

Notes to the financial statements

1. PROPERTY, PLANT AND EQUIPMENT Group: 2009

	Cost R'000	Accumulated depreciation and impairment R'000	Net book value R'000
Land and buildings	12 831	—	12 831
Plant and equipment	264 746	(128 040)	136 706
Office equipment	17 744	(14 410)	3 334
Computer equipment	98 476	(79 138)	19 338
Furniture and fittings	31 279	(23 851)	7 428
Motor vehicles	253 938	(121 335)	132 603
Improvements to leasehold premises	22 339	(11 969)	10 370
	701 353	(378 743)	322 610

Reconciliation of net book value

	Net book value 30 June 2008 R'000	Additions R'000	Disposals ¹ R'000	Depreciation and impairment ² R'000	Net book value 30 June 2009 R'000
Land and buildings	4 951	7 880	—	—	12 831
Plant and equipment	114 676	117 678	(43 934)	(51 714)	136 706
Office equipment	4 832	915	(494)	(1 919)	3 334
Computer equipment	16 141	12 830	(46)	(9 587)	19 338
Furniture and fittings	7 957	3 059	(815)	(2 773)	7 428
Motor vehicles	107 909	68 207	(5 732)	(37 781)	132 603
Improvements to leasehold premises	11 684	2 276	(871)	(2 719)	10 370
	268 150	212 845	(51 892)	(106 493)	322 610
Analysis of additions					
Replacement of assets		53 355			
Expansion of businesses		159 490			
		212 845			

¹Excluded from disposal is R154 006 000 in property, plant and equipment reclassified in the prior period now disposed of with the disposal of Trollope Mining Services (Proprietary) Limited. Refer to note 11.

²Included in depreciation and impairment is an impairment of R6 000 for 30 June 2009 (2008: Rnil).

Notes to the financial statements continued**1. PROPERTY, PLANT AND EQUIPMENT** *(continued)*
Group: 2008

	Cost R'000	Accumulated depreciation impairment R'000	Net book value R'000
Land and buildings	4 951	—	4 951
Plant and equipment	274 541	(159 865)	114 676
Office equipment	17 652	(12 820)	4 832
Computer equipment	87 664	(71 523)	16 141
Furniture and fittings	30 212	(22 255)	7 957
Motor vehicles	210 558	(102 649)	107 909
Improvements to leasehold premises	21 376	(9 692)	11 684
	646 954	(378 804)	268 150

Reconciliation of net book value

	Net book value 30 June 2007 R'000	Additions R'000	Disposals R'000	Depreciation impairment ¹ R'000	Reclassified as held for sale R'000	Net book value 30 June 2008 R'000
Land and buildings	4 951	—	—	—	—	4 951
Plant and equipment	250 983	176 896	(21 169)	(143 986)	(148 048)	114 676
Office equipment	6 472	1 313	(25)	(2 928)	—	4 832
Computer equipment	18 158	9 313	(726)	(10 321)	(283)	16 141
Furniture and fittings	7 851	5 182	(290)	(3 393)	(1 393)	7 957
Motor vehicles	95 697	57 887	(7 027)	(34 366)	(4 282)	107 909
Improvements to leasehold premises	5 506	9 438	(815)	(2 445)	—	11 684
	389 618	260 029	(30 052)	(197 439)	(154 006)	268 150

Analysis of additions

Replacement of assets	102 394
Expansion of businesses	157 635
	260 029

¹Included in depreciation and impairment is the fair value writedown of disposal group held for sale (refer to note 11).

Property, plant and equipment reclassified to disposal group classified as held for sale amounts to R154 006 000 and relates to assets which belong to Trollope Mining Services (part of the consumer segment). Trollope Mining Services was disposed of on 1 October 2008.

Land and buildings comprise portion 135, Farm Waterval 273, Pretoria, and the third floor of The Cliffs office block, Niagara Way, Tyger Falls. The useful life of the buildings is estimated to be 50 years. No depreciation was provided for on land and buildings as the estimated residual values equal or exceed the carrying value.

Certain of the Group's assets are encumbered by instalment sale agreements and capitalised finance leases as described in note 13.

Bank borrowings to the value of R5 867 000 are secured on land and buildings (note 13).

Plant and equipment and motor vehicles include the following amounts where the Group is a lessee under a finance lease:

	Group	
	2009 R'000	2008 R'000
Cost – capitalised finance leases	344 317	264 482
Accumulated depreciation	(187 755)	(149 618)
	156 562	114 864

The Group leases various vehicles, plant and equipment under non-cancellable finance lease agreements. The lease terms are between 1 and 4 years, and ownership of the assets lies within the Group.

Notes to the financial statements continued

	Group		Company	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
2. GOODWILL				
Deemed cost	743 175	735 838	101 251	101 251
Accumulated impairments	(12 199)	(12 199)	—	—
	730 976	723 639	101 251	101 251
Reconciliation of net book value				
Net book value at the beginning of the year	723 639	718 503	101 251	101 251
Acquisitions of subsidiaries	7 337	27 126	—	—
Disposals of subsidiaries	—	(10 504)	—	—
Impairment losses	—	(11 486)	—	—
	730 976	723 639	101 251	101 251

The impairment testing on goodwill is documented as part of estimates and judgements on pages 72 to 73 to this report.

Additions to goodwill of R7 337 000 relates mainly to the acquisition of the remaining 22,5% interest in RoyalSechaba Food Services (Proprietary) Limited by RoyalSechaba.

The impairment of goodwill of R11 486 000 in the prior year relates to Trollope Mining Services (Proprietary) Limited which was disposed of on 1 October 2008.

3. INTANGIBLE ASSETS**Group: 2009**

	Accumulated amortisation and impairment		Net book value R'000
	Cost R'000	R'000	
Trademarks	61 539	(526)	61 013
Computer software	37 584	(33 590)	3 994
Manufacturing and distribution rights	64 829	—	64 829
	163 952	(34 116)	129 836

Reconciliation of net book value

	Net book value 30 June 2008 R'000		Additions R'000	Disposals R'000	Amortisation and impairment R'000	Net book value 30 June 2009 R'000
Trademarks	61 539	—	—	—	(526)	61 013
Computer software	8 344	7 030	—	—	(11 380)	3 994
Manufacturing and distribution rights	57 907	6 922	—	—	—	64 829
	127 790	13 952	—	—	(11 906)	129 836

Notes to the financial statements continued**3. INTANGIBLE ASSETS** *(continued)*
Group: 2008

	Cost R'000	Accumulated amortisation R'000	Net book value R'000
Trademarks	61 539	—	61 539
Computer software	30 554	(22 210)	8 344
Manufacturing and distribution rights	57 907	—	57 907
	150 000	(22 210)	127 790

Reconciliation of net book value

	Net book value 30 June 2007 R'000	Additions R'000	Disposals R'000	Amortisation R'000	Net book value 30 June 2008 R'000
Trademarks	61 539	—	—	—	61 539
Computer software	19 549	—	—	(11 205)	8 344
Manufacturing and distribution rights	—	57 907	—	—	57 907
	81 088	57 907	—	(11 205)	127 790

Trademarks comprise the trademarks used by Coin Security, King Pie and Blacksteer. During the financial year trademark to the value of R526 000 used by Blacksteer was impaired.

Computer software has a remaining useful life of one year.

	Company	
	2009 R'000	2008 R'000
4. INTEREST IN SUBSIDIARIES		
Shares at cost	607 001	607 001
Loans receivable	2 139 623	2 350 512
Goodwill and trademarks previously written off	(99 648)	(99 648)
	2 646 976	2 857 865

Details of principal subsidiary companies are set out on page 118.

Notes to the financial statements continued

	Group	
	2009 R'000	2008 R'000
5. INVESTMENTS IN ASSOCIATES		
Shares at cost	1 293 946	1 299 298
Group's share of post-acquisition reserves	70 715	5 663
Loan receivables	—	2 784
Accumulated impairment of investments in associates	(644 081)	(527 750)
	720 580	779 995
Reconciliation of the carrying value of investments in associates		
Carrying value at the beginning of the year	779 995	11 215
Share of net attributable profit of associated companies ¹	65 052	1 439
Net acquisitions of investments in associates	—	1 296 292
Disposal of investments in associates	(5 352)	—
Decrease in loan receivables	(2 784)	(1 201)
Impairment of investment in associated companies	(116 331)	(527 750)
Carrying value at the end of the year	720 580	779 995
Directors' valuation of shares²		
Listed shares	714 279	767 757
Unlisted shares	6 301	5 380

¹Share of profit is after tax and minority interest in associates.

²Directors' valuation of shares is indicative of the fair value of the Group's investment in associates.

The impairment of investments in associates of R116 331 000 (2008: R527 750 000) relates mainly to the investment in Avusa Limited (part of the Telecoms, media and technology segment). The recoverable amount of the investment in Avusa was based on its value in use, and the value in use has been computed using projected future cash flows and a WACC of 14,8% (2008: 17,1%).

The Group's share of the results of principal associates, all, except for Avusa Limited, are unlisted, and its aggregated assets (including goodwill) and liabilities, are as follows:

Name of associated company	% interest held	Country of incorporation	Assets R'000	Liabilities R'000	Revenues R'000	Profit R'000
2009						
Experience Delivery Company (Proprietary) Limited	48,0	RSA	25 693	17 153	30 980	2 003
Avusa Limited	25,5	RSA	3 112 000	1 600 000	4 875 000	329 000
			3 137 693	1 617 153	4 905 980	331 003
2008						
Telesafe (Proprietary) Limited	49,0	RSA	16 194	12 229	62 662	(72)
Resolution Insurance Company (Proprietary) Limited	40,0	RSA	20 981	14 504	19 480	1 337
Experience Delivery Company (Proprietary) Limited ¹	48,0	RSA	—	—	—	—
Matrixcity SDN BHD	30,0	Malaysia	5 465	3 689	3 881	(1 778)
Avusa Limited (formerly Johncom) ²	25,5	RSA	—	—	—	—
Al-Jaber Coin LLC ³	49,0	UAE	—	—	—	—
			42 640	30 422	86 023	(513)

¹No financial management information at date of signing of financials.

