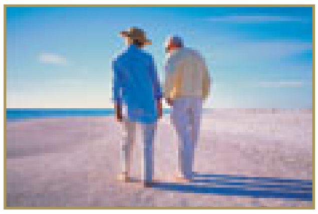
PSG
KONSULT

ANNUAL REPORT 2008



Contents

A decade of growth

Our business

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

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

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

September 1998 *Founding of PSG Konsult*

January 2001 *Opening of Head Office in Hermanus*

Board of directors

As at 29 February 2008, the board of directors of PSG Konsult Limited consisted of the following members:

Jacob de Vos du Toit (Jaap), 54
BAcc CA(SA) CFA
Chairman

Willem Theron, 56
BCompt (Hons) CA(SA)
Chief executive officer

Theo Werner Biesenbach, 44
BCompt (Hons) CA(SA)
Chief financial officer

Michael Desmond Allen (Mike), 61
CA(SA) FCA ACII
Chairman: Northern regional board

Johannes Barnard Borcherds (Johan), 36
MComm (Tax) CA(SA) CFP
Regional operational director (Northern region)

Daniel Pieter Buss Hugo (Dan), 46
BComm
Regional operational director (Southern region)

John Dickson Inge, 68
BComm CA(SA) CFP
Chairman: Central regional board

Ronald Norman King, 39
BComm LLB LLM Adv PGD FP CFP
Director: Financial planning

David Johannes Klopper (Dawie), 50
BComm (Hons) MBL
Investment economist

Walter Krumm (Wallie), 56
BA
Director: Administration, compliance and marketing

Theo Albert Landman (Koeloe), 56
BComm CFA(SA)
Regional operational director (Central region)

Johannes Fredericus Mouton (Jannie), 62
BComm (Hons) CA(SA)
Chairman: PSG Group

Johan Barend Roux (Joe), 63
Director: Short-term insurance

Gerhard Marthinus Steenkamp, 40
BProc ACII
CEO: Short-term insurance/Topexec

Louis van der Walt, 41
BCompt (Hons) CA(SA)
Chairman: Southern regional board

Wayne Vincent Waldeck, 43
BComm (Hons) CA(SA) CFP
Director: Investments

December 2002 *70 branch offices*

September 2003 *PSG Investment Services distribution network merges with PSG Konsult*

Corporate governance

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

BOARD OF DIRECTORS

Details of the company's directors are provided on page 4 of this report.

The board met four times during the past year and had a 93,7% attendance.

PSG Konsult is a financial services company offering a comprehensive product range, including holistic financial planning, investments, short-term insurance, stockbroking and trust and fiduciary services. There is a clear division of responsibilities at board level to ensure a balance of power and authority, such that no one individual has unfettered powers of decision making. Jaap du Toit fills the role of chairman and Willem Theron that of chief executive officer.

The board's key roles and responsibilities are:

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

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

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

May 2005 *Acquisition of Vleissentraal short-term insurance*

August 2005 *Acquisition of Dynarc, Bloemfontein*

EXECUTIVE COMMITTEE

The executive committee comprises Willem Theron (chairman), Theo Biesenbach (chief financial officer), Wallie Krumm, Koeloe Landman, Dan Hugo and Johan Borcherds. This committee meets on a monthly basis and is primarily responsible for the day-to-day management of the company.

REMUNERATION COMMITTEE

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

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

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

AUDIT COMMITTEE

The audit committee comprises Dr J van Zyl Smit (chairman), Wynand Greeff, Jaap du Toit, Willem Theron and Theo Biesenbach.

The committee is chaired by an independent non-executive director of PSG Group, met twice during the past year and had a 100% attendance.

The committee is also responsible for the approval of the annual financial statements.

The committee ensures that there is appropriate independence relating to services provided by the external auditors. A policy has been adopted as to which services are permissible. The committee is satisfied that the independence of the external auditors is not compromised by the present scale of non-audit fees paid to them.

COMPLIANCE AND RISK MANAGEMENT COMMITTEE

The committee comprises Wallie Krumm (chairman), Leon Taylor, Ronald King, Kerstin Jatho, Theo Biesenbach and Mike Smith and meets every two months.

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

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

April 2006 *Acquisition of Multinet and Topexec*

Business disciplines

Our holistic financial planning includes the following disciplines:

Investments
Specialist advice in respect of asset management, foreign and local investments and other sophisticated investment instruments

Long-term insurance
Advice in respect of retirement annuities, endowment policies and life insurance

Retirement planning
Planning and advice in respect of a client's retirement income which will maintain his lifestyle and capital needs

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

Stockbroking
Execution of share transactions, online stockbroking and related specialised products

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

We also cater for employee benefits, healthcare solutions and are a provider of training to the financial services industry.

October 2006 *Acquisition of Advance Wealth Management*

November 2006 *Acquisition of Online Securities*

November 2007 *PSG Consult opens in London*

Report by the chief executive officer

FINANCIAL HIGHLIGHTS

PSG Konsult has, notwithstanding the current challenging economic environment in which we have experienced volatile global equity markets, renewed inflationary pressure, power shortages as well as an escalation in interest rates, increased normalised headline earnings by 88% from R46,3 million to R87,1 million. This growth was made up of a healthy mix of acquisitive and organic growth from our strong and established base. Our key performance measure, normalised headline earnings per share, increased by 46% from 8,2 cents to 12,0 cents per share notwithstanding the issue of a considerable number of shares for acquisitions. Total income increased by 54% to R726 million (2007: R472 million).

Assets under administration increased by 23% from R43 billion to R53 billion, whilst short-term insurance premium income increased by 18% to R970 million (2007: R820 million) on a year-on-year basis.

KEY BUSINESS DEVELOPMENTS

As we mentioned in last year's annual report, we took the opportunity this financial year to focus on bedding down and effectively integrating into the group's structure and operations the various acquisitions we had concluded during the previous 18 months. This enabled us to harness and unlock a number of the synergies we identified at the time of acquisition. We have also focused on upgrading our systems and technology in order to enhance our client service offering. Furthermore we have expanded our product and service offering, particularly on the offshore side where our internally developed foreign equity linked investment products have experienced strong inflows.

Another exciting development was the expansion of our service offering and footprint into the United Kingdom following the acquisition during December 2007 of a 50% stake in PSG Consult Limited, a business with an established client base that has been operating successfully in London for the past four years.

In addition, subsequent to year-end, we announced that with effect from 1 March 2008 we had acquired Multifund, a short-term insurance broker, and Brosist, a short-term insurance administrator, for R34 million and R15 million respectively. The acquisition of these two well-respected businesses will enhance PSG Konsult's short-term premium income by R428 million annually.

March 2008 *Acquisition of Brosist and Multifund*

DISTRIBUTION TO SHAREHOLDERS

A final dividend of 5,5 cents per share was declared subsequent to year-end, which, together with the interim capital distribution of 2,4 cents per share, amounts to a total distribution of 7,9 cents per share for the period under review. This represents an increase of 43,6% compared to the total distribution of 5,5 cents per share in the corresponding period last year.

THE YEAR AHEAD

During the forthcoming year PSG Konsult's focus will once again be on new opportunities with the intention to increase our sustainable annuity income and thereby reduce the company's exposure to volatile financial markets.

In particular we plan to expand the service offering of our London office with the goal of enhancing its offering to South Africans in that part of the world. As there is a substantial migration of people between London and South Africa, the ultimate objective of the office will be to provide a more comprehensive service to all PSG Konsult clients.

A further area of focus during the year ahead will be the training and development of our financial planners who will be encouraged to attend our executive development programme which we run in conjunction with the University of Stellenbosch Business School. This will further lead to the enhancement of the quality of service for the benefit of our clients.

A WORD OF THANKS

I would like to express my gratitude to my management team, financial advisors and support staff as well as my colleagues on the board. Your unrelenting commitment and passion has played an indispensable role in making PSG Konsult the success it is.

PSG Konsult has now enjoyed a decade of growth and will be celebrating its tenth anniversary in May 2008. I would therefore like to take the opportunity to extend a special word of thanks to all those who have played a positive role in contributing to our success, in particular to all our clients and shareholders for your trust and support.

Willem Theron

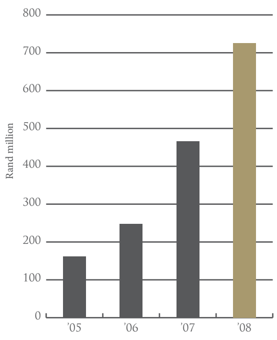
Hermanus
20 May 2008

March 2008 *190 branch offices*

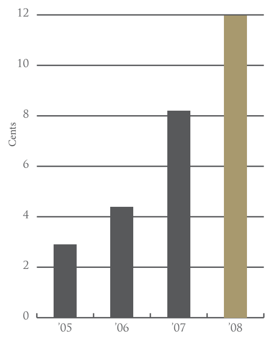
Financial information

NORMALISED CONSOLIDATED INCOME STATEMENT (UNAUDITED)	**29 Feb 2008 R000**	28 Feb 2007* R000	28 Feb 2006 R000	28 Feb 2005 R000
Income				
Commission and fee income	**661 061**	460 799	246 266	160 395
Other operating income	**13 516**	5 502	–	–
Investment income	**51 434**	5 876	2 206	1 280
Total income	**726 011**	472 177	248 472	161 675
Expenses				
Operating expenses (excluding amortisation of intangibles)	**(566 164)**	(379 772)	(219 505)	(140 356)
Amortisation of intangibles	**(11 133)**	(7 975)	(1 626)	(4 892)
Net income from operating activities	**148 714**	84 430	27 341	16 427
Finance charges	**(28 396)**	(8 529)	(1 813)	(28)
Share of profits of associate companies	**928**	389	–	–
Net income before taxation	**121 246**	76 290	25 528	16 399
Taxation	**(29 934)**	(24 914)	(7 763)	(4 894)
Net income of the group	**91 312**	51 376	17 765	11 505
Attributable to:				
Ordinary shareholders	**89 766**	48 634	17 128	10 826
Attributable to outside shareholders	**1 546**	2 742	637	679
	91 312	51 376	17 765	11 505
Normalised headline earnings reconciliation				
Attributable to ordinary shareholders	**89 766**	48 634	17 128	10 826
Non-headline items	**(2 706)**	(2 345)	(529)	64
Normalised headline earnings	**87 060**	46 289	16 599	10 890

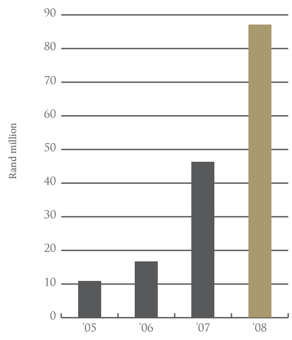
** 2007 – Normalised income statement to reflect the actual performance of PSG Konsult without the effect of predecessor accounting of the acquisition of PSG Online during 2007.*



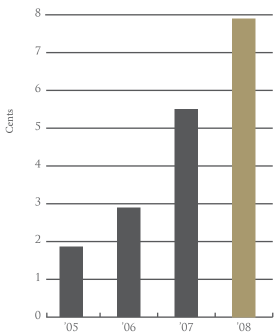
REVENUE



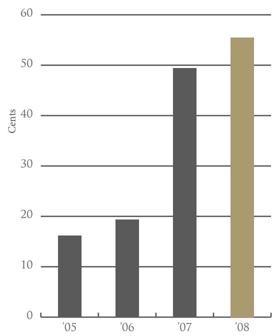
HEPS (NORMALISED)



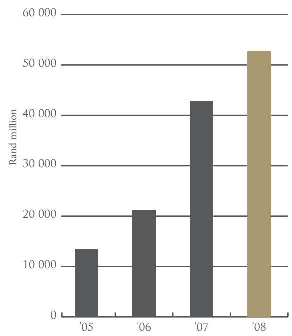
HEADLINE EARNINGS (NORMALISED)



DISTRIBUTION PER SHARE



NET ASSET VALUE PER SHARE



FUNDS UNDER ADMINISTRATION

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

For the year ended 29 February 2008

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

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

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

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

The group's external auditors, PricewaterhouseCoopers Inc., have audited the financial statements and their report is set out on page 13.

