



ANNUAL REPORT

2008

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DIRECTORATE

The full names, ages, business addresses and role of the directors of Top Fix are outlined below:

Name of director/ company secretary	Age	Business address	Role within Top Fix group and abbreviated <i>curriculum vitae</i>
Benjamin Webber Marais*	44	146 Lechwe Street, Corporate Park South, Midrand 1682	<i>Group Chief Executive Officer</i> Webber combines an academic financial background with a strong entrepreneurial approach to business. In recent years he has succeeded in building a number of profitable businesses capitalising on his ability to combine strategic approach with his keen sense for market opportunities. As a natural leader with great networking and inter-personal skills, he was a founder member of all the companies in the Top Fix group.
Francois Fouche Goosen*	64	146 Lechwe Street, Corporate Park South, Midrand 1682	<i>Group Commercial Director</i> Prop has extensive experience in human resource management including, <i>inter alia</i> , contract management for a workforce of 4 000 people and was instrumental in the establishment of M&S Projects (Proprietary) Limited and SAT.
James Andrew Barker*	45	146 Lechwe Street, Corporate Park South, Midrand 1682	<i>Group Financial Director</i> After completing his articles with Deloitte & Touche, James worked at Dorbyl Limited rising through the ranks from Group Accountant to Group Financial Manager. James then worked for IFS Consulting (Proprietary) Limited, where he obtained some corporate finance experience prior to joining Top Fix from Tangine Capital Partners (Proprietary) Limited.
Perry Raymond Todd*	44	146 Lechwe Street, Corporate Park South, Midrand 1682	<i>Managing Director, Top Fix Scaffolding</i> Perry has more than 25 years' experience in the scaffolding industry. As a co-founder of Top Fix Scaffolding in 1999 he has been instrumental in building it into one of the leading local access scaffolding companies with a superb infrastructure, sound management and a trained and motivated workforce.
Bulelani Thandabantu Ngcuka #	53	21 Impala Road Chislehurst Sandton 2196	<i>Non-executive Chairman</i> Bulelani has had a distinguished career in public service, politics, law and business. He was appointed Deputy Chairperson of the National Council of Provinces. In 1997 he was given the task of setting up South Africa's first National Prosecuting Authority which, under his leadership, became the country's leading agency in crime fighting and law enforcement. Since 2004 he has served as chairman and a board member of a number of listed companies and investment holding entities.

DIRECTORATE (continued)

Name of director/ company secretary	Age	Business address	Role within Top Fix group and abbreviated <i>curriculum vitae</i>
Johan Jacobus Senekal #+	60	Christina de Wit Street, de Meule Prince Albert 6930	<i>Non-executive Director (independent)</i> Johan brings a wealth of experience in the banking sector and the financial market to the board of Top Fix. He is a founding member and director of stock broking firm, Senekal, Mouton and Kitshoff. He contributes to the board through his knowledge of companies, market trends and the environment within which Top Fix operates as well as the maintenance of good corporate governance principles.
Kagiso Gerald Bodigelo #+	35	9 The Weavers cnr Van Heerden & Dornel Roads Vorna Valley Midrand 1682	<i>Non-executive Director (independent)</i> Kagiso was a senior project manager at the Public Investment Corporation, where he undertook a number of corporate finance and private equity related deals involving telecommunication, industrial and financial services, including funding on the FirstRand Black Economic Empowerment (BEE) transaction. He was an executive director of The Prepaid Company, Blue Telecommunications.
Mark Nico Hattingh	35	6 Topaz Street Lyttelton Manor Centurion 0157	<i>Company Secretary</i> Mark is admitted as an Attorney, Notary and Conveyancer and he has ten years' experience in Commercial Law, Property Law, Contracts and Litigation. He is the senior partner in a successful legal practice which he established. With his strong legal background he contributes to the Top Fix group in areas pertaining to legal and management issues and corporate governance.

* *Executive*
Non-executive
+ *Independent*

CHAIRMAN'S AND CHIEF EXECUTIVE'S REPORT

The Board of directors is pleased to announce the results of the group of the past financial year. Although not achieving its projected earnings, the group has successfully increased its capacity and improved administrative systems placing it in a sound position to take advantage of future opportunities.

The group grew taxed profit nearly four-fold in the year to June 2008. Profit after tax increased from R4 million to R15,8 million on turnover that was 18% higher at R227 million. Basic and headline earnings were 8,3 cents a share compared with a restated 2,3 cents in the year to June 2007. The restatement, from 4,8 cents a share, was as a result of impairment of amounts owing on joint-venture contracts.

These results are, however, 36% below the forecast earnings of 13,5 cents a share per the Group's pre-listing statement when listing on the JSE in December 2006. Earnings were negatively affected by disputed debtors' balances which, for prudence, have been impaired. The impact of this impairment provision was a reduction in earnings of 3 cents a share. The shortfall against forecast was due to difficult economic conditions experienced in the second half of the financial year: the higher fuel price and severe disruptions as a result of the Eskom power outages. Operating profit of R25,1 million was, however, 3,3 times the figure achieved in the prior year.

The interest charge increased by R3,4 million, owing primarily to a delay in the group's rights issue to fund its scaffolding capital expansion programme, which nevertheless proceeded as planned, funded from borrowings, most of which were repaid when the rights issue was finalised in February 2008. Had the expenditure been delayed, steel price increases would have translated into an equivalent cost 50% higher than that which was in fact incurred. Scaffolding contributed R16,9 million, compared to the previous year's R6,3 million loss, to the group's total operating income. Personnel outsourcing contributed R7,5 million (2007: R13 million), while safety surveillance was unchanged at R1,5 million.

Net asset value improved to 77,3 cents per share (2007:54,9 cents restated). The tangible net asset value per share improved to 48,7 cents per share (2007: 23,6 cents restated). The group has increased its scaffolding stock from 4 000 tons to 9 000 tons.

Top Fix's scaffolding expansion programme, coupled with the local shortage of skilled artisans, place the group in a strong position to take advantage of any opportunities that present themselves in the current financial year. Notwithstanding global and domestic recessionary conditions, the Group will continue to benefit from ongoing infrastructural expenditure.

The directors resolved not to declare a dividend and to continue investing cash generated by operations in securing future growth which is in line with the Group's dividend policy.

The board wishes to thank shareholders who have supported us during the past financial year and trust their loyalty will be rewarded accordingly.

NATURE OF BUSINESS

The Top Fix Group operates mainly as a provider of scaffolding and personnel, primarily to the building sector, chemical and petro-chemical plants and the construction sector of the South African economy. Top Fix Scaffolding currently has a stockholding in excess of 9 000 tons of scaffolding. The companies of Top Fix Group have been in operation for more than 15 years and comprise the following wholly owned subsidiaries:

- Top Fix Scaffolding (Pty) Limited;
- MBM Administration and Labour Brokers (Pty) Limited;
- M&S Projects (Pty) Limited;
- Safety Adherence Technology (Pty) Limited;
- S&MS Holdings (Pty) Limited; and
- Umdeni Labour Services (Pty) Limited which is to be used to create a black empowered company in which M&S Projects will hold a 49% interest.

The businesses are divided into three specialised areas:

- The provision and leasing of scaffolding to the construction sector (Top Fix Scaffolding);
- The provision of scaffolding personnel to industrial sites (MBM) and the provision in various craft categories to the chemical and petro-chemical industries, open cast and underground coal mining operations, manufactures of mining equipment and the construction industry (M&S Projects); and
- The provision of safety surveillance and access control equipment on chemical and petro-chemical plants (Safety Adherence Technologies).

CHAIRMAN'S AND CHIEF EXECUTIVE'S REPORT (continued)

The Group is managed as three separate segments, each Managing Director responsible for their respective segment.

Each segment is responsible for its own marketing and efficient operation. Payroll, labour relations and administration are performed by M&S Projects (Pty) Limited.

DIVISIONAL REVIEW

ACCESS SCAFFOLDING

The operation provides a scaffolding contracting service to the construction sector in Gauteng, Western Cape, Kwa-Zulu Natal, Eastern Cape and Mpumalanga. It is the market leader in Gauteng.

Scaffolding was the star performer for the year with operating profit of R16,8 million compared to restated losses generated in the previous year of R6,3 million. Normalised to exclude the impact of the credit note provisions, an operating profit of R25,9 million would have been achieved. These results support capital expansion in this operation both in the current and prior year, and also support management's faith in the division.

An amount of R9,2 million is due to MBM Technical Services (Proprietary) Limited, a company controlled by Mr BW Marais, and includes an amount previously held against deferred option agreements which have now been cancelled. The amount is unsecured and has been adjusted to exclude the impact of imputed interest since the loan is currently interest free, and is repayable on demand, subject to 12 months notice, which notice had not been given at 30 June 2008.

Management remains optimistic regarding the performance of Scaffolding.

PERSONNEL OUTSOURCING

Personnel Outsourcing provides personnel in various craft categories to the chemical and petro-chemical industries, open cast and underground coal mining operations, manufactures of mining equipment and the construction industry.

Personnel Outsourcing achieved operating profit for the year of R7,5 million which is in line with expectations, but compares to R11,9 million for last year excluding a fair value adjustment.

Management is confident that this division will experience exceptional growth in the next few years as the demand for skilled personnel will grow significantly in the markets to which it renders services.

SURVEILLANCE

The division provides a safety surveillance and access control system on chemical and petro-chemical plants. Safety Surveillance achieved an operating profit of R1,5 million, in line with the previous year and expectations.

The division has experienced stable growth over the past few years and management is confident that this will continue.

CORPORATE GOVERNANCE

Top Fix management made an important start in organising the structures and procedures recommended in terms of the King II Report on Corporate Governance.

LABOUR RELATIONS

The responsibility for continued harmonious labour relations has been assigned to each operating division's Manager with assistance from Top Management, Abeaut Nqoko; Director Personnel is performing excellently, but will require assistance because of the large geographical areas that has to be covered.

CUSTOMER SATISFACTION

Customer satisfaction remains of utmost importance throughout the group. We continue to strive to fulfil our philosophy of commitment to our customers in quality products and exceptional service at the right price. Through constant communication, the group has established very good relationships with our customers and this remains important to us. The Group continually strives to be the preferred supplier and thanks all its customers for their loyal support.

TRAINING

Both the scaffolding and personnel outsourcing companies are vigorously involved in training and Top Fix Scaffolding has its own accredited training centre through the construction SETA.

CHAIRMAN'S AND CHIEF EXECUTIVE'S REPORT (continued)

OCCUPATIONAL HEALTH AND SAFETY

All companies in the group are compliant with the new Occupational Health and Safety Act. All safety plans are in place and relevant staff have been for induction and first aid training. All statutory requirements have been fully complied with.

BLACK ECONOMIC EMPOWERMENT

The Group is committed to transformation and has a strong BEE element in place through Vuwa Investments (Pty) Limited, with a 25% interest in Top Fix's equity. The BEE rating of Top Fix Group is in the process of being finalised.

JOINT VENTURE

Top Fix Scaffolding entered into a 50/50 joint venture with Robor (Proprietary) Limited ("the joint venture") to set up a scaffolding manufacture and hire operation. Top Fix's investment in this joint venture amounted to R8 million on loan account in accordance with the joint venture agreement. By mutual agreement, this venture was terminated on 30 June 2008, with the amount due on loan account to be repaid through the supply of additional scaffolding equipment. The effect of the joint venture results on Group earnings for the year was insignificant.

The loan has been repaid subsequent to 30 June 2008 through the supply of scaffolding equipment to Top Fix Scaffolding (Pty) Limited at market related rates.

FUTURE PROSPECTS

The recent Scaffolding expansion programme and local shortage of skilled artisans leave both the Scaffolding and Personnel Outsourcing operations well placed to take advantage of opportunities in South Africa. The group therefore expects to achieve satisfactory results for the year to 30 June 2009.

STATEMENT OF COMPLIANCE WITH THE KING II REPORT

The board of Top Fix confirms its commitment to the principles of fairness, accountability, responsibility and transparency as advocated in the Code of Corporate Practices and Conduct as set out in the Second King Report on Corporate Governance (King Code). Top Fix is in the process of ensuring its compliance with the principles of the King Code. Through this process, shareholders and other stakeholders may derive assurance that the Group is being ethically managed according to the prudently determined risk parameters and in compliance with generally accepted corporate practices. This includes timely, relevant and meaningful reporting to its shareholders and other stakeholders providing a proper and objective perspective to Top Fix. In the opinion of the directors, the Group will substantially comply with the King Code in respect of the forthcoming financial year.

The directors of Top Fix are committed to the principles of transparency, integrity and accountability in dealings with all stakeholders.

ANNUAL FINANCIAL STATEMENTS

In accordance with the requirements of the Act, the directors are responsible for the preparation of annual financial statements, which fairly present the state of affairs of the Group, and to ensure that accounting policies supported by reasonable and prudent judgments and estimates are applied consistently. The directors are further responsible for ensuring that applicable accounting standards are adhered to. The external auditors are responsible for carrying out an independent examination of the financial statements and to report their findings thereon in accordance with International Financial Reporting Standards, the AC 500 standards as issued by the Accounting Practices Board and the Companies Act.

