

Powering the future





## Contents

Financial highlights .....	1	Analysis of shareholders .....	50
Group profile .....	1	JSE performance .....	51
Chairman's and Managing Director's report .....	2	Shareholders' diary .....	51
Directorate .....	5	Notice of Annual General Meeting .....	52
Corporate governance report .....	8	Form of proxy .....	Perforated
Sustainability report .....	16	Administration .....	IBC
Annual financial statements .....	20		

## Definitions

"AltX"	The Alternative Exchange of the JSE Limited	"IFRS"	International Financial Reporting Standards
"B&W" or "the company"	B&W Instrumentation and Electrical Limited	"JSE"	JSE Limited
"BBBEE"	Broad-based Black Economic Empowerment	"King II Report"	King Report on Corporate Governance for SA 2002
"the board"	The board of directors of B&W	"the previous year"	The year ended 31 August 2007
"the current year"	The year ending 31 August 2009	"the prospectus"	Prospectus issued on 27 June 2007
"DA" or "Designated Adviser"	Merchantec (Proprietary) Limited	"SA"	South Africa
"E&I"	Electrical and Instrumentation	"SENS"	Securities Exchange News Service of the JSE
"the group"	B&W and its subsidiaries and associates	"the year" or "the year under review"	The year ended 31 August 2008



## Financial highlights

- All key indicators ahead of pre-listing forecasts
- Revenue up **53%** y-o-y
- NPAT up **133%** y-o-y
- HEPS up **104%** y-o-y to **29.02** cents
- Cash balance up **230%** y-o-y
- Cash generated **R77** million
- Total dividend of **7** cents (2007: 3.5 cents)

## Group profile

**B&W has been operating in the E&I construction industry for over 30 years and is one of the three largest E&I contractors in South Africa.**

The group listed on AltX in July 2007 and since listing to end August 2008 has delivered a 13,5% return to investors, making it one of the top five share performers of the companies listed on the JSE in 2007.

B&W specialises in installing and commissioning infrastructure for process plants and ensuring functionality in accordance with design specifications. Services include equipment procurement, project supervision and installation of the E&I system. Post-installation B&W provides specialised calibration and commissioning services to optimise the E&I system as well as ongoing maintenance. The group currently has an '8EE' CIBD rating enabling it to be awarded government projects to a maximum value of R100 million.

B&W expects to secure a '9EE' rating in the short-term (which would allow the award of contracts of unlimited value) and is well-positioned to take advantage of the ongoing government-led infrastructure investment.

Blue chip clients in the industrial utilities, mining, chemical, oil and gas and food and beverage industries include Anglo Platinum, BHP Billiton, Debswana, Impala Platinum, LaFarge, Sasol and Uranium One.

B&W has an extensive footprint having operated in South Africa, Angola, Botswana, Lesotho, Madagascar, Mozambique, Namibia, Tanzania, Uganda, Sudan and Zambia. The group's experience and established presence in Africa enables B&W to exploit the considerable opportunities in the mining and oil and gas industries on the continent.



John Barrow (Chairman) and Brian Harley (Managing Director)

## Chairman's and Managing Director's report

**B&W's first full year trading as a listed entity reflected a credible performance, driven in large part by continued growth in the mining industry in and across the borders of SA.**

The results for the year significantly exceeded both the previous year's performance and the forecasts set out in the prospectus, notwithstanding the impact of the local power shortage on major clients and their projects.

### Operational review

During the year B&W secured orders to the aggregate value of R474 million in open tender, and negotiated a further R163 million on the basis of orders received.

The majority of group revenue was derived from the mining industry, complemented by a number of contracts carried out at petrochemical plants. The group was further successful in securing infrastructure work for Transnet Limited.

Eskom's inability to supply power for new installations impacted on the group both negatively to a small degree, and to its benefit in larger measure. A number of projects were cancelled and others deferred pending adequate power supply. In order to counter this B&W intensified

marketing to clients with projects outside the borders of SA.

This strategy is proving successful and resulted in cross-border projects making up 43% of the total orders received during the year. These included the early works and E&I installation for a nickel concentrator in Madagascar. Due to the size of these and possible future projects, B&W has established subsidiaries in Madagascar and Mozambique.

The positive effect of the local power crisis has been the generation of numerous coal mine projects as Eskom's demand for coal soars to power 'mothballed' and new stations. B&W already secured two such projects during the year.

## Financial results

Revenue grew year-on-year by 53%, generating net profit after tax (NPAT) and earnings per share of R58 million and 28.9 cents, respectively, equating to an increase of 133% and 104% compared to the previous year.

Notably revenue, NPAT and EPS were ahead of the forecasts set out in the prospectus by 34%, 75% and 75%, respectively.

B&W's NPAT margin of 12.8% compares favourably with the revenue weighted average of 6.5% for companies listed on the 'Heavy Contracting' sector of the JSE.

A number of B&W's cross-border contracts are US Dollar-denominated. Although B&W has hedged the SA cost portion of these contracts, the non-SA cost portion which is largely denominated in the currency of the country in which the installation is being built, is not hedged. The gain resulting from the foreign exchange fluctuation impact on these costs amounted to R4.8 million.

Positive cash flow of R77 million was recorded with R111 million cash on hand at the end of the year.

In line with the stated dividend policy of the company, a final dividend of 5 cents per share was declared. Together with the interim dividend of 2 cents per share paid on 19 May 2008, this 7 cents per share dividend amounts to 25% of NPAT for the year. The dividend will be financed out of B&W's free cash flow.

## Prospects

Work in hand carried over into the current year amounts to R428 million, and target projects that are either in progress or have been confirmed are an indication that B&W will continue improving on results in the short-term. Year-on-year growth in revenue of 20% is being budgeted for the 2009 financial year.

B&W has active and bankable projects identified to 2013 in the group's traditional markets. While the current status of global financial markets has not yet affected these prospects, the sharp fall in the price of resources and in particular metal prices, is expected to impact negatively our current markets. However, the group is now actively targeting increased infiltration of high-growth "energy" industries including oil and gas where considerable construction activity is anticipated from 2010. A greater presence in these markets is expected to help mitigate against a possible downturn in the long-term in the buoyant mining industry, which currently generates the lion's share of revenue for B&W.

To derive maximum benefit from its oil and gas resources, Africa needs to improve its refining and processing infrastructure. In addressing the shortage of refining capacity two new refineries are being considered, one by the Petroleum Oil and Gas Corporation of South Africa (Pty) Limited ("PetroSA") and another by Sasol Limited. B&W is well-positioned to benefit through established relationships with both organisations as well as most of the leading engineering, procurement, construction and

## Chairman's and Managing Director's report continued

management (EPCM) contractors who are expected to be involved in the building of these large projects. B&W further has a proven track record in the industry having successfully completed a number of projects in the sector.

It is anticipated that expenditure in the power generation sector will escalate from 2010 going forward and the company intends focusing on securing major projects in this sector.

A further potential revenue stream for the group will be government's continued spend on local infrastructure development. B&W intends to build on the two substantial contracts from Transnet and is satisfied that further work can be sourced in this sector.

Skills remain one of the most significant constraints to future growth. In an effort to counter this challenge, the group invests substantially in skills training. B&W currently employs 50 learners, some of whom will be completing artisan training with the group in the current calendar year. As these learners complete their training they are being fed into the lower levels of the company's management structure to alleviate staff shortages in some critical areas.

B&W is confident that the current local and African markets offer sufficient scope for the group to grow organically at a rate of 20% year-on-year in the short-

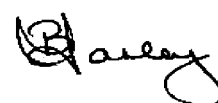
term. As a result, the group will pursue only select acquisitions where a cause or contributing factors to underperformance in the target company can be identified, and where a solution can be implemented to encourage optimum performance levels. The group will continue to pursue strict criteria to ensure that acquisitions enable diversification into complementary niche areas in the broader construction industry, and importantly, that the target culture and management aligns with B&W.

### Appreciation

We wish to thank our management and employees for their hard work and dedication which have contributed to the group's strong performance. We also thank our fellow directors for their wise counsel during the year and our business partners, suppliers, and advisors for their assistance. Finally, thank you to our clients and shareholders for their continued and invaluable support.



John Barrow  
Chairman



Brian Harley  
Managing Director

## Directorate

### Executive directors

#### **John Barrow (64)**

---

Pr Eng., PrCPM., BSc. (Mech. Eng), B.Com., FSAI (Mech.E)

##### **Chairman**

John has been actively involved in the construction industry for over 40 years. His previous experience includes project manager both in SA and abroad for a large American engineering and project management company and subsequently managing its SA contract operations. John has previously served as managing director for a number of subsidiaries of listed SA companies. He has been a director of and shareholder in B&W since 1984.