²No financial management information for Avusa Limited was available at date of signing of financials.

³Proportionate consolidation since December 2007.

Notes to the financial statements continued

	Group		Company	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
6. STRATEGIC INVESTMENTS				
Investments designated as "fair value through profit and loss"				
Listed shares at cost	410 987	398 055	—	—
Unlisted shares at cost	1 100 088	1 255 305	418 390	418 390
Shares at cost	1 511 075	1 653 360	418 390	418 390
Loan receivables	323 066	330 340	17 231	14 161
Accumulated net fair value gains/(losses) arising on revaluation of strategic investments	2 042 022	1 574 811	68 906	(86 491)
	3 876 163	3 558 511	504 527	346 060
Comprising				
Non-current strategic investments	3 864 909	3 524 859	504 527	346 060
Current strategic investments	11 254	33 652	—	—
	3 876 163	3 558 511	504 527	346 060
Reconciliation of the carrying value of other investments				
Carrying value at the beginning of the year	3 558 511	4 767 556	346 060	856 928
Acquisitions of subsidiaries	1 200	1 497	—	—
Net (investments disposed)/new investments	(150 759)	247 570	3 070	10 437
Net fair value gains/(losses) arising on revaluation of strategic investments	467 211	(1 458 112)	155 397	(521 305)
	3 876 163	3 558 511	504 527	346 060
Directors' valuation of shares				
Listed investments	309 940	683 911	—	—
Unlisted investments	3 566 223	2 874 600	504 527	346 060

Full details of strategic investments held are available for inspection by members or their nominees at the company's registered office.

A list of principal investments held is set out on page 119.

Loans receivable of R54 150 000 (2008: R92 333 000) earn interest at variable rates linked to the prime overdraft rate and/or at rates determined from time to time. Loans with a carrying value of R78 074 000 (2008: R112 056 000) are secured by cessations of debtors, general notarial bonds and pledges of specific assets of the debtor companies, and, in certain circumstances, personal suretyships from the directors of the debtor companies.

Certain of the Group's other investments are subject to selling and other restrictions as set out below:

Absa

Nature of investment	The Group owns an effective 44,7% (after deducting minority interests) interest in Batho Bonke, who owns ordinary shares equating to an effective 5,01% stake in Absa. The Group therefore owns an effective 2,23% interest in Absa.
Valuation methodology	The closing Absa share price of R110,00 per share on the JSE on 30 June 2009.
Selling and other restrictions	Batho Bonke exercised its options on 1 June 2009 in Absa Group and this resulted in Batho Bonke owning directly 5,1% of Absa Group's ordinary shares. This was funded through a bridging facility provided by Absa Group. The temporary facility has been replaced by permanent funding from a consortium of financial institutions.

Life Healthcare

Nature of investment	The Group owns an effective 22% interest in the equity and shareholders' loans of Life Healthcare.
Valuation methodology	EBITDA multiple based on historic financial results, less associated debt.

Notes to the financial statements continued**6. STRATEGIC INVESTMENTS** *(continued)*

Selling and other restrictions Subject to pre-emptive rights in favour of the other shareholders of Life Healthcare. The ordinary shares and claims held by the Group are pledged to the Industrial Development Corporation of South Africa as security for the preference share obligations of the Group to the Industrial Development Corporation of South Africa as disclosed in note 13 to the financial statements.

Group Five

Nature of investment The Group holds 13,5 million Group Five ordinary shares.

Valuation methodology Option-pricing model based on the closing Group Five share price of R34,70 on the JSE on 30 June 2009.

Selling and other restrictions 10,7 million of the Group Five shares are pledged as security to Group Five for the obligations disclosed in this note. The Group has an obligation to sell back to Group Five, at par value, such number of Group Five ordinary shares (calculated based on the Group Five ordinary share price in 2011) as is equivalent to the value of a "notional loan amount" in 2011, subject to a maximum number of 10,7 million Group Five ordinary shares. The notional loan amount is calculated based on an initial value of R14,43 per Group Five ordinary share plus notional interest at 12% per annum compounded annually. The remaining 2,8 million Group Five ordinary shares are not subject to any selling or other restrictions.

Vox Telecom

Nature of investment The Group holds 135,5 million Vox Telecom ordinary shares.

Valuation methodology The closing Vox Telecom share price of R0,55 per share on the JSE AltX on 30 June 2009.

Selling and other restrictions The ordinary shares held by the Group are pledged to Absa Capital as security for the preference share obligation of the Group to Absa Capital as disclosed in note 13 to the financial statements.

Other

Nature of investment Shares in unlisted companies and loans receivable.

Valuation methodology Market values of listed shares, PE multiple, net asset value methodologies, less associated debt. Loans receivable are carried at amortised cost, being sums advanced less capital amounts repaid.

Selling and other restrictions Investments with a carrying value of R21 568 000 have been pledged as security for the obligations of the special-purpose vehicles used to finance the original acquisition of these investments, to the relevant financiers.

	Group			
	2009		2008	
	Financial asset R'000	Financial liability R'000	Financial asset R'000	Financial liability R'000
7. DERIVATIVE FINANCIAL INSTRUMENT				
Derivative financial instrument classified as held for trading with fair value through profit and loss				
Interest rate swap – "zero premium knock-in swap"	—	34 199	3 242	—

On 20 June 2008 the Group entered into a "zero premium knock-in swap" with Absa Capital on a notional amount of R330 000 000. The cap or floor rate is at 12,53% and the barrier level is at 11,05%. The floating rate is based on three-month JIBAR with reset dates on 30 March, June, September and December. The knock-in event occurs when on any reset date the floating rate is equal to or lower than the barrier level. A fair value loss on the interest rate swap is as a result of the forward prime curve (used to predict three-month JIBAR) predicting lower interest rates.

Notes to the financial statements continued

	Group	
	2009 R'000	2008 R'000
8. INVENTORIES		
Raw materials	12 274	12 475
Work in progress	2 834	711
Consumables	7 797	10 819
Merchandise and finished goods	18 001	14 400
Reclassified to assets in disposal group held for sale	—	(741)
	40 906	37 664

The cost of inventories recognised as an expense includes R0,6 million (2008: R1,1 million) in respect of writedowns of inventory to net realisable value.

	Group		Company	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
9. TRADE AND OTHER RECEIVABLES				
Trade receivables	551 719	711 226	—	—
Less: Provision for impairment of trade receivables	(81 667)	(85 208)	—	—
	470 052	626 018	—	—
Prepayments	37 290	29 131	—	—
Other receivables	233 500	74 230	140	1 125
Reclassified to assets in disposal group held for sale	—	(124 481)	—	—
	740 842	604 898	140	1 125
10. CASH AND CASH EQUIVALENTS				
Bank balances	450 356 ¹	365 225	77 890	17 635
Term deposits	19 196	505 855	—	—
Reclassified to assets in disposal group held for sale	—	(1 067)	—	—
	469 552	870 013	77 890	17 635

¹Included in total cash and cash equivalents is R78 000 000 placed on margin call as additional security for the funding on Vox Telecom.

	Group	
	2009 R'000	2008 R'000
11. DISPOSAL GROUP HELD FOR SALE		
In the previous financial period the Group decided to dispose of its 100% interest in Trollope Mining Services (Proprietary) Limited. On 1 October 2009 the Group disposed of its interest in Trollope Mining Services (Proprietary) Limited.		
<i>The disposal group includes the following assets:</i>		
Property, plant and equipment	—	154 006
Inventories	—	741
Trade and other receivables	—	124 481
Cash and cash equivalents	—	1 067
Assets in disposal group held for sale	—	280 295
<i>The disposal group includes the following liabilities:</i>		
Non-current interest-bearing liabilities	—	44 165
Deferred taxation	—	12 966
Trade and other payables	—	68 632
Current interest-bearing liabilities	—	48 934
Tax liabilities	—	2 198
Liabilities in disposal group held for sale	—	176 895

Of the fair value writedown of R61 499 000 at 30 June 2008, R61 205 000 pertaining to the writedown in property, plant and equipment has been included in note 20 to the financial statements. R294 000 in respect of inventories has been included in cost of sales. The disposal group formed part of the consumer services segment.

Notes to the financial statements continued

	Group		Company	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
12. SHARE CAPITAL				
Authorised				
750 000 000 ordinary shares of 0,1 cent each	750	750	750	750
100 000 000 convertible perpetual cumulative preference shares of 0,1 cent each	100	100	100	100
124 425 055 redeemable option-holding shares of 0,1 cent each	124	124	124	124
Issued				
Ordinary share capital				
443 000 223 (2008: 443 000 223) ordinary shares of 0,1 cent each	443	443	443	443
<i>Less:</i>				
569 746 (2008: 569 746) ordinary shares of 0,1 cent each held by the Share Incentive Scheme	(1)	(1)	—	—
35 765 285 (2008: 35 765 285) ordinary shares of 0,1 cent each held by a subsidiary company in terms of the share buy-back programme	(36)	(36)	—	—
Preference share capital				
54 700 000 convertible perpetual cumulative preference shares of 0,1 cent each	55	55	55	55
Redeemable option-holding shares				
124 425 055 redeemable option-holding shares of 0,1 cent each	124	124	124	124
	585	585	622	622

There were no changes in the issued share capital as reported in the directors' report. All issued shares are fully paid up.

Share options

Details on share options granted through the share incentive scheme are set out on pages 61 to 62 in the directors' report.

Treasury shares

During 30 June 2008 the Company acquired 35 765 285 of its own ordinary shares. The total amount paid to acquire the shares was R360 041 000 and has been deducted from distributable reserves within shareholders' equity. The shares are held as "treasury shares" in a subsidiary of the Group.

Preference share terms

The preference shares earn dividends at a rate of 5,5% per annum until 4 November 2010. After 4 November 2010 the rate becomes a variable rate of 80% of the prime overdraft rate. Each preference share is convertible at the instance of the holder into 1,08 ordinary share between 4 November 2009 and 4 November 2010. If not converted into ordinary shares by 4 November 2010, the preference shares are redeemable at the instance of Mvelaphanda Group or will remain as perpetual preference shares. The reduction in the conversion price of the preference shares to R9,30 per share from R9,53 per share for the 2009 financial year was published on SENS (4 December 2008) in line with the terms of the offering circular issued to the Group's shareholders dated 4 November 2005.

