PSG KONSULT

ANNUAL REPORT 2009

The client is the driving force behind what we do. With exceptional people and a commitment to transparency and compliance, PSG Konsult strives to offer our clients the best financial advice possible.

Contents

Mission statement

To be recognised as the leading independent private client financial intermediary services group in Southern Africa and selected regions abroad.

Our business philosophy

We are an independent financial services company that offers a unique service-orientated approach to our clients' financial planning requirements.

Our business is founded on the fundamental principles of integrity, trust and transparency in everything we undertake. Our relationships with our clients and all other stakeholders are built around these principles and we continuously endeavour to base our business on sound professional and ethical practices.

Our expert financial planners, stockbrokers, portfolio managers and short-term insurance brokers offer an integrated service, catering to a diverse range of needs and offering appropriate financial and related products. We place a strong emphasis on personal service and relationship building.

Our holistic financial planning includes the following disciplines:

Financial planning

Advice regarding all aspects of financial planning, including retirement planning, death and disability cover as well as healthcare insurance

Investments

Specialist advice and portfolio management in respect of local and offshore products and investment vehicles

Stockbroking

Management and administration of share portfolios, including related specialised products and online stockbroking – locally and on foreign stock exchanges

Short-term insurance

Advice in respect of short-term insurance for personal and business assets at the insurance company of the client's choice and the provision of short-term bureau administration services to the industry

Estate and trust advisory services

The structuring of a client's estate in respect of his will, property, trusts, insurance, income and estate duty

Asset finance

PSG AssetFin renders an intermediary service and acts as a facilitator for financial institutions and clients in order to secure finance for the acquisition of assets

Employee benefits

Professional advice on all aspects of retirement funding for employers, trustees and members of retirement funds

Healthcare

A holistic approach to employer groups and individuals alike, providing comprehensive advice on medical cover, niche products and wellness initiatives

We are also a provider of training to the financial services industry through PSG Konsult Academy

PSG Konsult and its financial planners, stockbrokers, portfolio managers and short-term insurance brokers undertake to:

- Advise clients with the highest level of good faith, integrity, care and diligence
- Comply with all legislation regulating the financial services industry
- Maintain a high level of professional knowledge and skill in order to present clients with best advice
- Refrain from giving advice in those areas in which he/she is not technically competent
- Provide a client with those products and services which will best fulfil the client's particular needs, with specific reference to the client's personal financial circumstances
- Disclose the exact amount of commission earned on all transactions
- Only make use of product providers that have a formal agreement or contract with PSG Konsult
- Never receive any funds, in whatever form, on behalf of him/herself or PSG Konsult or with the assistance of any other person or entity from a client but at all times ensure that the funds are directly paid over to the relevant financial institution or insurance company where it must be invested or applied

Board of directors – Non-executive

As at 28 February 2009, the board of directors of PSG Konsult Limited consisted of the following members:

JACOB DE VOS DU TOIT (JAAP), 54

BAcc CA(SA) CFA

Chairperson

MICHAEL DESMOND ALLEN (MIKE), 62

CA(SA) ACII

Chairperson: Northern regional board

JOHN DICKSON INGE, 69

BCom CA(SA) CFP

Chairperson: Central regional board

RONALD NORMAN KING, 39

BCom LLB LLM
Adv PGD FP CFP

Director: Financial planning and investments

DAVID JOHANNES KLOPPER (DAWIE), 50

BCom (Hons) MBL

Investment economist

JOHANNES FREDERICUS MOUTON (JANNIE), 62

BCom (Hons) CA(SA)

Chairperson: PSG Group

GERHARD MARTHINUS STEENKAMP, 40

BProc ACII

Entrepreneur

LOUIS VAN DER WALT, 42

BCompt (Hons) CA(SA)

Chairperson: Southern regional board

Executive

WILLEM THERON, 56

BCompt (Hons) CA(SA)

Chief executive officer

THEO WERNER BIESENBACH, 45

BCompt (Hons) CA(SA)

Chief operating officer

JOHANNES BARNARD BORCHERDS (JOHAN), 36

BCom (Hons) MCom (Tax) CA(SA) CFP

Regional manager (Northern region)

THEO CLOETE, 40

Director: Marketing and business development

CORNELIUS ALWYN DE BRUYN (CORRIE), 42

BCom (Hons) CA(SA)

CEO: Online Securities Limited

DANIEL PIETER BUSS HUGO (DAN), 47

BCom

CEO: PSG Konsult Financial Planning (Pty) Limited

THEO ALBERT LANDMAN (KOELOE), 56

BCom CFA(SA)

Regional manager (Central region)

Chief executive: PSG Konsult Projects

HELGARDT BERGH LINDES, 38

BCom (Hons) BCompt (Hons) CA(SA)

Chief executive: Finance

PSG Konsult is committed to transparency, integrity and accountability. Accordingly, the company's corporate governance policies have in all respects been appropriately applied during the period under review.

BOARD OF DIRECTORS

Details of the company's directors are provided on pages 6 and 7 of this report.

The board met four times during the past year and had an 89,5% attendance.

	10 Apr 08	18 Jun 08	9 Oct 08	5 Dec 08
Mike Allen	✓	✓	✓	✓
Theo Biesenbach	✓	✓	✓	✓
Johan Borcherds	✓	✓	✓	✓
Theo Cloete *	N/a	N/a	N/a	✓
Corrie de Bruyn *	N/a	N/a	N/a	✓
Jaap du Toit	✓	✓	✓	✓
Dan Hugo	✓	✓	✓	✓
John Inge	Apology	✓	Apology	✓
Ronald King	✓	✓	✓	✓
Dawie Klopper	Apology	✓	✓	✓
Wallie Krumm **	✓	✓	N/a	N/a
Koeloe Landman	✓	✓	✓	✓
Helgardt Lindes *	N/a	N/a	N/a	✓
Jannie Mouton	Apology	✓	✓	✓
Gerhard Steenkamp	Apology	✓	✓	✓
Louis van der Walt	Apology	✓	✓	✓
Willem Theron	✓	✓	✓	✓

* *New appointments*

** *Resigned 1 July 2008*

Joe Roux and Wayne Waldeck resigned with effect from 1 March 2008.

There is a clear division of responsibilities at board level to ensure a balance of power and authority so that no one individual has unfettered powers of decision-making. Jaap du Toit fills the role of chairperson and Willem Theron that of chief executive officer.

The board's key roles and responsibilities are:

- Promoting the interests of shareholders
- Formulation and approval of strategy
- Retaining effective control
- Ultimate accountability and responsibility for the performance and affairs of the company

The board has appointed the following committees to assist it in the performance of its duties:

- Executive committee
- Remuneration committee
- Audit committee
- Compliance and risk management committee

EXECUTIVE COMMITTEE

The executive committee comprises Willem Theron (chairperson), Theo Biesenbach, Johan Borcherds, Theo Cloete, Dan Hugo, Wallie Krumm, Koeloe Landman and Helgardt Lindes.

REMUNERATION COMMITTEE

The remuneration committee comprises Chris Otto (chairperson), Jaap du Toit, Willem Theron and Theo Biesenbach. The committee met once during the past year and all the members were present.

This committee operates according to a board-approved charter and is primarily responsible for overseeing the remuneration and incentives of the executive directors. It takes cognisance of both local and international best remuneration practices in order to ensure that such total remuneration is fair and reasonable to both the employee and the company.

The remuneration of the executive directors of the company is dealt with in the directors' report.

REPORT OF THE AUDIT COMMITTEE

As required by sections 269A and 270A of the Companies Act, the audit committee fulfilled its responsibilities as follows:

- Reviewed the interim and year-end financial statements, culminating in a recommendation to the board. In the course of its review the committee:
  - takes appropriate steps to ensure that the financial statements are prepared in accordance with International Financial Reporting Standards (IFRS);
  - considers and, when appropriate, makes recommendations on internal financial controls;
  - deals with concerns or complaints relating to:
    - accounting policies;
    - the auditing or content of annual financial statements; and
    - internal financial controls.
- Reviewed the external audit reports on the annual financial statements.
- Reviewed the risk management reports and, where relevant, made recommendations to the board.
- Evaluated the effectiveness of risk management, controls and the governance processes.
- Verified the independence of the external auditors and of any nominee for appointment as the designated auditor.
- Approved the audit fees and engagement terms of the external auditors.
- Determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services by the external auditors.

Members of the audit committee

- For the financial period ended 28 February 2009, the members of the audit committee were Jaap du Toit, Wynand Greeff, Helgardt Lindes, Mike Smith, Willem Theron and Prof J van Zyl Smit (chairperson).
- The members of the audit committee have at all times acted in an independent manner.

Frequency of meetings

- The audit committee met twice in the financial year under review and had an 84,6% attendance. Provision is made for additional meetings to be held, when and if necessary.

Attendance

- The external auditors, in their capacity as auditors to the company, attended and reported to all meetings of the audit committee.
- The group risk management function was also represented.

Confidential meetings

- Audit committee agendas provides for confidential meetings between the committee members and the external auditors.

Independence of external auditors

- During the year under review the audit committee reviewed documentation presented by the external auditors and, after conducting its own review, confirmed the independence of the auditors.

Expertise and experience of financial director

- As required by JSE Listings Requirement 3.84(h), the audit committee has satisfied itself that the financial director has appropriate expertise and experience.

As from 1 March 2009, the committee will be known as the finance and risk committee, which will function as a subcommittee of the PSG Group audit committee. The committee comprises Wynand Greeff (chairperson), Willem Theron, Theo Biesenbach, Helgardt Lindes and Bernardt van der Linde. The external auditors, in their capacity as auditors of the company, will attend and report to all meetings held by the finance and risk committee.

COMPLIANCE AND RISK MANAGEMENT COMMITTEE

The committee comprises Theo Biesenbach (chairperson), Daleen Cornelissen, Kerstin Jatho, Ronald King, Mike Smith, Leon Taylor and Isabel Teixeira (by invitation). Effective 1 March 2009, Kerstin Jatho and Mike Smith will no longer serve as committee members and will be replaced in due course.

The group operates in a highly regulated environment and the board acknowledges that it is accountable for the process of risk management and the system of internal control of the group. A compliance officer has been appointed ensuring adherence to the various Acts and Codes that govern the day-to-day operations.

A detailed risk management plan has been implemented, thereby ensuring that all significant business risks, including operational risk, are identified and appropriately managed.

Headline earnings increased by 11% to R96,8 million, with headline earnings per share growing accordingly by 10% to 13,2 cents. Turnover increased by 12% to R755,8 million.

FINANCIAL HIGHLIGHTS

PSG Konsult has achieved more than satisfactory results for the financial year ending February 2009. This was done amidst challenging economic conditions. Headline earnings increased by 11% to R96,8 million, with headline earnings per share growing accordingly by 10% to 13,2 cents. Turnover increased by 12% to R755,8 million.

Funds under administration decreased on a year-on-year basis by 17% to R43,6 billion compared to a fall of 39,8% in the JSE all share index, whilst collection of short-term premiums increased to R1 400 million on an annualised basis from R970 million.

KEY BUSINESS DEVELOPMENTS

Effective 1 May 2009, PSG Konsult Ltd acquired the private client stockbroking division of T-Sec for a consideration of R66,3 million. The transaction will add 10 500 new private clients to PSG Konsult's existing client base of more than 110 000, of which about 5 000 will be directly serviced by PSG Online. T-Sec's three stockbroking offices in Sandton, Pretoria and Cape Town will do business under the PSG Konsult banner. The business as a whole is expected to add an estimated R51,0 million to PSG Konsult's turnover.

The new PSG Online website was launched on 17 February 2009. It includes many features that will greatly enhance the online trading experience for PSG Konsult clients and provide advisors with great tools to combine a daily watch list with the various sources of research available on the website. The new site includes exciting features such as a landing page with a summary of holdings, market information, stock information and fundamental recommendations.

DISTRIBUTION TO SHAREHOLDERS

A final dividend of 6,0 cents per share (2008: 5,5 cents) was declared which, together with the interim dividend of 2,8 cents per share (2008: capital distribution of 2,4 cents), amounted to a total of 8,8 cents per share (2008: 7,9 cents) for the year under review.

Willem Theron
Chief executive officer

THE YEAR AHEAD

The PSG Konsult Group's focus for 2009/10 will be *Client Centricity* which is mirrored by the theme – *Goals for Clients 2010* – of the Group's annual conference. The goal of *Client Centricity* is to put the client at the centre of all we do and to be responsive to client needs. The concept is seen as a way of conducting business and a process of relationship building. The key drivers in achieving client centricity is knowledge of clients, innovative products, holistic financial planning, independent advice and representation of selected product suppliers. However, new acquisition opportunities will as always be high on the agenda.

PSG Konsult has recently launched its Property and Asset Finance Division. The division acts as an intermediary between banks and the client, in order to secure finance for the acquisition of assets. The bank products offered include asset finance, property finance and structured finance.

PSG Konsult regards BEE as imperative to conducting business in the present South African socio-economic environment and is committed to the Charter and the principles embodied therein. In pursuing its BEE strategy, the PSG Konsult Group has established PSG Konsult Nhluvuko Limited. The entity will target commercial and institutional business through application of its excellent BEE credentials. The entity's vision is to grow to a leading black-owned independent financial services provider.

A WORD OF THANKS

To all stakeholders, namely clients, advisors, support staff, associated professionals, product suppliers, shareholders, management and directors, a big word of thanks for your continued loyal support and hard work to make and maintain PSG Konsult the company it has been over the past year. The future is in our hands.

