

# DIRECTORS' RESPONSIBILITY FOR AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 August 2009

The annual financial statements, set out on pages 26 to 43 were prepared by management in conformity with International Financial Reporting Standards and the Companies Act, applied on a consistent basis throughout the year, except where otherwise stated. They have been approved by the Board of directors and have been signed on their behalf by the undermentioned directors.

The manner of presentation of the annual financial statements, the selection of accounting policies and the integrity of the financial information are the responsibility of the Board of directors.

To fulfil its responsibilities, the Board of directors has developed and continues to maintain a system of internal controls. These controls are based on established policies and procedures, are implemented by trained skilled personnel with an appropriate segregation of duties and are closely monitored by the Board of directors.

We believe the controls in use are adequate to provide reasonable assurance that assets are safeguarded from loss or unauthorised use and that the financial records may be relied on for preparing the financial statements and maintaining accountability for assets and liabilities.

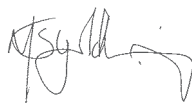
Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

After conducting appropriate procedures the directors are satisfied that the Company will be a going concern for the foreseeable future and have continued to adopt the going concern basis in preparing the annual financial statements.

The Board of directors are primarily responsible for the financial affairs of the Group. The auditors are responsible for independently reviewing and reporting on the Group's annual financial statements and the relevant underlying financial controls.

The audit committee is comprised of two non-executive directors and meets bi-annually with the auditors. The auditors have free access to this committee.

The annual financial statements have been examined by the Group's auditors and their report is presented on page 23. The auditors are appointed each year based on the recommendation by the audit committee.



**M S Goldberg**  
Executive director  
Sandton  
26 October 2009



**J A Goldberg**  
Managing director

## CERTIFICATE OF THE COMPANY SECRETARY

as at 31 August 2009

I certify, in accordance with Section 286 G(d) of the Companies Act 1973 (as amended) that the Company has lodged with the Registrar all such returns as are required by a public company in terms of this Act, for the year ended 31 August 2009. Furthermore, all such returns are true and correct.



**B H Haikney**  
Company secretary

Sandton  
26 October 2009



## To the members of Nu-World Holdings Limited

We have audited the Group annual financial statements and annual financial statements of Nu-World Holdings Limited, which comprise the consolidated and separate balance sheets as at 31 August 2009, the consolidated and separate income statements, the consolidated and separate statement of changes in equity, the consolidated and separate cash flow statements for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors report, as set out on pages 26 to 43.

## Directors' responsibility for the financial statements

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

## Auditor's responsibility

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

An audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material

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

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

## Opinion

In our opinion, the financial statements present fairly, in all material respects the consolidated and separate financial position of Nu-World Holdings Limited as at 31 August 2009 and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

## Tuffias Sandberg KSi

Registered Auditors  
Per Shaun Nurick  
Chartered Accountants (SA)  
Registered Auditors  
Partner  
26 October 2009

## Nature of business

The Company is a holding Company listed on the JSE Limited South Africa. It's subsidiaries manufacture, import and export a diversified range of electrical appliances, consumer electronics and branded consumer durables.

The results and state of affairs of the Group are reflected in the attached financial statements and commentary thereon is provided in the managing director's review.

## Share capital

### Authorised share capital

The authorised share capital of the Company comprises 30 000 000 ordinary shares of 1 cent each and 20 000 000 "N" unlisted ordinary shares of 0,1 cent each. There were no changes to the authorised share capital for the year under review.

### Issued share capital

Details of the change in issued share capital is reflected in note 10 on page 34.

### Unissued share capital

At the forthcoming annual general meeting, members will be asked to place the unissued share capital of the Company under the control of the directors. A resolution for this purpose is included in the notice of the forthcoming annual general meeting.

### The Nu-World Share Incentive Trust

The Nu-World Share Incentive Trust ("the trust") was established in March 1994. In terms of the trust deed, the aggregate number of ordinary shares in the capital of the Company, which may be made available for purposes of the trust, shall not exceed 10% of the Company's issued share capital.

The trust requires a minimum of two trustees. The current trustees are Messrs R Kinross and J M Judin. No trustee is a beneficiary of the trust.

Refer to note 22 in the attached financial statements for further details.

## Dividend/capital distribution

The Board has resolved to declare a distribution to shareholders by way of a capital distribution out of share premium of 33,9 cents per share. The distribution will be paid in terms of a general authority to make such payments granted to the Board of shareholders at the Company's annual general meeting, held on Wednesday, 18 February 2009.

## Directors

The composition of the Board of directors during the year under review was as follows:

M S Goldberg (Chairman), J A Goldberg (Managing director and Chief executive officer) G R Hindle, J M Judin, D Piaray.

In terms of the articles of association, Messrs G R Hindle, J M Judin and D Piaray retire at the forthcoming annual general meeting, but being eligible offer themselves for re-election.

## Secretary

Mr B H Haikney was company secretary throughout the year.

Business and postal address:

The Secretary

35, 3<sup>rd</sup> Street, Wynberg.

P O Box 8964, Johannesburg.

## Subsidiary companies

Details of the Company's investment in its subsidiaries are set out on page 44 to the annual financial statements.

## Directors' interest in the shares of the Company

The directors' interest, directly and indirectly, in the issued share capital of the Company at the year end represented 2,7%.

There have been no material changes in the directors' interest between 31 August 2009 and the date of this report.

## Post balance sheet events

No material facts or circumstances have occurred between 31 August 2009 and the date of this report.



The directors' remuneration in respect of the financial year ended 31 August 2009 was as follows:

Name	Directors' fees R000s	Basic remuneration R000s	Performance bonus R000s	Car/ subsistence allowance R000s	Total 2009 R000s	Total 2008 R000s
<b>Executive</b>						
M S Goldberg		3 443		168	3 611	3 519
J A Goldberg		3 443		168	3 611	3 519
G R Hindle		2 426		218	2 644	2 566
<b>Non-executive</b>						
D Piaray	115				115	115
J M Judin	115				115	115
	<b>230</b>	<b>9 312</b>	<b>–</b>	<b>554</b>	<b>10 096</b>	<b>9 834</b>

The directors' interests in the issued share capital of the Company was as follows:

Name	Direct beneficial	Indirect beneficial	Total 2009	Total 2008
<b>Executive</b>				
M S Goldberg	35 000	437 000	472 000	472 000
J A Goldberg	517 610		517 610	517 610
G R Hindle	4 470		4 470	49 470
<b>Non-executive</b>				
J M Judin		26 039	26 039	26 039

There have been no changes in the directors' interests in the share capital from 31 August 2009 to the date of posting of this annual report.

# BALANCE SHEETS

as at 31 August 2009

	Note	Group		Company	
		2009 R000s	2008 R000s	2009 R000s	2008 R000s
<b>Assets</b>					
<b>Non-current assets</b>					
		<b>154 336</b>	157 456	<b>51 230</b>	47 966
Property, plant and equipment	2	<b>32 563</b>	35 054		
Intangible assets	3	<b>52 313</b>	52 313		
Investment in subsidiaries	4			<b>51 230</b>	47 966
Investment	5	<b>51 706</b>	51 706		
Deferred taxation	6	<b>17 754</b>	18 383		
<b>Current assets</b>					
		<b>611 974</b>	623 258	<b>839</b>	24 196
Inventories	7	<b>264 690</b>	244 349		
Trade and other receivables	8	<b>198 153</b>	239 221	<b>800</b>	24 157
Cash and cash resources		<b>149 131</b>	139 688		
Taxation prepaid				<b>39</b>	39
<b>Total assets</b>		<b>766 310</b>	780 714	<b>52 069</b>	72 162
<b>Equity and liabilities</b>					
<b>Capital and reserves</b>					
		<b>577 585</b>	571 526	<b>51 956</b>	72 049
Issued capital	10	<b>36 899</b>	51 410	<b>60 796</b>	74 225
Foreign currency translation reserve		<b>2 403</b>	2 803		
Accumulated profits		<b>516 802</b>	494 008	<b>(8 840)</b>	(2 176)
Share based payment reserve	11	<b>2 282</b>	1 839		
Hedging reserve	12	<b>(3 934)</b>			
Capital and reserves attributed to equity holdings of the Company		<b>554 452</b>	550 060	<b>51 956</b>	72 049
Minority interest		<b>23 133</b>	21 466		
<b>Non-current liabilities</b>					
		<b>27 262</b>	28 149	–	–
Long term liability	13	<b>20 000</b>	20 000		
Deferred taxation	6	<b>7 262</b>	8 149		
<b>Current liabilities</b>					
		<b>161 463</b>	181 039	<b>113</b>	113
Trade and other payables	9	<b>157 844</b>	179 164	<b>113</b>	113
Taxation		<b>3 619</b>	1 875		
<b>Total equity and liabilities</b>		<b>766 310</b>	780 714	<b>52 069</b>	72 162

