provisions in the standard. If no such guidance is given, they are applied retrospectively, except to the extent that it is impracticable to do so, in which case they are applied prospectively.

Changes in accounting estimates are recognised in profit or loss.

Prior period errors are retrospectively restated except to the extent that it is impracticable to do so, in which case they are applied prospectively.

Business combinations

All business combinations are accounted for by applying the purchase method, which involves the identification of an acquirer, measuring the cost of the business combination and allocating, at acquisition date, the cost of the business combination to the assets acquired and liabilities and contingent liabilities incurred or assumed. The cost is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the acquirer in exchange for control of the acquiree, plus any directly attributable costs.

Any excess of the cost of acquisition over the fair values of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill and is treated as stated below in the goodwill policy note. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (previously negative goodwill), is included immediately in profit or loss for the period in which it arises.

Any outside shareholders’ interest in the acquiree is initially measured at the minorities proportion of the net fair value of the assets, liabilities and contingent liabilities.

Basis of consolidation

The consolidated financial statements include those of the company and its subsidiaries, associates and joint ventures. The results of the subsidiaries, associates and joint ventures acquired or disposed of during the reporting period are included from the acquisition date and up to the disposal date.

Subsidiaries

Subsidiaries are consolidated with similar items on a line-by-line basis. All inter-group transactions and balances are eliminated on consolidation. Adjustments are made to the financial statements of subsidiary companies that have accounting policies that are different to those of the group, prior to consolidation.

MEASUREMENT BASES AND ACCOUNTING POLICIES (continued)

ACCOUNTING FRAMEWORK

Associates

Associates are accounted for using the equity method in the consolidated financial statements. In applying the equity method, the group's share of profits and losses is recognised in profit or loss as equity-accounted earnings. Any losses are brought into account in the consolidated financial statements until the investment in the associate is written down to a nominal amount. Thereafter, losses are accounted for only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate. Profits and losses resulting from 'upstream' and 'downstream' transactions between an investor (including its consolidated subsidiaries) and an associate are recognised in the investors' financial statements only to the extent of unrelated investors' interests in the associate. Distributions from associates reduce the carrying amount of the investment.

Joint ventures

Joint ventures are accounted for using the proportionate consolidation method in the consolidated financial statements, whereby the attributable share of assets, liabilities, revenues, expenses and cash flows of the joint venture are combined, on a line-by-line basis, with similar items in the consolidated financial statements.

Land and buildings

Land and buildings consists of property held for administrative purposes. Buildings are measured at cost, including transactions costs, less accumulated depreciation and accumulated impairment losses. Land is measured at cost, including transactions costs, but is not depreciated, as it is deemed to have an indefinite useful life. Depreciation on buildings is calculated on the straight-line method at a rate considered appropriate to reduce the carrying value over their useful lives to their estimated residual value.

The current useful lives of buildings is estimated to be 40 years.

Plant, equipment, vehicles and leasehold improvements

Items of plant, equipment, vehicles and leasehold improvements ("PPE") are measured at historical cost, including transaction costs, after taking into account any accumulated depreciation and accumulated impairment losses, where applicable. Depreciation is calculated on the straight-line method at a rate considered appropriate to reduce the carrying value of an item over its useful life to its estimated residual value. Every component of PPE with a cost that is significant in relation to the total cost of the asset is depreciated separately if the useful life or depreciation method of that component is different to the rest of the asset.

The residual values, useful lives and depreciation methods for all components and items of buildings and PPE are reviewed at each financial year end, with any changes being accounted for prospectively as a change in an accounting estimate. Depreciation on an item of PPE ceases when the residual value is equal to or exceeds the carrying value of that item, and only resumes once the residual value decreases below the carrying value.

The group recognises, in the carrying amount of PPE, the costs related to replacing parts of items when those costs are incurred, if it is probable that the future economic benefits embodied within these parts of items will flow to the company and group, and the cost of the item can be reliably measured. All other such costs, which do not meet the criteria, are included in the calculation of profit or loss for the period in which it is incurred. When such a part is subsequently replaced and the replacement meets the recognition criteria for an asset, as mentioned above, the carrying amount of the old part is derecognised.

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MEASUREMENT BASES AND ACCOUNTING POLICIES (continued)

ACCOUNTING FRAMEWORK

The current useful lives of items of PPE, or their components, are estimated to be as follows:

Computer equipment	1-8 years
Furniture and fittings	2-20 years
Land and buildings	5-40 years
Motor vehicles	1-10 years
Office equipment	3-21 years
Plant and equipment	1-36 years
Vessels	1-36 years
Computer software	2-5 years
Pharmaceutical books	7 years
Generator	10 years
Computer equipment under finance lease	3 years
Leasehold improvements	5-40 years

Goodwill

Goodwill represents the excess of the cost of the acquisition of a subsidiary, associate or joint venture (business combination) over the anticipation of future economic benefits to be derived from assets that are not capable of being individually identified and separately recognised, and is initially measured at cost. Subsequent to initial recognition, goodwill is tested for impairment on an annual basis and is not amortised.

If, in a business combination, the fair value of the group's interest in the identifiable assets, liabilities and contingent liabilities exceeds the cost of acquisition, this excess is included immediately in profit or loss in the period in which it arises. On disposal of a subsidiary, associate or joint venture to which goodwill was allocated on acquisition, the amount attributable to such goodwill is included in the determination of the profit or loss for the period in which the relevant investment is disposed.

Biological assets

Biological assets consist of abalone cultivated in an aquaculture farm and are measured on initial recognition and thereafter, at each balance sheet date, at fair value less estimated point-of-sale costs. Fair value is determined based on current market prices. Any gains or losses arising from measurement on initial recognition or from a subsequent change in fair value less estimated point-of-sale costs is included in the calculation of profit or loss in the period in which they arise.

Intangible assets

Patents and trademark

Patents and trademarks, which are separately acquired, are, on initial recognition, measured at cost, being their purchase prices after adding any directly attributable costs of preparing the assets to be capable of operating in the manner intended by management. Subsequent to initial recognition, patents and trademarks are also measured at cost, but after taking into account any accumulated amortisation and accumulated impairment losses, where applicable.

Amortisation is calculated on the straight-line method at a rate considered appropriate to reduce the carrying amount of the patents and trademarks over their useful lives to their residual values. The useful lives of patents and trademarks are finite and currently estimated to be between 15 and 20 years.

The residual values, useful lives and amortisation methods for all patents and trademarks are reviewed at each financial year end.

Pharmaceutical dossiers

Pharmaceutical dossiers, which are separately acquired, are, on initial recognition, measured at cost, being their purchase prices after adding any directly attributable costs of preparing the assets to be capable of operating in the manner intended by management. Subsequent to initial recognition, pharmaceutical dossiers are also measured at cost, but after taking into account any accumulated amortisation and accumulated impairment losses, where applicable.

Amortisation is calculated on the straight-line method at a rate considered appropriate to reduce the carrying amount of the pharmaceutical dossiers over their useful lives to their residual values. The useful lives of pharmaceutical dossiers are finite and currently estimated to be 13 years.

MEASUREMENT BASES AND ACCOUNTING POLICIES (continued)

ACCOUNTING FRAMEWORK

The residual values, useful lives and amortisation methods for all pharmaceutical dossiers are reviewed at each financial year end.

Software development costs

Software development costs, which are generated internally, are initially measured at cost, being all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management, after taking into account any accumulated amortisation and accumulated impairment losses, where applicable.

Costs incurred in the research phase are included in profit or loss in the period in which they are incurred, whereas costs incurred in the development phase are capitalised if the following can be demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Amortisation is calculated on the straight-line method at a rate considered appropriate to reduce the carrying amount of the software development costs over their useful lives to their residual values. The useful lives of software development costs are finite and currently estimated to be 10 years.

The residual values, useful lives and amortisation methods for all software development costs are reviewed at each financial year end.

Non-current assets held-for-sale

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

Immediately prior to being classified as held-for-sale the carrying amount of assets and liabilities are measured in accordance with the applicable standard. After classification as held-for-sale they are measured at the lower of the carrying amount and fair value less costs to sell. An impairment loss is recognised in profit or loss for any initial and subsequent write-down of the assets or disposal group to fair value less costs to sell. A gain for any subsequent increase in fair value less costs to sell is recognised in profit or loss to the extent that it is not in excess of the cumulative impairment loss previously recognised.

Non-current assets or disposal groups that are classified as held-for-sale are not depreciated.

Income taxes

Current tax

Current tax comprises tax payable or recoverable, calculated on the basis of the expected taxable profit or tax loss for the year, using the tax rates and tax laws enacted or substantively enacted at the balance sheet date, and any adjustments of tax payable for previous years.

Current tax assets and liabilities are offset if, and only if, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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MEASUREMENT BASES AND ACCOUNTING POLICIES (continued)

ACCOUNTING FRAMEWORK

Deferred tax

Deferred tax is provided for using the balance sheet liability method, at the tax rates that are expected to apply to the period when the asset is realised or when the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, except to the extent that the parent, investor or venturer is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which the difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised. The carrying amount of all deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the South African Revenue Services on either the same taxable entity, or different taxable entities which are permitted to and intend either to settle current tax assets and liabilities on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Inventories

Inventories consist of raw materials, work-in-progress, finished goods, as well as merchandise items bought for resale. Raw materials and merchandise are initially measured at cost, being the purchase price plus any costs necessary to bring the inventories to their present location and condition. In the case of manufactured goods (i.e. work-in-progress and finished goods), cost also includes all direct expenditure and production overheads based on a normal level of activity.

Subsequent to initial recognition, all items of inventory are valued at the lower of cost or net realisable value according to the first-in-first-out principle. Obsolete, redundant and slow-moving items are identified on a regular basis and are written down to their estimated net realisable values.

Leases

Finance leases

Finance leases are recognised as assets and/or liabilities in the balance sheet at amounts equal to the fair values of the leased assets, or, if lower, the present value of the minimum lease payments, as determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if it is practicable to determine; if not, the lessee's incremental borrowing rate is used. Any initial direct costs are added to the amount recognised as an asset.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability, with the finance charge being allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Any contingent rents arising as a result of the contract are included in the calculation of profit or loss for the periods in which they arise.

Assets capitalised in terms of finance leases are recognised, measured and disclosed using the same policies described in plant, equipment, vehicles and leasehold improvements above, except for those items where the lease term is shorter than the asset's useful life and the lessor retains ownership of the asset, in which case the depreciation is based on the lease term.

MEASUREMENT BASES AND ACCOUNTING POLICIES (continued)

ACCOUNTING FRAMEWORK

Operating leases

Payments made under operating leases are included in the calculation of profit or loss on a straight-line basis over the period of the lease. If an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is included in the calculation of profit or loss in the period in which the termination takes place.

Post employment medical cost

Certain companies within the group have undertaken a constructive obligation to pay the medical aid costs of retired employees. The entitlement of these benefits is usually based on the employees remaining in service up to retirement age and the completion of a minimum service period.

The present value of the liability incurred is calculated based on contributions to the medical aid fund and are included in the calculation of profit or loss for the period in which the amounts are paid.

Contributions to the medical aid fund increases annually, based on current market trends.

Employee benefits

Short term employee benefits

Remuneration to the employees for services rendered is included in the calculation of profit or loss for the period in which employees render the service. Provision is made for accumulated leave and incentive bonuses.

Defined contribution

Current contributions to retirement and provident funds operated for employees are included in the calculation of profit or loss for the period in which the amounts are incurred.

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate does not reflect risks for which future cash flow estimates have been adjusted.

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MEASUREMENT BASES AND ACCOUNTING POLICIES (continued)

ACCOUNTING FRAMEWORK

Revenue

Revenue represents income derived from the sale of goods and the rendering of services in the normal course of business. It is measured at the fair value of the consideration received or receivable and excludes value-added taxation, cash and settlement discounts allowed and rebates allowed. Measurement at fair value takes the time value of money into account.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership has been transferred, the costs incurred or to be incurred in respect of the transaction can be reliably measured and when the entity retains neither managerial involvement as usually associated with ownership nor effective control over the goods sold.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance sheet date when the amount of revenue can be measured reliably, the stage of completion of the transaction at the balance sheet date can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

All revenue is further only recognised to the extent that future economic benefits will flow to the group and the amount of revenue can be reliably measured.

Cost of sales

When inventories are sold, the carrying amounts are recognised as part of cost of sales. Any write-down of inventories to net realisable value and all losses of inventories or reversals of previous writedowns or losses are recognised in cost of sales in the period of the writedown, loss or reversal occurs.

The costs related to providing services recognised as revenue in the current period are also included in costs of sales.

Insurance policyholder liabilities

Contracts are issued that transfer insurance risk, financial risk or both. A distinction has been made between investment contracts (which fall within the scope of IAS 39 Financial Instruments: Recognition and Measurement) and insurance contracts.

Classification

Insurance contracts

A contract is classified as insurance where significant insurance risk is accepted by agreeing with the policyholder to pay benefits if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary. Significant insurance risk exists where it is expected that for the duration of the policy or part thereof, policy benefits payable on the occurrence of the insured event will significantly exceed the amount payable on early termination. Once a contract has been classified as an insurance contract, the classification remains unchanged for the remainder of its lifetime, even if the insurance risk reduces significantly during the period.

Investment contracts

Policy contracts not classified as insurance contracts are classified as investment contracts.

Measurement

Insurance contracts

The actuarial value of the policy liabilities is determined using the Published Reporting Method as described in the actuarial guidance note PGN 104 of the Actuarial Society of South Africa (ASSA), which is consistent with the valuation method prescribed in the Long-term Insurance Act, 1998 (LTIA) and consistent with the valuation of assets at fair value as described in the accounting policy for investments. The underlying philosophy is to recognise profits prudently over the term of each contract consistent with the work done and risk borne. In the valuation of liabilities, provision is made for:

MEASUREMENT BASES AND ACCOUNTING POLICIES (continued)

ACCOUNTING FRAMEWORK

- the best estimate of future experience;
- the compulsory margins prescribed in the LTIA; and
- discretionary margins determined to release profits to shareholders consistent with policy design and company policy.

In accordance with PGN 104, the majority of the insurance liabilities are calculated by projecting outflows and expected future premiums and discounting the cash flows to the valuation date based on the valuation interest rate. The exception being cases where an Incurred But Not Reported (IBNR) liability has been established. The IBNR is an undiscounted liability. IBNR reserves are calculated for the annually renewable group funeral business, based on a percentage of the premiums payable or run-off triangles.

The following additional reserves were also set up:

- AIDS reserve
- mortality reserve
- member continuity reserve
- stale claims reserve

Investment contracts

The valuation of liabilities for pure linked investment contracts is based on the fair value of the underlying assets linked to the policies. Individual policyholder account balances are fully matched by the underlying assets.

Derivatives embedded in insurance contracts and investment contracts

Embedded derivatives that meet the definition of insurance contracts are not measured separately. Where such embedded derivatives exist they are valued as part of the host contract.

Liability adequacy test

Insurance contracts are subject to a liability adequacy test. The purpose of the test is to ensure that the liability is sufficient to meet all expected future obligations under the contract, including guarantees and options, using current estimates of future cash flows. If the test shows that the liability is inadequate, the entire deficiency is recognised in profit or loss.

Reinsurance contracts held

Contracts entered into with reinsurers under which the group is compensated for losses on one or more contracts issued by the group and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held.

Receivables and payables related to insurance contracts and investment contracts

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and policyholders.

The impairment process for receivables is similar to the process for loans and receivables.

Insurance premiums

Insurance premiums are recognised as revenue in profit or loss, net of reinsurance premiums.

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MEASUREMENT BASES AND ACCOUNTING POLICIES (continued)

ACCOUNTING FRAMEWORK

Insurance benefits and claims

Insurance benefits and claims incurred under insurance contracts and investment contracts include death, disability, maturity and surrender payments and are recognised in profit or loss when notified or due for payment.

Reinsurance recoveries

Reinsurance recoveries are accounted for in the same period as the related claim.

Acquisition costs

Incremental costs directly attributable to the acquisition of investment contracts with investment management services are capitalised to a deferred acquisition cost asset if they are separately identifiable, can be measured reliably and it is probable that they will be recovered. Such deferred acquisition costs are then amortised in profit or loss over the term of the contracts as the related services are rendered and revenue recognised. However, at this point in time the group does not incur costs that meet the definition of deferrable acquisition costs.

Segmental reporting

Business segments form the basis of the primary segmental analysis, as these most likely reflect the risk and return policy of the group. Business segments comprise:

- industrials, being the group's fishing interests;
- healthcare, being the group's health-related manufacturing, wholesale and software development interests;
- information technology, being the group's various information technology interests;
- financial services, being the group's medical aid and life assurance interests.

Geographical segments form the basis of the secondary segmental analysis. Geographical segments comprise primarily:

- Gauteng, and
- Western Cape

Segment results include revenue and expenses directly attributable to a segment and the relevant portion of enterprise revenue and expenses that can be allocated on a reasonable basis to a segment, whether from external transactions or from transactions with other group segments. Segment results are determined before any adjustments for minority interest.

Segment assets and liabilities comprise those operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets are determined after deducting related allowances that are reported as direct offsets in the group's balance sheet. Capital expenditure represents the total costs incurred during the period to acquire segment assets that are expected to be used during more than one period, namely, property, plant and equipment, and intangible assets other than goodwill.

Foreign currency transactions

In addition to the information disclosed under the financial instruments policy note, the following apply specifically to foreign currency transactions:

These transactions are, upon initial recognition, recorded by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

MEASUREMENT BASES AND ACCOUNTING POLICIES (continued)

ACCOUNTING FRAMEWORK

At subsequent balance sheet dates, items are measured as follows:

- Foreign currency denominated monetary items are translated at the closing rate, which is the spot exchange rate at the relevant balance sheet date,
- Foreign currency denominated non-monetary items that are carried at historic cost are translated at the spot exchange rate at the date of the transaction,
- Foreign currency denominated non-monetary items that are carried at fair value are translated at the spot exchange rate ruling on the date that fair values were determined.

Any gains or losses on translation are included in the calculation of net profit or loss in the period in which the translation occurs.

The following applies to foreign operations:

- Income statements of foreign operations are translated into the group's functional currency at the closing rate at the date of the transaction, and the balance sheets are translated at the exchange rate prevailing at the balance sheet date. All resulting exchange differences are reflected as part of shareholders' equity.
- Foreign currency transactions in group companies are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are included in the calculation of profit or loss in the period in which they arise. Such balances are translated at the financial year end exchange rates.

Financial instruments

Recognition and measurement

The group's principal financial assets are various investments, long term loans receivable, trade and other receivables and bank and cash balances. The group's principal financial liabilities are long-term interest-bearing and non-interest bearing loans payable, trade and other payables and bank overdrafts. Financial assets and liabilities are recognised when the group becomes party to the contractual provisions of the instruments and are recognised and measured as follows:

Investments

Investments are classified as financial assets at fair value through profit or loss and are initially measured at fair value. Subsequent to initial recognition, investments are measured at fair value, with fair value for unlisted investments being determined by reference to either the current market prices of their shares, earnings, discounted cash flow or net asset basis, depending on the relevant circumstances. Any gains or losses on subsequent measurement are included in profit or loss in the period in which the change arises. The group assesses these financial assets for impairment at every balance sheet date. All regular way purchases and sales are accounted for at trade date.

Long-term loans receivable

Long-term loans receivable are classified as loans and receivables and are initially measured at fair value plus any transaction costs that are directly attributable to the acquisition of the financial asset. Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest rate method, after accumulated impairment losses. Any amortisation gains or losses on subsequent measurement are included in profit or loss in the period in which the change arises, while profit or loss for the period in which the relevant asset is derecognised or impaired is also adjusted. The group assesses whether there is any objective evidence that these financial assets are impaired at every balance sheet date. All regular way purchases and sales are accounted for at trade date.

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MEASUREMENT BASES AND ACCOUNTING POLICIES (continued)

ACCOUNTING FRAMEWORK

Trade and other current receivables

Trade and other receivables are classified as loans and receivables and are initially measured at fair value plus any transaction costs that are directly attributable to the acquisition of the financial asset. Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest rate method, after accumulated impairment losses. Any amortisation gains or losses on subsequent measurement are included in profit or loss in the period in which the change arises, while profit or loss for the period in which the relevant asset is derecognised or impaired is also adjusted. The group assesses whether there is any objective evidence that these financial assets are impaired at every balance sheet date. All regular way purchases and sales are accounted for at trade date.

Cash and cash equivalents

Cash and cash equivalents are initially measured at fair value. Subsequent to initial recognition, cash and cash equivalents are measured at fair value. The group does not assess these financial assets for impairment at every balance sheet date. All regular way purchases and sales are accounted for at trade date.

Forward foreign exchange contracts

The group uses forward foreign exchange contracts to manage its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. These contracts are measured at fair value at the date of the transaction, with fair value determined at cost, if any, and are remeasured to fair value at subsequent reporting dates.

Gains and losses arising from the remeasurement of financial instruments, such as the forward foreign exchange contracts, are included in profit or loss for the period in which they arise.

Long term interest bearing and non-interest bearing loans

Long term loans payable are initially measured at fair value plus any transaction costs that are directly attributable to the acquisition of these financial liabilities. Subsequent to initial recognition, loans payable are measured at amortised cost using the effective interest rate method. Any amortisation gains or losses on subsequent measurement are included in the calculation of profit or loss in the period in which the change arises, while the net profit or loss for the period in which the relevant liability is derecognised is also adjusted.

Trade and other current payables

Trade and other payables are initially measured at fair value plus any transaction costs that are directly attributable to the acquisition of these financial liabilities. Subsequent to initial recognition, trade and other payables are measured at amortised cost using the effective interest rate method. Any amortisation gains or losses on subsequent measurement are included in profit or loss in the period in which the change arises, while the profit or loss in the period in which the relevant liability is derecognised is also adjusted.

Bank overdrafts

Bank overdrafts are initially measured at fair value. Subsequent to initial recognition, bank overdrafts are measured at fair value.

Hedging instruments

Gains and losses arising from the measurement of financial instruments (hedged items and hedging items) that constitute fair value hedges are included in profit or loss in the period in which they arise. The effective portion of gains or losses arising on the hedging instrument of cash flow hedges is recognised directly in equity and the ineffective portion is included in profit or loss in the period.

Offsetting

Financial assets and financial liabilities are only offset if there is a legally enforceable right to set off the recognised amounts and there is an intention to either settle on a net basis or to realise the asset and settle the liability simultaneously.