The financial statements, set out on pages 14 to 64, were approved by the board of directors and are signed on its behalf.

J DE V DU TOIT
Chairman

W THERON
Chief executive officer

TW BIESENBACH
Chief financial officer

20 May 2008

SECRETARIAL CERTIFICATION

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

W KRUMM
Company Secretary

20 May 2008

REPORT OF THE INDEPENDENT AUDITORS

to the members of PSG Konsult Limited

We have audited the annual financial statements and group annual financial statements of PSG Konsult Limited which comprise the directors' report, the balance sheet and the consolidated balance sheet as at 29 February 2008, the income statement and the consolidated income statement, the statement of changes in equity and the consolidated statement of changes in equity, the cash flow statement and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes, as set out on pages 14 to 64.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design 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 present fairly, in all material respects, the financial position of the company and the group as of 29 February 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.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

DIRECTOR: C VAN DEN HEEVER
Registered Auditor

20 May 2008
Cape Town

REPORT OF THE BOARD OF DIRECTORS

for the year ended 29 February 2008

NATURE OF BUSINESS

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

FINANCIAL RESULTS

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

DIVIDENDS

A capital distribution of 2,4 cents per share was made to shareholders at the interim stage (declared on 5 October 2007 and paid on 24 October 2007).

A final dividend of 5,5 cents per share was declared by PSG Konsult Limited after the year-end (10 April 2008) and was payable on 5 May 2008. No provision has been included in the financial statements.

SHARE CAPITAL

Details of the authorised and issued share capital appear in note 12 to the financial statements. During the year a total of 3 268 920 shares were issued as part of acquisition transactions relating to the book of business of Multi Insurance Brokers Administrators (Proprietary) Limited and PSG Consult Limited.

As reported at the previous financial year-end, the planned rights offer of 1 ordinary share for every 25 ordinary shares held at 150 cents per share was successfully completed during March 2007.

During November 2007 4 571 430 shares to the value of R8 000 000 were issued to PSG Investment Services (Proprietary) Limited. The share issue was made as payment for substituting PSG Investment Services (Proprietary) Limited as the holder of preference shares, previously issued by Online Securities Limited to PSG Investment Services (Proprietary) Limited.

EVENTS AFTER BALANCE SHEET DATE

Other than the acquisitions and the issue of promissory notes disclosed in note 28 on page 62, no other matter which is material to the financial affairs of the group and company has occurred between 29 February 2008 and the date of approval of the financial statements.

HOLDING COMPANY

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

DIRECTORS

The directors of the company at the balance sheet date appear on page 4.

DIRECTORS' EMOLUMENTS

The following directors' emoluments were paid by subsidiaries of the company for the year ended 29 February 2008:

Cash-based remuneration	Basic salary R000	Bonuses and performance-related payments R000	Expense allowances R000	Company contributions R000	**Total 2008 R000**	Total 2007 R000
Executive	8 608	11 341	1 303	286	**21 538**	13 925
Non-executive	4 367	–	144	628	**5 139**	1 284
	12 975	11 341	1 447	914	**26 677**	15 209

SHAREHOLDING OF DIRECTORS

The shareholding of directors in the company as at 29 February 2008 was as follows:

	Beneficial		Non-beneficial		**Total shareholding 2008**		Total shareholding 2007	
	Direct	Indirect	Direct	Indirect	**Number**	**%**	Number	%
MD Allen	–	–	–	41 600	**41 600**	**0,0**	–	0,0
TW Biesenbach	3 200 000	–	–	–	**3 200 000**	**0,4**	3 078 400	0,5
JB Borcherds	–	–	–	3 200 000	**3 200 000**	**0,4**	3 078 400	0,5
J de V du Toit	–	–	–	5 125 000	**5 125 000**	**0,7**	5 125 000	0,8
DPB Hugo	3 670 916	–	–	727 241	**4 398 157**	**0,6**	4 228 998	0,6
JD Inge	500 000	–	–	–	**500 000**	**0,1**	348 895	0,1
RN King	842 400	–	–	957 600	**1 800 000**	**0,2**	1 720 000	0,3
DJ Klopper	–	668 119	–	–	**668 119**	**0,1**	468 196	0,1
W Krumm	5 488 723	–	–	1 261 277	**6 750 000**	**0,9**	6 750 000	1,0
TA Landman	5 090 500	–	–	786 326	**5 876 826**	**0,8**	6 087 333	0,9
PW Moolman	–	–	–	–	**–**	**0,0**	13 040 000	1,9
JB Roux	883 333	–	–	256 933	**1 140 266**	**0,2**	1 023 333	0,1
GM Steenkamp	–	–	–	18 500 000	**18 500 000**	**2,5**	17 810 588	2,6
W Theron	–	–	–	20 841 600	**20 841 600**	**2,8**	20 040 000	2,9
JM van den Dool	–	–	–	–	**–**	**0,0**	569 333	0,1
L van der Walt	–	–	–	3 000 000	**3 000 000**	**0,4**	2 880 000	0,4
WV Waldeck	–	–	–	8 576 000	**8 576 000**	**1,2**	7 918 048	1,2
Total shareholding	19 675 872	668 119	–	63 273 577	**83 617 568**	**11,4**	94 166 524	14,0

SECRETARY

The secretary of the company is W Krumm, whose business and postal addresses are:

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

PO Box 1743
Hermanus
7200

SUBSIDIARIES

Details of the company's interest in subsidiaries are set out in Annexure A.

SPECIAL RESOLUTIONS

The following special resolutions were passed by the company during the year under review:

– The company is authorised to repurchase any shares issued under general approval till the next annual general meeting; and
– Authorised share capital was increased from 750 000 000 ordinary shares to 1 500 000 000 ordinary shares of 1 cent each.

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

BALANCE SHEETS

as at 29 February 2008

	Notes	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
Assets					
Property and equipment	2	**15 990**	12 941	**–**	1 022
Intangible assets	3	**416 343**	412 624	**–**	18 254
Investments in subsidiaries	4	**–**	–	**368 327**	389 215
Investments in associates	5	**23 631**	15 039	**–**	–
Financial assets					
Investment securities	6	**364 427**	303 748	**1 557**	1 458
Loans and advances	7	**31 999**	43 454	**48 196**	30 284
Deferred income tax	8	**7 315**	5 561	**867**	1 109
Inventories	9	**28**	88	**–**	–
Receivables	10	**115 677**	171 958	**56 255**	31 658
Current income tax assets		**592**	–	**116**	–
Cash and cash equivalents	11	**45 198**	100 586	**3 658**	50 145
Total assets		**1 021 200**	1 065 999	**478 976**	523 145
Capital and reserves attributable to the company's equity holders					
Share capital	12	**7 315**	6 829	**7 315**	6 829
Share premium	12	**343 335**	308 872	**343 335**	308 872
Other reserves		**(127 367)**	(64 533)	**1 112**	63 920
Retained earnings/(accumulated loss)		**182 797**	92 651	**(11 473)**	(6 720)
Ordinary shareholders' funds		**406 080**	343 819	**340 289**	372 901
Minority interests		**2 507**	2 926	**–**	–
Total equity		**408 587**	346 745	**340 289**	372 901
Liabilities					
Financial liabilities					
Borrowings	13	**436 129**	470 816	**137 431**	48 396
Deferred income tax	8	**41 563**	46 302	**–**	–
Trade and other payables	14	**99 329**	183 112	**1 256**	98 884
Provisions for other liabilities and charges	15	**15 337**	4 570	**–**	2 215
Current income tax liabilities		**20 255**	14 454	**–**	749
Total liabilities		**612 613**	719 254	**138 687**	150 244
Total equity and liabilities		**1 021 200**	1 065 999	**478 976**	523 145

INCOME STATEMENTS

for the year ended 29 February 2008

	Notes	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
Income					
Commission and other fee income	16	**637 462**	454 086	**20**	73 397
Investment income	17	**51 434**	25 269	**24 135**	2 101
Fair value gains and losses on financial instruments	18	**530**	96	**468**	26
Other income	19	**36 585**	68 705	**1 753**	8 463
Total income		**726 011**	548 156	**26 376**	83 987
Expenses					
Marketing, administration and other expenses	20	**(577 297)**	(434 763)	**(26 218)**	(82 221)
Total expenses		**(577 297)**	(434 763)	**(26 218)**	(82 221)
Results of operating activities		**148 714**	113 393	**158**	1 766
Finance costs	21	**(28 396)**	(24 821)	**(4 565)**	(8 898)
Share of profits of associate companies		**928**	389	**–**	–
Profit/(loss) before taxation		**121 246**	88 961	**(4 407)**	(7 132)
Taxation	22	**(29 934)**	(28 269)	**(346)**	227
Profit/(loss) for the year		**91 312**	60 692	**(4 753)**	(6 905)
Attributable to:					
– Minority interests		**1 546**	2 625	**–**	–
– Equity holders of the company		**89 766**	58 067	**(4 753)**	(6 905)
		91 312	60 692	**(4 753)**	(6 905)
Earnings per share (cents)					
Basic and diluted	23	**12,36**	9,10		

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

for the year ended 29 February 2008

	Attributable to equity holders of the company								
		Other reserves							
	Share capital and premium R000	Common control reserve R000	Share issue reserve R000	Fair value reserve R000	Translation reserve R000	Share-based payment reserve R000	Retained earnings/ (accumulated losses) R000	Minority interests R000	Total R000
GROUP									
Balance at 1 March 2006	172 478	(128 700)	–	877	–	380	41 704	764	87 503
Currency translation adjustments	–	–	–	–	(13)	–	–	–	(13)
Fair value gains on investments	–	–	–	44	–	–	–	–	44
Transfer of reserves	–	–	–	–	–	–	(17)	251	234
Issue of share capital	160 710	(21)	62 900	–	–	–	–	–	223 589
Capital reduction	(17 487)	–	–	–	–	–	–	–	(17 487)
Profit for the year	–	–	–	–	–	–	58 067	2 625	60 692
Dividend paid	–	–	–	–	–	–	(7 103)	(714)	(7 817)
Balance at 28 February 2007	315 701	(128 721)	62 900	921	(13)	380	92 651	2 926	346 745
Currency translation adjustments	–	–	–	–	**354**	–	–	–	**354**
Fair value gains on investments	–	–	–	**92**	–	–	–	–	**92**
Issue of share capital	**78 929**	–	**(62 900)**	–	–	–	–	**149**	**16 178**
Cancellation of shares	**(201)**	–	–	–	–	–	–	–	**(201)**
Transfer of reserves	–	–	–	–	–	**(380)**	**380**	–	–
Capital reduction	**(43 779)**	–	–	–	–	–	–	–	**(43 779)**
Profit for the year	–	–	–	–	–	–	**89 766**	**1 546**	**91 312**
Dividend paid to minorities	–	–	–	–	–	–	–	**(2 114)**	**(2 114)**
Balance at 29 February 2008	**350 650**	**(128 721)**	–	**1 013**	**341**	–	**182 797**	**2 507**	**408 587**
COMPANY									
Balance at 1 March 2006	43 778	–	–	976	–	–	185	–	44 939
Fair value gains on investments	–	–	–	44	–	–	–	–	44
Issue of share capital	289 410	–	62 900	–	–	–	–	–	352 310
Capital reduction	(17 487)	–	–	–	–	–	–	–	(17 487)
Loss for the year	–	–	–	–	–	–	(6 905)	–	(6 905)
Balance at 28 February 2007	315 701	–	62 900	1 020	–	–	(6 720)	–	372 901
Fair value gains on investments	–	–	–	**92**	–	–	–	–	**92**
Issue of share capital	**78 929**	–	**(62 900)**	–	–	–	–	–	**16 029**
Cancellation of shares	**(201)**	–	–	–	–	–	–	–	**(201)**
Capital reduction	**(43 779)**	–	–	–	–	–	–	–	**(43 779)**
Loss for the year	–	–	–	–	–	–	**(4 753)**	–	**(4 753)**
Balance at 29 February 2008	**350 650**	–	–	**1 112**	–	–	**(11 473)**	–	**340 289**