#### **Brian Harley (52)**

---

PrCPM., MBA., Dip (Bus. Man.), NTC6

##### **Managing Director**

Brian has been in his current position as B&W's Managing Director since 2002. He has over 25 years' experience in the E&I industry. Prior to joining B&W he was managing director of a number of subsidiary companies of a major SA listed construction company.

#### **Johan Breedt (48)**

---

NTC4

##### **Proposals Director**

Johan has been the Proposals Director of the company since 1996. His prior experience includes an apprenticeship and position as technical officer at a large cable manufacturer. Johan has worked in the electrical industry for 25 years, of which 19 have been with B&W.

#### **Danie Evert (44)**

---

B.Com. (Acc)

##### **Financial Director**

Danie has worked in the construction industry for over 24 years. He was appointed as the company's Financial Director in 2007. He previously worked as the financial manager and information systems manager in SA and abroad for a major SA listed construction company.

#### **Tom Lombard (54)**

---

##### **Project Director**

Tom joined B&W in 1990 as a contracts manager, progressing to become the company's Project Director in 1995. He has over 30 years' experience in the construction industry which includes working for the state power generation authority. Tom also worked for an international electrical equipment supply and construction company in various capacities.

## Directorate continued

### Executive directors continued

#### Ken Nel (64)

---

PrCert Eng., Pr.CM

##### Marketing Director

Ken has been B&W's Marketing Director since 1999. He has over 40 years' experience in the E&I industry including working as an engineer for local and international companies and has served as a director of a subsidiary of a major SA listed construction company. He has also managed the marketing and strategic planning for various engineering companies.

#### Dean Nevay (39)

---

Pr.CM (SACPCM), B.Com., N Dip Elec. (L/C), Certified PROFIBUS Engineer (PCC), ISO9001:2000 (TIQMS)

##### Operations Director

Dean has a wealth of experience in planning, project management and project support services including health and safety, technical, quality assurance, logistics and training. Dean is extensively involved in industry affairs currently as vice-president of ECA (SA) and a councillor on the National Bargaining Council. He has been a director and shareholder of B&W since 1996, having worked for the company since 1992.

#### Gary Swanepoel (44)

---

Pr.CM, NHD (Building Science)

##### General Manager

Prior to his appointment as General Manager in 2008 Gary served as Commercial Director, a position to which he was appointed in 1996. He has worked in the construction industry for more than 24 years, of which 15 have been with B&W. His previous experience includes having practiced as a quantity surveyor both in SA and abroad on various large E&I projects.

#### Sam Vilakazi (48)

---

Sam has been actively involved in the construction industry for over 25 years. From serving as an Electrical and Site Supervisor in 1992 he has progressed to the position of director on B&W's board, to which he was appointed in 2007, and is one of the Trustees of B&W's Employee Trust.

## Independent non-executive directors

### Unati Mabandla (37)

---

BA PR Adv PM Cert. of Proficiency

Unati has extensive experience in events, public relations and human resources management. She currently serves as the Group Human Resources Director for a major SA advertising agency. She was appointed as a non-executive director of B&W in 2007 and chairs the company's Remuneration Committee.

### Jimmy Oosthuizen (72)

---

CA(SA)

Jimmy initially worked in auditing before joining the financial management team at a major SA listed construction company in 1970, where he later served as Group Financial Director until his retirement 12 years ago. He was appointed as a non-executive director of B&W in 2007 and chairs the company's Audit Committee.

### Wolf Wassermeier (65)

---

Wolf has over 40 years' experience in the construction industry. He has held directorships at listed companies and prior to retirement was the Group Deputy Managing Director of a major SA listed construction company. He was appointed as a non-executive director of B&W in 2007 and chairs the company's Risk Committee.

## Alternate directors

### Neels Minnie (45)

---

(NTC3)

Alternate to Dean Nevay. Neels has worked in the E&I industry for 22 years as a site and project manager on a number of large contracts including for Mossgas and Engen.

### Johan Rall (44)

---

(N6)

Alternate to Gary Swanepoel. Johan was the managing director of an electrical company for 12 years and previously worked as general manager for ABB Windhoek. He has worked as a contract manager for B&W for six years and now acts as a project director.

# Corporate governance report

## Highlights

- Three independent non-executive directors
- Adoption of Board Charter
- Adoption of Code of Ethics
- Institution of Audit Committee and adoption of Audit Committee Charter
- Institution of Remuneration Committee and adoption of Remuneration Committee Charter
- Institution of Risk Committee and adoption of Risk Committee Charter

The directors of B&W are committed to implementing the principles of the King II Report. During the year the group has focused on improving and codifying operational and corporate practices to achieve full compliance with the Code of Corporate Practices and Conduct (“the Code”) set out in the King II Report. Going forward the board will continue to monitor compliance to ensure ongoing improvement.

## The Board

At year-end the unitary board consisted of twelve directors and two alternate directors, and was chaired by Executive Chairman John Barrow. The twelve directors comprise nine executive directors and three independent non-executive directors. The composition of the board complies with the Listings Requirements of the JSE, specifically pertaining to AltX, in that at least one quarter of the board is non-executive and independent ensuring that shareholders’ interests are protected.

The board meets monthly. Directors are comprehensively briefed in advance of board meetings and are provided with all necessary information to enable them to discharge

their responsibilities. Attendance at board and committee meetings for the year is set out in the Directors’ Report on page 23.

Johan Breedt, Danie Evert, Gary Swanepoel and Sam Vilakazi will retire by rotation at the upcoming Annual General Meeting and, being eligible, will offer themselves for re-election.

The responsibilities of the executive and non-executive directors are strictly separated to ensure that no director can exercise unfettered powers of decision-making. The Chairman is an executive director who, together with the Managing Director, provides leadership and guidance to the board and encourages proper deliberation on all matters requiring the board’s attention while obtaining input from other directors. All remaining executive directors are responsible for implementing strategy and operational decisions in respect of the group’s day-to-day operations.

The non-executive directors are high merit individuals who contribute a wide range of skills, knowledge and experience to the board’s decision-making process and are not involved in the daily operations of the group.



All directors have unrestricted access to the advice and services of the company secretary and to company records, information, documents and property. Non-executive directors also have unfettered access to management at any time. All directors are entitled, at the company's expense, to seek independent professional advice on any matters pertaining to the group necessary to discharge their responsibilities.

## B&W's Board Charter

During the year B&W adopted a formal Board Charter which sets out the role of the board and the responsibilities of the directors. The comprehensive Charter is in line with a global trend towards a 'triple-bottom line' approach, which encompasses economic, environmental and social aspects of a company's activities. B&W's challenge is to balance broader social objectives with performance in an entrepreneurial market economy within a framework of governance principles.

B&W's board subscribes to a policy of actively reviewing and enhancing the group's systems of control and governance on a continuous basis to ensure that the

business is managed ethically and within prudently determined risk parameters in conformity with South African accepted standards of best practice. The board will continue to exercise leadership, integrity and judgement, based on fairness, accountability, responsibility and transparency.

The duties and responsibilities of the board as codified by the Board Charter include:

- determining the company's purpose, values and stakeholders relevant to its business;
- ensuring that the processes and procedures are in place to monitor and evaluate the implementation of its strategies, policies and senior management performance criteria;
- reviewing the policies annually and approving major changes in respect of:
  - risk management;
  - delegation of authority to management;
  - equal employment opportunities;
  - occupational health and safety;
  - trading conditions; and
  - Code of ethics;

## Corporate governance report continued

- reviewing and approving the group's financial objectives, plans and actions, including significant capital allocations and expenditure greater than R150 000 for any single item;
- approving all acquisitions, mergers, takeovers, divestments of operating companies, equity investments and new strategic alliances by the group or its subsidiaries;
- identifying key risk areas and key performance indicators which should be regularly monitored by the appropriate delegates, with particular attention given to technology and systems;
- reviewing processes and procedures to ensure the effectiveness of the company's internal systems of control, so that its decision-making capability and the accuracy of its reporting are maintained at all times;
- monitoring and evaluating the implementation of business plans;
- assessing management's performance, appointing the Managing Director and monitoring the systems of internal control, (the latter with the assistance of the Audit Committee);
- identifying and monitoring the non-financial aspects relevant to the business of the group; and
- assessing its own performance and effectiveness in fulfilling these and other board responsibilities.

To assist the board in discharging its responsibility of corporate governance, an Audit, a Remuneration and a Risk Committee have been established to which certain board responsibilities have been delegated.

### Board processes

#### Share dealings

Directors are required to disclose their shareholdings, additional directorships and potential conflicts of interest

as well as any share dealings to the Chairman for approval. The independent non-executive directors are required to authorise the Chairman's share dealings prior to implementation. The company secretary, together with the Designated Adviser will ensure that share dealings are published on SENS.

In addition, all directors and management with access to financial information and any other price sensitive information are prohibited from dealing in B&W shares during 'closed periods', as defined by the JSE, or while the group is trading under cautionary.