Willem Theron
Chief executive officer

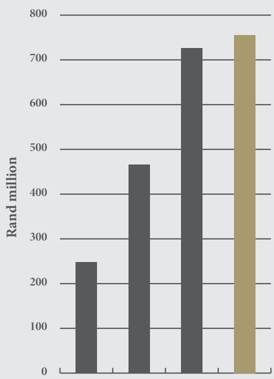
Hermanus
20 May 2009

Key financial information

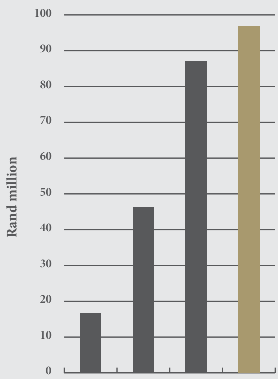
RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2009	2009 R'000	Change %	2008 R'000
Revenue*	**755 845**	12,05	674 577
Headline earnings	**96 817**	11,21	87 060
Headline earnings per share (cents)	**13,21**	10,27	11,98
Adjusted headline earnings per share (cents)**	**14,73**	12,44	13,10
Distribution to shareholders (cents)	**8,80**	11,39	7,90
Interim dividend paid 22 October 2008/ capital distribution	**2,80**	16,67	2,40
Final dividend paid 7 May 2009	**6,00**	9,09	5,50
Net asset value per share (cents)	**60,60**	9,19	55,50
Funds under administration (Rbn)	**43,6**	(17,27)	52,7
(JSE year-on-year decrease 39,80%)			

* *Revenue consists of commission and other fee income, fair value gains/losses on financial instruments and other income.*

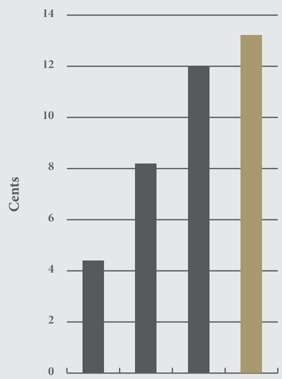
** *Headline earnings adjusted for amortisation of intangibles net of minorities and tax.*



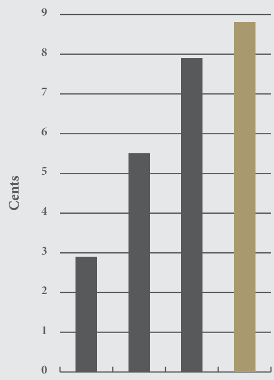
Revenue



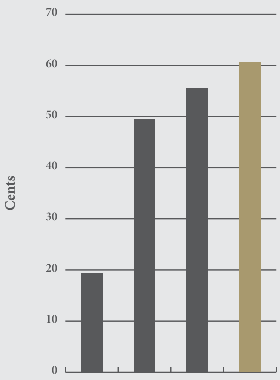
Headline earnings



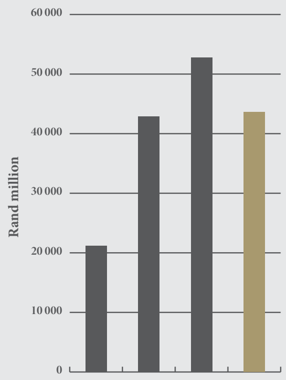
HEPS



Distribution per share



Net asset value per share



Funds under administration

Annual financial statements

Statement of responsibility by the board of directors

for the year ended 28 February 2009

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and the related information. The auditors are responsible for reporting on the fair presentation of the financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the South African Companies Act 1973.

The directors consider that in preparing the financial statements they have used the most appropriate policies, consistently applied and supported by reasonable and prudent judgements and estimates and IFRS that they consider to be applicable have been followed.

The directors are also responsible for the group and company's system of internal financial controls. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the group and company have adequate resources in place to continue in operation for the foreseeable future.

The group's external auditors, PricewaterhouseCoopers Inc., have audited the financial statements and their report is set out on pages 17.

The financial statements, set out on pages 18 to 76, were approved by the board of directors and are signed on its behalf.

J de V du Toit
Chairman

W Theron
Chief executive officer

TW Biesenbach
Chief operating officer

20 May 2009

Secretarial certification

In accordance with section 268G(d) of the South African Companies Act, Act 61 of 1973, as amended ("the Act"), it is hereby certified that the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Act and that such returns are true, correct and up to date.

HB Lindes (on behalf of PSG Konsult Management Services (Pty) Ltd)
Company secretary

20 May 2009

We have audited the group annual financial statements and annual financial statements of PSG Konsult Limited, which comprise the consolidated and separate balance sheets as at 28 February 2009, and the consolidated and separate income statements, the consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 18 to 76.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

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

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc
Director: DG Malan
Registered Auditor

Cape Town
20 May 2009

Report of the board of directors

for the year ended 28 February 2009

NATURE OF BUSINESS

The company and its subsidiaries carry on the business of investment management, stockbroking, insurance and investment broking, financial planning and advice.

FINANCIAL RESULTS

The operating results and the state of affairs of the group and company are fully set out in the attached balance sheets, income statements, statements of changes in equity, cash flow statements and notes thereto.

DIVIDENDS

An interim dividend of 2,8 cents per share was made to shareholders in October 2008 (A capital distribution of 2,4 cents per share was made in 2008).

A final dividend of 6,0 cents per share (2008: 5,5 cents per share) was declared by PSG Konsult Limited after the year-end (8 April 2009) and was payable on 7 May 2009. No provision has been included in the financial statements.

SHARE CAPITAL

Details of the authorised and issued share capital appear in note 12 to the financial statements. During the year a total of 1 111 112 shares were issued as part of acquisition transactions relating to the book of business of Brosist (Proprietary) Limited. A further 421 169 shares were also issued to employees within the PSG Konsult group during the year.

SUBSEQUENT EVENTS

Other than the acquisitions, the issue of promissory notes and loan obtained disclosed in notes 24 and 28 on pages 62 and 74, no other matter which is material to the financial affairs of the group and company has occurred between 28 February 2009 and the date of approval of the financial statements.

HOLDING COMPANY

The company's holding company is PSG Investment Services (Proprietary) Limited (a company incorporated in the Republic of South Africa). Its ultimate holding company is PSG Group Limited (a company incorporated in the Republic of South Africa and listed on the JSE Limited).

DIRECTORS

The directors of the company at the date of this report appear on page 6 and 7.

DIRECTORS' EMOLUMENTS

The following directors' emoluments were paid by subsidiaries of the company for the year ended 28 February 2009:

Cash-based remuneration	Basic salary R000	Bonuses and performance-related payments R000	Expense allowances R000	Company contributions R000	**Total 2009 R000**	Total 2008 R000
Executive	8 782	6 598	1 044	385	**16 809**	21 538
Non-executive	2 176	–	265	570	**3 011**	5 139
	10 958	6 598	1309	955	**19 820**	26 677

SHAREHOLDING OF DIRECTORS

The shareholding of directors in the company as at 28 February 2009 was as follows:

	Beneficial		Non-beneficial		**Total shareholding 2009**		Total shareholding 2008	
	Direct	Indirect	Direct	Indirect	**Number**	**%**	Number	%
MD Allen				41 600	**41 600**	**0,0**	41 600	0,0
TW Biesenbach	3 250 000			32 500	**3 282 500**	**0,4**	3 200 000	0,4
JB Borcherds				3 200 000	**3 200 000**	**0,4**	3 200 000	0,4
J de V du Toit				5 125 000	**5 125 000**	**0,7**	5 125 000	0,7
DPB Hugo	3 670 916			752 241	**4 423 157**	**0,6**	4 398 157	0,6
JD Inge	500 000				**500 000**	**0,1**	500 000	0,1
RN King	842 400			959 600	**1 802 000**	**0,2**	1 800 000	0,2
DJ Klopper		770 341			**770 341**	**0,1**	668 119	0,1
W Krumm*					**–**	**0,0**	6 750 000	0,9
TA Landman	5 090 500			266 326	**5 356 826**	**0,7**	5 876 826	0,8
CA de Bruyn				3 915 577	**3 915 577**	**0,5**	–	0,0
JB Roux*					**–**	**0,0**	1 140 266	0,2
GM Steenkamp				18 500 000	**18 500 000**	**2,5**	18 500 000	2,5
T Cloete				517 000	**517 000**	**0,1**	–	0,0
W Theron				21 000 000	**21 000 000**	**2,9**	20 841 600	2,8
HB Lindes					**–**	**0,0**	–	0,0
L van der Walt				3 000 000	**3 000 000**	**0,4**	3 000 000	0,4
WV Waldeck*					**–**	**0,0**	8 576 000	1,2
Total shareholding	13 353 816	770 341	–	57 309 844	**71 434 001**	**9,7**	83 617 568	11,4

** Remained ordinary shareholders with the same shareholdings*

SECRETARY

The secretary of the company is HB Lindes (on behalf of PSG Konsult Management Services (Pty) Ltd), whose business and postal addresses are:

Suite 2/1	PO Box 1743
Hemel and Aarde Craft Village	Hermanus
Corner Hemel and Aarde and Main Road	7200
Hermanus	
7200	

SUBSIDIARIES

Details of the company's interest in subsidiaries are set out in note 29.

SPECIAL RESOLUTION

The following special resolution was passed by the company during the year under review:

- The company is authorised to repurchase any shares issued under general approval till the next annual general meeting.

No special resolutions were passed by subsidiaries during the year under review which are material to the group.

Balance sheets

as at 28 February 2009

		GROUP		COMPANY	
		2009	2008	**2009**	2008
	Notes	**R000**	R000	**R000**	R000
ASSETS					
Property and equipment	2	**21 144**	15 990	**–**	–
Intangible assets	3	**484 737**	416 343	**–**	–
Investments in subsidiaries	4	**–**	–	**400 359**	368 327
Investments in associates	5	**8 190**	23 631	**1**	–
Financial assets					
Investment securities	6	**303 596**	147 919	**1 198**	1 557
Loans and advances	7	**36 329**	31 999	**50 912**	48 196
Deferred income tax	8	**6 927**	7 315	**1 255**	867
Inventories	9	**28**	28	**–**	–
Receivables	10	**398 379**	332 185	**96 822**	56 255
Current income tax assets		**1 465**	592	**183**	116
Cash and cash equivalents	11	**196 248**	45 198	**9 564**	3 658
Total assets		**1 457 043**	1 021 200	**560 294**	478 976
CAPITAL AND RESERVES ATTRIBUTABLE TO THE COMPANY'S EQUITY HOLDERS					
Share capital	12	**7 331**	7 315	**7 331**	7 315
Share premium	12	**345 838**	343 335	**345 838**	343 335
Other reserves		**(128 336)**	(127 367)	**803**	1 112
Retained earnings/(accumulated loss)		**219 105**	182 797	**11 481**	(11 473)
Ordinary shareholders' funds		**443 938**	406 080	**365 453**	340 289
Minority interests		**2 495**	2 507	**–**	–
Total equity		**446 433**	408 587	**365 453**	340 289
LIABILITIES					
Financial liabilities					
Borrowings	13	**798 022**	436 129	**184 543**	137 431
Deferred income tax	8	**48 674**	41 563	**–**	–
Trade and other payables	14	**138 955**	99 329	**10 298**	1 256
Provisions for other liabilities and charges	15	**9 081**	15 337	**–**	–
Current income tax liabilities		**15 878**	20 255	**–**	–
Total liabilities		**1 010 610**	612 613	**194 841**	138 687
Total equity and liabilities		**1 457 043**	1 021 200	**560 294**	478 976

Income statements
for the year ended 28 February 2009

	Notes	GROUP 2009 R000	GROUP 2008 R000	COMPANY 2009 R000	COMPANY 2008 R000
INCOME					
Commission and other fee income	16	**698 938**	637 462	**57**	20
Investment income	17	**66 865**	51 434	**86 976**	24 135
Fair value gains and losses on financial instruments	18	**1 765**	530	**118**	468
Other income	19	**55 142**	36 585	**5 238**	1 753
Total income		**822 710**	726 011	**92 389**	26 376
EXPENSES					
Marketing, administration and other expenses	20	**(655 952)**	(577 297)	**(1 148)**	(26 218)
Total expenses		**(655 952)**	(577 297)	**(1 148)**	(26 218)
Results of operating activities		**166 758**	148 714	**91 241**	158
Finance costs	21	**(36 197)**	(28 396)	**(5 338)**	(4 565)
Share of profits of associate companies		**1 764**	928	**–**	–
Profit/(loss) before taxation		**132 325**	121 246	**85 903**	(4 407)
Taxation	22	**(33 859)**	(29 934)	**(2 164)**	(346)
Profit/(loss) for the year		**98 466**	91 312	**83 739**	(4 753)
Attributable to:					
– Minority interests		**1 373**	1 546	**–**	–
– Equity holders of the company		**97 093**	89 766	**83 739**	(4 753)
		98 466	91 312	**83 739**	(4 753)
Earnings per share (cents)					
Basic and diluted	23	**13,24**	12,36		

Statements of changes in shareholders' equity

for the year ended 28 February 2009

	Attributable to equity holders of the company								
		Other reserves							
	Share capital and premium R000	Common control reserve R000	Share issue reserve R000	Fair value reserve R000	Translation reserve R000	Share-based payment reserve R000	Retained earnings R000	Minority interests R000	Total R000
GROUP									
Balance at 1 March 2007	315 701	(128 721)	62 900	921	(13)	380	92 651	2 926	346 745
Currency translation adjustments	–	–	–	–	354	–	–	–	354
Fair value gains on investments	–	–	–	92	–	–	–	–	92
Transfer of reserves	–	–	–	–	–	(380)	380	–	–
Issue of share capital	78 929	–	(62 900)	–	–	–	–	149	16 178
Cancellation of shares	(201)	–	–	–	–	–	–	–	(201)
Capital reduction	(43 779)	–	–	–	–	–	–	–	(43 779)
Profit for the year	–	–	–	–	–	–	89 766	1 546	91 312
Dividend paid	–	–	–	–	–	–	–	(2 114)	(2 114)
Balance at 29 February 2008	350 650	(128 721)	–	1 013	341	–	182 797	2 507	408 587
Currency translation adjustments	–	–	–	–	**(660)**	–	–	–	**(660)**
Fair value gains on investments	–	–	–	**(309)**	–	–	–	–	**(309)**
Issue of share capital	**2 519**	–	–	–	–	–	–	–	**2 519**
Shareholding bought from minorities	–	–	–	–	–	–	–	**(10)**	**(10)**
Profit for the year	–	–	–	–	–	–	**97 093**	**1 373**	**98 466**
Dividend paid	–	–	–	–	–	–	**(60 785)**	**(1 375)**	**(62 160)**
Balance at 28 February 2009	**353 169**	**(128 721)**	–	**704**	**(319)**	–	**219 105**	**2 495**	**446 433**
COMPANY									
Balance at 1 March 2007	315 701	–	62 900	1 020	–	–	(6 720)	–	372 901
Fair value gains on investments	–	–	–	92	–	–	–	–	92
Issue of share capital	78 929	–	(62 900)	–	–	–	–	–	16 029
Capital reduction	(43 779)	–	–	–	–	–	–	–	(43 779)
Cancellation of shares	(201)	–	–	–	–	–	–	–	(201)
Loss for the year	–	–	–	–	–	–	(4 753)	–	(4 753)
Balance at 29 February 2008	350 650	–	–	1 112	–	–	(11 473)	–	340 289
Fair value gains on investments	–	–	–	**(309)**	–	–	–	–	**(309)**
Issue of share capital	**2 519**	–	–	–	–	–	–	–	**2 519**
Profit for the year	–	–	–	–	–	–	**83 739**	–	**83 739**
Dividend paid	–	–	–	–	–	–	**(60 785)**	–	**(60 785)**
Balance at 28 February 2009	**353 169**	–	–	**803**	–	–	**11 481**	–	**365 453**

	Notes	GROUP 2009 R000	GROUP 2008 R000	COMPANY 2009 R000	COMPANY 2008 R000
Cash flow from operating activities					
Cash generated from/(used in) operating activities	27.1	**69 623**	194 767	**(33 607)**	(44 888)
Interest received		**54 881**	41 371	**1 728**	1 514
Dividends received		**11 362**	11 362	**83 209**	22 621
Dividends received from joint venture		**2 039**	–	**2 039**	–
Finance costs		**(36 197)**	(28 396)	**(5 338)**	(4 565)
Taxation paid	27.2	**(42 046)**	(31 972)	**(2 569)**	(975)
Net cash generated from/(used in) operating activities		**59 662**	187 132	**45 462**	(26 293)
Cash flow from investing activities					
Purchases of property and equipment		**(15 058)**	(8 448)	–	–
Proceeds from disposal of property and equipment		**1 365**	182	–	1 022
Proceeds from sale of financial assets		–	47	–	–
Purchases of financial assets		**(200 772)**	(56 278)	–	–
Acquisition of intangibles		**(21 293)**	(11 310)	–	–
Disposal of intangibles		**2 129**	8 565	–	18 254
Proceeds from disposal of associated companies		**13 999**	3 891	–	–
Acquisition of associated company	27.4	**(1)**	(3 600)	**(1)**	–
Acquisition of subsidiaries, net of cash	27.3	**(38 575)**	(106 336)	**(15 999)**	(149)
Net cash (used in)/generated from investment activities		**(258 206)**	(173 287)	**(16 000)**	19 127
Cash flow from financing activities					
Capital distribution		–	(43 779)	–	(43 779)
Shares repurchased		–	(201)	–	(201)
Proceeds from issuance of ordinary shares		**519**	2 179	**2 519**	8 028
Net proceeds from/(repayments of) borrowings		**451 177**	34 937	**35 000**	4 871
Dividends paid		**(60 785)**	–	**(60 785)**	–
Dividends paid to minorities		**(1 375)**	(2 114)	–	–
Additional interest acquired (from)/by minorities		**(290)**	149	**(290)**	–
Net cash generated from/(used in) financing activities		**389 246**	(8 829)	**(23 556)**	(31 081)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts		**190 702**	5 016	**5 906**	(38 247)
Cash and cash equivalents and bank overdrafts at beginning of year		**5 243**	227	**3 658**	41 905
Cash and cash equivalents and bank overdrafts at end of year	27.5	**195 945**	5 243	**9 564**	3 658

1. ACCOUNTING POLICIES

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

Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). They have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and financial liabilities (including derivative instruments) at fair value through profit and loss.