BOARD OF DIRECTORS

The board of directors meets quarterly and, in addition to being responsible for preparing financial statements is also responsible for monitoring executive management and exercising control over the Group's activities

The board of directors includes three non-executive directors, two of whom are independent, and four executive directors. The board sets overall Group policy, provides input and makes decisions on matters of strategic importance. The Group does not have a separate Nominations Committee. The nomination process is formal and transparent and is handled by the board as a whole.

AUDIT COMMITTEE

Messrs JJ Senekal and KG Bodigelo, both independent non-executive directors, and a representative of the Designated Advisor, PSG Capital (Pty) Limited, serve as members of the Audit Committee, which meets half-yearly.

The external auditors have unrestricted access to the committee and representatives of the external auditors attend the committee meetings by invitation. The principal functions, as set out in the formal terms of reference of the committee are to review the financial statements and accounting policies, the effectiveness of internal controls and to review and discuss the risks facing the Group and the findings and recommendations of the external auditors. The use of auditors for non-audit services is controlled by the committee.

INTERNAL AUDIT

The function and responsibility of the internal audit is to assess and appraise the systems of internal control and the policies and procedures of the Group, in order to monitor how adequate and effective they are in ensuring the achievement of organisational objectives, the relevance, reliability and integrity of management and financial information, the safeguarding of assets and compliance with relevant policies, procedures, laws and regulations. The internal audit function reports directly to the Audit Committee.

REMUNERATION COMMITTEE

This committee comprises Messrs BT Ngcuka, chairman and JJ Senekal, an independent non-executive director, and meets half-yearly. The purpose of the committee is to review directors' salaries and other benefits. This is done by reviewing remuneration packages in the marketplace to ensure that the Group is competitive and also offers a fair reward for individual contributions to the performance and well-being of the Group.

RISK MANAGEMENT

Although there is no formalised Risk Committee, the board of directors, which meets quarterly, is responsible for the Group's system of internal financial and operational control. The Group's internal controls are designed to provide reasonable, but not absolute, assurance as to the integrity and reliability of the financial statements and to safeguard, verify

STATEMENT OF COMPLIANCE WITH THE KING II REPORT (continued)

RISK MANAGEMENT (continued)

and maintain accurate records of the Group's assets and efficient management of the Group's resources and facilitate the early detection of potential fraud, liability, loss and material misstatement, whilst complying with the applicable laws and regulations.

The Audit Committee is also tasked with reviewing the Group's risk management process on behalf of the board as part of its mandate and to provide the board with regular reports in this regard.

EMPLOYMENT EQUITY

Top Fix recognises that it needs to play an active role, as a responsible corporate citizen, in contributing to the social and financial upliftment of historically disadvantaged individuals (HDIs). The group's BEE policy has been set based on the BEE draft Codes of Good Practice which will in future be used as a yardstick to set and measure its achievements. Top Fix is currently updating its BEE scorecard in line with the new set of codes as released in June 2006. The senior management team has increased its HDI percentage from 36% to 44%. Top Fix's current workforce comprises 98% HDIs. Top Fix has set aggressive employment equity targets for the future. Skills development is also a core component of the BEE development strategy which has as its focus the conduct of ongoing training courses for all disciplines on a weekly basis. BEE companies are favoured as suppliers for both goods and services. To ensure that suppliers to Top Fix comply with BEE policies, Top Fix insists on them completing a BEE questionnaire prior to securing work.

The Group is committed to providing fair and equitable treatment for all employees and creating a workplace in which individuals of ability and application can develop rewarding careers at all levels, regardless of ethnicity or gender.

In compliance with the Employment Equity Act (1998), the Group has submitted a report and future action plan to Government and has been working towards the achievement of the set targets.

TRAINING OF LABOUR

All Top Fix employees are trained for their relevant designations. Each person is certificated where necessary. Ongoing training at the offices in Wadeville ensures that staff are equipped with the necessary field skills. Training takes the form of in-house training, on-site training and accredited external training agencies. Top Fix Scaffolding's training centre was officially accredited by SETA in the past twelve months, whilst M&S Projects utilises an accredited training facility for its training purposes.

HEALTH AND SAFETY

The provision of scaffolding is controlled by the Occupational Health and Safety Act (section 1 and 10(2) and General Safety Regulations No. 13). Top Fix also recognises the South African National Standards Code of Practice for Access Scaffolding 10085 as the applicable standard. Supervisors are trained on the Department of Labour recognised training course "Scaffold Safety and Inspection" which complies with the SANS requirements. To implement and adhere to the above regulatory bodies, Top Fix has adopted the following policies:

- To take all reasonable steps to ensure the safety, health and welfare of all employees in fulfilment of its social, legal and economic responsibilities;
- To provide the right circumstances under which work may be carried out safely;
- To maintain close co-operation with clients, suppliers, sub-contractors, enforcement officers and safety advisers to ensure, as far as is reasonably practicable, that safety procedures and practices are satisfactory;
- To promote among its workers an awareness of safety matters and create an understanding of the importance of working practices as well as the use of protective clothing and safety aids; and
- To establish proper documentation procedures so as to define responsibility and accountability for safety at all staff management levels.

CODE OF ETHICS

The Group's Code of Ethics requires all employees within the Group to act with the utmost good faith and integrity in all transactions and with all stakeholders with whom they interact. It commits the Group and employees to sound business practices and compliance with legislation.

GOING CONCERN

The directors are satisfied that the Group will continue in operation for the foreseeable future and, on this basis, the "going concern" concept is used when preparing the annual financial statements.

DIRECTORS' STATEMENT OF RESPONSIBILITY

The directors of Top Fix Holdings Limited are responsible for the preparation of the financial statements and other information presented in the annual report in a manner that fairly presents the state of affairs and results of the operations of the Company and the Group. The annual financial statements contained on pages 10 to 42 have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The external auditors are responsible for carrying out an independent examination of the financial statements in accordance with International Standards on Auditing and reporting their findings thereon. The auditors' report is set out on page 9.

The directors have no reason to believe that the Company and the Group will not continue as going concerns in the year ahead and have prepared the financial statements on this basis.

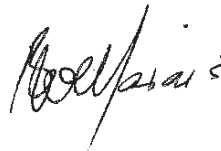
The directors assume responsibility for the annual financial statements and the group annual financial statements, set out on pages 10 to 42, which were approved by the board on 15 December 2008 and are signed on its behalf.



BT NGCUKA

Chairman

Johannesburg
15 December 2008



BW MARAIS

Chief executive

Johannesburg
15 December 2008

DECLARATION BY THE COMPANY SECRETARY

I hereby certify that the Company has lodged, with the Registrar of Companies, all such returns as are required of a public company, in terms of the Companies Act, 61 of 1973, as amended, and that all such returns are true, correct and up to date.



MN HATTINGH

Company secretary

Johannesburg
15 December 2008

INDEPENDENT AUDITORS' REPORT

To the members of Top Fix Holdings Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements and group financial statements of Top Fix Holdings Limited, which comprise the directors' report, the balance sheets as at 30 June 2008, the income statements, the statements of changes in equity and cash flow statements for the year then ended and a summary of significant accounting policies and other explanatory notes, as set out on pages 10 to 42.

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.

AUDITORS' 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 auditors' 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 controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial statements and Group financial statements present fairly, in all material respects, the financial position of the Company and the group as of 30 June 2008, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

PKF (JHB) INC

PKF (JHB) INC.

Per: Rudi Huiskamp

Registered Auditors

Chartered Accountants (SA)

Registration number 1994/001166/21

Johannesburg

15 December 2008

REPORT OF THE DIRECTORS

This report deals with matters not specifically dealt with elsewhere in the annual report.

NATURE OF BUSINESS

The Top Fix Group operates mainly as a provider of scaffolding and personnel, primarily to the building sector, chemical and petro-chemical plants and the construction sector of the South African economy. Top Fix Scaffolding currently has a stockholding in excess of 9 000 tons of scaffolding. The companies of Top Fix Group have been in operation for more than 15 years and comprise the following wholly owned subsidiaries:

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- M&S Projects (Pty) Limited;
- Safety Adherence Technology (Pty) Limited;
- S&MS Holdings (Pty) Limited; and
- Umdeni Labour Services (Pty) Limited which is to be used to create a black empowered company in which M&S Projects will hold a 49% interest.

The businesses are divided into three specialised areas:

- The provision and leasing of scaffolding to the construction sector (Top Fix Scaffolding);
- The provision of scaffolding personnel to industrial sites (MBM) and the provision in various craft categories to the chemical and petro-chemical industries, open cast and underground coal mining operations, manufactures of mining equipment and the construction industry (M&S Projects); and
- The provision of safety surveillance and access control equipment on chemical and petro-chemical plants (Safety Adherence Technologies).

The Group is managed as three separate segments, each Managing Director responsible for their respective segment.

Each segment is responsible for its own marketing and efficient operation. Payroll, labour relations and administration are performed by M&S Projects (Pty) Limited.

FINANCIAL RESULTS

The results of the Company and the group are set out in these financial statements. The nature of business and operations is commented on in the chief executive's review.

DIVIDENDS

No dividends have been declared and paid by the Company during the year. In terms of current policy, all earnings generated will be used to expand the group's core businesses and to increase the group's scaffolding stockholding.

It is the directors' intention to pay an annual dividend to shareholders once the Company has achieved mature growth and to reconsider the dividend policy periodically thereafter to take account of prevailing circumstances and future operating capital requirements.

DIRECTORS

There are three non-executive directors: BT Ncguka, KG Bodigelo and JJ Senekal. Messrs Senekal and Bodigelo are independent.

There are four executive directors: BW Marais, JA Barker, FF Goosen and PR Todd (see page 1).

In accordance with the Company's articles of association Messrs FF Goosen, JJ Senekal and BT Ncguka retire at the forthcoming annual general meeting. The retiring directors are eligible and offer themselves for re-election.

Mrs EMJ Groenewald resigned as a director of the Company on 30 November 2008.

ACQUISITIONS AND DISPOSALS

As per the SENS announcement of 13 June 2007, Top Fix entered into a 50/50 joint venture with Robor (Pty) Limited (TFR Scaffolding (Pty) Limited) to set up a scaffolding manufacturing and hire operation funded by an R8 million equity loan contribution to TFR Scaffolding.

REPORT OF THE DIRECTORS (continued)

Top Fix disposed of its interest in TFR Scaffolding to Robor (Pty) Limited on 30 June 2008 for R100. The equity loan account has been repaid subsequent to 30 June 2008 through the supply of scaffolding equipment to Top Fix Scaffolding (Pty) Limited at market related rates.

AUTHORISED AND ISSUED SHARE CAPITAL

The authorised share capital remained unchanged during the year. The issued share capital was increased by R1 818 to R20 318 through the issue of 18 181 818 shares of 0,01 cents by rights issue on 15 February 2008. Total capital raised was R40 million, less share issue expenses of R479 000.

SPECIAL RESOLUTIONS ADOPTED BY SUBSIDIARY COMPANIES

No special resolution of significance to the appreciation of the state of affairs of the group was passed by any subsidiary during the past year.

INTEREST OF DIRECTORS AND DIRECTORS' REMUNERATION

The interest of the directors in the shares of the Company and directors' remuneration is set out on pages 12 and 13.

SUBSIDIARIES

Details of the principal subsidiaries and their aggregate after-tax profits/(losses) can be found in note 4 on page 25.

RELATED PARTY TRANSACTIONS

See note 26 on page 33 for details of related party transactions.

CHANGES IN ESTIMATE

During the year the Group reassessed the estimated useful live and residual value of its scaffolding equipment. See note 31 on page 40 for details.

PRIOR YEAR ADJUSTMENT

Trade receivables at 30 June 2007 included an amount of R7,1 million pertaining to under-recoveries on joint venture contracts, where Top Fix Scaffolding provided personnel and the other partners provided scaffolding equipment, which contracts expired in December 2006. As a result of the auditors not being able to obtain appropriate audit evidence as to the existence and recoverability of the debtor, the annual financial statements of 30 June 2007 were issued with a qualified audit opinion.

As at 30 June 2008, the debtors' balance referred to above had still not been finalised. The directors still intend to pursue recovery of this account, but have decided, as per the SENS announcement of 29 August 2008, given the length of time involved in the recovery process, and in compliance with IFRS and the request of the JSE, to fully impair the amount and restate the financial figures previously published.

See note 2 on page 23 for further details.

CAPITAL COMMITMENTS AND CONTINGENCIES

The Group has no significant outstanding capital commitments or contingencies at 30 June 2008, nor at 15 December 2008.

BORROWING POWERS

In terms of the Company's articles of association, the directors have unlimited borrowing powers.