#### New appointments

The board as a whole is responsible for new appointments, including the appointment of the Managing Director, and the process is conducted in a formal and transparent manner. The board is also responsible for setting the terms of the Managing Director's employment.

Most board appointees are recruited from within the executive staff of the group and generally serve a prior period as alternate directors, during which they are made familiar with the group accounting practices. In addition all new appointees are required to attend the four-day AltX Directors Induction Programme run through the Wits Business School and endorsed by the Institute of Directors. The programme covers pertinent aspects of company law, stock exchange regulations, the roles, responsibilities and liabilities of directors, basic techniques of financial analysis and the importance of investor and media relations.

#### Self-evaluation

It is the intent of the board to conduct a self-evaluation exercise reviewing its mix of skills, the contribution of individual directors, the effectiveness of its sub-

committees, performance, effectiveness and corporate governance compliance on an annual basis as set out in the Board Charter. It is anticipated that the first self-evaluation exercise will be conducted in the current financial year.

## Succession planning

The group has succession planning in place with successors identified to all management positions from senior management to site managers, and career paths mapped out. Specifically, during the year a General Manager was appointed to shadow the Managing Director in preparation for future appointment to the role. For all positions where experience is insufficient for the assumption of the management role, steps are taken to formally and informally train the nominated successor.

## Regulatory and legislative compliance

The company secretary and company auditors are responsible for ensuring the group complies with all applicable regulations and legislation. New legislation is discussed at board meetings and methods of implementation are instituted.

## Board committees

In line with King II Report recommendations the directors and chairpersons of all board committees attend general meetings of the group to answer questions from shareholders pertaining to matters handled by their respective committees.

Formal charters in respect of the Audit Committee, Remuneration Committee and the Risk Committee have been adopted during the year.

## Audit Committee

The Audit Committee consists of two independent non-executive directors including the committee Chairman, Jimmy Oosthuizen. Designated Adviser representative Roger Pitt is also a member. The Executive Chairman, Managing Director, Financial Director and representatives of the external auditors attend Audit Committee meetings by invitation.

The committee meets at least three times during the year, which the directors consider sufficient to discharge the responsibilities of the committee. Further meetings are convened where necessary. Attendance at meetings is set out in the Directors' Report on page 23.

The Charter, adopted in May 2008, tasks the committee with reviewing the interim and annual results and ensuring that an effective control environment is maintained by considering accounting, auditing, financial reporting and internal control matters. Further responsibilities include:

- reviewing and monitoring internal control structures including financial control, accounting systems and reporting;
- confirming that adequate internal controls exist within the group to ensure that a separate internal audit function is not necessary;
- recommending the appointment of external auditors for approval by shareholders and monitoring their performance and proposed audit scope and approach;
- considering whether any significant ventures, investments or operations are not subject to external audit;
- fulfilling its fiduciary duties in respect of internal audit and the external auditors;
- advising and updating the board on issues ranging from accounting standards to published financial information;

## Corporate governance report continued

- reviewing the group's compliance with laws and regulations;
- monitoring compliance with the Code of Ethics by executives and senior officials and identifying any violations of ethical conduct; and
- liaising with the board in respect of the company's communication with its shareholders.

The committee has unrestricted access to the board and management at all times and meets periodically with the external auditors to review internal controls and matters relating to corporate governance. Reciprocally, the external auditors have unrestricted access to the Audit Committee which ensures that their independence is in no way impaired. The committee reports regularly to the board about activities, issues and related recommendations.

### Remuneration Committee

The Remuneration Committee is chaired by independent non-executive director Unati Mabandla and further comprises independent non-executive director Wolf Wassermeier, Financial Director Danie Evert and Executive Chairman John Barrow. Jimmy Oosthuizen acts as an alternate committee member to Wolf Wassermeier. Members who are executive directors of the company are precluded from deliberations regarding their respective remuneration. This committee has established a formal and transparent procedure for devising a policy on executive remuneration and for fixing the remuneration packages of individual directors.

During the year the committee met twice. Attendance at the meetings is set out in the Directors' Report on page 23.

The formal Remuneration Charter, adopted in May 2008, tasks the committee with, *inter alia*:

- reviewing the general policy on executive and senior management remuneration and ensuring that these

policies support the company strategy outlined by the Managing Director;

- reviewing specific remuneration packages for executives, senior managers and directors of the company, including but not limited to basic salary, benefits in kind, any annual bonuses, performance-based incentives, share incentives, pensions and other benefits;
- determining any criteria necessary to measure the performance of executives and directors in discharging their functions and responsibilities; and
- adhering to the principles of governance and Code of Best Practice.

### Remuneration philosophy

In terms of its Charter the Remuneration Committee considers the following general tenets in assessing remuneration levels:

- organisational size coupled with job responsibility;
- nature of the business, market circumstances and recommendations by consultants, if any; and
- the individual's:
  - value to the group;
  - value to the division;
  - effectiveness in the performance of responsibilities; and
  - effort.

Remuneration is further benchmarked against the market as far as possible, using external consultants to provide information and guidance on remuneration practices where this is deemed necessary. Any remuneration outside of the market ranges require explanation by the board.

Executives and directors are encouraged to enhance the group's performance and in return are fairly but responsibly rewarded for their individual contributions and performance. Their annual bonuses are therefore

aligned with the group's performance. Any further grants to executives, directors and other senior employees pursuant to the company's executive share scheme are reviewed by the Remuneration Committee.

## Administration, management and site management

In aiming to attract candidates of the highest quality, basic salaries are market-related and in addition recognise the particular employee's qualifications and experience. Bonuses are applicable to contract management at the directors' discretion depending on budget outperformance on specific contracts.

### Field staff

Wages for hourly staff are paid in accordance with minimum rates laid down in the Bargaining Council Agreements for the Electrical Contracting Industry. Core weekly-paid staff wages are reviewed annually and a premium on the Council rate is paid in accordance with assessed performance where applicable. 'Hardship loans' are also made available to key staff.

All staff, including those paid on a monthly and weekly basis, with more than four consecutive years' service with the group are eligible to become beneficiaries of the Employee Trust. The Trust owns 6.3% of the equity of the company.

Key management are further eligible for inclusion in the company-assisted share purchase/share option scheme with shares allocated from time to time.

## Risk Committee

A Risk Committee comprising independent non-executive directors Wolf Wassermeier and Jimmy Oosthuizen and Managing Director, Brian Harley, was established during

the year. The Financial Director assumes the role of committee secretary and the group Chairman attends by invitation as does the Designated Adviser.

During the year the committee met once. Going forward the committee will meet at least twice a year or more often as deemed appropriate. Attendance at meetings is set out in the Directors' Report on page 23.

The duties and responsibilities of the Risk Committee include:

- reviewing the risk philosophy, strategy and policies recommended by the board including market risk, credit risk, liquidity risk, operational risk and commercial risk;
- reviewing and assessing the integrity of the risk control systems and ensuring that the risk policies and strategies are effectively managed;
- setting out the nature, role, responsibility and authority of the risk management function within the group and outlining the scope of risk management work;
- monitoring external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging and prospective impacts;
- providing an independent and objective oversight and review of the information presented to the board by management on corporate accountability and specifically associated risk, and on financial, business and strategic risk;
- reviewing the adequacy of insurance cover;
- reviewing risk identification and measurement methodologies;
- monitoring procedures to deal with and review the disclosure of information to clients; and
- liaising with the board in respect of the group's communication with its shareholders.

## Corporate governance report continued

### Risk management

The board is responsible for ensuring that appropriate risk management procedures are in place to mitigate risk to an acceptable level, assisted by the Risk Committee. Key risks currently facing the group include:

Risk	Risk Mitigation
Foreign currency fluctuations	Currency hedges
Tender accuracy	Director review of all tenders
Site injury or fatalities	Health and safety programme
Loss or damage to own plant and vehicles	Adequate insurance
Input cost inflation	Negotiable escalation clauses or contingency included in price
Loss or damage to works	Appropriate Contractor's All Risk insurance
Loss or damage to persons or property not incorporated in the works	Appropriate Public Liability insurance
Death or disablement of key staff	Succession planning
Bad debts	Stringent credit checks of new clients

### Internal control

The board is responsible for the group's systems of internal control and risk management and is assisted in this regard by the Risk Committee. These systems of internal control are designed to provide reasonable but not absolute assurance as to the integrity and reliability of the annual financial statements, to safeguard and maintain accountability of the group's assets and to identify and minimise significant fraud, potential liability, loss and material misstatement while complying with applicable statutory laws and regulations.

There are inherent limitations to the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. The system is therefore designed to manage rather than eliminate risk of failure and opportunity risk. Nothing has come to the attention of the board to indicate that there has been a material breakdown in the internal systems of control during the year.