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

Restatement of comparative information

The group's comparative information has been reclassified as follows:

Balance sheet line items affected	Before reclassification R000	After reclassification R000
Financial assets – Investment securities	364 427	147 919
Receivables	115 677	332 185

The group previously reported various Contracts for Differences instruments held by Online Securities Limited, a 100% subsidiary, as unquoted instruments. It was however decided by management to disclose these instruments as part of receivables in order to facilitate better presentation in terms of IFRS 7 *Financial instruments: Disclosures* based on the nature of these margin and variation accounts being considered to be interest-bearing. A total amount of R216,508 million has therefore been reclassified for the year ended 29 February 2008 as disclosed above.

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

Certain new standards, amendments and interpretations to existing standards have been published but have effective dates applicable to future annual financial statements and which have not been early adopted.

The following new standards, amendments and interpretations will, at present, have no material effect on the group:

- IFRS 8, *Operating Segments* (effective from 1 January 2009)
- IAS 23, *Borrowing Cost – Revised* (effective 1 January 2009)
- IAS 1, *Presentation of Financial Statements* (effective 1 January 2009)
- IAS 27, *Consolidated and Separate Financial Statements – Revised* (effective 1 July 2009)
- IFRS 3, *Business Combinations – Revised* (effective 1 July 2009)
- Amendment to IFRS 2, *Amendment to IFRS 2 Share-based Payment: Vesting Conditions and Cancellations* (effective 1 January 2009)
- Amendment to IAS 32 and IAS 1, Amendment to IAS 32 *Financial Instruments: Presentation* and IAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation* (effective 1 January 2009)
- Amendments to IFRS 1 and IAS 27, Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards* and IAS 27 *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* (effective 1 January 2009)
- Amendments to IAS 39, Amendments to IAS 39 *Financial Instruments: Recognition and Measurement Exposures Qualifying for Hedge Accounting* (effective 1 July 2009)

Group financial statements

The group annual financial statements comprise those of the company, its subsidiaries and associates. Accounting policies of the subsidiaries and associates have been changed where necessary to ensure consistency with policies adopted by the group.

Subsidiaries and business combinations

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

The group uses the purchase method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured, as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill (see notes 3 and 27.3). If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Intra-group transactions, balances and unrealised gains on intra-group transactions are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred.

The company accounts for its investment in subsidiaries at cost less provision for impairment.

Transactions and minority interests

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

Accounting for the company's acquisition of the controlling interest in subsidiaries under common control

This accounting policy applies when the company's controlling interest in subsidiaries and businesses held by the ultimate shareholder was acquired through a transaction under common control, as defined in IFRS 3 *Business Combinations*. The directors note that transactions under common control are outside the scope of IFRS 3, and that there is no guidance elsewhere in IFRS covering such transactions.

IFRS contain specific guidance to be followed where a transaction falls outside the scope of IFRS. This guidance is included in paragraphs 10 to 12 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. This requires, inter alia, that where IFRS does not include guidance for a particular issue, the directors should also consider the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework to develop accounting standards. In this regard, it is noted that the United States Financial Accounting Standards Board (FASB) has issued an accounting standard covering business combinations (FAS 141) that is similar in a number of respects to IFRS 3.

In contrast to IFRS 3, FAS 141 does include, as an Appendix, limited accounting guidance for transactions under common control. The guidance contained in FAS 141 indicates that a form of accounting that is similar to pooling of interests accounting, which was previously set out in Accounting Principles Board (APB) Opinion 16, may be used when accounting for transactions under common control.

Having considered the requirements of IAS 8, and the guidance included in FAS 141, it is considered appropriate to use a form of accounting which is similar to pooling of interests when dealing with the transaction in which the company acquired its controlling interest in its subsidiaries.

In consequence, the result of operations for the period is presented as though the acquisition of its controlling interest through a transaction under common control had occurred in the earliest period presented. The effects of the intercompany transactions are eliminated in determining the results of operations for the period prior to the acquisition of the controlling interest, meaning that those results are on substantially the same basis as the results of operations for the period after the acquisition of the controlling interest. Similarly, the consolidated balance sheets with related notes have been presented as though the assets and liabilities of the combining entities had been transferred at the earliest reporting period.

Associates

Associates are entities over which the group has significant influence but not control over the financial and operational policies. Significant influence is determined based primarily on percentage voting rights (generally between 20% and 50%), together with other factors such as board participation and participation in the policy-making process.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The group's investment in associates includes goodwill (net of any accumulated impairment loss) and other intangible assets identified on acquisition.

The group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associate. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred.

Equity accounting is discontinued when the group no longer has significant influence over the investment.

The company accounts for its investment in associates at cost less provision for impairment.

Segmental reporting

The services provided by the group are not subject to materially different risks and returns and are regarded as a single business segment.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency').

The consolidated financial statements are presented in South African rand, which is the company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit and loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the fair value reserve in equity.

Group companies
The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).
- All resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as the foreign entity's assets and liabilities and are translated at the closing rate.

Property and equipment
Property and equipment are stated at historical cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated on the straight-line method at rates considered appropriate to reduce book values to estimated residual values over the useful lives of the assets, as follows:

Buildings	25 years
Motor vehicles	5 years
Plant	15 years
Office equipment	5 years
Computer equipment	3 years

Land is not depreciated.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net assets of the acquired subsidiary at the date of acquisition. Goodwill is reported in the balance sheet as an intangible asset. Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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

An excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities arises where the net assets of a subsidiary at the date of acquisition, fairly valued, exceed the cost of the acquisition. This excess arising on acquisitions is taken directly to income.

Customer lists and relationships

Acquired customer lists and relationships are shown at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method over their estimated useful lives, which vary from 5 to 20 years, which reflects the expected life of the book of business acquired.

Deferred acquisition costs

Commissions, fees and other costs that vary with and are related to securing new contracts and renewing existing contracts are capitalised as deferred acquisition cost ("DAC"), an intangible asset. All other costs are recognised as expenses when incurred. The DAC is subsequently amortised over the expected life of the contracts.

Trademarks

Acquired trademarks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight–line method to allocate the cost of trademarks over their estimated useful life of 20 years.

Other intangible assets

Other intangible assets consist mainly of intellectual property rights. Intellectual property rights are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of these rights over their estimated useful life of 20 years.

Impairment of non-financial assets

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

Financial instruments

Financial instruments recognised on the balance sheet include investment securities, receivables, loans and advances, cash and cash equivalents, trade and other payables and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a current legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets
The group classifies its financial assets into the following categories: financial assets at fair value through profit and loss, held-to-maturity financial assets, available-for-sale assets and loans and advances. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit and loss
This category has two subcategories: financial assets held for trading, and those designated at fair value through profit and loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Transaction costs for financial assets at fair value through profit and loss are expensed in the income statement.

Loans and advances
Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the group intends to sell in the short term.

Loans and advances are carried at amortised cost using the effective interest method. Specific provisions are made against identified doubtful balances.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories.

Recognition and measurement of financial assets
Purchases and sales of financial assets are recognised on trade date – the date on which the group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus, for all financial assets not carried at fair value through profit and loss, transaction costs that are directly attributable to their acquisition. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit and loss' category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment activities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis.

The group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

The group does not apply hedge accounting.

Receivables
Receivables are carried initially at fair value and subsequently at amortised cost using the effective interest rate method. A provision for impairment is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, other deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within borrowings on the balance sheet.

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

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

Current and deferred income tax
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

Employee benefits

Pension obligations

The group has only defined-contribution plans. A defined-contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Other post-retirement benefits

The group has no liabilities with regard to post-retirement medical benefits.

Profit-sharing and bonus plans

The group recognises a liability and an expense for bonuses and profit-sharing. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Provisions

Provisions are recognised when:

- the group has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Trade and other payables

Trade and other payables are recognised when the group has a present obligation arising from past events, the settlement of which is expected to result in an outflow of economic benefits from the group. Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for services in the ordinary course of the group's activities. Revenue is shown net of value added tax, after eliminating revenue within the group. Revenue is recognised as follows:

Rendering of services

Investment management fees and initial fees

Upfront payments received for asset management services relating to the rendering of future services are deferred and amortised in proportion to the stage of completion of the service for which they were paid.

Recurring fees
Revenue arising from brokerage activities and other related services, advisory services and portfolio management offered by the group is recognised in the accounting period in which the services are rendered with reference to completion of the specific transaction.

Fee income is recognised when the related company is unconditionally entitled thereto. No profit is recognised when the outcome of a transaction cannot be estimated reliably.

Interest income
Interest income for financial assets that are not classified as at fair value through profit and loss is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding discount as interest income. Interest income from financial assets that are classified as at fair value through profit and loss is included in investment income.

Dividend income
Dividend income is recognised when the right to receive payment is established. Dividends from financial assets that are classified as available-for-sale are included in investment income.

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

Finance leases
Leases of property and equipment where the company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at inception of the lease at the lower of the fair value of the leased asset or the current value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges based on the interest rate charged on the outstanding balance. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is charged to the income statement over the lease period.

Dividend distributions
Dividend distributions to the company's shareholders are recognised as a liability in the period in which the dividends are approved by the company's shareholders.

Contingencies
A contingent liability is either 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 company or a present obligation that arises from past events but 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. These contingent liabilities are not recognised in the balance sheet but disclosed in the notes to the financials statements.

A contingent asset is a possible asset 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. These contingent assets are not recognised in the balance sheet but are disclosed in the notes to the financial statements unless the inflow of financial benefits is probable.

Critical accounting estimates and judgements in applying accounting policies

The group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

Estimated impairment of goodwill

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy on goodwill. The recoverable amounts of cash-generating units have been determined based on fair value less costs to sell calculations. These calculations require the use of estimates. Refer to note 3 for more detail on the assumptions that were used.

Revenue recognition

Fees and commissions are generally recognised on an accrual basis when the service has been provided. Initial fees are spread over the period that the services are expected to be provided for.

Impairment of assets

Impairment of assets is considered when there has been a significant or prolonged decline in the fair value below its cost. The determination of what is significant or prolonged requires judgement. In making this judgement, the following factors may be considered: normal volatility in the share price, the financial health of the investee, sector performance and changes in operational and financing cash flow.

Recognition of intangible assets

Trademarks and customer lists or relationships are acquired through business combinations or acquisitions. These intangible assets are valued on acquisition using discounted cash flow methodology based on assumptions and estimates regarding future revenue growth, weighted cost of capital, marketing costs and other economic factors affecting the value or use of these intangible assets. These assumptions reflect management's best estimates but are subject to inherent uncertainties, which may not be controlled by management.

The cost of the trademarks and customer lists or relationships are amortised over their estimated useful lives. The remaining useful lives of the intangible assets are reassessed annually. If the estimate of the remaining useful lives changes, the remaining carrying values are amortised prospectively over that revised remaining useful life.

Refer to note 3 for more detail.

Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Risk management is carried out under policies approved by the board of directors. Each entity within the group identifies, evaluates and mitigates financial risks. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Financial instruments are grouped into the following classes in order to facilitate effective financial risk management and disclosure in terms of IFRS 7 *Financial Instruments: Disclosures*. The sensitivity analyses presented below are based on reasonable possible changes in market variables for equity prices, interest rates and foreign exchange rates for the group.

The following table represents the financial assets and liabilities included in the financial statements at their carrying values which, due to the nature of the individual items, also approximate the carrying values as at 28 February 2009:

	GROUP		COMPANY	
	2009	2008	**2009**	2008
Classes of financial assets and liabilities	**R000**	R000	**R000**	R000
Other quoted equity securities	**1 198**	1 557	**1 198**	1 557
Contracts for differences	**302 158**	146 097	**–**	–
Total quoted investment securities	**303 356**	147 654	**1 198**	1 557
Unquoted security rights	**240**	265	**–**	–
Total unquoted investment securities	**240**	265	**–**	–
Total investment securities	**303 596**	147 919	**1 198**	1 557
Redeemable preference shares	**–**	–	**–**	8 000
Related-party loans and advances	**–**	–	**50 912**	40 039
Other loans and advances	**36 329**	31 999	**–**	157
Total loans and advances	**36 329**	31 999	**50 912**	48 196
Brokers and clearing houses	**26 456**	89 961	**–**	–
Contracts for differences	**282 110**	216 508	**–**	–
Related-party receivables	**8 493**	2 878	**96 414**	53 917
Other receivables (excluding VAT receivables and prepayments)	**74 502**	19 428	**408**	1 588
Total receivables	**391 561**	328 775	**96 822**	55 505
Cash and cash equivalents	**196 248**	45 198	**9 564**	3 658
Total financial assets	**927 734**	553 891	**158 496**	108 916
Classes of financial liabilities				
Contracts for differences	**746 117**	380 164	**–**	–
Bank borrowings and overdrafts	**30 303**	49 955	**30 000**	10 000
Related-party loans	**2 251**	2 464	**139 543**	127 431
Promissory notes	**15 000**	–	**15 000**	–
Finance leases	**764**	370	**–**	–
Other borrowings and short-term loans	**3 587**	3 176	**–**	–
Total borrowings	**798 022**	436 129	**184 543**	137 431
Purchase consideration payable	**25 438**	9 129	**–**	–
Other trade payables (excluding tax payables and deferred revenue)	**90 362**	66 284	**9 634**	1 005
Total trade and other payables	**115 800**	75 413	**9 634**	1 005
Total financial liabilities	**913 822**	511 542	**194 177**	138 436

Market risk

Market risk is the risk of adverse financial impact due to changes in fair values or future cash flows of financial instruments from fluctuations in interest rates, equity prices and foreign currency exchange rates.