DISCLOSURE IN RESPECT OF DIRECTORS

Directors' shareholding

	Direct	Beneficial Indirect	Total	Non- beneficial Indirect	Total
2008					
BT Ngcuka	100	50 685 000	50 685 100	–	50 685 100
BW Marais	1 442 886	53 479 970	54 922 856	720 000	55 642 856
JA Barker	100	250 000	250 100	–	250 100
FF Goosen	100	8 150 000	8 150 100	–	8 150 100
EMJ Groenewald (resigned 30/11/2008)	100	600 000	600 100	–	600 100
JJ Senekal	50 100	1 350 000	1 400 100	–	1 400 100
PR Todd	100	5 150 000	5 150 100	–	5 150 100
	1 493 486	119 664 970	121 158 456	720 000	121 878 456
2007					
BT Ngcuka	200 100	46 500 000	46 700 100	–	46 700 100
BW Marais	100	51 800 000	51 800 100	720 000	52 520 100
JA Barker	100	250 000	250 100	–	250 100
FF Goosen	100	8 150 000	8 150 100	–	8 150 100
EMJ Groenewald	100	600 000	600 100	–	600 100
JJ Senekal	50 100	1 000 000	1 050 100	–	1 050 100
PR Todd	100	5 150 000	5 150 100	–	5 150 100
	250 700	113 450 000	113 700 700	720 000	114 420 700

Directors' remuneration

	Basic salary/ other fees R	Travel and subsistence allowance R	Total other services R	Services as director – fees R	Total R
2008					
BT Ngcuka	24 000	–	24 000	48 000	72 000
BW Marais	1 306 000	570 000	1 876 000	–	1 876 000
JA Barker	420 000	120 000	540 000	–	540 000
KG Bodigelo	21 000	–	21 000	28 000	49 000
FF Goosen	479 500	205 500	685 000	–	685 000
EMJ Groenewald (resigned 30/11/2008)	585 000	130 000	715 000	–	715 000
JJ Senekal	35 000	–	35 000	28 000	63 000
PR Todd	840 000	576 000	1 416 000	–	1 416 000
	3 710 500	1 601 500	5 312 000	104 000	5 416 000

Remuneration paid by:

	Top Fix Holdings Limited R	MBM Adminis- tration & Labour Brokers (Pty) Limited R	M&S Projects (Pty) Limited R	Top Fix Scaffolding (Pty) Limited R	Safety Adherence Technologies (Pty) Limited R	Total R
BT Ngcuka	72 000	–	–	–	–	72 000
BW Marais	–	756 000	360 000	480 000	280 000	1 876 000
JA Barker	–	–	540 000	–	–	540 000
KG Bodigelo	49 000	–	–	–	–	49 000
FF Goosen	–	–	360 000	–	325 000	685 000
EMJ Groenewald (resigned 30/11/2008)	–	–	715 000	–	–	715 000
JJ Senekal	63 000	–	–	–	–	63 000
PR Todd	–	600 000	–	816 000	–	1 416 000
	184 000	1 356 000	1 975 000	1 296 000	605 000	5 416 000

DISCLOSURE IN RESPECT OF DIRECTORS (continued)

Directors' remuneration (continued)

	Basic salary	Travel and subsistence allowance	Bonus and other incentives	Other material benefits	Total other services	Services as director – fees	Total
	R	R	R	R	R	R	R
2007							
BT Ngcuka	–	–	–	–	–	12 000	12 000
BW Marais	1 302 266	540 000	–	60 000	1 902 266	–	1 902 266
JA Barker	230 000	40 000	–	–	270 000	–	270 000
FF Goosen	660 000	–	–	25 000	685 000	–	685 000
EMJ Groenewald	377 615	44 000	45 000	–	466 615	–	466 615
JJ Senekal	–	–	–	–	–	8 000	8 000
PR Todd	1 033 318	540 000	–	60 000	1 633 318	–	1 633 318
	3 603 199	1 164 000	45 000	145 000	4 957 199	20 000	4 977 199

Remuneration paid by:

	Top Fix Holdings Limited	MBM Administration and Labour Brokers (Pty) Limited	M&S Projects (Pty) Limited	Top Fix Scaffolding (Pty) Limited	Safety Adherence Technologies (Pty) Limited	2007 Total
	R	R	R	R	R	R
BT Ngcuka	12 000	–	–	–	–	12 000
BW Marais	–	780 000	360 000	482 266	280 000	1 902 266
JA Barker	–	–	270 000	–	–	270 000
FF Goosen	–	–	360 000	–	325 000	685 000
EMJ Groenewald	–	–	466 615	–	–	466 615
JJ Senekal	8 000	–	–	–	–	8 000
PR Todd	–	600 000	–	1 033 318	–	1 633 318
	20 000	1 380 000	1 456 615	1 515 584	605 000	4 977 199

Attendance of meetings

	26/09/2007	26/11/2007	14/02/2008	28/05/2008
BT Ngcuka	Present	Present	Present	Present
BW Marais	Present	Present	Present	Present
JA Barker	Present	Present	Present	Present
KG Bodigelo	Present	Present	Present	Present
FF Goosen	Present	Present	Present	Present
EMJ Groenewald (resigned 30/11/2008)	Present	Present	Present	Present
JJ Senekal	Present	Present	Present	Present
PR Todd	Present	Present	Present	Present

BALANCE SHEETS as at 30 June 2008

	Notes	GROUP		COMPANY	
		30 June 2008 R	30 June 2007 Restated R	30 June 2008 R	30 June 2007 R
Assets					
Non-current assets					
Property, plant and equipment	3	108 584 088	58 998 564	–	251 328
Investment in subsidiaries	4			77 974 000	77 974 000
Goodwill	5	58 014 446	58 014 446	–	–
Loan receivable	6	7 745 776	–	–	–
Deferred taxation asset	7	432 957	588 648	–	–
Current assets					
Inventories	8	2 754 700	1 709 847	–	–
Loans to subsidiaries	9			58 780 397	19 792 129
Trade and other receivables	10	57 684 383	42 471 886	–	–
Bank and call deposits		350 495	1 860 796	62 061	16 037
Total assets		235 566 845	163 644 187	136 816 458	98 033 494
Equity and liabilities					
Capital and reserves					
Issued share capital	11	20 318	18 500	20 318	18 500
Share premium	11	137 088 550	97 569 225	137 088 550	97 569 225
Accumulated profits/(losses)		19 860 932	4 034 882	(824 391)	(83 455)
Non-current liabilities					
Interest bearing liabilities	12	9 844 274	4 163 195	–	181 719
Interest free liability	13	7 980 119	–	–	–
Deferred taxation liability	7	4 537 997	1 478 236	–	–
Current liabilities					
Current portion of interest bearing liabilities	12	8 939 703	1 346 097	–	37 219
Interest free liability	14	18 182	142 235	278 963	310 286
Trade and other payables	15	27 038 325	34 596 540	245 000	–
Taxation payable		4 828 579	8 630 340	8 018	–
Bank overdraft and invoice discounting	16	15 409 866	11 664 937	–	–
Total equity and liabilities		235 566 845	163 644 187	136 816 458	98 033 494
Net asset value per share (cents)		77,3	54,9		
Tangible net asset value per share (cents)		48,7	23,6		

INCOME STATEMENTS for the year ended 30 June 2008

	Notes	GROUP		COMPANY	
		30 June 2008 R	30 June 2007 Restated R	30 June 2008 R	30 June 2007 R
Revenue		227 172 290	192 579 570	–	–
Cost of sales		(142 806 169)	(141 326 401)	–	–
Gross profit		84 366 121	51 253 169	–	–
Other operating income		1 508 549	1 694 778	299 860	–
Other operating expenses		(60 801 540)	(45 923 565)	(1 061 415)	(450 265)
Profit/(loss) from operations	17	25 073 130	7 024 382	(761 555)	(450 265)
Fair value adjustment	18	1 241 811	733 948	–	–
Interest received	19	2 767 184	586 060	28 637	366 810
Interest paid		(6 353 477)	(2 859 212)	–	–
Profit/(loss) before taxation		22 728 648	5 485 178	(732 918)	(83 455)
Taxation	20	(6 902 598)	(1 450 296)	(8 018)	–
Profit/(loss) for the year		15 826 050	4 034 882	(740 936)	(83 455)
Earnings/headline earnings per share (cents)	21				
Basic and fully diluted		8,3	2,3		

STATEMENTS OF CHANGES IN EQUITY for the year ended 30 June 2008

Notes	Share capital R	Share premium R	Accumulated profit/(loss) R	Total R
Group				
Balances at 1 July 2006	16 000	74 110 150	–	74 126 150
Issue of shares	2 500	24 997 500	–	25 000 000
Share issue expenses set off	–	(1 538 425)	–	(1 538 425)
Profit for the year (restated)	–	–	4 034 882	4 034 882
Profit for the year as previously reported	–	–	8 443 382	8 443 382
Prior year adjustment	2	–	(4 408 500)	(4 408 500)
Balances at 30 June 2007 (Restated)	18 500	97 569 225	4 034 882	101 622 607
Issue of shares	1 818	39 998 182	–	40 000 000
Share issue expenses set off	–	(478 857)	–	(478 857)
Profit for the year	–	–	15 826 050	15 826 050
Balances at 30 June 2008	20 318	137 088 550	19 860 932	156 969 800
Company				
Balances at 1 July 2006	16 000	74 110 150	–	74 126 150
Issue of shares	2 500	24 997 500	–	25 000 000
Share issue expenses set off	–	(1 538 425)	–	(1 538 425)
Loss for the year	–	–	(83 455)	(83 455)
Balances at 30 June 2007	18 500	97 569 225	(83 455)	97 504 270
Issue of shares	1 818	39 998 182	–	40 000 000
Share issue expenses set off	–	(478 857)	–	(478 857)
Loss for the year	–	–	(740 936)	(740 936)
Balances at 30 June 2008	20 318	137 088 550	(824 391)	136 284 477

CASH FLOW STATEMENTS for the year ended 30 June 2008

	Notes	GROUP		COMPANY	
		30 June 2008 R	30 June 2007 Restated R	30 June 2008 R	30 June 2007 R
Cash flows from operating activities		3 554 464	14 887 619	(487 918)	(83 455)
Cash generated/(utilised) by operations	22	14 629 663	18 823 677	(516 555)	(450 265)
Interest received		2 767 184	586 060	28 637	366 810
Interest paid		(6 353 477)	(2 859 212)	–	–
Taxation paid	23	(7 488 906)	(1 662 906)	–	–
Cash flows from investing activities		(61 481 469)	(40 417 477)	(38 736 940)	(23 582 171)
Additions to property, plant and equipment		(54 671 492)	(41 978 677)	–	(251 328)
Proceeds on disposal of property, plant and equipment		935 799	–	251 328	–
Advances to subsidiaries				(38 988 268)	(23 330 843)
(Increase)/decrease in loan receivable		(7 745 776)	1 560 096	–	–
Acquisition of subsidiary	24	–	1 104	–	–
Cash flows from financing activities		52 671 775	24 049 766	39 270 882	23 680 513
Issue of shares		40 000 000	25 000 000	40 000 000	25 000 000
Share issue expenses		(478 857)	(1 538 425)	(478 857)	(1 538 425)
Increase/(decrease) in borrowings		13 150 632	588 191	(250 261)	218 938
Net (decrease)/increase in cash resources		(5 255 230)	(1 480 092)	46 024	14 887
Cash resources at beginning of year		(9 804 141)	(8 324 049)	16 037	1 150
Cash resources at end of year	25	(15 059 371)	(9 804 141)	62 061	16 037

1. ACCOUNTING POLICIES

The principal policies applied in preparation of these financial statements are set out below. These policies have been applied consistently to all years presented.

1.1 Basis of preparation

These financial statements have been prepared in conformity with International Financial Reporting Standards ("IFRS") on the historic cost basis, except for financial instruments which are measured at fair value or at amortised cost.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed in note 31.

1.1.1 Adoption of standards and interpretations effective in 2008

The following standards have been applied by the group from 1 July 2007:

- IFRS 7 Financial Instruments: Disclosure; and
- IAS 1 (Amendment) Capital Disclosures.

The application of IFRS 7 and IAS 1 (Amendment) in the year ended 30 June 2008 have not affected the amounts recognised in the balance sheet or income statement as the standards are concerned with disclosure only.

1.1.2 Standards and interpretations effective in 2008 but not relevant

The following amendment was mandatory for accounting periods beginning on or after 1 January 2007 but is not relevant to the operations of the group:

- IFRIC 11 – Group and Treasury Share Transactions.

1.1.3 Standards in issue, not yet effective

At the date of authorisation of these statements, the following standards and interpretations were in issue but not yet effective:

- IFRIC 12 – Service concession arrangements – annual periods beginning on or after 1 January 2008,
- IFRIC 13 – Customer loyalty programmes – annual periods beginning on or after 1 July 2008,
- IFRIC 14 (IAS 19) – The limit on a defined benefit asset, minimum funding requirements and their interaction – annual periods beginning on or after 1 January 2008,
- Revised IAS 23 – Borrowing costs (amended) – annual periods beginning on or after 1 January 2009,
- IFRS 8 – Operating segments – annual periods beginning on or after 1 January 2009,
- IFRS 2 – Share based payments, amendment relating to vesting conditions and cancellations – annual periods beginning on or after 1 January 2009,
- IFRS 3 – Business combinations, comprehensive revision on applying the acquisition method – annual periods beginning on or after 1 July 2009,
- IAS 1 (amended) – comprehensive income – annual periods beginning on or after 1 January 2009,
- Revised IAS27 – Consolidated and separate financial statements – annual periods beginning on or after 1 July 2009,
- Revised IAS28 – Investments in associates – annual periods beginning on or after 1 July 2009, and
- Revised IAS31 – Interests in Joint Venture – annual periods beginning on or after 1 July 2009.

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Group.

1. ACCOUNTING POLICIES (continued)

1.2 Consolidations

1.2.1 Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

For this purpose, subsidiaries are companies over which the Group, directly or indirectly, has the ability to control the financial and operating activities so as to obtain the benefits from their activities.