CASH FLOW STATEMENTS

for the year ended 29 February 2008

	Notes	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
Cash retained from/(utilised in) operating activities					
Cash generated by/(utilised in) operating activities	27.1	**194 767**	(81 357)	**(44 888)**	(26 968)
Interest received		**41 371**	24 907	**1 514**	1 104
Dividends received		**11 362**	362	**22 621**	997
Finance costs		**(28 396)**	(24 821)	**(4 565)**	(8 898)
Taxation (paid)/received	27.2	**(31 972)**	(32 080)	**(975)**	265
Net cash flow from operating activities		**187 132**	(112 989)	**(26 293)**	(33 500)
Cash (utilised in)/retained from investing activities					
Purchases of property and equipment		**(8 448)**	(9 421)	**–**	(591)
Proceeds from disposal of property and equipment		**182**	260	**1 022**	–
Proceeds from sale of financial assets		**47**	157 244	**–**	–
Purchases of financial assets		**(56 278)**	(82 548)	**–**	–
Sale of margin business		**–**	2 653	**–**	–
Acquisition of intangibles		**(11 310)**	(7 564)	**–**	(278)
Disposal of intangibles		**8 565**	22 126	**18 254**	30
Proceeds from disposal of associated companies		**3 891**	–	**–**	–
Acquisition of associated company	27.4	**(3 600)**	–	**–**	–
Acquisition of subsidiaries, net of cash	27.3	**(106 336)**	(92 613)	**(149)**	(83 331)
Costs paid for acquisition of Online Securities Limited		**–**	(23)	**–**	–
Loan to associate		**–**	(17)	**–**	–
Net cash flow from investment activities		**(173 287)**	(9 903)	**19 127**	(84 170)
Cash (utilised in)/retained from financing activities					
Capital distribution		**(43 779)**	(17 487)	**(43 779)**	(17 487)
Shares repurchased		**(201)**	–	**(201)**	–
Proceeds from issuance of ordinary shares		**2 179**	95 390	**8 028**	142 902
Proceeds received from rights issue		**–**	40 400	**–**	40 400
Net proceeds from/(repayments of) borrowings		**34 937**	(51 695)	**4 871**	(13 776)
Dividends paid		**–**	(7 817)	**–**	–
Dividends paid to minorities		**(2 114)**	–	**–**	–
Additional interest acquired from minorities		**149**	234	**–**	–
Net cash flow from financing activities		**(8 829)**	59 025	**(31 081)**	152 039
Net increase/(decrease) in cash and cash equivalents and bank overdrafts		**5 016**	(63 867)	**(38 247)**	34 369
Cash and cash equivalents and bank overdrafts at beginning of year		**227**	64 094	**41 905**	7 536
Cash and cash equivalents and bank overdrafts at end of year	27.5	**5 243**	227	**3 658**	41 905

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 29 February 2008

1. PSG KONSULT ACCOUNTING POLICIES

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

Basis of preparation

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

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

Restatement of comparative information

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

Balance sheet line items affected	Before reclassification R000	After reclassification R000
Financial assets – Investment securities	221 200	303 748
Financial liabilities – Borrowings	388 268	470 816

The group previously reported various contracts for differences instruments held by Online Securities Limited, a 100% subsidiary, on a net basis. It was however decided by management to disclose the instruments on a gross basis in order to facilitate better presentation in terms of IFRS 7 *Financial Instruments: Disclosures*. A total amount of R82 548 000 has therefore been reclassified for the year ended 28 February 2007 as disclosed above.

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

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

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

- IFRS 8, Operating segments (effective from 1 January 2009)
- IAS 23, Borrowing Cost – Revised (effective 1 January 2009)
- IAS 1, Presentation of Financial Statements (effective 1 January 2009)
- IFRIC 12, Service Concession Arrangements (effective from 1 January 2008)
- IFRIC 13, Customer Loyalty Programmes (effective from 1 July 2008)
- IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective from 1 January 2008)

Group financial statements

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

Subsidiaries and business combinations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Segmental reporting

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

Foreign currency translation

Functional and presentation currency

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

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

Transactions and balances

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

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

Group companies

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

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

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

Property and equipment

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

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

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

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

Land is not depreciated.

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

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

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

Intangible assets

Goodwill

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

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

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

Customer lists and relationships

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

Deferred acquisition costs

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

Trademarks

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

Other intangible assets

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

Impairment of non-financial assets

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

Financial instruments

Financial instruments recognised on the balance sheet include investments, receivables, loans and advances, cash and short-term funds, payables and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Offsetting financial instruments

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

Financial assets

The group classifies its financial assets into the following categories: financial assets at fair value through profit and loss, available-for-sale assets and loans and advances. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this at every reporting date.

Financial assets at fair value through profit and loss

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

Loans and advances

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

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

Available-for-sale financial assets

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

Recognition and measurement of financial assets

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

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

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

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

The group does not apply hedge accounting.

Receivables

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

Cash and cash equivalents

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

Share capital

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

Borrowings

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

Deferred income tax

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

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

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

Employee benefits

Pension obligations

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

Other post-retirement benefits

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

Profit-sharing and bonus plans

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

Provisions

Provisions are recognised when:

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

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

Trade and other payables

Trade and other payables are recognised when the group has a present obligation arising from past events, the settlement of which is expected to result in an outflow of economic benefits from the group. Trade and other payables are carried at amortised cost.

Revenue recognition

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

Rendering of services

Investment management fees and initial fees

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

Recurring fees

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

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

Interest income

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

Dividend income

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

Leases

Operating leases

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

Finance leases

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

Dividend distributions

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

Contingencies

A contingent liability is either a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. These contingent liabilities are not recognised in the balance sheet but disclosed in the notes to the financials statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. These contingent assets are not recognised in the balance sheet but are disclosed in the notes to the financial statements unless the inflow of financial benefits is probable.

Critical accounting estimates and judgements in applying accounting policies

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

Estimated impairment of goodwill

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

Revenue recognition

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

Impairment of assets

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

Recognition of intangible assets

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

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

Financial risk management

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

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

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

	GROUP		COMPANY	
Classes of financial assets	**2008 R000**	2007 R000	**2008 R000**	2007 R000
Other quoted equity securities	**1 557**	1 458	**1 557**	1 458
Contracts for differences	**146 097**	215 931	**–**	–
Total quoted investment securities	**147 654**	217 389	**1 557**	**1 458**
Unquoted security rights	**265**	312	**–**	–
Contract for differences	**216 508**	86 047	**–**	–
Total unquoted investment securities	**216 773**	86 359	**–**	–
Total investment securities	**364 427**	303 748	**1 557**	1 458
Redeemable preference shares	**–**	–	**8 000**	–
Related-party loans and advances	**–**	–	**40 039**	29 523
Other loans and advances	**31 999**	43 454	**157**	761
Total loans and advances	**31 999**	43 454	**48 196**	30 284
Brokers and clearing houses	**89 961**	143 569	**–**	–
Related-party receivables	**2 878**	866	**53 917**	30 247
Other receivables (excluding VAT receivables and prepayments)	**19 428**	26 388	**1 588**	1 398
Total receivables	**112 267**	170 823	**55 505**	31 645
Cash and cash equivalents	**45 198**	100 586	**3 658**	50 145
Total financial assets	**553 891**	618 611	**118 197**	113 532

	GROUP		COMPANY	
Classes of financial liabilities	**2008 R000**	2007 R000	**2008 R000**	2007 R000
Contracts for differences	**380 164**	339 751	**–**	–
Bank borrowings and overdrafts	**49 955**	100 359	**10 000**	8 240
Related-party loans	**2 464**	13 282	**127 431**	35 402
Redeemable preference shares	**–**	8 000	**–**	–
Finance leases	**370**	–	**–**	–
Other borrowings and short-term loans	**3 176**	9 424	**–**	4 754
Total borrowings	**436 129**	470 816	**137 431**	48 396
Purchase consideration payable	**9 129**	107 021	**–**	79 249
Other trade payables (excluding tax payables and deferred revenue)	**66 284**	54 410	**1 005**	3 886
Total trade and other payables	**75 413**	161 431	**1 005**	83 135
Total financial liabilities	**511 542**	632 247	**138 436**	131 531

Market risk

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

Price risk

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

At 29 February 2008, the group's listed equities were recorded at their fair value of R147 654 000 (2007: R217 389 000). A hypothetical 10% decline or increase in each individual share price would decrease/increase profit after taxation by R10 483 434

(2007: R15 434 619). Included in the group listed equities are those equity securities relating to contracts for differences amounting to R146 097 000 (2007: R215 931 000). A 10% decline or increase in each individual share price relating to these instruments would increase/decrease the value of the contracts for differences by R10 372 887 (2007: R15 331 101). The holders of the contracts for differences are carrying the price risk of these instruments and therefore a movement in the individual share prices would not have an impact on the group's profit after taxation but would decrease the corresponding contracts for difference liabilities with the same amount.

The company's listed equities were recorded at their fair value of R1 557 000 (2007: R1 458 000). A hypothetical 10% decline or increase in each individual share price would decrease/increase profit after taxation by R110 547 (2007: R103 518).

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

	2008 R000	2007 R000
Banks	**22 222**	11 727
Basic resources	**25 860**	65 539
Chemicals	**567**	181
Construction and materials	**11 294**	12 822
Financial services	**31 306**	10 246
Food and beverages	**1 677**	2 452
Healthcare	**1 481**	696
Industrial goods and services	**3 902**	37 480
Insurance	**90**	6 256
Media	**362**	3 347
Oil and gas	**14 488**	35 486
Other	**706**	2 751
Personal and household goods	**5 515**	–
Retail	**15 602**	22 576
Technology	**792**	4 951
Telecommunications	**11 611**	879
Travel and leisure	**179**	–
Total quoted equity investments	**147 654**	217 389

The Company's assets mainly consist of cash and cash equivalents.

Interest rate risk

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

A two percentage movement in the interest rate would have the following impact on the profit after tax for the group and the company:

GROUP **Financial assets**	**2008 2% increase R000**	**2008 2% decrease R000**	2007 2% increase R000	2007 2% decrease R000
Loans and advances	**313**	**(313)**	343	(343)
Contracts for differences	**3 074**	**(3 074)**	1 221	(1 221)
Total interest-bearing financial assets	**3 387**	**(3 387)**	1 564	(1 564)

COMPANY **Financial assets**	**2008 2% increase R000**	**2008 2% decrease R000**	2007 2% increase R000	2007 2% decrease R000
Redeemable preference shares	**36**	**(36)**	–	–
Total interest-bearing financial assets	**36**	**(36)**	–	–

GROUP Financial liabilities	2008 2% increase R000	2008 2% decrease R000	2007 2% increase R000	2007 2% decrease R000
Contracts for differences	(5 398)	5 398	(4 824)	4 824
Bank borrowings and overdrafts	(709)	709	(1 425)	1 425
Redeemable preference shares	–	–	(36)	36
Related-party loans	–	–	(36)	36
Other long-term borrowings	–	–	(38)	38
Total interest-bearing liabilities	**(6 107)**	**6 107**	(6 359)	6 359

COMPANY Financial liabilities	2008 2% increase R000	2008 2% decrease R000	2007 2% increase R000	2007 2% decrease R000
Bank borrowings and overdrafts	(142)	142	(117)	117
Related-party loans	–	–	(36)	36
Total interest-bearing liabilities	**(142)**	**142**	(153)	153

Foreign currency risk

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

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

GROUP 29 February 2008	Mauritian rupees 000	Total exposure R000
Loans and advances	37 513	10 455
Borrowings	–	–
Foreign currency exposure	**37 513**	**10 455**

Exchange rates	Mauritian rupees
Closing rate	0,2787
Average rate	0,2356

GROUP 28 February 2007	Mauritian rupees 000	Total exposure R000
Loans and advances	9 881	2 166
Borrowings	–	–
Foreign currency exposure	**9 881**	**2 166**

Exchange rates	Mauritian rupees
Closing rate	0,2192
Average rate	0,2190

An increase or decrease of 2% in the underlying foreign exchange rates would increase or decrease the total profit after tax with R148 460 (2007: R30 760).