Redeemable option-holding share terms

On 19 June 2007, 124 425 055 redeemable option-holding shares with a par value of 0,1 cent each in the share capital of Mvelaphanda Group were issued at their par value. The redeemable option-holding shares are not listed on the JSE.

Each redeemable option-holding share ranks *pari passu* with an ordinary share in terms of notices and voting (other than in respect of certain restrictions imposed by the JSE). Each redeemable option-holding share has an option attached to it, allowing the redeemable option-holding shareholder to subscribe for one ordinary share as set out below:

Earliest redemption date/option exercise date:	fourth anniversary of the issue date.
Latest redemption date/final option exercise date:	fifth anniversary of the issue date.
Redemption price per redeemable option-holding share:	0,1 cent.
Option strike price per redeemable option-holding share:	an amount equal to R12,00, escalating at 10% per annum from the date of issue of the redeemable option-holding share to the fourth anniversary of the date of issue, subject to a minimum of R17,50; or if the 30-day VWAP at which Mvelaphanda Group ordinary shares trade on the JSE on the business day immediately preceding the option-exercise date, as certified by Standard Bank, is greater than R25,00, the sum of R17,50 and 50% of the amount by which the 30-day VWAP exceeds R25,00.

The redeemable option-holding shares are not entitled to receive dividends.

Unissued shares

The unissued ordinary shares and unissued preference shares are not within the control of the directors.

Notes to the financial statements continued

	Group	
	2009 R'000	2008 R'000
13. INTEREST-BEARING LIABILITIES		
Asset-based finance		
Secured		
Capitalised finance leases	83 017	78 027
Total amount owing	144 059	125 522
Current portion included in current liabilities	(61 042)	(47 495)
Secured by property, plant and equipment with a net book value of R156 562 000 (2008: R114 864 000). The liabilities bear interest at rates linked to the prime overdraft rate ranging between 9% and 12% per annum, and are repayable in equal monthly instalments of R6 477 000 (2008: R4 948 032).		
<i>Reconciliation to present value of finance lease liabilities:</i>		
<i>Gross finance lease liabilities' minimum lease payments:</i>	163 672	153 027
No later than 1 year	72 070	60 910
Later than 1 year and no later than 5 years	91 602	91 571
Later than 5 years	—	546
<i>Finance charges:</i>	(19 613)	(27 505)
No later than 1 year	(11 028)	(13 415)
Later than 1 year and no later than 5 years	(8 585)	(14 086)
Later than 5 years	—	(4)
<i>Present value of future lease payments:</i>	144 059	125 522
No later than 1 year	61 042	47 495
Later than 1 year and no later than 5 years	83 017	77 485
Later than 5 years	—	542
Instalment sales agreement	3 697	48 961
Total amount owing	6 306	99 964
Current portion included in current liabilities	(2 609)	(51 003)
Secured by property, plant and equipment with a net book value of R5 937 000 (2008: R146 521 000). The liabilities bear interest at rates linked to the prime overdraft rate ranging between 9% and 11% per annum, and are repayable in equal monthly instalments of R271 000 (2008: R239 000).		
Bank loan over property	5 450	—
Total amount owing	5 867	—
Current portion included in current liabilities	(417)	—
Secured by buildings with a net book value of R8 301 000. The liability bears interest at prime overdraft rate less 1,25% per annum, and the period of the loan is 10 years.		

Notes to the financial statements continued

		Group	
		2009	2008
		R'000	R'000
13. INTEREST-BEARING LIABILITIES <i>(continued)</i>			
Investment funding			
Secured			
Preference shares issued to the Industrial Development Corporation of South Africa Limited		365 037	327 616
Capital amount owing		126 389	126 389
Dividends accrued and fair value adjustments		238 648	201 227
Secured by a cession and pledge of the ordinary shares and claims held by Mvelaphanda Strategic Investments (Proprietary) Limited in/against Newshelf 776 (Proprietary) Limited. The preference shares have a coupon rate of the greater of an 8% after-tax internal rate of return or 30% of the <i>pro rata</i> increase in the net asset value of the issuer company. The preference shares are redeemable at the option of the issuer company on or after 31 May 2010, but in any event by no later than 31 May 2012.			
Preference A shares issued to Absa Capital, a division of Absa Bank Limited		237 113	215 427
Capital amount owing		206 681	206 681
Dividends accrued		30 432	8 746
Secured by a cession and pledge of the ordinary shares and claims held by Mvelaphanda Group Limited in/against Dixonville (Proprietary) Limited. The preference shares have a coupon rate of 67% of prime overdraft rate. The preference shares are redeemable at the option of the issuer company on or after 30 January 2013.			
Preference B shares issued to Absa Capital, a division of Absa Bank Limited		104 435	93 675
Capital amount owing		89 375	89 375
Dividends accrued		15 060	4 300
Secured by a cession and pledge of the ordinary shares and claims held by Mvelaphanda Group Limited in/against Dixonville (Proprietary) Limited. The preference shares have a coupon rate of 76% of prime overdraft rate. The preference shares are redeemable at the option of the issuer company on or after 30 January 2013.			
Preference shares issued to United Towers and Depfin Investments		482 438	—
Capital amount owing		482 438	—
Dividends accrued		—	—
Restricted assets (as defined) are pledged as security. The preference shares have a coupon rate of 78% of prime rate (converted to nominal annual compound quarterly rate). The preference shares are redeemable on or after 31 December 2011 in accordance with the preference share terms, but in any event no later than 30 June 2015.			
Preference A shares issued to Depfin Investments (Proprietary) Limited, a subsidiary of Nedbank Capital		250 261	—
Capital amount owing		245 000	—
Dividends accrued		5 261	—
Secured by a cession and pledge of the ordinary shares and claims held by Mvelaphanda Group Limited in/against Richtrau No. 229 (Proprietary) Limited. The preference shares have a coupon rate of 78% of prime overdraft rate, nominal annual compounded monthly in arrear. The preference shares are redeemable at the option of the issuer company on 30 June 2015.			

Notes to the financial statements continued

	Group	
	2009	2008
	R'000	R'000
13. INTEREST-BEARING LIABILITIES <i>(continued)</i>		
Investment funding <i>(continued)</i>		
Secured <i>(continued)</i>		
Preference B shares issued to Depfin Investments (Proprietary) Limited, a subsidiary of Nedbank Capital	119 179	
Capital amount owing	105 000	—
Dividends accrued	14 179	—
Secured by a cession and pledge of the ordinary shares and claims held by Mvelaphanda Group Limited in/against Richtrau No. 229 (Proprietary) Limited. The preference shares have a coupon rate of 90% of prime overdraft rate, nominal annual compounded monthly in arrear. The preference shares are redeemable at the option of the issuer company on 30 June 2015.		
Bank loan	—	—
Total amount owing	—	10 294
Current portion included in current liabilities	—	(10 294)
Secured by property, plant and equipment and a cession of the trade receivables (limited to R20 000 000) in Swissport South Africa (Proprietary) Limited. The loan bears interest at a variable rate linked to the prime overdraft rate. The loan was repaid on 31 December 2008.		
Other liabilities borrowed		
Unsecured		
Term loan	50 000	50 000
Total amount owing	50 014	51 623
Current portion included in current liabilities	(14)	(1 623)
The loan bears interest at variable rates linked to the JIBAR rate. Interest is payable quarterly. The actual interest rate on 30 June 2009 was 10,3% (2008: 15,5%). Capital is repayable on or before 1 October 2009, however the loan will be renegotiated for a further 12 months.		
Other loans	—	—
Total amount owing	2	64
Current portion included in current liabilities	(2)	(64)
The loans are unsecured, bear interest at varying rates and have no fixed repayment terms.		
Comprising		
Non-current interest-bearing liabilities	1 700 627	813 706
Current interest-bearing liabilities	64 084	110 479
Reclassified to liabilities in disposal group held for sale	—	(93 099)

The original acquisition of certain investments by Mvelaphanda Group, which investments are not classified as subsidiaries of Mvelaphanda Group, has been funded by non-recourse funding contained in special-purpose vehicles. Mvelaphanda Group's attributable share of the total outstanding capital balances in respect of these non-recourse funding obligations at 30 June 2009 is R448 million (2008: R480 million).

Notes to the financial statements continued

	Group		Company	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
14. NON-INTEREST-BEARING LIABILITIES				
Unsecured				
Term loan	—	—	—	—
Total amount owing	—	1 400	—	—
Current portion included in current liabilities	—	(1 400)	—	—
The loan was interest free and unsecured and was repaid during the current financial period.				
Other loans	—	2 653	—	—
Total amount owing	25 021	5 230	2 577	2 577
Current portion included in current liabilities	(25 021)	(2 577)	(2 577)	(2 577)
The loans are interest free, unsecured and are repayable on demand.				
15. DEFERRED TAXATION				
Balance at the beginning of the year	309 000	578 605	14 863	94 351
Wear and tear	23 277	13 323	—	—
Doubtful debts	(6 315)	(3 012)	—	—
Prepayments	2 675	3 752	—	—
Special taxation allowances	15 167	13 417	—	—
Revaluation of investments	306 184	593 473	14 863	94 351
Estimated assessed loss (tax losses)	(14 940)	(24 032)	—	—
Provisions and accruals	(15 799)	(16 261)	—	—
Operating lease accrued	(56)	—	—	—
Revenue received in advance/deferred revenue	(1 122)	(2 055)	—	—
Other	(71)	—	—	—
Prior year over/under provision	957	—	—	—
Wear and tear	212	—	—	—
Doubtful debts	(45)	—	—	—
Prepayments	187	—	—	—
Revaluation of investments	573	—	—	—
Estimated assessed loss (tax losses)	69	—	—	—
Provisions and accruals	(39)	—	—	—
Adjustment due to rate change	—	(19 951)	—	(3 253)
Wear and tear	—	(459)	—	—
Doubtful debts	—	104	—	—
Prepayments	—	(129)	—	—
Special taxation allowances	—	(463)	—	—
Revaluation of investments	—	(20 464)	—	(3 253)
Estimated assessed loss (tax losses)	—	829	—	—
Provisions and accruals	—	561	—	—
Revenue received in advance/deferred revenue	—	70	—	—