The results of subsidiaries are included from the acquisition dates which are the dates on which the acquirer effectively obtains control of the acquiree. Goodwill, being the excess of the cost of an acquisition over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised in accordance with the requirements of IFRS 3, is capitalised as an intangible asset.

After initial recognition, goodwill is not amortised but is subject to an annual impairment test and is measured at cost less accumulated impairment losses.

1.2.2 Business combinations

Business combinations are accounted for in accordance with the purchase method of accounting.

If the cost of the business combination exceeds the acquirers share in the net fair value of identifiable assets, liabilities and contingent liabilities, the excess is accounted for as goodwill in terms of the accounting policy detailed in note 1.4.

If the acquirer's interest in the fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the following occurs:

- (a) The identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination are reassessed; and
- (b) Any excess remaining after that is recognised immediately in profit or loss.

1.2.3 Transactions eliminated on consolidation

Intercompany transactions and balances are eliminated on consolidation. Separate disclosure is made of minority interests.

1.3 Property, plant and equipment

Property, plant and equipment comprises movable assets and is stated at historical cost less accumulated depreciation. Depreciation is charged on a systematic basis over the estimated useful lives of the assets after taking into account the estimated residual value of the assets. The estimated useful lives of assets and their residual values are re-assessed periodically with any changes in such accounting estimates being adjusted in the current financial year of re-assessment and applied prospectively. The estimated useful lives are:

	Estimated useful life
Scaffolding	50 years
Plant and machinery	4 to 6 years
Furniture and office equipment	5 years
Motor vehicles	4 to 5 years
Computer and surveillance equipment	3 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

1.4 Goodwill

Goodwill, being the excess of the purchase consideration of shares in subsidiary companies or businesses over the attributable fair value of their net identifiable assets at date of acquisition, is capitalised. Negative goodwill, being the excess of the attributable fair value of the identifiable assets over the purchase consideration, is recognised in income upfront.

The gain or loss on disposal of an entity includes the remaining balance of goodwill.

Goodwill is reviewed on an annual basis for any indications of impairment. Goodwill impairments are not reversed.

1. ACCOUNTING POLICIES (continued)

1.5 Investments in subsidiaries

Investments in subsidiaries are stated at cost, less accumulated impairment losses.

1.6 Investment in joint ventures

A joint venture is an entity over which the group has joint control. Joint control is the contractually agreed sharing of control over an entity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The investment in a joint venture is initially recognised at cost and adjusted for the Group's share of the changes in the net asset value of the joint venture after the date of the acquisition, and for any impairment in value. If the Group's share of losses of a joint venture exceeds its interest in the joint venture, the Group discontinues recognising its share of further losses.

1.7 Impairment

At each balance sheet date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately. Goodwill impairments are not reversed. For other assets, where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

1.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the "first in first out" method. Cost comprises direct labour costs and overheads which are incurred in bringing the inventories to their present location. Net realisable value is calculated as the estimated selling price less costs to completion and marketing, selling and distribution costs. Inventories also include work in progress which comprises services rendered, but not invoiced at year end.

1.9 Income tax

1.9.1 Current taxation

The charge for taxation is based on the results for the year as adjusted for items which are tax exempt or are not tax deductible. Tax is calculated using rates which have been enacted, or substantially enacted at the balance sheet date.

1.9.2 Deferred taxation

Deferred taxation is provided for using the balance sheet liability method and is calculated using the rates expected to apply at settlement date. The deferred taxation liability represents the amount of income tax payable in future periods in respect of items of income and expenditure which are recognised for income tax purposes in periods different from those in which they are brought to account in the financial statements, allowing for the effect of tax losses carried forward. A deferred tax asset is recognised when it is probable that the related tax benefit will be realised.

Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

1.10 Financial instruments

1.10.1 Measurement

Financial instruments are initially measured at fair value, which includes transaction costs except for financial instruments measured at fair value through profit and loss, which measurement excludes transaction costs.

1. ACCOUNTING POLICIES (continued)

1.10 Financial instruments (continued)

1.10.2 Recognition

The group recognises financial assets and liabilities on the date it commits to purchase or sell such financial instruments. From this date, any gains or losses in the fair value of assets or liabilities are recorded. Subsequent to initial recognition these instruments are measured as set out below.

Investments

Other investments are shown at fair value. Gains and losses are recognised in profit or loss.

Trade and other receivables

Trade and other receivables originated by the group are stated at amortised cost, using the effective interest rate method, appropriate allowances for impairment.

The group makes an assessment at each reporting date whether there is any objective evidence that trade and other receivables are impaired. Where objective evidence exists as a result of the occurrence of one or more events which occurred after the initial recognition of the asset, the amount of impairment is determined by estimating the impact of these loss events on the future cash flows expected to be generated by the receivables.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

Financial liabilities

Financial liabilities are recognised at amortised cost, using the effective interest rate method.

Derivative instruments

Derivative instruments are measured at fair value.

1.10.3 Gains and losses on subsequent measurement

Gains and losses on subsequent measurement are recognised as follows:

- Gains and losses arising from a change in the fair value of financial instruments that are not part of a hedging relationship are included in net profit or loss for the period in which they arise.
- Gains and losses from measuring fair value hedging instruments, including fair value hedges for foreign currency denominated transactions, are recognised immediately in net profit or loss.
- The effective portion of gains and losses from re-measuring cash flow hedging instruments, including cash flow hedges for forecast foreign currency denominated transactions and for interest rate swaps, are initially recognised directly in equity. Should the hedged firm commitment or forecast transaction result in the recognition of an asset or a liability, then the cumulative amount recognised in equity is adjusted against the initial measurement of the asset or liability. For other cash flow hedges, the cumulative amount recognised in equity is included in net profit or losses in the period when the commitment or forecast transaction affects profit or loss.
- When a hedging instrument or hedge relationship is terminated but the hedge transaction is still expected to occur, the cumulative unrealised gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

1.11 Foreign currency

All foreign currency transactions during the financial period are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at that date.

Exchange differences are recognised in net profit or loss in the period in which they arise.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are capitalised at their fair value at the date of acquisition or, if lower at the present value of the minimum lease payments. The corresponding liability to the lessor, net of payments, is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference

1. ACCOUNTING POLICIES (continued)

1.12 Leases (continued)

between the total leasing commitment and the fair value of the assets acquired, are charged to the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Operating leases are charged against profit on a straight line basis over the term of the lease.

1.13 Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be reliably estimated.

When the time value of money is considered to be material, provisions are recognised at the present value of the expenditure expected to be incurred to settle the obligation.

1.14 Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable.

1.14.1 Revenue comprises:

- Provision of access scaffolding on a contract basis. (Top Fix Scaffolding (Pty) Limited);
- Supply/outsourcing of personnel (labour broking) (M & S Projects (Pty) Limited and MBM Administration and Labour Brokers (Pty) Limited); and
- Provision of digital electronic safety surveillance equipment on a rental basis (Safety Adherence Technologies (Pty) Limited).

Revenue is recognised at the time of sale or when services are rendered. Revenue is net of value added tax.

1.14.2 Other income:

Interest is recognised on a time proportion basis utilising the effective yield method.

1.15 Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and bonuses, when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

Contributions to defined contribution superannuation plans are expensed when incurred.

1.16 Segment report

A segment is a distinguishable component of the group that is engaged in either providing products or services, which is subject to risks and rewards that are different from those of the other segments.

Segment results include revenue, impairments, expenses and taxes directly attributable to a segment, and the relevant portion of the enterprise revenue and expenses that can be allocated on a reasonable basis to a segment, whether from internal transactions or from transactions with other group segments.

Segment assets and liabilities comprise those operating assets and liabilities that are directly attributable to a segment, or can be allocated to a segment on a reasonable basis.

The legal entities have been incorporated into the following reporting segments:

Scaffolding	Top Fix Scaffolding (Pty) Limited, MBM Administration and Labour Brokers (Pty) Limited
Labour Outsourcing	M&S Projects (Pty) Limited and Umdeni Labour Services (Pty) Limited
Surveillance	Safety Adherence Technologies (Pty) Limited.

1.17 Share capital

Ordinary shares are classified as equity. Issued share capital is stated at the amount of the proceeds received less directly attributable issue costs.

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 June 2008

	GROUP	
	30 June 2008	30 June 2007
	R	restated R
2. PRIOR YEAR ADJUSTMENT		
Impairment of trade receivables in accordance with IAS 39, as detailed in the qualified audit report of the Group for the year ended 30 June 2007:		
See the Director' Report on page 11 for details		
Reconciliation of equity		
Equity as previously reported		106 031 107
Impairment of trade receivables		(4 408 500)
Restated equity		101 622 607
Equity adjustments		
Accumulated profits:		
Impairment of trade receivables		(6 209 155)
Deferred tax adjustment		1 800 655
		(4 408 500)
Assets and liabilities adjustments		
Trade and other receivables		(6 209 155)
Deferred taxation		1 800 655
		(4 408 500)
Reconciliation of earnings/headline earnings per share (cents)		
Earnings/headline earnings per share as previously reported		4,8
Impairment of trade receivables		(2,5)
Restated earnings/headline earnings per share		2,3
Reconciliation of net asset value per share (cents)		
Net asset value per share as previously reported		57,3
Impairment of trade receivables		(2,4)
Restated net asset value per share		54,9
Reconciliation of tangible net asset value per share (cents)		
Tangible net asset value per share as previously reported		26,0
Impairment of trade receivables		(2,4)
Restated tangible net asset value per share		23,6

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 June 2008

	GROUP		COMPANY	
	30 June 2008	30 June 2007	30 June 2008	30 June 2007
	R	Restated R	R	R
3. PROPERTY, PLANT AND EQUIPMENT				
Cost				
Scaffolding	98 342 382	50 831 922	–	–
Plant and machinery	3 090 305	2 142 134	–	–
Furniture and office equipment	587 816	338 225	–	–
Motor vehicles	9 662 609	5 869 693	–	251 328
Computer and surveillance equipment	4 916 344	3 598 427	–	–
	116 599 456	62 780 401	–	251 328
Accumulated depreciation				
Scaffolding	(2 707 274)	(1 403 743)	–	–
Plant and machinery	(773 258)	(331 957)	–	–
Furniture and office equipment	(163 181)	(59 295)	–	–
Motor vehicles	(2 076 187)	(1 092 403)	–	–
Computer and surveillance equipment	(2 295 468)	(894 439)	–	–
	(8 015 368)	(3 781 837)	–	–
Carrying amount at end of year				
Scaffolding	95 635 108	49 428 179	–	–
Plant and machinery	2 317 047	1 810 177	–	–
Furniture and office equipment	424 635	278 930	–	–
Motor vehicles	7 586 422	4 777 290	–	251 328
Computer and surveillance equipment	2 620 876	2 703 988	–	–
	108 584 088	58 998 564	–	251 328
Movements for the year				
Carrying amount at beginning of year	58 998 564	20 801 724	251 328	–
Additions	54 671 492	41 978 677	–	251 328
Scaffolding	47 510 460	35 755 875	–	–
Plant and machinery	1 738 987	897 828	–	–
Furniture and office equipment	249 591	196 862	–	–
Motor vehicles	3 854 537	3 397 866	–	251 328
Computer and surveillance equipment	1 317 917	1 730 246	–	–
Disposals (at carrying value)	(852 437)	–	(251 328)	–
Plant and machinery	(790 816)	–	–	–
Motor vehicles	(61 621)	–	(251 328)	–
Depreciation for the year	(4 233 531)	(3 781 837)	–	–
Scaffolding	(1 303 531)	(1 403 743)	–	–
Plant and machinery	(441 301)	(331 957)	–	–
Furniture and office equipment	(103 886)	(59 295)	–	–
Motor vehicles	(983 784)	(1 092 403)	–	–
Computer and surveillance equipment	(1 401 029)	(894 439)	–	–
Carrying amount at end of year	108 584 088	58 998 564	–	251 328

Property, plant and equipment with a carrying value of R24 758 072 (June 2007 – R5 016 992) is subject to instalment sale agreements as set out in note 12.