# INCOME STATEMENT

for the year ended 31 August 2008



	Note	Group		Company	
		2009 R000s	2008 R000s	2009 R000s	2008 R000s
<b>Continuing operations</b>					
Revenue	14	1 443 104	1 548 370	356	404
Cost of sales		1 156 398	1 281 087		
Gross profit		286 706	267 283	356	404
Other income		13 210	10 427		2 964
Operating expenses		259 799	224 473	7 020	819
Operating profit/(loss) before interest	15	40 117	53 237	(6 664)	2 549
Interest paid		6 676	6 667		
Profit/(loss) before taxation		33 441	46 570	(6 664)	2 549
Taxation	16	8 465	10 440		
Net profit/(loss) after taxation from continuing operation		24 976	36 130	(6 664)	2 549
<b>Discontinued operations</b>					
Revenue	14		342 512		
Cost of sales			286 847		
Gross profit		–	55 665	–	–
Other income			486		
Operating expenses			47 861		
Operating profit before interest	15	–	8 290	–	–
Interest paid			121		
Profit before taxation		–	8 169	–	–
Taxation	16		1 178		
Net profit after taxation from discontinued operation		–	6 991	–	–
Total net income/(loss) after taxation		24 976	43 121	(6 664)	2 549
Attributable to:					
Minorities		1 943	2 848		
Equity holders of the Company		23 033	40 273	(6 664)	2 549
		24 976	43 121	(6 664)	2 549
<b>Reconciliation of headline earnings:</b>					
Attributable income		23 033	40 273		
Net loss on disposal of subsidiary		7 251	3 323		
Headline earnings		30 284	43 596		
Earnings per share (cents)	17	108,9	185,6		
Capital distribution per share (cents)	18	33,9	59,3		
Headline earnings per share		143,1	200,9		

# STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 August 2009

	Issued share capital R000s	Share premium R000s	Treasury share R000s	Foreign currency translation reserve R000s	Accu- mulated profits R000s	Share- based payment reserve R000s	Hedging reserve R000s	Total R000s	Minority interest R000s	Total equity R000s
<b>Group</b>										
Balance at 31 August 2007	226	100 487	(20 201)	1 246	454 012	1 078		536 848	51 346	588 194
Currency translation difference				4 940				4 940	270	5 210
Transfer to deferred taxation				(1 482)				(1 482)		(1 482)
Transfer to minorities				(1 901)				(1 901)	1 901	
Decrease in investment in subsidiary									(30 453)	(30 453)
Increase in investment in subsidiary									(4 446)	(4 446)
Net profit for the year					40 273			40 273	2 848	43 121
Dividend paid/capital distribution		(28 376)			(277)			(28 653)		(28 653)
Treasury share movement			(726)					(726)		(726)
Transfer of fair value adjustment – transfer to share-based payment reserve						761		761		761
<b>Balance at 31 August 2008</b>	<b>226</b>	<b>72 111</b>	<b>(20 927)</b>	<b>2 803</b>	<b>494 008</b>	<b>1 839</b>	<b>–</b>	<b>550 060</b>	<b>21 466</b>	<b>571 526</b>
Currency translation difference				(1 330)				(1 330)	583	(747)
Transfer to deferred taxation				399				399		399
Transfer to minorities				531				531	(531)	
Decrease in investment in subsidiary									(328)	(328)
Net profit for the year					23 033			23 033	1 943	24 976
Dividend paid/capital distribution		(13 429)			(239)			(13 668)		(13 668)
Treasury share movement			(1 082)					(1 082)		(1 082)
Transfer of fair value adjustment – transfer to share-based payment reserve						443		443		443
Hedging reserve							(3 934)	(3 934)		(3 934)
<b>Balance at 31 August 2009</b>	<b>226</b>	<b>58 682</b>	<b>(22 009)</b>	<b>2 403</b>	<b>516 802</b>	<b>2 282</b>	<b>(3 934)</b>	<b>554 452</b>	<b>23 133</b>	<b>577 585</b>

	Issued share capital R000s	Share premium R000s	Accu- mulated losses R000s	Total equity R000s
<b>Company</b>				
Balance at 31 August 2007	226	102 375	(4 725)	97 876
Net profit for the year			2 549	2 549
Dividend paid/capital distribution		(28 376)		(28 376)
<b>Balance at 31 August 2008</b>	<b>226</b>	<b>73 999</b>	<b>(2 176)</b>	<b>72 049</b>
Net loss for the year			(6 664)	
Dividend paid/capital distribution		(13 429)		
<b>Balance at 31 August 2009</b>	<b>226</b>	<b>60 570</b>	<b>(8 840)</b>	<b>51 956</b>

# CASH FLOW STATEMENTS

for the year ended 31 August 2009



	Note	Group		Company	
		2009 R000s	2008 R000s	2009 R000s	2008 R000s
<b>Cash flows from operating activities</b>		<b>12 088</b>	(56 070)	<b>3 264</b>	(49 985)
Receipts from customers		<b>1 484 172</b>	1 975 315	<b>356</b>	404
Paid to suppliers and employees		<b>1 449 066</b>	(1 988 593)	<b>16 337</b>	(22 812)
Generated from/(absorbed by) operations	19.1	<b>35 106</b>	(13 278)	<b>16 693</b>	(22 408)
Investment income		<b>5 598</b>	7 016		799
Interest paid		<b>(6 676)</b>	(6 789)		
Taxation paid	19.2	<b>(8 272)</b>	(14 366)		
Dividends paid	19.3	<b>(13 668)</b>	(28 653)	<b>(13 429)</b>	(28 376)
<b>Cash flows from investing activities</b>		<b>(2 645)</b>	(112 055)	<b>(3 264)</b>	49 985
Additions to property, plant and equipment		<b>(5 607)</b>	(2 897)		
Proceeds on disposal of property, plant and equipment		<b>563</b>	98		
Investment in financial instruments			(51 706)		
Decrease in investment in subsidiary				<b>1 735</b>	21 592
Acquisition of subsidiaries	19.4		(38 798)		
(Decrease)/increase in amounts due by subsidiaries				<b>(4 999)</b>	36 951
Disposal of subsidiary	19.4	<b>3 481</b>	(9 468)		
Increase in investment in treasury shares		<b>(1 082)</b>	(726)		
Share repurchase			(8 558)		(8 558)
<b>Cash flows from financing activities</b>		<b>-</b>	20 000	<b>-</b>	<b>-</b>
Increase in interest bearing borrowings			20 000		
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>9 443</b>	(148 125)	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>139 688</b>	287 813		
<b>Cash and cash equivalents at the end of the year</b>	19.5	<b>149 131</b>	139 688	<b>-</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2009

## 1. Basis of preparation and accounting policies

### 1.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), its interpretations adopted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") and the requirements of the Companies Act.

### 1.2 Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial instruments to fair value.

### 1.3 Accounting policies

The financial statements incorporate the following principal accounting policies, which have been applied consistently in all material respects with those applied in the previous year.

#### 1.3.1 Basis of consolidation

The consolidated financial statements include those of Nu-World Holdings Limited and its subsidiaries. A subsidiary being defined as a company in which Nu-World has the power to govern the financial and operating activities. The results of any subsidiary acquired or disposed of during the year are included from the date effective control commenced to the date that effective control ceased. Significant intercompany transactions and balances and any resultant unrealised profits have been eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein.

#### 1.3.2 Investment in subsidiaries

Investment in subsidiaries are stated at cost less impairment losses.