### Accounting and auditing

#### External audit

The external auditors are responsible for reporting on whether the annual financial statements are fairly presented in compliance with IFRS. The preparation of the annual financial statements remains the responsibility of the directors.

The board will evaluate the independence and effectiveness of the external auditors and consider whether any non-audit services rendered by such auditors substantively impair their independence. If this is found to be the case, appropriate corrective action will be taken in regard to those services.

#### Internal audit

Adequate internal controls exist within the group to ensure that a separate internal audit function is not necessary. Although there is accordingly no formal internal audit

department at present, the company systems are audited twice a year by the South African Bureau of Standards (SABS) in order to maintain its ISO 9001:2000 accreditation. The SABS reports formally to the board via the Managing Director. A formal internal audit function may be considered at an appropriate stage in the group's growth cycle when the size of the group so warrants.

## Stakeholder communication

B&W is committed to timely, consistent and transparent communication with all stakeholders and encourages an open culture throughout the group. Communication with employees takes place at regular site meetings and feedback from management is subsequently communicated to employees.

Company announcements are released on SENS and posted on the website. Financial results announcements are also posted to shareholders who are encouraged to attend the Annual General Meeting. The Chairman is available to answer queries from stakeholders, including industry analysts, at all times and wherever possible engages with the financial media to ensure accurate reporting.

## Industry associations

The group is an active member of Electrical Contractors Association of SA (ECA (SA)), SA Flameproof Association and the Profibus User Group SA. Through membership of ECA (SA), B&W is party to the National Bargaining Council for the Electrical Industry (SA). The accredited union represented on this Council is the South African Equity Workers Union (SAEWU).

## Code of ethics ("the Code")

B&W has adopted a formal Code of Ethics committing all employees to the highest standards of business conduct. Compliance with the Code is a serious objective, and non-compliance is dealt with timeously and if necessary, by disciplinary action. The Code has been distributed to all employees.

The Code governs such matters as 'Integrity in Business Dealings', which extends to fair and ethical competition. The group employs an attitude of zero-tolerance towards any form of corruption, violation of law and/or unethical business dealings or activities. B&W is therefore committed to transacting with customers and suppliers who themselves subscribe to ethical business practices.

'Confidentiality of Information' is another tenet of the Code. B&W respects the right to privacy of its employees and accordingly imposes on employees a reciprocal obligation not to disclose confidential information pertaining to the group, save where such disclosure is required by law.

The Code further emphasises the group's commitment to a 'Non-Discriminatory Culture' that advocates a policy of opportunity for all and facilitates the achievement of transformation goals in line with government and industry guidelines. 'Share Dealings', 'Corporate Governance Adherence', 'Timeous Dissemination of Information' and 'Safeguarding of Group Assets' are all further covered by the Code, as are B&W's principles governing 'Health & Safety' and 'Sound Environmental Practices'.



## Sustainability report

**The directors acknowledge the importance of prioritising social and environmental practices alongside financial reporting.**

### BBBEE

B&W aims to bring about true BBBEE. An Employee Trust established in September 2006 owns a 6.3% stake in the group and benefits employees with more than four years' uninterrupted service, with an emphasis on black staff (75% of benefits). An EmpowerDex audit during the year showed that 11.2% of the group's shares were held by the Employee Trust and/or black shareholders and that black shareholders constituted 18.6% of the company's total number of shareholders.

B&W has been independently assessed as a 'Level 6' contributor in terms of the Department of Trade and Industry's BBBEE Codes of Good Practice. Accordingly 60% of client spend can be counted as spend with a BEE company. The group is confident that it will achieve a 'Level 5' rating within two years, which would increase

the percentage of client spend with B&W that would be considered as BEE spend.

The group focuses on mentoring small black-owned contractors, progressing to joint ventures and then to possible mergers/acquisitions. B&W sub-contracts sections of work and the contractors are mentored and assessed for technical competence, financial stability and industry expertise. Joint ventures are then formed provided that the contractor has demonstrated sufficient competence and mutual compatibility exists. Once sufficient contracts have been completed on a joint venture basis, a company will be formed with B&W and the successful contractors as shareholders.

The group currently employs 1 300 – 2 000 people (including contract labour) of whom over 85% are black. 15% of

senior management and 7% of junior managers are black. As only 2% of middle management is black, the group is cognisant of the need to improve representation at this level and is taking the necessary possible steps.

## **Affirmative procurement**

The company has implemented an affirmative procurement initiative to increase expenditure with enterprises that have made significant progress in the area of BBBEE. This initiative is expected to have a positive effect on B&W's rating as more of the group's suppliers are assessed and improve their ratings.

## **Employment equity**

B&W ensures equal employment, training and reimbursement opportunities for all race groups and genders. It places particular emphasis on the advancement of black employees. In addition the group aims to employ physically disadvantaged persons in positions where their disabilities do not constitute a danger to themselves or fellow employees. Employment equity targets are in place and the group submits the relevant reports to the relevant authorities.

## **Skills development and training**

B&W invests substantially in skills training to address the current industry-wide skills shortage, felt particularly in the specialised field of E&I. Total training spend for 2008 amounted to approximately R2.4 million.

B&W's training facility in Trichardt is now fully operational and is being used for induction, skills training and grading

of staff. The training programmes used are in line with accredited S.A.Q.A. unit standards and ensure trainees receive an accredited qualification at the end of any training exercise.

Of the employees who attended training during the year, 79% were black. All B&W employee/learner training courses are financed in full by the group including full pay, transport and accommodation costs.

Since 2004 when B&W commenced its training programme the number of learners trained has grown to 42 – 23 at level 2, 13 at level 3 and six at level 4.

Level 2 learners complete a 14 week training course, while level 3 learners complete 28 weeks of training, attend theoretical tutorials and write the Department of Labour's examination on the electrical wiring of premises.

Level 4 learners are trained in advanced technical matters such as motor control circuitry and software involved with Programmable Logic Controllers (PLC's). Once declared competent these learners are fully qualified artisans.

In order to facilitate succession planning black Level 4 candidates receive enhanced training which includes in-service training and courses in estimating, safety and contract supervision. In addition, three have attended the 'Coach the Learner' programme and will at the end of their course be qualified as trainers.

All Level 2, 3 and 4 learners are currently assigned to duties in the head office or are actively employed on one of B&W's projects.

## Sustainability report continued

### Safety, health and environment

#### Safety and health

B&W places strong emphasis on health and safety in the work environment and ensures full compliance with the SA Occupational Health and Safety Act as well as with the Mines Health and Safety Act. Health and safety procedures are continually scrutinised and improved to ensure that the group's policies are in line with international standards and guidelines.

During the year the company received a NOSA five-star safety rating (the highest possible rating) at its head office as well as at its Secunda and Rustenburg sites.

Safety training and risk assessment are part of an ongoing process subject to continual stringent management attention. All new staff during their induction process are given formal courses regarding maintenance of basic health, safety and environmental issues, and in understanding the Occupational Health and Safety Act.

During the year 1 324 such formal inductions were carried out.

In addition a "tool box talk" is held on every site every morning before work is commenced. Attendance is compulsory and the talk, which is given by one of B&W's qualified safety officers, is devoted to one or more aspect/s of safety while working on site.

#### HIV/AIDS

As a responsible corporate citizen B&W is committed to minimising the implications of HIV/AIDS through proactive workplace programmes. B&W has implemented a formal

HIV/AIDS policy which aims to create a safe and healthy work environment for all employees and to provide appropriate education and awareness to employees regarding HIV/AIDS. The policy further fosters a responsible behavioural attitude amongst all employees regarding dealing with HIV/AIDS and preventing infection. In addition the group is committed to providing confidential counselling and in any other reasonable way assisting employees who have contracted HIV/AIDS and voluntarily disclosed to B&W their status.

#### Environment

B&W's environmental policy is continually updated to ensure its relevance and to position environmental concerns as fundamental to operations. The policy aims to create and maintain respect for the environment in general as well as a safe and healthy environment in which levels of risk to employees, equipment and community are minimised. To ensure efficacy, the policy is backed by appropriate training. In addition B&W is committed to adhering to the Environmental Management Plans of its clients and all relevant environmental legislation.

### Corporate Social Investment ("CSI")

B&W supports a wide range of community-based charity organisations in order to help drive transformation at group level and to remain a responsible corporate citizen. All potential causes are referred to the board for decision.

The group supports a number of causes including:

- AYDC – community development in Alexandra township;

- Oliver House – a welfare organisation which manages two feeding programmes and child, education and computer training centres;
- SOS Children Village – B&W provides kindergarten scholarships annually;
- Alex Crisis Youth Centre;
- Girls and Boys Town;
- Reitumetse School, Orange Farm; and
- Johannesburg Care for the Aged.