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 June 2008

	COMPANY	
	30 June 2008 R	30 June 2007 R
4 . INVESTMENT IN SUBSIDIARIES		
Details of the investments in subsidiaries/sub-subsidiaries are set out below:		
Top Fix Scaffolding (Proprietary) Limited		
Percentage ownership:	100%	
Number of ordinary shares:	100 ordinary shares of R1 each	
Nature of business:	Provision of access scaffolding on a contract basis	
Investment cost:	31 750 000	31 750 000
M&S Projects (Proprietary) Limited		
Percentage ownership:	100% (through S&MS)	
Nature of business:	Labour outsourcing/broking	
MBM Administration and Labour Brokers (Proprietary) Limited		
Percentage ownership:	100%	
Number of ordinary shares:	100 ordinary shares of R1 each	
Nature of business:	Labour outsourcing/broking	
Investment cost:	33 949 000	33 949 000
Safety Adherence Technologies (Proprietary) Limited		
Percentage ownership:	100%	
Number of ordinary shares:	120 ordinary shares of R1 each	
Nature of business:	Rental of digital electronic surveillance equipment	
Investment cost:	4 702 000	4 702 000
S&MS Holdings (Proprietary) Limited		
Percentage ownership:	100%	
Number of ordinary shares:	102 ordinary shares of R1 each	
Nature of business:	Investment holding company	
Investment cost:	7 573 000	7 573 000
Umdeni Labour Services (Proprietary) Limited		
Percentage ownership:	100%	
Number of ordinary shares:	100 ordinary shares of R1 each	
Nature of business:	Labour outsourcing/broking	
Investment cost:	-	-
All subsidiaries/sub-subsidiaries are incorporated in the Republic of South Africa		
	77 974 000	77 974 000
	GROUP	
	30 June 2008 R	30 June 2007 Restated R
Aggregate profits/(losses) of subsidiaries after taxation		
Total profits	16 730 803	10 585 377
Total losses	(163 817)	(6 467 040)
Net profits	16 566 986	4 118 337

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 June 2008

	GROUP		COMPANY	
	30 June 2008 R	30 June 2007 Restated R	30 June 2008 R	30 June 2007 R
5. GOODWILL				
Cost at acquisition				
Top Fix Scaffolding (Pty) Limited	21 546 410	21 546 410	–	–
MBM Administration and Labour Brokers (Pty) Limited	22 487 923	22 487 923	–	–
M&S Projects (Pty) Limited	9 468 582	9 468 582	–	–
Safety Adherence Technology (Pty) Limited	4 511 531	4 511 531	–	–
	58 014 446	58 014 446	–	–
Goodwill represents the excess of the purchase consideration over the fair value of the identifiable assets, liabilities and contingent liabilities acquired.				
Goodwill is tested annually for impairment.				
Impairment testing of goodwill				
Goodwill acquired through business combinations has been allocated to three cash-generating units as follows:				
Scaffolding	44 034 333	44 034 333	–	–
Labour outsourcing	9 468 582	9 468 582	–	–
Surveillance	4 511 531	4 511 531	–	–
	58 014 446	58 014 446	–	–

The recoverable amount of the cash-generating units has been determined on a value-in-use calculation, using cash flow projections which cover a three year period.

A growth rate of 4% has been applied and cash flows have been discounted at rates ranging between 15,5% and 16,3%.

The following assumptions have been applied when reviewing goodwill impairment:

- Asset values have been based on the carrying amounts for the financial period;
- Future expected profits have been estimated using historical information and approved budgets extending over three years;
- Sales growths and gross margins were based on historical performance and known future prospects;
- Costs were assumed to grow in line with expansion and expected inflation; and
- Cash flows have been extended into perpetuity as management have no reason to believe that the group will not continue past the budget period.

The recoverable amounts of the cash generating units were determined to be higher than the relevant portion of goodwill and therefore no impairment was necessary.

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 June 2008

	GROUP		COMPANY	
	30 June 2008	30 June 2007 Restated	30 June 2008	30 June 2007
	R	R	R	R
6. LOAN RECEIVABLE				
The loan arose with the establishment of a joint venture (now terminated) between Top Fix Scaffolding (Pty) Limited and Robor (Pty) Limited and has been repaid subsequent to 30 June 2008 through the supply of scaffolding equipment.				
TFR Scaffolding (Pty) Limited (see notes 26, 29)	7 745 776	–	–	–
7. DEFERRED TAXATION				
On timing differences arising from:				
Capital allowances	(14 476 606)	(6 856 896)	–	–
Work in progress	(724 328)	(457 264)	–	–
Leave provision	774 544	421 439	–	–
Bad debt provision	739 208	–	–	–
Credit note provision	4 316 625	–	–	–
Fair value adjustment on financial instruments	(347 707)	–	–	–
Tax losses	5 613 224	3 496 840	–	–
	(4 105 040)	(889 588)	–	–
Breakdown of balance:				
Deferred taxation asset	432 957	588 648	–	–
Deferred taxation liability	(4 537 997)	(1 478 236)	–	–
	(4 105 040)	(889 588)	–	–
Analysis of movements:				
Opening balance	(889 588)	(3 066 207)	–	–
(Charged)/credited to income statement	(3 404 833)	2 176 619	–	–
Prior year over provision	158 706	–	–	–
Adjustment due to rate change	30 675	–	–	–
	(4 105 840)	(889 588)	–	–
8. INVENTORIES				
Consumables	167 813	133 073	–	–
Work in progress	2 586 887	1 576 774	–	–
	2 754 700	1 709 847	–	–
9. LOANS TO SUBSIDIARIES				
M&S Projects (Pty) Limited			14 594 303	7 329 681
Top Fix Scaffolding (Pty) Limited			44 186 094	12 462 448
The loans are unsecured, interest free, and are repayable on demand.				
			58 780 397	19 792 129

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 June 2008

	GROUP		COMPANY	
	30 June 2008 R	30 June 2007 Restated R	30 June 2008 R	30 June 2007 R
10. TRADE AND OTHER RECEIVABLES				
Trade receivables	54 187 682	38 999 238	–	–
Less: Impairment provision	(2 640 027)	(3 244 313)	–	–
Contract retentions	3 486 669	809 038	–	–
Deposits	690 710	314 230	–	–
Sundry debtors	1 959 349	5 593 693	–	–
	57 684 383	42 471 886	–	–
Trade receivables have been ceded as stated in note 16.				
Allowance for impairment				
Opening balance	3 244 313	1 130 647	–	–
Impairment losses recognised on receivables	2 640 027	3 134 367	–	–
Impairment losses reversed on receivables	(3 244 313)	(1 020 701)	–	–
Closing balance	2 640 027	3 244 313	–	–
Analysis of trade receivables past due not impaired				
60 – 90 days	4 568 197	3 376 986	–	–
90 – 120 days	2 070 154	854 003	–	–
>120 days	5 243 101	5 085 035	–	–
	11 861 452	9 316 024	–	–
The following factors were considered in determining the need for impairment:				
– an individual account by account assessment based on past credit history				
– any prior knowledge of potential insolvency or other credit risk				
Maximum exposure to credit losses of receivables	55 034 324	36 563 963	–	–
11. SHARE CAPITAL AND SHARE PREMIUM				
Authorised				
500 000 000 ordinary shares of R0,0001 each	50 000	50 000	50 000	50 000
Issued				
203 181 818 (June 2007 – 185 000 000) ordinary shares of R0,0001 each	20 318	18 500	20 318	18 500
Share premium	137 088 550	97 569 225	137 088 550	97 569 225
	137 108 868	97 587 725	137 108 868	97 587 725

The unissued shares are under the control of the directors until the next annual general meeting.

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 June 2008

	GROUP		COMPANY	
	30 June 2008 R	30 June 2007 Restated R	30 June 2008 R	30 June 2007 R
12. INTEREST BEARING LIABILITIES				
Secured				
<i>Instalment sale agreements</i>				
Total capital payable	18 783 977	5 509 292	–	218 938
Less: Payable within one year	(8 939 703)	(1 346 097)	–	(37 219)
The instalment sale balances are payable in monthly instalments of R862 975, inclusive of interest at rates linked to prime (-1% to +3%). Secured over property, plant and equipment (refer to note 3).				
	9 844 274	4 163 195	–	181 719
<i>Present value of instalment sale repayments</i>				
Due within 1 year	8 939 703	1 346 097	–	37 219
Total repayments	10 264 762	2 129 076	–	59 464
Unearned finance charges	(1 325 059)	(782 979)	–	(22 245)
Due thereafter	9 844 274	4 163 195	–	181 719
Total repayments	11 013 053	4 573 774	–	222 986
Unearned finance charges	(1 168 779)	(410 579)	–	(41 267)
Total	18 783 977	5 509 292	–	218 938
Total repayments	21 277 815	6 702 850	–	282 450
Unearned finance charges	(2 493 838)	(1 193 558)	–	(63 512)
13. INTEREST FREE LIABILITY				
MBM Technical Services (Pty) Limited at face value (see notes 18, 26)	9 221 930	–	–	–
Fair value adjustment of liability	(1 241 811)	–	–	–
This loan is unsecured, currently interest free and is repayable on demand subject to 12 months' notice, which notice had not been given by 30 June 2008.				
	7 980 119	–	–	–
14. INTEREST FREE LIABILITIES				
Loans from subsidiaries			278 963	310 286
MBM Administration and Labour Brokers (Pty) Limited			248 000	248 000
Safety Adherence Technologies (Pty) Limited			30 963	62 286
FF Goosen/P Allen	18 182	142 235	–	–
The above loans are unsecured, currently interest free, and are repayable on demand.				
	18 182	142 235	278 963	310 286

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 June 2008

	GROUP		COMPANY	
	30 June 2008 R	30 June 2007 Restated R	30 June 2008 R	30 June 2007 R
15. TRADE AND OTHER PAYABLES				
Trade payables	13 459 839	15 631 815	245 000	–
Related party creditor (see note 26)	–	9 503 494	–	–
Payroll creditors, leave and bonus provisions	8 857 651	6 723 844	–	–
Other	4 720 835	2 737 387	–	–
	27 038 325	34 596 540	245 000	–

16. BANK OVERDRAFT AND INVOICE DISCOUNTING FACILITIES

Group facilities, including invoice discounting and asset financing facilities, amounting to R19,1 million, are secured as follows:

M&S Projects (Pty) Limited – Facilities amounting to R15 million

Purchase and discounting of invoices, with recourse, retention margin and reversionary cession of receivables in favour of ABSA.

MBM Administration and Labour Brokers (Pty) Limited – Facilities amounting to R1,5 million

None

Top Fix Scaffolding (Pty) Limited – Facilities amounting to R2,6 million

None

General

Various cross guarantees and cessions of group loan accounts are in place.

	GROUP		COMPANY	
	30 June 2008 R	30 June 2007 Restated R	30 June 2008 R	30 June 2007 R
17. PROFIT/(LOSS) FROM OPERATIONS				
Is stated after crediting:				
Profit on disposal of property, plant and equipment	83 363	–	–	–
Negative goodwill arising on acquisition of Umdeni Labour Services (Pty) Limited	–	248 163	–	–
Administration fees charged to subsidiaries	–	–	299 860	–
And after charging:				
Auditors remuneration	1 855 581	1 023 802	511 692	42 800
Consulting fees	2 298 893	1 769 080	398 627	130 271
Depreciation (see note 3 for split)	4 233 531	3 781 837	–	–
Directors' emoluments				
– Services as directors	104 000	20 000	–	–
– Other services	5 312 000	4 957 199	–	–
Impairment of trade receivables				
– charged/(credited) to income statement	2 462 856	(54 830)	–	–
– charged to provision	2 640 027	3 143 367	–	–
Operating leases – premises	2 999 224	1 047 855	–	–
Staff costs (excluding directors' emoluments)	153 425 804	149 238 700	–	–

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 June 2008

	GROUP		COMPANY	
	30 June 2008 R	30 June 2007 Restated R	30 June 2008 R	30 June 2007 R
18. FAIR VALUE ADJUSTMENT				
Fair value adjustment of interest free liability (see note 13)	1 241 811	–	–	–
Net gain on recovery of contingent asset	–	733 948	–	–
Recovery of contingent asset – claim against SA Revenue Service at full value	–	1 611 737	–	–
Less: Carrying value in group company	–	(877 789)	–	–
	1 241 811	733 948	–	–
19. INTEREST RECEIVED				
Bank and call deposits	34 027	586 060	28 637	366 810
Loans receivable	804 148	–	–	–
Imputed interest on trade receivables	1 929 009	–	–	–
	2 767 184	586 060	28 637	366 810
20. TAXATION				
Normal tax	3 687 145	3 626 915	8 018	–
– Current year	3 491 480	3 626 915	8 018	–
– Under provision prior year	195 665	–	–	–
Deferred tax	3 215 453	(2 176 619)	–	–
– Current year	3 404 834	(2 176 619)	–	–
– Over provision prior year	(158 706)	–	–	–
– Tax rate adjustment	(30 675)	–	–	–
	6 902 598	1 450 296	8 018	–
Reconciliation of rate of taxation	%	%	%	%
South African normal tax rate	28,00	29,00	28,00	29,00
Taxation effect of				
– Disallowable expenditure	2,00	6,99	(29,09)	(29,00)
– Exempt income	–	(9,68)	–	–
– Taxable loss not taken into account in deferred taxation computation	0,34	0,13	–	–
– Prior year under provision	0,16	–	–	–
– Effect of tax rate change on deferred tax provision	(0,13)	–	–	–
Effective tax rate	30,37	26,44	(1,09)	–
21. EARNINGS PER SHARE				
Earnings and headline earnings per share are based on a weighted average number of shares in issue for the period of:	191 805 762	174 109 589		

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 June 2008

	GROUP		COMPANY	
	30 June 2008 R	30 June 2007 Restated R	30 June 2008 R	30 June 2007 R
22. CASH GENERATED/(UTILISED) BY OPERATIONS				
Profit/(loss) from operations	25 073 130	7 024 382	(761 555)	(450 265)
Depreciation	4 233 531	3 781 837	–	–
Profit on disposal of property, plant and equipment	(83 363)	–	–	–
Other non-cash items	–	(248 163)	–	–
Operating profit before working capital changes	29 223 298	10 558 056	(761 555)	(450 265)
Working capital changes	(14 593 635)	8 265 621	245 000	–
(Increase)/decrease in inventories	(1 044 853)	4 063 345	–	–
Increase in trade and other receivables	(15 212 497)	(6 394 066)	–	–
Increase in trade and other payables	1 663 715	10 596 342	245 000	–
	14 629 663	18 823 677	(516 555)	(450 265)
23. TAXATION PAID				
Owing at beginning of year	8 630 340	6 570 754	–	–
Current tax charge	3 687 145	3 626 915	8 018	–
Acquired through acquisition of subsidiaries	–	95 577	–	–
Owing at end of year	(4 828 579)	(8 630 340)	(8 018)	–
	7 488 906	1 662 906	–	–
24. ACQUISITION OF SUBSIDIARY				
Umdeni Labour Services (Pty) Limited				
Fair value of assets acquired				
Trade and other receivables	–	868 472	–	–
Taxation payable	–	(95 577)	–	–
Trade and other payables	–	(383 601)	–	–
Interest bearing liabilities	–	(142 235)	–	–
Total fair value of net assets purchased	–	247 059	–	–
Acquisition discount	–	(248 163)	–	–
Net cash acquired	–	(1 104)	–	–
25. CASH RESOURCES				
Invoice discounting facility	(9 267 260)	(8 539 149)	–	–
Bank overdraft	(6 142 606)	(3 125 788)	–	–
Bank and call deposits	350 495	1 860 796	62 061	16 037
	(15 059 371)	(9 804 141)	62 061	16 037

26. RELATED PARTIES

Related parties include the shareholders, directors, consultants and companies controlled by the directors.