#### 1.3.3 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and are depreciated on the reducing balance basis at rates, which approximate their useful lives. Depreciation is provided at the following rates:

Plant and machinery	15%
Moulds and dies	15%
Computers and software	25%
Motor vehicles	25%
Equipment	20%
Furniture, fixtures and fittings	10%
Leasehold improvements	10%

#### 1.3.4 Inventories

Inventories are valued at the lower of cost or net realisable value. Cost is determined on the weighted average basis. Net realisable value is the estimate of

the selling price in the ordinary course of business less the costs of completion and selling expenses. The value of work in progress and finished goods includes direct costs and an appropriate proportion of manufacturing overheads. Specific provisions are made for slow moving, obsolete and redundant inventories.

#### 1.3.5 Foreign currencies

##### Foreign entities

The balance sheets of the consolidated foreign subsidiaries are translated into South African Rand at rates of exchange ruling at year end. The related income statements are translated at the weighted average rate of exchange for the period. Aggregate gains or losses on the translation of the foreign subsidiaries are taken directly to a foreign currency translation reserve.

##### Foreign currency transactions and balances

Transactions in foreign currencies are translated at the rate of exchange ruling on the transaction dates. Gains and losses on settlement of these amounts are included in operating profit when they arise.

Monetary assets and liabilities denominated in foreign currencies are brought to account or valued at the rates of exchange ruling at the balance sheet date. Unrealised differences on monetary assets and liabilities are recognised in the income statement in the period in which they occur.

#### 1.3.6 Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

##### Trade receivables

Trade receivables are measured on initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

##### Cash and cash resources

Cash and cash resources comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

## *Derivatives*

Derivatives including forward foreign exchange contracts and financial future options are categorised as held-for-trading. Assets in this category are classified as current assets. Purchases and settlements of derivative financial instruments are recognised on the trade date at cost and are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of derivative financial instruments are included in the income statement as other income or other expenses in the period in which they arise. The fair value of forward foreign exchange contracts and financial future options is determined using exchange rates at the balance sheet date.

## *Cash flow hedges*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts deferred in equity are recycled in profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the income statement as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

### **1.3.7 Earnings per share**

Earnings per share has been calculated on the basis of net profit attributable to equity holders of the Company in relation to the weighted average number of shares in issue during the financial year.

### **1.3.8 Deferred taxation**

Deferred taxation is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted taxation rates are used to determine deferred taxation. Deferred taxation assets are recognised to the extent that it is probable that future taxable profits will be available against which to offset the deductible temporary difference.

Management applies judgement to determine whether sufficient future taxable profits will be available after considering, amongst others, factors such as profit histories, forecasted cash flows and budgets.

### **1.3.9 Retirement benefits**

The policy of the Group is to contribute to a defined contribution fund on behalf of employees. Contributions to the retirement funds operated for employees are charged to income as incurred.

### **1.3.10 Revenue recognition**

The sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer. Interest income is recognised on a time proportion basis. Dividend income is recognised when shareholders are entitled to such dividend.

### **1.3.11 Intangible assets**

#### *Goodwill*

The difference between the fair value of the consideration paid and the fair value of net tangible assets of subsidiaries at the date of acquisition is charged or credited to goodwill arising on consolidation. Goodwill is not amortised, instead it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

If the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the Company shall:

- reassess the identification and measurement of the identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and
- recognise immediately in profit or loss any excess remaining after that assessment.

The Group's policy for goodwill arising on the acquisition of an associate is described under "Investment in associates" above.

#### *Intellectual property*

Intellectual property is recognised at directors valuation on the acquisition of subsidiary. Intellectual property has a finite useful life and is carried at directors' initial valuation less any accumulated amortisation and any impairment losses. Intellectual property is amortised over its useful life, which is estimated to be 20 years. The useful life will be reviewed at each balance sheet date.

### **1.3.12 Share-based payments**

The Group provides employees with the ability to purchase the Company's shares at a discount to the market value. The Group records an expense, based on its estimate of the discount related to shares expected to vest, on a straight line basis over the vesting period with a corresponding increase in the share-based payment reserve.



# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 August 2009



	Group		Company	
	2009 R000s	2008 R000s	2009 R000s	2008 R000s
<b>4. Investment in subsidiaries</b>				
Shares at valuation			85 556	87 291
Amount owing by subsidiaries			(34 326)	(39 325)
			<b>51 230</b>	47 966
<p>The above loans are unsecured, interest free, with no fixed terms of repayment. Refer to page 44 for analysis of subsidiaries.</p>				
<b>5. Investment</b>				
Unlisted investment at cost				
HY Investments 19 (Proprietary) Limited	51 706	51 706		
<p>Two redeemable cumulative preference shares, redeemable on 18 October 2012.</p> <p>Dividends are receivable at a annual rate of 10,6% nominal, compounded semi-annually.</p>				
<b>6. Deferred taxation</b>				
Balance at beginning of year	(10 234)	(11 904)		
Charge to income statement	222	239		
– Capital allowances	(555)	(411)		
– Other temporary differences	333	852		
– Rate adjustment		(202)		
Amounts not charged to income statement – translation reserve	(480)	1 431		
	<b>(10 492)</b>	(10 234)		
<p>Balance consists of:</p>				
Asset	17 754	18 383		
Computed tax losses	17 754	18 383		
Liability	7 262	8 149		
Capital allowances	5 301	5 856		
Other temporary differences	(495)	(563)		
Translation reserve	2 456	2 856		
	<b>(10 492)</b>	(10 234)		
<b>7. Inventories</b>				
Raw materials	13 016	19 010		
Work in progress	3 508	3 571		
Finished goods	248 166	221 768		
	<b>264 690</b>	244 349		

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 August 2009

	Group		Company	
	2009 R000s	2008 R000s	2009 R000s	2008 R000s
<b>8. Trade and other receivables</b>				
Trade receivables	155 536	184 941		
Other	42 617	54 280	800	24 157
	<b>198 153</b>	<b>239 221</b>	<b>800</b>	<b>24 157</b>
<b>Ageing of past due but not impaired trade receivables</b>				
Not past due	151 572	177 640		
Past due	3 964	7 301		
	<b>155 536</b>	<b>184 941</b>		
The maximum exposure to credit risk for gross trade and other receivables at the reporting date by geographical region was:				
South Africa	164 092	189 894	800	24 157
Australasia	26 224	37 376		
Europe		7 898		
Africa	399	269		
Asia	7 438	3 784		
	<b>198 153</b>	<b>239 221</b>	<b>800</b>	<b>24 157</b>
<b>9. Trade and other payables</b>				
Trade payables	104 187	104 357		
Accrued expenses	22 346	32 941		
Value added tax	4 610	4 751		
Provisions/other payables	26 701	37 115	113	113
	<b>157 844</b>	<b>179 164</b>	<b>113</b>	<b>113</b>
<b>Ageing of due dates</b>				
Trade payables				
0 – 30 days	70 690	91 013		
31 – 60 days	16 510	12 940		
61 – 90 days	288	404		
> 90 days	16 699			
	<b>104 187</b>	<b>104 357</b>		
<b>10. Share capital</b>				
<b>Authorised</b>				
30 000 000 ordinary shares of 1 cent each	300	300	300	300
20 000 000 “N” ordinary shares of 0,1 cent each	20	20	20	20
	<b>320</b>	<b>320</b>	<b>320</b>	<b>320</b>
<b>Issued</b>				
22 646 645 (2008: 22 646 465) ordinary shares of 1 cent each	226	226	226	226
<b>Treasury share</b>	<b>(22 009)</b>	<b>(20 927)</b>		
<b>Share premium</b>	<b>58 682</b>	<b>72 111</b>	<b>60 570</b>	<b>73 999</b>
Capital distribution	(69 162)	(55 733)	(69 162)	(55 733)
Arising on shares issued	133 106	133 106	133 106	133 106
Share issue expenses written off	(3 374)	(3 374)	(3 374)	(3 374)
Goodwill arising on consolidation	(1 888)	(1 888)		
	<b>36 899</b>	<b>51 410</b>	<b>60 796</b>	<b>74 225</b>
<b>11. Share-based payment reserve</b>				
Equity arising on share-based payment transactions	2 282	1 839		