In conjunction with Willies Plumbing, B&W also supplied and installed geysers in houses in the Krugersdorp West Community.

Beneficiaries are identified on an ad-hoc basis with preference given to organisations that are linked to or benefit employees or relatives of employees.

# ANNUAL FINANCIAL STATEMENTS

---

## Contents

Directors' statement of responsibility .....	21
Declaration by company secretary .....	21
Report of the independent auditors .....	22
Directors' report .....	23
Balance sheet .....	26
Income statement .....	27
Statement of changes in equity .....	28
Cash flow statement .....	29
Accounting policies .....	30
Notes to the annual financial statements .....	38

## Directors' statement of responsibility

The annual financial statements, which are presented on pages 23 to 49, have been prepared in accordance with IFRS and are supported by reasonable and conservative judgments and estimates. The directors are responsible for the preparation of the annual financial statements and related financial information, which fairly present the state of affairs and the results of the company and the group. Management fulfils its responsibility by maintaining adequate accounting records to ensure the integrity of the annual financial statements.

The directors are responsible for the company's system of internal controls. These controls are designed to provide reasonable, but not absolute assurance as to the integrity and reliability of the annual financial statements, that transactions are conducted in accordance with management's authority and that the assets are adequately safeguarded against loss.

These controls are monitored throughout the company by management. Nothing has come to the directors' attention to indicate that there were any material breakdowns in the functioning of these controls during the year under review.

The annual financial statements have been prepared on the going concern basis since the directors have every reason to believe that the company has adequate resources to continue in operation for the foreseeable future. The annual financial statements support the viability of the company.

The auditors Certified Master Auditors Inc. are responsible for reporting on the fair presentation of the annual financial statements and their report is presented on page 22.

The annual financial statements were approved by the board of directors on 17 November 2008 and are signed on its behalf by:



**John Barrow**  
Chairman



**Brian Harley**  
Managing Director

17 November 2008

## Declaration by company secretary

In our capacity as company secretary, we declare that for the year ended 31 August 2008 the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act, 1973, as amended, and that such returns are true, correct and up to date.



**Master Business Associates VII (Proprietary) Limited**  
Company secretary

17 November 2008

# ANNUAL FINANCIAL STATEMENTS

---

## Report of the independent auditors

### TO THE SHAREHOLDERS OF B&W INSTRUMENTATION AND ELECTRICAL LIMITED

We have audited the accompanying annual financial statements of B&W Instrumentation and Electrical Limited, which comprise the directors' report, the balance sheets as at 31 August 2008, the income statements, the statements of changes in equity and cash flow statements for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 23 to 49.

### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa, 1973. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these annual 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 annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the annual 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 annual financial statements present fairly, in all material respects, the financial position of the company as of 31 August 2008, and of its financial performance and its 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, 1973.



Certified, Master Auditors Inc.

17 November 2008

234 Alexandra Drive  
Midrand  
Gauteng  
South Africa  
1685

## Directors' report

The directors of B&W have pleasure in submitting their report for the year.

### NATURE OF BUSINESS

B&W operates in the E&I industry in SA. It offers services including plant erection, equipment procurement, material supply, testing, commissioning and maintenance to plants in the industrial, utilities, mining, chemical, oil and gas and food and beverage industries.

### FINANCIAL RESULTS

The annual financial results of the company and group for the year are summarised in the Chairman's and Managing Director's Report and are set out in detail in the annual financial statements and accompanying notes.

### DIVIDEND

B&W has declared a final dividend of 5 cents per share, which together with the interim dividend of 2 cents per share paid on 19 May 2008, amounts to 25% of net profit after tax for the year.

It is the company's policy that a similar proportion of net profit after tax will be declared as an annual dividend in future years.

### ACCOUNTING POLICIES

The annual financial statements, which are presented on pages 23 to 49, have been prepared in accordance with IFRS and in the manner required by the SA Companies Act, 1973. The annual financial statements have been prepared on the going concern basis. Detailed accounting policies are set out on pages 30 to 37 of the annual report of which this Directors' Report forms part.

### DIRECTORATE

The directors of the company at the date of this annual report are set out below. The number of board and committee meetings attended by each of the directors during the period 1 September 2007 to 31 August 2008 is indicated, with the number in brackets reflecting the total number of meetings held during this period:

Directors	Board meetings	Audit committee meetings	Risk committee meetings	Remuneration committee meetings
LJ Barrow (Chairman)	8(10)			2(2)
BH Harley (CEO)	8(10)		1(1)	
DJ Evert (Financial Director)	10(10)	3(3) <sup>o</sup>		2(2)
GMJ Breedt	7(10)			
T Lombard	9(10)			
YU Mabandla <sup>^**</sup>	7(10)			2(2)
CJ Minnie <sup>*</sup>	9(10)			
KE Nel	7(10)			
DS Nevay	6(10)			
JD Oosthuizen <sup>^*#</sup>	9(10)	3(3)	1(1)	1(2)
HJ Rall <sup>*</sup>	6(10)			
GWR Swanepoel	9(10)			
VS Vilakazi	9(10)			
W Wassermeier <sup>^*†</sup>	7(10)	3(3)	1(1)	1(2)

<sup>^</sup>Non-executive, <sup>\*</sup>Independent, <sup>\*</sup>Alternate, <sup>#</sup>Audit Committee Chairman, <sup>\*</sup>Remuneration Committee Chairman, <sup>†</sup>Risk Committee Chairman, <sup>o</sup>Attended by invitation

# ANNUAL FINANCIAL STATEMENTS

## Directors' report continued

### DIRECTORS' SHAREHOLDING

At year-end the directors held 128 940 000 shares in the issued share capital of the company.

2008	Direct shareholding		Indirect shareholding			Total '000
	Beneficial '000	Non- beneficial '000	Beneficial '000	Non- beneficial '000	Allocated in terms of share purchase scheme '000	
<b>2008</b>						
LJ Barrow (Chairman)			38 040			38 040
BH Harley (CEO)	12 680					12 680
DJ Evert (Financial Director)	250				630	880
GMJ Breedt	4 250		8 430			12 680
T Lombard	4 250		8 430			12 680
YU Mabandla <sup>^</sup>						
CJ Minnie*					630	630
KE Nel	12 680					12 680
DS Nevay	4 250		8 430			12 680
JD Oosthuizen <sup>^</sup>						
HJ Rall*					630	630
GWR Swanepoel	4 250		8 430			12 680
VS Vilakazi		12 680				12 680
W Wassermeier <sup>^</sup>						
<b>2007</b>						
LJ Barrow (Chairman)			42 000			42 000
BH Harley (CEO)	14 000					14 000
GMJ Breedt	4 250		9 750			14 000
DJ Evert (Financial Director)			500		630	1 130
T Lombard	4 250		9 750			14 000
CJ Minnie*	100				630	730
KE Nel	14 000					14 000
DS Nevay	4 250		9 750			14 000
HJ Rall*	50				630	680
GWR Swanepoel	4 250		9 750			14 000
VS Vilakazi				14 000		14 000

<sup>^</sup>Non-executive, \*Alternate

Since year-end to the date of this report there has been no change in the directors' shareholdings.

### DIRECTORS' AND OFFICERS' INTERESTS IN CONTRACTS AND DIRECTORS' EMOLUMENTS

No material contracts in which directors have an interest were entered into during the year. Directors' emoluments are set out in note 23 to the annual financial statements.

### COMPANY SECRETARY

The secretary of the company is Master Business Associates VII (Proprietary) Limited whose business and postal addresses, which are also the company's registered addresses, are set out on the inside back cover of the annual report.

### **AUDITORS**

Certified Master Auditors Inc. will continue in office as auditors of the company in accordance with Section 270(2) of the SA Companies Act, 1973 subject to shareholder approval at the upcoming Annual General Meeting.

### **SPECIAL RESOLUTIONS**

No special resolutions were passed during the year.

### **SHARE CAPITAL**

On 1 September 2007 the authorised share capital of the company comprised 500 000 000 ordinary shares, of which 200 000 000 were in issue.

During the year 3 990 000 ordinary shares were allocated to key members of staff in terms of the company's assisted share purchase scheme.

At 31 August 2008 the aggregate number of ordinary shares in issue was accordingly 203 990 000.

No other changes have occurred to the group's issued share capital between year-end and the date of this report.

### **POST-BALANCE SHEET EVENTS**

Subsequent to year-end a final dividend of 5 cents per share, payable on 15 December 2008, was approved by the board of directors (see 'Dividend' above).