MEASUREMENT BASES AND ACCOUNTING POLICIES (continued)

ACCOUNTING FRAMEWORK

Impairment of assets

At each balance sheet date, the group reviews the carrying amounts of its tangible and intangible assets, as mentioned above, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any possible impairment loss. Where the relevant asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount is immediately reduced to its recoverable amount, with the resulting impairment loss being included in profit or loss in the period in which it arises.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised previously. The resulting reversal of impairment loss is included in profit or loss in the period in which it arises.

Impairment losses on held-to-maturity financial assets, as well as trade and other receivables, is determined based on specific and objective evidence that assets are impaired and is measured as the difference between the carrying amount of assets and the present value of the estimated future cash flows discounted at the original effective interest rate computed at initial recognition.

Government Grant

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

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MEASUREMENT BASES AND ACCOUNTING POLICIES (continued)

ACCOUNTING FRAMEWORK

Accounting Standards not yet effective

The following accounting standards, interpretations and amendments to published accounting standards which are relevant to Sekunjalo Investments Limited but not yet effective, have not been adopted in the current year:

IAS1 (Amendment) Presentation of Financial Statements

This standard will be adopted by Sekunjalo Investments Limited for the financial year ending 31 August 2008. The standard will have minimal impact on the financial statements of the group, requiring additional information to be disclosed regarding the capital of the group and an adjustment to the presentation of the annual financial statements.

IFRS7 Financial Instruments: Disclosures

This standard will be adopted by Sekunjalo Investments Limited for the financial year ending 31 August 2008. Certain additional disclosures required by the standard have been presented in the current year financial statements. The standard will have no impact on the financial statements of the group, except for the additional information that is required to be disclosed regarding the financial instruments of the group.

IFRS 8 Segmental reporting

This standard will be adopted by Sekunjalo Investments Limited for the financial year ending 31 August 2008. Certain additional disclosures required by the standard have been presented in the current year financial statements. The standard will have no impact on the financial statements of the group, except for the additional information that is required to be disclosed regarding the segmental reporting of the group.

ASSUMPTIONS AND MANAGEMENT ESTIMATES

Assumptions

Judgements made by management

Preparing financial statements in conformity with IFRS requires estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from these estimates.

Critical accounting estimates are those which involve the most complex or subjective judgements or assessments. The areas of the group's business that typically require such estimates are life insurance contract provisions, determination of the fair value for financial assets and liabilities, impairment charges, deferred acquisition costs, and deferred taxes.

Judgements made by management in applying the accounting policies, other than those dealt with above, that could have a significant effect on the amounts recognised in the financial statements are:

- insurance contract accounting is discussed in more detail above, and further detail of the key assumptions made in determining insurance contract provisions is included in note 29,
- the estimation of the useful lives of property, plant and equipment is based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management. These depreciation rates represent management's current best estimate of the useful lives of the assets, and
- the fair values of financial assets and liabilities are classified and accounted for in accordance with the policies set out above,

Assets are subject to regular impairment reviews as required. Impairments are measured at the difference between the cost (or amortised cost) of a particular asset and the current fair value or recoverable amount. Impairments are recorded in the income statement in the period in which they occur. The group's policy in relation to impairment testing in respect of goodwill is detailed above.

Valuations

Valuation method

An entity discounted cash flow (DCF) valuation technique is used for all unlisted investments, excluding specialised organisations such as insurance companies (where an imbedded value calculation may be more appropriate). Price/earnings valuations are not as accurate and are thus only used as a secondary review.

Application of methodology

Free cash flow (FCF) forecasts are prepared year-by-year for a minimum of a three-year period and for high-growth companies year-by-year forecasts for a period of five to ten years are prepared, whereafter a terminal value will be calculated;

Terminal value growth rates

When calculating the terminal value, growth rates in excess of the current inflation rate are not utilised. Real growth beyond ten years is not likely, and even if likely is difficult to forecast with any certainty.

Terminal values

When calculating the terminal value, care is taken regarding the level of net capital investment assumed. This is assumed to be lower than during the specific forecast period for high-growth companies. For mature, stable companies net capital investment during the specific forecast period and beyond is assumed to be the same.

Discount rate

Free cash flows are discounted at the groups' weighted average cost of capital (WACC), being the weighted cost of equity (as determined using the capital asset pricing model (CAPM)) and the weighted after-tax cost of debt and/or any other non-equity form of financing.

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ASSUMPTIONS AND MANAGEMENT ESTIMATES (continued)

Risk free rate

The risk free rate utilised is the yield on ten-year government bonds. These yields were obtained from the financial press at the time of preparing the valuations. Where no ten-year SA bonds are in issue, the nearest long-term SA bond rate should be used.

Beta

The equally-weighted average of the relevant industry betas is used.

The betas are calculated over a five-year period (where possible). This is assumed to provide a fair estimate of the groups' recent market risk.

Market risk premium

A market risk premium was utilised in all valuations.

Value of equity

The value of equity will be equal to the free cash flow value of the entity, less the balance sheet values (at the valuation date) of debt and any other form of financing, plus any cash on hand (per the balance sheet) which is in excess of normal working capital requirements.

The value of equity, less any minority share, will represent the fair value of Sekunjalo's investment in that entity.

BALANCE SHEET

AT 31 AUGUST 2007

	Notes	GROUP		COMPANY	
		2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Assets					
Property, plant and equipment	2	201,374	190,440	547	953
Royalty agreement	3	2,166	-	-	-
Biological assets	4	17,882	16,331	-	-
Software development costs	5	12,362	9,704	-	-
Goodwill	6	85,885	68,829	-	-
Patents and trademarks	7	3,553	3,907	17	18
Pharmaceutical dossiers	8	22,100	23,800	-	-
Deferred tax asset	9	14,607	24,462	-	-
Other investments	10	346,153	134,751	1,749	2,342
Investments in subsidiaries	11	-	-	993,500	808,005
Investments in associates	12	-	7,110	-	-
Investments in joint ventures	13	-	-	-	-
Loans receivable	14	14,928	60,312	27	3,749
Amounts owed by group companies	15	-	-	155,878	182,551
Non-current assets		721,010	539,646	1,151,718	997,618
Inventories	16	35,279	27,854	-	-
Trade and other receivables	17	83,673	117,898	2,953	8,844
Current portion of loans receivable	14	19,170	5,560	-	-
Forward exchange contract asset		14	38	-	-
Receiver of revenue		1,166	466	-	-
Cash and cash equivalents		53,029	39,909	26,433	7,902
Current assets		192,331	191,725	29,386	16,746
Non current assets held for sale	18	40,433	-	-	-
TOTAL ASSETS		953,774	731,371	1,181,104	1,014,364
Equity and liabilities					
Share capital	19	29	27	29	27
Share premium	20	386,764	301,408	386,764	301,480
Non distributable reserves	21	8,056	10,262	-	-
Other distributable reserve	22	-	100	-	-
Accumulated profit		166,481	52,252	644,699	602,031
Equity attributable to parent		561,330	364,049	1,031,492	903,538
Outside shareholders' interest		29,742	48,643	-	-
Total equity		591,072	412,692	1,031,492	903,538
Interest bearing borrowings	23	35,957	41,160	62	419
Non-interest bearing borrowings	24	10,528	13,787	4,547	363
Amounts owed to group companies	25	-	-	23,021	20,934
Deferred tax liability	26	106,911	68,382	110,349	80,806
Post employment medical costs	27	2,072	1,970	-	-
Operating lease liability		348	747	-	-
Non-current liabilities		155,816	126,046	137,979	102,522
Trade and other payables	28	74,622	68,218	1,723	8,034
Provisions	29	30,926	10,222	9,078	212
Policyholder liabilities	30	-	17,323	-	-
Current portion of interest bearing borrowings	23	26,685	36,836	58	58
Current portion on non-interest bearing borrowings	24	430	673	-	-
Receiver of revenue		15,548	8,587	774	-
Bank overdraft	31	29,991	50,774	-	-
Current liabilities		178,202	192,633	11,633	8,304
Non current liabilities held for sale	32	28,684	-	-	-
TOTAL EQUITY AND LIABILITIES		953,774	731,371	1,181,104	1,014,364
Number of shares in issue (000's)		469,205	360,675	469,205	360,675
Net asset value per share (cents)		125.97	114.42	219.84	250.51
Tangible net asset value per share (cents)		99.11	84.97	219.83	250.51

INCOME STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2007

	NOTES	GROUP		COMPANY	
		2007	2006	2007	2006
		R 000's	R 000's	R 000's	R 000's
Revenue	33	449,516	422,418	8,432	8,500
Cost of sales		(229,016)	(238,655)	-	-
Gross profit		220,500	183,763	8,432	8,500
Other operating income		282,903	116,871	254,880	148,443
Gross income		503,403	300,634	263,312	156,943
Administration, distribution and selling expenses		(317,872)	(210,953)	(201,700)	(134,328)
Profit from operations	34	185,531	89,681	61,612	22,615
Income from associate		(13)	605	-	-
Finance income	35	11,106	10,352	16,955	16,145
Finance expenses	35	(22,519)	(13,826)	(5,582)	(4,704)
Profit before taxation		174,105	86,812	72,985	34,056
Income taxation expense	36	(61,690)	(14,907)	(30,317)	(8,939)
Profit after taxation		112,415	71,905	42,668	25,117
Attributable to:					
Outside shareholders		(2,204)	5,646	-	-
Parent		114,619	66,259	42,668	25,117
		112,415	71,905	42,668	25,117
Discontinued operation	37				
Profit after taxation from the discontinued operation		1,000	3,928	-	-
Basic earnings per share (cents)	38	28.67	20.94		
Diluted earnings per share (cents)	38	27.52	18.52		

STATEMENT OF CHANGES IN EQUITY: GROUP

FOR THE YEAR ENDED 31 AUGUST 2007

	Share capital	Share pre- mium	Non- distribut- able reserve	Other distribut- able reserve	Accumu- lated profit	Attribut- able to parent	Outside share- holders' interest	Total equity
	R 000's	R 000's	R 000's	R 000's	R 000's	R 000's	R 000's	R 000's
Balance at 31 August 2005	26	236,402	8,245	487	(13,838)	231,322	40,152	271,474
Prior year error (Refer to note 45)	-	-	-	-	(106)	(106)	-	(106)
Restated balance	26	236,402	8,245	487	(13,944)	231,216	40,152	271,368
Net profit for the year	-	-	-	-	67,401	67,401	6,658	74,059
Dividends paid	-	-	-	-	(63)	(63)	-	(63)
Issue of shares	1	-	-	-	-	1	-	1
Share premium on share issue	-	65,006	-	-	-	65,006	-	65,006
Movement in other distributable reserves	-	-	-	(387)	-	(387)	-	(387)
Movement in non-distributable reserves	-	-	2,017	-	-	2,017	-	2,017
Acquisitions of subsidiaries	-	-	-	-	-	-	2,845	2,845
Balance at 31 August 2006	27	301,408	10,262	100	53,394	365,191	49,655	414,846
Prior year error (Refer to note 45)	-	-	-	-	(1,142)	(1,142)	(1,012)	(2,154)
Restated balance	27	301,408	10,262	100	52,252	364,049	48,643	412,692
Net profit for the year	-	-	-	-	114,619	114,619	(2,204)	112,415
Dividends paid	-	-	-	-	(382)	(382)	-	(382)
Issue of shares	2	-	-	-	-	2	-	2
Share premium on share issue	-	85,356	-	-	-	85,356	-	85,356
Movement in other distributable reserves	-	-	-	(100)	-	(100)	-	(100)
Movement in non-distributable reserves	-	-	(2,206)	-	(8)	(2,214)	-	(2,214)
Acquisitions of subsidiaries	-	-	-	-	-	-	(16,697)	(16,697)
Balance at 31 August 2007	29	386,764	8,056	-	166,481	561,330	29,742	591,072
Notes	19	20	21	22				

STATEMENT OF CHANGES IN EQUITY: COMPANY

FOR THE YEAR ENDED 31 AUGUST 2007

	Share capital	Share pre- mium	Non- distribut- able reserve	Other distribut- able reserve	Accumu- lated profit	Attribut- able to parent	Outside share- holders' interest	Total equity
	R 000's	R 000's	R 000's	R 000's	R 000's	R 000's	R 000's	R 000's
Balance at 31 August 2005	26	236,885	-	-	576,914	813,825	-	813,825
Net profit for the year	-	-	-	-	25,117	25,117	-	25,117
Dividends paid	-	-	-	-	-	-	-	-
Issue of shares	1	-	-	-	-	1	-	1
Share premium on share issue	-	64,595	-	-	-	64,595	-	64,595
Balance at 31 August 2006	27	301,480	-	-	602,031	903,538	-	903,538
Net profit for the year	-	-	-	-	42,668	42,668	-	42,668
Dividends paid	-	-	-	-	-	-	-	-
Issue of shares	2	-	-	-	-	2	-	2
Share premium on share issue	-	85,284	-	-	-	85,284	-	85,284
Balance at 31 August 2007	29	386,764	-	-	644,699	1,031,492	-	1,031,492
Notes	19	20	21	22				

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2007

	GROUP		COMPANY	
	2007	2006	2007	2006
	R000'S	R000'S	R000'S	R000'S
Cash flows (to)/from operating activities	(13,347)	(12,153)	2,061	3,903
Cash received from customers	433,516	406,019	14,323	194
Cash paid to suppliers and employees	(434,459)	(412,966)	(24,181)	(7,918)
Cash utilised by operations	(943)	(6,947)	(9,858)	(7,724)
Interest paid	(22,519)	(13,826)	(5,582)	(4,704)
Interest received	11,106	10,352	16,955	16,145
Dividends paid	(382)	(64)	-	-
Dividends received	1,089	253	546	186
Taxation paid	(1,698)	(1,921)	-	-
Cash flows (to)/from investing activities	(31,099)	(76,610)	8,385	(488)
Acquisition of other investments	(2,518)	(16,279)	-	-
Acquisition of subsidiaries	(19,748)	(45,391)	-	-
Additions to patents and trademarks	-	(3,717)	-	-
Additions to property, plant and equipment	(31,727)	(23,008)	(36)	(493)
Additions to royalty agreement	(2,166)	-	-	-
Additions to software development costs	(3,751)	(1,874)	-	-
Proceeds on disposal of associates	4,449	-	-	-
Proceeds on disposal of other investments	4,950	7,431	8,400	-
Proceeds on disposal of property, plant and equipment	3,535	6,228	21	5
Proceeds on disposal of subsidiary	15,877	-	-	-
Transfer to non-current assets held for sale	(2,695)	-	-	-
Cash flows from/(to) financing activities	80,762	37,286	8,085	(11,363)
Capital raised	85,358	65,008	85,286	64,597
Increase/(decrease) in non-interest bearing borrowings	453	1,245	4,185	(3)
Decrease in interest bearing borrowings	(37,599)	(2,427)	(356)	(12,490)
(Decrease)/increase in amounts owing to group companies	-	-	(79,167)	5,325
Decrease/(increase) in amounts owed by group companies	-	-	2,087	(68,170)
Decrease/(increase) in loans receivable	32,550	(26,540)	(3,950)	(622)
Transfer to non-current liabilities held for sale	282	-	-	-
Net increase/(decrease) in cash and cash equivalents	33,903	(51,477)	18,531	(7,948)
Cash and cash equivalents at beginning of the year	(10,865)	40,612	7,902	15,850
Cash and cash equivalents at end of the year	23,038	(10,865)	26,433	7,902

CASH FLOW STATEMENT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2007

	GROUP		COMPANY	
	2007 R000'S	2006 R000'S	2007 R000'S	2006 R000'S
Reconciliation of net profit before tax to cash flow from operations:				
Net profit before tax	174,105	86,937	72,985	34,056
Adjusted for:				
Amortisation of intangible assets	3,147	2,770	1	1
Bad debts written off	10,397	1,564	11	-
Depreciation	13,825	12,289	437	232
Dividend received	(1,089)	(253)	(546)	(186)
Fair value adjustment on biological assets	(1,551)	(6,606)	-	-
Fair value adjustment on investments	(249,353)	(80,806)	(193,303)	(24,644)
Gain on loan purchased	(1,468)	(5,396)	-	-
Impairment of goodwill	1,735	-	-	-
Impairment of loans	-	-	113,513	-
Impairment of property, plant and equipment	935	-	-	-
Income from associate	-	(605)	-	-
Interest paid	22,519	13,826	5,582	4,704
Interest received	(11,106)	(10,352)	(16,955)	(16,145)
Loss on sale of investments	6,469	-	-	-
Loss on sale of property, plant and equipment	5	-	-	-
Movement in operating lease liability	(407)	(2)	-	-
Movement in policyholder liability	(5,708)	(28)	-	-
Movement in post employment medical costs	102	181	-	-
Movement in provisions	21,456	1,544	8,866	97
Movement in reserves	(2,290)	(411)	-	-
Profit on foreign exchange transactions	-	(4,546)	-	-
Profit on sale of investments	-	(507)	-	-
Profit on sale of property, plant and equipment	-	(8)	(16)	-
Reversal of contingent liability	-	(1,300)	-	-
Operating profit before working capital changes	(18,277)	8,291	(9,425)	(1,885)
Working capital changes	17,334	(15,238)	(433)	(5,839)
Decrease/(increase) in trade and other receivables	16,000	(12,204)	5,879	(8,305)
(Increase)/decrease in inventories	(6,608)	7,045	-	-
Increase/(decrease) in trade and other payables	7,942	(10,079)	(6,312)	2,466
Cash utilised by operations	(943)	(6,947)	(9,858)	(7,724)

CASH FLOW STATEMENT (continued)

FOR THE PERIOD ENDED 31 AUGUST 2007

	GROUP		COMPANY	
	2007 R000'S	2006 R000'S	2007 R000'S	2006 R000'S
Acquisition of subsidiaries				
During the year the group acquired various subsidiaries. The fair value of assets acquired and liabilities assumed were as follows:				
Bank and cash	(3,467)	(3,027)	-	-
Deferred tax	(4,800)	(45)	-	-
Goodwill	-	(3,121)	-	-
Intangible assets	-	(2,844)	-	-
Inventories	(817)	-	-	-
Investment in subsidiaries	-	(6,350)	-	-
Investments	(6,187)	(9,153)	-	-
Loans receivable	(438)	-	-	-
Non-current liabilities	29,078	7,448	-	-
Operating lease liability	8	-	-	-
Property, plant and equipment	(286)	(1,156)	-	-
Provisions	955	85	-	-
Taxation	(33)	1,674	-	-
Trade and other payables	2,818	4,080	-	-
Trade and other receivables	(2,919)	(5,634)	-	-
Net assets acquired	13,912	(18,043)	-	-
Outside shareholders' interest after acquisition	(7,065)	2,845	-	-
Acquired by group	6,847	(15,198)	-	-
Goodwill	(30,062)	(33,220)	-	-
Purchase consideration	(23,215)	(48,418)	-	-
Bank acquired	3,467	3,027	-	-
	(19,748)	(45,391)	-	-
Disposal of subsidiaries				
During the year the group disposed of various subsidiaries. The carrying value of assets and liabilities disposed of were as follows:				
Bank and cash	450	-	-	-
Non-current liabilities	(25)	-	-	-
Deferred tax	(80)	-	-	-
Goodwill	3,877	-	-	-
Investments	15,201	-	-	-
Investment in associates	2,661	-	-	-
Loans receivable	380	-	-	-
Property, plant and equipment	25	-	-	-
Taxation	(121)	-	-	-
Trade and other payables	(1,186)	-	-	-
Trade and other receivables	5,178	-	-	-
Net assets disposed	26,360	-	-	-
Outside shareholders' interest	(9,632)	-	-	-
Disposed of by group	16,728	-	-	-
Loss on disposal of investment	(401)	-	-	-
Selling price	16,327	-	-	-
Bank disposed	(450)	-	-	-
Cash inflow on disposal	15,877	-	-	-
Cash and Cash equivalents				
Cash on hand and at bank	53,029	39,909	26,433	7,902
Bank overdraft	(29,991)	(50,774)	-	-
Non current assets held for sale: Cash on hand and at bank	2,695	-	-	-
Non current liability held for sale: Bank overdraft	(282)	-	-	-
	25,451	(10,865)	26,433	7,902

NOTE 2 PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated depreciation	Accumulated Impairment	Net book value
	R 000's	R 000's	R 000's	R 000's
2.1 Group				
2007				
Owned:				
Computer equipment	6,692	(4,800)	-	1,892
Furniture and fittings	4,654	(2,486)	-	2,168
Land and buildings	20,056	(205)	-	19,851
Motor vehicles	2,874	(1,341)	-	1,533
Office equipment	1,417	(840)	-	577
Plant and equipment	108,997	(22,518)	-	86,479
Vessels	93,179	(11,396)	(935)	80,848
Computer software	2,049	(1,864)	-	185
Pharmaceutical books	28	(26)	-	2
Generator	154	(10)	-	144
Computer equipment under finance lease	540	(189)	-	351
Leased:				
Leasehold improvements	15,591	(5,493)	-	10,098
	256,231	(51,168)	(935)	204,128
Less: Transferred to non-current assets held for sale				(2,754)
				201,374
2006				
Owned:				
Computer equipment	6,229	(4,082)	-	2,147
Furniture and fittings	4,595	(2,032)	-	2,563
Land and buildings	1,866	(180)	-	1,686
Motor vehicles	2,857	(1,249)	-	1,608
Office equipment	2,046	(1,324)	-	722
Plant and equipment	106,415	(16,484)	-	89,931
Vessels	88,375	(7,225)	-	81,150
Computer software	1,139	(1,093)	-	46
Pharmaceutical books	28	(16)	-	12
Generator	-	-	-	-
Computer equipment under finance lease	441	(37)	-	404
Leased:				
Leasehold improvements	15,348	(5,177)	-	10,171
	229,339	(38,899)	-	190,440

NOTE 2 PROPERTY, PLANT AND EQUIPMENT (group continued)

	Net book value 2006	Additions	Depreciation	Disposals	Impairment	Net book value 2007
	R 000's	R 000's	R 000's	R 000's	R 000's	R 000's
2.2 Schedule of movement						
2007						
Owned:						
Computer equipment	2,147	981	(1,143)	(93)	-	1,892
Furniture and fittings	2,563	233	(506)	(122)	-	2,168
Land and buildings	1,686	18,194	(25)	(4)	-	19,851
Motor vehicles	1,608	257	(332)	-	-	1,533
Office equipment	722	85	(148)	(82)	-	577
Plant and equipment	89,931	6,116	(6,399)	(3,169)	-	86,479
Vessels	81,150	4,847	(4,174)	(40)	(935)	80,848
Computer software	46	566	(388)	(39)	-	185
Pharmaceutical books	12	-	(10)	-	-	2
Generator	-	154	(10)	-	-	144
Computer equipment under finance lease	404	100	(153)	-	-	351
Leased:						
Leasehold improvements	10,171	480	(537)	(16)	-	10,098
	190,440	32,013	(13,825)	(3,565)	(935)	204,128
Less: Transferred to non-current assets held for sale						(2,754)
						201,374

	Net book value 2005	Additions	Depreciation	Disposals	Impairment	Net book value 2006
	R 000's	R 000's	R 000's	R 000's	R 000's	R 000's
2006						
Owned:						
Computer equipment	1,040	2,333	(982)	(244)	-	2,147
Furniture and fittings	1,984	1,129	(540)	(10)	-	2,563
Land and buildings	1,621	68	(3)	-	-	1,686
Motor vehicles	1,531	452	(292)	(83)	-	1,608
Office equipment	461	383	(122)	-	-	722
Plant and equipment	90,069	4,941	(5,043)	(38)	-	89,929
Vessels	73,771	11,396	(3,962)	(54)	-	81,151
Computer software	96	100	(149)	-	-	47
Pharmaceutical books	21	-	(9)	-	-	12
Generator	-	-	-	-	-	-
Computer equipment under finance lease	-	441	(37)	-	-	404
Leased:						
Leasehold improvements	8,485	2,116	(430)	-	-	10,171
	179,079	23,359	(11,569)	(429)	-	190,440

A register of fixed assets is maintained in terms of paragraph 22(3) of schedule 4 of the Companies Act in South Africa.