During the year, certain subsidiaries, in the ordinary course of business, entered into various loan transactions with related parties under terms that are no less favourable than those arranged with third parties (refer notes 9 and 14).

R8,0 million (at fair value) is due to MBM Technical Services (Pty) Limited, a company controlled by Mr BW Marais. At 30 June 2007, this was held against a deferred option agreement (R9,5 million) included in trade and other payables (note 15), now cancelled. See note 13 for terms of the advance.

Loans from Mr BW Marais and his affiliates amounting to R6,6 million, which bore interest at the prime overdraft rate plus 1%, were made to the group during the year and were repaid in June 2008. Interest of R416 392 (2007: R Nil) was paid on this loan during the year.

During the year the company earned administration fees from Top Fix Scaffolding (Pty) Limited (R224 895), M&S Projects (Pty) Limited (R59 972) and Safety Adherence Technologies (Pty) Limited (R14 993) (2007: R Nil).

During the financial year, the Top Fix group acquired a 50% shareholding in TFR Scaffolding (Pty) Limited, which investment was disposed of effective 30 June 2008 (see note 29) to the joint venture partner. A shareholder loan of R8 million, bearing interest at the prime overdraft rate, less 2% was made to TFR Scaffolding, which loan was settled after 30 June 2008 through the supply of scaffolding equipment at "best market rate". In addition Top Fix Scaffolding (Pty) Limited purchased scaffolding equipment for R33 million from TFR Scaffolding (Pty) Limited, also at "best market rate".

27. FINANCIAL RISK MANAGEMENT

Formalisation of a risk management framework is the responsibility of the group and the board of directors. The framework ensures:

- efficient allocation of capital across various activities in order to maximise returns and diversification of income streams;
- risk taking within levels acceptable to the Group as a whole;
- efficient liquidity management and control of funding costs; and
- improved risk management and control.

Whilst the board is ultimately responsible for the management of risk, the board relies on management to operate within the control structures and frameworks, established by the board and has delegated the responsibility for implementation of the risk framework to functions within the operating units.

Risk management structure

The group's risk management framework is summarised below. Key responsibilities lie with the following management bodies and committees.

Board of directors: responsible for the strategic direction, supervision and control of the entity and for defining the entity's tolerance for risk.

Internal auditors: responsible for assisting the boards and management in fulfilling their responsibilities by providing an objective and independent evaluation of the effectiveness of control, risk management and governance processes.

27. FINANCIAL RISK MANAGEMENT (continued)

27.1 Analysis of assets and liabilities by financial instrument classification

	Loans and receivables R	Financial liabilities at amortised cost R	Non-financial instruments R	Total R
Group				
30 June 2008				
<i>Non-current assets</i>	–	–	174 777 267	174 777 267
Property, plant and equipment	–	–	108 584 088	108 584 088
Goodwill	–	–	58 014 446	58 014 446
Loan receivable	–	–	7 745 776	7 745 776
Deferred taxation asset	–	–	432 957	432 957
<i>Current assets</i>	57 204 888	–	3 584 690	60 789 578
Inventories	–	–	2 754 700	2 754 700
Trade and other receivables	56 854 393	–	829 990	57 684 383
Bank and call deposits	350 495	–	–	350 495
Total assets	57 204 888	–	178 361 957	235 566 845
<i>Non-current liabilities</i>	–	17 824 393	4 537 997	22 362 390
Interest bearing liabilities	–	9 844 274	–	9 844 274
Interest free liabilities	–	7 980 119	–	7 980 119
Deferred taxation liability	–	–	4 537 997	4 537 997
<i>Current liabilities</i>	–	37 827 590	18 407 065	56 234 655
Current portion of interest bearing liabilities	–	8 939 703	–	8 939 703
Interest free liability	–	18 182	–	18 182
Trade and other payables	–	13 459 839	13 578 486	27 038 325
Taxation payable	–	–	4 828 579	4 828 579
Bank overdrafts and invoice discounting	–	15 409 866	–	15 409 866
Total liabilities	–	55 651 983	22 945 062	78 597 045
Company				
30 June 2008				
<i>Non-current assets</i>	–	–	77 974 000	77 974 000
Investment in subsidiaries	–	–	77 974 000	77 974 000
<i>Current assets</i>	58 842 458	–	–	58 842 458
Loans to subsidiaries	58 780 397	–	–	58 780 397
Bank and call deposits	62 061	–	–	62 061
Total assets	58 842 458	–	77 974 000	136 816 458
<i>Current liabilities</i>	–	523 963	8 018	531 981
Interest free liability	–	278 963	–	278 963
Trade and other payables	–	245 000	–	245 000
Taxation payable	–	–	8 018	8 018
Total liabilities	–	523 963	8 018	531 981

27. FINANCIAL RISK MANAGEMENT (continued)

27.1 Analysis of assets and liabilities by financial instrument classification (continued)

	Loans and receivables R	Financial liabilities at amortised cost R	Non-financial instruments R	Total R
Group				
30 June 2007 (restated)				
<i>Non-current assets</i>	–	–	117 601 658	117 601 658
Property, plant and equipment	–	–	58 998 564	58 998 564
Goodwill	–	–	58 014 446	58 014 446
Deferred taxation asset	–	–	588 648	588 648
<i>Current assets</i>	40 508 255	–	5 534 274	46 042 529
Inventories	–	–	1 709 847	1 709 847
Trade and other receivables	38 647 459	–	3 824 427	42 471 886
Bank and call deposits	1 860 796	–	–	1 860 796
Total assets	40 508 255	–	123 135 932	163 644 187
<i>Non-current liabilities</i>	–	4 163 195	1 478 236	5 641 431
Interest bearing liabilities	–	4 163 195	–	4 163 195
Deferred taxation liability	–	–	1 478 236	1 478 236
<i>Current liabilities</i>	–	38 288 578	18 091 571	56 380 149
Current portion of interest bearing liabilities	–	1 346 097	–	1 346 097
Interest free liability	–	142 235	–	142 235
Trade and other payables	–	25 135 309	9 461 231	34 596 540
Taxation payable	–	–	8 630 340	8 630 340
Bank overdrafts and invoice discounting	–	11 664 937	–	11 664 937
Total liabilities	–	42 451 773	19 569 807	62 021 580
Company				
30 June 2007				
<i>Non-current assets</i>	–	–	78 225 328	78 225 328
Property, plant and equipment	–	–	251 328	251 328
Investment in subsidiaries	–	–	77 974 000	77 974 000
<i>Current assets</i>	19 808 166	–	–	19 808 166
Loans to subsidiaries	19 792 129	–	–	19 792 129
Bank and call deposits	16 037	–	–	16 037
Total assets	19 808 166	–	78 225 328	98 033 494
<i>Non current liabilities</i>				
Interest bearing liabilities	–	181 719	–	181 719
<i>Current liabilities</i>	–	347 505	–	347 505
Current portion of interest bearing liabilities	–	37 219	–	37 219
Interest-free liability	–	310 286	–	310 286
Total liabilities	–	529 224	–	529 224

27. FINANCIAL RISK MANAGEMENT (continued)

The nature of the key risks to which the Group is exposed are categorised as follows:

27.2 Interest rate risk

The group is exposed to interest rate risk as it borrows and places funds. This risk is managed by utilising an appropriate mix between fixed and floating rate borrowings.

An interest rate sensitivity analysis is set out below. This analysis indicates the financial assets and liabilities sensitive to interest rate fluctuations and the income statement and tax effects of possible changes in the rates to which the financial assets and liabilities are linked.

	Index to which interest rate is linked	Reasonably possible change %	Carrying value of financial instrument at year end R	Income statement effect (Profit before tax) R	Tax effect R
Group 2008					
<i>Financial assets</i>					
Bank and call deposits	Prime	1,00	350 495	3 505	981
<i>Financial liabilities</i>					
Interest bearing liabilities	Prime	1,00	18 783 977	187 840	52 595
Bank overdraft and invoice discounting	Prime	1,00	15 409 866	154 099	43 148
				341 939	95 743
2007 (restated)					
<i>Financial assets</i>					
Bank and call deposits	Prime	1,00	1 860 796	18 608	5 396
<i>Financial liabilities</i>					
Interest bearing liabilities	Prime	1,00	5 509 292	55 093	15 977
Bank overdraft and invoice discounting	Prime	1,00	11 664 937	116 649	33 828
				171 742	49 805
Company 2008					
<i>Financial assets</i>					
Bank and call deposits	Prime	1,00	62 061	620	174
<i>Financial liabilities</i>					
Not sensitive to interest rate fluctuations					
2007					
<i>Financial assets</i>					
Bank and call deposits	Prime	1,00	16 037	160	46
<i>Financial liabilities</i>					
Interest bearing liabilities	Prime	1,00	218 938	2 189	635

The reasonably possible interest rate change is determined based on the greater of the change to the maximum or minimum interest rate as forecast by analysts for the next financial year.

27.3 Credit risk

Credit risk relates to potential exposure on trade receivables, loans and bank and call deposits.

The group limits its counterparty exposure arising from money market instruments by dealing only with well-established financial institutions of high credit standing.

Loans are only made to entities known to the directors where their recoverability is assured beyond any reasonable doubt.

Trade receivables consist mainly of a large widespread customer base. The financial position of customers is monitored on an ongoing basis.

At the balance sheet date, the group did not consider there to be any significant concentration of credit risk which has not been adequately provided for.

27. FINANCIAL RISK MANAGEMENT (continued)

27.4 Liquidity risk

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash resources and unutilised borrowing facilities are maintained.

A maturity analysis of financial liabilities is set out below. This analysis sets out the expected repayment periods of the undiscounted value of financial liabilities.

	Expected settlement period of financial liabilities						Total undiscounted value of financial liabilities R
	Carrying amount R	<3 months R	3 – 6 months R	6 – 12 months R	12 – 24 months R	>24 months R	
Group 2008							
<i>Non-current liabilities</i>							
Interest bearing liabilities	9 844 274	–	–	–	6 152 660	4 860 393	11 013 053
Interest free liability	7 980 119	–	–	–	9 221 930	–	9 221 930
<i>Current liabilities</i>							
Current portion of interest bearing liabilities	8 939 703	2 588 926	2 574 259	5 101 577	–	–	10 264 762
Interest free liability	18 182	–	18 182	–	–	–	18 182
Trade and other payables	13 459 839	13 459 839	–	–	–	–	13 459 839
Bank overdraft and invoice discounting	15 409 866	3 117 040	1 750 000	5 000 826	5 542 000	–	15 409 866
	55 651 983	19 165 805	4 342 441	10 102 403	20 916 590	4 860 393	59 387 632
2007 (restated)							
<i>Non current liabilities</i>							
Interest bearing liabilities	4 163 195	–	–	–	1 699 603	2 874 171	4 573 774
<i>Current liabilities</i>							
Current portion of interest bearing liabilities	1 346 097	532 269	532 269	1 064 538	–	–	2 129 076
Interest free liabilities	142 235	–	142 235	–	–	–	142 235
Trade and other payables	25 135 309	25 135 309	–	–	–	–	25 135 309
Bank overdraft and invoice discounting	11 664 937	965 937	(3 341 991)	(1 368 875)	9 867 866	5 542 000	11 664 937
	42 451 773	26 633 515	(2 667 487)	(304 337)	11 567 469	8 416 171	43 645 331
Company 2008							
<i>Current liabilities</i>							
Interest free liability	278 963	–	–	–	–	278 963	278 963
Trade and other payables	245 000	245 000	–	–	–	–	245 000
	523 963	245 000	–	–	–	278 963	523 963
2007							
<i>Non current liabilities</i>							
Interest bearing liabilities	181 719	–	–	–	59 463	163 523	222 986
<i>Current liabilities</i>							
Current portion of interest bearing liabilities	37 219	14 866	14 866	29 732	–	–	59 464
Interest free loans	310 286	–	–	–	–	310 286	310 286
	529 224	14 866	14 866	29 732	59 463	473 809	592 736

Refer to note 28 for expected settlement period of minimum commitments under operating leases.

27. FINANCIAL RISK MANAGEMENT (continued)

27.5 Capital risk management

The group's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. 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 the debt-to-adjusted capital ratio. This ratio is calculated as net debt + adjusted capital. Net debt is calculated as total debt (as shown in the balance sheet) less cash and cash equivalents. Adjusted capital comprises all components of equity (ie ordinary shares, share premium, retained earnings and other reserves).