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 August 2009



	Group		Company	
	2009 R000s	2008 R000s	2009 R000s	2008 R000s
<b>12. Hedging reserve</b>				
Balance at beginning of year				
Loss recognised on cash flow hedges:				
Foreign currency forward exchange contracts	5 620			
Income tax related to loss recognised in equity	(1 686)			
Balance at end of year	3 934	–		
<b>13. Long term liability</b>				
The loan from Gap Finance 19 (Proprietary) Limited is repayable on 18 October 2012, bears interest at a fixed rate of 12,05% compounded semi annually in arrear and is secured by a fellow subsidiary of Nu-World Holdings Ltd.	20 000	20 000		
<b>14. Revenue</b>				
<b>14.1 Group</b>				
Continuing operations	1 443 104	1 548 370		
Discontinued operation		342 512		
Consolidated revenue comprises the net invoiced value of goods supplied to customers, less trade discounts and rebates where applicable	1 443 104	1 890 882		
<b>14.2 Company</b>				
Revenue comprises dividends from a subsidiary company.			356	404
<b>15. Operating profit</b>				
Operating profit is arrived at after taking into account:				
<b>Income</b>				
Foreign exchange profits	4 704	7 869		
Investment income	5 598	7 016		
<b>Expenditure</b>				
Auditors' remuneration	986	1 166	19	18
Audit fees	744	934	15	15
Fees for other services	242	232	4	3
Depreciation of property, plant and equipment	6 904	6 097		
Plant and machinery	3 937	3 660		
Leasehold improvements	527	519		
Motor vehicles	643	536		
Office equipment and furniture	1 797	1 382		
Directors' executive emoluments				
Paid by company			230	230
Paid by subsidiary	17 923	16 815		
Loss on disposal of property, plant and equipment	165	114		
Operating lease rentals				
Property	9 229	9 468		

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 August 2009

	Group		Company	
	2009 R000s	2008 R000s	2009 R000s	2008 R000s
<b>16. Taxation</b>				
<b>16.1 Charge to income statement</b>				
<i>South African normal taxation</i>	<b>8 104</b>	11 386		
– Current year	<b>8 104</b>	11 392		
– Prior year		(6)		
<i>South African deferred taxation</i>	<b>(488)</b>	(567)		
– Current year	<b>(488)</b>	(567)		
<i>Foreign taxation</i>	<b>139</b>	(7)		
– Current year	<b>139</b>	(7)		
<i>Foreign deferred taxation</i>	<b>710</b>	806		
– Current year	<b>710</b>	806		
	<b>8 465</b>	11 618		

## 16.2 Reconciliation of rates of taxation

Statutory tax rate	<b>28,00%</b>	28,00%
Adjusted for:	<b>(2,69%)</b>	(6,78%)
Permanent differences	<b>(2,68%)</b>	(3,75%)
Foreign taxation	<b>(0,01%)</b>	(2,63%)
Attributable to rate change		(0,40%)
Effective tax rate	<b>25,31%</b>	21,22%

**16.3** The Group has a tax loss of R415 934 (2008: R4 618 464) to carry forward to set off against future taxable income. These have not been recognised in these financial statements due to uncertainty of their recoverability.

## 17. Earnings per share and headline earnings per share

The calculation of earnings per share is based on earnings of R23 033 525 (2008: R40 273 071) for the year and a weighted average of 21 162 931 (2008: 21 696 807) shares in issue for the year.

The calculation of headline earnings per share of 143,1 cents (2008: 200,9 cents) is based on headline earnings of R30 285 219 (2008: R43 596 210) and a weighted average of 21 162 931 (2008: 21 696 807) shares in issue. The following adjustments to income attributable to shareholders were taken into account in the calculation of headline earnings:

Attributable to ordinary shareholders	<b>23 033</b>	40 273
Net loss on disposal of subsidiary	<b>7 251</b>	3 323
Headline earnings	<b>30 284</b>	43 596

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 August 2009



	Group		Company	
	2009 R000s	2008 R000s	2009 R000s	2008 R000s
<b>18. Capital distribution</b>	<b>7 678</b>	13 429	<b>7 678</b>	13 429
<p>It is the Company's policy to declare only one dividend per year.</p> <p>The Board has resolved to declare a distribution to shareholders by way of a capital distribution out of share premium of 33,9 cents (2008: 59,3 cents) per share in respect of the year ended 31 August 2009.</p>				
<b>19. Cash flow information</b>				
<b>19.1 Cash generated from/(absorbed by) operations</b>				
Operating profit/(loss) from continuing operations	<b>40 117</b>	53 238	<b>(6 664)</b>	2 549
Operating profit from discontinued operation		8 290		
Operating profit/(loss) before interest and taxation	<b>40 117</b>	61 528	<b>(6 664)</b>	2 549
Adjustments for:				
Loss on disposal of subsidiary	<b>4 925</b>	2 906		
Depreciation	<b>6 904</b>	6 097		
Transfer of fair value adjustment	<b>443</b>	761		
Loss on disposal of property, plant and equipment	<b>165</b>	114		
Investment income	<b>(5 598)</b>	(7 016)		(799)
Translation difference	<b>(704)</b>	9 875		
Hedging reserve	<b>(3 934)</b>			
Operating profit/(loss) before working capital changes	<b>42 318</b>	74 265	<b>(6 664)</b>	1 750
Working capital changes	<b>(7 212)</b>	(87 543)	<b>23 357</b>	(24 158)
Increase in inventories	<b>(31 710)</b>	(55 749)		
Decrease/(increase) in trade and other receivables	<b>33 170</b>	(66 257)	<b>23 357</b>	(24 156)
(Decrease)/increase in trade and other payables	<b>(8 672)</b>	34 463		(2)
	<b>35 106</b>	(13 278)	<b>16 693</b>	(22 408)
<b>19.2 Taxation paid</b>				
Amount (unpaid)/prepaid at beginning of year	<b>(1 875)</b>	(6 095)	<b>39</b>	39
Amounts charged to the income statement	<b>(8 243)</b>	(11 379)		
Disposal of subsidiary	<b>(1 773)</b>	1 233		
Amounts unpaid/(prepaid) at end of year	<b>3 619</b>	1 875	<b>(39)</b>	(39)
	<b>(8 272)</b>	(14 366)	<b>-</b>	<b>-</b>
<b>19.3 Dividends paid</b>				
Amounts unpaid at beginning of year				
Amounts charged to the income statement	<b>(239)</b>	(277)		
Capital distribution	<b>(13 429)</b>	(28 376)	<b>(13 429)</b>	(28 376)
Amounts unpaid at end of year				
	<b>(13 668)</b>	(28 653)	<b>(13 429)</b>	(28 376)

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 August 2009

	Group		Company	
	2009 R000s	2008 R000s	2009 R000s	2008 R000s
<b>19. Cash flow information (continued)</b>				
<b>19.4 Acquisition/disposal of subsidiaries</b>				
<b>19.4.1 Acquisition of subsidiary</b>				
<b><i>Primex Products Proprietary Limited</i></b>				
Fair value of assets acquired				
Goodwill		296		
Net cash purchase price	–	296		
<b>19.4.2 Acquisition of subsidiary</b>				
<b><i>Overstockoutlet Proprietary Limited</i></b>				
Plant and equipment		3 041		
Cash and cash equivalents		(14 454)		
Inventories		22 002		
Trade and other receivables		115		
Trade and other payables		(19 777)		
Fair value of assets acquired	–	(9 073)		
Minority interest		4 446		
Goodwill		14 322		
Intellectual property		14 322		
Purchase price	–	24 017		
Cash and cash equivalents on acquisition		14 454		
Net cash purchase price	–	38 471		
<b>19.4.3 Acquisition of subsidiary</b>				
<b><i>CTG Yale Proprietary Limited</i></b>				
Fair value of assets acquired				
Goodwill		31		
Net cash purchase price	–	31		
	–	38 798		
<b>19.4.4 Disposal of subsidiary</b>				
<b><i>On Corporation Inc.</i></b>				
Property, plant and equipment		484		
Cash and cash equivalents		33 243		
Inventories		5 840		
Trade and other receivables		52 943		
Trade and other payables		(31 123)		
Translation difference		(4 785)		
Receiver of revenue		(1 233)		
Fair value of assets disposed off	–	55 369		
Minority interest		(30 453)		
Goodwill		1 765		
Loss on disposal		(2 906)		
Selling price	–	23 775		
Cash and cash equivalents on disposal		(33 243)		
Net cash selling price	–	(9 468)		

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 August 2009



	Group		Company	
	2009	2008	2009	2008
	R000s	R000s	R000s	R000s
<b>19. Cash flow information (continued)</b>				
<b>19.4.5 Disposal of subsidiary</b>				
<i>Nu World UK Limited</i>				
Property, plant and equipment	342			
Cash and cash equivalents	(3 481)			
Inventories	11 369			
Trade and other receivables	7 897			
Trade and other payables	(12 647)			
Loan	(4 434)			
Receiver of revenue	1 773			
Fair value of assets disposed off	819	–		
Minority interest	(328)			
Loss on disposal	(491)			
Selling price	–	–		
Cash and cash equivalents on disposal	3 481			
Net cash selling price	3 481	–		
<b>19.5 Cash and cash equivalents</b>				
Cash and cash equivalents consist of cash on hand, balances with banks and investments in money market instruments.	149 131	139 688		

**20. Related party transactions**

**Transactions with group companies**

Nu-World Industries (Proprietary) Limited; Nu-World Strategic Investments (Proprietary) Limited; Conti Marketing (Proprietary) Limited; Conti Industries (Proprietary) Limited and Yale Prima Proprietary Limited are subsidiaries of Nu-World Holdings Limited.