The register is available for inspection at the registered office of the company.

Certain items of property, plant and equipment have been pledged as security for the interest bearing borrowings. (refer to note 23)

NOTE 2 PROPERTY, PLANT AND EQUIPMENT (continued)

	Cost	Accumulated Depreciation	Accumulated Impairment	Net book value
	R 000's	R 000's	R 000's	R 000's
2.3 Company				
2007				
Owned:				
Computer equipment	11	(2)	-	9
Furniture and fittings	351	(169)	-	182
Motor vehicles	317	(121)	-	196
Office equipment	10	(9)	-	1
Computer software	464	(305)	-	159
Leased:				
Leasehold improvements	-	-	-	-
	1,153	(606)	-	547
2006				
Owned:				
Computer equipment	-	-	-	-
Furniture and fittings	326	(137)	-	189
Motor vehicles	317	(74)	-	243
Office equipment	20	(12)	-	8
Computer software	464	(75)	-	389
Leased:				
Leasehold improvements	227	(103)	-	124
	1,354	(401)	-	953

	Net book value 2006	Additions	Depreciation	Disposals	Impairment	Net book value 2007
	R 000's	R 000's	R 000's	R 000's	R 000's	R 000's
2.4 Schedule of movement						
2007						
Owned:						
Computer equipment	-	11	(2)	-	-	9
Furniture and fittings	189	25	(32)	-	-	182
Motor vehicles	243	-	(47)	-	-	196
Office equipment	8	-	(2)	(5)	-	1
Computer software	389	-	(230)	-	-	159
Leased:						
Leasehold improvements	124	-	(124)	-	-	-
	953	36	(437)	(5)	-	547

NOTE 2 PROPERTY, PLANT AND EQUIPMENT (company continued)

	Net book value 2005	Additions	Depreciation	Disposals	Impairment	Net book value 2006
	R 000's	R 000's	R 000's	R 000's	R 000's	R 000's
2006						
Owned:						
Computer equipment	5	-	-	(5)	-	-
Furniture and fittings	204	32	(47)	-	-	189
Motor vehicles and cycles	306	-	(63)	-	-	243
Office equipment	11	-	(3)	-	-	8
Computer software	2	461	(74)	-	-	389
Leased:						
Leasehold buildings	169	-	(45)	-	-	124
	<u>697</u>	<u>493</u>	<u>(232)</u>	<u>(5)</u>	<u>-</u>	<u>953</u>

A register of fixed assets is maintained in terms of paragraph 22(3) of schedule 4 of the Companies Act in South Africa. The register is available for inspection at the registered office of the company.

Certain items of property, plant and equipment have been pledged as security for the interest bearing borrowings. (refer to note 23)

NOTE 3 ROYALTY AGREEMENT

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Royalty agreement	2,166	-	-	-
Cost	<u>2,166</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accumulated amortisation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Schedule of movements				
Net book value at beginning of the year	-	-	-	-
Additions	2,166	-	-	-
Net book value at the end of year	<u>2,166</u>	<u>-</u>	<u>-</u>	<u>-</u>

The royalty agreement relates to the right to use a software platform. The software platform has an estimated useful life of 5 years.

NOTE 4 BIOLOGICAL ASSETS

	COST	ADJUSTMENT	NET BOOK VALUE
Group	R 000's	R 000's	R 000's
2007			
Abalone	9,725	8,157	17,882
	<u>9,725</u>	<u>8,157</u>	<u>17,882</u>

	NET BOOK VALUE 2006	ADDITIONS	DISPOSALS	FAIR VALUE ADJUSTMENT	NET BOOK VALUE 2007
Schedule of movements	R 000's	R 000's	R 000's	R 000's	R 000's
Abalone	16,331	10,894	(10,894)	1,551	17,882
	<u>16,331</u>	<u>10,894</u>	<u>(10,894)</u>	<u>1,551</u>	<u>17,882</u>

	COST	ADJUSTMENT	NET BOOK VALUE
Group	R 000's	R 000's	R 000's
2006			
Abalone	9,725	6,606	16,331
	<u>9,725</u>	<u>6,606</u>	<u>16,331</u>

	NET BOOK VALUE 2005	ADDITIONS	DISPOSALS	FAIR VALUE ADJUSTMENT	NET BOOK VALUE 2006
Schedule of movements	R 000's	R 000's	R 000's	R 000's	R 000's
Abalone	9,725	13,150	(13,150)	6,606	16,331
	<u>9,725</u>	<u>13,150</u>	<u>(13,150)</u>	<u>6,606</u>	<u>16,331</u>

The estimated quantity of varying grades of abalone on hand at year end was 78 200kg (2006: 82 211kg)
Net book value equates to fair value of the assets less any costs to sell.

The adjustment relates to the total fair value adjustment required to ensure a net book value as described above.

NOTE 5 SOFTWARE DEVELOPMENT COSTS

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Software development costs	12,362	9,704	-	-
Cost	16,687	12,936	-	-
Accumulated amortisation	(4,325)	(3,232)	-	-
Schedule of movements				
Net book value at beginning of year	9,704	8,715	-	-
Additions	3,751	1,874	-	-
Amortisation	(1,093)	(885)	-	-
Net book value at end of the year	12,362	9,704	-	-

In the prior year R3 302 366 was incorrectly classified as patents and trademarks.

The comparatives have been reclassified.

Software development costs have a remaining amortisation period of between one and ten years. Software and development costs are internally generated.

Certain software development costs have been pledged as security for interest bearing borrowings (refer to note 23).

NOTE 6 GOODWILL

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Goodwill	85,885	68,829	-	-
Cost	87,620	68,829	-	-
Accumulated impairment	(1,735)	-	-	-
Schedule of movements				
Net book value at beginning of the year	68,829	26,138	-	-
Acquisitions	28,023	42,691	-	-
Impairment	(1,735)	-	-	-
Transfer to non current assets held for sale	(1,464)	-	-	-
Disposals	(7,768)	-	-	-
Net book value at end of the year	<u>85,885</u>	<u>68,829</u>	<u>-</u>	<u>-</u>
The changes in goodwill relate to the following acquisitions and disposals:				
Acquisitions	28,023	42,691	-	-
Premfresh Seafoods (Pty) Ltd	13,205	-	-	-
Bella Investments Ltd	-	4,068	-	-
Cynthesys (Pty) Ltd	-	1,074	-	-
Synergy Computing (Pty) Ltd	3,083	7,380	-	-
Saratoga Software (Pty) Ltd	1,668	3,232	-	-
Bensure Insurance Underwriters (Pty) Ltd	786	-	-	-
First Light Administrators (Pty) Ltd	8,333	-	-	-
Sekunjalo Life Assurance Ltd	948	-	-	-
FIOS (Pty) Ltd	-	17,320	-	-
Imagination Life Management Holdings (Pty) Ltd	-	434	-	-
Sharenet (Pty) Ltd	-	5,483	-	-
Sekunjalo Capital International (Pty) Ltd	-	3,700	-	-
Disposals	(7,768)	-	-	-
Sekunjalo Capital International (Pty) Ltd	(3,700)	-	-	-
Bella Investments Ltd	(4,068)	-	-	-
	<u>20,255</u>	<u>42,691</u>	<u>-</u>	<u>-</u>

NOTE 7 PATENTS AND TRADEMARKS

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Patents and trademarks	3,553	3,907	17	18
Capitalised	4,779	4,779	24	24
Accumulated amortisation	(1,226)	(872)	(7)	(6)
Schedule of movements				
Net book value at beginning of the year	3,907	834	18	19
Additions	-	3,258	-	-
Amortisation	(354)	(185)	(1)	(1)
Net book value at end of the year	3,553	3,907	17	18

In the prior year R3 302 336 was incorrectly classified as patent and trademarks instead of software development costs. The comparatives have been reclassified.

Patents and trademarks have a remaining amortisation period of between one and ten years.

Patents and trademarks are internally generated except for those with a book value of R17,000, which have been acquired.

NOTE 8 PHARMACEUTICAL DOSSIERS

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Pharmaceutical dossiers	22,100	23,800	-	-
Capitalised	34,000	34,000	-	-
Accumulated amortisation	(11,900)	(10,200)	-	-
Schedule of movements				
Net book value at beginning of the year	23,800	25,500	-	-
Amortisation	(1,700)	(1,700)	-	-
Net book value at end of the year	22,100	23,800	-	-

A register of pharmaceutical dossiers is available for inspection at the registered office of Sekpharma (Pty) Ltd.

Pharmaceutical dossiers have a remaining amortisation period of 13 years. All pharmaceutical dossiers have been acquired.

NOTE 9 DEFERRED TAX

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
9.1 Deferred Tax Asset				
<i>Deferred tax balances arise as result of the following differences:</i>				
Deferred tax adjustment				
Property, plant and equipment	-	(269)	-	-
Intangible assets	(1,857)	-	-	-
Provisions	1,076	1,137	-	-
Provision for bad debts	19	187	-	-
Prepaid expenses	-	(922)	-	-
Computed loss	19,826	22,956	-	-
Operating lease	1	4	-	-
Income received in advance	2,245	1,369	-	-
Computed capital gain	(290)	-	-	-
Loan impairment	(5,685)	-	-	-
Transfer to non current assets held for sale	(728)	-	-	-
Total deferred tax asset	14,607	24,462	-	-
9.2 Reconciliation of deferred tax asset opening and closing balances:				
Balance at beginning of the year	24,462	20,269	-	-
Movements during the year	(9,855)	4,193	-	-
Reversing/(originating) temporary differences on:				
Deferred tax adjustment				
Property, plant and equipment	269	3	-	-
Intangible assets	(1,857)	-	-	-
Provisions	(61)	381	-	-
Provision for bad debts	(168)	(11)	-	-
Prepaid expenses	922	(919)	-	-
Computed loss	(3,858)	4,362	-	-
Operating lease	(3)	4	-	-
Income received in advance	876	279	-	-
Other investments	-	94	-	-
Computed capital gain	(290)	-	-	-
Loan impairment	(5,685)	-	-	-
Deferred tax asset end of the year	14,607	24,462	-	-

NOTE 10 OTHER INVESTMENTS - FAIR VALUED THROUGH THE INCOME STATEMENT

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
10.1 Ibhayi Investment Company Ltd				
Number of shares held: 2,400				
Market value of shares held:				
Closing fair value	2	2	2	2
Original cost	2	2	2	2
Total fair value adjustments	-	-	-	-
Prior year fair value adjustment	-	-	-	-
Current year fair value adjustment	-	-	-	-
10.2 African Legend Investments Ltd				
Number of shares held: 2,104,000				
Market value of shares held:				
Closing fair value	1,747	1,747	1,747	1,747
Original cost	60	60	60	60
Total fair value adjustments	1,687	1,687	1,687	1,687
Prior year fair value adjustment	1,687	1,687	1,687	1,687
Current year fair value adjustment	-	-	-	-
10.3 Skyprops 43 (Pty) Ltd				
Number of shares held: 31				
Market value of shares held:				
Closing fair value	-	593	-	593
Original cost	739	739	739	739
Total fair value adjustments	(739)	(146)	(739)	(146)
Prior year fair value adjustment	(146)	(146)	(146)	(146)
Current year fair value adjustment	(593)	-	(593)	-
10.4 Bioclones (Pty) Ltd				
Number of shares held: 10,078				
Market value of shares held:				
Closing fair value	340,000	89,025	-	-
Original cost	19,932	19,932	-	-
Total fair value adjustments	320,068	69,093	-	-
Prior year fair value adjustment	69,093	-	-	-
Current year fair value adjustment	250,975	69,093	-	-
10.5 Riverstone Alternate Solutions Ltd				
Number of shares held: NIL (2006: 6)				
Market value of shares held:				
Closing fair value	-	16,625	-	-
Disposal	(16,625)	-	-	-
Original cost	5,500	5,500	-	-
Total fair value adjustments	11,125	11,125	-	-
Prior year fair value adjustment	9,652	-	-	-
Foreign currency translation reserve	1,473	1,473	-	-
Current year fair value adjustment	-	9,652	-	-

NOTE 10 OTHER INVESTMENTS - FAIR VALUED THROUGH THE INCOME STATEMENT (continued)

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
10.6 Gemini Moon Trading (Pty) Ltd				
Number of shares held: 30				
Market value of shares held:				
Closing fair value	-	1,000	-	-
Original cost	-	-	-	-
Total fair value adjustments	-	1,000	-	-
Prior year fair value adjustment	1,000	-	-	-
Current year fair value adjustment	(1,000)	1,000	-	-
10.7 Coronation Fund Managers				
Closing fair value	-	3,449	-	-
Original cost	3,850	3,449	-	-
Transfer to non current assets held for sale	(3,850)	-	-	-
Total fair value adjustments	-	-	-	-
Prior year fair adjustment	-	-	-	-
Current year fair value adjustment	-	-	-	-
10.8 Trinity Asset Management (Pty) Ltd				
Closing fair value	-	13,766	-	-
Original cost	10,102	13,766	-	-
Transfer to non current assets held for sale	(10,102)	-	-	-
Total fair value adjustments	-	-	-	-
Prior year fair adjustment	-	-	-	-
Current year fair value adjustment	-	-	-	-
10.9 Sanlam Private Investments				
Closing fair value	-	7,975	-	-
Original cost	12,415	7,975	-	-
Transfer to non current assets held for sale	(12,415)	-	-	-
Total fair value adjustments	-	-	-	-
Prior year fair adjustment	-	-	-	-
Current year fair value adjustment	-	-	-	-
10.10 Ronnies Trust				
10% beneficial interest held				
Closing fair value	540	569	-	-
Original cost	-	-	-	-
Total fair value adjustments	540	569	-	-
Prior year fair adjustment	569	-	-	-
Current year fair value adjustment	(29)	569	-	-
10.11 ESP Afrika (Pty) Ltd				
Number of shares held: 100 (2006: NIL)				
Market value of shares held:				
Closing fair value	3,864	-	-	-
Original cost	3,864	-	-	-
Total fair value adjustments	-	-	-	-
Prior year fair adjustment	-	-	-	-
Current year fair value adjustment	-	-	-	-
TOTAL INVESTMENTS	346,153	134,751	1,749	2,342

NOTE 11 INVESTMENTS IN SUBSIDIARIES - FAIR VALUED THROUGH THE INCOME STATEMENT

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
11.1 Sekpharma (Pty) Ltd				
Closing fair value	-	-	-	4,279
Original cost	-	-	-	-
Total fair value adjustments	-	-	-	4,279
Prior year fair value adjustment	-	-	4,279	10,698
Current year fair value adjustment	-	-	(4,279)	(6,419)
11.2 Sekunjalo Capital (Pty) Ltd				
Closing fair value	-	-	5,000	27,796
Original cost	-	-	-	-
Total fair value adjustments	-	-	5,000	27,796
Prior year fair value adjustment	-	-	27,796	62,000
Current year fair value adjustment	-	-	(22,796)	(34,204)
11.3 Sekunjalo Health Care Ltd				
Closing fair value	-	-	-	-
Original cost	-	-	22,041	22,041
Total fair value adjustments	-	-	(22,041)	(22,041)
Prior year fair value adjustment	-	-	(22,041)	(19,728)
Current year fair value adjustment	-	-	-	(2,313)
11.4 Sekunjalo Industrial Holdings (Pty) Ltd				
Closing fair value	-	-	555,000	554,177
Original cost	-	-	-	-
Total fair value adjustments	-	-	555,000	554,177
Prior year fair value adjustment	-	-	554,177	546,320
Current year fair value adjustment	-	-	823	7,857
11.5 Sekunjalo Informatics and Telecommunications Africa (Pty) Ltd				
Closing fair value	-	-	90,000	119,727
Original cost	-	-	-	-
Total fair value adjustments	-	-	90,000	119,727
Prior year fair value adjustment	-	-	119,727	76,199
Current year fair value adjustment	-	-	(29,727)	43,528
11.6 Sekunjalo Aquaculture (Pty) Ltd				
Closing fair value	-	-	-	-
Original cost	-	-	-	-
Total fair value adjustments	-	-	-	-
Prior year fair value adjustment	-	-	-	50,230
Current year fair value adjustment	-	-	-	(50,230)

NOTE 11 INVESTMENTS IN SUBSIDIARIES - FAIR VALUED THROUGH THE INCOME STATEMENT (continued)

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
11.7 Sekunjalo Properties (Pty) Ltd				
Closing fair value	-	-	3,500	1,000
Original cost	-	-	-	-
Total fair value adjustments	-	-	3,500	1,000
Prior year fair value adjustment	-	-	1,000	-
Current year fair value adjustment	-	-	2,500	1,000
11.8 African Biotechnological and Medical Innovations (Pty) Ltd				
Closing fair value	-	-	340,000	89,026
Original cost	-	-	-	-
Total fair value adjustments	-	-	340,000	89,026
Prior year fair value adjustment	-	-	89,026	-
Current year fair value adjustment	-	-	250,974	89,026
11.9 Sekunjalo Life Assurance (Pty) Ltd				
Closing fair value	-	-	-	12,000
Original cost	-	-	-	8,400
Total fair value adjustments	-	-	-	3,600
Prior year fair value adjustment	-	-	3,600	27,200
Current year fair value adjustment	-	-	(3,600)	(23,600)
TOTAL INVESTMENTS	-	-	993,500	808,005

Refer to note 50 for more information on subsidiaries.

NOTE 12 INVESTMENTS IN ASSOCIATES

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
12.1 XN Corporation Africa (Pty) Ltd				
Number of shares held: NIL (2006: 97)	-	-	-	-
Fair value of shares held:	-	7,110	-	-
Percentage of equity held: NIL (2006: 24%)				
Total carrying value	-	7,110	-	-
Original cost	5,000	5,000	-	-
Disposal	(7,000)	-	-	-
Aggregate share of profit	2,110	2,110	-	-
Prior years' share of profit	2,110	1,486	-	-
Current year's share of profit	-	624	-	-
Loss on Sale	(110)	-	-	-
TOTAL INVESTMENTS IN ASSOCIATES	-	7,110	-	-
This investment was sold during the year for R7 000 000.				

NOTE 13 INVESTMENTS IN JOINT VENTURES

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
13.1 Premfresh Seafoods (Pty) Ltd	-	-	-	-
An additional 50% of Premfresh Seafoods (Pty) Ltd was acquired during the year under review and therefore 100% of the company is consolidated as a subsidiary and is no longer a joint venture operation.				
The total aggregated assets, liabilities, income and expenses of the joint ventures for the year ending 31 August 2006, was as follows:				
Non-Current Assets	-	8,022	-	-
Non-Current Liabilities	-	37,891	-	-
Current Assets	-	5,053	-	-
Current Liabilities	-	1,593	-	-
Income	-	10,263	-	-
Cost of sales	-	(20,580)	-	-
Other operating income	-	1,779	-	-
Admin expenses	-	(7,681)	-	-
Finance expenses	-	(3,598)	-	-
Tax	-	5,984	-	-
Net loss for the year	-	(13,833)	-	-
13.2 Premier Select (Pty) Ltd	-	-	-	-
Premier Select is a joint venture established during the year under review.				
Non-Current Assets	88	-	-	-
Non-Current Liabilities	281	-	-	-
Current Assets	458	-	-	-
Current Liabilities	361	-	-	-
Income	1,216	-	-	-
Cost of sales	(885)	-	-	-
Other operating income	3	-	-	-
Admin expenses	(653)	-	-	-
Finance expenses	(58)	-	-	-
Tax	-	-	-	-
Net loss for the year	(377)	-	-	-
13.3 Bloudam Joint Venture	-	-	-	-
Bloudam joint venture is a jointly controlled operation in the West Coast Rock Lobster fishing sector. The operation jointly controls a vessel with external rights holders'.				
Non-Current Assets	43	521	-	-
Non-Current Liabilities	-	-	-	-
Current Assets	407	-	-	-
Current Liabilities	512	-	-	-
Income	309	187	-	-
Cost of sales	(241)	316	-	-
Other operating income	-	-	-	-
Admin expenses	(13)	(11)	-	-
Finance income/(expenses)	-	-	-	-
Tax	-	-	-	-
Net profit for the year	55	492	-	-

NOTE 13 INVESTMENTS IN JOINT VENTURES (continued)

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
13.4 Eastern Cape Hake Long Line Joint Venture	-	-	-	-
Loans				
Eastern Cape Hake Long Line joint venture is a jointly controlled operation in the Eastern Cape Hake Long Line Fishing sector.				
Non-Current Assets	371	414	-	-
Non-Current Liabilities	-	-	-	-
Current Assets	-	-	-	-
Current Liabilities	-	-	-	-
Income	1,991	1,846	-	-
Cost of sales	(1,660)	(1,488)	-	-
Other operating income	-	-	-	-
Admin expenses	(38)	(48)	-	-
Finance income/(expenses)	-	-	-	-
Tax	-	-	-	-
Net profit for the year	293	310	-	-
13.5 Premier - BCP Hake Joint Venture	-	-	-	-
Loans				
Premier-BCP Hake Joint Venture is a jointly controlled operation in the Hake Fishing sector.				
Non-Current Assets	1,152	1,355	-	-
Non-Current Liabilities	-	-	-	-
Current Assets	6,321	-	-	-
Current Liabilities	(2,185)	-	-	-
Income	13,539	11,856	-	-
Cost of sales	(9,141)	(9,861)	-	-
Other operating income	-	-	-	-
Admin expenses	(94)	(22)	-	-
Finance income/(expenses)	-	-	-	-
Tax	-	-	-	-
Net profit for the year	4,304	1,973	-	-

NOTE 13 INVESTMENTS IN JOINT VENTURES (continued)

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
13.6 Premier Seacat Joint Venture	-	-	-	-
Loans				
Premier Seacat joint venture is a jointly controlled operation in the Squid Fishing sector. The operation jointly controls a vessel with an external rights holder.				
Non-Current Assets	418	476	-	-
Non-Current Liabilities	-	-	-	-
Current Assets	464	-	-	-
Current Liabilities	(464)	-	-	-
Income	2,153	1,637	-	-
Cost of sales	(1,162)	(1,053)	-	-
Other operating income	-	-	-	-
Admin expenses	(175)	(133)	-	-
Finance income/(expenses)	-	-	-	-
Tax	-	-	-	-
Net profit for the year	816	451	-	-

Refer to note 50 for more information on joint ventures.

