

Balance sheet

at 28 February 2007

		COMPANY	
		2007	2006
		R'000	R'000
	Notes		
ASSETS			
<i>Non-current assets</i>		1 049 103	1 016 633
Property	2	50	50
Investment in subsidiaries	3	1 042 837	1 016 583
Group share scheme recharge receivable	6	6 216	—
<i>Current assets</i>		389 077	356 673
Receivables		—	11
Amounts receivable from subsidiary	3	389 077	356 565
Cash at bank		—	97
Total assets		1 438 180	1 373 306
EQUITY AND LIABILITIES			
<i>Shareholders' equity</i>		1 437 542	1 372 776
<i>Current liabilities</i>		638	530
Accounts payable		615	507
Taxation payable		23	23
Total equity and liabilities		1 438 180	1 373 306

Income statement

for the year ended 28 February 2007

	Notes	COMPANY	
		2007 R'000	2006 R'000
Operating expenditure		(223)	(428)
Dividends received from subsidiaries		290 993	193 195
Profit before taxation		290 770	192 767
Taxation	5	—	—
Profit for the year		290 770	192 767

Statement of changes in equity

for the year ended 28 February 2007

R'000	COMPANY					
	Ordinary share capital (Note 4)	Preference share capital (Note 4)	Share premium (Note 4)	Share-based payment reserve	Retained earnings	Total equity
Balance at 28 February 2005	1 943	21	804 844	524	544 751	1 352 083
Profit for the year	—	—	—	—	192 767	192 767
Share-based payments	—	—	—	886	—	886
Dividends paid	—	—	—	—	(193 187)	(193 187)
Share issue	—	—	20 227	—	—	20 227
Balance at 28 February 2006	1 943	21	825 071	1 410	544 331	1 372 776
Profit for the year	—	—	—	—	290 770	290 770
Share-based payments	—	—	—	7 096	—	7 096
Dividends paid	—	—	—	—	(241 536)	(241 536)
Share issue	—	—	8 436	—	—	8 436
Balance at 28 February 2007	1 943	21	833 507	8 506	593 565	1 437 542

Cash flow statement

for the year ended 28 February 2007

	COMPANY	
	2007 R'000	2006 R'000
Operating activities	16 841	98 459
Cash utilised by operations	(223)	(428)
Dividends received	290 993	193 195
Changes in working capital	119	87
Movement of loan with subsidiary	(32 512)	98 792
Cash available from operating activities	258 377	291 646
Dividends paid	(241 536)	(193 187)
Investing activities		
Increase of investment in subsidiaries	(25 374)	(118 658)
Financing activities		
Shares issued	8 436	20 227
Cash resources		
Net cash (utilised)/generated	(97)	28
Cash and cash equivalents		
– at beginning of year	97	69
– at end of year	—	97

COMPANY

2007
R'000

2006
R'000

1. ACCOUNTING POLICIES

Please refer to the group accounting policies on pages 144 to 155.

Change in accounting policy

The company has early adopted the requirements of IFRIC 11 – Group and Treasury Share Transactions (refer accounting policies “Group share-based payment transactions”).

In order to present the comparative period on a consistent basis the following restatements have been made:

	28 February 2006 R'000	28 February 2005 R'000
Increase in investment in subsidiaries	1 410	524
Increase in share-based payment reserve	1 410	524

The restatement had no effect on the previously reported earnings nor the group consolidated financial position or results.

2. PROPERTY

50

50

Consists of stand portions 331 and 51 of farm, Turffontein 96IR.

3. INTEREST IN SUBSIDIARIES

	Issued capital R millions	Effective holding		Shares at cost less amounts written off		Indebtedness	
		2007 %	2006 %	2007 R'000	2006 R'000	2007 R'000	2006 R'000
Allied Technologies Limited	64	57	57	48 541	48 541	—	—
Bytes Technology Group Limited	729	58	57	620 390	595 017	—	—
Power Technologies (Pty) Limited	411	100	100	249 869	249 869	—	—
Altron Finance (Pty) Limited – ordinary shares	—	100	100	235	235	389 077	356 565
Altron Finance (Pty) Limited – preference shares	—	—	—	121 509	121 509	—	—
Investment in subsidiaries – share-based payments				2 290	1 410	—	—
Other	3	100	100	3	2	—	—
				1 042 837	1 016 583	389 077	356 565

Notes:

The above details are given in respect of interests in subsidiaries, where material. A full list of South African subsidiaries is available on request, at the registered office of the company.

All subsidiaries are incorporated in South Africa.

4. SHARE CAPITAL AND PREMIUM

Please refer to the group note 10 on page 166.

5. TAXATION

The company had no taxable income during the year. Secondary taxation on companies (STC) credits on dividends received exceeded STC payable on dividends paid. Unutilised STC credits amounting to R79.2 million (2006: R29.8 million) have not been recognised as a deferred tax asset at 12.5% in the absence of a change to the existing dividend policy of the group, that would give rise to the utilisation of the STC credits.

6. GROUP SHARE-BASED PAYMENTS

Details of employee share options granted by the company are reflected in notes 10.6 to 10.8 on pages 168 to 172.

Options granted under the “Conditional Rights Scheme” are subject to a recharge arrangement with participating subsidiaries upon exercise of the options by employees of those companies and have been accounted for as follows:

	2007 R'000	2006 R'000
Group share scheme recharge receivable at fair value	20 096	—
Deferred group share scheme recharge pending settlement	(13 880)	—
Equity settled charge recognised by subsidiaries and receivable per balance sheet	6 216	—
The fair value of the recharge receivable under the Conditional Rights Scheme is determined based upon the Black Scholes Model. The fair value of the receivable is remeasured at each balance sheet date and at settlement date. The model inputs at 28 February 2007 were as follows:		
Share price (Rand)	42.00	
Exercise price (Rand)	22.50 to 30.75	
Terms (years)	3.5 to 5.2	
Volatility	20.54% to 23.50%	
Dividend yield	1.86%	
Risk-free interest rate	7.99%	—

7. Related parties

The company has a related party relationship with its subsidiaries (see note 3)

Dividends

The company received dividends from subsidiaries

290 993	193 195
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Shareholders

The principal shareholders of the company are detailed in the analyses of shareholders on pages 110 to 113 of the annual report.

During the year a subsidiary, Altron Finance (Pty) Limited, purchased additional shares in the company for R77 million. Refer note 10 of the group accounts.

Directors

The company has a related party relationship with its directors (see note 20 of the group accounts).

Directors’ interests are disclosed in the directors’ report.