Related party transactions are conducted at arms length.

Transactions with related parties are as follows:

Nu-World Industries (Proprietary) Limited is a wholly owned subsidiary and the main manufacturing and trading entity of the Group.

Nu-World Industries (Proprietary) Limited has a Procurement, Purchasing and Assembly Agreement with Conti Industries (Proprietary) Limited and a Warehousing and Distribution Agreement with Conti Marketing (Proprietary) Limited.

Manufactured goods are exported to Yale Prima Proprietary Limited.

**21. Retirement benefits**

The Group contributes to either a defined contribution pension fund or provident fund. These funds are registered under the Pension funds Act, 1956.

Non-scheduled employees may choose to which fund they wish to belong.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 August 2009

	2009 Shares	2008 Shares
<b>22. Share incentive and option scheme</b>		
During March 1994 a share incentive and option scheme was created.		
Total number of shares available to be utilised for the share incentive and option scheme:		
Opening balance – unissued shares	1 431 852	818 125
Shares purchased during the year	65 999	613 727
Shares issued during the year		
Closing balance – unissued shares	1 497 851	1 431 852
The above mentioned shares are under the control of the Company's executive directors.		

	R000s	Group R000s
<b>23. Operating lease arrangements</b>		
<b>23.1 The Group as lessee</b>		
Property		
Due within one year	10 540	11 394
Due within two to five years	47 226	27 829
	57 766	39 223

<b>23.2 The Group as lessor</b>		
The Group leases certain consumer electronics to the public in terms of operating lease agreements. The following represents the future minimum lease payments in terms of the operating lease agreements:		
Due within one year	313	383
Due within two to five years	59	202
	372	585

## 24. Financial risk management

Senior executives meet on a regular basis to analyse interest rate exposures and evaluate treasury management strategies against revised economic forecasts. Compliance with Group policies and exposure limits are reviewed at quarterly meetings of the Board. The directors believe, to the best of their knowledge, that there are no undisclosed financial risks.

### 24.1 Interest rate management

As part of the process of managing the Group's fixed and floating borrowings, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates.

### 24.2 Foreign currency management

Foreign exchange commitments are managed using forward exchange contracts and the natural hedge derived from uncovered export proceeds. At 31 August 2009 forward exchange contracts amounted to USD26,4 million (2008: USD19,4 million).

### 24.3 Credit risk management

Potential concentrations of credit risk consist principally of trade receivables and short-term cash investments. The Group only deposits short-term cash surpluses with major banks of high quality credit standing. Trade receivables comprise a large, widespread customer base. The granting of credit is controlled via credit applications, rigorous credit reviews, and the assumptions therein are reviewed and updated on an ongoing basis. At 31 August 2009, the Group did not consider that any significant concentration of credit risk existed which had not been adequately provided for.

### 24.4 Liquidity risk

The Group manages liquidity risk by the proper management of working capital and cash flows. The risk of illiquidity is not considered probable as the Group has substantial banking facilities available.

## 25. Contingent liabilities

The Group has signed guarantee's for bank borrowings and other loan facilities on behalf of their wholly owned subsidiary, Nu-World Industries (Proprietary) Limited, which at year end amounted to R383,0 million (2008: R372,5 million).

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 August 2009



## 26. Accounting statements issued, not yet effective

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

Standard	Details of amendment	Annual periods beginning on or after
IFRS 1 – First-time adoption of International Financial Reporting Standards	<ul style="list-style-type: none"> <li>▪ Measurement of the cost of investments in subsidiaries, jointly controlled entities and associates when adopting IFRS for the first time.</li> <li>▪ Amendments relating to oil and gas assets and determining whether an arrangement contains a lease.</li> </ul>	1 January 2009
		1 January 2010
IFRS 2 – Share based payments	<ul style="list-style-type: none"> <li>▪ Amendments to vesting conditions and cancellations.</li> <li>▪ Clarification of scope of IFRS 1 and IFRS 3 revised.</li> <li>▪ Accounting for group cash-settled share based payment transactions – clarity of the definition of the term “Group”.</li> </ul>	1 January 2009
		1 July 2009
		1 January 2010
IFRS 3 – Business combinations	<ul style="list-style-type: none"> <li>▪ Amendments to accounting for business combinations.</li> </ul>	1 July 2009
IFRS 5 – Non-current assets held for sale and discontinued operations	<ul style="list-style-type: none"> <li>▪ Plan to sell the controlling interest in a subsidiary.</li> <li>▪ Disclosure of non-current assets (or disposal groups) classified as held for sale of discontinued operations.</li> <li>▪ Amendments resulting from IFRIC 17 for assets held for distribution to owners.</li> </ul>	1 July 2009
		1 January 2010
		1 July 2009
IFRS 7 – Financial instruments: disclosures	<ul style="list-style-type: none"> <li>▪ Presentation of finance costs.</li> <li>▪ Amendment dealing with improving disclosures about financial instruments.</li> <li>▪ Amendments enhancing disclosures about for value and liquidity risk.</li> </ul>	1 January 2009
		1 January 2009
		1 January 2009
IFRS 8 – Operating segments	<ul style="list-style-type: none"> <li>▪ New standard on segment reporting (replaces IAS 14).</li> <li>▪ Disclosure of information about segment assets.</li> </ul>	1 January 2009
		1 January 2010
IAS 1 – Presentation of financial statements	<ul style="list-style-type: none"> <li>▪ Amendments to structure of Financial Statements.</li> <li>▪ Current/non-current classification of derivatives.</li> <li>▪ Current/non-current classification of convertible instruments.</li> </ul>	1 January 2009
		1 January 2010
IAS 7 – Statement of cash flows	<ul style="list-style-type: none"> <li>▪ Cash flows from assets held for rental classified as operating activities.</li> <li>▪ Classification of expenditures on unrecognised assets.</li> </ul>	1 January 2009
		1 January 2010
IAS 8 – Accounting policies, changes in accounting estimates and errors	<ul style="list-style-type: none"> <li>▪ Status of implementation guidance.</li> </ul>	1 January 2009
IAS 10 – Events after the reporting period	<ul style="list-style-type: none"> <li>▪ Dividends declared after the end of the reporting period.</li> <li>▪ Amendment resulting from the issue of IFRIC 17.</li> </ul>	1 January 2009
		1 July 2009
IAS 16 – Property, plant and equipment	<ul style="list-style-type: none"> <li>▪ Recoverable amount definitions.</li> <li>▪ Accounting for sale of assets held for rental.</li> </ul>	1 January 2009
IAS 19 – Employee benefits	<ul style="list-style-type: none"> <li>▪ Curtailments and negative past service cost.</li> <li>▪ Plan administration costs.</li> <li>▪ Replacement of term ‘fall due’.</li> <li>▪ Guidance on contingent liabilities.</li> </ul>	1 January 2009
IAS 20 – Accounting for government grants and disclosure of government assistance	<ul style="list-style-type: none"> <li>▪ Government loans with a below-market rate of interest.</li> <li>▪ Consistency of terminology with other IFRSs.</li> </ul>	1 January 2009
IAS 23 – Borrowing costs	<ul style="list-style-type: none"> <li>▪ Amendment requiring capitalisation only model.</li> <li>▪ Components of borrowing costs.</li> </ul>	1 January 2009