NOTE 14 LOANS RECEIVABLE

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
14.1 Non-Interest Bearing				
14.1.1 Western Province Cricket Association	15	2,030	-	-
14.1.2 Mossel Bay Fishing	-	1,942	-	-
14.1.3 Bioclones (Pty) Ltd	4,204	2,697	-	-
14.1.4 Gemini Moon Trading (Pty) Ltd	-	2,489	-	-
14.1.5 Other Loans	-	34	-	-
14.1.6 SOS Insurance Ltd	-	70	-	-
14.1.7 SOS Trust	-	9	-	-
14.1.8 Pas Close II CC	-	200	-	200
14.1.9 Sekunjalo Development Foundation	27	27	27	27
14.1.10 National Pride Trading (Pty) Ltd	26	-	-	-
14.1.11 First Light Management Services (Pty) Ltd	420	-	-	-
Total Non-Interest Bearing	4,692	9,498	27	227
14.2 Interest Bearing				
14.2.1 Agrid International (Pty) Ltd	-	3,477	-	3,477
Loan	3,477	3,477	3,477	3,477
Impairment	(3,477)	-	(3,477)	-
14.2.2 New Promex Corporation (Pty) Ltd	230	26,100	-	-
Loan	31,194	26,100	-	-
Impairment	(30,964)	-	-	-
14.2.3 Premfresh Seafoods (Pty) Ltd	-	18,946	-	-
14.2.4 Risar Fishing CC	1,156	1,022	-	-
14.2.5 Tata Mowbray (Pty) Ltd	-	91	-	45
14.2.6 Provincial Government of the Western Cape	-	1,178	-	-
14.2.7 Bioclones (Pty) Ltd	3,881	-	-	-
14.2.8 ESP Afrika (Pty) Ltd	2,763	-	-	-
14.2.9 Mossel Bay Fishing (Pty) Ltd	2,065	-	-	-
14.2.10 Premier Select (Pty) Ltd	141	-	-	-
Total Interest Bearing	10,236	50,814	-	3,522
TOTAL NON-CURRENT LOANS RECEIVABLE	14,928	60,312	27	3,749
14.3 Non-Interest Bearing				
14.3.1 Gemini Moon Trading (Pty) Ltd	2,570	-	-	-
14.3.2 Dale Investments Ltd	10,000	-	-	-
14.3.3 Bensure Holdings (Pty) Ltd	750	-	-	-
14.3.4 Western Province Cricket Association	900	-	-	-
14.3.5 Futuremed Pharmaceuticals (Pty) Ltd	-	5,560	-	-
14.3.6 The Sun Valley Trust	2,500	-	-	-
14.3.7 The White Heather Trust	2,500	-	-	-
14.3.8 Tecor Group (Pty) Ltd	700	-	-	-
Secured by 63% of the shares in Tecor Group (Pty) Ltd				
14.3.9 Transfer to non current assets held for sale	(750)	-	-	-
Total Non-Interest Bearing	19,170	5,560	-	-
TOTAL CURRENT LOANS RECEIVABLE	19,170	5,560	-	-

Interest on the interest bearing loans is charged at the prime overdraft rate.

These loans are unsecured unless otherwise stated. No fixed terms of repayment have been determined.

Loans are impaired to the extent to which the recoverability of the loan in a 5 year time period can not be demonstrated to the satisfaction of the directors of the company.

NOTE 15 AMOUNTS OWED BY GROUP COMPANIES

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Interest Bearing				
15.1 African Biotechnological and Medical Innovations (Pty) Ltd	-	-	30,776	23,125
15.2 Cynthesys Business Consulting (Pty) Ltd	-	-	88	-
15.3 Hostprops 136 (Pty) Ltd	-	-	34	-
15.4 Sekunjalo Corporate Services (Pty) Ltd	-	-	7,245	3,107
15.5 Sekunjalo Structured Finance (Pty) Ltd	-	-	-	1,370
15.6 Sekunjalo Arcus Facilities Management (Pty) Ltd	-	-	21	18
15.7 Sekunjalo Capital (Pty) Ltd	-	-	36,465	5,268
15.8 Sekunjalo Enterprise Management Technology (Pty) Ltd	-	-	-	1,192
- Cost	-	-	1,349	1,192
- Impairment	-	-	(1,349)	-
15.9 Sekunjalo Food & Fishing (Pty) Ltd	-	-	22,244	19,659
15.10 Sekunjalo Health Care Ltd	-	-	-	57,348
- Cost	-	-	63,584	57,348
- Impairment	-	-	(63,584)	-
15.11 Sekunjalo Industrial Holdings (Pty) Ltd	-	-	1,305	1,153
15.12 Sekunjalo Informatics and Telecommunications Africa (Pty) Ltd	-	-	43,006	29,336
15.13 Sekunjalo Media (Pty) Ltd	-	-	7,000	-
15.14 Sekunjalo Properties (Pty) Ltd	-	-	7,694	68
15.15 Sekpharma (Pty) Ltd	-	-	-	40,907
- Cost	-	-	40,907	40,907
- Impairment	-	-	(40,907)	-
TOTAL AMOUNTS OWED BY GROUP COMPANIES	-	-	155,878	182,551

Interest on the loans is charged at the prime overdraft rate.

These loans are unsecured. No fixed terms of repayment have been determined.

Loans are impaired to the extent to which the recoverability of the loan in a 5 year time period can not be demonstrated to the satisfaction of the directors of the company.

NOTE 16 INVENTORIES

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Inventories Comprises:				
16.1 Raw materials	4,896	4,558	-	-
16.2 Work in progress	-	2,527	-	-
16.3 Finished goods	16,725	10,984	-	-
16.4 Packaging materials	34	-	-	-
16.5 Consumables	4,609	9,785	-	-
16.6 Merchandise	9,015	-	-	-
TOTAL INVENTORIES	35,279	27,854	-	-

NOTE 17 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
17.1 Trade debtors	69,826	95,223	1,797	8,842
Gross	72,799	95,223	1,797	8,842
Less: Provision for doubtful debts	(2,973)	-	-	-
17.2 Other debtors	19,416	22,675	1,156	2
17.3 Transfer to non current assets held for sale	(5,569)	-	-	-
TOTAL TRADE AND OTHER RECEIVABLES	83,673	117,898	2,953	8,844

Trade debtors to the value of R62 170 076 (2006: R77 337 764) have been ceded as security for the loan provided by Nedbank Ltd. Refer to Note 23.

NOTE 18 NON CURRENT ASSETS HELD FOR SALE

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Non-Current Assets Held For Sale				
<i>Sale of property, plant and equipment from fishing businesses</i>				
During the current year, the company negotiated the sale of the Port Nolloth property, plant and equipment assets to the value of R2,747,631.				
There is a high probability that the sale will go through in the 2008 financial year.				
There has been no effect on the income statement on recognising the assets at fair value less cost to sell.				
Property, plant and equipment	2,748	-	-	-
<i>Sale of going concern in financial services</i>				
During the current year, the company negotiated the sale of the Zenith Group (Pty) Ltd and all its subsidiary companies. These assets have been transferred to assets held for sale and are detailed below:				
	37,685	-	-	-
Property, plant and equipment	6	-	-	-
Goodwill	1,464	-	-	-
Other investments	26,367	-	-	-
Deferred tax	728	-	-	-
Current loans receivable	750	-	-	-
Tax	106	-	-	-
Trade and other receivables	5,569	-	-	-
Cash and cash equivalents	2,695	-	-	-
TOTAL NON CURRENT ASSETS HELD FOR SALE	40,433	-	-	-

NOTE 19 SHARE CAPITAL

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
19.1 Authorised	221	221	221	221
10 000 000 "A" class ordinary shares of 1 cent each.	100	100	100	100
1 000 000 000 "B" class ordinary shares of 0.002 cent each.	20	20	20	20
1 000 "A" class convertible redeemable cumulative preference shares of 100 cents each.	1	1	1	1
10 000 000 "B" class redeemable preference shares of 0.998 cent each.	100	100	100	100
19.2 Issued	29	27	29	27
2 000 000 "A" class ordinary shares of 1 cent each.	20	20	20	20
469 205 361 (2006: 360 675 482) "B" Class ordinary shares of 0.002 cents each.	9	7	9	7
No treasury shares are in issue	-	-	-	-
No "A" class convertible redeemable cumulative preference shares.	-	-	-	-
No "B" class redeemable preference shares.	-	-	-	-

15% of the shares in issue at the beginning of the financial year are at the disposal of the directors, subject to the approval of the shareholders' resolutions at the annual general meeting.

NOTE 20 SHARE PREMIUM

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Opening Balance	301,408	236,402	301,480	236,885
Premium on "A" ordinary shares	820	820	820	820
Premium on "B" ordinary shares	300,588	235,582	300,660	236,065
Movement	85,356	65,006	85,284	64,595
"B" class ordinary shares - share issue	85,517	65,006	85,517	64,595
"B" class ordinary shares - share issue expenses	(233)	-	(233)	-
Treasury shares held within the group	72	-	-	-
Closing Balance	386,764	301,408	386,764	301,480
Premium on "A" ordinary shares	820	820	820	820
Premium on "B" ordinary shares	385,944	300,588	385,944	300,660

NOTE 21 NON DISTRIBUTABLE RESERVES

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
21.1 Capital Redemption Reserve Fund				
Opening balance	7,975	7,975	-	-
Movement for the year	39	-	-	-
Closing balance	<u>8,014</u>	<u>7,975</u>	<u>-</u>	<u>-</u>
21.2 Foreign Currency Translation Reserve				
Opening balance	2,311	270	-	-
Translation of foreign entity	-	1,473	-	-
Other foreign currency transactions	-	568	-	-
Disposal of subsidiary	(2,311)	-	-	-
Closing balance	<u>-</u>	<u>2,311</u>	<u>-</u>	<u>-</u>
21.3 Capital Adequacy Reserve				
Opening balance	(24)	-	-	-
Movement to agree to actuarial valuation	52	(24)	-	-
Closing balance	<u>28</u>	<u>(24)</u>	<u>-</u>	<u>-</u>
21.4 Hedging Reserve				
Opening balance	-	-	-	-
Movement for the year	14	-	-	-
Closing balance	<u>14</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL NON DISTRIBUTABLE RESERVES				
Opening balance	10,262	8,245	-	-
Movement for the year	(2,206)	2,017	-	-
Closing balance	<u>8,056</u>	<u>10,262</u>	<u>-</u>	<u>-</u>

NOTE 22 OTHER DISTRIBUTABLE RESERVE

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
22.1 Special Agreements relating to Sekunjalo Life Assurance (Pty) Ltd				
Opening balance	100	487	-	-
Movement for the year	(100)	(387)	-	-
Closing balance	<u>-</u>	<u>100</u>	<u>-</u>	<u>-</u>

NOTE 23 INTEREST BEARING BORROWINGS

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
The average prime rate of interest for the year was 12.4% (2006:10.6%)				
23.1 Secured				
23.1.1 Nedbank Ltd	-	14,324	-	-
Total amount outstanding	13,796	30,253	-	-
Less: current portion	(13,796)	(15,929)	-	-
- Interest is charged at 1.5% below the prime bank overdraft rate.				
- Repayable in 12 monthly installments of R1,518,390 (2006: R1 518 390).				
Security provided by Premier Fishing SA (Pty) Ltd:				
- A mortgage bond in favour of Nedbank Ltd, in the amount of R3 455 000, over erf 1727 Gansbaai, erf 800 Humansdorp and erf 11 St. Helena Bay.				
- A marine bond in favour of Nedbank Ltd, in the amount of R56 060 000, over the fishing vessels of Premier Fishing SA (Pty) Ltd (refer to note 2).				
- A cession of debtors (refer to note 17).				
- A cession of insurance policy numbers AF/H22/2 and AF/H024/02.				
- A cession of the Sanlam insurance policy number 99009067905.				
- A general covering notarial bond in favour of Nedbank Ltd in the amount of R50 000 000 over all movable assets of Premier Fishing SA (Pty) Ltd.				
Security provided by Sekfish Investments (Pty) Ltd:				
- General unlimited deed of surety.				
- A cession of 8 000 000 fully paid up issued ordinary shares of Premier Fishing SA (Pty) Ltd.				
Security provided by Sekunjalo Investments Ltd:				
- A limited deed of surety for an amount of R8 500 000.				
Security provided by other group companies:				
- A deed of suretyship in favour of Nedbank Ltd given by John Ovenstone Ltd, Seagro Fertilisers (Pty) Ltd.				
- Fish Drying Corporation (Pty) Ltd, John Quality (Pty) Ltd, Chapmans' Peak Fisheries (Pty) Ltd, Southern Ocean Fishing (Pty) Ltd.				
- Kuttle Fishing (Pty) Ltd, and Atlantic Fishing Enterprises (Pty) Ltd in which all the above companies bind themselves as surety for and co-principal debtor in solidium with Premier Fishing SA (Pty) Ltd.				
Security provided by Sekunjalo Healthcare Ltd:				
- Secured over computer equipment with a carrying value of R102 192.				

NOTE 23 INTEREST BEARING BORROWINGS (continued)

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
23.1.2 Standard Bank of South Africa Ltd	2,722	7,394	-	-
Total amount outstanding	7,389	12,112	-	-
Less: current portion	(4,667)	(4,718)	-	-
<ul style="list-style-type: none"> - Interest is charged at various rates linked to the prime bank overdraft rate. - Repayable in monthly installments of between R464 000 - R480 000 (2006: between R476 000 and R500 000) 				
Security provided by Group Companies:				
<ul style="list-style-type: none"> - unlimited suretyships by Sekunjalo Health Care Ltd; - unlimited suretyships by Sekunjalo Properties (Pty) Ltd; - unlimited suretyships by Sekunjalo Industrial Holdings (Pty) Ltd; - unlimited suretyships by Sekunjalo Food and Fishing (Pty) Ltd; - unlimited suretyships by Sekunjalo Medical Trading (Pty) Ltd; - unlimited suretyships by Wynberg Pharmaceuticals (Pty) Ltd; - unlimited suretyships by Health System Technologies (Pty) Ltd; - negative pledge of assets by Sekunjalo Investments Ltd and; - pledge and cession of shares in Sekunjalo Health Care Ltd. 				
23.1.3 Wesbank, Division of Firststrand Bank Ltd	1,568	1,308	-	-
Total amount outstanding	2,199	1,606	-	-
Less: current portion	(631)	(298)	-	-
<ul style="list-style-type: none"> - Interest is charged at various rates linked to the prime bank overdraft rate. - Repayable in monthly installments of between R1 141 and R24 304 (2006: between R3 015 and R23 122). - Secured over property, plant and equipment with a carrying amount of R1 599 443 (2006: R368 780) (refer note 2). 				
23.1.4 Laboratory Systems Technologies (Pty) Ltd	-	100	-	-
Total amount outstanding	200	1,231	-	-
Less: current portion	(200)	(1,131)	-	-
<ul style="list-style-type: none"> - Interest is charged at various rates linked to the prime bank overdraft rate. - Repayable in monthly installments of R100 617 (2006: R100 617). - Secured over software development costs with a carrying amount of R6 075 317 (2006: R5 288 268) (refer note 5). 				

NOTE 23 INTEREST BEARING BORROWINGS (continued)

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
23.1.5 BMW Financial Services (South Africa) (Pty) Ltd	62	142	62	142
Total amount outstanding	120	200	120	200
Less: current portion	(58)	(58)	(58)	(58)
- Interest is charged at various rates linked to the prime bank overdraft rate.				
- Repayable in monthly installments of R6 550 (2006: R6 550).				
- Secured over motor vehicles with a carrying value of R195 537 (2006: R242 903). (refer note 2).				
23.1.6 Kempston Finance	150	264	-	-
Total amount outstanding	357	404	-	-
Less: current portion	(207)	(140)	-	-
- Interest is charged at various rates linked to the prime bank overdraft rate				
- Repayable in monthly installments of R15,054 (2006: R14,957)				
- Secured over computer equipment with a carrying amount of R540,071 (2006: R440,633). (refer note 2)				
23.1.7 ABSA Credit Card	-	-	-	-
Total amount outstanding	15	-	-	-
Less: current portion	(15)	-	-	-
- Interest is charged at various rates linked to the prime bank overdraft rate.				
- Repayable in one monthly installment.				
- The loan is unsecured.				
23.1.8 Stannic	-	-	-	-
Total amount outstanding	4	-	-	-
Less: current portion	(4)	-	-	-
- Interest is charged at various rates linked to the prime bank overdraft rate.				
- Repayable in one monthly installment.				
- The loan is unsecured.				
23.1.9 ABSA Bond	12,000	-	-	-
Total amount outstanding	12,000	-	-	-
Less: current portion	-	-	-	-
- Interest is charged at various rates linked to the prime bank overdraft rate less 2%.				
- Only interest repayments are required for the first two years of the loan ending in May 2009.				
- Interest is repayable in monthly installments at the interest rate applicable at the time.				
- Secured over buildings with a carrying value of R21 193 879 (refer note 2).				

NOTE 23 INTEREST BEARING BORROWINGS (continued)

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
23.2 Unsecured				
Interest is charged at various rates linked to the prime bank overdraft rate. These loans are unsecured. No fixed terms of repayment have been determined, but the lender has granted the group an unconditional right to defer payment of the outstanding amounts for at least twelve months after the balance sheet date.				
23.2.1 Warranty Loans	-	4,000	-	-
Total amount outstanding	4,000	18,562	-	-
Less: current portion	(4,000)	(14,562)	-	-
23.2.2 Futuremed Pharmaceuticals (Pty) Ltd	728	728	-	-
Total amount outstanding	728	728	-	-
Less: current portion	-	-	-	-
23.2.3 South African Mutual Life Assurance Society	3,627	3,208	-	-
Total amount outstanding	3,627	3,208	-	-
Less: current portion	-	-	-	-
23.2.4 Trilogy Nominees (Pty) Ltd	3,627	3,208	-	-
Total amount outstanding	3,627	3,208	-	-
Less: current portion	-	-	-	-
23.2.5 Gensec Nominees (Pty) Ltd	3,627	3,207	-	-
Total amount outstanding	3,627	3,207	-	-
Less: current portion	-	-	-	-
23.2.6 Trinity Asset Management (Pty) Ltd	6,000	3,000	-	-
Total amount outstanding	9,028	3,000	-	-
Less: current portion	(3,028)	-	-	-
23.2.7 Dale Asset Management SA (Pty) Ltd	-	277	-	277
Total amount outstanding	-	277	-	277
Less: current portion	-	-	-	-
23.2.8 Directors Loans - Sharenet	-	-	-	-
Total amount outstanding	79	-	-	-
Less: current portion	(79)	-	-	-
23.2.9 Musketeer Holdings (Pty) Ltd	1,663	-	-	-
Total amount outstanding	1,663	-	-	-
Less: current portion	-	-	-	-
23.2.10 Barlow (Pty) Ltd	42	-	-	-
Total amount outstanding	42	-	-	-
Less: current portion	-	-	-	-
23.2.11 Rob Burns	141	-	-	-
Total amount outstanding	141	-	-	-
Less: current portion	-	-	-	-
TOTAL LONG TERM PORTION	35,957	41,160	62	419
TOTAL CURRENT PORTION	26,685	36,836	58	58
TOTAL INTEREST BEARING BORROWINGS	62,642	77,996	120	477

NOTE 24 NON-INTEREST BEARING BORROWINGS

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
24.1 Unsecured				
24.1.1 Dale Investments Ltd	-	9,945	-	-
Total amount outstanding	-	9,945	-	-
Less: current portion	-	-	-	-
24.1.2 Trinity Asset Management (Pty) Ltd	-	2,695	-	-
Total amount outstanding	-	2,695	-	-
Less: current portion	-	-	-	-
24.1.3 Sekunjalo Investment Holdings (Pty) Ltd	550	550	-	-
Total amount outstanding	550	550	-	-
Less: current portion	-	-	-	-
24.1.4 Shareholders' Loans	631	595	363	363
Total amount outstanding	931	692	363	363
Less: current portion	(300)	(97)	-	-
24.1.5 Market Demand Trading 190 (Pty) Ltd	11	2	-	-
Total amount outstanding	11	2	-	-
Less: current portion	-	-	-	-
24.1.6 Musketeer Holdings (Pty) Ltd	-	-	-	-
Total amount outstanding	30	571	-	-
Less: current portion	(30)	(571)	-	-
24.1.7 Bensure Management Services (Pty) Ltd	-	-	-	-
Total amount outstanding	-	5	-	-
Less: current portion	-	(5)	-	-
24.1.8 Synergy Shareholders	4,446	-	-	-
Total amount outstanding	4,446	-	-	-
Less: current portion	-	-	-	-
24.1.9 Bridesonne Consulting (Pty) Ltd	-	-	-	-
Total amount outstanding	100	-	-	-
Less: current portion	(100)	-	-	-
24.1.10 First Light Management Holding Services	706	-	-	-
Total amount outstanding	706	-	-	-
Less: current portion	-	-	-	-
24.1.11 Bensure Holdings (Pty) Ltd	4,114	-	4,114	-
Total amount outstanding	14,877	-	4,114	-
Transferred to liabilities held for sale	(10,763)	-	-	-
Less: current portion	-	-	-	-
24.1.12 Sekunjalo Asset Management (Pty) Ltd	70	-	70	-
Total amount outstanding	70	-	70	-
Less: current portion	-	-	-	-
TOTAL LONG TERM PORTION	10,528	13,787	4,547	363
TOTAL CURRENT PORTION	430	673	-	-
TOTAL NON-INTEREST BEARING BORROWINGS	10,958	14,460	4,547	363

These loans are unsecured. No fixed terms of repayment have been determined, but the lender has granted the group an unconditional right to defer payment of the outstanding amounts for at least twelve months after the balance sheet date.