Price risk

The group is subject to price risk due to daily changes in the market values of its quoted and unquoted investment securities.

Included in the group listed equities are those equity securities relating to contracts for differences amounting to R302 158 000 (2008: R146 097 000). A 20% (2008: 10%) decline or increase in each individual share price relating to these instruments would increase/decrease the value of the contracts for differences by R43 510 752 (2008: R10 372 887). The holders of the contracts for differences are carrying the price risk of these instruments and therefore a movement in the individual share prices would not have an impact on the group's profit after taxation but would result in a corresponding movement in the value of the contracts for difference liabilities.

The company's remaining listed equities were recorded at their fair value of R1 198 000 (2008: R1 557 000). A 20% (2008: 10%) decline or increase in each individual share price would decrease/increase profit after taxation by R172 512 (2008: R110 547).

The sector composition of investments in equities can be analysed as follow. It should be noted that the position at year-end is not representative of the investments held on behalf of clients entering contracts for differences and the group throughout the financial period:

	Contracts for differences		**Other investment securities**	
	2009 R000	2008 R000	**2009 R000**	2008 R000
Banks	**8 537**	20 665	**1 198**	1 557
Basic resources	**65 286**	25 860	**–**	–
Chemicals	**148**	567	**–**	–
Construction and materials	**4 207**	11 294	**–**	–
Financial services	**13 501**	31 306	**–**	–
Food and beverages	**1 205**	1 677	**–**	–
Healthcare	**31**	1 481	**–**	–
Industrial goods and services	**3 200**	3 902	**–**	–
Insurance	**17 003**	90	**–**	–
Media	**–**	362	**–**	–
Oil and gas	**13 336**	14 488	**–**	–
Other	**694**	706	**–**	–
Personal and household goods	**10 389**	5 515	**–**	–
Retail	**152 521**	15 602	**–**	–
Technology	**27**	792	**–**	–
Telecommunications	**12 038**	11 611	**–**	–
Travel and leisure	**35**	179	**–**	–
Total quoted equity investments	**302 158**	146 097	**1 198**	1 557

Interest rate risk

Interest rate risk arises primarily through changes in interest rates earned or charged on collateral assets (relating to unquoted contracts for differences), interest-bearing loans and advances, borrowings and overdraft facilities as well as contracts for differences liabilities.

A 3% (2008: 2%) movement in the interest rate would have the following impact on the profit after tax for the group and the company:

GROUP **Financial assets**	**2009** **3% increase** **R000**	**2009** **3% decrease** **R000**	2008 2% increase R000	2008 2% decrease R000
Unsecured loans	**450**	**(450)**	313	(313)
Receivables – Contracts for differences	**6 094**	**(6 094)**	3 074	(3 074)
Total interest-bearing financial assets	**6 544**	**(6 544)**	3 387	(3 387)
COMPANY				
Redeemable preference shares	**–**	**–**	36	(36)
Total interest-bearing financial assets	**–**	**–**	36	(36)
GROUP				
Financial liabilities				
Contracts for differences	**(16 116)**	**16 116**	(5 398)	5 398
Bank borrowings and overdrafts	**(655)**	**655**	(709)	709
Finance leases	**(17)**	**17**	(5)	5
Promissory notes	**(324)**	**324**	–	–
Total interest-bearing liabilities	**(17 112)**	**17 112**	(6 112)	6 112
COMPANY				
Bank borrowings and overdrafts	**(648)**	**648**	(142)	142
Promissory notes	**(324)**	**324**	–	–
Total interest-bearing liabilities	**(972)**	**972**	(142)	142

Foreign currency risk

The group does not take cover on foreign currency transactions and balances.

The following assets and liabilities denominated in foreign currencies are included in the balance sheet.

GROUP **28 February 2009**	**British** **pound** **£000**	**Total** **exposure** **R000**
Loans and advances	**101**	**1 440**
Borrowings	**–**	**–**
Foreign currency exposure	**101**	**1 440**

Exchange rates:	**British pound**
Closing rate	14,2384
Average rate	15,1850

GROUP 29 February 2008	Mauritian rupee Rs000	Total exposure R000
Loans and advances	37 513	10 455
Borrowings	–	–
Foreign currency exposure	37 513	10 455

Exchange rates:	**Mauritian rupee**
Closing rate	0,2787
Average rate	0,2356

An increase or decrease of 20% (2008: 2%) in the underlying foreign exchange rates would increase or decrease the total profit after tax with R207 386 (2008: R148 460), as the investment in the Mauritius-based associate was sold during the financial year (refer note 5).

COMPANY **28 February 2009**	**British pound** **£000**	**Total exposure** **R000**
Loans and advances	**101**	**1 440**
Borrowings	–	–
Foreign currency exposure	**101**	**1 440**

Exchange rates:	**British pound**
Closing rate	14,2384
Average rate	15,1850

COMPANY **28 February 2008**	**British pound** **£000**	**Total exposure** **R000**
Loans and advances	400	5 947
Borrowings	(10)	(149)
Foreign currency exposure	390	5 798

Exchange rates:	**British pound**
Closing rate	14,8681
Average rate	14,2333

An increase or decrease of 20% (2008: 2%) in the underlying foreign exchange rates would increase or decrease the total profit after tax with R207 386 (2008: R82 450).

Credit risk

Credit risk is the risk of loss in the value of financial assets due to counterparties failing to meet all or part of their obligations. The maximum credit risk per class of financial instrument is as follows:

	GROUP		COMPANY	
Classes of financial assets	**2009 R000**	2008 R000	**2009 R000**	2008 R000
Redeemable preference share	**–**	–	**–**	8 000
Related-party loans and advances	**–**	–	**50 912**	40 039
Unsecured loans	**28 650**	28 115	**–**	–
Other loans and advances	**7 679**	3 884	**–**	157
Total loans and advances	**36 329**	31 999	**50 912**	48 196
Brokers and clearing houses	**26 456**	89 961	**–**	–
Related-party receivables	**8 493**	2 878	**96 414**	53 917
Contracts for differences	**282 110**	216 508	**–**	–
Other receivables (excluding vat receivables and prepayments)	**74 502**	19 428	**408**	1 588
Total receivables	**391 561**	328 775	**96 822**	55 505
Cash and cash equivalents	**196 248**	45 198	**9 564**	3 658
Total financial assets	**624 138**	405 972	**157 298**	107 359

Financial assets are assessed based on their credit ratings as published by Moody's. AAA is the highest possible rating. Financial assets are classified within the range of AAA to BBB. Financial assets which fall outside this range are classified as not rated. Credit limits, for each counterparty, are set based on default probabilities that are in turn based on the ratings of the counterparty concerned. The following table provides information regarding the aggregated credit risk exposure for financial assets with external credit ratings as at 28 February 2009:

	GROUP		COMPANY	
Credit ratings	**2009 R000**	2008 R000	**2009 R000**	2008 R000
AAA	**473 343**	259 672	**9 564**	3 658
AA	**3 185**	1 637	**–**	–
A	**1 389**	–	**–**	–
Collective investment schemes	**838**	397	**–**	–
Non-rated financial assets	**145 383**	144 266	**147 734**	103 701
Total financial assets exposed to credit risk	**624 138**	405 972	**157 298**	107 359

Non-rated financial assets relating to the group consist mainly of balances due from brokers and clearing houses. These assets are settled within five days after the transaction occurred in terms of the clearing house rules.

Collective investment schemes are not rated by ratings agencies, but operate in a highly regulated environment. The solvency of these collective investment schemes are measured by the regulator on a quarterly basis, which provide investors with more assurance in terms of the credibility of the scheme.

Related-party loans and receivables consist mainly of amounts due from financial advisors or other group companies. These amounts are payable on demand. Amounts due from other group companies are monitored by the holding company to ensure that adequate income is generated by the related company to repay the loan when required.

Balances due from financial advisors are also monitored against the income generated by these advisors to ensure sufficient collateral for the amounts owed are available.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, each entity aims to maintain flexibility in funding by keeping committed credit lines available.

The contractual timing of cash flows arising from financial liabilities can be summarised as follow:

		Contractual cash flows (undiscounted)		
GROUP	**Carrying value**	**Total**	**0 – 1 year**	**2 – 5 years**
28 February 2009	**R000**	**R000**	**R000**	**R000**
Borrowings	**798 022**	**798 022**	**797 739**	**283**
Trade and other payables	**115 800**	**115 800**	**115 800**	**–**
Total	**913 822**	**913 822**	**913 539**	**283**
29 February 2008				
Borrowings	436 129	436 300	435 740	560
Trade and other payables	75 413	75 413	75 413	–
Total	511 542	511 713	511 153	560
COMPANY				
28 February 2009				
Borrowings	**184 543**	**184 543**	**184 543**	**–**
Trade and other payables	**9 634**	**9 634**	**9 634**	**–**
Total	**194 177**	**194 177**	**194 177**	**–**
29 February 2008				
Borrowings	137 431	138 247	136 122	2 125
Trade and other payables	1 005	1 005	1 005	–
Total	138 436	139 252	137 127	2 125

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide adequate returns for shareholders.

Ensuring that the group operates at the optimal cost of capital is therefore a focus point for management and will be considered in decisions relating to dividend declarations, issue of debt or equity instruments or the buy and sell of assets and liabilities.

The group monitors capital on the basis of the gearing ratio. This is also consistent with similar companies within the industry. The gearing ratio is calculated as the net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as the "net equity including minority interests" as disclosed on the balance sheet plus the net debt.

The gearing ratios at year-end can be summarised as follows:

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R000	R000	**R000**	R000
Total borrowings	**798 022**	436 129	**184 543**	137 431
Less: Cash and cash equivalents	**(196 248)**	(45 198)	**(9 564)**	(3 658)
Net debt	**601 774**	390 931	**174 979**	133 773
Total equity	**446 431**	408 587	**365 453**	340 289
Total capital	**1 048 205**	799 518	**540 432**	474 062
Gearing ratio	**57,41%**	48,90%	**32,38%**	28,22%

GROUP	Land and buildings R000	Motor Vehicles R000	Office equipment R000	Computer equipment R000	Total R000
2. PROPERTY AND EQUIPMENT					
As at 28 February 2009					
Cost	–	**437**	**22 451**	**25 397**	**48 285**
Accumulated depreciation and impairment	–	**(237)**	**(10 652)**	**(16 252)**	**(27 143)**
Balance at end of year	–	**200**	**11 799**	**9 145**	**21 144**
Reconciliation					
Balance at beginning of year	**28**	**159**	**8 438**	**7 365**	**15 990**
Additions	–	**176**	**7 162**	**7 720**	**15 058**
Disposals	**(28)**	**(62)**	**(737)**	**(452)**	**(1 279)**
Depreciation	–	**(73)**	**(3 064)**	**(5 488)**	**(8 625)**
Balance at end of year	–	**200**	**11 799**	**9 145**	**21 144**
As at 29 February 2008					
Cost	96	449	17 176	23 227	40 948
Accumulated depreciation and impairment	(68)	(290)	(8 738)	(15 862)	(24 958)
Balance at end of year	28	159	8 438	7 365	15 990
Reconciliation					
Balance at beginning of year	28	323	6 397	6 193	12 941
Additions	–	–	3 864	4 584	8 448
Acquisition of operations	–	–	316	278	594
Disposals	–	(91)	(37)	(35)	(163)
Depreciation	–	(73)	(2 102)	(3 655)	(5 830)
Balance at end of year	28	159	8 438	7 365	15 990

The land and building held by a PSG Konsult Financial Planning (Proprietary) Limited was sold during the current year. Refer to note 19 for disclosure relating the profit realised on the sale.

Depreciation expense of R8 625 000 (2008: R5 830 000) has been charged as part of marketing, administration and other expense as disclosed in note 20.

Included in office equipment are assets held under finance leases amounting to R764 000 (2008: R384 000).

	COMPANY	Office equipment R000	Computer equipment R000	Total R000
2.	PROPERTY AND EQUIPMENT *(continued)*			
	As at 28 February 2009			
	Cost	–	–	–
	Accumulated depreciation and impairment	–	–	–
	Balance at end of year	–	–	–
	Reconciliation			
	Balance at beginning of year	–	–	–
	Disposals	–	–	–
	Balance at end of year	–	–	–
	As at 29 February 2008			
	Cost	–	–	–
	Accumulated depreciation and impairment	–	–	–
	Balance at end of year	–	–	–
	Reconciliation			
	Balance at beginning of year	674	348	1 022
	Disposal	(674)	(348)	(1 022)
	Balance at end of year	–	–	–

	GROUP	Trademarks R000	Goodwill R000	Deferred acquisition costs R000	Customer relationships R000	Other intangibles R000	Total R000
3.	INTANGIBLE ASSETS						
	As at 28 February 2009						
	Cost	23 489	251 482	44 608	222 721	11 558	553 858
	Accumulated amortisation and impairment	(3 105)	–	(28 921)	(30 521)	(6 574)	(69 121)
	Balance at end of year	20 384	251 482	15 687	192 200	4 984	484 737
	Reconciliation						
	Balance at beginning of year	21 543	224 616	15 687	149 093	5 404	416 343
	Additions	–	26 866	–	55 444	1 580	83 890
	Disposals	–	–	–	(1 274)	–	(1 274)
	Amortisation	(1 159)	–	–	(11 063)	(2 000)	(14 222)
	Balance at end of year	20 384	251 482	15 687	192 200	4 984	484 737

GROUP	Trademarks R000	Goodwill R000	Deferred acquisition costs R000	Customer relation-ships R000	Other intangibles R000	Total R000
3. INTANGIBLE ASSETS *(continued)*						
As at 29 February 2008						
Cost	23 489	224 616	78 501	162 440	9 978	499 024
Accumulated amortisation and impairment	(1 946)	–	(62 814)	(13 347)	(4 574)	(82 681)
Balance at end of year	21 543	224 616	15 687	149 093	5 404	416 343
Reconciliation						
Balance at beginning of year	22 744	226 158	11 960	148 867	2 895	412 624
Additions	–	74	32 648	7 395	3 841	43 958
Acquisition of operations	–	5 634	–	2 746	–	8 380
Disposals	–	(7 250)	–	(1 315)	–	(8 565)
Amortisation	(1 201)	–	(28 921)	(8 600)	(1 332)	(40 054)
Balance at end of year	21 543	224 616	15 687	149 093	5 404	416 343

COMPANY	Goodwill R000	Deferred acquisition costs R000	Customer relation-ships R000	Other intangibles R000	Total R000
As at 28 February 2009					
Cost	–	–	–	–	–
Accumulated amortisation and impairment	–	–	–	–	–
Balance at end of year	–	–	–	–	–
Reconciliation					
Balance at beginning of year	–	–	–	–	–
Disposals	–	–	–	–	–
Balance at end of year	–	–	–	–	–
As at 29 February 2008					
Cost	–	–	–	–	–
Accumulated amortisation and impairment	–	–	–	–	–
Balance at end of year	–	–	–	–	–
Reconciliation					
Balance at beginning of year	3 783	11 960	2 467	44	18 254
Disposals	(3 783)	(11 960)	(2 467)	(44)	(18 254)
Balance at end of year	–	–	–	–	–

3. INTANGIBLE ASSETS *(continued)*

Details on impairment tests performed

Goodwill is allocated to cash-generating units (CGUs) identified according to the subsidiaries or groups of subsidiaries. A summary of the allocation of goodwill is presented below:

	GROUP		COMPANY	
	2009 R000	2008 R000	**2009 R000**	2008 R000
PSG Konsult Limited	**–**	–	**–**	–
PSG Konsult Financial Planning (Proprietary) Limited	**112 307**	100 392	**–**	–
PSG Konsult Securities (Proprietary) Limited	**3 453**	3 453	**–**	–
PSG Konsult Trust (Proprietary) Limited	**164**	164	**–**	–
PSG Konsult Namibia (Proprietary) Limited	**2 238**	2 238	**–**	–
PSG Konsult Short-Term Insurance Brokers (Proprietary) Limited	**71 948**	71 948	**–**	–
Topexec Management Bureau (Proprietary) Limited	**54 903**	41 675	**–**	–
PSG Konsult Brokers (UK) Limited	**44**	44	**–**	–
Online Securities Limited	**6 425**	4 702	**–**	–
	251 482	224 616	**–**	–

When testing goodwill for impairment, the recoverable amount of a CGU is determined on a fair value less cost to sell basis. As there is no active market, the fair value was determined based on the price/earnings ratio basis whereby a calculated price/earnings ratio is multiplied by the current year earnings of the CGU. Price/earnings ratios used by management are determined with reference to similar listed companies as well as recent transactions that occurred within the PSG Konsult Group. The average price/earnings ratio applied was 6,5 (2008: 7,5).