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 August 2009

## 26. Accounting statements issued, not yet effective (continued)

Standard	Details of amendment	Annual periods beginning on or after
IAS 27 – Consolidated and separate financial statements	<ul style="list-style-type: none"> <li>▪ Amendment dealing with measurement of the cost of investments when adopting IFRS for the first time.</li> </ul>	1 January 2009
	<ul style="list-style-type: none"> <li>▪ Consequential amendments from changes to business combinations.</li> </ul>	1 July 2009
	<ul style="list-style-type: none"> <li>▪ Measurement of subsidiary held for sale in separate financial statements.</li> </ul>	1 July 2009
IAS 28 – Investments in associates	<ul style="list-style-type: none"> <li>▪ Required disclosures when investments in associates are accounted for at fair value through profit or loss.</li> </ul>	1 January 2009
	<ul style="list-style-type: none"> <li>▪ Impairment of investment in associate.</li> <li>▪ Consequential amendments from changes to business combinations.</li> </ul>	1 July 2009
IAS 29 – Financial reporting in hyperinflationary economies	<ul style="list-style-type: none"> <li>▪ Description of measurement basis in financial statements.</li> <li>▪ Consistency of terminology with other IFRSs.</li> </ul>	1 January 2009
IAS 31 – Interests in joint ventures	<ul style="list-style-type: none"> <li>▪ Required disclosures when interests in jointly controlled entities are accounted for at fair value through profit or loss.</li> </ul>	1 January 2009
	<ul style="list-style-type: none"> <li>▪ Consequential amendments from changes to business combinations.</li> </ul>	1 July 2009
IAS 32 – Financial instruments: presentation	<ul style="list-style-type: none"> <li>▪ Certain financial instruments will be classified as equity whereas, prior to these amendments, they would have been classified as financial liabilities.</li> </ul>	1 January 2009
IAS 34 – Interim financial reporting	<ul style="list-style-type: none"> <li>▪ Earnings per share disclosures in interim financial reports.</li> </ul>	1 January 2009
IAS 36 – Impairment of assets	<ul style="list-style-type: none"> <li>▪ Disclosure of estimates used to determine recoverable amount.</li> </ul>	1 January 2009
	<ul style="list-style-type: none"> <li>▪ Unit of accounting for goodwill impairment test.</li> </ul>	1 January 2010
IAS 38 – Intangible assets	<ul style="list-style-type: none"> <li>▪ Advertising and promotional activities.</li> </ul>	1 January 2009
	<ul style="list-style-type: none"> <li>▪ Unit of production method of amortisation.</li> </ul>	1 July 2009
	<ul style="list-style-type: none"> <li>▪ Additional consequential amendments arising from revised IFRS 3.</li> <li>▪ Measuring the fair value of an intangible asset acquired in a business combination.</li> </ul>	1 July 2009
IAS 39 – Financial instruments: recognition and measurement	<ul style="list-style-type: none"> <li>▪ Reclassification of derivatives into or out of the classification of at fair value through profit or loss.</li> </ul>	1 January 2009
	<ul style="list-style-type: none"> <li>▪ Designating and documenting hedges at the segment level.</li> </ul>	1 July 2009
	<ul style="list-style-type: none"> <li>▪ Applicable effective interest rate on cessation of fair value hedge accounting.</li> </ul>	1 July 2009
	<ul style="list-style-type: none"> <li>▪ Clarifies two hedge accounting issues:                             <ul style="list-style-type: none"> <li>▪ Inflation in a financial hedged item.</li> <li>▪ A one-sided risk in a hedged item.</li> </ul> </li> </ul>	1 July 2009
	<ul style="list-style-type: none"> <li>▪ Treating loan prepayment penalties as closely related embedded derivatives.</li> </ul>	1 January 2010
<ul style="list-style-type: none"> <li>▪ Scope exemption for business combination contracts</li> <li>▪ Cash flow hedge accounting.</li> <li>▪ Amendments for embedded derivatives when reclassifying financial instruments.</li> </ul>	30 June 2009	

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 August 2009



## 26. Accounting statements issued, not yet effective (continued)

Standard	Details of amendment	Annual periods beginning on or after
IAS 40 – Investment property	<ul style="list-style-type: none"> <li>▪ Property under construction or development for future use as investment property.</li> <li>▪ Consistency of terminology with IAS 8.</li> <li>▪ Investment property held under lease.</li> </ul>	1 January 2009
IAS 41 – Agriculture	<ul style="list-style-type: none"> <li>▪ Discount rate for fair value calculations.</li> <li>▪ Additional biological transformation.</li> <li>▪ Examples of agricultural produce and products.</li> <li>▪ Point-of-sale costs.</li> </ul>	1 January 2009

Interpretations	Annual periods beginning on or after
IFRIC 9 (amended) – Reassessment of embedded derivatives	1 July 2009
IFRIC 14 IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their Interaction	1 January 2009
IFRIC 15 – Agreements for the construction of real estate	1 January 2009
IFRIC 16 – Hedges of a net investment in a foreign operation.	1 October 2009
IFRIC 16 (amended) – Hedges of a net investment in a foreign operation	1 July 2009
IFRIC 17 – Distribution of non-cash assets to owners	1 July 2009
IFRIC 18 – Transfers of assets from customers	1 July 2009

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



# INTEREST IN SUBSIDIARIES

as at 31 August 2009

	Issued share capital		Effective shareholding		Shares at valuation		Loans receivable/ (payable)	
	2009	2008	2009	2008	2009	2008	2009	2008
	Rs	Rs	%	%	R000s	R000s	R000s	R000s
<b>Direct interest</b>								
Nu-World Industries (Proprietary) Limited	5 725	5 725	100,0	100,0	38 930	38 930	(90 045)	(104 587)
Nu-World Strategic Investments (Proprietary) Limited	1	1	100,0	100,0	1	1		
Conti Industries (Proprietary) Limited	35 401	35 401	100,0	100,0	15	15		
Conti Marketing (Proprietary) Limited	4 781	4 781	100,0	100,0	15	15		
Nu World U.K. Limited		1 188		60,0		1 735		4 433
Yale Prima Proprietary Limited	58 267 140	58 267 140	59,4	59,4	46 595	46 595	9 479	9 123
Nu-World Global Investments (Proprietary) Limited	100	100	100,0	100,0			46 240	51 706
Urent Then Own (Proprietary) Limited	100	100	100,0	100,0				
The aggregate net profit after taxation of subsidiaries attributable to the company amounted to R23 033 525 (2008: R40 273 073).								
					85 556	87 291	(34 326)	(39 325)

## Indirect interest

Prima Akai Proprietary Limited  
Yale Appliance Group Proprietary Limited  
Primex Products Proprietary Limited  
CTG Yale Proprietary Limited  
Overstockoutlet Proprietary Limited

# SHAREHOLDERS CALENDER

Declaration of dividend	26 October 2009
Announcement of 2009 results	Published 27 October 2009
2009 Annual Financial Statement to shareholders	Published November 2009
Record date	11 December 2009
Payment of capital distribution four	14 December 2009
Annual General Meeting	10 February 2010
Announcement of 2010 interim results	To be published April 2010



Notice is given that the annual general meeting of shareholders in respect of the year ended 31 August 2009 will be held in the boardroom of Nu-World Holdings Limited at 35 Third Street, Wynberg, Sandton at 10h00 on Wednesday, 10 February 2010 for the purpose of considering and, if deemed fit, passing with or without modification the resolutions set out below, in the manner required by the Companies Act, 1973 (Act 61 of 1973), as amended ("the Act"); and subject to the Listings Requirements of the JSE Limited ("JSE"):

**Ordinary resolution number 1**

"Resolved that the annual financial statements and Group annual financial statements together with reports of the directors and auditors for the year ended 31 August 2009 be approved."

**Ordinary resolution number 2**

In terms of the Company's articles of association, all non-executive directors and at least one third of the executive directors are required to retire from office at every annual general meeting. Messrs M S Goldberg and J A Goldberg will not retire and thus will continue as directors. Curriculum vitae in respect of each director as at 31 August 2009 appear on page 9 of the annual report.

"Resolved that the retiring directors, G R Hindle, J M Judin, R Kinross and D Piaray who, being eligible, have offered themselves for re-election, be and they are hereby re-appointed as directors."