Johannesburg  
17 November 2008

# ANNUAL FINANCIAL STATEMENTS

## Balance sheet

At 31 August 2008

Figures in Rand	Notes	GROUP		COMPANY	
		2008	2007	2008	2007
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	2	10 560 534	6 486 329	8 952 681	6 486 329
Investments in subsidiaries	3	–	–	32 085	–
<b>Current assets</b>					
Inventories	7	4 689 671	10 928 653	4 689 671	10 928 653
Loans to group companies	4	940 393	6 033 660	19 935 401	6 033 660
Trade and other receivables	8	86 928 485	75 406 504	70 162 977	75 406 504
Foreign exchange contract asset		–	433 314	–	433 314
Cash and cash equivalents	9	110 627 096	33 553 176	101 361 662	33 553 176
		203 185 645	126 355 307	196 149 711	126 355 307
<b>Total assets</b>		<b>213 746 179</b>	<b>132 841 636</b>	<b>205 134 477</b>	<b>132 841 636</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	10	32 284 856	32 284 856	38 988 056	32 284 856
Retained income		79 494 063	32 658 577	78 948 164	32 658 577
Minority interest		324	–	–	–
		111 779 243	64 943 433	117 936 220	64 943 433
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Deferred tax	6	11 607 844	8 124 080	11 607 844	8 124 080
<b>Current liabilities</b>					
Loans from group companies	4	1 185 247	–	2 370 493	–
Current tax payable		18 129 546	7 386 913	17 834 616	7 386 913
Trade and other payables	13	71 044 299	52 387 210	55 385 304	52 387 210
		90 359 092	59 774 123	75 590 413	59 774 123
<b>Total liabilities</b>		<b>101 966 936</b>	<b>67 898 203</b>	<b>87 198 257</b>	<b>67 898 203</b>
<b>Total equity and liabilities</b>		<b>213 746 179</b>	<b>132 841 636</b>	<b>205 134 477</b>	<b>132 841 636</b>
Number of shares in issue at year-end		200 000 000	200 000 000	203 990 000	200 000 000
Net asset value per share (cents)		55.9	32.5	57.81	32.5
Net tangible asset value per share (cents)		55.9	32.5	57.81	32.5

## Income statement

For the year ended 31 August 2008

Figures in Rand	Notes	GROUP		COMPANY	
		2008	2007	2008	2007
Revenue		<b>450 333 491</b>	294 042 680	<b>407 116 577</b>	294 042 680
Cost of sales		<b>(350 730 640)</b>	(239 583 942)	<b>(310 106 540)</b>	(239 583 942)
<b>Gross profit</b>		<b>99 602 851</b>	54 458 738	<b>97 010 037</b>	54 458 738
Other income		<b>4 261 884</b>	433 314	<b>4 774 537</b>	433 314
Operating expenses		<b>(28 508 838)</b>	(19 819 119)	<b>(28 309 961)</b>	(19 819 119)
<b>Operating profit</b>	15	<b>75 355 897</b>	35 072 933	<b>73 474 613</b>	35 072 933
Investment revenue		<b>7 368 294</b>	1 681 860	<b>7 793 746</b>	1 681 860
Finance costs	16	<b>(432 315)</b>	(874 966)	<b>(205 760)</b>	(874 966)
<b>Profit before taxation</b>		<b>82 291 876</b>	35 879 827	<b>81 062 599</b>	35 879 827
Taxation	17	<b>(24 456 390)</b>	(11 088 780)	<b>(23 553 562)</b>	(11 088 780)
<b>Profit for the year</b>		<b>57 835 486</b>	24 791 047	<b>57 509 037</b>	24 791 047

# ANNUAL FINANCIAL STATEMENTS

## Statement of changes in equity

For the year ended 31 August 2008

Figures in Rand	Share capital	Share premium	Total share capital	Retained income	Minority interest	Total equity
<b>GROUP</b>						
<b>Balance at 1 September 2006</b>	450	-	450	7 867 530	-	7 867 980
Changes in equity						
Profit for the year	-	-	-	24 791 047	-	24 791 047
Issue of shares	1 550	32 282 856	32 284 406	-	-	32 284 406
<b>Total changes</b>	<b>1 550</b>	<b>32 282 856</b>	<b>32 284 406</b>	<b>24 791 047</b>	<b>-</b>	<b>57 075 453</b>
<b>Balance at 1 September 2007</b>	<b>2 000</b>	<b>32 282 856</b>	<b>32 284 856</b>	<b>32 658 577</b>	<b>-</b>	<b>64 943 433</b>
Changes in equity						
Profit for the year	-	-	-	57 835 486	-	57 835 486
Share of attributable capital					324	324
Dividends	-	-	-	(11 000 000)	-	(11 000 000)
<b>Total changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46 835 486</b>	<b>324</b>	<b>46 835 486</b>
<b>Balance at 31 August 2008</b>	<b>2 000</b>	<b>32 282 856</b>	<b>32 284 856</b>	<b>79 494 063</b>	<b>324</b>	<b>111 779 243</b>
Notes	10	10	10			

### COMPANY

<b>Balance at 1 September 2006</b>	450	-	450	7 867 530	-	7 867 980
Changes in equity						
Profit for the year	-	-	-	24 791 047	-	24 791 047
Issue of shares	1 550	32 282 856	32 284 406	-	-	32 284 406
<b>Total changes</b>	<b>1 550</b>	<b>32 282 856</b>	<b>32 284 406</b>	<b>24 791 047</b>	<b>-</b>	<b>57 075 453</b>
<b>Balance at 1 September 2007</b>	<b>2 000</b>	<b>32 282 856</b>	<b>32 284 856</b>	<b>32 658 577</b>	<b>-</b>	<b>64 943 433</b>
Changes in equity						
Profit for the year	-	-	-	57 509 037	-	57 509 037
Issue of shares	40	6 703 160	6 703 200	-	-	6 703 200
Dividends	-	-	-	(11 219 450)	-	(11 219 450)
<b>Total changes</b>	<b>40</b>	<b>6 703 160</b>	<b>6 703 200</b>	<b>46 289 587</b>	<b>-</b>	<b>52 992 787</b>
<b>Balance at 31 August 2008</b>	<b>2 040</b>	<b>38 986 016</b>	<b>38 988 056</b>	<b>78 948 164</b>	<b>-</b>	<b>117 936 220</b>
Notes	10	10	10			

## Cash flow statement

For the year ended 31 August 2008

Figures in Rand	Notes	GROUP		COMPANY	
		2008	2007	2008	2007
<b>Cash flows from operating activities</b>					
Cash generated from operations	19	90 426 634	10 060 630	89 452 663	10 060 630
Interest income		7 368 294	1 681 860	7 793 746	1 681 860
Finance costs		(432 315)	(874 966)	(205 760)	(874 966)
Tax paid	20	(10 229 994)	(470 312)	(9 622 096)	(470 312)
<b>Net cash from operating activities</b>		<b>87 132 619</b>	<b>10 397 212</b>	<b>87 418 553</b>	<b>10 397 212</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	2	(5 792 694)	(2 966 658)	(3 985 965)	(2 966 658)
Sale of property, plant and equipment	2	22 167	18 000	22 167	18 000
Loans advanced to group companies		6 278 514	(4 737 967)	(11 531 248)	(4 737 967)
Realisation of foreign exchange contract		433 314	-	433 314	-
Investment in subsidiaries				(32 085)	-
<b>Net cash from investing activities</b>		<b>941 301</b>	<b>(7 686 625)</b>	<b>(15 093 817)</b>	<b>(7 686 625)</b>
<b>Cash flows from financing activities</b>					
Proceeds on share issue	10	-	32 284 406	6 703 200	32 284 406
Repayment of other financial liabilities		-	(9 084 414)	-	(9 084 414)
Repayment of shareholders loan		-	(2 381 590)	-	(2 381 590)
Finance lease payments		-	(571 972)	-	(571 972)
Dividends paid	21	(11 000 000)	-	(11 219 450)	-
<b>Net cash from financing activities</b>		<b>(11 000 000)</b>	<b>20 246 430</b>	<b>(4 516 250)</b>	<b>20 246 430</b>
Total cash movement for the year		<b>77 073 920</b>	<b>22 957 017</b>	<b>67 808 486</b>	<b>22 957 017</b>
Cash at the beginning of the year		<b>33 553 176</b>	<b>10 596 159</b>	<b>33 553 176</b>	<b>10 596 159</b>
Total cash at end of the year	9	<b>110 627 096</b>	<b>33 553 176</b>	<b>101 361 662</b>	<b>33 553 176</b>

# ANNUAL FINANCIAL STATEMENTS

## Accounting policies

### 1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act of South Africa, 1973. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts on assets. Although estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances (the results of which form the basis of making the judgements about carrying values of assets that are not readily apparent from other sources), the actual outcome may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

#### 1.1 Property, plant and equipment

All property, plant and equipment are initially recorded at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of fixed asset is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably. Costs include costs incurred initially to acquire or construct a fixed asset and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of a fixed assets, the carrying amount of the replaced part is derecognised.

There has been no major change in the nature of the property, plant and equipment, nor any change in policy regarding the use thereof.

Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The estimated useful lives of the fixed assets are between 3 to 15 years. The depreciation charge for each period is recognised in profit or loss, unless it is included in the carrying amount of another asset. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. The estimated useful lives of the assets are as follows:

Item	Average useful life
Land and buildings	Land and buildings are not depreciated
Plant and machinery	5 to 10 years
Furniture and fixtures	10 to 15 years
Motor vehicles	5 to 20 years
IT equipment	3 to 5 years
Mobile offices	10 to 15 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. On disposal of revalued assets, amounts in revaluation and other reserves relating to that asset are transferred to retained earnings.

Residual values, depreciation method and useful lives are reassessed annually.

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items.

## 1.2 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

## 1.3 Investment in joint ventures

An investment in a joint venture is carried at cost less any accumulated impairment.

Profits and losses resulting from contributions or sale of assets to joint ventures are only recognised to the extent of other venturers' interests in the joint venture.

The group's share of profits or losses, resulting from purchase of assets from joint ventures are recognised only when the assets are resold to an independent party.

In respect of its interests in jointly controlled operations, the company recognises in its annual financial statements:

- the assets that it controls and the liabilities that it incurs; and
- the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the joint venture.

In respect of its interest in jointly controlled assets, the company recognises in its annual financial statements:

- its share of the jointly controlled assets, classified according to the nature of the assets;
- any liabilities that it has incurred;
- its share of any liabilities incurred jointly with the other venturers in relation to the joint venture;
- any income from the sale or use of its share of the output of the joint venture, together with its share of any expenses incurred by the joint venture; and
- any expenses that it has incurred in respect of its interest in the joint venture.

## 1.4 Financial instruments

### Initial recognition

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

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

### Loans to (from) group companies

These include loans to holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Subsequently these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

On loans receivable an impairment loss is recognised in profit or loss when there is objective evidence that it is impaired. The impairment is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

# ANNUAL FINANCIAL STATEMENTS

---

## Accounting policies continued

Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Loans to (from) group companies are classified as loans and receivables.

### Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in the income statement.

Trade and other receivables are classified as loans and receivables.

### Trade and other payables

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

### Cash and cash equivalents

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

## 1.5 Tax

### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
  - is not a business combination; and
  - at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures, except to the extent that both of the following conditions are satisfied:

- the parent, investor or venturer is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint ventures, to the extent that it is probable that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

#### **Tax expenses**

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, directly in equity, or
- a business combination.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

### **1.6 Inventories**

Inventories other than long-term contracts in progress, are stated at the lower of cost and net realisable value. Cost is calculated on a first in, first out basis. Cost includes transport and handling cost. Where necessary, provision is made for obsolete, slow moving and defective inventories.

Estimated net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

### **1.7 Construction contracts and receivables**

When the outcome of a construction contract can be reliably estimated and it is probable that the contract will be profitable, profits are generally realised on a percentage of completion basis every month, based on the terms and conditions negotiated with the client and such conditions influence contract pricing and are inextricably interwoven with contract profitability. Risks and contingencies are also taken into consideration.

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

# ANNUAL FINANCIAL STATEMENTS

---

## Accounting policies continued

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

Construction contracts in progress represent costs that have not yet been billed to clients.

On completion of each contract a portion of the profits will be held back until retentions are released by the client.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

### 1.8 Impairment of assets

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

## **1.9 Employee benefits**

### **Short-term employee benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

### **Defined contribution plans**

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

## **1.10 Provisions and contingencies**

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

## **1.11 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer.

Interest is recognised on a time proportion basis which takes into account the effective yield on the asset over the period it is expected to be held.

# ANNUAL FINANCIAL STATEMENTS

## Accounting policies continued

### 1.12 Fundamental errors

There have not been any fundamental errors during the periods reported on.

### 1.13 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.14 Translation of foreign currencies

#### Transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each balance sheet date:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

### 1.15 Adoption of new pronouncement

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and is consistent with the prior year except for the adoption of the following improved, revised or new standards and interpretations:

- IFRS 7 (AC 144) Financial Instruments – Disclosures (Revised)
- IAS 1 (AC 101) Amendment to IAS 1 – Capital Disclosures (Revised)
- IFRIC 8 Scope of IFRS 2 (Revised)
- IFRIC 10 Interim Financial Reporting and Impairment (Revised)
- IFRIC 11 IFRS 2 – Group and Treasury Share Transactions (Revised)

#### IFRS 7: Financial Instruments: Disclosure

The only impact on the financial statements regarding the current year, is with regard to IFRS 7 and is applicable to financial statements prepared after 31 December 2007.

The following standards, interpretations and amendments will be adopted, once their effective dates have been reached:

Standard, interpretation or amendment	Effective date*
– IAS 1 (AC 101) Presentation of Financial Statements	1 January 2009
– IAS 23 (Amended) Borrowing Costs	1 January 2009
– IFRS 8 (IAS 14) Operating Segments	1 January 2009
– IFRS 3 (Revised) Business Combinations	1 July 2009
– IAS 27 (Revised) Consolidated and Separate Financial Statements	1 July 2009
– IAS 28 (Revised) Investments in Associates	1 July 2009
– IAS 31 (Revised) Interests in Joint Ventures	1 July 2009
– IAS 32 (Amended) Financial Instruments	1 January 2009

## 1.16 Risk Management

### Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

### Interest rate risk

Deposits attract interest at rate that vary with prime. The company policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on profit/(loss).

### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis.

### Foreign exchange fluctuation risk

The company hedges foreign exchange fluctuations and reviews its foreign currency exposure, including commitments on an ongoing basis and expects its foreign exchange contracts to hedge foreign exchange exposure.

# ANNUAL FINANCIAL STATEMENTS

## Notes to the annual financial statements

For the year ended 31 August 2008

Figures in Rand	2008			2007		
	Cost/ Valuation	Accumulated depreciation	Carrying value	Cost/ Valuation	Accumulated depreciation	Carrying value
<b>2. PROPERTY, PLANT AND EQUIPMENT</b>						
<b>Group</b>						
Land and buildings	2 298 037	–	2 298 037	–	–	–
Plant and machinery	2 104 931	(704 899)	1 400 032	1 778 830	(701 738)	1 077 092
Furniture and fixtures	662 604	(133 291)	529 313	301 116	(78 766)	222 350
Motor vehicles	6 797 769	(1 836 248)	4 961 521	5 121 308	(984 776)	4 136 532
IT equipment	585 714	(216 484)	369 230	295 700	(131 440)	164 260
Mobile offices	1 738 004	(735 603)	1 002 401	1 486 651	(600 556)	886 095
<b>Total</b>	<b>14 187 059</b>	<b>(3 626 525)</b>	<b>10 560 534</b>	<b>8 983 605</b>	<b>(2 497 276)</b>	<b>6 486 329</b>
<b>Company</b>						
Land and buildings	2 298 037	–	2 298 037	–	–	–
Plant and machinery	2 066 279	(702 742)	1 363 537	1 778 830	(701 738)	1 077 092
Furniture and fixtures	379 390	(113 151)	266 239	301 116	(78 766)	222 350
Motor vehicles	5 315 264	(1 659 669)	3 655 595	5 121 308	(984 776)	4 136 532
IT equipment	583 356	(216 484)	366 872	295 700	(131 440)	164 260
Mobile offices	1 738 004	(735 603)	1 002 401	1 486 651	(600 556)	886 095
<b>Total</b>	<b>12 380 330</b>	<b>(3 427 649)</b>	<b>8 952 681</b>	<b>8 983 605</b>	<b>(2 497 276)</b>	<b>6 486 329</b>

### Reconciliation of property, plant and equipment – 2008

Figures in Rand	Opening balance	Additions	Disposals	Depreciation	Total
<b>Group</b>					
Land and buildings	–	2 298 037	–	–	2 298 037
Plant and machinery	1 077 092	505 093	(13 242)	(168 911)	1 400 032
Furniture and fixtures	222 350	367 435	(851)	(59 621)	529 313
Motor vehicles	4 136 532	2 048 015	(215 031)	(1 007 995)	4 961 521
IT equipment	164 260	322 761	–	(117 791)	369 230
Mobile offices	886 095	251 353	–	(135 047)	1 002 401
	<b>6 486 329</b>	<b>5 792 694</b>	<b>(229 124)</b>	<b>(1 489 365)</b>	<b>10 560 534</b>
<b>Company</b>					
Land and buildings	–	2 298 037	–	–	2 298 037
Plant and machinery	1 077 092	466 441	(13 242)	(166 754)	1 363 537
Furniture and fixtures	222 350	84 220	(851)	(39 480)	266 239
Motor vehicles	4 136 532	565 511	(215 031)	(831 417)	3 655 595
IT equipment	164 260	320 403	–	(117 791)	366 872
Mobile offices	886 095	251 353	–	(135 047)	1 002 401
	<b>6 486 329</b>	<b>3 985 965</b>	<b>(229 124)</b>	<b>(1 290 489)</b>	<b>8 952 681</b>

Figures in Rand	GROUP		COMPANY	
	2008	2007	2008	2007
<b>2. PROPERTY, PLANT AND EQUIPMENT (continued)</b>				
<b>Details of properties</b>				
<b>Erf 530, Alrode, Extension 7</b>				
Terms and conditions				
– Purchase price	<b>1 600 000</b>	–	<b>1 600 000</b>	–
– Additions since purchase or valuation	<b>698 037</b>	–	<b>698 037</b>	–
	<b>2 298 037</b>	–	<b>2 298 037</b>	–

A register containing the information required by paragraph 22(3) of Schedule 4 of the Companies Act is available for inspection at the registered office of the company.