Trademarks are evaluated for impairment using cash flow projections based on financial budgets approved by management. Cash flows beyond the financial budgets are extrapolated using estimated growth rates. These growth rates are determined to be in line with the growth experienced in the various underlying companies.

Key assumptions used in the calculation of the recoverable amount of trademarks:

	2009 %	2008 %
Discount rate (R157)	**7,82%**	8,99%
Tax rate	**28,00%**	28,00%
Growth rate	**13,00%**	18,00%

Customer relationships were evaluated for impairment using the most recent price/earnings ratios for similar transactions in the market. The average price/earnings ratio applied was 6,5 (2008: 7,5).

	COMPANY	
	2009	2008
	R000	R000
4. INVESTMENT IN SUBSIDIARIES		
Unlisted shares at cost	**400 359**	368 327
Unlisted shares at directors' valuation	**400 359**	368 327

During the current year PSG Konsult bought out the minority shareholders of PSG Konsult Trust (Proprietary) Limited, increasing the shareholding in the subsidiary with R290 000. Online Securities Limited converted the preference shares held by PSG Konsult into ordinary shares (refer to note 7). PSG Konsult further increased the shareholding in Online Securities Limited by subscribing to additional shares amounting to R16 million. The loan with PSG Konsult Brokers (UK) Limited was capitalised, increasing the investment in the company with R7 743 000.

An assessment for impairment was performed by comparing the carrying value of the individual subsidiaries with the calculated fair value less cost to sell. The fair value is determined by applying a price/earnings ratio to the current year profit after tax for each subsidiary. The price/earnings ratios are determined with reference to similar listed companies as well as recent transactions concluded in the market and was determined as an average of 6,5.

Refer to note 29 for a schedule of interests in subsidiaries.

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R000	R000	**R000**	R000
5. INVESTMENT IN ASSOCIATED COMPANIES				
Unlisted				
Carrying value at beginning of year	**23 631**	15 039	–	–
Equity accounted earnings	**1 764**	928	–	–
Movement in investment value:	**(17 205)**	7 664	–	–
Acquisitions	**1**	9 664	1	–
Disposals (refer below)	**(14 760)**	(1 067)	–	–
Dividends received	**(2 039)**	(1 299)	–	–
Exchange differences	**(407)**	366	–	–
Carrying value at end of year	**8 190**	23 631	–	–
At cost	**10 455**	10 026	**1**	–
Goodwill included in carrying value	**667**	13 618	–	–
Directors' valuation of associated companies	**8 190**	23 631	–	–

Effective 1 July 2008, the group sold its 25,1% stake in Intercontinental Trust which is registered in Mauritius. The proceeds on the sale of the group's interest was R14 million, realising a non-headline loss of R0,4 million. The decision to sell the investment was taken to allow the group to pursue alternative opportunities in aligning itself with entities providing offshore fiduciary services.

5. INVESTMENT IN ASSOCIATED COMPANIES *(continued)*

Impairment assessments are performed relating to investments in associates using the following valuation techniques when calculating the estimated fair value less cost to sell:

- Discounted cash flows were applied for companies with established cash flow history.
- Price/earnings ratios were applied to projected profits after tax for newly established or acquired companies.

The following key assumptions were used in the performance of the fair value calculations:

	2009	2008
	%	%
Discount rate	**12,4**	17,0
Growth rate	**5,0**	5,0
Price/earnings ratio	**6,5**	7,5

Aggregate associated company assets, liabilities, revenue and profit for the year ended 28 February 2009:

Name of associated company	**Interest held %**	**Country of incorpo-ration**	**Assets R000**	**Liabilities R000**	**Revenue R000**	**Profit/ (Loss) R000**
PSG Konsult Nhluvuko Limited	49	South Africa	1 350	2 170	62	(821)
Make-a-Million (Proprietary) Limited	33	South Africa	1 039	524	2 050	748
Cinetaur (Proprietary) Limited	35	South Africa	1 499	1 552	–	(54)
Jamwa (Proprietary) Limited	30	South Africa	1 327	1 432	551	(106)
PSG Consult Limited	50	United Kingdom	3 386	4 172	9 038	(870)
Multinet Underwriters (Proprietary) Limited	50	South Africa	10	2 162	4 077	(2 152)
			8 611	**12 012**	**15 778**	**(3 255)**

5. INVESTMENT IN ASSOCIATED COMPANIES *(continued)*

Aggregate associated company assets, liabilities, revenue and profit for the year ended 29 February 2008:

Name of associated company	Interest held %	Country of incorporation	Assets R000	Liabilities R000	Revenue R000	Profit/ (Loss) R000
InterContinental Trust Limited	25	Mauritius	23 586	14 044	30 347	6 549
Make-a-Million (Proprietary) Limited	33	South Africa	277	510	1 442	(265)
PSG Consult Limited	50	United Kingdom	987	926	7 095	33
			24 850	**15 480**	**38 884**	**6 317**

Where the financial reporting period of an associate differs from the group's reporting date, management information has been used to account for significant transactions up to the group's reporting date.

	GROUP		COMPANY	
	2009 R000	2008 R000	**2009 R000**	2008 R000
6. INVESTMENT SECURITIES				
Available-for-sale securities				
Quoted				
Capitec Bank Holdings Limited	**1 198**	1 557	**1 198**	1 557
Unquoted				
Namibian Stock Exchange rights	**240**	240	**–**	–
SAFEX licence	**–**	25	**–**	–
	1 438	1 822	**1 198**	1 557

	GROUP R000	COMPANY R000
6. INVESTMENT SECURITIES *(continued)*		
Reconciliation of movements		
Carrying amount at 1 March 2007	1 770	1 458
Disposals	(47)	–
Unrealised fair value net gains	99	99
Carrying amount at 29 February 2008	1 822	1 557
Disposals (reclassification)	**(25)**	–
Unrealised fair value net gains	**(359)**	**(359)**
Carrying amount at 28 February 2009	**1 438**	**1 198**

Quoted securities are valued based on the quoted bid prices as listed on the JSE.

Unquoted securities are valued at the ruling prices for acquiring similar rights less any transaction costs.

	GROUP		COMPANY	
	2009 R000	2008 R000	**2009 R000**	2008 R000
Fair value through profit and loss				
Quoted				
Contracts for differences	**302 158**	146 097	–	–
	302 158	146 097	–	–

	GROUP R000	COMPANY R000
6. INVESTMENT SECURITIES *(continued)*		
Reconciliation of movements		
Carrying amount at 1 March 2007	301 978	–
Unrealised fair value net gains	4 349	–
Additions	56 278	–
Carrying amount at 29 February 2008	362 605	–
Reclassification of unquoted contracts for differences to receivables	(216 508)	–
Carrying amount at 29 February 2008 after reclassification	146 097	–
Additions	**217 004**	**–**
Disposals	**(16 232)**	**–**
Unrealised fair value net gains	**(44 711)**	**–**
Carrying amount at 28 February 2009	**302 158**	**–**

Quoted securities relating to contracts for differences are valued based on the quoted bid prices as listed on the JSE.

Unquoted instruments relating to contracts for differences consist of collateral assets and margin accounts held by the underlying banking institutions on behalf of clients. These instruments are valued at the carrying value after taking into account interest accrued. Based on the nature and valuation of these items it was deemed more appropriate to disclose the values as part of receivables.

	GROUP		COMPANY	
	2009 R000	2008 R000	**2009 R000**	2008 R000
Total				
Current portion	**302 158**	146 097	**–**	–
Non-current portion	**1 438**	1 822	**1 198**	1 557
	303 596	147 919	**1 198**	1 557

	GROUP 2009 R000	GROUP 2008 R000	COMPANY 2009 R000	COMPANY 2008 R000
7. LOANS AND ADVANCES				
Unsecured loans	**28 650**	28 115	–	–
Preference shares	–	–	–	8 000
Staff loans and advances	**7 211**	3 416	–	157
Loans with minorities	**468**	468	–	–
Intergroup loans and advances	–	–	**50 912**	40 039
	36 329	31 999	**50 912**	48 196
Current portion	**19 958**	14 323	**50 912**	34 390
Non-current portion	**16 371**	17 676	–	13 806
Loans and advances	**36 329**	31 999	**50 912**	48 196

During the prior year PSG Konsult Limited acquired preference shares issued by Online Securities Limited from the holder, being PSG Investment Services (Proprietary) Limited. The preference shares were issued on the following terms and conditions:

	COMPANY 2009	COMPANY 2008
3 000 000 "A" redeemable preference shares	–	3 000 000
2 500 000 "B" redeemable preference shares	–	2 500 000
2 500 000 "C" cumulative redeemable preference shares	–	2 500 000
	–	8 000 000

The redeemable preference shares may be redeemed at the option of the holder at a consideration equal to the par value plus the share premium per share issued. The "A" and "B" preference shares have no rights to dividend distribution in the company. Dividends on "C" preference shares are calculated as the product of the prime overdraft rate and one minus the corporate tax rate prevailing at the date of distribution. These preference shares were converted into ordinary shares by Online Securities Limited during the current year ended 28 February 2009 amounting to R8 000 000 (refer note 4).

An amount of R20 835 000 (2008: R22 095 000) is included under unsecured loans and is due from various financial advisors. Repayments commenced on 1 November 2008 in 60 equal monthly instalments and accrue interest at a rate of prime less 1%.

The remaining loans and advances are unsecured, repayable on demand and interest-free.

The individual loans and advances balances were assessed by management to determine whether there is any indication in the financial or other circumstances of the third party that would prevent them from repaying the specific loan or advance. No such instances were identified.

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R000	R000	**R000**	R000
8. DEFERRED INCOME TAX				
Deferred income tax assets	**6 927**	7 315	**1 255**	867
Deferred income tax liabilities	**(48 674)**	(41 563)	**–**	–
Net deferred income tax (liabilities)/assets	**(41 747)**	(34 248)	**1 255**	867

The movement in the deferred tax asset and liabilities during the year is as follows:

GROUP **Deferred tax assets**	**STC credits**	**Deferred revenue R000**	**Provisions R000**	**Tax losses carried forward R000**	**Accruals not currently deductible and other differences R000**	**Total R000**
At 1 March 2007	–	4 133	1 325	3 225	1 590	10 273
Credited/(charged) to income statement	–	1 105	2 969	(1 889)	1 926	4 111
At 29 February 2008	–	5 238	4 294	1 336	3 516	14 384
(Charged)/credited to income statement	**205**	**–**	**(1 866)**	**2 840**	**(11)**	**1 168**
At 28 February 2009	**205**	**5 238**	**2 428**	**4 176**	**3 505**	**15 552**
To be recovered within 12 months	205	5 238	2 404	1 710	1 373	10 930
To be recovered after more than 12 months	–	–	24	2 466	2 132	4 622
	205	5 238	2 428	4 176	3 505	15 552

GROUP Deferred tax liabilities	Deferred acquisition cost R000	Prepaid expenses R000	Unrealised apprecia-tion of investments R000	Other intangible assets R000	Other R000	Total R000
8. DEFERRED INCOME TAX *(continued)*						
At 1 March 2007	(3 468)	(48)	(207)	(47 157)	(134)	(51 014)
(Charged)/credited to income statement	(924)	–	(5)	4 062	3	3 136
Charged to equity	–	–	(9)	–	–	(9)
Acquisition of operations	–	–	–	(745)	–	(745)
At 29 February 2008	(4 392)	(48)	(221)	(43 840)	(131)	(48 632)
(Charged)/credited to income statement	**–**	**(908)**	**(8)**	**2 761**	**129**	**1 974**
Charged to equity	**–**	**–**	**50**	**–**	**–**	**50**
Other movements	**–**	**–**	**–**	**(1 652)**	**–**	**(1 652)**
Acquisition of operations	**–**	**–**	**–**	**(9 039)**	**–**	**(9 039)**
At 28 February 2009	**(4 392)**	**(956)**	**(179)**	**(51 770)**	**(2)**	**(57 299)**
To be recovered within 12 months	(4 392)	(956)	(132)	(49 725)	(2)	(55 207)
To be recovered after more than 12 months	–	–	(47)	(2 045)	–	(2 092)
	(4 392)	(956)	(179)	(51 770)	(2)	(57 299)

	GROUP **2009** **R000**	 2008 R000	COMPANY **2009** **R000**	 2008 R000
Total amount of temporary differences relating to investments in associated companies for which no deferred tax liability has been raised	**–**	1 644	**–**	–
Total accumulated losses available for which no deferred tax asset has been raised	**–**	34	**–**	–
Unused STC credits for which no deferred tax asset has been raised	**205**	2 200	**–**	–