COMPANY 29 February 2008	British pound £000	Total exposure R000
Loans and advances	400	5 947
Borrowings	(10)	(149)
Foreign currency exposure	**390**	**5 798**

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

An increase or decrease of 2% in the underlying foreign exchange rates would increase or decrease the total profit after tax with R82 450 (2007: Rnil).

Credit risk

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

	GROUP		COMPANY	
Classes of financial assets	**2008 R000**	2007 R000	**2008 R000**	2007 R000
Redeemable preference share	–	–	**8 000**	–
Related-party loans and advances	–	–	**40 039**	29 523
Other loans and advances	**31 999**	43 454	**157**	761
Total loans and advances	**31 999**	43 454	**48 196**	30 284
Brokers and clearing houses	**89 961**	143 569	–	–
Related party receivables	**2 878**	866	**53 917**	30 247
Other receivables (excluding VAT receivables and prepayments)	**19 428**	26 388	**1 588**	1 398
Total receivables	**112 267**	170 823	**55 505**	31 645
Cash and cash equivalents	**45 198**	100 586	**3 658**	50 145
Total financial assets	**189 464**	314 863	**107 359**	112 074

Financial assets are assessed based on their credit ratings as published by Moody's. AAA is the highest possible rating. Financial assets are classified within the range of AAA to BBB. Financial assets which fall outside this range are classified as not rated. Credit limits, for each counterparty, are set based on default probabilities that are in turn based on the ratings of the counterparty concerned. The following table provides information regarding the aggregated credit risk exposure for financial assets with external credit ratings as at 29 February 2008:

	GROUP		COMPANY	
Credit ratings	**2008 R000**	2007 R000	**2008 R000**	2007 R000
AAA	**43 164**	94 294	**3 658**	47 117
AA	**1 637**	2 773	–	–
Collective investment schemes	**397**	3 519	–	3 028
Non-rated financial assets	**144 266**	214 277	**103 701**	61 929
Total financial assets exposed to credit risk	**189 464**	314 863	**107 359**	112 074

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

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

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

Liquidity risk

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

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

GROUP			Contractual cash flows (undiscounted)	
29 February 2008	**Carrying value R000**	**Total R000**	**0 – 1 year R000**	**2 – 5 years R000**
Borrowings	436 129	436 300	435 740	560
Trade and other payables	75 413	75 413	75 413	-
Total	**511 542**	**511 713**	**511 153**	**560**

GROUP			Contractual cash flows (undiscounted)	
28 February 2007	**Carrying value R000**	**Total R000**	**0 – 1 year R000**	**2 – 5 years R000**
Borrowings	470 816	471 479	462 816	8 663
Trade and other payables	161 431	161 431	161 431	–
Total	**632 247**	**632 910**	**624 247**	**8 663**

COMPANY			Contractual cash flows (undiscounted)	
29 February 2008	**Carrying value R000**	**Total R000**	**0 – 1 year R000**	**2 – 5 years R000**
Borrowings	137 431	138 247	136 122	2 125
Trade and other payables	1 005	1 005	1 005	–
Total	**138 436**	**139 252**	**137 127**	**2 125**

COMPANY			Contractual cash flows (undiscounted)	
28 February 2007	**Carrying value R000**	**Total R000**	**0 – 1 year R000**	**2 – 5 years R000**
Borrowings	48 396	48 728	43 896	4 832
Trade and other payables	83 135	83 135	83 135	–
Total	**131 531**	**131 863**	**127 031**	**4 832**

PSG KONSULT

Capital risk management

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

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

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

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

	GROUP		COMPANY	
Credit ratings	**2008 R000**	2007 R000	**2008 R000**	2007 R000
Total borrowings	**436 129**	470 816	**137 431**	48 396
Less: Cash and cash equivalents	**(45 198)**	(100 586)	**(3 658)**	(50 145)
Net debt	**390 931**	370 230	**133 773**	(1 749)
Total equity	**408 587**	346 745	**340 289**	372 901
Total capital	**799 518**	716 975	**474 062**	371 152
Gearing ratio	**48,90%**	51,64%	**28,22%**	–

GROUP	Land and buildings R000	Motor vehicles R000	Office equipment R000	Computer equipment R000	Total R000
2. PROPERTY AND EQUIPMENT					
As at 29 February 2008					
Cost	**96**	**449**	**17 176**	**23 227**	**40 948**
Accumulated depreciation and impairment	**(68)**	**(290)**	**(8 738)**	**(15 862)**	**(24 958)**
Balance at end of year	**28**	**159**	**8 438**	**7 365**	**15 990**
Reconciliation					
Balance at beginning of year	**28**	**323**	**6 397**	**6 193**	**12 941**
Additions	**–**	**–**	**3 864**	**4 584**	**8 448**
Acquisition of operations	**–**	**–**	**316**	**278**	**594**
Disposals	**–**	**(91)**	**(37)**	**(35)**	**(163)**
Depreciation	**–**	**(73)**	**(2 102)**	**(3 655)**	**(5 830)**
Balance at end of year	**28**	**159**	**8 438**	**7 365**	**15 990**
As at 28 February 2007					
Cost	96	581	13 707	19 252	33 636
Accumulated depreciation and impairment	(68)	(258)	(7 310)	(13 059)	(20 695)
Balance at end of year	28	323	6 397	6 193	12 941
Reconciliation					
Balance at beginning of year	29	363	2 598	1 977	4 967
Additions	4	142	4 025	5 250	9 421
Acquisition of operations	–	82	1 163	1 327	2 572
Disposals	–	(193)	(11)	(56)	(260)
Depreciation	(5)	(71)	(1 378)	(2 305)	(3 759)
Balance at end of year	28	323	6 397	6 193	12 941

Details of land and buildings are available at the registered offices of the relevant group companies. The market value of land and buildings at 29 February 2008, as determined by the directors, amounted to R33 000 (2007: R33 000).

Depreciation expense of R5 830 000 (2007: R3 759 000) has been charged as part of marketing, administration and other expense as disclosed in note 20.

Included in office equipment are assets held under finance leases amounting to R384 546 (2007: R448 742).

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COMPANY	Office equipment R000	Computer equipment R000	Total R000
2. PROPERTY AND EQUIPMENT (continued)			
As at 29 February 2008			
Cost	–	–	–
Accumulated depreciation and impairment	–	–	–
Balance at end of year	–	–	–
Reconciliation			
Balance at beginning of year	**674**	**348**	**1 022**
Disposals	**(674)**	**(348)**	**(1 022)**
Balance at end of year	–	–	–
As at 28 February 2007			
Cost	1 080	749	1 829
Accumulated depreciation and impairment	(406)	(401)	(807)
Balance at end of year	674	348	1 022
Reconciliation			
Balance at beginning of year	497	297	794
Additions	362	229	591
Depreciation	(185)	(178)	(363)
Balance at end of year	674	348	1 022

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

GROUP	Trademarks R000	Goodwill R000	Deferred acquisition costs R000	Customer relationships R000	Other intangibles R000	Total R000
3. INTANGIBLE ASSETS *(continued)*						
As at 28 February 2007						
Cost	23 489	226 158	45 853	165 669	6 137	467 306
Accumulated amortisation and impairment	(745)	–	(33 893)	(16 802)	(3 242)	(54 682)
Balance at end of year	22 744	226 158	11 960	148 867	2 895	412 624
Reconciliation						
Balance at beginning of year	–	60 691	10 169	34 085	595	105 540
Additions	–	1 176	25 756	3 766	2 622	33 320
Acquisition of operations	23 489	171 103	–	139 737	165	334 494
Disposals	–	(6 812)	–	(21 463)	–	(28 275)
Amortisation	(745)	–	(23 965)	(7 258)	(487)	(32 455)
Balance at end of year	22 744	226 158	11 960	148 867	2 895	412 624

COMPANY	Goodwill R000	Deferred acquisition costs R000	Customer relationships R000	Other intangibles R000	Total R000
As at 29 February 2008					
Cost	–	–	–	–	–
Accumulated amortisation and impairment	–	–	–	–	–
Balance at end of year	–	–	–	–	–
Reconciliation					
Balance at beginning of year	**3 783**	**11 960**	**2 467**	**44**	**18 254**
Disposals	**(3 783)**	**(11 960)**	**(2 467)**	**(44)**	**(18 254)**
Balance at end of year	–	–	–	–	–
As at 28 February 2007					
Cost	3 783	45 853	2 665	330	52 631
Accumulated amortisation and impairment	–	(33 893)	(198)	(286)	(34 377)
Balance at end of year	3 783	11 960	2 467	44	18 254
Reconciliation					
Balance at beginning of year	3 783	10 169	2 351	154	16 457
Additions	–	25 756	272	6	26 034
Disposals	–	–	(30)	–	(30)
Amortisation	–	(23 965)	(126)	(116)	(24 207)
Balance at end of year	3 783	11 960	2 467	44	18 254

3. INTANGIBLE ASSETS *(continued)*

Details on impairment tests performed

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

	GROUP		COMPANY	
	2008 R000	2007 R000	**2008 R000**	2007 R000
PSG Konsult Limited	**–**	3 783	**–**	3 783
PSG Konsult Financial Planning (Proprietary) Limited	**100 392**	101 627	**–**	–
PSG Konsult Securities (Proprietary) Limited	**3 453**	3 453	**–**	–
PSG Konsult Trust (Proprietary) Limited	**164**	164	**–**	–
PSG Konsult Namibia (Proprietary) Limited	**2 238**	2 238	**–**	–
Probatus Risk Managers (Proprietary) Limited	**–**	11 793	**–**	–
PSG Konsult Free State (Proprietary) Limited	**–**	2 236	**–**	–
PSG Konsult Short-Term Insurance Brokers (Proprietary) Limited	**71 948**	71 802	**–**	–
Topexec Management Bureau (Proprietary) Limited	**41 675**	24 360	**–**	–
Crest Constantia Management Services (Proprietary) Limited	**–**	4 702	**–**	–
PSG Konsult Brokers (UK) Limited	**44**	–	**–**	–
Online Securities Limited	**4 702**	–	**–**	–
	224 616	226 158	**–**	3 783

When testing goodwill for impairment, the recoverable amount of a CGU is determined on a fair value less cost to sell basis. As there is no active market, the fair value was determined based on the price/earnings ratio basis whereby a calculated price/earnings ratio is multiplied by the current year earnings of the CGU. Price/earnings ratios used by management are determined with reference to similar listed companies as well as recent transactions that occurred within the PSG Konsult Group. The range of price/earnings ratios used vary between 4 and 7,5.

During the current year administration rights, that was previously recognised in goodwill, was sold to a related party. Refer to note 26.

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

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

Discount rate (R157)	8,99%
Tax rate	28,00%
Growth rate	18,00%

Customer relationships were evaluated for impairment using the most recent price/earnings ratios for similar transactions in the market. The range of price/earnings ratios used vary from 4 to 13, with an average of 7,5.

		COMPANY	
		2008	2007
		R000	R000
4.	**INVESTMENT IN SUBSIDIARIES**		
	Unlisted shares at cost	**368 327**	389 215
	Unlisted shares at directors' valuation	**368 327**	389 215

The PSG Konsult group commenced the implementation of a reorganisation process with effect from 1 March 2007. As part of this process the assets and liabilities of PSG Konsult North (Proprietary) Limited, PSG Konsult Free State (Proprietary) Limited and Probatus Support Management Bureau (Proprietary) Limited were sold to other group companies. Subsequently these companies are in the process of being deregistered. The net movement in the investment in subsidiaries balance due to the restructuring was R20 958 000.