NOTE 25 AMOUNTS OWED TO GROUP COMPANIES

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
25.1 Premier Fishing SA (Pty) Ltd	-	-	22,544	20,895
25.1 Hostprops 136 (Pty) Ltd	-	-	-	39
25.1 Sekunjalo Medical Aid Administrators Pty (Ltd)	-	-	477	-
TOTAL AMOUNTS OWED TO GROUP COMPANIES	-	-	23,021	20,934

Interest on these loans are charged at the prime overdraft rate.

These loans are unsecured. No fixed terms of repayment have been determined, but the company has an unconditional right to defer payment of the outstanding amounts for at least twelve months after the balance sheet date.

NOTE 26 DEFERRED TAX LIABILITY

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Deferred Tax Liability				
Deferred tax balances arise as result of the following differences:				
Deferred tax adjustment				
Biological assets	5,186	4,736	-	-
Property, plant and equipment	38,780	35,153	-	-
Intangible assets	-	1,857	-	-
Provisions	(4,124)	(1,820)	(2,633)	(61)
Capital allowances	15,950	23,227	-	-
Provision for bad debts	40	63	-	-
Prepaid expenses	759	250	-	-
Computed loss	(113)	(6,198)	-	(5,074)
Operating lease	(98)	(216)	-	-
Capitalised finance lease	2	(357)	-	-
Gain on loan	238	-	-	1,074
Other investments	49,579	11,687	-	-
Investments in subsidiaries	-	-	112,982	84,867
Fair value of buildings	917	-	-	-
Transfer to liabilities held for sale	(205)	-	-	-
TOTAL DEFERRED TAX LIABILITY	106,911	68,382	110,349	80,806
Reconciliation of deferred tax liability:				
Balance at beginning of the year	68,382	52,524	80,806	71,867
Movements during year:	38,529	15,858	29,543	8,939
Reversing/(originating) temporary differences on:				
Investments in subsidiaries	-	-	-	5,648
Biological assets	450	4,736	-	-
Property, plant and equipment	3,627	(899)	-	-
Intangible assets	(1,857)	107	-	-
Provisions	(2,304)	(271)	(2,572)	(28)
Capital allowances	(7,277)	(2,066)	-	-
Provision for bad debts	(23)	42	-	-
Prepaid expenses	509	129	-	-
Computed loss	6,085	7,490	5,074	3,319
Operating lease	118	1	-	-
Capitalised finance lease	359	295	-	-
Gain/(loss) on loan	238	-	(1,074)	-
Other investments	37,892	6,294	-	-
Fair value of buildings	917	-	-	-
Transfer to liabilities held for sale	(205)	-	-	-
Investments in subsidiaries	-	-	28,115	-
DEFERRED TAX LIABILITY BALANCE AT END OF THE YEAR	106,911	68,382	110,349	80,806

NOTE 27 POST EMPLOYMENT MEDICAL COSTS

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Medical aid benefits for retired employees	2,072	1,970	-	-
Reconciliation between opening and closing balance:				
Balance at beginning of year	1,970	1,789	-	-
Increase in provision for medical aid benefits	102	181	-	-
BALANCE AT END OF YEAR	2,072	1,970	-	-

NOTE 28 TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Trade and other payables comprise:				
Trade payables	40,794	32,977	1,723	620
Income received in advance	6,143	6,815	-	-
Contract costs payable	-	3,113	-	-
VAT payable	6,395	-	-	-
SARS	1,338	-	-	-
Other payables	23,122	25,313	-	7,414
Transfer to non current liabilities held for sale	(3,170)	-	-	-
	74,622	68,218	1,723	8,034

NOTE 29 PROVISIONS

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Opening Balance	10,222	8,593	212	115
Salary and bonus	3,630	2,632	-	-
Canning industry advertising obligations	-	326	-	-
Leave pay	4,193	3,261	212	115
Workmans compensation	971	1,409	-	-
Commission	169	488	-	-
Other	1,259	477	-	-
Movements during the year	20,704	1,629	8,866	97
Provisions Utilised:				
Salary and bonus	-	(2,632)	-	-
Canning industry advertising obligations	-	(326)	-	-
Leave pay	-	(3,261)	-	(115)
Workmans compensation	(424)	(1,409)	-	-
Commission	(105)	(488)	-	-
Other	-	(477)	-	-
Audit and actuarial fees	(219)	-	-	-
Transfer to non-current assets held for sale	(1,707)	-	-	-
Provisions Created:				
Salary and bonus	12,594	3,630	8,750	-
Leave pay	1,091	4,193	116	212
Workmans compensation	172	971	-	-
Commission	-	169	-	-
Other	778	1,259	-	-
Warranty provisions	6,587	-	-	-
Audit and actuarial fees	380	-	-	-
IBNR provision	679	-	-	-
Unearned premium reserve	878	-	-	-
Closing Balance	30,926	10,222	9,078	212
Salary and bonus	16,224	3,630	8,750	-
Leave pay	5,284	4,193	328	212
Workmans compensation	719	971	-	-
Commission	64	169	-	-
Other	2,037	1,259	-	-
Warranty provisions	6,587	-	-	-
Audit and actuarial fees	161	-	-	-
IBNR provision	679	-	-	-
Unearned premium reserve	878	-	-	-
Transfer to non-current assets held for sale	(1,707)	-	-	-

NOTE 30 POLICYHOLDER LIABILITIES

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
30.1 Policy holders' liabilities under insurance contracts:				
Opening balance	11,356	11,517	-	-
Expected interest	324	539	-	-
Expected premiums (existing business)	500	670	-	-
Expected claims, expires and lapses (existing business)	(1,224)	(1,405)	-	-
Expected expenses, commissions and charges (existing business)	(202)	(348)	-	-
New business	-	121	-	-
Change in valuation basis	269	(23)	-	-
IFRS 4 adjustment	-	(158)	-	-
Change in IBNR reserve calculation method	-	(792)	-	-
Change in reserves	429	1,235	-	-
Closing balance	11,452	11,356	-	-
30.2 Policy holders' liabilities under investment contracts:				
The movement of the liability during the year can be reconciled as follows:				
Opening balance	5,967	5,834	-	-
Expected interest on investment business	507	339	-	-
Investment losses	5	(370)	-	-
IFRS 4 adjustment	-	164	-	-
Closing balance	6,479	5,967	-	-
Transfer to non-current liabilities held for sale and elimination of intergroup investments	(17,931)	-	-	-
TOTAL POLICY HOLDERS' LIABILITIES	-	17,323	-	-

30.3 Material judgments and estimates

30.3.1 Economic assumptions

Investment return

The investment return for all classes of businesses, except those where the liability has a specific asset backing it, was determined at the expected return on the underlying assets backing the liabilities of the company less an allowance for credit risk.

The following long-term assumptions were made for each class of asset:

Unit trusts	10.00%
Cash	8.00%
Fixed assets	8.50%

Inflation

The current assumed level of future expense inflation of 7%, after adjusting for internal and external factors, is based on the Reserve Bank's long-term inflation target of between 3% and 6% and the assumption that life companies typically suffer expense increases above general inflation.

NOTE 30 POLICYHOLDER LIABILITIES (continued)

30.3.2 Valuation assumptions

Individual business

The liability for individual life business was calculated by projecting all the expected future cash flows for each policy and discounting them at the appropriate interest rate. The following assumptions were made in valuing the liability:

Investment return 8.5% net of tax

First Tier margins

These were allowed for and in addition to the assumptions as per the ASSA Guidance Note PGN 104.

Reinsurance

These were modelled explicitly as per current reinsurance arrangements.

The following major assumptions were made in respect of linked and non-linked individual business:

Expenses

R229 per policy, increasing by 7% per year.

This assumption has been derived based on actual expenses incurred over the valuation period.

Mortality

100% of SA85-90.

AIDS

40% of the ASSA AIDS model tables were used in calculating the AIDS reserve.

Withdrawals

Withdrawal assumptions have been based on recent market experience for similar products and can be summarised as follows:

Year 1 : 30% per annum

Year 2 : 20% per annum

Year 3+ : 15% per annum

Funeral riders were based on 100% of SA 1985-90 and other riders were based on in-house tables for non-linked individual business. It was projected that other riders for linked individual business would result in a release of 10% of the charge, to profits.

Grouped individual funeral business

For grouped individual funeral business, the valuation has been calculated as an IBNR.

The actuarial reserve has been determined by examining run-off triangles and claim patterns for the business and then setting up an IBNR based on the Bornhuetter-Ferguson method.

In addition, an AIDS reserve equal to 10% of the grouped individual funeral reserves and a mortality reserve equal to 7.5% of the grouped individual funeral reserves was set up.

An unclaimed benefits reserve has also been set up in respect of policies which have passed their cease dates but still have money in the unit accounts.

30.3.3 Sensitivity to changes in the valuation assumptions

The sensitivity of the policy liabilities under insurance contracts to changes in the valuation assumptions are set out below, assuming a worsening of experience.

	GROUP 2007	Percentage Change	GROUP 2006	Percentage Change
Base value	11,463	-	17,323	-
Expense plus 10%	11,590	101.1%	17,468	100.8%
Inflation plus 1%	11,506	100.4%	17,364	100.2%
Investment return less 1%	11,500	100.3%	17,363	100.2%
Claim plus 10%	16,872	147.2%	22,921	132.3%
Withdrawals plus 10%	11,421	99.6%	17,267	99.7%

NOTE 31 BANK OVERDRAFT

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Bank overdraft	29,991	50,774	-	-

The bank overdraft is secured on account of Sekunjalo Investments Limited by:

- unlimited suretyships by Sekunjalo Health Care Ltd;
- unlimited suretyships by Sekunjalo Properties (Pty) Ltd;
- unlimited suretyships by Sekunjalo Industrial Holdings (Pty) Ltd;
- unlimited suretyships by Sekunjalo Food and Fishing (Pty) Ltd;
- unlimited suretyships by Sekunjalo Medical Trading (Pty) Ltd;
- unlimited suretyships by Wynberg Pharmaceuticals (Pty) Ltd;
- unlimited suretyships by Health System Technologies (Pty) Ltd;
- unlimited suretyships by Premier Fishing SA (Pty) Ltd;
- negative pledge of assets by Sekunjalo Investments Ltd and;
- pledge and cession of shares in Sekunjalo Health Care Ltd.

NOTE 32 NON CURRENT LIABILITIES HELD FOR SALE

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Non-current liabilities held for sale				
Deferred tax liability	205	-	-	-
Trade and other payables	3,170	-	-	-
Provisions	1,707	-	-	-
Current portion of long-term liabilities	10,763	-	-	-
Bank overdraft	282	-	-	-
Tax	942	-	-	-
Policy holders' liabilities	11,615	-	-	-
TOTAL NON-CURRENT LIABILITIES HELD FOR SALE	28,684	-	-	-

During the current year, the company negotiated the sale of the Zenith Group (Pty) Ltd and all its subsidiaries. These liabilities have been transferred to liabilities held for sale and are detailed above.

NOTE 33 REVENUE

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Revenue comprises:				
Sale of goods	330,148	319,055	-	-
Rendering of services	57,224	46,341	8,432	8,500
Premium income	54,460	57,243	-	-
Rental income	5,116	-	-	-
Expense recoveries	2,568	-	-	-
Less: premium insurance	-	(221)	-	-
TOTAL REVENUE	449,516	422,418	8,432	8,500

NOTE 34 PROFIT FROM OPERATIONS

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Profit from operations is stated after:				
Income				
Administrative fees received	478	-	-	-
Dividends received	1,089	-	546	-
Profit on foreign exchange	-	4,546	-	-
Profit on disposal of other investments	4,126	507	-	-
Profit on disposal of property, plant and equipment	-	8	16	-
Management fees	-	253	-	186
Gain on fair value adjustment of subsidiary companies	-	-	254,298	141,410
Gain on fair value adjustment on investments	251,314	80,806	-	-
Gain on fair value adjustment of biological assets	1,551	6,606	-	-
Gain on loan purchased	1,468	5,396	-	-
Government grant	-	600	-	-
Reversal of contingent liability	-	1,300	-	-
Expenses				
Accounting fees	786	-	90	-
Auditors remuneration	4,781	3,451	1,440	1,288
- current	3,935	2,836	896	1,088
- prior year under provision	846	615	544	200
Depreciation	13,825	11,569	437	232
Directors' emoluments	17,754	20,242	12,651	9,889
- for services as directors	14,514	20,242	12,491	9,889
- for managerial services	3,240	-	160	-
Leasing charges	10,213	11,627	1,898	856
- property	9,294	11,627	1,898	856
- computer equipment	919	-	-	-
Finance cost	22,519	13,826	5,582	4,704
Remuneration other than to employees for:	7,310	-	-	-
- managerial services	645	-	-	-
- administrative services	259	-	-	-
- technical services	6,197	-	-	-
- secretarial services	209	-	-	-

NOTE 34 PROFIT FROM OPERATIONS (continued)

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Profit from operations is stated after:				
Pension fund expenses	1,512	-	-	-
Provident fund expenses	1,916	-	216	-
Loss on foreign exchange	67	-	-	-
Loss on disposal of property, plant and equipment	5	-	-	-
Amortisation of patents and trademarks	354	185	1	1
Amortisation of software development costs	1,093	885	-	-
Amortisation of pharmaceutical dossiers	1,700	1,700	-	-
Loss on disposal of investments	12,825	72	-	-
Loss on fair value of investments	1,621	-	593	-
Loss on fair value of subsidiaries	-	-	60,402	116,767
Commission paid	10,852	11,010	-	547
Consulting fees	-	1,598	-	-
Salaries and wages	65,186	50,320	806	851
Life assurance expenditure	50,443	55,016	-	-
Actuarial fee	335	218	-	-
Claim payments	32,232	34,663	-	-
Increase in policy holders' reserves	(1,030)	(142)	-	-
Policy administration	8,963	8,520	-	-
Policy holders' withdrawals	535	330	-	-
Shared services	229	2,454	-	-
Special agreements	9,179	8,973	-	-

NOTE 35 FINANCE INCOME/(EXPENSES)

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Finance income	11,106	10,352	16,955	16,145
Finance expenses	(22,519)	(13,826)	(5,582)	(4,704)
NET FINANCE INCOME/(EXPENSES)	(11,413)	(3,474)	11,373	11,441

NOTE 36 INCOME TAXATION EXPENSE

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Income statement				
South African normal taxation	(12,890)	(3,007)	(774)	-
- current year	(13,406)	(8,013)	(774)	-
- prior year	516	5,006	-	-
Deferred taxation	(48,800)	(11,900)	(29,543)	(8,939)
- current year	(50,621)	(12,567)	(29,543)	(8,939)
- change in rate	7	-	-	-
- prior year error	1,814	667	-	-
Income taxation expense	(61,690)	(14,907)	(30,317)	(8,939)
Taxation rate reconciliation				
Standard taxation	29.00%	29.00%	29.00%	29.00%
Adjusted for:				
Permanent and capital gains tax difference	6.43%	-11.81%	12.54%	-2.75%
Effective taxation rate	35.43%	17.19%	41.54%	26.25%

NOTE 37 DISCONTINUED OPERATION

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
The following relates to the discontinued operation:				
Revenue	2,094	571	-	-
Other operating income	-	3,399	-	-
Administration, distribution and selling expenses	(1,094)	(42)	-	-
Profit before taxation	1,000	3,928	-	-
Income taxation expense	-	-	-	-
Profit after taxation	1,000	3,928	-	-
Net cash flows attributable to the operating, investing and financing activities of the discontinued operation are as follows:				
Net cash flows from operating activities	1,698	15	-	-
Net cash flows from investing activities	(2,789)	(1,867)	-	-
Net cash flows from financing activities	(124)	1,853	-	-
In the past year, Sekunjalo Capital (Pty) Ltd sold its international business to an international private equity firm based in Mauritius allowing it to focus on its core South African business. The business was sold for a consolidated loss of R8,561,345.				

NOTE 38 BASIC, HEADLINE AND DILUTED EARNINGS

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Headline earnings reconciliation:				
Basic earnings attributable to ordinary shareholders	114,619	66,259	42,668	25,117
Adjustments:				
Impairment of:				
- property, plant and equipment	935	-	-	-
- goodwill	1,735	-	-	-
- negative goodwill	-	171	-	-
Profit/(loss) on disposal of:				
- property, plant and equipment	(214)	-	-	-
- investments in subsidiaries	-	26	-	-
Contingent liability	-	(1,300)	-	-
Loans written off	-	16	-	-
Headline earnings	117,075	65,172	42,668	25,117
Ordinary shares in issue at year end	469,205	360,675		
Weighted average shares in issue	399,728	316,379		
Diluted number of shares in issue	416,479	357,810		
Basic earnings per share (cents)	28.67	20.94		
Headline earnings per share (cents)	29.29	20.60		
Diluted earnings per share (cents)	27.52	18.52		
Diluted headline earnings per share (cents)	28.11	18.21		

NOTE 39 BORROWING POWERS

There is no limit to the borrowing powers of the company in terms of the Articles of Association.

NOTE 40 RETIREMENT BENEFIT INFORMATION

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Total contributions by the company	8,600	3,517	3,421	246

All eligible employees are members of either The Premier Group Retirement Fund, The Premier Foods Provident Fund or The Sekunjalo Provident Fund which are administered independently of the group.

Substantially all employees of the group belong to the above schemes. The funds are defined contribution plans and are governed by the Pension Fund Act of 1956 in South Africa. The total value of contributions by the company for the financial year to these schemes are disclosed above.

NOTE 41 DIRECTORS' EMOLUMENTS

41.1 Executive Directors

	MI Survé	MY Kajee	GP Mayende	MH Ally	KC Patel	NT Noland	ME Nkosi	MJ Ramathlodi	K Abdulla	VC Mehana	Total
	R 000's	R 000's	R 000's	R 000's	R 000's	R 000's	R 000's	R 000's	R 000's	R 000's	R 000's
2007											
Emoluments	9,080	891	-	612	-	1,783	-	-	929	50	13,345
Salary	4,476	790	-	543	-	1,581	-	-	787	44	8,221
Provision for salary	2,184	-	-	-	-	-	-	-	-	-	2,184
Provision for bonus	2,420	-	-	-	-	-	-	-	37	-	2,457
Benefit:	-	101	-	69	-	202	-	-	105	6	483
Provident fund	-	101	-	69	-	202	-	-	105	6	483
2006											
Emoluments	6,088	-	1,166	506	794	1,340	501	400	-	-	10,795
Salary	5,988	-	883	449	712	1,306	305	400	-	-	10,043
Benefits:	100	-	283	57	82	34	196	-	-	-	752
Medical aid	100	-	-	-	7	34	-	-	-	-	141
Provident fund	-	-	283	57	75	-	92	-	-	-	507
Company car	-	-	-	-	-	-	104	-	-	-	104

41.2 Non-executive Directors

	WA Mgoqi	M Gaomab	ZA Kota	D Case	MJ Ramathlodi	S Young	Total
	R 000's	R 000's	R 000's	R 000's	R 000's	R 000's	R 000's
2007							
Emoluments	-	40	40	40	-	40	160
2006							
Emoluments	280	-	40	120	90	30	560

NOTE 42 LEASES

42.1 Finance leases

The group has entered into finance lease agreements on premises and vehicles. Leases on premises and vehicles are contracted for periods between 1 - 5 years. Rentals comprises minimum monthly payments. Future commitments under the operating leases are summarised as follows:

	GROUP		
	R 000's 1 year	R 000's 2-5 years	R 000's Total
2007			
Future minimum lease payments	183	208	391
Future interest	-	33	33
TOTALS	183	241	424
2006			
Future minimum lease payments	329	1,552	1,881
Future interes	181	309	490
TOTALS	510	1,861	2,371
	COMPANY		
2007			
Future minimum lease payments	-	-	-
Future interest (expense)	-	-	-
TOTALS	-	-	-
2006			
Future minimum lease payments	-	-	-
Future interest (expense)	-	-	-
TOTALS	-	-	-
<p>Computer equipment with a net book value of R540,471 are secured in favour of this lease. Interest is calculated at the prime bank overdraft rate and the lease is for a period of 3 years.</p> <p>No exceptional terms are included in any of the above leasing arrangements.</p> <p>Included in interest bearing borrowings are capitalised liabilities in favour of BMW Financial Services South Africa (Pty) Ltd, Wesbank Ltd, Stannic Ltd and Standard Bank of South Africa Ltd details of which are given in note 23. Capitalised assets are held under finance lease agreements that range from 4 to 5 years from inception, and bear interest at various rates linked to the prime bank overdraft rate.</p>			

NOTE 42 LEASES (continued)

42.2 Operating leases

	GROUP		
	R 000's 1 year	R 000's 2-5 years	R 000's Total
2007			
Future minimum lease payments	3,651	1,598	5,249
TOTALS	3,651	1,598	5,249
2006			
Future minimum lease payments	7,912	16,729	24,641
TOTALS	7,912	16,729	24,641
	COMPANY		
	R 000's 1 year	R 000's 2-5 years	R 000's Total
2007			
Future minimum lease payments	-	-	-
Future interest	-	-	-
TOTALS	-	-	-
2006			
Future minimum lease payments	57	139	196
Future interest	17	12	29
TOTALS	74	151	225

No exceptional terms are included in any of the above leasing arrangements.