**Ordinary resolution number 3**

"Resolved that the remuneration paid to the directors of the Company as set out in the financial statements for the financial year ended 31 August 2009 be approved."

**Ordinary resolution number 4**

"Resolved that the directors be and are hereby authorised to re-appoint Tuffias Sandberg KSI as auditors and Shaun Nurick as the individual designated auditor of the Company, which appointment shall be valid until the next annual general meeting of the Company unless varied or revoked by any general meeting prior thereto and that their remuneration for the year ended 31 August 2009 be approved."

**Ordinary resolution number 5**

"Resolved that the authorised but unissued shares in the capital of the Company be and are hereby placed under the authority of the directors in terms of Sections 221 and 222 of the Companies Act and that the directors be and are hereby authorised and empowered to allot, issue and otherwise dispose of such shares to such person or persons on such terms and conditions and at such times as the directors may from time to time in their discretion deem fit, subject to the terms and conditions of the Act and the Listings Requirements of the JSE. Such issues in the aggregate in any one financial year shall not exceed 5% (five percent) of the ordinary shares in issue in the capital of the Company.

Further, that this authorisation is valid until the next annual general meeting of the Company, unless varied or revoked by any general meeting prior thereto."

**Ordinary resolution number 6**

"Resolved that subject to the passing of ordinary resolution number 5 and the Act and the Listings Requirements of the JSE, the directors of the Company be authorised, by way of a general authority to allot and issue ordinary shares of the Company for cash, in the share capital of the Company, subject to the following limitations:

That this authority shall not extend beyond 15 (fifteen) months from the date of this annual general meeting, or the date of the next annual general meeting, whichever is the earlier date;

That the shares will only be issued to "public shareholders" as defined in the Listings Requirements of the JSE, and not to related parties;

That a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within one financial year, 5% (five percent) or more of the number of shares of that class in issue prior to the issue;

That issues in the aggregate in any one financial year may not exceed 5% (five percent) of the number of shares of that class of the Company's issued share capital (including instruments which are compulsorily convertible into shares of that class) at the date of application less any shares of that class issued, or to be issued in future arising from option/convertible securities issued during the current financial year, plus any shares to be issued pursuant to an announced, irrevocable and fully underwritten rights offer or to be issued pursuant to any acquisition for which final terms have been announced; and

That, in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average trading price of the shares in question, as determined over the 30 (thirty) business days prior to the date that the price of the issue is determined or was agreed between the issuer and the party subscribing for the securities."

In terms of the Listing Requirements of the JSE, the approval of a 75% (seventy five percent) majority of votes cast by shareholders present or represented by proxy at this meeting is required for this resolution to become effective.

**Special resolution number 1**

"Resolved that the Company hereby approves, as a general approval contemplated in sections 85(2) and 85(3) of the Act, and in terms of the Company's articles of association the

acquisition by the Company or any of its subsidiaries from time to time of the issued ordinary shares of the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but subject to the articles of association of the Company, the provisions of the Act and the Listings Requirements of the JSE as presently constituted and which may be amended from time to time, and provided:

That any such acquisition of ordinary shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counter party;

That this general authority shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;

That a paid press announcement will be published as soon as the Company or its subsidiaries has/have acquired ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of ordinary shares in issue prior to the acquisition pursuant to which the 3% (three percent) threshold is reached, and in respect of every 3% (three percent) thereafter, which announcement shall contain full details of such acquisitions. Such announcement must be made as soon as possible and in any event no later than 08h30 on the second day following the day the relevant threshold is reached or exceeded;

That acquisitions by the Company and its subsidiaries of ordinary shares in the aggregate in any one financial year may not exceed 10% (ten percent) of the Company's issued ordinary shares capital from the date of the grant of this general authority;

That, in determining the price at which the Company's ordinary shares are acquired by the Company in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the weighted average of the market price at which such ordinary shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date of repurchase of such ordinary shares by the Company;

That the Company may at any point in time only appoint one agent to effect any repurchase(s) on its behalf;

That the Company may only undertake a repurchase if, after such a repurchase it shall still comply with the spread requirements of the JSE Listings Requirements; and

That the Company may not repurchase securities during a prohibited period, as defined in the JSE Listings Requirements, unless they have in place a repurchase

programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to variation) and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period.

The reason for the special resolution is to grant the Company a general authority in terms of the Act for the acquisition by the Company or any of its subsidiaries of shares issued by the Company, which authority shall be valid until the earlier of the next annual general meeting of the Company or the variation or revocation of such general authority by special resolution or subsequent general meeting of the Company, provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this annual general meeting. The passing and registration of this special resolution will have the effect of authorising the Company or any of its subsidiaries to acquire shares issued by the Company.

The following information which is required by the JSE Listings Requirements with regard to the ordinary resolution number 7 and special resolution number 1, granting a general authority to the Company to repurchase securities and authority to make payment out of the share premium account, appears on the pages of the annual financial statements to which this notice of general meeting is annexed, namely:

Directors of the Company:	page 9
Major shareholders:	page 21
Directors' interests in securities:	page 25
Share capital of the Company:	page 34

#### Litigation

There are no legal or arbitration proceedings, either pending or threatened against the Company or its subsidiaries, of which the Company is aware, which may have, or have had in the last 12 (twelve) months, a material effect on financial position of the Company or its subsidiaries.

#### Material changes

Save as disclosed in the report of the directors, there has been no material change in the financial and trading position of the Company or of its subsidiaries since 31 August 2009 and the date of this report.

#### Directors' responsibility statement

The directors, whose names are given on page 9 of the annual report, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the annual report and notice of annual general meeting contains all the information required by the JSE Listings Requirements.

#### Statement by the Board of directors of the Company

Pursuant to and in terms of the Listings Requirements of the JSE, the directors of the Company hereby state:



That the intention of the directors of the Company is to utilise the authorities if at some future date the cash resources of the Company are in excess of its requirements. In this regard the directors will take account of, inter alia, an appropriate capitalisation structure for the Company, the long-term cash needs of the Company, and will ensure that any such utilisation is in the interests of shareholders;

That the method by which the Company intends to re-purchase its securities and the date on which such re-purchase will take place, has not yet been determined; and

That after considering the effect of a maximum permitted re-purchase of securities, the Company is, as at the date of this notice convening the annual general meeting of the Company, able to fully comply with the Listings Requirements of the JSE.

Nevertheless, at the time that the contemplated repurchase and the capital distribution is to take place, the directors of the Company will ensure:

That the Company and the Group will be able to pay their debts as they become due in the ordinary course of business for a period of 12 (twelve) months after the date of the general repurchase and the capital distribution;

That the consolidated assets of the Company and the Group, fairly valued in accordance with the accounting policies used in the Company's latest audited annual group financial statements, will be in excess of the consolidated liabilities of the Company and the Group for a period of 12 (twelve) months after the date of the general repurchase and the capital distribution;

That 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 (twelve) months after the date of the general repurchase and the capital distribution;

That the working capital available to the Company and the Group will be sufficient for the Company and the Group's requirements for a period of 12 (twelve) months after the date of the general repurchase and the capital distribution; and

That the Company will provide its sponsor and the JSE with all documentation as required in Schedule 25 of the JSE Listings Requirements, and will not commence any repurchase programme until the sponsor has signed off on the adequacy of its working capital, advised the JSE accordingly, and the JSE has approved this documentation.

#### Ordinary resolution number 7

"Resolved that, in terms of article 40 of the Company's Articles of Association and subject to the Company obtaining a declaration of the directors that the directors of the Company

shall be entitled, from time to time, to pay by way of a reduction of share premium, capital distributions, pro-rata, to all shareholders of the Company in lieu of a dividend. Such distributions shall be the amounts which the directors would have declared and paid out of the profits of the Company as final dividends in respect of the financial year ended 31 August 2009. This authority shall not extend beyond the earlier the date of the annual general meeting following the annual general meeting at which this resolution is being proposed or 15 (fifteen) months from the date of the resolution."

In terms of section 5.86 of the Listings Requirements of the JSE any general payment(s) may not exceed 20% (twenty percent) of the Company's issued share capital, including reserves but excluding minority interests, and revaluations of assets and intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE prepared within the last six months, in any one financial year, measured as at the beginning of such financial year.