Notes to the financial statements continued

	Group		Company	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
15. DEFERRED TAXATION <i>(continued)</i>				
Acquisition/(disposals) of subsidiaries	(14 743)	2 079	—	—
Wear and tear	(17 303)	3	—	—
Doubtful debts	—	56	—	—
Prepayments	(125)	—	—	—
Special taxation allowances	—	(94)	—	—
Estimated assessed loss (tax losses)	6 294	1 868	—	—
Provisions and accruals	(3 609)	246	—	—
Charged/(credited) to the income statement	147 112	(251 733)	21 756	(76 235)
Wear and tear	3 813	10 410	—	—
Doubtful debts	479	(3 463)	—	—
Prepayments	3 346	(948)	—	—
Special taxation allowances	2 307	2 307	—	—
Revaluation of investments	168 175	(266 825)	21 756	(76 235)
Estimated assessed loss (tax losses)	(13 744)	6 395	—	—
Provisions and accruals	(16 536)	(345)	—	—
Finance lease liability	(47)	—	—	—
Operating lease accrued	(222)	(56)	—	—
Revenue received in advance/deferred revenue	(448)	863	—	—
Other	(11)	(71)	—	—
Balance at the end of the year	442 326	309 000	36 619	14 863
Wear and tear	9 999	23 277	—	—
Doubtful debts	(5 881)	(6 315)	—	—
Prepayments	6 083	2 675	—	—
Special taxation allowances	17 474	15 167	—	—
Revaluation of investments	474 932	306 184	36 619	14 863
Estimated assessed loss (tax losses)	(22 321)	(14 940)	—	—
Provisions and accruals	(35 983)	(15 799)	—	—
Finance lease liability	(47)	—	—	—
Operating lease accrued	(278)	(56)	—	—
Revenue received in advance/deferred revenue	(1 570)	(1 122)	—	—
Other	(82)	(71)	—	—
Comprising				
Deferred tax assets	(33 671)	(93 375)	—	—
Deferred tax liabilities	475 997	389 409	36 619	14 863
Reclassified to liabilities in disposal group held for sale	—	12 966	—	—
	442 326	309 000	36 619	14 863

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of R44 870 000 (2008: R23 264 000) in respect of losses amounting to R160 250 000 (2008: R83 086 000) that can be carried forward against future taxable income.

Notes to the financial statements continued

	Group		Company	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
16. TRADE AND OTHER PAYABLES				
Trade and other payables	606 420	693 105	1 110	1 242
Accruals	128 511	38 872	—	—
Deferred revenue	5 607	4 007	—	—
Reclassified to liabilities in disposal group held for sale	—	(68 632)	—	—
	740 538	667 352	1 110	1 242

	Group		
	Past-service liabilities R'000	Share appreciation rights R'000	Total R'000
17. PROVISIONS			
At 30 June 2007		6 953	43 953
Reductions arising from settlements	(26 400)	—	(26 400)
At 30 June 2008	10 600	6 953	17 553
Reductions arising from reversals	—	(6 953)	(6 953)
Reductions arising from settlements	(10 600)	—	(10 600)
At 30 June 2009	—	—	—

Past-service liabilities

In January 2007 TFMC acquired a 90% interest in LGM South Africa (Proprietary) Limited. In accordance with the requirements of IFRS 3, Business Combinations, TFMC has assessed and provided for the contingent liabilities of LGM South Africa at that date. The provision for past-service liabilities represents management's estimate of the amounts which would have to be paid to the employees of LGM South Africa in the event that these employees are retrenched for any reason, and has been calculated based on the current employment costs and number of years' service for each affected employee, and the statutory requirements with respect to compensation payable by employers to employees who are retrenched. The remaining R10 600 000 was settled during the 2009 financial year (2008: R26 400 000).

Share appreciation rights

Details of options (share appreciation rights) granted to directors and employees to acquire Mvelaphanda Group ordinary shares in terms of the Share Incentive Scheme are set out on page 61. At 30 June 2009 there were no outstanding options which had vested with employees, and the total value of vested share appreciation rights was Rnil.

The cost of options granted to directors and employees of the Group is charged to the income statement over the period that the options vest with the employees in accordance with the requirements of IFRS 2, Share-based Payments. Where options granted to directors and employees are likely to be cash settled, this charge is carried as a provision on the balance sheet until the options are exercised and/or the cash amounts paid out. The provision is calculated based on the current value of the outstanding options granted to directors and employees, after taking into account an estimate for the number of outstanding options which will lapse as a result of employees leaving the Group prior to the options vesting.

The value of the option, based on the Mvelaphanda Group ordinary share price of R4,50 on 30 June 2009 (2008: R6,00), was less than the option's strike price (range between R7,10 and R8,80). Therefore the provision was reversed.

	Group		Company	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
18. PROFIT FROM OPERATIONS				
<i>Operating profit is stated after charging:</i>				
18.1 Auditors' remuneration				
Audit fees	7 335	5 362	68	60
Current year	6 750	5 127	68	60
Underprovision prior years	585	235	—	—
Other services	815	131	—	—
	8 150	5 493	68	60

Notes to the financial statements continued

	Group		Company	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
18. PROFIT FROM OPERATIONS <i>(continued)</i>				
18.2 Depreciation and impairment				
Plant and equipment	51 714	85 149	—	—
Office equipment	1 919	2 928	—	—
Computer equipment	9 587	10 209	—	—
Furniture and fittings	2 773	2 839	—	—
Motor vehicles	37 781	32 664	—	—
Improvements to leasehold premises	2 719	2 445	—	—
	106 493	136 234	—	—
18.3 Amortisation and impairment				
Computer software	11 380	11 205	—	—
Trademarks	526	—	—	—
	11 906	11 205	—	—
18.4 Employee costs				
Salaries and bonuses	1 510 980	1 396 348	—	—
Fringe benefits	30 235	31 856	—	—
Pension/provident fund contributions	87 679	84 942	—	—
	1 628 894	1 513 146	—	—
18.5 Directors' emoluments				
Salaries and bonuses ¹	26 139	25 258	—	—
Fringe benefits and allowances ¹	734	26	—	—
Pension/provident fund contributions	437	409	—	—
	27 310	25 693	—	—
18.6 Remuneration other than to employees				
Technical services	6 347	9 214	—	—
18.7 Rentals under operating leases				
Land and buildings	29 891	32 829	—	—
Equipment	2 808	6 316	—	—
Motor vehicles	47	137	—	—
Other	276	7 304	—	—
	33 022	46 586	—	—
18.8 Foreign currency losses	1 170	595	—	—
18.9 Loss on disposal of property, plant and equipment	324	2 708	—	—
<i>And after crediting:</i>				
18.10 Foreign currency gains	9 166	1 899	—	—
18.11 Profit on disposal of property, plant and equipment	2 267	5 477	—	—
18.12 Administration fees received	198	1 849	—	—

¹In the prior year allowances to the amount of R978 000 was included as part of "salaries and bonuses". For 30 June 2009, allowances to the amount of R714 000 is included as "fringe benefits and allowances".

Notes to the financial statements continued

	Group		Company	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
19. INTEREST PAID				
Interest expense	27 646	9 151	195	—
Preference dividends paid/accrued	155 685	16 006	—	—
Finance charges	21 461	14 767	—	—
	204 792	39 924	195	—
20. FAIR VALUE ADJUSTMENTS AND NET PROFIT/(LOSS) FROM INVESTMENTS				
Net fair value adjustment on financial instruments designated through profit and loss	354 121	(1 621 929)	155 398	(521 305)
Derivative financial instrument held for trading with fair value through profit and loss	(37 441)	3 242	—	—
Net realised loss on disposal of investments	(1 704)	(12 632)	—	—
	314 976	(1 631 319)	155 398	(521 305)
21. SHARE OF LOSS FROM ASSOCIATES				
Group's share of retained income	65 052	1 439	—	—
Dividend income	17 148	49	—	—
Impairment of investment in associate	(116 331)	(527 750)	—	—
	(34 131)	(526 262)	—	—
22. COST OF BEE TRANSACTION				
Cost of BEE transaction	16 175	16 175	16 175	16 175

Cost of BEE transaction

The cost to Mvelaphanda Group of the options attached to the redeemable option-holding shares as disclosed in note 12, issued to the Mvelaphanda Group Employee Trust and the Mvelaphanda Group Management Trust of R64 701 000, has been recognised over the period of the service conditions applicable to the directors, managers and employees who are the beneficiaries of these trusts, in accordance with AC 503, Accounting for BEE Transactions and IFRS 2, Share-based payments.