An assessment for impairment was performed by comparing the carrying value of the individual subsidiaries with the calculated fair value less cost to sell. The fair value is determined by applying a price/earnings ratio to the current year profit after tax for each subsidiary. The price/earnings ratios are determined with reference to similar listed companies as well as recent transactions concluded in the market and range between 4 to 7,5.

Refer to Annexure A

		GROUP		COMPANY	
		2008	2007	**2008**	2007
		R000	R000	**R000**	R000
5.	**INVESTMENT IN ASSOCIATED COMPANIES**				
	Unlisted				
	Carrying value at beginning of year	**15 039**	77	–	–
	Equity accounted earnings	**928**	389	–	–
	Movement in investment value:	**7 664**	14 573	–	–
	Acquisitions	**9 664**	14 586	–	–
	Disposals	**(1 067)**	–	–	–
	Dividends received	**(1 299)**	–	–	–
	Exchange differences	**366**	(13)	–	–
	Carrying value at end of year	**23 631**	15 039	–	–
	Goodwill included in carrying value	**13 618**	7 198	–	–
	Directors' valuation of associated companies	**23 631**	15 039	–	-

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

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

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

Discount rate	17%
Growth rate	5%
Price/earnings ratios	A range of between 4 and 7,5

5. INVESTMENT IN ASSOCIATED COMPANIES *(continued)*

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

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

Aggregate associated company assets, liabilities, revenue and profit for the year ended 28 February 2007:

Name of associated company	Interest held %	Country of incorporation	Assets R000	Liabilities R000	Revenue R000	Profit R000
InterContinental Trust Limited	25	Mauritius	9 081	3 708	439	424
Make-a-Million (Proprietary) Limited	33	South Africa	1 648	1 616	1 761	101
Percom Management Bureau (Proprietary) Limited	49	South Africa	103	18	362	84
Multinet Kommersiële Makelaars (Proprietary) Limited	49	South Africa	574	294	6 498	277
			11 406	**5 636**	**9 060**	**886**

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

	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
6. INVESTMENT SECURITIES				
Available-for-sale securities				
Quoted				
Capitec Bank Holdings Limited	**1 557**	1 458	**1 557**	1 458
Unquoted				
Namibian Stock Exchange rights	**240**	240	**–**	–
SAFEX licence	**25**	72	**–**	–
	1 822	1 770	**1 557**	1 458

		Group R000	Company R000
6.	INVESTMENT SECURITIES *(continued)*		
	Reconciliation of movements		
	Carrying amount at 1 March 2006	1 551	1 239
	Unrealised fair value net gains	219	219
	Carrying amount at 28 February 2007	1 770	1 458
	Disposals	(47)	–
	Unrealised fair value net gains	**99**	**99**
	Carrying amount at 29 February 2008	**1 822**	**1 557**

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

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

	GROUP		COMPANY	
	2008 R000	2007 R000	**2008 R000**	2007 R000
Fair value through profit and loss				
Quoted				
Contracts for differences	**146 097**	215 931	–	–
Unquoted				
Contracts for differences	**216 508**	86 047	–	–
	362 605	301 978	–	–

	GROUP R000	COMPANY R000
Reconciliation of movements		
Carrying amount at 1 March 2006	338 266	–
Unrealised fair value net gains	38 408	–
Disposals	(74 696)	–
Carrying amount at 28 February 2007	301 978	–
Additions	**56 278**	–
Unrealised fair value net gains	**4 349**	–
Carrying amount at 29 February 2008	**362 605**	–

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

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

	Group 2008 R000	Group 2007 R000	Company 2008 R000	Company 2007 R000
6. INVESTMENT SECURITIES *(continued)*				
Total				
Current portion	**362 605**	301 978	**–**	–
Non-current portion	**1 822**	1 770	**1 557**	1 458
	364 427	303 748	**1 557**	1 458
7. LOANS AND ADVANCES				
Unsecured loans	**28 115**	38 327	**–**	–
Preference shares	**–**	–	**8 000**	–
Staff loans and advances	**3 416**	4 650	**157**	761
Loans with minorities	**468**	477	**–**	–
Intergroup loans and advances	**–**	–	**40 039**	29 523
	31 999	43 454	**48 196**	30 284
Current portion	**14 323**	20 895	**34 390**	30 284
Non-current portion	**17 676**	22 559	**13 806**	–
Loans and advances	**31 999**	43 454	**48 196**	30 284

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

	Company 2008	Company 2007
3 000 000 "A" redeemable preference shares	**3 000 000**	–
2 500 000 "B" redeemable preference shares	**2 500 000**	–
2 500 000 "C" cumulative redeemable preference shares	**2 500 000**	–
	8 000 000	–

The redeemable preference shares may be redeemed at the option of the holder at a consideration equal to the par value plus the share premium per share issued. The "A" and "B" preference shares have no rights to dividend distribution in the company. Dividends on "C" preference shares are calculated as the product of the prime overdraft rate and one minus the corporate tax rate prevailing at the date of distribution.

An amount of R22,095 million (2007: R24,170 million) is included under unsecured loans and is due from various financial advisors. Repayments will be required from 1 November 2008 in 60 equal monthly instalments and accrue interest at a rate of prime less 1%.

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

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

	GROUP		COMPANY	
	2008	2007	**2008**	2007
	R000	R000	**R000**	R000
8. DEFERRED INCOME TAX				
Deferred income tax assets	**7 315**	5 561	**867**	1 109
Deferred income tax liabilities	**(41 563)**	(46 302)	**–**	–
Net deferred income tax (liabilities)/assets	**(34 248)**	(40 741)	**867**	1 109

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

GROUP Deferred tax assets	Deferred revenue R000	Provisions R000	Tax losses carried forward R000	Accruals not currently deductible and other differences R000	Total R000
At 1 March 2006	3 514	–	4 151	1 082	8 747
Credited/(charged) to income statement	619	1 325	(926)	136	1 154
Acquisition of operations	–	–	–	372	372
At 28 February 2007	4 133	1 325	3 225	1 590	10 273
Credited/(charged) to income statement	**1 105**	**2 969**	**(1 889)**	**1 926**	**4 111**
At 29 February 2008	**5 238**	**4 294**	**1 336**	**3 516**	**14 384**
To be recovered within 12 months	5 238	1 202	1 208	409	8 057
To be recovered after more than 12 months	–	3 092	128	3 107	6 327
	5 238	4 294	1 336	3 516	14 384

Deferred tax liabilities	Deferred acquisition cost R000	Prepaid expenses R000	Unrealised appreciation of investments R000	Other intangible assets R000	Other R000	Total R000
At 1 March 2006	(2 948)	(263)	(35)	(8 181)	(11)	(11 438)
(Charged)/credited to income statement	(520)	215	2	2 211	(123)	1 785
Charged to equity	–	–	(174)	–	–	(174)
Acquisition of operations	–	–	–	(41 187)	–	(41 187)
At 28 February 2007	(3 468)	(48)	(207)	(47 157)	(134)	(51 014)
(Charged)/credited to income statement	**(924)**	**–**	**(5)**	**4 062**	**3**	**3 136**
Charged to equity	**–**	**–**	**(9)**	**–**	**–**	**(9)**
Acquisition of operations	**–**	**–**	**–**	**(745)**	**–**	**(745)**
At 29 February 2008	**(4 392)**	**(48)**	**(221)**	**(43 840)**	**(131)**	**(48 632)**
To be recovered within 12 months	(4 392)	(48)	(221)	(2 304)	(131)	(7 096)
To be recovered after more than 12 months	–	–	–	(41 536)	–	(41 536)
	(4 392)	(48)	(221)	(43 840)	(131)	(48 632)

	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
8. DEFERRED INCOME TAX *(continued)*				
Total amount of temporary differences relating to investments in associated companies for which no deferred tax liability has been raised	**1 644**	1 538	**–**	–
Total accumulated losses available for which no deferred tax asset has been raised	**34**	310	**–**	–
Unused STC credits for which no deferred tax asset has been raised	**2 200**	125	**–**	–

COMPANY Deferred tax assets	Deferred revenue R000	Provisions R000	Tax losses carried forward R000	Accruals not currently deductible and other differences R000	Total R000
At 1 March 2006	3 514	–	33	(52)	3 495
Credited/(charged) to income statement	619	642	(33)	28	1 256
At 28 February 2007	4 133	642	–	(24)	4 751
(Charged)/credited to income statement	**(4 133)**	**(642)**	**1 178**	**24**	**(3 573)**
At 29 February 2008	**–**	**–**	**1 178**	**–**	**1 178**
To be recovered within 12 months	–	–	1 178	–	1 178
To be recovered after more than 12 months	–	–	–	–	–
	–	–	1 178	–	1 178

Deferred tax liabilities	Unrealised foreign exchange differences R000	Unrealised appreciation of investments R000	Deferred acquisition cost R000	Prepaid expenses R000	Total R000
At 1 March 2006	–	–	(2 949)	(233)	(3 182)
(Charged)/credited to income statement	–	–	(519)	233	(286)
Charged to equity		(174)			(174)
At 28 February 2007	–	(174)	(3 468)	–	(3 642)
(Charged)/credited to income statement	**(131)**	**14**	**3 468**	**–**	**3 351**
Charged to equity	**–**	**(20)**	**–**	**–**	**(20)**
At 29 February 2008	**(131)**	**(180)**	**–**	**–**	**(311)**
To be recovered within 12 months	(131)	(180)	–	–	(311)
To be recovered after more than 12 months	–	–	–	–	–
	(131)	(180)	–	–	(311)

		GROUP		COMPANY	
		2008	2007	**2008**	2007
		R000	R000	**R000**	R000
9.	INVENTORIES				
	Consumables	**28**	88	–	–
		28	88	–	–
10.	RECEIVABLES				
	Trade receivables	**15 599**	20 004	**1 533**	1 343
	Receivables due from related parties	**2 878**	866	**53 917**	30 247
	Prepayments	**1 793**	1 120	**750**	13
	Brokers and clearing houses	**89 961**	143 569	–	–
	Rental and other deposits	**1 012**	610	**55**	55
	VAT receivable	**1 617**	15	–	–
	Sundry debtors	**2 817**	5 774	–	–
		115 677	171 958	**56 255**	31 658
	Current portion	**114 720**	171 584	**56 255**	31 658
	Non-current portion	**957**	374	–	–
		115 677	171 958	**56 255**	31 658

Receivables are assessed individually for any indications that the counterparty might not be able to honour its commitments. No provision for bad debts was raised in the current year. A provision of R291 200 was raised in the prior year relating to Probatus Support Management (Proprietary) Limited. This provision was however reversed in the current year due to the restructuring of the operations of Probatus Support Management (Proprietary) Limited.

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

		GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
11.	CASH AND CASH EQUIVALENTS				
	Cash at bank and in hand	**43 256**	90 389	**3 658**	47 117
	Short-term deposits	**1 942**	10 197	–	3 028
		45 198	100 586	**3 658**	50 145
	Bank overdrafts (refer note 13)	**(39 955)**	(100 359)	–	(8 240)
		5 243	227	**3 658**	41 905

The effective interest rate on short-term deposits was 9% (2007: 8%). These deposits are held at call.

		GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
12.	SHARE CAPITAL				
	Authorised				
	1 500 000 000 shares of 1 cent each (2007: 750 000 000 shares of 1 cent each)	**15 000**	7 500	**15 000**	7 500

	GROUP Number of shares (thousands)	GROUP Share capital R000	GROUP Share premium R000	COMPANY Number of shares (thousands)	COMPANY Share capital R000	COMPANY Share premium R000
12. SHARE CAPITAL *(continued)*						
Issued						
At 1 March 2006	483 695	4 837	167 641	483 695	3 791	39 987
Shares issued	199 177	1 992	158 718	199 177	3 038	286 372
Capital reduction	–	–	(17 487)	–	–	(17 487)
At 28 February 2007	682 872	6 829	308 872	682 872	6 829	308 872
At 1 March 2007	682 872	6 829	308 872	682 872	6 829	308 872
Shares issued	**48 800**	**488**	**78 441**	**48 800**	**488**	**78 441**
Shares repurchased and cancelled	**(116)**	**(2)**	**(199)**	**(116)**	**(2)**	**(199)**
Capital reduction	**–**	**–**	**(43 779)**	**–**	**–**	**(43 779)**
At 29 February 2008	**731 556**	**7 315**	**343 335**	**731 556**	**7 315**	**343 335**

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

	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
13. BORROWINGS				
Non-current				
Other long-term borrowings	**109**	2 526	**–**	2 000
Finance leases	**280**	–	**–**	–
Redeemable preference shares	**–**	8 000	**–**	–
Related-party loans	**–**	2 500	**2 125**	2 500
Total non-current borrowings	**389**	13 026	**2 125**	4 500
Current				
Bank overdrafts	**39 955**	100 359	**–**	8 240
Bank borrowings	**10 000**	–	**10 000**	–
Short-term portion of other long-term borrowings	**–**	141	**–**	–
Finance leases	**90**	–	**–**	–
Contracts for differences	**380 164**	339 751	**–**	–
Related-party loans	**2 464**	10 782	**125 306**	32 902
Other short-term loans	**3 067**	2 754	**–**	2 754
Loans with minorities	**–**	4 003	**–**	–
Total current borrowings	**435 740**	457 790	**135 306**	43 896
Total borrowings	**436 129**	470 816	**137 431**	48 396
The contracts for differences balance consists of the following classes of borrowings:				
Collateralised borrowings	**147 671**	–	**–**	–
Overdraft facilities	**232 493**	339 751	**–**	–
	380 164	339 751	**–**	–

13. BORROWINGS *(continued)*

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

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

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

Related-party loans included a loan from Axiam Holdings Limited in the prior year. It carried interest at a rate of prime plus 1%, with the repayment to be made by three equal instalments of R2 500 000 each on 31 May 2007, 30 November 2007 and 31 May 2008. The loan was however settled in full during the current year.

The redeemable preference shares were obtained by the Group during the prior year as part of the Online Securities Limited acquisition. During the current year PSG Konsult Limited acquired these preference shares from the holder, being PSG Investment Services (Proprietary) Limited. Refer to note 7 for the terms and conditions of these instruments.

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

	GROUP		COMPANY	
	2008 R000	2007 R000	**2008 R000**	2007 R000
14. TRADE AND OTHER PAYABLES				
Accounts payable	**26 456**	30 839	**822**	3 266
Accruals	**25 412**	23 492	**183**	620
Tax payable	**5 207**	7 428	**251**	1 496
Deferred revenue	**18 709**	14 253	**–**	14 253
Purchase consideration payable	**9 129**	107 021	**–**	79 249
Other payables	**14 416**	79	**–**	–
	99 329	183 112	**1 256**	98 884

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

	GROUP		COMPANY	
	2008 R000	2007 R000	**2008 R000**	2007 R000
15. PROVISIONS FOR OTHER LIABILITIES AND CHARGES				
Balance at beginning of year	**4 570**	–	**2 215**	–
Charged to the income statement:				
– additional provision raised	**11 813**	4 570	**–**	2 215
– unused provision reversed	**(1 046)**	–	**–**	–
Transfer to subsidiary as part of restructuring	**–**	–	**(2 215)**	–
	15 337	4 570	**–**	2 215

The provision consists of a management bonus scheme as approved by the remuneration committee during 2006. The bonus scheme is applicable for a period of five years ending 29 February 2012, on which date management participating in the scheme will receive final settlement. A second scheme commenced 1 March 2007 for additional management members added to the scheme and will end on 28 February 2013. The bonus provision is determined annually based on the headline earnings per share adjusted for the amortisation of intangibles and short-term incentives payable. The total provision is also adjusted for any resignations or cancellations of benefits as agreed with the remuneration committee on an annual basis.

	GROUP		COMPANY	
	2008	2007	**2008**	2007
	R000	R000	**R000**	R000
16. COMMISSION AND OTHER FEE INCOME				
Commission and other policy administration fees	**451 988**	408 650	**20**	73 397
Dealing and structuring	**185 474**	45 436	**–**	–
	637 462	454 086	**20**	73 397
17. INVESTMENT INCOME				
Interest income				
Equity securities – Contracts for differences	**27 754**	17 220	**–**	–
Loans and advances	**–**	179	**246**	231
Cash and short-term funds	**13 617**	7 508	**1 268**	873
	41 371	24 907	**1 514**	1 104
Dividend income				
Equity securities – Available-for-sale	**34**	362	**34**	254
Equity securities – Contracts for differences	**10 029**	–	**–**	–
Dividend income from subsidiary company	**–**	–	**22 587**	743
	10 063	362	**22 621**	997
Investment income	**51 434**	25 269	**24 135**	2 101
18. FAIR VALUE GAINS AND LOSSES ON FINANCIAL INSTRUMENTS				
Net foreign exchange gains	**530**	96	**468**	26
Unrealised gains on financial assets – Contracts for differences	**4 349**	38 408	**–**	–
Unrealised losses on financial liabilities – Contracts for differences	**(4 349)**	(38 408)	**–**	–
	530	96	**468**	26
19. OTHER INCOME				
Profit on sale of investment in associates	**2 824**	–	**–**	–
Profit on sale of margin business	**–**	2 653	**–**	–
Sundry income	**33 761**	66 052	**1 753**	8 463
	36 585	68 705	**1 753**	8 463

	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
20. MARKETING, ADMINISTRATION AND OTHER EXPENSES				
Marketing, administration and other expenses consist of:				
Depreciation	**5 830**	3 759	–	363
Land and buildings	–	5	–	–
Motor vehicles	**73**	71	–	–
Office equipment	**2 102**	1 378	–	185
Computer equipment	**3 655**	2 305	–	178
Amortisation of intangible assets	**40 054**	32 455	–	24 207
Impairment charges	–	–	**24 797**	–
Operating lease rentals	**17 908**	12 702	**56**	452
Properties	**16 101**	11 191	**43**	363
Other	**1 807**	1 511	**13**	89
Audit fees	**4 710**	3 520	**208**	875
Audit fees	**3 802**	3 068	**180**	586
Tax services	**33**	15	–	–
Other services	**875**	437	**28**	289
Employee benefit expenses	**305 090**	202 007	**(20)**	13 447
Salaries, wages and allowances	**294 684**	197 135	**(20)**	13 118
Social security costs	**4 517**	4 244	–	155
Pension costs	**5 889**	628	–	174
For directors' emoluments refer to report of the board of directors.				
Commission paid	**50 776**	37 561	**33**	37 236
Marketing and administration costs	**114 038**	107 131	**442**	5 641
JSE costs	**16 815**	13 819	–	–
Other expenses	**22 076**	21 809	**702**	–
Total marketing, administration and other expenses	**577 297**	434 763	**26 218**	82 221

		GROUP		COMPANY	
		2008	2007	**2008**	2007
		R000	R000	**R000**	R000
21.	FINANCE COSTS				
	Bank overdrafts	**4 940**	718	**768**	–
	Contracts for differences	**18 936**	15 950	**–**	–
	Other borrowings	**4 520**	8 153	**3 797**	8 898
		28 396	24 821	**4 565**	8 898
22.	TAXATION				
	Normal taxation				
	Current year	**37 131**	31 207	**–**	746
	Prior year	**(60)**	(35)	**–**	(40)
		37 071	31 172	**–**	706
	Deferred taxation				
	Current year	**(2 299)**	(2 974)	**274**	(1 004)
	Change in tax rate	**(4 844)**	–	**(38)**	–
	Rate adjustment due to applying different tax rates	**509**	–	**–**	–
	Prior year	**(613)**	34	**–**	34
		(7 247)	(2 940)	**236**	(970)
	Foreign taxation				
	Current taxation	**110**	37	**110**	37
		110	37	**110**	37
	Total income statement charge	**29 934**	28 269	**346**	(227)

	GROUP		COMPANY	
	2008	2007	**2008**	2007
	%	%	%	%
Reconciliation of income tax charge				
South African normal tax rate	**29,0**	29,0	**(29,0)**	(29,0)
Adjusted for:				
Non-taxable income	**(3,6)**	(1,5)	**(148,8)**	0,0
Capital gains tax differential in rates	**0,1**	0,4	**0,0**	0,0
Non-deductible charges	**1,1**	2,8	**178,1**	25,4
Prior year under/(over)provision	**(0,6)**	0,0	**(1,2)**	(0,6)
Utilisation of previously unrecognised tax losses	**(0,4)**	0,0	**0,0**	0,0
Foreign tax rate differential	**0,3**	0,5	**2,5**	0,5
Tax rate adjustment	**(1,1)**	0,0	**(0,9)**	0,0
Rate adjustment due to applying different tax rates	**0,1**	0,0	**0,0**	0,0
Tax losses for which no deferred tax recognised	**0,0**	0,8	**0,0**	0,5
S12H allowance	**(0,3)**	(0,2)	**(8,5)**	0,0
Taxable earnings	**24,6**	31,8	**(7,8)**	(3,2)

	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
22. TAXATION *(continued)*				
Gross calculated tax losses at the end of the year available for utilisation against future taxable income	**4 805**	11 431	**4 753**	–
Deferred tax asset provided on	**(4 771)**	(11 121)	**(4 207)**	–
Available for future utilisation	**34**	310	**546**	–

R2,2 million of STC credits are available for future utilisation (2007: R124 625).

23. EARNINGS PER SHARE

	GROUP 2008 R000	GROUP 2007 R000
The calculation of earnings per share is based on the following:		
Total earnings attributable to ordinary shareholders	**89 766**	58 067
Adjustments (net of tax and outside shareholders):		
Profit on sale of margin business	–	(2 353)
Profit on sale of fixed assets	**(19)**	–
Profit on sale of associated companies	**(2 687)**	–
Headline earnings	**87 060**	55 714

	Number of shares 000	Number of shares 000
The calculation of the weighted average number of shares is as follows:		
Number of shares at beginning of the year	**695 372**	483 695
Weighted number of shares issued or cancelled during the year	**30 642**	154 769
Weighted number of shares at end of the year	**726 014**	638 464
Headline earnings per share (cents)	**11,98**	8,73
Basic and diluted earnings per share (cents)	**12,36**	9,10

24. CAPITAL COMMITMENTS AND CONTINGENCIES

A claim has been lodged by a third party to the amount of R3 389 762 in the prior year. The company is defending the claim, which was up for arbitration in December 2007. The proceedings were however deferred until further notice. No legal opinion has been received on the likely outcome of the case.