COMPANY Deferred tax assets	Deferred revenue R000	Provisions R000	Tax losses carried forward R000	Accruals not currently deductible and other differences R000	Total R000
8. DEFERRED INCOME TAX *(continued)*					
At 1 March 2007	4 133	642	–	(24)	4 751
(Charged)/credited to income statement	(4 133)	(642)	1 178	24	(3 573)
At 29 February 2008	–	–	1 178	–	1 178
(Charged)/credited to income statement	**–**	**71**	**139**	**–**	**210**
At 28 February 2009	**–**	**71**	**1 317**	**–**	**1 388**
To be recovered within 12 months	–	71	1 317	–	1 388
To be recovered after more than 12 months	–	–	–	–	–
	–	71	1 317	–	1 388

Deferred tax liabilities	Unrealised foreign exchange differences R000	Unrealised apprecia-tion of investments R000	Deferred acquisition cost R000	Prepaid expenses R000	Total R000
At 1 March 2007	–	(174)	(3 468)	–	(3 642)
(Charged)/credited to income statement	(131)	14	3 468	–	3 351
Charged to equity	–	(20)	–	–	(20)
At 29 February 2008	(131)	(180)	–	–	(311)
(Charged)/credited to income statement	**128**	**–**	**–**	**–**	**128**
Charged to equity	**–**	**50**	**–**	**–**	**50**
At 28 February 2009	**(3)**	**(130)**	**–**	**–**	**(133)**
To be recovered within 12 months	(3)	–	–	–	(3)
To be recovered after more than 12 months	–	(130)	–	–	(130)
	(3)	(130)	–	–	(133)

	GROUP		COMPANY	
	2009 **R000**	2008 R000	**2009** **R000**	2008 R000
9. INVENTORIES				
Consumables	**28**	28	**–**	–
	28	28	**–**	–

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R000	R000	**R000**	R000
10. RECEIVABLES				
Trade receivables	**71 551**	15 599	**408**	1 533
Receivables due from related parties	**8 493**	2 878	**96 414**	53 917
Prepayments	**3 738**	1 793	**–**	750
Brokers and clearing houses	**26 456**	89 961	**–**	–
Rental and other deposits	**1 291**	1 012	**–**	55
VAT receivable	**3 080**	1 617	**–**	–
Contracts for differences	**282 110**	216 508	**–**	–
Sundry debtors	**1 660**	2 817	**–**	–
	398 379	332 185	**96 822**	56 255
Current portion	**397 088**	331 228	**96 822**	56 255
Non-current portion	**1 291**	957	**–**	–
	398 379	332 185	**96 822**	56 255

Receivables are assessed individually for any indications that the counterparty might not be able to honour its commitments. No provision for bad debts was raised in the current year.

Nominal value less impairment provision of trade receivables is assumed to approximate its fair value.

Unquoted instruments relating to contracts of differences consist of collateral assets and margin accounts held by the underlying banking institutions on behalf of clients and are valued at the carrying value after processing the daily market and interest adjustments. The average interest rate earned on the margin accounts based on the SAFEX margin account interest rate plus 1% was 7,8% for the year ended 29 February 2008 and 10,9% for the year ended 28 February 2009.

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R000	R000	**R000**	R000
11. CASH AND CASH EQUIVALENTS				
Cash at bank and in hand	**191 613**	43 256	**9 564**	3 658
Short-term deposits	**4 635**	1 942	**–**	–
	196 248	45 198	**9 564**	3 658
Bank overdrafts (refer note 13)	**(303)**	(39 955)	**–**	–
	195 945	5 243	**9 564**	3 658

The effective interest rate on short-term deposits was 8% (2008: 9%). These deposits are held on call.

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R000	R000	**R000**	R000
12. SHARE CAPITAL				
Authorised				
1 500 000 000 shares of 1 cent each	**15 000**	15 000	**15 000**	15 000
(2008: 1 500 000 000 shares of 1 cent each)				

	GROUP			COMPANY		
	Number of shares (thousands)	**Share capital R000**	**Share premium R000**	**Number of shares (thousands)**	**Share capital R000**	**Share premium R000**
Issued						
At 1 March 2007	682 872	6 829	308 872	682 872	6 829	308 872
Shares issued	48 800	488	78 441	48 800	488	78 441
Shares repurchased and cancelled	(116)	(2)	(199)	(116)	(2)	(199)
Capital reduction	–	–	(43 779)	–	–	(43 779)
At 29 February 2008	731 556	7 315	343 335	731 556	7 315	343 335
Shares issued	**1 532**	**16**	**2 503**	**1 532**	**16**	**2 503**
At 28 February 2009	**733 088**	**7 331**	**345 838**	**733 088**	**7 331**	**345 838**

The unissued shares in the company are placed under the control of the directors until the next annual general meeting. The directors are authorised to buy back shares under general approval.

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R000	R000	**R000**	R000
13. BORROWINGS				
Non-current				
Other long-term borrowings	–	109	–	–
Finance leases	**283**	280	–	–
Related-party loans	–	–	–	2 125
Total non-current borrowings	**283**	389	–	2 125
Current				
Bank overdrafts	**303**	39 955	–	–
Bank borrowings	**30 000**	10 000	**30 000**	10 000
Finance leases	**481**	90	–	–
Contracts for differences	**746 117**	380 164	–	–
Related-party loans	**2 251**	2 464	**139 543**	125 306
Other short-term loans	**3 587**	3 067	–	–
Promissory notes	**15 000**	–	**15 000**	–
Loans with minorities		–	–	–
Total current borrowings	**797 739**	435 740	**184 543**	135 306
Total borrowings	**798 022**	436 129	**184 543**	137 431
The contracts for differences balance consists of the following classes of borrowings:				
Collateralised borrowings	**618 356**	147 671	–	–
Overdraft facilities	**127 761**	232 493	–	–
	746 117	380 164	–	–

Collateralised borrowings are payable on demand and accrue interest on a daily basis at the SAFEX margin account interest rate plus 1%. The listed equity investments disclosed under contracts for differences in note 6 are provided as collateral against these borrowings.

Bank borrowings and overdrafts are also payable on demand and accrue daily interest at the prime rate less 2%.

Finance leases are payable in 60 equal instalments and accrue interest at 10% per month.

The fair value of all other balances approximate their carrying value due to them being interest-free and repayable on demand.

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R000	R000	**R000**	R000
14. TRADE AND OTHER PAYABLES				
Accounts payable	**42 278**	26 456	**9 378**	822
Accruals	**41 116**	25 412	**257**	183
Tax payable	**4 446**	5 207	**663**	251
Deferred revenue	**18 709**	18 709	**–**	–
Purchase consideration payable	**25 438**	9 129	**–**	–
Other payables	**6 968**	14 416	**–**	–
	138 955	99 329	**10 298**	1 256

The current portion of trade and other payables are expected to be settled within twelve months. The carrying amount of trade and other payables therefore approximate their fair value.

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R000	R000	**R000**	R000
15. PROVISIONS FOR OTHER LIABILITIES AND CHARGES				
Balance at beginning of year	**15 337**	4 570	**–**	2 215
Charged to the income statement:				
– additional provision raised	**6 759**	11 813	**–**	–
– unused provision reversed	**–**	(1 046)	**–**	–
Used during the year	**(13 015)**	–	**–**	–
Transfer to subsidiary as part of restructuring	**–**	–	**–**	(2 215)
	9 081	15 337	**–**	–

The provision consists of a management bonus scheme as approved by the remuneration committee during 2006. The bonus scheme is applicable for a period of five years ending 28 February 2012, on which date management participating in the scheme will receive final settlement. A second scheme commenced 1 March 2007 for additional management members added to the scheme and will end on 28 February 2013 and a third scheme commenced 1 March 2008, ending 28 February 2014. The bonus provision is determined annually based on the headline earnings per share adjusted for the amortisation of intangibles and short-term incentives payable. The total provision is also adjusted for any resignations or cancellations of benefits as agreed with the remuneration committee on an annual basis.

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R000	R000	**R000**	R000
16. COMMISSION AND OTHER FEE INCOME				
Commission and other policy administration fees	**542 477**	451 988	**57**	20
Dealing and structuring	**156 461**	185 474	**–**	–
	698 938	637 462	**57**	20

	GROUP 2009 R000	GROUP 2008 R000	COMPANY 2009 R000	COMPANY 2008 R000
17. INVESTMENT INCOME				
Interest income				
Equity securities – Contracts for differences	**33 297**	27 754	**–**	–
Loans and advances	**34**	–	**–**	246
Cash and short-term funds	**21 550**	13 617	**1 728**	1 268
	54 881	41 371	**1 728**	1 514
Dividend income				
Equity securities – Available-for-sale	**42**	34	**42**	34
Equity securities – Contracts for differences	**11 942**	10 029	**–**	–
Dividend income from subsidiary company	**–**	–	**83 167**	22 587
Dividend income from associated company	**–**	–	**2 039**	–
	11 984	10 063	**85 248**	22 621
Investment income	**66 865**	51 434	**86 976**	24 135
18. FAIR VALUE GAINS AND LOSSES ON FINANCIAL INSTRUMENTS				
Net foreign exchange gains	**207**	530	**118**	468
Unrealised gains on financial assets – Contracts for differences	**46 628**	4 349	**–**	–
Unrealised losses on financial liabilities – Contracts for differences	**(45 070)**	(4 349)	**–**	–
	1 765	530	**118**	468
19. OTHER INCOME				
Profit on sale of investment in associates	**–**	2 824	**–**	–
Profit on sale of fixed assets	**86**	–	**–**	–
Profit on sale of intangibles	**855**	–	**–**	–
Management fees received from related parties	**37 792**	26 757	**5 237**	1 479
Other income	**16 409**	7 004	**1**	274
	55 142	36 585	**5 238**	1 753

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R000	R000	**R000**	R000
20. MARKETING, ADMINISTRATION AND OTHER EXPENSES				
Marketing, administration and other expenses consist of:				
Depreciation	**8 625**	5 830	**–**	–
Motor vehicles	**73**	73	**–**	–
Office equipment	**3 064**	2 102	**–**	–
Computer equipment	**5 488**	3 655	**–**	–
Amortisation of intangible assets	**14 222**	40 054	**–**	–
Impairment charges	**–**	–	**–**	24 797
Operating lease rentals	**24 220**	17 908	**–**	56
Properties	**22 469**	16 101	**–**	43
Other	**1 751**	1 807	**–**	13
Audit fees	**4 304**	4 710	**409**	208
Audit fees	**3 301**	3 802	**405**	180
Tax services	**–**	33	**–**	–
Other services	**1 003**	875	**4**	28
Employee benefit expenses	**476 753**	305 090	**–**	(20)
Salaries, bonusses, wages and allowances	**460 111**	294 684	**–**	(20)
Social security costs	**6 171**	4 517	**–**	–
Pension costs	**10 471**	5 889	**–**	–
For directors' emoluments refer to report of the board of directors.				
Commission paid	**–**	50 776	**–**	33
Marketing and administration costs	**115 757**	114 038	**120**	442
Loss on sale of associate	**408**	–	**–**	–
JSE costs	**–**	16 815	**–**	–
Other expenses	**11 663**	22 076	**619**	702
Total marketing, administration and other expenses	**655 952**	577 297	**1 148**	26 218

	GROUP 2009 R000	GROUP 2008 R000	COMPANY 2009 R000	COMPANY 2008 R000
21. FINANCE COSTS				
Bank overdrafts	–	4 940	–	768
Contracts for differences	28 731	18 936	–	–
Other borrowings	7 466	4 520	5 338	3 797
	36 197	28 396	5 338	4 565
22. TAXATION				
Normal taxation				
Current year	34 554	37 131	1	–
Prior year	(484)	(60)	–	–
	34 070	37 071	1	–
Deferred taxation				
Current year	(3 290)	(2 299)	(338)	274
Change in tax rate	–	(4 844)	–	(38)
Rate adjustment due to applying different tax rates	–	509	–	–
Prior year	353	(613)	–	–
	(2 937)	(7 247)	(338)	236
Secondary tax on companies				
Current taxation	2 883	–	2 453	–
Deferred taxation	(205)	–	–	–
	2 678	–	2 453	–
Foreign taxation				
Current taxation	48	110	48	110
	48	110	48	110
Total income statement charge	33 859	29 934	2 164	346

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R000	R000	**R000**	R000
	%	%	**%**	%
22. TAXATION *(continued)*				
Reconciliation of income tax charge				
South African normal tax rate	**28,0**	29,0	**28,0**	(29,0
Adjusted for:				
Non-taxable income	**(4,7)**	(3,6)	**(27,7)**	(148,8)
Capital gains tax differential in rates	**0,1**	0,1	**0,0**	0,0
Non-deductible charges	**0,7**	1,1	**0,0**	178,1
Prior year under/(over)provision	**(0,1)**	(0,6)	**0,0**	(1,2)
Utilisation of previously unrecognised tax losses	**0,0**	(0,4)	**0,0**	0,0
Foreign tax rate differential	**0,0**	0,3	**0,0**	2,5
Tax rate adjustment	**0,0**	(1,1)	**0,0**	(0,9)
Rate adjustment due to applying different tax rates	**0,0**	0,1	**0,0**	0,0
Secondary tax on companies and other withholding tax	**2,0**	0,0	**2,8**	0,0
S12H allowance	**(0,4)**	(0,3)	**(0,6)**	(8,5)
Taxable earnings	**25,6**	24,6	**2,5**	(7,8)
Gross calculated tax losses at the end of the year available for utilisation against future taxable income	**14 914**	4 805	**4 703**	4 753
Deferred tax asset provided on	**(14 914)**	(4 771)	**(4 703)**	(4 207)
Available for future utilisation	**–**	34	**–**	546

R0,205 million of STC credits are available for future utilisation (2008: R2,2 million).

23. EARNINGS PER SHARE (CENTS)

The calculation of earnings per share is based on the following:

	2009	2008
Total earnings attributable to ordinary shareholders	**97 093**	89 766
Adjustments (net of tax and outside shareholders):		
Profit on disposal of intangible assets	**(622)**	–
Profit on sale of fixed assets	**(62)**	(19)
Loss/(profit) on sale of associated companies (refer note 5)	**408**	(2 687)
Headline earnings	**96 817**	87 060

	GROUP	
	Number of shares 2009 000	Number of shares 2008 000
23. EARNINGS PER SHARE (CENTS) *(continued)*		
The calculation of the weighted average number of shares is as follows:		
Number of shares at beginning of the year	**731 556**	695 372
Weighted number of shares issued or cancelled during the year	**1 112**	30 642
Weighted number of shares at end of the year	**732 668**	726 014
Headline earnings per share (cents)	**13,21**	11,98
Basic and diluted earnings per share (cents)	**13,24**	12,36

24. CAPITAL COMMITMENTS AND CONTINGENCIES

Third-party claims

A claim has been lodged by a third party to the amount of R3 389 762 in 2007. The company is defending the claim, which was up for arbitration in December 2007. The proceedings were however deferred until further notice. Should the claim be successful, there will only be an adjustment to the purchase price of the company acquired, with no adjustment to the income statement. No legal opinion has been received on the likely outcome of the case.