	Group		Company	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
23. TAXATION				
South African normal tax	72 383	81 223	3 355	22 556
Current year	71 078	81 460	2 406	22 556
Prior year under/(over)provision	1 305	(237)	949	—
Deferred tax	148 069	(271 684)	21 756	(79 488)
Normal tax	(21 063)	15 092	—	—
Capital gains tax	168 175	(266 825)	21 756	(76 235)
Prior year underprovision	957	—	—	—
Adjustment due to rate change	—	(19 951)	—	(3 253)
Capital gains tax	342	230	—	—
Secondary tax on companies	28 401	4 890	12 299	3 345
Foreign tax	424	381	—	—
	249 619	(184 960)	37 410	(53 587)

Notes to the financial statements continued

	Group		Company	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
23. TAXATION EXPENSE (continued)				
Reconciliation of taxation amount				
South African normal tax amount	119 298	(523 643)	41 231	(129 525)
Adjusted for:	101 154	600 007	(16 120)	148 828
– Disallowable expenditure	49 542	16 125	158	1 587
– Income from associates	(18 215)	(403)	—	—
– Impairment losses on goodwill	—	3 216	—	—
– Exempt income and exceptional items	(14 382)	577 697	4 529	150 494
– Investment and other special allowances	(32 345)	(588)	(21 756)	—
– Prior year under/(over)provision	2 262	(237)	949	—
– Utilisation of previously unrecognised assessed losses	(17 454)	—	—	—
– Assessed losses for which no deferred tax assets were recognised	131 797	23 246	—	—
– Effect of deferred tax balance due to rate change	—	(19 951)	—	(3 253)
– Other	(51)	902	—	—
Total normal tax	220 452	76 364	25 111	19 303
Capital gains tax	342	(266 595)	—	(76 235)
Secondary tax on companies	28 401	4 890	12 299	3 345
Foreign tax	424	381	—	—
Effective taxation	249 619	(184 960)	37 410	(53 587)
Estimated taxation losses				
Net estimated normal tax losses available for utilisation against future taxable income	242 150	157 775	—	—
Potential taxation relief at current taxation rates	67 802	44 177	—	—

	Group	
	2009 Cents	2008 Cents
24. EARNINGS/(LOSS) PER ORDINARY SHARE AND DIVIDENDS		
24.1 Earnings/(loss) per ordinary share		
Basic	21,9	(368,0)
Diluted	25,6	(317,1)
Fully diluted	25,6	(228,9)

Basic earnings/(loss) per ordinary share is based on the net profit/(loss) attributable to ordinary shareholders of R88 973 000 (2008: R1 532 789 000) and is calculated using the weighted average net number of 406 665 192 (2008: 416 564 347) ordinary shares in issue during the year.

Diluted earnings/(loss) per ordinary share is based on the diluted net profit/(loss) attributable to ordinary shareholders of R118 935 000 (2008: R1 502 773 000) and is calculated using the diluted weighted average net number of 465 482 396 (2008: 473 962 039) ordinary shares.

Fully diluted earnings/(loss) per ordinary share is based on the fully diluted net profit/(loss) attributable to ordinary shareholders of R118 935 000 (2008: R1 369 514 000) and is calculated using the fully diluted weighted average net number of 465 482 396 (2008: 598 387 094) ordinary shares.

Notes to the financial statements continued

	Group	
	2009 Cents	2008 Cents
24. EARNINGS/(LOSS) PER ORDINARY SHARE AND DIVIDENDS <i>(continued)</i>		
24.2 Headline earnings/(loss) per ordinary share		
Basic	49,9	(362,6)
Diluted	50,1	(312,4)
Fully diluted	50,1	(225,2)

Basic headline earnings/(loss) per ordinary share is based on the headline net profit/(loss) attributable to ordinary shareholders of R203 263 000 (2008: R1 510 666 000) and is calculated using the weighted average net number of 406 665 192 (2008: 416 564 347) ordinary shares in issue during the year.

Diluted headline earnings/(loss) per ordinary share is based on the diluted headline net profit/(loss) attributable to ordinary shareholders of R233 225 000 (2008: R1 480 650 000) and is calculated using the diluted weighted average net number of 465 482 396 (2008: 473 962 039) ordinary shares.

Fully diluted headline earnings/(loss) per ordinary share is based on the fully diluted headline net profit/(loss) attributable to ordinary shareholders of R233 225 000 (2008: R1 347 391 000) and is calculated using the fully diluted weighted average net number of 465 482 396 (2008: 598 387 094) ordinary shares.

	Group		Group	
	2009 Basic earnings R'000	Headline earnings R'000	2008 Basic loss R'000	Headline loss R'000
24.3 Reconciliation between earnings/(loss) and fully diluted earnings/(loss)				
Net profit/(loss) attributable to ordinary shareholders	88 973	88 973	(1 532 789)	(1 532 789)
<i>Adjusted for:</i>				
Goodwill impaired and written off	—	—	—	11 486
Disposal/impairment of investments and subsidiaries	—	(846)	—	12 632
Profit on sale of property, plant and equipment	—	(1 943)	—	(2 769)
Impairment to investment in associate	—	116 331	—	—
Tax effect	—	748	—	774
Net profit/(loss) attributable to ordinary shareholders	88 973	203 263	(1 532 789)	(1 510 666)
Net profit attributable to preference shareholders	29 962	29 962	30 016	30 016
Diluted net profit/(loss) attributable to ordinary shareholders	118 935	233 225	(1 502 773)	(1 480 650)
<i>Pro forma</i> adjustment for interest (after taxation) on the minimum subscription proceeds of R2,177 billion arising on the exercise of the options attached to the redeemable option-holding shares	—	—	133 259	133 259
Fully diluted net profit/(loss) attributable to ordinary shareholders	118 935	233 225	(1 369 514)	(1 347 391)

Notes to the financial statements continued

	Number of shares 2009	Number of shares 2008
24. EARNINGS/(LOSS) PER ORDINARY SHARE AND DIVIDENDS <i>(continued)</i>		
24.4 Reconciliation of the weighted average number of ordinary shares in issue and the fully diluted weighted average net number of ordinary shares		
Weighted average number of ordinary shares in issue	443 000 223	443 000 223
Weighted average number of ordinary shares held by a subsidiary in terms of share buy-backs	(35 765 285)	(25 866 130)
Weighted average number of ordinary shares held by the Share Incentive Scheme ¹	(569 746)	(569 746)
Weighted average net number of ordinary shares in issue during the year	406 665 192	416 564 347
Ordinary shares to be issued on the basis that all preference shares will be converted into ordinary shares after 4 November 2009 ²	58 817 204	57 397 692
Diluted weighted average net number of ordinary shares	465 482 396	473 962 039
Ordinary shares to be issued on the basis that all redeemable option-holding shares will be converted into ordinary shares pursuant to the exercise of the options attached thereto ³	—	124 425 055
Fully diluted weighted average net number of ordinary shares	465 482 396	598 387 094

¹The options granted to directors and employees to subscribe for ordinary shares via the Share Incentive Scheme as discussed in note 17 have been accounted for in accordance with IFRS 2, Share-based Payments, on the basis that these options will be cash settled. As a result, these options are not taken into account in calculating diluted earnings/(loss) and diluted headline earnings/(loss) per ordinary share, or fully diluted earnings/(loss) and fully diluted headline earnings/(loss) per ordinary share.

²One preference share is convertible into 1,08 ordinary shares (2008: 1,05). Refer to note 12 for more details.

³The redeemable option-holding shares issued in June 2007 have not been taken into account in calculating the fully diluted weighted average net number of ordinary shares as the minimum option strike price of R17,50 is greater than the Group's ordinary share price at 30 June 2009 of R4,50.

The application of circular 8/2007 has resulted in no material changes.

	Company	
	2009 Cents	2008 Cents
24.5 Distributions/dividends paid		
Ordinary shares		
Dividend of 16 cents per ordinary share and a special dividend of 5 cents per ordinary share in lieu of a final ordinary dividend for the year ended 30 June 2008 paid on 29 September 2008	93 029	—
Cash distribution out of share premium of 16 cents per ordinary share in lieu of a final ordinary dividend for the year ended 30 June 2007 paid on 22 October 2007	—	70 880
Cash distribution out of share premium of 6 cents per ordinary share in lieu of an interim ordinary dividend for the year ended 30 June 2008 paid on 7 April 2008	—	26 580
Preference shares		
Dividend of 27,50 cents per preference share for the period ended 31 December 2008 paid on 6 April 2009	15 043	—
Dividend of 27,27397 cents per preference share for the period ended 30 June 2008 paid on 29 September 2008	14 919	—
Dividend of 27,27397 cents per preference share for the period ended 30 June 2007 paid on 22 October 2007	—	14 919
Dividend of 27,6 cents per preference share for the period ended 31 December 2007 paid on 7 April 2008	—	15 097
	122 991	127 476

Details of the cash distribution to ordinary shareholders in lieu of a final ordinary dividend for the year ended 30 June 2009 and the preference dividend for the period ended 30 June 2009 are disclosed in note 36 to the financial statements.

Notes to the financial statements continued

	Group		Company	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
25. CASH RECEIVED FROM CUSTOMERS				
Revenue	3 745 662	3 538 918	—	—
Movement in trade and other receivables	(124 974)	(164 466)	—	—
	3 620 688	3 374 452	—	—
26. CASH PAID TO SUPPLIERS AND EMPLOYEES				
Revenue	3 745 662	3 538 918	—	—
Profit from operations	(255 590)	(246 747)	—	—
	3 490 072	3 292 171	—	—
Depreciation and impairment of tangible assets	(106 493)	(136 234)	—	—
Amortisation and impairment of intangible assets	(11 906)	(11 205)	—	—
Net profit on disposal of property, plant and equipment	1 943	2 769	—	—
Movement in inventories	3 264	4 019	—	—
Movement in trade and other payables	(119 137)	(48 217)	—	—
	3 257 743	3 103 303	—	—
27. CASH GENERATED FROM/(UTILISED IN) OPERATIONS				
Profit from operations	255 590	246 747	(599)	(6 078)
Depreciation and impairment	106 493	136 234	—	—
Amortisation and impairment of intangible assets	11 906	11 205	—	—
Net profit on disposal of property, plant and equipment	(1 943)	(2 769)	—	—
Working capital changes (note 28)	(9 101)	(120 268)	853	(6 142)
	362 945	271 149	254	(12 220)
28. WORKING CAPITAL CHANGES				
Inventories	(3 264)	(4 019)	—	—
Trade and other receivables	(124 974)	(164 466)	985	(185)
Trade and other payables	119 137	48 217	(132)	(5 957)
	(9 101)	(120 268)	853	(6 142)
29. TAXATION PAID				
Unpaid at the beginning of the year and on acquisitions/(disposals) of subsidiaries	26 503	88 433	18 119	76 576
Charged to the income statement	101 550	86 724	15 654	25 901
Unpaid at the end of the year	(7 126)	(28 414)	(314)	(18 119)
	120 927	146 743	33 459	84 358

Notes to the financial statements continued

	Group		Company	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
30. NET (DISPOSAL)/ACQUISITION OF SUBSIDIARIES				
Property, plant and equipment	(200 188)	(3 310)	—	—
Strategic investments	1 200	1 497	—	—
Inventory	(763)	(1 482)	—	—
Trade and other receivables	(132 400)	(24 925)	—	—
Cash and cash equivalents	(6 729)	(626)	—	—
Trade and other payables	109 809	30 957	—	—
Non-current interest-bearing liabilities	109 696	2 152	—	—
Deferred taxation	14 743	(2 079)	—	—
Normal taxation	1 911	(721)	—	—
Net assets (disposed)/acquired	(102 721)	1 463	—	—
Minority interest	427	(445)	—	—
Goodwill	7 337	16 622	—	—
Loss on disposal	872	12 632	—	—
	(94 085)	30 272	—	—
<i>Satisfied by:</i>				
Cash	(94 086)	15 067	—	—
Loans	1	15 205	—	—
	(94 085)	30 272	—	—
Net cash effect ¹	87 357	15 693	—	—

¹(94 086 – 6 729).