NOTE 43 GOVERNMENT GRANT

	GROUP		COMPANY	
	2007 R 000's	2006 R 000's	2007 R 000's	2006 R 000's
Government grant	350	600	-	-
<p>The government grant is a DTI matching scheme which is a milestone-based reimbursement of expenses relating to a specifically approved project. The grant reimburses 50% of actual expenses incurred on the completion of a milestone. The grant relates to the development of software technology.</p>				

NOTE 44 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

44.1 Financial risk management and financial instruments

The group uses internal techniques to manage risks wherever practical. External techniques are utilised to manage financial risks where it is impractical to utilise internal techniques. In accordance with these financial risk management procedures, derivative financial instrument are used to manage risks as more fully described below. Management reviews the internal techniques on a continuous basis.

The group's objective in using financial instruments is to reduce the uncertainty over future cash flows arising principally as a result of currency and interest rate fluctuations.

The group finances its operations through a combination of retained surpluses, bank borrowings and long-term loans.

The main risks arising from the group's financial instruments are foreign currency risk, interest rate risk, liquidity risk, underwriting risk and credit risk as detailed below. The group is also exposed to changes in financial markets (for example equity market risks) that affect the value of the investments and liabilities related to the products sold.

Terms and conditions of the products sold within the insurance subsidiary

A. LINKED GROUP PRODUCTS

These are pure linked investment contracts that pay out the account balance at maturity.

B. LINKED INDIVIDUAL PRODUCTS

The general structure of this business is as follows:

- A portion of the premiums paid in respect of these policies are used to meet the cost of administering the policy, providing rider benefits and covering any profit criterion. The balance is invested with an investment manager.
- The gross premium less the risk premium for life cover and ancillaries (riders), administration fees and commission is deposited in an investment account and used to purchase units based on unit prices at the purchase date. There is an annual management charge based on a percentage of the fund value. There are monthly investment management fees calculated based on the performance of the investments.
- On death, before the maturity date, the amount payable will be the greater of the sum assured and the investment account less any debt against the policy.
- On maturity, the balance of the investment account is payable. There is a continuation option.

In addition to the above, optional disability, accident and dread disease cover riders are available.

C. NON-LINKED GROUP PRODUCTS

This is essentially funeral businesses, providing a death benefit in respect of lives assured.

There are limitations regarding maximum age at entry and maximum initial covers for the various groups of beneficiaries.

D. NON-LINKED INDIVIDUAL PRODUCTS

a. Term assurance

Premiums are guaranteed and may be payable monthly, quarterly, half-yearly or annually.

Premiums cease at the end of the policy term. The sum assured is payable on death within the policy term.

b. Mortgage protection

Mortgage products are specifically designed for the purpose of cessioned cover of mortgage loans.

The product is designed with built-in reducing terms, to take into account the fact that the loan decreases as the mortgage loan ages.

Different variations of this product offer a combination of disability, accident and dread disease ancillary benefits.

Waiver of premium benefits and family funeral benefits are available as optional riders on either linked or non-linked businesses.

NOTE 44 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

44.2 Foreign currency risk management

The group is exposed to currency risk in respect of foreign denominated interest bearing borrowings, foreign creditors, and foreign debtors arising from export sales. Wherever possible, currency risk is hedged internally by matching payments to foreign creditors with receipts from foreign debtors. Where no internal match can be found, the currency risk is hedged, both in respect of foreign denominated amounts recorded in the balance sheet and anticipated future foreign denominated transactions, by entering into forward cover agreements with leading South African financial institutions.

The group enters into various exchange contracts to manage the foreign exchange risk emanating from cash flows from its current and anticipated business activities and financing arrangements denominated in foreign currency.

As the group operates in various countries and undertakes transactions denominated in foreign currencies, exposures to foreign currency fluctuations arise. Exchange rate exposure on transactions is managed within approved policy parameters utilising forward exchange contracts.

Most goods are sourced locally to limit the group's exposure to foreign currency risk.

FAIR VALUE HEDGES

Forward exchange contracts are bought forward to repayment date in respect of foreign denominated borrowings. Forward cover is taken out in respect of the foreign denominated interest on such loans, only where it cannot be matched to an equivalent inflow from a foreign debtor.

CASH FLOW HEDGES OF ANTICIPATED FUTURE TRANSACTIONS

Forward exchange contracts (bought forward) are entered into upon approval of purchases of current assets. Forward exchange contracts (sold forward) are entered into upon receipt of confirmed foreign currency denominated export orders.

44.3 Foreign Currency Exposure

Foreign assets		Foreign currency	Exchange rate	Rands
Bank account (export sales)	USD	229,296	7.20	1,650,931
Bank account (export sales)	EU	152,806	9.70	1,482,218
Bank account (export sales)	¥	1,392	0.06	84
Trade receivables	USD	2,608,273	7.20	18,779,566
Trade receivables	EU	637,331	9.70	6,182,111
Trade receivables	¥	190,833	0.06	11,450
Foreign exchange contract	USD	250,000	7.20	1,800,000
TOTAL				29,906,360

NOTE 44 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

44.4 Liquidity risk management

The group's management constantly monitors the liquidity of the group and actively manages the group's cash resources. Policyholder funds are invested in appropriate assets, taking into account expected cash outflows. Long term liabilities are backed by appropriate assets in terms of actuarially calculated valuations taking into account the term and amount of each policy. The group manages its liquidity risk by monitoring monthly cash flows and ensuring that adequate cash is available or borrowing facilities are maintained.

44.5 Credit risk management

The group is exposed to credit risk in respect of its financial assets. Credit risk is managed internally by the enforcement of credit check procedures in respect of all the group's credit customers. The group's debtors are not concentrated in any particular geographic region and are not concentrated in any particular industry. Should a concentration of credit risk arise, it is in the group's policy to discount the excess portion without recourse.

Amounts receivable in terms of long term insurance business are secured by the underlying value of the unpaid policy benefits in terms of the policy contract. An appropriate provision is maintained. Exposure to outside financial institutions concerning deposits and similar transactions is monitored against approved limits.

The group's credit exposure is represented by the balance of trade and other receivables. The group does not expect any counterparty to fail to meet their obligations given their high credit ratings.

44.6 Fair value of financial instruments

Financial instruments are normally held by the group to maturity in the normal course of business and are recorded at cost or redemption amount as appropriate. The maturity profile of the group's interest bearing borrowings is disclosed below. At 31 August 2007, the carrying amounts of cash and cash equivalents, trade and other payables and trade and other receivables approximate their fair values due to their short-term maturities.

44.7 Interest rate risk management

The group is exposed to interest rate price risk in respect of its fixed rate borrowings. The group is exposed to interest rate cash flow risk in respect of its variable rate borrowings. Interest rate risk is managed internally by balancing fixed rate borrowings with variable rate borrowings. The group does not seek to hedge these interest rate risks.

44.8 Underwriting risks

This is the risk that actual mortality, morbidity and medical claims will exceed the expected claims.

These risks are managed through the group's product development process and underwriting policies to prevent anti-selection and ensure appropriate premium rates for substandard risks, adequate reinsurance arrangements to limit exposure per individual, claims handling policy and adequate pricing and reserving. Regular actuarial investigations are also performed to assist in the timely identification of experience variances.

44.9 Concentrations of insurance risk

The portfolio is well diversified and limits the exposure of the group in this regard. Appropriate reinsurance treaties are in place with a number of reputable reinsurance companies to ensure that the group's claims exposure is contained within the constraints implied by its capital adequacy requirements.

44.10 Market risk management

The group is exposed to market risk in respect of its share portfolio. Market risk is managed during periods of expected uncertainty by selling forward appropriate quantities of financial futures to hedge the fair value of the share portfolio.

Appropriate measures are in place to control the exposure to market risk of the financial instruments of the group. Continuous monitoring takes place to ensure that appropriate assets are held where the liabilities are dependent upon the performance of specific portfolios of assets and that a suitable match of assets exists for all non-linked liabilities. Limits are applied in respect of the exposure to asset classes and individual counters.

The group manages its risk in respect of biological assets by ensuring adequate insurance cover and security measures are in place.

NOTE 44 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

MATURITY OF INTEREST BEARING ASSET/(LIABILITY)

2007	1 Year R 000's	2-5 Years R 000's	> 5 Years R 000's	Total R 000's
Variable rate instruments subject to interest rate cash flow risk				
Financial assets				
Cash and cash equivalents	53,029	-	-	53,029
Loans receivable	19,170	14,928	-	34,098
	<u>72,199</u>	<u>14,928</u>	<u>-</u>	<u>87,127</u>
Financial liabilities				
Interest bearing borrowings	26,685	35,957	-	62,642
Bank overdraft	29,991	-	-	29,991
	<u>56,676</u>	<u>35,957</u>	<u>-</u>	<u>92,633</u>
Not subject to interest rate risk				
Financial assets				
Trade and other receivables	83,673	-	-	83,673
Financial liabilities				
Non-interest bearing borrowings	430	10,528	-	10,958
Trade and other payables	74,624	-	-	74,624
	<u>75,054</u>	<u>10,528</u>	<u>-</u>	<u>85,582</u>
2006				
Variable rate instruments subject to interest rate cash flow risk				
Financial assets				
Cash and cash equivalents	39,909	-	-	39,909
Loans receivable	5,560	59,134	-	64,694
	<u>45,469</u>	<u>59,134</u>	<u>-</u>	<u>104,603</u>
Financial liabilities				
Interest bearing borrowings	36,836	41,160	-	77,996
Policy holders' liabilities	-	-	-	-
Bank overdraft	50,774	-	-	50,774
	<u>87,610</u>	<u>41,160</u>	<u>-</u>	<u>128,770</u>
Not subject to interest rate risk				
Financial assets				
Trade and other receivables	117,898	-	-	117,898
Financial liabilities				
Trade and other payables	68,218	-	-	68,218
Non-interest bearing borrowings	673	13,787	-	14,460
	<u>68,891</u>	<u>13,787</u>	<u>-</u>	<u>82,678</u>

NOTE 45 PRIOR YEAR ERROR

GROUP				
Prior year error	Gross amount	Tax	Outside shareholders	Net amount
	R 000's	R 000's	R 000's	R 000's
45.1 Sekunjalo Medical Administrators (Pty) Ltd				
Other operating expenses	(125)	-	-	(125)
Trade and other receivables	125	-	-	125
A provision for the recovery of repairs and maintenance expenses was incorrectly recognised in the prior year instead of being expensed in the income statement.				
45.2 Imagination Administration Services (Pty) Ltd				
Revenue	(1,800)	-	882	(918)
Other operating expenses	12	-	(6)	6
Finance expenses	(8)	-	4	(4)
Depreciation expense	(37)	-	18	(19)
Outside shareholders' interest	898	-	-	(898)
Property, plant and equipment	441	-	-	441
Accumulated depreciation - property, plant and equipment	(37)	-	-	(37)
Trade and other receivables	(1,795)	-	-	(1,795)
Interest bearing borrowings	(264)	-	-	(264)
Current portion of Interest bearing borrowings	(140)	-	-	(140)
Trade and other payables	(38)	-	-	(38)
Revenue was incorrectly recognised in the prior year for software licensing that did not meet the revenue recognition criteria.				
A finance lease for computer equipment was not recognised in the prior year. This has been corrected including the related depreciation.				
45.3 Sharenet (Pty) Ltd				
Deferred Tax Asset	(77)	77	(37)	(37)
Outside shareholders' interest	(37)	-	-	37
Deferred tax was not recognised on a leave pay provision in the prior year.				
45.4 Sharenet Financial Solutions (Pty) Ltd				
Other operating expenses	(1)	-	-	(1)
Trade and other payables	1	-	-	1
Incorrect recognition of the expense as a trade payable.				

NOTE 45 PRIOR YEAR ERROR (continued)

GROUP				
	Gross amount	Tax	Outside share- holders	Net amount
	R 000's	R 000's	R 000's	R 000's
45.5 Cynthesys Business Consulting (Pty) Ltd				
Revenue	(400)	-	196	(204)
Other operating expenses	92	-	(45)	47
Outside shareholders' interest	(151)	-	-	(151)
Trade and other receivables	400	-	-	400
Trade and other payables	(92)	-	-	(92)
<p>Inter-group revenue was recognised which did not meet the revenue recognition criteria. A consulting expense, recognised by the company on receipt of a supplier invoice, was in fact not due by the company as it was not the legal entity responsible for the expenses under the consulting contract.</p>				
45.6 Sekunjalo Capital (Pty) Ltd				
Consulting fees expense	400	-	-	400
Trade and other payables	(400)	-	-	(400)
Deferred tax	(193)	193	-	-
<p>This error relates to the inter-group transaction as described above in note 44.5. A deferred tax liability was incorrectly recognised on the profit warranties raised.</p>				
45.7 Fios (Pty) Ltd				
Revenue	(910)	-	-	(910)
Cost of sales	219	-	-	219
Deferred tax asset	(196)	-	196	-
Trade and other receivables	(371)	-	-	(371)
Trade and other payables	1,168	-	-	1,168
Retained income - error 2005 and earlier	(106)	-	-	(106)
<p>Fios (Pty) Ltd incorrectly recognised the revenue relating to the annual support of software in the month in which it was invoiced. The revenue should be recognised over the period to which it relates and the accounting treatment for the related deferred tax implications should be applied.</p>				
45.8 Sekunjalo Corporate Services (Pty) Ltd				
Other operating expenses	(61)	-	-	(61)
Trade and other receivables	61	-	-	61
<p>A rental expense was incorrectly allocated as a receivable in the prior year.</p>				
45.9 Total prior year errors		Gross amount	Intercom- pany adjustment	Net amount
Revenue		(3,110)	400	(2,710)
Cost of sales		219		219
		(2,891)	400	(2,491)
Other operating expenses		279	(400)	(121)
		(2,612)	-	(2,612)
Finance cost		(8)	-	(8)
		(2,620)	-	(2,620)
Taxation		466	-	466
		(2,154)	-	(2,154)
Attributable To:				
Outside shareholders		(1,012)	-	(1,012)
Parent		(1,142)	-	(1,142)
		(2,154)	-	(2,154)

NOTE 46 RELATED PARTIES TRANSACTIONS

46 Related Parties

- 46.1 Ultimate controlling entity information
The ultimate holding company in the group is Sekunjalo Investments Limited, a company incorporated in South Africa and listed on the JSE Limited. The company advanced loans, received loans, paid and received interest, received dividends, received commission, and provided accounting and administrative assistance to the other entities within the group during the current and preceding financial years.
- 46.2 Loan balances outstanding at year end
- All amounts, interest and repayment terms owed to the company by its subsidiaries, are disclosed in note 15. The balances are eliminated on consolidation.
 - All amounts, interest and repayment terms owed to its subsidiaries by the holding company, are disclosed in note 25. The balances are eliminated on consolidation.
 - All current and non-current amounts owed to the company and group by related entities not disclosed per note 15 and 25 are disclosed below.
 - All interest and repayment terms not disclosed in notes 15 and 25 are disclosed below.
 - No amounts owed by related parties are considered to be bad or doubtful at year end, thus no related expense has been recognised in the income statement and no provision has been raised in the balance sheet at year end. However certain loan balances have been impaired to the extent to which the recoverability of the loan in a 5 year time period can not be demonstrated to the satisfaction of the directors of the company.
- 46.3 Transactions with related parties
The profit before tax for the financial years include aggregated amounts attributable to the following transactions disclosed:

		GROUP		COMPANY	
		2007	2006	2007	2006
		R 000's	R 000's	R 000's	R 000's
46.4	Transactions - income/(expenses)				
	Subsidiaries				
	African Biotech and Medical Innovation Investments (Pty) Ltd	Interest received	-	-	389
	Cynthesys Business Consulting (Pty) Ltd	Interest received	-	-	4
	Cynthesys Business Consulting (Pty) Ltd	Consulting fees	-	-	(14)
	FIOS (Pty) Ltd	Corporate fees	-	-	3,000
	FIOS (Pty) Ltd	Software purchased	-	-	(543)
	FIOS (Pty) Ltd	Staff training	-	(186)	-
	Health Systems Technologies (Pty) Ltd	Interest received	-	-	7
	Health Systems Technologies (Pty) Ltd	Sundry income	-	-	4
	Health Systems Technologies (Pty) Ltd	Motor vehicle expense	-	-	(8)
	Health Systems Technologies (Pty) Ltd	Management fees	-	320	-
	Hostprops 136 (Pty) Ltd	Interest received	-	-	43
	Hostprops 136 (Pty) Ltd	Commission paid	-	-	(410)
	Premier Fishing SA (Pty) Ltd	Admin fees	-	-	7,200
	Premier Fishing SA (Pty) Ltd	Commission received	-	-	-
	Premier Fishing SA (Pty) Ltd	Interest paid	-	(2,832)	(3,908)
	Premier Fishing SA (Pty) Ltd	Salaries	-	(233)	-
	Premier Fishing SA (Pty) Ltd	Consulting fees	-	(4)	-
	Premier Fishing SA (Pty) Ltd	Management fees	-	12,667	-
	Saratoga Software (Pty) Ltd	Consulting fees	-	-	(201)

NOTE 46 RELATED PARTIES TRANSACTIONS (continued)

		GROUP		COMPANY	
		2007	2006	2007	2006
		R 000's	R 000's	R 000's	R 000's
Saratoga Software (Pty) Ltd	Management fees	-	-	(800)	-
Sekpharma (Pty) Ltd	Interest received	-	-	-	4,099
Sekunjalo Arcus Facilities Management (Pty) Ltd	Interest received	-	-	-	2
Sekunjalo Capital (Pty) Ltd	Interest received	-	-	-	458
Sekunjalo Capital (Pty) Ltd	Consulting fees	-	-	(1,360)	-
Sekunjalo Corporate Services (Pty) Ltd	Rent received	-	-	(97)	-
Sekunjalo Corporate Services (Pty) Ltd	Accounting fees	-	-	(36)	-
Sekunjalo Corporate Services (Pty) Ltd	Payroll and HR fees	-	-	(28)	-
Sekunjalo Corporate Services (Pty) Ltd	Telephone and fax	-	-	(25)	-
Semtech Pty (Ltd)	Interest received	-	-	-	119
Sekunjalo Food and Fishing (Pty) Ltd	Interest received	-	-	-	1,970
Sekunjalo Health Care Ltd	Interest received	-	-	-	4,604
Sekunjalo Health Care Ltd	Admin fees	-	-	-	500
Sekunjalo Industrial Holdings (Pty) Ltd	Interest received	-	-	-	108
Sekunjalo Informatics and Telecommunications Africa (Pty) Ltd	Interest received	-	-	-	2,504
Sekunjalo Medical Logistics (Pty) Ltd	Interest received	-	-	-	9
Sekunjalo Properties (Pty) Ltd	Interest received	-	-	-	2
Sekunjalo Properties (Pty) Ltd	Rent paid	-	-	(1,517)	(216)
Sekunjalo Properties (Pty) Ltd	Rental of equipment	-	-	(375)	-
Sekunjalo Structured Finance (Pty) Ltd	Consulting fees	-	-	-	(72)
Sekunjalo Structured Finance (Pty) Ltd	Travel expenses	-	-	-	(83)
Sekunjalo Structured Finance (Pty) Ltd	Sundry income	-	-	23	-
Sharenet (Pty) Ltd	Website design fees	-	-	-	(10)
Synergy Computing (Pty) Ltd	Sales	-	-	-	44
Synergy Computing (Pty) Ltd	Admin fees	-	-	-	800
Synergy Computing (Pty) Ltd	Rent paid	-	-	-	(40)
Common Interest					
Amrich 27 Properties (Pty) Ltd	Rent paid	-	159	-	-
Dwakn Consulting (Pty) Ltd	Sales	-	265	-	-
Common Control					
Connold and Associates CC	Professional services	-	(18)	-	-
Evening Star (Pty) Ltd	Lease rentals	-	(231)	-	-

NOTE 46 RELATED PARTIES TRANSACTIONS (continued)

		GROUP		COMPANY	
		2007	2006	2007	2006
		R 000's	R 000's	R 000's	R 000's
46.5	Loans receivable and (payable)				
	Amrich 27 Properties (Pty) Ltd	Common interest	-	1	-
	Dwakn Consulting (Pty) Ltd	Common interest	-	11	-
	SAEBEX (Pty) Ltd	Shareholder of subsidiary	-	21	-
	*Dr MI Survé	Executive Chairman	(308)	(308)	(308)
	*KC Patel	Director	(55)	(55)	(55)
	All loans are unsecured and have no fixed terms of repayment.				
	All loans bear interest at the prime bank overdraft rate unless otherwise indicated.				
	*Loans bearing no interest				
46.6	Inter company debtors and (creditors)				
	Cynthesys Business Consulting (Pty) Ltd	Subsidiary	-	-	(16)
	FIOS (Pty) Ltd	Subsidiary	-	-	104
	Health Systems Technologies (Pty) Ltd	Subsidiary	-	-	8
	Premier Fishing SA (Pty) Ltd	Subsidiary	-	-	2,217
	Saratoga Software (Pty) Ltd	Subsidiary	-	-	(82)
	Sekpharma (Pty) Ltd	Subsidiary	-	-	18
	Sekunjalo Capital International (Pty) Ltd	Subsidiary	-	-	(35)
	Sekunjalo Corporate Services (Pty) Ltd	Subsidiary	-	-	(132)
	Sekunjalo Properties (Pty) Ltd	Subsidiary	-	-	(82)
	Sekunjalo Structured Finance (Pty) Ltd	Subsidiary	-	-	(95)
	Sharnet (Pty) Ltd	Subsidiary	-	-	(9)
	Wynberg Pharmaceuticals (Pty) Ltd	Subsidiary	-	-	6
46.7	Key management personnel remuneration	10,532	6,536	-	-
Notes:					
46.8	Debtors and creditors are interest free and receivable/payable within twelve months.				
46.9	Ownership interest in entities of the group Interests held in controlled, associated and jointly controlled companies are disclosed in the information on subsidiaries, associates and joint ventures, set out on pages 82 to 87 and 137 to 141.				
46.10	Directors Details of the remuneration of the directors, and their shareholding, are disclosed in the directors' report and note 40.				
46.11	Shareholders An analysis of major shareholders in Sekunjalo Investments Ltd is provided on page 142.				

NOTE 47 SEGMENT REPORT

GEOGRAPHICAL SEGMENTS

Each division in the group is headed by its own board of directors. These divisions are the bases in which the group reports its primary segment information. The corporate segment incorporates both the holding company and some smaller, dormant investments.