The debt-to-adjusted capital ratios at 30 June 2008 and 30 June 2007 were as follows:

	GROUP		COMPANY	
	30 June 2008 R	30 June 2007 Restated R	30 June 2008 R	30 June 2007 R
Total borrowings	42 192 144	17 316 464	278 963	529 224
Less: cash and cash equivalents	(350 495)	(1 860 796)	(62 061)	(16 037)
Net borrowing position	41 841 649	15 455 668	216 902	513 187
Capital and reserves	156 969 800	101 622 607	136 284 477	97 504 270
Debt-to-adjusted capital (:1)	0,27	0,15	0,00	0,01
28. LEASE COMMITMENTS				
Property				
Due within one year	3 452 406	193 500	–	–
Due within 2 to 5 years	5 464 191	73 800	–	–
	8 916 597	267 300	–	–
Office and other equipment				
Due within one year	209 049	–	–	–
Due within 2 to 5 years	501 223	–	–	–
	710 272	–	–	–

29. INVESTMENT IN JOINT VENTURE

On 13 September 2007, Top Fix Scaffolding (Pty) Limited entered into a 50/50 joint venture with Robor (Pty) Limited to set up a scaffolding hire and manufacturing operation. Top Fix's investment in the joint venture, TFR Scaffolding (Pty) Limited, amounted to R8 million on loan account in accordance with the joint venture agreement.

Associate joint venture income statement for the period ended 30 June 2008 (not audited – extracted from management accounts)

	(R'000)
Revenue	33 031
Cost of sales	(28 452)
Gross profit	4 579
Operating expenses	(4 448)
Profit from operations	131
Interest paid	(1 801)
Profit before taxation	(1 670)
Taxation	(33)
Profit for the period	(1 703)
Preference dividends	(291)
Attributable earnings	(1 994)

No loss was taken to account for the joint venture. By mutual agreement, Top Fix sold its share in the joint venture to Robor for R100 on 30 June 2008 (equal to the original share investment). Top Fix's outstanding loan account was settled through the supply of scaffolding equipment at market related rates subsequent to year end (see note 6).

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 30 June 2008

30. SEGMENT REPORT

The following are the summarised results for the various primary group segments as defined in note 1.16:

	Access scaffolding R	Labour outsourcing R	Surveillance R	Holding company/ consolidation R	Total R
June 2008					
Income statement					
Revenue	97 198 871	125 572 360	7 236 294	(2 835 235)	227 172 290
External	97 198 871	122 737 125	7 236 294	–	227 172 290
Internal	–	2 835 235	–	(2 835 235)	–
Cost of sales	(36 786 855)	(105 955 207)	(2 899 342)	2 835 235	(142 806 169)
Gross profit	60 412 016	19 617 153	4 336 952	–	84 366 121
Other operating income	816 164	692 385	–	–	1 508 549
Depreciation	(2 985 077)	(256 975)	(991 479)	–	(4 233 531)
Operating expenses	(41 360 487)	(12 552 804)	(1 893 163)	(761 555)	(56 568 009)
Profit/(loss) from operations	16 882 616	7 499 759	1 452 310	(761 555)	25 073 130
Fair value adjustment	1 241 811	–	–	–	1 241 811
Net financing costs	(3 585 076)	229 636	(259 490)	28 637	(3 586 293)
Interest received	2 734 544	2 157 066	231	(2 124 657)	2 767 184
Interest paid	(6 319 620)	(1 927 430)	(259 721)	2 153 294	(6 353 477)
Profit/(loss) before taxation	14 539 351	7 729 395	1 192 820	(732 918)	22 728 648
Taxation	(4 277 790)	(2 282 868)	(327 962)	(13 978)	(6 902 598)
Profit/(loss) for the year	10 261 561	5 446 527	864 858	(746 896)	15 826 050
Balance sheet					
Assets	195 419 584	32 510 991	7 574 209	62 061	235 566 845
Liabilities	53 595 977	24 095 790	652 260	253 018	78 597 045
Property, plant and equipment – Additions	53 778 651	691 238	201 603	–	54 671 492

30. SEGMENT REPORT (continued)

	Access scaffolding R	Labour outsourcing R	Surveillance R	Holding company/ consolidation R	Total R
June 2007 (restated)					
Income statement					
Revenue	51 307 100	136 845 190	7 283 512	(2 856 232)	192 579 570
External	51 307 100	133 988 958	7 283 512	–	192 579 570
Internal	–	2 856 232	–	(2 856 232)	–
Cost of sales	(25 781 593)	(115 530 759)	(2 870 281)	2 856 232	(141 326 401)
Gross profit	25 525 507	21 314 431	4 413 231	–	51 253 169
Other operating income	3 305	1 690 063	1 410	–	1 694 778
Depreciation	(2 923 534)	(90 387)	(767 916)	–	(3 781 837)
Operating expenses	(28 940 026)	(10 648 570)	(2 102 867)	(450 265)	(42 141 728)
(Loss)/profit from operations	(6 334 748)	12 265 537	1 543 858	(450 265)	7 024 382
Fair value adjustment	–	733 948	–	–	733 948
Net financing costs	(2 269 370)	(38 156)	(332 436)	366 810	(2 273 152)
Interest received	20 373	1 582 741	439	(1 017 493)	586 060
Interest paid	(2 289 743)	(1 620 897)	(332 875)	1 384 303	(2 859 212)
(Loss)/profit before taxation	(8 604 118)	12 961 329	1 211 422	(83 455)	5 485 178
Taxation	2 137 078	(3 235 409)	(351 965)	–	(1 450 296)
(Loss)/profit for the year	(6 467 040)	9 725 920	859 457	(83 455)	4 034 882
Balance sheet					
Assets	123 980 708	31 446 794	8 186 474	30 211	163 644 187
Liabilities	39 838 564	22 626 858	1 375 029	(18 216)	63 822 235
Property, plant and equipment					
– Additions	40 079 351	304 199	1 343 799	251 328	41 978 677

31. ESTIMATION AND JUDGEMENT APPLIED BY MANAGEMENT IN APPLYING ACCOUNTING POLICIES

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

Useful life and residual values of property, plant and equipment

Management has made the following assessments based on past experience:

		2008	2007
Scaffolding			
– Useful life	Inland	50 years	25 years
	Coastal	50 years	10 years
– Residual value		15% of current price of new steel	Nil
		2008 R'000	2007 R'000
Motor vehicles			
– Residual value			
Fuso trucks		164 000	–
Colt LDV's		39 000	–

Had the previous estimates remained unchanged, additional depreciation of R3,7 million would have been charged to the income statement. The estimation basis was changed after finalisation of the interim accounts of December 2007, resulting in a R0,6 million write-back of depreciation against this period.

Estimations of useful life of other categories of property, plant and equipment are as stated in note 1.3 and are consistent with estimations applied in the previous year. Residual values continue to be estimated at zero.

31. ESTIMATION AND JUDGEMENT APPLIED BY MANAGEMENT IN APPLYING ACCOUNTING POLICIES (continued)

Impairment testing of goodwill

See note 5.

Deferred tax asset

The group recognises the future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws.

To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the balance sheet date could be impacted.

Impairment of trade receivables

The impairment provision is estimated with reference to known doubtful accounts as well as experience regarding the recoverability of accounts and the level of ageing.

Trade receivables and trade payables

Normal trade credit terms in South Africa have been judged to be equal to 60 days. Where trade receivables and payables are settled beyond the normal trade credit terms, the transaction is deemed to include a financing arrangement.

The resulting trade receivable or trade payable is discounted from the date of settlement to day 60 using an appropriate discount rate. The group discounts its trade receivables using a discount rate equivalent to that which it could earn on funds placed on call for a similar term. Trade payables are discounted using the group's incremental borrowing rate which it could obtain from its commercial bankers for borrowing funds on similar terms.

Inventory/work in progress impairment

The provision for obsolete stock is estimated with reference to known irrecoverable amounts as well as experience regarding the recoverability of work-in-progress.

SHAREHOLDER INFORMATION

	Number of shares	% issued shares	Number of shareholders	% total
Shareholder analysis				
<i>Portfolio size</i>				
1 – 1 000	76 580	–	119	8,7
1 001 – 5 000	1 208 482	0,6	392	28,8
5 001 – 10 000	1 383 511	0,7	481	35,3
Over 10 000	200 513 245	98,7	369	27,2
Total	203 181 818	100,0	1 361	100,0
Shareholder spread				
Directors of the company	1 493 486	0,7	7	0,5
Associates of the above	120 384 970	59,2	9	0,7
Other shareholders holding in excess of 10% of the issued share capital of the company	25 168 150	12,4	1	0,1
Non-public	147 046 606	72,3	17	1,2
Public	56 135 212	27,7	1 344	98,8
Total	203 181 818	100,0	1 361	100,0
Major shareholders				
<i>Shares held under voting pool arrangement dated 1 November 2006</i>				
BW Marais	53 479 970	26,3		
FF Goosen	6 652 000	3,3		
PR Todd	5 150 000	2,5		
Shockproof Investments 112 (Pty) Limited	50 685 000	24,9		
Spectrum 2000 (Pty) Limited	1 498 000	0,7		
Total voting pool	117 464 970	57,7		
<i>Other shareholders holding in excess of 5% of the issued share capital of the company</i>				
Broker Proprietary	25 248 740	12,4		
Liberty Life Ass. of Africa Limited	10 651 999	5,2		
	35 900 739	17,6		

NOTICE OF ANNUAL GENERAL MEETING



TOP FIX HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration no: 2006/011359/06)

Share Code: TFX ISIN: ZAE 000088423

(the Company or Top Fix)

Notice is hereby given that the second annual general meeting of members of the Company will be held at Protea Hotel, Midrand on Wednesday, 18 February 2009 at 10:00 for the following purposes:

1. To receive and adopt the financial statements for the 12 months ended 30 June 2008.
2. To approve the remuneration payable to non-executive directors as set out in the Directors' Report on page 12.
3. To elect directors in the place of those retiring in accordance with the provisions of the Company's Articles of Association. The retiring directors who are eligible and offer themselves for re-election:
 - 3.1 BT Ngcuka
 - 3.2 FF Goosen
 - 3.3 JJ SenekalA brief CV of directors standing for re-election can be found on page 2.
4. To authorise the directors to determine and pay the auditors' remuneration.

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

5. **Ordinary resolution Number 1: Directors' control of unissued shares**

"RESOLVED THAT, a general authority is granted to directors of the Company to allot and issue the unissued ordinary shares of the Company, upon such terms and conditions as they in their discretion may determine, subject to the provisions of section 221 of the Companies Act, (Act 61 of 1973) 1973 (Act), as amended the Articles of Association of the Company and the JSE Limited's Listing Requirements, and that such general authority be valid until the Company's next annual general meeting."

6. **Ordinary resolution Number 2: Issue of shares for cash**

"RESOLVED THAT, subject to the passing of ordinary resolution Number 1, the directors of the Company be and are hereby authorised by way of a general authority, to allot and issue any of its unissued shares placed under their control for cash as they in their discretion may deem fit, without restriction, subject to the provisions of the JSE Limited's Listings Requirements (Listings Requirements), which Listings Requirements *inter alia* limit the aggregate number of ordinary shares that may be issued and allotted in terms of this resolution to 15% of the issued share capital of the Company as at 30 June 2008, provided that:

- The general authority be valid until the Company's next annual general meeting provided that it shall not extend beyond fifteen months from the date of the passing of this ordinary resolution (whichever period is shorter);
- Any such issue will only be in respect of securities of a class already in issue;
- Securities will be issued to public shareholders as defined in the Listings Requirements and not to related parties;
- Issues in the aggregate in any one financial year shall not exceed 15% of the Company's issued share capital of that class;
- In determining the price at which an issue of securities will be made in terms of this authority, the maximum discount permitted shall be 10% of the weighted average traded price of those securities over the 30 trading days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the securities. The JSE should be consulted for a ruling if the Company's securities have not traded in such 30 day period.
- A SENS announcement giving full details, including the impact on net asset value, net tangible asset value, earnings and headline earnings per share and, if applicable, diluted earnings and headline earnings per share, will be

NOTICE OF ANNUAL GENERAL MEETING (continued)

published at the time of any issue representing, on a cumulative basis within a financial year, 5% or more of the number of securities in issue prior to the issue/s.”

At least 75% of the shareholders present in person or by proxy and entitled to vote at the annual general meeting must cast their vote in favour of this resolution.