	GROUP		COMPANY	
	2008	2007	**2008**	2007
	R000	R000	**R000**	R000
24. CAPITAL COMMITMENTS AND CONTINGENCIES *(continued)*				
Operating lease commitments				
Future commitments in terms of:				
Rental agreements				
Due within one year	**1 985**	1 035	–	370
One to five years	**2 442**	1 755	–	1 005
Operating leases – premises				
Due within one year	**6 225**	6 741	–	46
One to five years	**5 424**	7 565	–	37
Due after more than five years	**38**	–	–	–

25. BORROWING POWERS

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

26. RELATED-PARTY TRANSACTIONS

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

	GROUP		COMPANY	
	2008	2007	**2008**	2007
	R000	R000	**R000**	R000
Amounts receivable from companies in the PSG Group/PSG Konsult Group				
Included in loans and advances				
PSG Konsult Securities (Proprietary) Limited	–	–	**25 635**	12 771
PSG Konsult Trust (Proprietary) Limited	–	–	**3 111**	569
PSG Konsult North (Proprietary) Limited	–	–	–	8 779
Probatus Support Management (Proprietary) Limited	–	–	–	4 563
Topexec Management Bureau (Proprietary) Limited	–	–	**5 487**	–
PSG Konsult Academy (Proprietary) Limited	–	–	–	1 092
Crest Constantia Management Services (Proprietary) Limited	–	–	–	1 749
PSG Konsult Brokers (UK) Limited	–	–	**5 806**	–
	–	–	**40 039**	29 523
Included in trade receivables				
PSG Konsult Nhluvuko Limited	–	–	**5**	–
PSG Konsult Verre-Noord (Proprietary) Limited	–	–	**31**	–
PSG Konsult Optimum (Proprietary) Limited	–	–	**567**	–
PSG Konsult Vereeniging (Proprietary) Limited	–	–	**178**	–
Online Securities Limited	–	–	–	1 083
PSG Konsult Financial Planning (Proprietary) Limited	–	–	–	14 820
PSG Konsult Management Services (Proprietary) Limited	–	–	**53 136**	14 344
Alphen Asset Management (Proprietary) Limited	–	129	–	–
PSG Collective Investments Limited	**2 646**	336	–	–
PSG Fund Management (Proprietary) Limited	**231**	400	–	–
PSG Investment Services (Proprietary) Limited	**1**	1	–	–
	2 878	866	**53 917**	30 247
	2 878	866	**93 956**	59 770

	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
26. RELATED-PARTY TRANSACTIONS *(continued)*				
Amounts payable to companies in the PSG Group/PSG Konsult Group				
Included in borrowings				
Make-a-Million (Proprietary) Limited	**300**	1 609	**–**	–
Alphen Asset Management (Proprietary) Limited	**199**	138	**5**	–
Axiam Holdings Limited	**–**	7 214	**–**	7 500
PSG Corporate Services (Proprietary) Limited	**570**	–	**–**	–
PSG Capital (Proprietary) Limited	**83**	–	**–**	–
PSG Fund Management (Proprietary) Limited	**793**	1 616	**–**	–
PSG Collective Investments Limited	**6**	–	**6**	–
PSG Absolute Investments (Proprietary) Limited	**–**	59	**–**	–
PSG Investment Services (Proprietary) Limited	**456**	2 646	**–**	2 646
PSG Prime (Proprietary) Limited	**57**	–	**–**	–
PSG Konsult Financial Planning (Proprietary) Limited	**–**	–	**56 061**	–
PSG Konsult Namibia (Proprietary) Limited	**–**	–	**2 125**	–
Online Securities Limited	**–**	–	**4 211**	–
PSG Konsult Academy (Proprietary) Limited	**–**	–	**757**	–
Crest Constantia Management Services (Proprietary) Limited	**–**	–	**10 455**	–
PSG Konsult Free State (Proprietary) Limited	**–**	–	**–**	128
PSG Konsult Short-Term Insurance Brokers (Proprietary) Limited	**–**	–	**43 692**	17 748
Topexec Management Bureau (Proprietary) Limited	**–**	–	**10 119**	7 380
	2 464	13 282	**127 431**	35 402
The following significant related-party transactions occurred during the year				
Income received from companies in the PSG Group/PSG Konsult Group				
PSG Konsult Limited and its subsidiaries				
Management fees			**–**	5 908
Marketing and distribution fees			**–**	1 232
Accounting fees			**–**	388
Compliance fees			**–**	315
Training			**–**	235
Sundry income			**1 479**	–
Corporate IT charge			**–**	306
			1 479	8 384
Professional Securities Group Limited and its subsidiaries				
Management fees	**26 186**	23 750	**–**	–
Marketing and distribution fees	**487**	498	**–**	–
Sundry income	**10**	–	**–**	–
Rent received	**–**	72	**–**	–
	26 683	24 320	**–**	–
PSG Capital Limited and its subsidiaries				
Management fees	**74**	61	**–**	–
	26 757	24 381	1 479	8 384

	GROUP		COMPANY	
	2008	2007	**2008**	2007
	R000	R000	**R000**	R000
26. RELATED-PARTY TRANSACTIONS *(continued)*				
Fees paid to companies in the PSG Group/ PSG Konsult Group				
Professional Securities Group Limited and its subsidiaries				
Management fees	**19 008**	–	**–**	–
Rent paid	**–**	2 303	**–**	–
Administration fees	**259**	7	**–**	–
	19 267	2 310	**–**	–
PSG Capital Limited and its subsidiaries				
Corporate finance fees	**–**	1 228	**–**	88
	–	1 228	**–**	88
PSG Online Solutions (Proprietary) Limited				
Corporate IT charge	**–**	–	**–**	235
	–	–	**–**	235
PSG Corporate Services (Proprietary) Limited				
Management fees	**750**	–	**–**	–
	750	–	**–**	–
	20 017	3 538	**–**	323
Interest received from PSG Group/ PSG Konsult Group				
Online Securities Limited	**–**	–	**85**	–
PSG Konsult Brokers (UK) Limited	**–**	–	**157**	–
PSG Collective Investments Limited	**119**	–	**–**	–
Axiam Holdings Limited	**–**	175	**–**	175
	119	175	**242**	175

	GROUP 2008 R000	GROUP 2007 R000	COMPANY 2008 R000	COMPANY 2007 R000
26. RELATED-PARTY TRANSACTIONS *(continued)*				
Interest paid to PSG Group/PSG Konsult Group				
PSG Fund Management (Pty) Ltd	–	68	–	–
Alphen Asset Management (Pty) Ltd	–	80	–	–
PSG Konsult Namibia (Proprietary) Limited	–	–	126	–
PSG Konsult Short-Term Insurance (Proprietary) Limited	–	–	156	–
Topexec Management Bureau (Proprietary) Limited	–	–	482	–
PSG Corporate Services (Proprietary) Limited	711	–	711	–
Axiam Holdings Limited		1 229	–	1 229
	711	1 377	1 475	1 229
Dividends received from companies in the PSG Konsult Group				
PSG Konsult Namibia (Proprietary) Limited			2 199	743
Online Securities Limited			14 098	–
Probatus Support Management (Proprietary) Limited			724	–
PSG Konsult Free State (Proprietary) Limited			2 114	–
PSG Konsult North (Proprietary) Limited			3 452	–
			22 587	743

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

Key management compensation

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

	GROUP		COMPANY	
	2008	2007	**2008**	2007
	R000	R000	**R000**	R000
27. NOTES TO THE CASH FLOW STATEMENT				
27.1 Cash generated by/(utilised in) operating activities				
Results of operating activities	**148 714**	113 393	**158**	1 766
Adjustment for other non-cash items				
Depreciation of equipment	**5 830**	3 759	**–**	363
Impairment of investments in subsidiaries	**–**	–	**24 797**	–
Amortisation of intangible assets	**11 133**	8 490	**–**	242
Exchange gains on borrowings	**–**	(13)	**–**	–
Interest received	**(41 371)**	(24 907)	**(1 514)**	(1 104)
Dividends received	**(10 063)**	(362)	**(22 621)**	(997)
Profit on sale of property and equipment	**(19)**	–	**–**	–
Profit on sale of margin business	**–**	(2 653)	**–**	–
Profit on sale of associated companies	**(2 824)**	–	**–**	–
	111 400	97 707	**820**	270
Changes in working capital				
Deferred acquisition costs	**(3 727)**	(1 791)	**–**	(1 791)
Inventories	**60**	296	**–**	–
Receivables	**58 288**	(127 621)	**(927)**	(17 285)
Intergroup loans	**(7 582)**	(6 703)	**52 243**	–
Loans and advances	**11 456**	(34 777)	**604**	(4 154)
Employee benefits provision	**10 767**	4 570	**–**	2 215
Trade and other payables	**14 105**	(13 038)	**(97 628)**	(6 223)
	194 767	(81 357)	**(44 888)**	(26 968)
27.2 Taxation paid/(received)				
(Charge)/credit in income statement	**(29 934)**	(28 269)	**(346)**	227
Movement in deferred tax	**(7 247)**	(2 940)	**236**	(970)
Acquisition of operations	**–**	(7 025)	**–**	–
Movement in taxation liability/asset	**5 209**	6 154	**(865)**	1 008
	(31 972)	(32 080)	**(975)**	265

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

27.3 Subsidiaries acquired

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

PSG Konsult Brokers (UK) Limited

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

	GROUP 2008 R000
Details of the net assets acquired and goodwill are as follows:	
PSG Konsult Brokers (UK) Limited	
Purchase consideration:	
Cash	149
Less: Net equity acquired	109
Goodwill recognised on acquisition	40
The net equity of the company consisted of the following:	
Share capital	1
Share premium	108
	109

Multi Insurance Brokers Administrators (Proprietary) Limited

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

	GROUP 2008 R000
Details of the net assets acquired and the goodwill recognised are as follows:	
Purchase consideration:	
Shares issued	23
Share premium on issued shares	4 027
Cash paid	2 114
Cash due	2 025
Total purchase consideration	8 189
Less: Fair value of net assets acquired	2 595
Goodwill recognised on acquisition	5 594

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

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

27.3 Subsidiaries and businesses acquired *(continued)*

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

	Fair value R000	Acquiree's carrying amount R000
Property and equipment	594	594
Intangible assets	2 746	–
Deferred tax liability	(745)	–
	2 595	594

Purchase consideration paid in the current year relating to acquisitions in the prior year amounted to R103 854 000.

Acquisitions concluded during the financial year ended 28 February 2007

Multinet Makelaars (Proprietary) Limited ("Multinet") and Topexec Management Bureau (Proprietary) Limited ("Topexec")

The group acquired 100% of the issued shares of Multinet and Topexec on 21 April 2006 for R180 351 470.

The acquired businesses contributed total income of R90 314 000 and net profit of R25 234 000 to the group for the period from 21 April 2006 to 28 February 2007.

	GROUP 2007 R000
Details of the net assets acquired and goodwill are as follows:	
Multinet and Topexec	
Purchase consideration:	
Shares issued	262
Share premuim issued	17 558
Cash paid	81 090
Cash due	81 090
Total purchase consideration	180 000
Less: Purchase price reduction	(2 000)
Plus: Direct costs relating to acquisition	2 351
Total consideration	180 351
Less: Fair value of net assets acquired	(140 669)
Additional goodwill on acquisition	39 682

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

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

27.3 Subsidiaries and businesses acquired *(continued)*

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

	Fair value R000	Acquiree's carrying amount R000
Property and equipment	1 447	1 447
Goodwill	56 480	56 480
Intangible assets (other than goodwill)	119 165	165
Investments in associates	795	795
Financial assets		
Loans and advances	27	27
Inventories	125	125
Receivables	4 040	4 040
Cash and cash equivalents	8 962	8 962
Financial liabilities		
Borrowings	(3 490)	(3 490)
Net deferred income tax (liability)/asset	(34 180)	330
Trade and other payables	(6 500)	(6 500)
Current income tax liabilities	(6 202)	(6 202)
	140 669	56 179

	GROUP 2007 R000
Purchase consideration settled in cash	81 090
Plus: Direct costs relating to acquisition	2 351
Less: Cash and cash equivalents in subsidiaries acquired	(8 962)
Cash outflow on acquisition	74 479

Crest SA Holdings (Proprietary) Ltd and Crest Constantia Management Services (Proprietary) Limited

On 1 February 2007, the group acquired the assets and liabilities of Crest SA Holdings (Proprietary) Limited including a 100% interest in Crest Constantia Management Services (Proprietary) Limited for R22 500 000.

The acquired business contributed total income of R1 376 000 and net profit of R563 000 to the group for the period from 1 February 2007 to 28 February 2007.