Pursuant to and in terms of the Listings Requirements of the JSE, the directors of the Company hereby state:

That the intention of the Company and/or any of its subsidiaries is to utilise the general authority to make capital payments to shareholders if at some future date the cash resources of the Company are in excess of its requirements. In this regard the directors will take account, inter alia, of an appropriate capitalisation structure for the Company, the long-term cash needs of the Company, and will ensure that any such utilisation is in the interest of shareholders;

That the method by which the Company intends to make capital payments to shareholders in terms of the authority and the date on which such payments will take place will be announced following the annual general meeting; and

That further relevant disclosure as required for ordinary resolution number 7, in terms of the JSE Listings Requirements, is contained in the special resolution number 1.

The capital distribution is subject to the South African Exchange Control Regulations of the South African Reserve Bank. The following is a summary of certain of the South African Exchange Control Regulations insofar as they are applicable to shareholders in relation to this document. Shareholders should consult their professional advisors in this regard:

#### Emigrants from the common monetary area

**Certificated shares:** The capital distribution due to shareholders who have not dematerialised their shares, who are emigrants from the common monetary area and whose documents of title have been restrictively endorsed under the South African Exchange Control Regulations, will be deposited in a blocked rand account with the authorised dealer in foreign exchange in South Africa controlling the shareholders' blocked assets in

accordance with his instructions, or failing such nomination, with the Company to be held in trust as an interim measure until such time as an authorised dealer is appointed and shall not bear interest.

**Dematerialised shares:** The capital distribution due to shareholders who are emigrants from the common monetary area and have dematerialised their shares will be credited directly to the blocked rand bank account of the duly appointed Central Securities Depository Participant ("CSDP") of the shareholders and will be held to the order of the authorised dealers in foreign exchange in South Africa controlling such shareholders' blocked accounts.

**Other non-residents of the common monetary area:** The capital distribution due to shareholders whose registered addresses are outside the common monetary area will be dealt with as follows:

**Certificated shares:** In the case of shareholders who have not dematerialised their shares, the capital distribution will be forwarded to the authorised dealers in foreign exchange in South Africa nominated by the shareholders. It will be incumbent on the shareholders concerned to instruct the nominated authorised dealers as to the disposal of the amount concerned.

**Dematerialised shares:** In the case of shareholders who have dematerialised their shares, the capital distribution will be credited directly to the bank account nominated by the shareholders, by their duly appointed CSDP. If the information regarding authorised dealers is not supplied, the cash consideration will be held in trust by the Company for the shareholders concerned pending receipt of the necessary information and instruction.

No interest will accrue or be paid on any capital distributions so held in trust.

#### **Ordinary resolution number 8**

"Resolved that the directors of the Company be and are hereby authorised to sign all such documents and do all such things as may be necessary for or incidental to the registration or implementation of the resolutions set out in the notice convening the annual general meeting at which this ordinary resolution is to be considered."

Any member entitled to attend and vote is entitled to appoint a proxy or proxies to attend, speak and vote in his stead and the person so appointed need not be a member. A form of proxy is attached for use by certificated and own name dematerialised shareholders who cannot attend the annual general meeting and wish to be represented thereat. A form of proxy may be obtained from the registered office of the Company.

The attention of members is drawn to the fact that, to be effective, the completed proxy form must reach the transfer secretaries of the Company, Computershare Investor Services (Proprietary) Limited, Ground floor, 70 Marshall Street, Johannesburg, 2001 (P O Box 61051, Marshalltown, 2107), 48 hours (being 10h00 on Monday, 8 February 2010) before the scheduled time of the meeting. Shareholders whose shares have been dematerialised (other than by own name registration) must inform their CSDP or broker of their intention to attend the meeting and obtain the necessary Letter of Representation from the CSDP or broker to attend the meeting, or provide the CSDP or broker with voting instructions in terms of the custody agreement between them.

Dematerialised shareholders, other than own name dematerialised shareholders, who wish to attend the annual general meeting must request their CSDP or broker to provide them with a Letter of Representation or must instruct their CSDP or broker to vote by proxy on their behalf in terms of the agreement entered into between the shareholder and the CSDP broker.

By order of the Board



**B H Haikney**  
Company secretary  
Sandton  
20 November 2009



**NU-WORLD HOLDINGS LIMITED**

(Incorporated in the Republic of South Africa)  
 (REGISTRATION NUMBER 1968/002490/06)  
 Share Code: NWL ISIN code: ZAE000005070  
 (“Nu-World” or “the Company”)

For use only by certificated shareholders and own name dematerialised shareholders at the annual general meeting of the Company to be held at the Company’s registered office, 35 Third Street, Wynberg, Sandton on Wednesday, 10 February 2010 at 10h00 and at any adjournment thereof.

I/We (Please print name in full) \_\_\_\_\_

of (address) \_\_\_\_\_

being a holder of \_\_\_\_\_ ordinary shares hereby appoint

1. \_\_\_\_\_ or failing him/her

2. \_\_\_\_\_ or failing him/her

3. The Chairman of the annual general meeting as my/our proxy to act for me/us at the annual general meeting for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against such resolutions and/or abstain from voting in respect of the ordinary shares in the issued capital of Nu-World registered in my/our name as follows:

	For	Against	Abstain
Ordinary resolution 1: approval of annual financial statements			
Ordinary resolution 2: re-appointment of directors			
2.1 G R Hindle			
2.2 J M Judin			
2.3 D Piaray			
2.4 R Kinross			
Ordinary resolution 3: approval of directors’ remuneration			
Ordinary resolution 4: re-appointment of auditors and individual designated auditor			
Ordinary resolution 5: placing of unissued shares under the control of directors			
Ordinary resolution 6: general authority to issue shares for cash			
Special resolution 1: general approval to repurchase shares			
Ordinary resolution 7: approval to make a capital distribution out of the share premium			
Ordinary resolution 8: authority to sign documents			

Signed at \_\_\_\_\_ on \_\_\_\_\_

Signature \_\_\_\_\_

Name if full \_\_\_\_\_

Any member entitled to attend and vote is entitled to appoint a proxy or proxies to attend, speak and vote in his stead and the person so appointed need not be a member. A form of proxy is attached for use by certificated and own name dematerialised shareholders who cannot attend the annual general meeting and wish to be represented thereat. A form of proxy may be obtained from the registered office of the Company. The attention of members is drawn to the fact that, to be effective, the completed proxy form must reach the transfer secretaries of the Company, Computershare Investor Services (Proprietary) Limited, Ground floor, 70 Marshall Street, Johannesburg, 2001 (P O Box 61051, Marshalltown, 2107), 48 hours (being 10h00 on Monday, 8 February 2010) before the scheduled time of the meeting. Shareholders whose shares have been dematerialised (other than by own name registration) must inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the annual general meeting and obtain the necessary authorisation from the CSDP or broker to attend the annual general meeting, or provide the CSDP or broker with voting instructions in terms of the custody agreement between them. A form of proxy is only to be completed by those shareholders who are:

1.1 Holding shares in certificated form; or

1.2 Recorded in dematerialised form on the electronic sub-register in "own name".

All other beneficial owners who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker and wish to attend the annual general meeting, must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker in the manner and cut-off time stipulated therein.

A shareholder may insert the name of a proxy or the names of an alternative proxy of the shareholder's choice in the space provided, with or without deleting "the Chairman of the annual general meeting", but any such deletion must be initialled by the shareholder. The person whose name stands 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. In the event that no names are filled in, the proxy shall be exercised by the Chairman of the annual general meeting.

A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercised by that shareholder in the appropriate box provided. 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 deems fit in respect of all the shareholder's votes exercised thereat. A shareholder or his proxy is not obliged to use all the votes exercisable by the shareholder or by his proxy, but the total of the votes cast and in respect of which abstentions are recorded may not exceed the total votes exercisable by the shareholder or his proxy.

Forms of proxy must be lodged with or posted to the transfer secretaries; Computershare Investor Services (Proprietary) Limited, Ground floor, 70 Marshall Street, Johannesburg, 2001 (P O Box 61051, Marshalltown, 2107) to be received by not later than 10h00 on Monday, 8 February 2010, in accordance with the instructions thereon.

The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting, speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.

Documentary proof establishing the authority of the person signing this form of proxy in a representative or other legal capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries of the Company or waived by the Chairman of the annual general meeting.

Any alterations to the form of proxy must be initialled by the signatories.