Subsidiaries and businesses acquired during the year relate mainly to the acquisition of the remaining 22,5% interest in RoyalSechaba Food Services (Proprietary) Limited by RoyalSechaba.

Subsidiaries and businesses sold during the year relate mainly to the sale of a 100% interest in Trollope Mining Services (Proprietary) Limited.

31. RELATED-PARTY TRANSACTIONS

31.1 Parent company

Mvelaphanda Holdings is the controlling company of Mvelaphanda Group.

2009

All transactions between Mvelaphanda Group and Mvelaphanda Holdings are concluded at arm's length. Included in trade and other receivables is an amount of R6 023 000, which is due from Mvelaphanda Holdings.

2008

No material transactions occurred during the financial year ended 30 June 2008.

31.2 Subsidiary companies

Details of principal subsidiary companies are set out on page 118 of this report.

Details of loans to subsidiary companies are set out in note 4 to this report.

All transactions between Mvelaphanda Group and/or subsidiary companies are concluded at arm's length. On consolidation, intercompany transactions are eliminated.

31.3 Associated companies

Details of investments in associated companies are disclosed in note 5 to this report.

All transactions between Mvelaphanda Group and/or its associated companies are concluded at arm's length.

Notes to the financial statements continued**31. RELATED-PARTY TRANSACTIONS** *(continued)***31.4 Directors**

- The names of the directors of Mvelaphanda Group are set out on pages 16 to 17 of this report.
- Details of directors' interests in Mvelaphanda Group ordinary shares, redeemable option-holding shares and option/scheme shares are set out in the directors' report on page 62.
- Mr Stein, a non-executive director of Mvelaphanda Group, is a director of Bowman Gilfillan, the Group's attorneys. All fees paid to Bowman Gilfillan are at an arm's length basis. The total of all fees paid to Bowman Gilfillan during the year ended 30 June 2009 amounted to R1 215 000 (2008: R1 035 000).

31.5 Shareholders

- A detailed analysis of shareholders is set out on page 117.
- Dividends paid to ordinary shareholders during the year ended 30 June 2009 amounted to R93 029 000 (2008: R97 460 000¹).
- Dividends paid to preference shareholders during the year ended 30 June 2009 amounted to R29 962 000 (2008: R30 016 000).
- On 30 June 2009 a subsidiary of Mvelaphanda Group held 35 765 285 (2008: 35 765 285) Mvelaphanda Group ordinary shares which were acquired in terms of share buy-backs in the open market at a cost of R360 041 000 by 30 June 2008.

¹A distribution was paid to the ordinary shareholders.

	Group	
	2009	2008
	R'000	R'000
32. CAPITAL COMMITMENTS		
Capital expenditure		
Commitments in respect of capital expenditure approved by the directors:		
Contracted for	11 798	37 725
Not contracted for	18 589	13 075
	30 387	50 800
The above commitments are to be financed from cash and cash equivalents and existing bank facilities.		
Operating leases		
<i>The minimum commitments are:</i>		
Land and buildings	52 154	55 448
Equipment	4 295	5 693
Motor vehicles	47	137
Total operating lease commitments	56 496	61 278
Less: Amounts accrued as a result of accounting for operating leases on the straight-line basis	(226)	(97)
Net operating lease commitments not provided for	56 270	61 181
<i>Analysis of total operating lease commitments:</i>		
due in year one	21 935	22 070
due in year two	17 650	17 853
due in year three	7 514	11 758
due in year four	5 844	4 010
Thereafter	3 327	5 490
	56 270	61 181

Material lease commitments relate mainly to immovable property, vehicles and equipment. Specific details and terms of leases vary between different contracts. Renewal options, where these exist, are between 1 and 5 years. Rentals on certain leases escalate annually. The majority of rentals under property lease renewal options are determined with reference to market rentals at the time of renewal. There are no contingent rental payments.

Notes to the financial statements continued

33. CONTINGENT LIABILITIES**33.1 Bank facilities**

Bank facilities of certain subsidiaries are secured by a negative pledge over certain assets and a cession of book debts of R134 770 000 (2008: R130 977 000).

Bank facilities of certain subsidiary companies and non-current interest-bearing liabilities of R94 450 000 (2008: R113 023 000) incurred by certain subsidiary companies have been guaranteed by Mvelaphanda Group.

Loans between certain subsidiary companies have been subordinated in favour of the other creditors of the debtor companies.

	Group		Company	
	2009 R'000	2008 R'000	2009 R'000	2008 R'000
33.2 Other guarantees				
Bank guarantees to clients	14 839	32 501	—	—
Bank guarantees to suppliers	11 334	—	—	6 400

33.3 Secondary tax on companies

STC is levied on dividends distributed at a rate of 10% with effect from 1 October 2007 (previously 12,5%).

Current and deferred tax are measured at the tax rate applicable to undistributed income and therefore only takes STC into account to the extent that dividends have been received or paid.

In the event that the Company were to declare a dividend equal to its distributable reserve, it would be liable for secondary tax on companies amounting to R104 001 000 (2008: R128 330 000).

Credits in respect of secondary tax on companies, available for set-off by the Company against future dividends, amounted to Rnil (2008: Rnil).

33.4 Outstanding litigation

Protea Aviation Security (Proprietary) Limited has been named as second defendant with KLM Royal Dutch Airlines (as first defendant) in a claim relating to the alleged theft of approximately US\$9,65 million foreign currency and valuable cargo during an alleged robbery which took place at O.R. Tambo International Airport in December 2001. During the current financial period the dispute has been resolved in an out-of-court settlement, of which the monetary payment made by the Group was approximately R1 000 000.

	Group	
	2009	2008
33.5 Uncovered foreign liabilities		
Foreign currency amounts ('000)		
US dollars	—	359
Euros	—	—
Other (rand equivalents) (R'000)	—	152

34. FINANCIAL INSTRUMENTS**34.1 Financial risk management objective**

The board of directors is ultimately responsible for the management of risk. In order to discharge this responsibility the board has put in place various policy and procedure frameworks that are applicable at various levels of the organisation.

Compliance with these policies and procedures is monitored through the internal audit function and reported to the audit committee and the board on a regular basis.

In the course of the Group's business operations it is exposed to financial risk relating to liquidity, credit, foreign currency, price and interest rate risk. Risk management relating to each of these risks is detailed below:

Notes to the financial statements continued**34. FINANCIAL INSTRUMENTS** (continued)**34.2 Capital risk management**

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of a gearing ratio. This ratio is calculated as debt divided by total capital. Net debt is calculated as total interest-bearing liabilities less cash and cash equivalents. Total equity is as shown in the consolidated balance sheet.

The gearing ratio and the weighted average cost of capital at 30 June 2009 and 30 June 2008 were as follows:

	Group	
	2009 R'000	2008 R'000
Total interest-bearing liabilities including overdrafts	1 295 159	2 213 128
Total equity	4 017 544	3 943 488
Gearing ratio	32,23%	56,12%
Weighted average cost of capital	12,0%	13,5%

34.3 Analysis of financial assets and liabilities**Financial assets**

Group: 2009	Financial Services R'000	Consumer Services R'000	Con- struction and Infra- structure R'000	Telecoms, Media and Tech- nology R'000	Cash and cash equi- valents R'000	Non- financial instru- ments R'000	Total R'000
<i>Financial asset classes</i>							
Non-current assets							
Strategic investments	739 188	2 374 959	164 805	580 152	—	5 805	3 864 909
Current assets							
Current portion of strategic investments	—	11 254	—	—	—	—	11 254
Trade and other receivables	8 145	481 767	178 795	22 295	—	49 840	740 842
Cash and cash equivalents	—	—	—	—	469 552	—	469 552
Non-financial assets	—	—	—	—	—	1 978 579	1 978 579
	747 333	2 867 980	343 600	602 447	469 552	2 034 224	7 065 136
<i>Financial asset categories</i>							
Fair value							
Held for trading							
Designated at "fair value through profit and loss"	739 188	2 386 213	164 805	580 152	—	5 805	3 876 163
– Listed investments	739 188	—	164 805	75 625	—	—	979 618
– Unlisted investments	—	2 386 213	—	504 527	—	5 805	2 896 545
Amortised cost							
Loans and receivables	8 145	481 767	178 795	22 295	469 552	49 840	1 210 394
Trade and other receivables	8 145	481 767	178 795	22 295	—	49 840	740 842
Cash and cash equivalents	—	—	—	—	469 552	—	469 552
Non-financial assets	—	—	—	—	—	1 978 579	1 978 579
	747 333	2 867 980	343 600	602 447	469 552	2 034 224	7 065 136