The financial information about the business segments is presented in the following report:

Other segments include the following companies:

Sekunjalo Investments Ltd, Sekunjalo Corporate Services (Pty) Ltd, Sekunjalo Properties (Pty) Ltd, Sekunjalo Motor Holdings (Pty) Ltd, Sekunjalo Media Holdings (Pty) Ltd, African Biomedical and Innovation Investments (Pty) Ltd.

GEOGRAPHICAL SEGMENTS	WESTERN CAPE	EASTERN CAPE
2007		
Revenue	390,633	6,710
Carrying amount of segment assets	933,370	1,255
Additions to property, plant and equipment	31,724	-
Additions to intangibles	31,458	-
2006		
Revenue	180,707	-
Carrying amount of segment assets	556,019	8,889
Additions to property, plant and equipment	21,810	300
Additions to intangibles	18,676	-

CAPITAL EXPENDITURE	HEALTHCARE	FISHING
2007		
Additions to property, plant and equipment	857	11,695
Depreciation and amortisation	3,381	11,587
Other non-cash items	-	6,343
2006		
Additions to property, plant and equipment	364	19,240
Depreciation and amortisation	2,037	9,844
Other non-cash Items	390	1,768

GAUTENG	KWAZULU NATAL	OTHER	OFFSHORE	TOTAL
48,048	4,125	-	-	449,516
19,079	46	-	24	953,774
257	32	-	-	32,013
2,174	308	-	-	33,940
103,741	3,571	-	134,399	422,418
134,876	2,827	-	28,760	731,371
1,206	27	-	16	23,359
20,641	738	-	7,768	47,823

FINANCIAL SERVICES	INFORMATION TECHNOLOGY	OTHER SEGMENTS	ELIMINATED	CONSOLIDATED
552	412	18,497	-	32,013
837	444	724	-	16,973
174	273	250,961	-	257,751
1,680	1,059	1,016	-	23,359
432	1,504	482	-	14,299
115	6	494	-	2,773

NOTE 47 SEGMENT REPORT (continued)

INCOME STATEMENT

2007	HEALTHCARE	FISHING	FINANCIAL SERVICES
	R 000's	R 000's	R 000's
Revenue	37,524	283,184	72,719
External sales	37,172	283,184	72,719
Inter group sales	352	-	-
Cost of sales	(19,701)	(170,532)	(6,000)
Gross profit	17,823	112,652	66,719
Other operating income	1,656	22,954	4,706
Gross income	19,479	135,606	71,425
Administration, distribution and selling expenses	(59,236)	(112,331)	(92,174)
Profit/(loss) from operations	(39,757)	23,275	(20,749)
Income from associates	-	-	(13)
Finance income/(expense)	(5,480)	(4,361)	(1,288)
Profit/(loss) before taxation	(45,237)	18,914	(22,050)
Income taxation gain/(expense)	(16,668)	(6,716)	278
Profit/(loss) after taxation	(61,905)	12,198	(21,772)
Attributable to:-			
Outside shareholders	-	957	(3,619)
Parent	(61,905)	11,241	(18,153)
	(61,905)	12,198	(21,772)

INFORMATION TECHNOLOGY	OTHER SEGMENTS	ELIMINATED	CONSOLIDATED
R 000's	R 000's	R 000's	R 000's
54,906	20,782	(19,599)	449,516
54,059	2,382	-	449,516
847	18,400	(19,599)	-
(32,938)	-	155	(229,016)
21,968	20,782	(19,444)	220,500
2,226	509,236	(257,875)	282,903
24,194	530,018	(277,319)	503,403
(16,418)	(218,160)	180,447	(317,872)
7,776	311,858	(96,872)	185,531
-	-	-	(13)
(4,588)	6,666	(2,362)	(11,413)
3,188	318,524	(99,234)	174,105
320	(67,302)	28,398	(61,690)
3,508	251,222	(70,836)	112,415
458	-	-	(2,204)
3,050	251,222	(70,836)	114,619
3,508	251,222	(70,836)	112,415

NOTE 47 SEGMENT REPORT (continued)

INCOME STATEMENT

2006	HEALTHCARE	FISHING	FINANCIAL SERVICES
	R 000's	R 000's	R 000's
Revenue	29,024	257,131	76,576
External sales	29,024	257,131	75,012
Inter group sales	-	-	1,564
Cost of sales	(13,381)	(185,753)	(1,832)
Gross profit	15,643	71,378	74,744
Other operating income	105	23,045	16,432
Gross income	15,748	94,423	91,176
Administration, distribution and selling expenses	(24,018)	(89,177)	(74,961)
Profit/(loss) from operations	(8,270)	5,246	16,215
Income/(loss) from associates	-	-	(19)
Finance income/(expense)	(11,223)	(1,654)	439
Profit/(loss) before taxation	(19,493)	3,592	16,635
Income taxation gain/(expense)	1,811	(2,098)	(23)
Profit/(loss) after taxation	(17,682)	1,494	16,612
Attributable to:-			
Outside shareholders	-	1,463	3,656
Parent	(17,682)	31	12,956
	(17,682)	1,494	16,612

INFORMATION TECHNOLOGY	OTHER SEGMENTS	ELIMINATED	CONSOLIDATED
R 000's	R 000's	R 000's	R 000's
58,217	15,687	(14,217)	422,418
56,520	4,731	-	422,418
1,697	10,956	(14,217)	-
(37,689)	-	-	(238,655)
20,528	15,687	(14,217)	183,763
2,491	219,209	(144,411)	116,871
23,019	234,896	(158,628)	300,634
(14,442)	(141,397)	133,042	(210,953)
8,577	93,499	(25,586)	89,681
624	-	-	605
(2,410)	10,975	399	(3,474)
6,791	104,474	(25,187)	86,812
(1,244)	(19,002)	5,649	(14,907)
5,547	85,472	(19,538)	71,905
669	-	(142)	5,646
4,878	85,472	(19,396)	66,259
5,547	85,472	(19,538)	71,905

NOTE 47 SEGMENT REPORT (continued)

BALANCE SHEET

2007	HEALTHCARE	FISHING	FINANCIAL SERVICES
	R 000's	R 000's	R 000's
Assets			
Investment property	-	-	-
Property, plant and equipment	2,024	178,574	966
Royalty agreement	-	-	2,166
Biological assets	-	17,882	-
Software development costs	6,791	-	5,571
Goodwill	2,157	17,234	18,263
Patents and trademarks	576	41	2,920
Pharmaceutical dossiers	22,100	-	-
Deferred tax asset	1,756	8,673	202
Other investments	-	-	-
Investments in subsidiaries	-	-	-
Investments in associates	-	-	-
Investments in joint ventures	-	-	-
Loans receivable	230	3,377	420
Amounts owed by group companies	-	21,230	28,380
Non current assets	35,634	247,011	58,888
Inventories	9,823	25,439	-
Trade and other receivables	7,648	62,334	1,601
Non current assets held for sale	-	2,748	39,781
Forward exchange contract asset	-	14	-
Receiver of revenue	-	154	-
Cash and cash equivalents	4,905	12,388	1,528
Loans receivable	-	-	10,900
Amounts owed by group companies	-	-	8
Current assets	22,376	103,077	53,818
TOTAL ASSETS	58,010	350,088	112,706

INFORMATION TECHNOLOGY	OTHER SEGMENTS	ELIMINATED	CONSOLIDATED
R 000's	R 000's	R 000's	R 000's
-	21,194	(21,194)	-
816	1,342	17,652	201,374
-	-	-	2,166
-	-	-	17,882
-	-	-	12,362
48,207	-	24	85,885
-	16	-	3,553
-	-	-	22,100
3,690	286	-	14,607
-	346,153	-	346,153
-	993,501	(993,501)	-
-	-	-	-
-	-	-	-
-	10,901	-	14,928
-	157,017	(206,627)	-
52,713	1,530,410	(1,203,646)	721,010
-	17	-	35,279
12,380	7,738	(8,028)	83,673
-	-	(2,096)	40,433
-	-	-	14
1,012	-	-	1,166
7,517	26,691	-	53,029
5,700	2,570	-	19,170
-	5	(13)	-
26,609	37,021	(10,137)	232,764
79,322	1,567,431	(1,213,783)	953,774

NOTE 47 SEGMENT REPORT (continued)

BALANCE SHEET

2007	HEALTHCARE	FISHING	FINANCIAL SERVICES
	R 000's	R 000's	R 000's
Equity and Liabilities			
Share capital	239	-	-
Share premium	102,279	-	-
Non distributable reserves	-	8,028	28
Other distributable reserves	-	-	-
Accumulated profit/(loss)	(216,629)	146,265	(3,056)
Equity attributable to parent	(114,111)	154,293	(3,028)
Outside shareholders interest	-	33,412	(5,995)
Total Equity	(114,111)	187,705	(9,023)
Interest bearing borrowings	14,666	607	7,812
Non-interest bearing borrowings	550	-	974
Amounts owed to group companies	104,537	23,570	52,205
Deferred tax liability	-	58,481	33
Post employment medical costs	-	2,072	-
Operating lease liability	-	337	8
Non current liabilities	119,753	85,067	61,032
Trade and other payables	18,669	39,339	8,294
Non current liabilities held for sale	-	-	43,070
Provisions	1,365	11,145	6,989
Current portion of interest bearing borrowings	5,071	13,770	301
Current portion of non-interest bearing borrowings	-	-	430
Bank overdraft	25,321	1,061	961
Receiver of revenue	1,942	12,001	652
Policyholders liabilities	-	-	-
Amounts owing to group companies	-	-	-
Current liabilities	52,368	77,316	60,697
TOTAL EQUITY AND LIABILITIES	58,010	350,088	112,706

INFORMATION TECHNOLOGY	OTHER SEGMENTS	ELIMINATED	CONSOLIDATED
R 000's	R 000's	R 000's	R 000's
-	29	(239)	29
-	386,764	(102,279)	386,764
-	-	-	8,056
-	-	-	-
7,953	913,087	(681,139)	166,481
7,953	1,299,880	(783,657)	561,330
2,325	-	-	29,742
10,278	1,299,880	(783,657)	591,072
-	12,872	-	35,957
4,446	4,558	-	10,528
44,354	73,426	(298,092)	-
647	157,634	(109,884)	106,911
-	-	-	2,072
3	-	-	348
49,450	248,490	(407,976)	155,816
11,709	4,343	(7,732)	74,622
-	-	(14,386)	28,684
1,337	10,090	-	30,926
4,000	3,543	-	26,685
-	-	-	430
2,408	240	-	29,991
140	813	-	15,548
-	-	-	-
-	32	(32)	-
19,594	19,061	(22,150)	206,886
79,322	1,567,431	(1,213,783)	953,774

NOTE 47 SEGMENT REPORT (continued)

BALANCE SHEET

2006	HEALTHCARE	FISHING	FINANCIAL SERVICES
	R 000's	R 000's	R 000's
Assets			
Investment property	-	-	-
Property, plant and equipment	1,661	185,438	1,176
Royalty agreement	-	-	-
Biological assets	-	16,331	-
Software development costs	3,228	-	6,476
Goodwill	3,892	4,029	17,413
Patents and trademarks	3,844	45	-
Pharmaceutical dossiers	23,800	-	-
Deferred tax asset	18,578	3,934	77
Other investments	-	-	41,815
Investments in subsidiaries	-	-	-
Investments in associates	-	-	-
Investments in joint ventures	-	-	-
Loans receivable	27,278	21,939	2,227
Amounts owed by group companies	-	20,895	-
Non current assets	82,281	252,611	69,184
Inventories	5,210	20,117	2,527
Trade and other receivables	9,020	77,387	8,653
Non current assets held for sale	-	-	-
Forward exchange contract asset	-	38	-
Receiver of revenue	-	155	-
Cash and cash equivalents	5,028	9,327	6,535
Loans receivable	5,560	-	-
Amounts owed by group companies	-	-	5,279
Current assets	24,818	107,024	22,994
TOTAL ASSETS	107,099	359,635	92,178

INFORMATION TECHNOLOGY	OTHER SEGMENTS	ELIMINATED	CONSOLIDATED
R 000's	R 000's	R 000's	R 000's
-	-	-	-
941	1,767	(543)	190,440
-	-	-	-
-	-	-	16,331
-	-	-	9,704
43,457	-	38	68,829
-	18	-	3,907
-	-	-	23,800
1,826	47	-	24,462
-	92,936	-	134,751
-	808,005	(808,005)	-
7,110	-	-	7,110
-	-	-	-
-	8,868	-	60,312
-	182,639	(203,534)	-
53,334	1,094,280	(1,012,044)	539,646
-	-	-	27,854
15,030	15,274	(7,466)	117,898
-	-	-	-
-	-	-	38
311	-	-	466
10,071	8,948	-	39,909
-	-	-	5,560
-	-	(5,279)	-
25,412	24,222	(12,745)	191,725
78,746	1,118,502	(1,024,789)	731,371

NOTE 47 SEGMENT REPORT (continued)

BALANCE SHEET

2006	HEALTHCARE	FISHING	FINANCIAL SERVICES
	R 000's	R 000's	R 000's
Equity and Liabilities			
Share capital	239	-	-
Share premium	102,279	-	4,514
Non distributable reserve	-	8,052	9,721
Other distributable reserves	-	-	100
Accumulated profit/(loss)	(154,725)	135,406	15,603
Equity attributable to parent	(52,207)	143,458	29,938
Outside shareholders interest	-	33,370	7,860
Total Equity	(52,207)	176,828	37,798
Interest bearing borrowings	17,840	14,618	3,264
Non-interest bearing borrowings	550	-	9,972
Amounts owing to group companies	98,254	20,831	5,322
Deferred tax liability	153	61,750	249
Post employment medical costs	-	1,970	-
Operating lease liability	-	692	-
Non-current liabilities	116,797	99,861	18,807
Trade and other payables	16,923	27,446	5,148
Non-current liabilities held for sale	-	-	-
Provisions	1,637	7,131	-
Current portion of interest bearing borrowings	5,910	15,971	140
Current portion of non-interest bearing borrowings	-	-	673
Bank overdraft	16,168	29,611	4,995
Receiver of revenue	1,871	2,787	2,003
Policyholders liabilities	-	-	17,323
Amounts owing to group companies	-	-	5,291
Current liabilities	42,509	82,946	35,573
TOTAL EQUITY AND LIABILITIES	107,099	359,635	92,178

INFORMATION TECHNOLOGY	OTHER SEGMENTS	ELIMINATED	CONSOLIDATED
R 000's	R 000's	R 000's	R 000's
-	27	(239)	27
-	301,480	(106,865)	301,408
-	-	(7,511)	10,262
-	-	-	100
7,013	661,975	(613,020)	52,252
7,013	963,482	(727,635)	364,049
2,113	-	5,300	48,643
9,126	963,482	(722,335)	412,692
4,000	1,438	-	41,160
205	3,060	-	13,787
30,527	48,517	(203,451)	-
-	90,840	(84,610)	68,382
-	-	-	1,970
-	55	-	747
34,732	143,910	(288,061)	126,046
17,386	10,417	(9,102)	68,218
-	-	-	-
1,081	373	-	10,222
14,561	254	-	36,836
-	-	-	673
-	-	-	50,774
1,860	66	-	8,587
-	-	-	17,323
-	-	(5,291)	-
34,888	11,110	(14,393)	192,633
78,746	1,118,502	(1,024,789)	731,371

NOTE 48 POST BALANCE SHEET EVENTS

Premier Fishing Pty (Ltd), a subsidiary company successfully was awarded a tender to purchase Marine Growers (Pty) Ltd, an abalone farm. The maximum commitment required to conclude this deal will be R6 000 000.

NOTE 49 REVENUE AND CAPITAL COMMITMENTS

The directors, whose names are listed on page 6 of the annual report are not aware of any capital commitments or contingent liabilities that may have been in existence at the balance sheet date which have a material effect on the company and group's financial position, other than those listed below:

The following contingencies relate to capital acquisitions:

At 31 August 2007 there was a possible liability towards the previous owners of Saratoga Software (Pty) Ltd. In terms of the agreement, a portion of the purchase consideration depends on Saratoga Software (Pty) Ltd achieving predetermined profit targets for the year ended 31 August 2008. If the profit targets are met, an amount limited to R2 350 000 is payable to the previous owners of Saratoga Software (Pty) Ltd.

Sekunjalo Financial Services (Pty) Ltd, a subsidiary company acquired the equity interest in Imagination Life Management Services Holdings (Pty) Ltd (Imagination) together with claims amounting to R2 040 000 in that company. The balance of the purchase consideration of R1 632 000 due to the seller is contingent upon Imagination achieving certain profit warranties.

Sekunjalo Financial Services (Pty) Ltd, a subsidiary company acquired the equity interest in First Light Administrators (Pty) Ltd together with claims amounting to R4 599 000 in that company and a royalty agreement valued at R2 166 000. The balance of the purchase consideration of R832 500 due to the seller is contingent upon the company achieving certain profit warranties.

NOTE 50 INFORMATION ON INVESTMENTS

NAME OF SUBSIDIARY	ISSUED CAPITAL		EFFECTIVE % HELD		INVESTMENT AT COST		NATURE OF BUSINESS
	2007	2006	2007	2006	2007	2006	
African Biotechnological and Medical Innovations Investments (Pty) Ltd	300	300	100%	100%	-	-	Investments
Atlantic Fishing Enterprises (Pty) Ltd	100	100	80%	80%	-	-	Fishing
Bella Administration Services Ltd	-	585	0%	70%	-	-	Financial services
Bella Asset Management Ltd	-	175,470	0%	70%	-	175	Asset management
Bella Investment Services Ltd	-	14,625	0%	70%	-	2,223	Investments
Capstone 186 (Pty) Ltd	100	100	100%	100%	-	-	Dormant company
Chapman's Peak Fisheries (Pty) Ltd	18,000	18,000	80%	80%	-	-	Fishing
Chapman's Peak Fish Processors (Pty) Ltd	300	300	100%	100%	-	-	Aquaculture
Cynthesys Business Consulting (Pty) Ltd	100	100	51%	51%	-	568	Financial services
FIOS (Pty) Ltd	1,000	1,000	100%	100%	17,300	17,300	Technologies
First Light Administration Services Pty (Ltd)	100	100	40%	0%	655	-	Financial services
Fish Drying Corporation (Pty) Ltd	4	4	80%	80%	-	-	Dormant company
Health System Technologies (Pty) Ltd	2,000	2,000	32%	32%	-	-	Technologies
- Voting	-	-	54%	54%	-	-	-
Hostprops 136 (Pty) Ltd	100	100	100%	100%	-	-	Investments
Imagination Administration Services Pty (Ltd)	100	100	25%	100%	-	-	Financial services
Imagination Advisory and Distribution Services (Pty) Ltd	100	100	50%	100%	-	-	Financial services
Imagination Life Management Services Holdings (Pty) Ltd	100	100	50%	50%	-	-	Financial services
John Ovenstone Ltd	1,042,000	1,042,000	80%	80%	-	-	Dormant company

NOTE 50 INFORMATION ON INVESTMENTS (continued)

NAME OF SUBSIDIARY	ISSUED CAPITAL		EFFECTIVE % HELD		INVESTMENT AT COST		NATURE OF BUSINESS
	2007	2006	2007	2006	2007	2006	
John Quality (Pty) Ltd	6,000	6,000	80%	80%	-	-	- Dormant company
Kuttle Fish (SA) (Pty) Ltd	10	10	80%	80%	-	-	- Dormant company
Premier Fishing (SA) (Pty) Ltd	100,000	100,000	80%	80%	-	-	- Fishing
Premfresh Seafoods (Pty) Ltd	100	100	80%	80%	-	-	- Fishing
Quickvest 163 (Pty) Ltd	245	245	51%	51%	500	500	Financial services
Rapimed (Pty) Ltd	100	100	32%	32%	-	-	- Dormant company
- Voting	-	-	54%	54%	-	-	-
Saratoga Software (Pty) Ltd	8,073	8,073	51%	51%	3,648	3,648	Technologies
Seagro Fertilisers (Pty) Ltd	8	8	80%	80%	-	-	- Marine agriculture
Sekfish Investments (Pty) Ltd	177	177	100%	100%	-	-	- Investments
Sekpharma (Pty) Ltd	100	100	59%	59%	-	-	- Medical
- Voting	-	-	73%	73%	-	-	-
Sekunjalo Aquaculture (Pty) Ltd	100	100	100%	100%	-	-	- Marine agriculture
Sekunjalo Arcus Facilities Management Consulting (Pty) Ltd	100	100	55%	55%	-	-	- Consulting services
Sekunjalo Asset Finance (Pty) Ltd	100	100	100%	100%	-	-	- Financial services
Sekunjalo Capital (Pty) Ltd	100	100	100%	100%	-	-	- Financial services

NOTE 50 INFORMATION ON INVESTMENTS (continued)

NAME OF SUBSIDIARY	ISSUED CAPITAL		EFFECTIVE % HELD		INVESTMENT AT COST		NATURE OF BUSINESS
	2007	2006	2007	2006	2007	2006	
Sekunjalo Capital International (Pty) Ltd	-	11,850,000	0%	70%	-	-	- Financial services
Sekunjalo Corporate Services (Pty) Ltd	120	120	100%	100%	-	-	- Consulting services
Sekunjalo Empowerment Fund (Pty) Ltd	100	100	100%	100%	-	-	- Dormant company
Sekunjalo Enterprise Development (Pty) Ltd	100	100	100%	100%	-	-	- Dormant company
Sekunjalo Enterprise Management Technology (Pty) Ltd	200	200	51%	51%	-	-	- Technologies
Sekunjalo Financial Services (Pty) Ltd	100	100	50%	100%	-	-	- Financial services
Sekunjalo Food and Fishing (Pty) Ltd	100	100	100%	100%	-	-	- Investments
Sekunjalo Health Care Ltd	102,518	102,518	32%	32%	22,041	22,041	Medical
- Voting	-	-	54%	54%	-	-	-
Sekunjalo Health Care Solutions (Pty) Ltd	100	100	100%	100%	-	-	- Dormant company
Sekunjalo Health Care Pharmaceuticals (Pty) Ltd	100	100	100%	100%	-	-	- Dormant company
Sekunjalo Industrial Holdings (Pty) Ltd	100	100	100%	100%	-	-	- Investments
Sekunjalo Informatics and Telecommunications Africa (Pty) Ltd	100	100	100%	100%	-	-	- Informatics
Sekunjalo Life Assurance Ltd	4,514,000	4,514,000	25%	70%	12,114	8,000	Financial services
Sekunjalo Media Holdings (Pty) Ltd	100	100	100%	100%	-	-	- Investments
Sekunjalo Medical Aid Administrators (Pty) Ltd	100	100	25%	100%	1,000	1,000	Financial services
Sekunjalo Medical Logistics (Pty) Ltd	100	100	17%	17%	-	-	- Medical
- Voting	-	-	28%	28%	-	-	-

NOTE 50 INFORMATION ON INVESTMENTS (continued)

NAME OF SUBSIDIARY	ISSUED CAPITAL		EFFECTIVE % HELD		INVESTMENT AT COST		NATURE OF BUSINESS
	2007	2006	2007	2006	2007	2006	
Sekunjalo Medical Services (Pty) Ltd	100	100	32%	32%	-	-	- Medical
- Voting	-	-	54%	54%	-	-	-
Sekunjalo Medical Trading (Pty) Ltd	100	100	32%	32%	-	-	- Medical
- Voting	-	-	54%	54%	-	-	-
Sekunjalo Motor Holdings (Pty) Ltd	100	100	100%	100%	-	-	- Motor
Sekunjalo Private Equity (Pty) Ltd	100	100	100%	100%	-	-	- Financial services
Sekunjalo Properties (Pty) Ltd	100	100	100%	100%	-	-	- Properties
Sekunjalo Strategic Investments (Pty) Ltd	100	100	100%	100%	-	-	- Investments
Sekunjalo Structured Finance (Pty) Ltd	100	100	70%	70%	-	-	- Financial services
Sharenet Financial Solutions (Pty) Ltd	120	120	51%	51%	-	-	- Financial services
Sharenet (Pty) Ltd	1,602	1,602	51%	51%	-	-	- Financial services
Southern Ocean Fishing (Pty) Ltd	100	100	80%	80%	-	-	- Dormant company
Sunstone Business Solutions (Pty) Ltd	100	100	100%	100%	-	-	- Dormant company
Synergy Computing (Pty) Ltd	109	109	100%	82%	-	-	- Technologies
Synergy Computing Cape Town (Pty) Ltd	100	100	100%	82%	-	-	- Dormant company
Wynberg Pharmaceuticals (Pty) Ltd	100	100	32%	32%	-	-	- Medical
- Voting	-	-	54%	54%	-	-	-
Zenith Group (Pty) Ltd	-	-	25%	-	-	-	- Financial services

All the above companies are incorporated in the Republic of South Africa except for the following:

Sekunjalo Capital International Ltd
 Bella Administration Services Ltd
 Bella Asset Management Ltd
 Bella Investment Services Ltd

These companies are incorporated in Mauritius.