Acquisitions

Effective 1 February 2009, PSG Konsult Ltd (through its subsidiaries PSG Konsult Financial Planning (Pty) Ltd and Online Securities Ltd) acquired the private client stockbroking division of T-Sec for a consideration of R66 350 000.

The acquisition is subject to Competition Commission approval which is set as a suspensive condition to the transaction. In line with the requirements of IFRS 3, Business Combinations, the acquisition will only be recognised in the group's accounting records upon fulfilment of all suspensive conditions.

The consideration will be settled in cash in two tranches:

- Tranche 1 amounting to R35 175 000 payable on the later of 1 February 2009 and Competition Commission approval – the "effective date"
- Tranche 2 within 12 months of the effective date (expected April 2010)

The consideration payable is subject to a profit guarantee against the purchase consideration. In the event that the profit guarantee is not achieved, the purchase consideration will be adjusted as stipulated in the respective purchase agreements.

Other commitments

As part of the subscription agreement in respect of Multinet Underwriters (Proprietary) Limited, PSG Konsult undertook to issue so many PSG Konsult shares at R1,70 per share, should the profit before tax (for a four-year period) of the PSG Konsult business in Multinet underwriters, fall below a specified amount. PSG Konsult will have the option to pay the other shareholders in Multinet Underwriters the equivalent of the value of the PSG Konsult shares to be issued in cash.

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R000	R000	**R000**	R000
24. CAPITAL COMMITMENTS AND CONTINGENCIES *(continued)*				
Operating lease commitments				
Future commitments in terms of:				
Rental agreements				
Due within one year	**1 166**	1 985	**–**	–
One to five years	**3 912**	2 442	**–**	–
Operating leases – premises				
Due within one year	**12 665**	6 225	**–**	–
One to five years	**14 995**	5 424	**–**	–
Due after more than five years	**–**	38	**–**	–

25. BORROWING POWERS

In terms of the company's articles of association, borrowing powers are unlimited. Details of the group's and company's borrowings are disclosed in note 13 to the financial statements.

26. RELATED-PARTY TRANSACTIONS

PSG Konsult Limited, its subsidiaries, associates and joint ventures enter into various financial services transactions with members of the PSG Group. These transactions include a range of investment, administrative, advisory and corporate services in the normal course of business.

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R000	R000	**R000**	R000
Amounts receivable from associates and other companies in the PSG Group				
Included in loans and advances				
PSG Konsult Securities (Proprietary) Limited	**–**	–	**30 041**	25 635
PSG Konsult Trust (Proprietary) Limited	**–**	–	**4 852**	3 111
Abrafield (Proprietary) Limited	**–**	–	**1 634**	–
Topexec Management Bureau (Proprietary) Limited	**–**	–	**9 192**	5 487
PSG Konsult Academy (Proprietary) Limited	**–**	–	**3 753**	–
PSG Consult Limited	**–**	–	**1 440**	5 806
	–	–	**50 912**	40 039
Included in trade receivables				
PSG Konsult Nhluvuko Limited	**1 527**	–	**1 471**	5
PSG Consult Limited	**2 795**	–	**–**	–
Cinetaur (Proprietary) Limited	**540**	–	**–**	–
Jamwa (Proprietary) Limited	**173**	–	**–**	–
PSG Konsult Verre-Noord (Proprietary) Limited	**–**	–	**31**	31
PSG Konsult Optimum (Proprietary) Limited	**–**	–	**660**	567
PSG Konsult Vereeniging (Proprietary) Limited	**–**	–	**197**	178
PSG Konsult Commercial Division (Proprietary) Limited	**–**	–	**34**	–
PSG Konsult Nucleus (Proprietary) Limited	**–**	–	**19**	–
PSG Konsult Management Services (Proprietary) Limited	**–**	–	**94 002**	53 136
Tanzanite (Proprietary) Limited	**1**	–	**–**	–
PSG Collective Investments Limited	**3 024**	2 646	**–**	–
PSG Fund Management (Proprietary) Limited	**433**	231	**–**	–
PSG Investment Services (Proprietary) Limited	**–**	1	**–**	–
	8 493	2 878	**96 414**	53 917
	8 493	2 878	**147 326**	93 956

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R000	R000	**R000**	R000
26. RELATED-PARTY TRANSACTIONS *(continued)*				
Amounts payable to associates and other companies in the PSG Group				
Included in borrowings				
Make-a-Million (Proprietary) Limited	**778**	300	**–**	–
Alphen Asset Management (Proprietary) Limited	**275**	199	**–**	5
Axiam Holdings Limited	**500**	–	**–**	–
PSG Corporate Services (Proprietary) Limited	**462**	570	**–**	–
PSG Capital (Proprietary) Limited	**–**	83	**–**	–
PSG Fund Management (Proprietary) Limited	**230**	793	**–**	–
PSG Collective Investments Limited	**–**	6	**–**	6
PSG Investment Services (Proprietary) Limited	**–**	456	**–**	–
PSG Prime (Proprietary) Limited	**6**	57	**–**	–
PSG Konsult Financial Planning (Proprietary) Limited	**–**	–	**56 603**	56 061
PSG Konsult Namibia (Proprietary) Limited	**–**	–	**1 196**	2 125
Online Securities Limited	**–**	–	**3 606**	4 211
PSG Konsult Academy (Proprietary) Limited	**–**	–	**–**	757
Crest Constantia Management Services (Proprietary) Limited	**–**	–	**24 359**	10 455
PSG Online Solutions (Proprietary) Limited	**–**	–	**889**	–
PSG Konsult Short-Term Insurance Brokers (Proprietary) Limited	**–**	–	**52 890**	43 692
Topexec Management Bureau (Proprietary) Limited	**–**	–	**–**	10 119
	2 251	2 464	**139 543**	127 431

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R000	R000	**R000**	R000
26. RELATED-PARTY TRANSACTIONS *(continued)*				
The following significant related-party transactions occurred during the year:				
Income received from companies in the PSG Group				
PSG Konsult Limited and its subsidiaries				
Sundry income	**–**	–	**5 237**	1 479
	–	–	**5 237**	1 479
Management and other fees received from companies in the PSG Group				
Professional Securities Group Limited and its subsidiaries:				
AI Securities (Proprietary) Limited	**–**	175	**–**	–
AI Fund Management (Proprietary) Limited	**–**	2	**–**	–
Alphen Asset Management (Proprietary) Limited	**18**	26	**–**	–
PSG Collective Investments Limited	**31 479**	17 820	**–**	–
PSG Fund Management (CI) Limited Guernsey	**3 338**	2 943	**–**	–
PSG Fund Management (Proprietary) Limited	**2 819**	5 693	**–**	–
PSG Global (Mauritius) Limited	**–**	1	**–**	–
PSG Prime (Proprietary) Limited	**20**	8	**–**	–
Black Swan Fund Management (Proprietary) Limited	**–**	3	**–**	–
PSG Absolute Investments (Proprietary) Limited	**33**	3	**–**	–
South Easter Fund Management (Proprietary) Limited	**–**	3	**–**	–
Tanzanite (Proprietary) Limited	**5**	4	**–**	–
PSG Future Wealth Limited	**22**	–	**–**	–
Olive Capital (Proprietary) Limited	**–**	2	**–**	–
	37 734	26 683	**–**	–
PSG Corporate Services Limited and its subsidiaries:				
PSG Corporate Services Limited	**58**	–	**–**	–
Axiam Holdings Limited	**–**	74	**–**	–
	58	74	**–**	–
	37 792	26 757	**5 237**	1 479

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R000	R000	**R000**	R000
26. RELATED-PARTY TRANSACTIONS *(continued)*				
Fees paid to companies in the PSG Group				
Professional Securities Group Limited and its subsidiaries:				
Alphen Asset Management (Proprietary) Limited	**579**	610	**–**	–
PSG Fund Management (Proprietary) Limited	**8 609**	17 852	**–**	–
Tanzanite (Proprietary) Limited	**72**	55	**–**	–
PSG Prime (Proprietary) Limited	**114**	–	**–**	–
	9 374	18 517	**–**	–
PSG Corporate Services (Proprietary) Limited	**–**	750	**–**	–
PSG Konsult Financial Planning (Pty) Ltd	**–**	–	**515**	–
PSG Konsult Management Services (Pty) Ltd	**–**	–	**88**	–
	9 374	19 267	**603**	–
Interest received from PSG Group Limited companies				
Online Securities Limited	**–**	–	**42**	85
PSG Consult Limited	**–**	–	**41**	157
PSG Collective Investments Limited	**–**	119	**–**	–
PSG Konsult Short-Term Insurance Brokers (Proprietary) Limited	**–**	–	**633**	–
	–	119	**716**	242
Interest paid to PSG Group Limited companies				
PSG Konsult Namibia (Proprietary) Limited	**–**	–	**170**	126
PSG Konsult Short-Term Insurance (Proprietary) Limited	**–**	–	**13**	156
Topexec Management Bureau (Proprietary) Limited	**–**	–	**446**	482
PSG Corporate Services (Proprietary) Limited	**–**	711	**–**	711
	–	711	**629**	1 475
Dividends received from companies in the PSG Konsult Group				
PSG Konsult Namibia (Proprietary) Limited			**965**	2 199
Online Securities Limited			**30 412**	14 098
PSG Konsult Academy (Proprietary) Limited			**1 790**	–
PSG Konsult Financial Planning (Proprietary) Limited			**50 000**	–
Probatus Support Management (Proprietary) Limited			**–**	724
PSG Konsult Free State (Proprietary) Limited			**–**	2 114
PSG Konsult North (Proprietary) Limited			**–**	3 452
			83 167	22 587

The shareholding of directors and the directors' remuneration are set out in the report of the board of directors.

Key management compensation

Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the group. Key management is considered to be the board of directors. For compensation detail, refer to the report of the board of directors.

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R000	R000	**R000**	R000
27. NOTES TO THE CASH FLOW STATEMENT				
27.1 Cash generated by/(utilised in) operating activities				
Results of operating activities	**166 758**	148 714	**89 202**	158
Adjustment for other non-cash items				
Depreciation of equipment	**8 625**	5 830	**–**	–
Impairment of intangible assets	**–**	–	**–**	24 797
Amortisation of intangible assets	**14 222**	11 133	**–**	–
Interest received	**(54 881)**	(41 371)	**(1 728)**	(1 514)
Dividends received	**(11 984)**	(10 063)	**(83 209)**	(22 621)
Profit on sale of property, plant and equipment	**(62)**	(19)	**–**	–
Loss/(profit) on sale of associated companies	**408**	(2 824)	**–**	–
	123 086	111 400	**4 265**	820
Changes in working capital				
Deferred acquisition costs	**–**	(3 727)	**–**	–
Inventories	**–**	60	**–**	–
Receivables	**(60 579)**	58 288	**1 930**	(927)
Intergroup loans	**(5 615)**	(7 582)	**(49 001)**	52 243
Loans and advances	**(4 330)**	11 456	**157**	604
Provisions for other liabilities and charges	**(6 256)**	10 767	**–**	–
Trade and other payables	**23 317**	14 105	**9 042**	(97 628)
	69 623	194 767	**(33 607)**	(44 888)
27.2 Taxation paid				
(Charge)/credit in income statement	**(33 859)**	(29 934)	**(2 164)**	(346)
Movement in deferred tax	**(2 937)**	(7 247)	**(338)**	236
Movement in taxation liability/asset	**(5 250)**	5 209	**(67)**	(865)
	(42 046)	(31 972)	**(2 569)**	(975)

27. NOTES TO THE CASH FLOW STATEMENT *(continued)*

27.3 Subsidiaries acquired

Acquisitions and/or incorporations of subsidiaries or books of business concluded during the financial year ended 28 February 2009

Multifund Administrators Group

Effective 1 March 2008, the group acquired the business operations of the Multifund group for a consideration of R34 million. An initial payment of R24,4 million was made on 1 March 2008, with the balance of R9,6 million to be settled on 1 March 2009. The consideration payable is subject to a profit guarantee.

	GROUP 2009 R000
Details of the net assets acquired and goodwill are as follows:	
Cash paid	**24 918**
Cash due	**9 082**
Total purchase consideration	**34 000**
Less: Fair value of net assets acquired	**(16 547)**
Goodwill recognised on acquisition	**17 453**

The goodwill is attributable to the high profitability of the acquired business and the significant synergies expected to arise following the group's acquisition.

The assets and liabilities arising from the acquisition are as follows:

	Fair value R000	Acquiree's carrying amount R000
Office equipment	1 555	1 555
Intangible assets	22 637	–
Provisions	(1 307)	(1 307)
Deferred taxation	(6 338)	–
	16 547	248

Brosist (Proprietary) Limited

Effective 1 March 2008, the group acquired the book of business and technical know-how of the short-term insurance administrator, Brosist (Proprietary) Limited, for a consideration of R15 million. An initial payment was made on 1 March 2008 through the issue of 1 111 112 PSG Konsult Limited shares at R1,80 per share as well as a cash payment of R9,5 million. The balance of R3,5 million will be settled on 1 March 2009 and 1 September 2009 respectively. The consideration payable is subject to a profit guarantee.

	GROUP 2009 R000
27. NOTES TO THE CASH FLOW STATEMENT *(CONTINUED)*	
***27.3 Subsidiaries acquired** (continued)*	
Details of the net assets acquired and goodwill are as follows:	
Shares issued	**2 000**
Cash paid	**9 500**
Cash due	**3 500**
Total purchase consideration	**15 000**
Less: Fair value of net assets acquired	**7 859**
Goodwill recognised on acquisition	**7 141**

The goodwill is attributable to the high profitability of the acquired business and the significant synergies expected to arise following the group's acquisition.

The assets and liabilities arising from the acquisition are as follows:

	Fair value R000	Acquiree's carrying amount R000
Office equipment	540	540
Goodwill	7 141	–
Intangible assets	10 177	–
Deferred taxation	(2 858)	–
	15 000	540

Purchase consideration paid in the current year, relating to acquisitions in the prior year amounted to the following:

	COMPANY 2008 R000
Multi Insurance Brokers Administrators (Proprietary) Limited	2 025
PSG Consult Limited	2 132
	4 157

27. NOTES TO THE CASH FLOW STATEMENT *(CONTINUED)*

27.3 ***Subsidiaries acquired*** *(continued)*

Acquisitions and/or incorporations of subsidiaries or books of business concluded during the financial year ended 29 February 2008

PSG Konsult Brokers (UK) Limited

The group established a company in the United Kingdom with effect 1 September 2007. This company operates under the name PSG Konsult Brokers (UK) Limited.

	GROUP 2008 R000
Details of the net assets acquired and goodwill are as follows:	
PSG Konsult Brokers (UK) Limited	
Purchase consideration:	
Cash	149
Less: Net equity acquired	97
Goodwill recognised on acquisition	52
The net equity of the company consisted of the following:	
Share capital	1
Share premium	96
	97

Multi Insurance Brokers Administrators (Proprietary) Limited

The group acquired the business of Multi Insurance Brokers Administrators (Proprietary) Limited ("Multi Admin") with effect from 1 September 2007. An initial payment was made through the issue of 2 250 000 PSG Konsult Limited shares at R1,80 per share as well as a cash payment of R2 025 000. The remaining balance of R2 025 000 will be settled in two equal instalments on 31 August 2008 and 28 February 2009.