Notes to the financial statements continued

34. FINANCIAL INSTRUMENTS (continued)

34.3 Analysis of financial assets and liabilities (continued)

Financial assets

	Financial Services R'000	Consumer Services R'000	Construction and Infrastructure R'000	Telecoms, Media and Technology R'000	Cash and cash equivalents R'000	Non-financial instruments R'000	Total R'000
Group: 2008							
<i>Financial asset classes</i>							
Non-current assets							
Strategic investments	836 655	1 986 844	422 446	278 914	—	—	3 524 859
Financial asset – derivative financial instrument	3 242	—	—	—	—	—	3 242
Current assets							
Current portion of strategic investments	—	23 358	10 294	—	—	—	33 652
Trade and other receivables	6 875	474 438	173 825	1 564	—	72 677	729 379
Cash and cash equivalents	—	—	—	—	871 080	—	871 080
Non-financial assets							
	—	—	—	—	—	2 185 360	2 185 360
	846 772	2 484 640	606 565	280 478	871 080	2 258 037	7 347 572
<i>Financial asset categories</i>							
Fair value							
Held for trading	3 242	—	—	—	—	—	3 242
Designated at "fair value through profit and loss"	836 655	2 010 202	432 740	278 914	—	—	3 558 511
– Listed investments	82	—	404 915	278 914	—	—	683 911
– Unlisted investments	836 573	2 010 202	27 825	—	—	—	2 874 600
Amortised cost							
Loans and receivables	6 875	474 438	173 825	1 564	871 080	72 677	1 600 459
Trade and other receivables	6 875	474 438	173 825	1 564	—	72 677	729 379
Cash and cash equivalents	—	—	—	—	871 080	—	871 080
Non-financial assets							
	—	—	—	—	—	2 185 360	2 185 360
	846 772	2 484 640	606 565	280 478	871 080	2 258 037	7 347 572

Notes to the financial statements continued**34. FINANCIAL INSTRUMENTS** *(continued)***34.3 Analysis of financial assets and liabilities** *(continued)***Financial liabilities**

	Investment funding		Asset-based finance amortised cost	Other		Total
	Fair value through profit and loss	Amortised cost		Amortised cost	Non- financial instru- ments	
Group: 2009	R'000	R'000	R'000	R'000	R'000	R'000
Capital and reserves	—	—	—	—	4 017 544	4 017 544
Non-current and current liabilities						
Interest-bearing liabilities	365 037	1 193 426	150 365	55 883	—	1 764 711
Financial liability – derivative financial instrument	34 199	—	—	—	—	34 199
Non-interest-bearing liabilities	—	—	—	2 697	22 324	25 021
Trade and other payables	—	—	—	509 173	231 365	740 538
Non-financial liabilities	—	—	—	—	483 123	483 123
	399 236	1 193 426	150 365	567 753	4 754 356	7 065 136

Financial liabilities

	Investment funding		Asset- based finance amortised cost	Other		Total
	Fair value through profit and loss	Amortised cost		Amortised cost	Non- financial instru- ments	
Group: 2008	R'000	R'000	R'000	R'000	R'000	R'000
Capital and reserves	—	—	—	—	3 943 488	3 943 488
Non-current and current liabilities						
Interest-bearing liabilities	327 616	319 396	225 486	51 687	—	924 185
Non-interest-bearing liabilities	—	—	—	6 630	—	6 630
Accrued interest-bearing liabilities	—	1 288 943	—	—	—	1 288 943
Trade and other payables	—	—	—	383 927	352 057	735 984
Non-financial liabilities	—	—	—	—	448 342	448 342
	327 616	1 608 339	225 486	442 244	4 743 887	7 347 572

The fair value of the financial assets and liabilities carried at amortised cost is approximately equal to their carrying amounts. No gain or loss has been recognised in the income statement as a result of a change in the Group's credit spread. The valuation method utilised is based on the constant credit spread approach. Management has evaluated this assumption and determined that no adjustment is necessary in the current year.

Notes to the financial statements continued**34. FINANCIAL INSTRUMENTS** (continued)**34.4 Credit risk**

Credit and counterparty risk refers to the effects on future cash flows and earnings of borrowers defaulting on their obligations. This risk primarily arises through investing activities and trade receivables arising from subsidiaries.

Where a credit exposure arises as part of a strategic equity investment, the exposure is considered to be part of the investment and is initially evaluated and monitored based on the investment as a whole which may incorporate equities, options or other forms of instruments.

Significant cash deposits are placed with investment grade banks and the Group's central treasury monitors the exposure to any one financial institution by adherence to board-defined counterparty limits. In addition to the concentration risk arising from amounts placed on deposit, the Group also manages the exposure by limiting the duration of the amounts placed on deposit.

Trade receivables in most instances consist of a large number of customers, spread across diverse industries and geographical areas. Each subsidiary is responsible for the evaluation of customers prior to the granting of credit as each subsidiary has a unique customer base and differing levels of exposure. Credit exposures are managed through prudent credit limits and constant evaluation of repayment behaviour. Where the behaviour falls outside an acceptable range, remedial action is taken to recover the debt. Where services are provided, the continuation of the service is cancelled until full repayment has been received.

The Group very rarely renegotiates the terms of a loan agreement and, where this is considered necessary, the exposure remains classified as either past due or impaired.

Analysis of credit quality Group: 2009	Financial Services	Consumer Services	Con- struction and Infra- structure ¹	Telecoms, Media and Tech- nology	Other invest- ments	
	Receivables				Cash and cash equi- valents	
Credit quality analysis (high/medium/low)	High R'000	Medium ² R'000	High R'000	High R'000	High R'000	Total R'000
Financial assets that are neither past due nor impaired	8 145	222 750	176 748	22 047	469 552	899 242
Financial assets that are past due but not yet impaired (per age analysis)	—	189 825	863	105	—	190 793
0 – 30 days	—	84 551	369	—	—	84 920
31 – 60 days	—	37 357	63	75	—	37 495
61 – 90 days	—	27 457	19	30	—	27 506
> 90 days	—	40 460	412	—	—	40 875
Financial assets that are impaired	—	69 192	1 184	143	—	70 519
Carrying amount	—	104 765	9 713	37 708	—	152 186
Provision for impairment	—	(35 573)	(8 529)	(37 565)	—	(81 667)
Total credit exposure	8 145	481 767	178 795	22 295	469 552	1 160 554

¹TFMC has a large operational exposure to Telkom. This exposure represents a concentration risk for the Group both strategically and in terms of credit risk. This relationship is closely managed and the credit risk is mitigated through upfront monthly payments of some of the services rendered.

²Consumer Services is considered to be of medium credit quality as the industries involved are subjected to cyclical trends, interest and inflation rate changes.

Notes to the financial statements continued**34. FINANCIAL INSTRUMENTS** (continued)**34.4 Credit risk** (continued)

Analysis of credit quality Group: 2008	Financial Services	Consumer Services	Con- struction and Infra- structure ¹	Telecoms, Media and Tech- nology	Other invest- ments	Total R'000
	Receivables				Cash and cash equi- valents	
Credit quality analysis (high/medium/low)	High R'000	Medium ² R'000	High R'000	High R'000	High R'000	
Financial assets that are neither past due nor impaired	6 875	211 393	172 751	1 564	871 080	1 263 663
Financial assets that are past due but not yet impaired (per age analysis)	—	236 670	808	—	—	237 478
0 – 30 days	—	113 597	214	—	—	113 811
31 – 60 days	—	54 997	279	—	—	55 276
61 – 90 days	—	25 991	—	—	—	25 991
> 90 days	—	42 085	315	—	—	42 400
Financial assets that are impaired	—	26 375	266	—	—	26 641
Carrying amount	—	103 726	8 123	—	—	111 849
Provision for impairment	—	(77 351)	(7 857)	—	—	(85 208)
Total credit exposure	6 875	474 438	173 825	1 564	871 080	1 527 782

¹TFMC has a large operational exposure to Telkom. This exposure represents a concentration risk for the Group both strategically and in terms of credit risk. This relationship is closely managed and the credit risk is mitigated through upfront monthly payments of some of the services rendered.

²Consumer Services is considered to be of medium credit quality as the industries involved are subjected to cyclical trends, interest and inflation rate changes.

Unless otherwise indicated, the maximum exposure to credit risk is the carrying value of the financial assets. Given the nature of the risk, no additional collateral is taken against the credit risk exposures except for credit guarantee insurance, where considered appropriate.

Reconciliation of allowance account	Financial Services R'000	Consumer Services R'000	Con- struction and Infra- structure R'000	Telecoms, Media and Tech- nology R'000	Cash and cash equi- valents R'000	Non- financial instru- ments R'000	Total R'000
At 30 June 2007	—	58 482	3 292	—	—	—	61 774
Current year charge net of recoveries	—	19 389	4 565	—	—	—	23 954
Net disposals of subsidiaries	—	(520)	—	—	—	—	(520)
At 30 June 2008	—	77 351	7 857	—	—	—	85 208
Current year charge net of recoveries	—	(33 592)	672	37 565	—	—	4 645
Net disposals of subsidiaries	—	(8 186)	—	—	—	—	(8 186)
At 30 June 2009	—	35 573	8 529	37 565	—	—	81 667

Notes to the financial statements continued**34. FINANCIAL INSTRUMENTS** (continued)**34.5 Market risk**

Market risk is the potential change in the value of a financial instrument resulting from changes in market conditions or market parameters such as equity prices, exchange rates or interest rates.

The Group is exposed to three primary types of market risk, namely equity risk, interest rate risk and currency risk.

The specific risk management objectives, policies and procedures relating to each type of market risk, are described in the sections below.

34.5.1 Equity risk management

The Group's primary exposure to equity risk is through the strategic medium- to long-term investments entered into by the Group. These investments are entered into to derive medium- to long-term value for shareholders through increases in their respective share prices of the listed investments and unlisted investments whose fair values are determined by using market indicators. Each investment opportunity follows a rigorous evaluation process to determine the investment potential. Thereafter the specifics of the deal are defined so as to ensure the most appropriate risk exposure.

As the investments are strategic in nature, the Group does not currently hedge the equity price risk inherent in the investment, but manages performance, to the extent possible, on an investment-specific basis.

	Carrying value at year-end	Carrying value exposed to market risk	Reasonably possible change ¹	Income statement impact	
	R'000	R'000	%	Pretax R'000	Posttax ² R'000
Group: 2009					
Financial assets					
Strategic investments	3 870 358	3 626 409	2,34	84 858	11 880
	3 870 358	3 626 409		84 858	11 880
Financial liability					
Preference shares issued to the IDC	365 037	365 037	2,34	8 542	1 196
	365 037	365 037		8 542	1 196
Group: 2008					
Financial assets					
Strategic investments	3 558 511	2 922 967	19,58	572 317	492 193
	3 558 511	2 922 967		572 317	492 193
Financial liability					
Preference shares issued to the IDC	327 616	327 616	19,58	64 147	55 166
	327 616	327 616		64 147	55 166

¹Based on the average estimated volatility in the all share index (alsi) over a period of one year.