7. Special resolution Number 1: Company share buy-back authority

“RESOLVED THAT, subject to passing ordinary resolution Number 1, the Company be and is hereby authorised as a general approval, 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 determine, but subject to the provisions of the Companies Act 1973 (No.61 of 1973) (Act), the Articles of Association of the Company and the JSE Limited's (JSE) Listings Requirements (“Listings Requirements”) (if applicable), subject to the following conditions:

- The general repurchase of shares shall be implemented through the order book operated by the JSE's trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- This general authority shall be valid only until the next Annual General Meeting or for a period of 15 months of the date of the resolution, whichever period is the shorter;
- The general repurchase(s) shall in any one financial year be limited to a maximum of 20% of the Company's issued share capital of that class;
- Repurchases must not be made at a price more than 10% above the weighted average of the market value for the securities for the five (5) business days immediately preceding the date of repurchase. The JSE should be consulted for a ruling if the Company's securities have not traded in such 5 day period;
- A SENS announcement (complying with paragraph 11.27 of the Listings Requirements) will be published as soon as the Company has acquired shares constituting, on a cumulative basis, 3% of the initial number of ordinary shares in issue at the time of the granting of this authority, giving full details of such acquisitions and for each 3% in aggregate of the initial number of ordinary shares acquired thereafter by the Company;
- The Company will, at any point in time, appoint only one agent to effect any repurchase(s) on the Company's behalf;
- The Company will only undertake a general repurchase of securities if, after such repurchase, at least 100 public shareholders, as defined in the Listings Requirements, continue to hold at least 10% of the Company's issued ordinary shares;
- The Company will not repurchase its shares during any prohibited period as defined in paragraph 3.67 of the Listings Requirements ;
- The repurchase shall be subject to the Act, the Company's Articles of Association and the Listings Requirements;
- The Company must ensure that its Designated Adviser provides the JSE with the required adequacy of working capital letter before is commences to repurchase any shares.”

At least 75% of the shareholders present in person or by proxy and entitled to vote at the annual general meeting must cast their vote in favour of this resolution.

8. Special resolution Number 2: Subsidiary share buy-back authority

“RESOLVED THAT, subject to passing ordinary resolution Number 1, the Company, insofar as it may be necessary to do so, hereby approves of, as a general approval, and authorises the acquisition by any subsidiary of the Company of shares issued by such subsidiary and/or by the Company, upon such terms and conditions and in such amounts as the directors of such subsidiary/ies may from time to time decide, but subject to the provisions of the Companies Act 1973 (No. 61 of 1973) (the Act), the Articles of Association of the Company, and the JSE Limited's (JSE) Listings Requirements (Listings Requirements) (if applicable), subject to the following conditions:

- The general repurchase of shares may only be implemented on the open market through the order book operated by the JSE and done without any prior understanding or arrangement between the Company and the other counterparty;
- This general authority shall only be valid until the next annual general meeting of the Company, or for a period of 15 months from the date of this resolution in terms of this annual general meeting, whichever period is the shorter;

NOTICE OF ANNUAL GENERAL MEETING (continued)

- Repurchases must not be made at a price more than 10% above the weighted average of the market value for the securities for the five (5) business days immediately preceding the date of repurchase. The JSE should be consulted for a ruling if the Company's securities have not traded in such 5 day period;
- A SENS announcement (complying with paragraph 11.27 of the Listings Requirements) will be published as soon as the subsidiary has acquired shares constituting, on a cumulative basis, 3% of the initial number of ordinary shares in issue at the time of the granting of this authority, giving full details of such acquisitions and for each 3% in aggregate of the initial number of ordinary shares acquired thereafter by the subsidiary;
- The Company and/or the subsidiary will, at any point in time, appoint only one agent to effect any repurchase(s) on the Company's behalf;
- The subsidiary will only undertake a general repurchase of securities if, after such repurchase, at least 100 public shareholders, as defined in the Listings Requirements, continue to hold at least 10% of the Company's issued ordinary shares;
- The subsidiary will not repurchase its shares during any prohibited period as defined in paragraph 3.67 of the Listings Requirements ;
- This general authority to repurchase is limited to a maximum of 20% in the aggregate of the acquiree company's issued share capital at the time the authority is granted, subject to a maximum of 10% in the aggregate in the event that it is the Company's share capital that is repurchased by a subsidiary and/or in the event that it is the Company's holding company's share capital that is repurchased by the Company and/or a subsidiary;
- The repurchase shall be subject to the Act, the Company's Articles of Association and the Listings Requirements; and
- The Company must ensure that its Designated Adviser provides the JSE with the required adequacy of working capital letter before it commences to repurchase any shares."

At least 75% of the shareholders present in person or by proxy and entitled to vote at the annual general meeting must cast their vote in favour of this resolution.

9. Ordinary resolution number 3: Granting directors general authority to implement aforesaid resolutions

"RESOLVED THAT the Directors of the Company be and are hereby authorised to do all such things and sign all documents and take all such action as they consider necessary to give effect to and implement the resolutions set out in this notice convening the annual general meeting at which this Ordinary Resolution Number 3 will be considered."

Reasons for and effects of the special resolutions

Directors' statement re utilisation of the authority sought

A repurchase of Top Fix shares is not contemplated at the date of this notice. However, the board believes it to be in the interest of Top Fix that shareholders grant a general authority to provide the board with optimum flexibility to repurchase Top Fix shares as and when an opportunity that is in the best interests of the Company arises.

Further, the board is of the opinion that, even if the maximum amount of 20% of the current issued share capital of the Company is repurchased using the mechanism of the general authority at the maximum price at which repurchases may take place (being a 10% premium above the weighted average of the market value for the securities for the five (5) business days immediately preceding the date of the repurchase):

- The issued share capital and reserves of the Company and the group will be adequate for the purposes of the business of the Company and the group for a period of 12 months after the date of the notice of the Annual General Meeting;
- The working capital available to the Company and the group will be sufficient for the group's requirements for a period of 12 months after the date of the notice of the Annual General Meeting;
- The assets of the Company and the group, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the Company and the group for a period of 12 months after the date of the notice of the Annual General Meeting; and
- The Company and the group will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months after the date of the notice of the Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING (continued)

Reasons for and effect of authority to repurchase shares

The reason for and effect of the authority to repurchase shares is to grant the Company and/or any of its subsidiary companies a general authority in terms of the Act for the acquisition of its own shares.

For the purposes of considering this authority to repurchase shares and in compliance with paragraph 11.26 of the Listings Requirements, the information listed below has been included in the Annual Report, in which this notice of Annual General Meeting is included, at the places indicated:

- Directors and management (pages 1 and 2);
- Major shareholders (page 42);
- Directors' interests in securities (page 12);
- Share capital of the Company (page 28);
- Contingent liabilities and litigation (page 11); and
- Responsibility statement (page 8).

Ordinary resolutions Number 1 and 2 are renewals of resolutions taken at the previous Annual General Meeting on 14 February 2008.

Material changes

This notice has been distributed together with the financial statements of the Company and the group and no material changes have occurred since the publication thereof.

Should a share repurchase in terms of the general authority as sought in special resolutions Numbers 1 and 2 be contemplated by the directors, the written assurance of the Company's Designated Adviser in respect of the Company's working capital shall be furnished by the Company's Designated Adviser, by way of a letter to the Issuer Services Department of the JSE Limited prior to the Company entering the market to commence any share repurchases.

VOTING AND PROXIES

In order to more effectively record the votes and give effect to the intentions of shareholders, voting on all resolutions will be conducted by way of a poll. Any member entitled to attend and vote at a meeting of the Company may appoint a proxy to attend, speak and vote in his/her stead. A proxy need not be a member of the Company. For the convenience of registered members of the Company, a form of proxy is enclosed herewith.

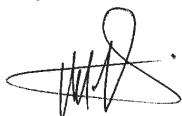
The attached form of proxy is only to be completed by those shareholders who are:

- Holding the Company's ordinary shares in certificated form; or
- Recorded on the electronic sub-register in "own name" dematerialised form.

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



Completed forms must be returned to the transfer secretaries, Link Market Services South Africa (Pty) Limited, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) to be received by not later than 24 hours before the annual general meeting (excluding Saturdays, Sundays and public holidays).

By order of the board



MN HATTINGH
Company Secretary

15 December 2008

Designed by  **motiv**
Printed by  **INCE**

FORM OF PROXY



TOP FIX HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
 (Registration no: 1995/012209/06)
 Share Code: BDM ISIN: ZAE 000011259
 (Top Fix or the Company)

To Link Market Services South Africa (Pty) Limited,
 11 Diagonal Street,
 Johannesburg,
 2001
 (PO Box 4844, Johannesburg, 2000)

This proxy form should only be completed by shareholders who are

- **Holding shares in certificated form, or**
- **Recorded on the sub-register in electronic form in "own name" (see overleaf, note 1)**

To be received by no later than 10:00 on Tuesday, 17 February 2009.

For use by members of Top Fix at the annual general meeting of Top Fix to be held on Wednesday, 18 February 2009 at Protea Hotel, Midrand (the annual general meeting) at 10:00

I/We _____

(Name(s) in block letters)

of _____

(address)

being the holder(s) of _____ shares in the Company do hereby appoint (see note 1):

1. _____ or failing him,

2. _____ or failing him,

3. the Chairman of the annual general meeting,

as my/our proxy to vote on my/our behalf at the annual general meeting which will be held for the purpose of considering, and if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the resolutions and/or abstain from voting in respect of all of the above ordinary shares registered in my/our name/s, in accordance with the following instructions.

	Insert an "X" or the number of votes exercisable (one vote per share)		
	For	Against	Abstain
1. Adoption of the annual financial statements			
2. Approval of non-executive directors' remuneration			
3. Re-election of retiring directors	N/A	N/A	N/A
3.1 BT Ngcuka			
3.2 FF Goosen			
3.3 JJ Senekal			
4. To authorise the directors to determine and pay the auditors' remuneration			
5. Ordinary resolution Number 1: To place the unissued ordinary shares of the Company under the control of the directors			
6. Ordinary resolution Number 2: Authority to issue shares for cash			
7. Special resolution Number 1: To grant authority to the directors to repurchase Top Fix shares			
8. Special resolution Number 2: To grant authority to the directors to repurchase Top Fix subsidiary shares/subsidiaries to purchase Top Fix shares			
9. Ordinary resolution Number 3: To grant directors general authority to implement the aforesaid resolutions			

Signed at _____ on _____ 2009

Signature/s _____

Assisted by me _____

(where applicable)

NOTES TO FORM OF PROXY

1. Members who have dematerialised their shares through a Central Securities Depository Participant (CSDP) or broker must either inform their CSDP or broker of their intention to attend the annual general meeting to provide them with the necessary authority to attend or provide the CSDP or broker with their voting instruction in terms of the custody agreement entered into between the beneficial owner and the CSDP or broker.
2. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space provided. The person whose name appears first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A member's instructions to the proxy must be indicated by "X", or the number of votes exercisable (one vote per share), in the appropriate box provided on the proxy form. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the member's votes exercisable at the meeting.
4. The completion and lodging of this form of proxy will not preclude the member from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should the member wish to do so. (See note 1 above.)
5. The chairman of the annual general meeting may reject or accept any proxy form which is completed and/or received, other than in accordance with these notes. Proxy forms received by way of facsimile will be acceptable.
6. Each member is entitled to appoint one or more proxies (none of whom needs to be a member of Top Fix) to attend, speak and vote in place of that member at the annual general meeting.
7. Any alteration to this form of proxy, other than a deletion of alternatives, must be initialled by the signatories.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by Top Fix.
9. Where there are joint holders of ordinary shares:
 - a. Any one holder may sign the form of proxy;
 - b. The vote of the senior (for that purpose seniority will be determined by the order in which the names of members appear in Top Fix's register of members) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote/s of the other joint shareholder/s.
10. Forms of proxy should be lodged with or posted to the transfer secretaries, Link Market Services South Africa (Pty) Limited.

Hand deliveries to:

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

Postal deliveries to:

Link Market Services South Africa (Pty) Limited
PO Box 4844
Johannesburg
2000

so as to be received by no later than 10:00 on Tuesday, 17 February 2009 (or 24 hours before any adjournment of the annual general meeting, which date, if necessary, will be announced in the press).



CORPORATE INFORMATION

AUDIT AND RISK COMMITTEE

KG Bodigelo (Chairman)
JJ Senekal

REMUNERATION COMMITTEE

BT Ngcuka (Chairman)
JJ Senekal

COMPANY SECRETARY

MN Hattingh, B Comm. LLB
6 Topaz Street, Lyttleton Manor
Centurion, 0157
(Postal address same as above)

DESIGNATED ADVISOR

PSG Capital (Pty) Limited
(Registration number 2006/01587/07)
1st Floor, Ou Kollege Building
35 Kerk Street, Stellenbosch 7600
(PO Box 7403, Stellenbosch, 7599)

AUDITORS AND REPORTING ACCOUNTANT

PKF (Jhb) Inc
(Registration number 1994/001166/21)
Registered Auditors
Chartered Accountant (SA)
42 Wierda Road West
Wierda Valley, 2196
(Private Bag X10046, Sandton, 2146)

TOP FIX WEBSITE

<http://www.Top Fix.co.za>

DATE AND PLACE OF INCORPORATION

12 April 2006
Johannesburg, South Africa

REGISTRATION NUMBER

2006/001359/06

REGISTERED OFFICE

6 Topaz Street, Lyttelton Manor
Centurion, 0157
(Postal address same as above)

TRANSFER SECRETARIES

Link Market Services South Africa (Proprietary) Limited
(formerly Ultra Registrars (Proprietary) Limited)
(Registration number 2000/007239/07)
11 Diagonal Street
Johannesburg, 2001
(PO Box 4844, Johannesburg, 2000)

COMMERCIAL BANKERS

ABSA Business Banking Services
(a division of ABSA Group Limited
(Registration number 1986/003934/06)
2nd Floor, Block D Eastgate Office Park South Boulevard
Bruma, 2198
(PO Box 7757, Johannesburg, 2000)