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

Total purchase consideration	22 500
Less: Fair value of net assets acquired	(17 798)
Goodwill	4 702

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

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

27.3 Subsidiaries and businesses acquired *(continued)*

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

	Fair value R000	Acquiree's carrying amount R000
Property and equipment	67	67
Intangible assets	5 951	–
Investments in associates	13 773	1 256
Financial assets		
Loans and advances	2 506	2 506
Receivables	687	687
Cash and cash equivalents	6 159	6 159
Financial liabilities		
Borrowings	(7 795)	(7 795)
Net deferred income tax (liability)/asset	(1 684)	42
Trade and other payables	(1 043)	(1 043)
Current income tax liabilities	(823)	(823)
	17 798	1 056

	GROUP 2007 R000
Purchase consideration settled in cash	–
Less: Cash and cash equivalents in subsidiary acquired	(6 159)
Cash outflow on acquisition	(6 159)

No changes to the purchase price allocation was required since the prior year.

Advance Wealth Management (Proprietary) Limited

On 1 November 2006 the business operations of Advance Wealth Management (Proprietary) Limited was acquired. An initial payment was made through the issue of 38 617 886 PSG Konsult shares at R1,23 per share and a cash payment of R23,75 million. The balance was settled on 1 September 2007. On the date of acquisition intangibles amounting to R21 million was sold to the Advance Wealth Management financial advisors, with no resultant profit or loss. The deferred tax liabilities were reduced by R6,149 million due to the realisation of the intangible assets recognised on acquisition.

	GROUP 2007 R000
Details of the net assets acquired and goodwill are as follows:	
Total purchase consideration	97 413
Less: Fair value of net assets acquired	(27 175)
Goodwill	70 238

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

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

27.3 Subsidiaries and businesses acquired *(continued)*

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

	Fair value R000	Acquiree's carrying amount R000
Property and equipment	1 057	1 057
Intangible assets	38 275	–
Receivables	208	208
Net deferred income tax liability	(11 100)	–
Trade and other payables	(1 265)	(1 265)
	27 175	–

	GROUP 2007 R000
Purchase consideration settled in cash	49 913
Less: Deferred payment	(25 620)
Cash outflow on acquisition	24 293

27.4 Acquisition of investments in associated companies

PSG Konsult Brokers (UK) Limited

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

	GROUP 2008 R000
Purchase consideration:	
Shares issued	10
Share premium on issued shares	1 790
Cash paid	3 600
Cash due	4 264
Total purchase consideration	9 664
Less: Fair value of net assets acquired	3 244
Goodwill recognised on acquisition	6 420

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

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

27.4 Acquisition of investments in associated companies *(continued)*

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

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

	GROUP		COMPANY	
	2008 R000	2007 R000	**2008 R000**	2007 R000
27.5 Cash and cash equivalents and bank overdrafts at end of year				
Cash and short-term funds	**45 198**	100 586	**3 658**	50 145
Bank overdrafts	**(39 955)**	(100 359)	**–**	(8 240)
	5 243	227	**3 658**	41 905

28. EVENTS AFTER BALANCE SHEET DATE

Acquisition of the book of business relating to Brosist

Effective 1 March 2008, the Group acquired the book of business and technical know-how of short-term insurance administrator, Brosist, for a consideration of R15 million. An initial payment was made on 1 March 2008 through the issue of 1 111 112 PSG Konsult shares at R1,80 per share, and a cash payment of R9,5 million. The balance of R3,5 million will be settled in two instalments: 1 March 2009 and 1 September 2009 respectively. The consideration payable is subject to a profit guarantee against the purchase consideration. In the event that the profit guarantee is not achieved, the purchase consideration will be adjusted as stipulated in the agreement to purchase.

Acquisition of the book of business relating to Multifund

Effective 1 March 2008, the Group acquired the book of business of short-term insurance broker, Multifund for a consideration of R34 million. An initial payment of R24,4 million was made on 1 March 2008 with the balance of R9,6 million to be settled on 1 March 2009. The consideration payable is subject to a profit guarantee against the purchase consideration. In the event that the profit guarantee is not achieved, the purchase consideration will be adjusted as stipulated in the agreement to purchase.

Issue of promissory notes by PSG Konsult Limited

Effective 1 March 2008, PSG Konsult Limited issued promissory notes with a face value of R30 000 000. The issue was completed in two tranches of R15 000 000 each, maturing on 3 June 2008 and 2 September 2008 respectively. Interest payable on the notes ranges from 12,225% to 12,663% per annum.

28. EVENTS AFTER BALANCE SHEET DATE *(continued)*

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

Providing of suretyship to Momentum Finance Company (Proprietary) Limited

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

ANNEXURE A

Interest in subsidiaries

	Proportion held directly or indirectly by holding company		Issued share capital	
	2008	2007	**2008**	2007
	%	%	**R000**	R000
PSG Konsult Financial Planning (Proprietary) Limited *(Financial and investment planning and advice and stockbroking)*	**100**	100	**–**	–
PSG Konsult Securities (Proprietary) Limited *(Financial and investment planning and advice and stockbroking)*	**100**	100	**200**	200
PSG Konsult Trust (Proprietary) Limited *(Provision of corporate and financial administrative and advisory services)*	**90**	100	**–**	–
PSG Konsult Academy (Proprietary) Limited *(Learning academy and related activities)*	**80**	80	**–**	–
PSG Konsult Management Services (Proprietary) Limited *(Provision of corporate and financial administrative and advisory services)*	**100**	100	**–**	–
PSG Konsult (Namibia) (Proprietary) Limited *(Investment management, insurance and investment brokers, financial planning and advice)*	**51**	51	**300**	300
PSG Konsult Noord (Proprietary) Limited *(Insurance brokers and investment holding)*	**100**	100	**–**	–
Topexec Management Bureau (Proprietary) Limited *(Administration services for short-term insurance)*	**100**	100	**–**	–
PSG Konsult Short-Term Insurance Brokers (Proprietary) Limited *(Short-term insurance advice and products)*	**100**	100	**–**	–
PSG Online Solutions (Proprietary) Limited *(Internet and investor education company that provides a platform for internet-based share trading)*	**100**	100	**100**	100
Crest Constantia Management Services (Proprietary) Limited *(Investment holding company)*	**100**	100	**–**	–
PSG Konsult Verre-Noord (Proprietary) Limited *(Investment management, insurance and investment brokers, financial planning and advice)*	**51**	51	**55**	55
PSG Konsult Nucleus (Proprietary) Limited *(Investment management, insurance and investment brokers, financial planning and advice)*	**60**	60	**–**	–
PSG Konsult Vereeniging (Proprietary) Limited *(Investment management, insurance and investment brokers, financial planning and advice)*	**53**	53	**–**	–
PSG Konsult Optimum (Proprietary) Limited *(Investment management, insurance and investment brokers, financial planning and advice)*	**51**	51	**118**	118
PSG Konsult Brokers (UK) Limited *(Investment management, insurance and investment brokers, financial planning and advice)*	**100**	–	**149**	–
Online Securities Limited *(Stockbroking)*	**100**	100	**–**	–

The company's interest in attributable income and losses of subsidiaries amounts to R120 267 000 (2007: R74 862 000) and R18 324 000 (2007: R6 249 000) respectively.

All of the above companies are incorporated in the Republic of South Africa, except for PSG Konsult (Namibia) (Pty) Limited which is incorporated in Namibia and PSG Konsult Brokers (UK) Limited which is incorporated in the United Kingdom. Further details of investments are available at the registered offices of the relevant group companies.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given of the annual general meeting of the shareholders of PSG Konsult Limited ("the company") to be held in the Lanzerac Hotel, Jonkershoek Road, Stellenbosch, at 09:30 on Friday, 20 June 2008.

AGENDA

1. To receive and consider the annual financial statements of the company and the reports of the directors and the auditors for the year ended 29 February 2008.

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

3. To reappoint PricewaterhouseCoopers Inc as auditors for the ensuing year.

4. To authorise the directors to determine and pay the auditors' remuneration for the year ended 29 February 2008.

5. To confirm the directors' remuneration, as disclosed in the annual financial statements, for the year ended 29 February 2008.

6. To re-elect as director:

    6.1 Mr J de V du Toit who retires by rotation in terms of the articles of association of the company and, being eligible, offers himself for re-election.

    6.2 Mr GM Steenkamp who retires by rotation in terms of the articles of association of the company and, being eligible, offers himself for re-election.

    6.3 Mr MD Allen, being a new appointment to the board, who retires by rotation in terms of the articles of association of the company and, being eligible, offers himself for re-election.

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

7.1 As an ordinary resolution

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

7.2 As a special resolution

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

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

VOTING AND PROXIES

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

The instrument appointing a proxy and the authority (if any) under which it is signed must reach the company secretary at the address given below by not later than 09:00 on Thursday, 19 June 2008.

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

By order of the board

WALLIE KRUMM
Company secretary
Hermanus
20 May 2008

REGISTERED ADDRESS
Suite 2/1, Hemel and Aarde Craft Village
HERMANUS
7200

POSTAL ADDRESS
PO Box 1743
HERMANUS
7200

FORM OF PROXY

PSG KONSULT LIMITED
(Registration number 1993/003941/06)
("PSG Konsult" or "the company")

For use by PSG Konsult shareholders at the annual general meeting to be held at 09:30 on Friday 20 June 2008

I/We ____
(NAME/S IN BLOCK LETTERS)

of ____

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

1. ____

of ____ or failing him/her

2. ____

of ____ or failing him/her

3. the chairman of the general meeting
as my proxy to vote or abstain from voting on my/our behalf at the general meeting of the company, to be held at 09:30 on Friday, 20 June 2008 at the Lanzerac Hotel, Jonkershoek Road, Stellenbosch (and at any adjournment thereof), for the purpose of considering and, if deemed fit, passing, with or without modification, the following resolutions:

	In favour of	Against	Abstain
1. To adopt the annual financial statements and reports			
2. To confirm the dividends to shareholders set out in the annual financial statements			
3. To reappoint the auditors, PricewaterhouseCoopers Inc.			
4. To authorise the directors to determine and pay the auditors' remuneration			
5. To confirm the directors' remuneration			
6.1 To re-elect J de V du Toit as director			
6.2 To re-elect GM Steenkamp as director			
6.3 To re-elect MD Allen as director			
7.1 Ordinary resolution re unissued shares			
7.2 Special resolution re share buyback by PSG Konsult			

(Indicate instruction to proxy by way of a cross in space provided above)

Except as instructed above, or if no instructions are inserted above, my proxy may vote as he/she thinks fit.

Signed this ______________________ day of ______________________ 2008

______________________ ______________________

Member's name (in full) **Member's signature**

Assisted by (where applicable)

______________________ ______________________

Name (in full) **Signature**

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

NOTES

1. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided, with or without deleting "the chairman of the annual general meeting", but any such deletion must be initialled by the member. The person whose name appears first on the proxy and which has not been deleted shall be entitled to act as proxy to the exclusion of those whose names follow
2. The authority of a person signing a proxy in a representative capacity must be attached to the proxy unless that authority has already been recorded with the company's secretary.
3. Proxies must be lodged at or posted to the company's secretary: Suite 2/1, Hemel and Aarde Craft Village, Hermanus (PO Box 1743, Hermanus, 7200), to be received by not later than 09:00 on Thursday, 19 June 2008.
4. The completion and lodging of this proxy shall not preclude the relevant member from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
5. The chairman of the annual general meeting may reject or accept a proxy, which is completed otherwise than in accordance with these notes and instructions, provided that he is satisfied as to the manner in which a member wishes to vote.

CORPORATE INFORMATION

PSG KONSULT

COUNTRY OF INCORPORATION
Republic of South Africa

DATE OF INCORPORATION
14 July 1993

COMPANY REGISTRATION NUMBER
1993/003941/06

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

POSTAL ADDRESS
PO Box 1743
Hermanus
7200

COMPANY SECRETARY
W Krumm

BANKERS
Absa Bank Limited
Standard Bank of South Africa Limited

AUDITORS
PricewaterhouseCoopers Inc.
Cape Town

ATTORNEYS
Hofmeyr, Herbstein & Gihwala Inc.

WEBSITE
www.psgkonsult.co.za

FSB licence number 728

PSG
KONSULT