NOTE 51 ASSOCIATES

NAME OF ASSOCIATE	GROUP'S SHARE OF POST ACQUISITION PROFITS		EFFECTIVE % HELD		INVESTMENT AT COST		NATURE OF BUSINESS
	2007	2006	2007	2006	2007	2006	
XN Corporation Africa (Pty) Ltd	-	2,110	0%	24%	-	5,000	

NOTE 52 JOINT VENTURES

NAME OF JOINT VENTURE	DATE OF ACQUISITION	EFFECTIVE % HELD		INVESTMENT AT COST		NATURE OF BUSINESS
		2007	2006	2007	2006	
Bloudam Joint Venture	01/09/2003	18%	18%	-	-	Catching of fish
Eastern Cape Hake Long Line Joint Venture	01/05/2003	15%	15%	-	-	Catching, packaging and processing of fish
Premier - BCP Hake Joint Venture	01/03/2001	48%	48%	-	-	Catching of fish
Premier Seacat Joint Venture	01/11/2002	50%	50%	-	-	Catching of fish
Premier Select (Pty) Ltd	01/09/2006	50%	0%	-	-	Processing of fish
Premfresh Seafoods (Pty) Ltd	04/09/2003	0%	50%	-	-	Trading in fish products
Refer to note 13 for the total aggregated assets, liabilities, income and expenses for the year ended 31 August 2007.						

SHAREHOLDER INFORMATION

AT 31 AUGUST 2007

SHAREHOLDER SPREAD

	Shareholders in SA		Shareholders not in SA		Total Shareholders	
	Name	Percentage	Number	Percentage	Number	Percentage
Public	2709	97.23%	71	2.55%	2780	99.78%
Directors	5	0.18%	0	0.00%	5	0.18%
Other	1	0.04%	0	0.00%	1	0.04%
TOTAL	2715	97.45%	71	2.55%	2786	100.00%

ANALYSIS OF SHAREHOLDINGS

	Number of Shareholders	Percentage of Total Shareholders	Number of Shares	Percentage of Shares
1 - 5 000	1,064	38.19%	2,544,231	0.54%
5 001 - 10 000	534	19.17%	4,452,388	0.95%
10 001 - 100 000	951	34.13%	32,212,996	6.87%
100 001 - 1 000 000	186	6.68%	64,092,478	13.66%
1 000 001 - and more	51	1.83%	365,903,268	77.98%
TOTAL	2,786	100.00%	469,205,361	100.00%

MAJOR SHAREHOLDING (GREATER THAN 5%)

	Number of Shareholders	Percentage of Total Shareholders	Number of Shares	Percentage of Shares
The Haraas Trust			54,600,225	11.64%
Rashid Jassat			45,064,166	9.72%
ABSA Corporate and Investment Bank			44,000,000	9.49%
Consolidated Mining Management Services			23,885,556	5.15%
TOTAL	4	0.14%	167,549,947	36.00%

DISTRIBUTION OF SHAREHOLDERS

	SHAREHOLDERS		SHARES	
	Number	Percentage	Number	Percentage
Individuals	2,496	89.55%	124,740,339	26.59%
Nominee companies or trusts	147	5.28%	182,452,688	38.89%
Public Companies	6	0.22%	69,715,806	14.86%
Close Corporations and Private Companies	138	4.95%	92,296,528	19.66%
TOTAL	2,787	100%	469,205,361	100%

PUBLIC VS. NON-PUBLIC

	Number of Shares	Percentage of Issued Share Capital
Public Shareholders	394,688,760	85.12%
Non-Public Shareholders	74,516,601	14.88%
TOTAL	469,205,361	100%

SHARE TRADING STATISTICS

	"B" Class Shares
Market Price per share (cents)	
High	101
Low	48
Year-end	77
Volume	100,260,429
Volume of Shares Traded as a % of issued capital	21%
Value (Rands)	77.92 million
Number of transactions	2 582
Market Capitalisation at 31 August 2007 (Rand)	278.16 million
Market Cap at date of signature AFS	317.39 million

IMPORTANT! THIS NOTICE OF ANNUAL GENERAL MEETING AND PROXY FORM REPLACE THOSE ON PAGES 146 -150 IN THE 2007 SEKUNJALO INVESTMENTS LIMITED ANNUAL REPORT.

NOTICE OF ANNUAL GENERAL MEETING

SEKUNJALO INVESTMENTS LIMITED (Incorporated in the Republic of South Africa) (Registration No 1996/006093/06) JSE share code: SKJ
ISIN: ZAE000017893 ("Sekunjalo" or "the company")

NOTICE IS HEREBY GIVEN THAT THE TENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF SEKUNJALO INVESTMENTS LIMITED SHALL BE HELD IN THE STEENBERG GOLF CLUB, STEENBERG ESTATE, TOKAI ROAD, TOKAI 7945, ON THURSDAY 28 FEBRUARY 2008 AT 16:00 HOURS FOR THE FOLLOWING PURPOSES:

- 1 To receive and adopt the annual financial statements of the company for the year ended 31 August 2007.
- 2 To elect the following directors of the company:
 - 2.1 Mrs Zoliswa Kota-Fredericks
 - 2.2 Ms Dianne Casewho retire by rotation in terms of the company's articles of association and, being eligible, make themselves available for election. Brief biographical details of the directors to be elected are set out on page 6 of the annual report.
- 3 To elect Rev. Vukile Mehana and Mr Khalid Abdulla as executive directors of the company. Rev. Mehana and Mr Abdulla were appointed as directors of the company during the year and retire in terms of the company's articles of association and, being eligible, make themselves available for election. Brief biographical details of Rev. Mehana and Mr Abdulla are set out on page 6 and 7 of the annual report.
- 4 To re-appoint PKF (Newlands) Inc. as independent auditors.
- 5 To approve the remuneration of the directors for the year ended 31 August 2007 as reflected in the annual financial statements.

As special business, to consider, and if deemed fit, to pass with or without modification the following ordinary resolutions:

ORDINARY RESOLUTION NUMBER 1

CONTROL OF AUTHORISED BUT UNISSUED "B" ORDINARY SHARES

- 6 "To resolve that the authorised but unissued "B" ordinary shares ("shares") in the capital of the company be and are hereby placed under the control and authority of the directors of the company ("directors") and that the directors be and hereby are authorised and empowered to allot, issue and otherwise dispose of such shares or to issue any options in respect of, or instruments that are convertible into, such shares, to such person/s on such terms and such conditions and at such times as the directors may from time to time and in their discretion deem fit, subject to the provisions of the Companies Act (Act 61 of 1973), as amended ("the Act"), the articles of association of the company and the JSE Limited ("JSE") Listings Requirements, when applicable." This general authority will be valid until the earlier of the company's next annual general meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given.

ORDINARY RESOLUTION NUMBER 2

GENERAL APPROVAL TO ISSUE "B" ORDINARY SHARES

- 7
 - "To resolve that the directors of the company and/or of its subsidiaries be and are hereby authorised by way of a general authority, to:
 - Allot and issue, or issue any options in respect of, or instruments that are convertible into, all or any of the authorised but unissued "B" ordinary shares in the capital of the company; and/or
 - Issue any options in respect of, or instruments that are convertible into, all or any of the "B" ordinary shares purchased by subsidiaries of the company; for cash, as and when they in their discretion deem fit, subject to the Act, the articles of association of the company and its subsidiaries and the JSE Listings Requirements, when applicable, and the following limitations, namely that:
 - the equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue.
 - the equity securities must be made to "public shareholders" and not to related parties, both defined in the JSE Listings Requirements.
 - the number of equity securities issued for cash shall not in the aggregate in any one financial year exceed 15% (fifteen per cent) of the company's relevant number of equity securities in issue of that class. The number of equity securities which may be issued shall be based on, inter alia, the number of equity securities of that class in issue added to those that may be issued in future (arising from the conversion of options/convertible securities) at the date of such application, less any equity securities of the class issued, or to be issued in the future arising from options/convertible securities issued during the current financial year, plus any equity securities of that class to be issued pursuant to a rights issue which has been announced, is irrecoverable and is fully underwritten, or an acquisition which has had final terms announced.
 - this general authority will be valid until the earlier of the company's next annual general meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given.
 - a paid press announcement giving full details, including the impact on net asset value, net tangible value, earnings per share and headline earnings per share will be published when the company has issued "B" ordinary shares representing, on a cumulative basis within 1 (one) financial year, 5% (five per cent) or more of the number of shares in issue prior to the issue.
 - in determining the price at which an issue of equity securities may be made in terms of this authority post the listing of the company, the maximum discount permitted will be 10% (ten per cent) of the weighted average traded price on the JSE of the "B" ordinary shares over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the directors of the company and the party subscribing for the securities and
 - whenever the company wishes to use "B" ordinary shares, held as treasury stock by a subsidiary of the company, such use must comply with the JSE Listings Requirements as if such was a fresh issue of "B" ordinary shares."

Ordinary Resolution Number 2 must be passed by a 75% (seventy five per cent) majority of the votes cast in favour of the resolution by all members present or represented by proxy at the annual general meeting.

SPECIAL RESOLUTION NUMBER 1

AMENDMENT OF ARTICLE 54.1 OF THE ARTICLES OF ASSOCIATION

8 “To resolve that article 54.1 of the articles of association of the company, be and is hereby amended by the deleting of the second sentence of such article 54.1 in its entirety.”

8.1 The reason for and effect of Special Resolution Number 1 is to instil the internationally recognised standard in corporate governance of rotating directors on an annual basis.

SPECIAL RESOLUTION NUMBER 2

AMENDMENT OF ARTICLE 54.2 OF THE ARTICLES OF ASSOCIATION

9 “To resolve that the existing article 54.2 of the articles of association of the company be and is hereby deleted in its entirety and substituted with the insertion of the following:

“54.2 At every annual general meeting, all of the directors for the time being shall retire from office, provided that a director retiring at a meeting shall retain office until the election of directors at that meeting has been completed.”

The reason for and effect of Special Resolution Number 2 is to ensure the rotation of all directors on an annual cycle.

SPECIAL RESOLUTION NUMBER 3

GENERAL APPROVAL TO REPURCHASE SHARES

10 “To resolve, as a general approval contemplated in section 85 to 89 of the Act, the acquisition by the company, and/or by any subsidiary of the company, from time to time of “B” ordinary shares of the company, upon such terms and conditions and in such amounts as the directors of the company may from time to time determine, but subject to the articles of association of the company, the provisions of the Act and the JSE Listings Requirements, where applicable, and provided that:

- a. the repurchase of the “B” ordinary shares will be effected through the main order book operated by the JSE trading system and done without prior understanding or arrangement between the company and the counterparty.
- b. this general authority shall only be valid until the earlier of the company’s next annual general meeting or the expiry of a period of 15 (fifteen) months from the date of passing this special resolution.
- c. in determining the price at which the company’s “B” ordinary shares are acquired in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten per cent) of the weighted average of the market value at which such ordinary shares are traded on the JSE, as determined over the 5 (five) trading days immediately preceding the date on which the repurchase is effected.
- d. the acquisition of “B” ordinary shares in the aggregate in any one financial year may not exceed 20% (twenty per cent) of the company’s issued ordinary share capital from the date of grant of this general authority.
- e. the company and the group are in a position to repay their debt in the ordinary course of the business for a period of 12 months after the date of the general repurchase.
- f. the assets of the company and the group being fairly valued in accordance with International Financial Reporting Standards, are in excess of the liabilities of the company and the group for a period of 12 months after the date of the repurchase.
- g. the share capital and reserves of the company and the group will be adequate for ordinary business purposes for the next 12 months following the date of the repurchase.
- h. the available working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the general repurchase.
- i. before entering the market to proceed with the general repurchase, the company’s Sponsor has confirmed the adequacy of the company’s and the group’s working capital in writing to the JSE.
- j. after such repurchase, the company will still comply with the JSE Listings Requirements concerning shareholder spread requirements.
- k. the company or its subsidiaries may not repurchase “B” ordinary shares during a prohibited period as defined in the JSE Listings Requirements unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period.
- l. when the company has cumulatively repurchased 3% of the initial number of the ordinary shares in issue at the time this general authority is granted (“initial number”), and each 3% in aggregate of the initial number of that class acquired thereafter, announcement will be made and
- m. at any point in time, the company may only appoint one agent to effect any repurchase(s) on its behalf.

10.1 Other disclosures in terms of Section 11.26 of the JSE Listings Requirements require the following disclosures, some of which are disclosed in the annual report of which this notice forms part, as set out below:

- Directors – page 6
- Major shareholders of Sekunjalo Investments Limited – page 142
- Director’s interest in securities – page 40
- Share capital of the company – page 91

10.2 Material Changes

There have been no material changes in the financial or trading position of Sekunjalo Investments Limited that has occurred since the financial year end and date of this notice.

10.3 Director’s responsibility statement

The directors whose names are given on page 6 and 7 of the annual report, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts that have been made and that this notice contains all information required by law and the JSE Listings Requirements.

10.4 Litigation statement

In terms of section 11.26 of the JSE Listings Requirements, the directors, whose names are given on page 6 and 7 of the annual report of which this notice forms part, are not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous twelve months, a material effect on the group's financial position.

10.5 Reason for and effect of Special Resolution Number 3

The reason for and effect of Special Resolution Number 3 is to obtain an authority for, and to authorise, the company and the company's subsidiaries, by way of a general authority, to acquire the company's issued ordinary shares, subject to the limitations set out above. It is the intention of the directors of the company to use such authority should prevailing circumstances (including tax dispensations and market conditions) in their opinion warrant it.

SIGNATURE OF DOCUMENTS

- 11 "To resolve that any director of Sekunjalo Investments Limited be and is hereby authorised to sign all such documents and do all such things as may be necessary for or incidental to the implementation of those resolutions to be proposed at the annual general meeting convened to consider this resolution which was passed (in the case of ordinary resolutions) or are passed and registered by the Registrar of Companies (in the case of special resolutions)"

OTHER BUSINESS

- 12 To transact such other business as may be transacted at the annual general meeting.

Voting and proxies

Shareholders' who have not dematerialised their shares or who have dematerialised their shares with "own name" registration are entitled to attend and vote at the annual general meeting to appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the company. For the convenience of registered members of the company, a proxy form is enclosed herewith.

The attached form of proxy is only to be completed by those shareholders who:

- hold "A" ordinary shares;
- hold "B" ordinary shares in certificated form; or
- have dematerialised their "B" ordinary shares and are registered with "own name" registration.

"B" ordinary shareholders who have dematerialised their ordinary shares through a Central Securities Depository Participant ("CSDP") or broker and wish to attend the annual general meeting, must instruct their CSDP or broker to provide them with the relevant Letter of Representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

Proxy forms must be forwarded to reach the transfer secretaries, Link Market Services South Africa (Pty) Ltd, at least 48 hours (excluding Saturdays, Sundays or public holidays) before the time of the meeting.

By order of the board

NC Katamzi
Company Secretary

SEKUNJALO INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration No 1996/006093/06)
JSE share code: SKJ
ISIN: ZAE000017893
("Sekunjalo" or "the company")



FORM OF PROXY – ANNUAL GENERAL MEETING

Only for use at the general meeting of the company to be held at 16:00 hours on Thursday, 28 February 2008 at the Steenberg Golf Club, Steenberg Estate, Tokai, Republic of South Africa ("the general meeting") by 'A' ordinary shareholders and/or 'B' ordinary shareholders ("shareholders") who hold their 'A' ordinary shares and/or 'B' ordinary shares ("shares") in certificated form or who have dematerialised their shares with "own name" registration.

All other dematerialised shareholders must contact their CSDP or broker to make the relevant arrangements concerning voting and/or attendance at the general meeting.

I/We (please print) _____

of (address) (please print) _____

being a member of Sekunjalo and the holder/s of 'B' ordinary shares hereby appoint; and/or

being a member of Sekunjalo and holder/s of 'A' ordinary shares hereby appoint:

1. _____ or failing him/her,

2. _____ or failing him/her,

3. the Chairperson of the Annual General Meeting;

as my/our proxy to attend, speak and to vote on a show of hands or on a poll for me/us and on my/our behalf at the general meeting and at any adjournment thereof in the following manner:

	Number of Shares					
	"A" Shares			"B" Shares		
	For	Against	Abstain	For	Against	Abstain
1. To receive, consider and adopt the annual financial statements of the company for the financial year ended 31 August 2007.						
2. To confirm the appointment of the following directors who retire by rotation:						
2.1 Zoliswa Kota-Fredericks						
2.2 Dianne Case						
3. To confirm the new appointment of the following directors:-						
3.1 Vukile Mehana						
3.2 Khalid Abdulla						
4. To confirm the re-appointment of PKF (Newlands) Incorporated as independent auditors' of the company for the ensuing year.						
5. To approve the remuneration of directors for the year ended 31 August 2007.						
6. ORDINARY RESOLUTION NUMBER 1 Control of authorised but unissued "B" ordinary shares.						
7. ORDINARY RESOLUTION NUMBER 2 General approval to issue "B" ordinary shares						
8. SPECIAL RESOLUTION NUMBER 1 Approval to amend Article 54.1 of the company's Articles of Association						
9. SPECIAL RESOLUTION NUMBER 2 Approval to amend Article 54.2 of the company's Articles of Association						
10. SPECIAL RESOLUTION NUMBER 3 General approval to repurchase shares.						
11. Signature of documents						

Signed at _____ on _____ 2008

Signature _____ Assisted by (where applicable)

Each Shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, speak and vote in place of that shareholder at the meeting

NOTES

1. The form of proxy must only be used by certified shareholders or dematerialised shareholders who hold dematerialised shares in their "own name".
2. Shareholders are reminded that the onus is on them to communicate with their CSDP or broker.
3. A shareholder entitled to attend and vote may insert the name of a proxy or the name of two alternative proxies of the shareholder's choice in the space provided, with deleting "the Chairperson of the meeting". A proxy need not be a shareholder of the company. The person whose name stands first on the proxy form and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.
4. A shareholder is entitled to one vote on a show of hands, and on a poll, one vote in respect of each share held. A shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the shareholder in the appropriate box(es). Failure to comply with this will be deemed to authorize the proxy to vote or to abstain from voting at the meeting as he/she deems fit in respect of all the shareholder's votes.
5. A vote given in terms of an instrument of proxy shall be valid in relation to the meeting notwithstanding the death of the person granting it, or the revocation of the proxy, or the transfer of the shares in respect of which the vote is given, unless an intimation in writing of such death, revocation or transfer is received by the transfer secretaries not less than 48 hours before the commencement of the meeting excluding Saturdays, Sundays and public holidays.
6. If a shareholder does indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instruction, or should any further resolution(s), or any amendment(s) which may properly be put before the meeting be proposed, the proxy shall be entitled to vote as he/she thinks fit.
7. The Chairperson of the meeting may reject or accept any form of proxy, which is completed and/or received other than in compliance with these notes.
8. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the meeting, speaking and voting in person there at the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
9. Documentary evidence establishing the authority of a person signing the form in a representative capacity must be attached to this form of proxy, unless previously recorded by the company or unless this requirement is waived by the Chairperson of the meeting.
10. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the company.
11. Where there are joint holders of shares:
 - Any one holder may sign the form of proxy;
 - The vote(s) of the senior shareholders(for that purpose seniority will be determined by the order in which the names of the shareholders appear in the company's register of shareholders.) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
12. Forms of proxy should be lodged with or mailed to Link Market Services
 - Hand deliveries to: Link Market Services South Africa (Pty) Ltd, 11 Diagonal Street, Johannesburg 2000
 - Postal deliveries to: Link Market Services South Africa (Pty) Ltd, P O Box 4844, Johannesburg 2001
13. Any alteration or correction made to this proxy form, other than the deletion of alter natives, must be initialed by the signatory/ies.

The Sekunjalo Investment Group
Sekunjalo House, Block F, The Terraces,
Steenberg Office Park, Tokai, 7945
Cape Town, South Africa