27. NOTES TO THE CASH FLOW STATEMENT *(continued)*

27.3 Subsidiaries acquired (continued)

Details of the net assets acquired and the goodwill recognised are as follows:

	GROUP 2008 R000
Purchase consideration:	
Shares issued	23
Share premium on issued shares	4 027
Cash paid	2 025
Cash due	2 025
Total purchase consideration	8 100
Less: Fair value of net assets acquired	2 494
Goodwill recognised on acquisition	5 606

The goodwill is mainly attributable to the profitability of the acquired business and the synergies expected to arise following the group's acquisition.

The assets and liabilities arising from the acquisition are as follows:

	Fair value R000	Acquiree's carrying amount R000
Property and equipment	594	594
Intangible assets	2 700	–
Deferred tax liability	(800)	–
	2 494	594

27.4 Acquisition of investments in associated companies

Acquisition of investments in associated companies for the year ended 28 February 2009

PSG Konsult Nhluvuko Limited

With effect 1 March 2008, the group acquired 49% of the shareholding in PSG Konsult Nhluvuko Limited for a consideration of R490. This is a start-up company and therefore no intangible assets or goodwill was identified on acquisition.

Cinetaur (Proprietary) Limited and Jamwa (Proprietary) Limited

With effect 1 February 2009, the group acquired 30% shareholding in Cinetaur (Proprietary) Limited and Jamwa (Proprietary) Limited respectively. These companies are start-up in nature and therefore no intangible assets or goodwill was identified on acquisition.

27. NOTES TO THE CASH FLOW STATEMENT *(continued)*

27.4 Acquisition of investments in associated companies (continued)

Acquisition of investments in associated companies for the year ended 29 February 2008

PSG Consult Limited

With effect 13 December 2007, the group acquired a 50% shareholding in PSG Consult Limited for a consideration of R9 million. An initial payment was made through the issue of 1 018 920 PSG Konsult Limited shares at R1,77 per share, as well as a further cash payment of R3,6 million. The remaining balance of R3,6 million will be settled in two equal instalments on 1 September 2008 and 1 March 2009.

	GROUP 2008 R000
Purchase consideration:	
Shares issued	10
Share premium on issued shares	1 790
Cash paid	3 600
Cash due	3 600
Total purchase consideration	9 000
Less: Fair value of net assets acquired	3 244
Goodwill recognised on acquisition	5 756

The goodwill is mainly attributable to the profitability of the acquired business and the synergies expected to arise following the group's acquisition.

The assets and liabilities arising from the acquisition are as follows:

	Fair value R000	**Acquiree's carrying amount R000**
Property and equipment	481	481
Intangible assets	3 411	–
Deferred tax liability	(648)	–
	3 244	481

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R000	R000	**R000**	R000
27. NOTES TO THE CASH FLOW STATEMENT *(continued)*				
27.5 Cash and cash equivalents and bank overdrafts at end of year				
Cash and short-term funds	**196 248**	45 198	**9 564**	3 658
Bank overdrafts	**(303)**	(39 955)	**–**	–
	195 945	5 243	**9 564**	3 658

28. EVENTS AFTER BALANCE SHEET DATE

Borrowings

Effective 2 and 3 March 2009, PSG Konsult Ltd issued promissory notes with a face value of R30 000 000. The issue was completed in two tranches of R15 000 000 each, maturing on 2 June 2009. The interest rate payable on the notes amount to 11,017%.

The proceeds of the issuance of the promissory notes will be applied to settle the purchase consideration of the acquisition described above. The board regarded the issuance of promissory notes as an appropriate means to raise cost-effective capital.

In addition to the promissory notes issued above, PSG Konsult Ltd obtained a loan of R40 million from PSG Group, the proceeds of which will be applied in part settlement of the T-Sec acquisition.

The loan carries interest at the PSG Group's overdraft rate plus 50 basis points and is repayable in biannual instalments of R6 666 667 each, with interest settled monthly.

Providing of suretyship to Momentum Finance Company (Proprietary) Limited

Effective 4 March 2008, PSG Konsult Limited ("Konsult") entered into an agreement of suretyship with Momentum Finance Company (Proprietary) Limited ("Momentum") whereby Konsult will act as surety and co-principal debtor in connection with an amount of R20 million advanced to Stanford Asset Management (Proprietary) Limited (the principal debtor) by Momentum. The group's current exposure amounts to approximately R8 million.

COMPANY	Proportion held directly or indirectly by holding company 2009 %	2008 %	Issued share capital 2009 R000	2008 R000
29. INTEREST IN SUBSIDIARIES				
PSG Konsult Financial Planning (Proprietary) Limited	**100**	100	**–**	–
(Financial and investment planning and advice and stockbroking)				
PSG Konsult Securities (Proprietary) Limited	**100**	100	**200**	200
(Financial and investment planning and advice and stockbroking)				
PSG Konsult Trust (Proprietary) Limited	**100**	90	**–**	–
(Provision of corporate and financial administrative and advisory services)				
PSG Konsult Academy (Proprietary) Limited	**80**	80	**–**	–
(Learning academy and related activities)				
PSG Konsult Management Services (Proprietary) Limited	**100**	100	**–**	–
(Provision of corporate and financial administrative and advisory services)				
PSG Konsult (Namibia) (Proprietary) Limited	**51**	51	**300**	300
(Investment management, insurance and investment brokers, financial planning and advice)				
Topexec Management Bureau (Proprietary) Limited	**100**	100	**–**	–
(Administration services for short-term insurance)				
PSG Konsult Short-Term Insurance Brokers (Proprietary) Limited	**100**	100	**–**	–
(Short-term insurance advice and products)				
PSG Online Solutions (Proprietary) Limited	**100**	100	**100**	100
(Internet and investor education company that provides a platform for internet-based share trading)				
Crest Constantia Management Services (Proprietary) azLimited	**100**	100	**–**	–
(Investment holding company)				
PSG Konsult Verre-Noord (Proprietary) Limited	**100**	51	**55**	55
(Investment management, insurance and investment brokers, financial planning and advice)				
PSG Konsult Nucleus (Proprietary) Limited	**60**	60	**–**	–
(Investment management, insurance and investment brokers, financial planning and advice)				
PSG Konsult Vereeniging (Proprietary) Limited	**53**	53	**–**	–
(Investment management, insurance and investment brokers, financial planning and advice)				

COMPANY	Proportion held directly or indirectly by holding company 2009 %	2008 %	Issued share capital 2009 R000	2008 R000
29. INTEREST IN SUBSIDIARIES *(continued)*				
PSG Konsult Optimum (Proprietary) Limited	**51**	51	**118**	118
(Investment management, insurance and investment brokers, financial planning and advice)				
PSG Konsult Brokers (UK) Limited	**100**	100	**149**	149
(Investment management, insurance and investment brokers, financial planning and advice)				
Online Securities Limited	**100**	100	**–**	–
(Stockbroking)				
Abrafield (Proprietary) Limited	**100**	–	**–**	–
(Property management)				
PSG Nominees (Proprietary) Limited	**100**	100	**–**	–
(Nominee company)				
PSG Konsult Nylstroom (Proprietary) Limited	**51**	51	**–**	–
(Investment management, insurance and investment brokers, financial planning and advice)				
PSG Konsult Warmbad (Proprietary) Limited	**51**	51	**–**	–
(Investment management, insurance and investment brokers, financial planning and advice)				
PSG Konsult Ellisras (Proprietary) Limited	**51**	51	**–**	–
(Investment management, insurance and investment brokers, financial planning and advice)				
PSG Konsult Potgietersrus (Proprietary) Limited	**51**	51	**–**	–
(Investment management, insurance and investment brokers, financial planning and advice)				

The company's interest in attributable income and losses of subsidiaries amounts to R119 416 000 (2008: R120 267 000) and R3 693 000 (2008: R18 324 000) respectively.

Information is only disclosed in respect of subsidiaries of which the financial position or results are material. All of the above companies are incorporated in the Republic of South Africa, except for PSG Konsult (Namibia) (Pty) Limited which is incorporated in Namibia and PSG Konsult Brokers (UK) Limited which is incorporated in the United Kingdom. Further details of investments are available at the registered offices of the relevant group companies.

Notice is hereby given of the annual general meeting of the shareholders of PSG Konsult Limited ("the company") to be held at Webersburg Wine Estate, Annandale Road, Stellenbosch, on Friday, 19 June 2009, at 09:30.

AGENDA

1. To receive and consider the annual financial statements of the company and the reports of the directors and the auditors for the year ended 28 February 2009.

2. To confirm the dividends to shareholders set out in the financial statements in 1 above.

3. To reappoint PricewaterhouseCoopers Inc, represented by DG Malan as the designated auditor, for the ensuing year.

4. To authorise the directors to determine and pay the auditors' remuneration for the year ended 28 February 2009.

5. To confirm the directors' remuneration, as disclosed in the annual financial statements, for the year ended 28 February 2009.

6. To re-elect as director:

6.1 Mr JD Inge who retires by rotation in terms of the articles of association of the company and, being eligible, offers himself for re-election. Mr Inge is a chartered accountant and chairperson of the Central Regional Board.

6.2 Mr L van der Walt who retires by rotation in terms of the articles of association of the company and, being eligible, offers himself for re-election. Mr Van der Walt is a chartered accountant and chairperson of the Southern Regional Board.

6.3 Mr JF Mouton who retires by rotation in terms of the articles of association of the company and, being eligible, offers himself for re-election. Mr Mouton is a chartered accountant and chairperson of PSG Group Limited.

6.4 Mr DJ Klopper who retires by rotation in terms of the articles of association of the company and, being eligible, offers himself for re-election. Mr Klopper has a master's degree in business leadership and is a well-respected investment analyst.

7. To consider and, if deemed fit, pass, with or without modification, the following ordinary and special resolutions:

7.1 As an ordinary resolution

"Resolved that the unissued shares in the company be and are hereby placed under the control of the directors as a general authority until the next annual general meeting and that they be and are hereby authorised to issue any such shares as they deem fit subject to the Companies Act 1973 (Act 61 of 1973) and the articles of association of the company."

7.2 As a special resolution

"Resolved that the company be and is hereby authorised, as a general approval, until the next annual general meeting to repurchase any of the shares issued by the Company, upon such terms and conditions and in such amounts as the directors may from time to time decide, but subject to the provisions of section 85 to section 88 of the Companies Act (Act 61 of 1973)."

The reason for and effect of the special resolution is to grant the directors a general authority in terms of the Companies Act 1973 (Act 61 of 1973) for the acquisition by the company of shares issued by it on the basis reflected in the special resolution.

VOTING AND PROXIES

Shareholders entitled to attend and vote at the annual general meeting may appoint one or more outside proxies to attend, speak and vote thereat in their stead. A proxy need not be a member of the company. A form of proxy, in which are set out the relevant instructions for its completion, is enclosed for the use of a certified shareholder who wishes to be represented at the annual general meeting. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the general meeting.

The instrument appointing a proxy and the authority (if any) under which it is signed must reach the company secretary at the address given below by not later than 09:00 on Thursday, 18 June 2009.

On a poll, ordinary shareholders will have one vote in respect of each share held.

By order of the Board

Helgardt Lindes (on behalf of PSG Konsult Management Services (Pty) Ltd)
Company secretary

Hermanus
20 May 2009

Registered address
Suite 2/1
Hemel and Aarde Craft Village
Hermanus
7200

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PO Box 1743
Hermanus
7200

Corporate information

COUNTRY OF INCORPORATION
Republic of South Africa

DATE OF INCORPORATION
14 July 1993

REGISTERED ADDRESS
Suite 2/1
Hemel and Aarde Craft Village
Corner Hemel and Aarde and Main Road
Hermanus
7200

POSTAL ADDRESS
PO Box 1743
Hermanus
7200

COMPANY SECRETARY
HB Lindes (on behalf of PSG Konsult Management Services (Pty) Ltd)

BANKERS
Absa Bank Limited
Standard Bank of South Africa Limited

AUDITORS
PricewaterhouseCoopers Inc.
Cape Town

ATTORNEYS
DLA Cliffe Dekker Hofmeyr
Herbstein & Gihwala Inc.

Form of proxy

PSG KONSULT

(Registration number 1993/003941/06)
("PSG Konsult" or "the Company")

For use by PSG Konsult shareholders at the annual general meeting to be held at 09:30 on Friday 19 June 2009.

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

of ____

being the registered holder of ________________ ordinary shares of 1 cent each in the issued share capital of PSG Konsult, do hereby appoint:

1. ____

of ____ failing him/her

2. ____

of ____ or failing him/her

3. the chairman of the general meeting
as my proxy to vote or abstain from voting on my/our behalf at the general meeting of the company, to be held at 09:30 on Friday, 19 June 2009, at the Webersburg Wine Estate, Annandale Road, Stellenbosch (and at any adjournment thereof), for the purpose of considering and, if deemed fit, passing, with or without modification, the following resolutions:

		In favour of	Against	Abstain
1.	To adopt the annual financial statements and reports			
2.	To confirm the dividends to shareholders set out in the annual financial statements			
3.	To reappoint the auditors, PricewaterhouseCoopers Inc.			
4.	To authorise the directors to determine and pay the auditors' remuneration			
5.	To confirm the directors' remuneration			
6.	To re-elect:			
6.1	JD Inge as director			
6.2	L van der Walt as director			
6.3	JF Mouton as director			
6.4	DJ Klopper as director			
7.	Ordinary resolution re unissued shares			
8.	Special resolution re share buyback by PSG Konsult			

(Indicate instruction to proxy by way of a cross in space provided above)
Except as instructed above, or if no instructions are inserted above, my proxy may vote as he/she thinks fit.

Signed this ______________________ day of ______________________ 2009

______________________ ______________________
Member's name (in full) Member's signature
Assisted by (where applicable):

____
Name (in full) Signature

(NOTE:
A member entitled to attend and vote is entitled to appoint a proxy to attend, speak and vote in his stead, and such proxy need not be a member of the company.)

Notes

1. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided, with or without deleting "the chairman of the annual general meeting", but any such deletion must be initialled by the member. The person whose name appears first on the proxy and which has not been deleted shall be entitled to act as proxy to the exclusion of those whose names follow.

2. The authority of a person signing a proxy in a representative capacity must be attached to the proxy unless that authority has already been recorded with the company's secretary.

3. Proxies must be lodged at or posted to the company's secretary: Suite 2/1, Hemel and Aarde Craft Village, Hermanus (PO Box 1743, Hermanus, 7200) to be received by not later than 09:00 on Thursday, 18 June 2009.

4. The completion and lodging of this proxy shall not preclude the relevant member from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.

5. The chairman of the annual general meeting may reject or accept a proxy, which is completed otherwise than in accordance with these notes and instructions, provided that he is satisfied as to the manner in which a member wishes to vote.

www.psgkonsult.co.za