²CGT rate.

Notes to the financial statements continued**34. FINANCIAL INSTRUMENTS** *(continued)***34.5 Market risk** *(continued)***34.5.2 Interest rate risk management**

Interest rate risk refers to the impact on future cash flows and earnings of assets and liabilities of interest rates repricing either at different points in time or on a different basis.

The Group itself is not exposed to a significant amount of interest rate risk relative to its exposure to equity risk and therefore the majority of the funding and asset profile is at variable interest rates. This exposure is monitored relative to the investments and, where considered necessary, management may hedge the exposure to interest rate risk either through fixed rate funding or interest rate derivatives.

Group: 2009	Carrying value at year-end R'000	Carrying value exposed to market risk R'000	Index to which interest rate is linked R'000	Reasonably possible change¹ %	Income statement impact Pretax R'000	Posttax R'000
Financial assets						
Strategic investments	54 151	54 151	Prime	3	1 625	455
Cash and cash equivalents	469 552	469 552	Prime	3	14 087	3 944
	523 703	523 703			15 712	4 399
Financial liabilities						
Asset-based finance	150 365	150 365	Prime	3	4 511	1 263
Other loans	64	64	Prime	3	2	2
Term loan	55 819	55 819	JIBAR	3	1 676	469
Preference A shares issued to Absa Capital	237 113	237 113	Prime	3	7 113	1 992
Preference B shares issued to Absa Capital	104 435	104 435	Prime	3	3 133	877
Preference shares issued to United Towers	241 219	241 219	Prime	3	7 237	2 026
Preference shares issued to Depfin	241 219	241 219	Prime	3	7 237	2 026
Preference A shares issued to Depfin	250 261	250 261	Prime	3	7 508	2 102
Preference B shares issued to Depfin	119 179	119 179	Prime	3	3 575	1 001
Financial liability – derivative financial instrument	34 199	34 199	JIBAR	3	1 026	287
	1 433 873	1 433 873			43 016	12 043

Notes to the financial statements continued**34. FINANCIAL INSTRUMENTS** (continued)**34.5 Market risk** (continued)**34.5.2 Interest rate risk management** (continued)

Group: 2008	Carrying value at year-end	Carrying value exposed to market risk	Index to which interest rate is linked	Reasonably possible change ¹	Income statement impact	
	R'000	R'000	R'000	%	Pretax R'000	Posttax R'000
Financial assets						
Cash and cash equivalents	871 080	871 080	Prime	1	8 711	6 272
Strategic investments	118 930	112 056	Prime	1	1 121	807
Financial asset – derivative financial instrument	3 242	3 242	JIBAR	1	32	23
	993 252	986 378			9 864	7 102
Financial liabilities						
Asset-based finance	225 486	225 486	Prime	1	2 255	1 624
Bank loan	10 294	10 294	Prime	1	103	74
Term loan	51 623	51 623	JIBAR	1	516	372
Other loan	64	64	Prime	1	²	²
Preference A shares issued to Absa Capital	215 427	215 427	Prime	1	2 154	1 551
Preference B shares issued to Absa Capital	93 675	93 675	Prime	1	937	674
Accrued interest-bearing liability	1 288 943	1 010 000	Prime	1	10 100	7 272
Total financial liabilities	1 885 512	1 606 569			16 065	11 567

¹The reasonably possible interest rate change is determined based on the greater of the maximum or minimum interest rate as forecasted by analysts over the next financial year.

²Under R1 000.

34.6 Foreign exchange rate risk management

Foreign exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has very limited exposure to foreign exchange rate risk. The risk arises in limited circumstances within some of the operating divisions. In most instances the risk is passed directly back to the customer. In the limited instances where the risk cannot be transferred to the customer, foreign exchange contracts may be taken out to hedge the risk. Management determines the need for cover based on a case-by-case basis after considering factors such as size and duration of exposure. When the risk does arise, management monitors the exposure on an individual basis.

Group: 2009	Carrying value at year-end	Carrying value exposed to market risk	Index to which interest rate is linked	Reasonably possible change ¹	Income statement impact	
				%	Pretax	Posttax
Financial assets						
Cash and cash equivalents	54 151	54 151	USD	10,00	5 415	1 516
Cash and cash equivalents (R'000)	6 812	6 812	Other	10,00	681	191
	60 963	60 963			6 096	1 707
Financial liabilities						
Deposit received in advance	26 144	26 144	USD	10,00	2 614	732
	26 144	26 144			2 614	732

For 30 June 2008 there were no financial assets or liabilities that were subject to foreign exchange rate risk.

¹The reasonably possible foreign exchange rate change is based on management expectation for the next financial year.

Notes to the financial statements continued**34. FINANCIAL INSTRUMENTS** *(continued)***34.7 Liquidity**

Liquidity risk arises in the general funding of the Group's activities when there are mismatches between the sizes and maturities of assets and liabilities and also in its strategic investments, funds management and trading operations. The liquidity risk refers to the ability of the Group to meet its financial obligations as they fall due. The amounts in the table below are the contractual undiscounted cash flows.

The Group has a central treasury that is responsible for monitoring the liquidity position and ensuring that the Group is able to meet its contractual obligations. The treasury monitors the position through the use of daily, weekly and a rolling monthly liquidity analyses. These cash flow analyses are used to determine the appropriate cash investment strategy.

Each operating division is responsible for the management of short-term cash flows but are incentivised to place excess cash on deposit with the treasury on a daily basis. No division is allowed to invest excess cash for themselves.

The Group has significant cash reserves and therefore rarely uses overdraft facilities except for short-term operational reasons. The Group has access to approved banking facilities of R62 million (2008: R62 million).

Group: 2009	Carrying value at year-end R'000	0 to 3 months R'000	4 to 6 months R'000	7 to 12 months R'000	1 to 2 years R'000	2 to 3 years R'000	Greater than 3 years R'000	Total R'000
Asset-based finance	150 365	17 616	17 497	32 701	53 275	24 291	13 361	158 741
Investment funding								
Preference shares issued to the IDC	365 037	—	—	—	—	515 223	—	515 223
Preference A shares issued to Absa Capital	237 113	—	—	—	—	—	301 894	301 894
Preference B shares issued to Absa Capital	104 435	—	—	—	—	—	137 339	137 339
Preference shares issued to United Towers	241 219	—	—	—	68 303	123 270	125 941	317 514
Preference shares issued to Depfin	241 219	—	—	—	68 303	123 270	125 941	317 514
Preference A shares issued to Depfin	250 261	—	—	—	—	—	428 105	428 105
Preference B shares issued to Depfin	119 179	—	—	—	—	—	553 154	553 154
Other liabilities								
Financial liability-derivative financial instrument	34 199	—	—	—	—	—	34 199	34 199
Term loan	55 819	1 413	1 406	52 822	459	506	4 899	61 505
Other loan	64	64	—	—	—	—	—	64
Non-interest-bearing liability	2 697	2 697	—	—	—	—	—	2 697
Trade and other payables	509 173	509 173	—	—	—	—	—	509 173
	2 310 780	530 963	18 903	85 523	190 340	786 560	1 724 833	3 337 122

Notes to the financial statements continued**34. FINANCIAL INSTRUMENTS** (continued)**34.7 Liquidity** (continued)

	Carrying value at year- end	0 to 3 months	4 to 6 months	7 to 12 months	1 to 2 years	2 to 3 years	Greater than 3 years	Total
Group: 2008	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Asset-based finance	225 486	38 015	36 960	52 509	85 066	33 022	30 291	275 863
Investment funding								
Preference shares issued to the IDC	327 616	—	—	—	—	—	490 748	490 748
Preference A shares issued to Absa Capital	215 427	—	—	—	—	—	343 687	343 687
Preference B shares issued to Absa Capital	93 675	—	—	—	—	—	159 076	159 076
Bank loan	10 294	2 784	2 784	5 595	—	—	—	11 163
Accrued interest-bearing liability	1 288 943	1 288 943	—	—	—	—	—	1 288 943
Other liabilities								
Term loan	51 623	1 623	51 983	—	—	—	—	53 606
Other loan	64	64	—	—	—	—	—	64
Non-interest- bearing liability	6 630	6 630	—	—	—	—	—	6 630
Trade and other payables	383 927	383 927	—	—	—	—	—	383 927
	2 603 685	1 721 986	91 727	58 104	85 066	33 022	1 023 802	3 013 707

Notes to the financial statements continued

35. RETIREMENT BENEFITS

Approximately 80% (2008: 87%) of the Group's employees are members of various pension and provident funds. These funds include the Mvelaphanda Group Provident Fund, a defined-contribution fund which is governed by the Pension Funds Act No 24 of 1956, various independently administered defined-contribution funds of the operating companies, and defined-contribution funds for the industries in which the Group employees work. The Group's contributions to all retirement funds are charged against income when incurred. The Group contributed R72 974 000 (2008: R85 351 000) to defined-contribution plans during the year.

36. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

There have been no events between 30 June 2009 and the date of these financial statements which necessitate adjustment to the income statement or balance sheet at that date.

Final dividend

Ordinary shares

The directors of Mvelaphanda Group have resolved not to declare a final dividend for the year ended 30 June 2009. This is due to the Group reviewing specific assets within the context of the Restructuring plan. Should the cash not be used, it will be returned to shareholders in the most efficient manner.

Preference shares

The directors of Mvelaphanda Group have resolved to declare a cash preference dividend (No 8) of 27,5 cents per preference share for the period ended 30 June 2009 to preference shareholders. The last day to trade 'cum' the preference dividend in order to participate in the preference dividend is Thursday, 17 September 2009. The preference shares of Mvelaphanda Group will commence trading 'ex' the preference dividend from the commencement of business on Friday, 18 September 2009, and the record date will be Friday, 25 September 2009. The preference dividend will be paid to preference shareholders on Monday, 28 September 2009. Preference share certificates may not be dematerialised or rematerialised between Friday, 18 September 2009 and Friday, 25 September 2009, both days inclusive.