Name of company	Held by	% holding 2008	% holding 2007	Carrying amount	Carrying amount
				2008 R	2007 R
<b>3. INVESTMENTS IN SUBSIDIARIES</b>					
B&W Madagascar SARL		<b>99.00</b>	–	<b>9 300</b>	–
B&W Electricidade, Lda		<b>99.00</b>	–	<b>22 785</b>	–
				<b>32 085</b>	–

The carrying amounts of subsidiaries are shown net of impairment losses.

Figures in Rand	GROUP		COMPANY	
	2008	2007	2008	2007
<b>4. LOANS TO (FROM) GROUP COMPANIES</b>				
<b>Joint ventures</b>				
Bokomoso Joint Venture				
Unsecured loan, not bearing interest	<b>(1 185 247)</b>	–	<b>(2 370 493)</b>	–
<b>Associates</b>				
B&W Industrial Technology (Proprietary) Limited				
Unsecured loan, bearing interest at rates linked to prime lending rates	<b>106 924</b>	432 472	<b>106 924</b>	432 472
B&W Employee Trust				
Unsecured loan, bearing interest at rates linked to prime lending rates	<b>767 388</b>	3 208 440	<b>767 388</b>	3 208 440
Calaban Properties (Proprietary) Limited				
Unsecured loan, bearing interest at rates linked to prime lending rates	–	1 077 000	–	1 077 000
Hotgaurd Plant (Proprietary) Limited				
Unsecured loan, bearing interest at rates linked to prime lending rates	<b>66 081</b>	1 315 748	<b>66 081</b>	1 315 748
	<b>940 393</b>	6 033 660	<b>940 393</b>	6 033 660

# ANNUAL FINANCIAL STATEMENTS

## Notes to the annual financial statements continued

For the year ended 31 August 2008

Figures in Rand	GROUP		COMPANY	
	2008	2007	2008	2007
<b>4. LOANS TO/(FROM) GROUP COMPANIES</b>				
<b>Group companies</b>				
B&W Share Purchase Scheme Trust				
Unsecured loan, bearing interest at rates linked to prime lending rates	-	-	<b>7 205 940</b>	-
B&W Madagascar SARL				
Unsecured loan, bearing no interest	-	-	<b>11 581 401</b>	-
B&W Electricidade, Lda				
Unsecured loan, bearing no interest	-	-	<b>207 667</b>	-
	-	-	<b>18 995 008</b>	-
The loans, excluding the B&W Employee Trust loan and the B&W Share Incentive Scheme Trust loan, arose as trading accounts that occurred in the normal course of business between the entities during the year which were not settled as at year end. Due to the fact that they are trading accounts, the loans are unsecured, but bear interest at rates linked to prime lending rates. There have been no changes to the terms or conditions of these loans during the year.				
The loan to the B&W Employee Trust and B&W Share Incentive Scheme Trust, resulted from assistance given to the Trusts in order for the Trust to acquire shares in the company. Interest is charged on the loan at a rate linked to prime lending rates, and it is anticipated that the loan will be settled in the 2008 financial year.				
Current assets	<b>940 393</b>	6 033 660	<b>19 935 401</b>	6 033 660
Current liabilities	<b>(1 185 247)</b>	-	<b>(2 370 493)</b>	-
	<b>(244 854)</b>	6 033 660	<b>17 564 908</b>	6 033 660
The carrying amount of loans to and from group companies are denominated in the following currencies:				
Pula	<b>(1 185 247)</b>	-	<b>(2 370 493)</b>	-
Ariary	-	-	<b>11 581 401</b>	-
Metical	-	-	<b>207 667</b>	-

## 5. FINANCIAL ASSETS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

Figures in Rand	Loans and receivables	Fair value through profit or loss – held-for-trading	Fair value through profit or loss – designated	Held to maturity	Available-for-sale	Total
<b>Group</b>						
<b>2008</b>						
Loans to group companies	940 393	-	-	-	-	940 393
Trade and other receivables	86 928 485	-	-	-	-	86 928 485
Cash and cash equivalents	110 627 096	-	-	-	-	110 627 096
	<b>198 495 974</b>	-	-	-	-	<b>198 495 974</b>
<b>2007</b>						
Loans to group companies	6 033 660	-	-	-	-	6 033 660
Trade and other receivables	75 406 504	-	-	-	-	75 406 504
Cash and cash equivalents	33 553 176	-	-	-	-	33 553 176
	114 993 340	-	-	-	-	114 993 340
<b>Company</b>						
<b>2008</b>						
Loans to group companies	19 935 401	-	-	-	-	19 935 401
Other financial assets	-	-	-	-	32 085	32 085
Trade and other receivables	70 162 977	-	-	-	-	70 162 977
Cash and cash equivalents	101 361 662	-	-	-	-	101 361 662
	<b>191 460 040</b>	-	-	-	<b>32 085</b>	<b>191 492 125</b>
<b>2007</b>						
Loans to group companies	6 033 660	-	-	-	-	6 033 660
Trade and other receivables	75 406 504	-	-	-	-	75 406 504
Cash and cash equivalents	33 553 176	-	-	-	-	33 553 176
	114 993 340	-	-	-	-	114 993 340

# ANNUAL FINANCIAL STATEMENTS

## Notes to the annual financial statements continued

For the year ended 31 August 2008

Figures in Rand	GROUP		COMPANY	
	2008	2007	2008	2007
<b>6. DEFERRED TAX</b>				
<b>Deferred tax liability</b>				
Deferred tax	<b>(11 607 844)</b>	(8 124 080)	<b>(11 607 844)</b>	(8 124 080)
<b>Reconciliation of deferred tax asset (liability)</b>				
At beginning of the year	<b>(8 124 080)</b>	(5 267 920)	<b>(8 124 080)</b>	(5 267 920)
Reduction due to rate change	<b>280 141</b>	-	<b>280 141</b>	-
Temporary differences	<b>(3 763 905)</b>	(2 856 160)	<b>(3 763 905)</b>	(2 856 160)
	<b>(11 607 844)</b>	(8 124 080)	<b>(11 607 844)</b>	(8 124 080)
<b>7. INVENTORIES</b>				
Raw materials and components	<b>2 567 982</b>	1 192 143	<b>2 567 982</b>	1 192 143
Small tools	<b>2 121 689</b>	3 405 651	<b>2 121 689</b>	3 405 651
Work in progress	-	6 330 859	-	6 330 859
	<b>4 689 671</b>	10 928 653	<b>4 689 671</b>	10 928 653
<b>8. TRADE AND OTHER RECEIVABLES</b>				
Trade receivables	<b>85 859 127</b>	74 218 617	<b>69 093 619</b>	74 218 617
Other receivable	<b>1 069 358</b>	1 187 887	<b>1 069 358</b>	1 187 887
	<b>86 928 485</b>	75 406 504	<b>70 162 977</b>	75 406 504
None of the financial assets that are fully performing have been renegotiated in the last year.				
<b>Trade and other receivables past due but not impaired</b>				
Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 August 2008, R2 808 120 (2007: R3 527 368) were past due but not impaired.				
The ageing of amounts past due but not impaired is as follows:				
1 month past due	<b>2 407 746</b>	1 473 860	<b>2 407 746</b>	1 473 860
2 months past due	<b>223 188</b>	1 665 085	<b>223 188</b>	1 665 085
3 months past due	<b>177 186</b>	388 423	<b>177 186</b>	388 423
<b>Trade and other receivables impaired</b>				
As of 31 August 2008, there were no trade and other receivables that are impaired and therefore none were provided for.				
The carrying amount of trade and other receivables are denominated in the following currencies:				
Rand	<b>60 038 538</b>	75 406 504	<b>60 038 538</b>	75 406 504
US Dollar	<b>14 643 313</b>	-	<b>10 124 439</b>	-
Pula	<b>11 028 481</b>	-	-	-
Metical	<b>1 218 153</b>	-	-	-

Figures in Rand	GROUP		COMPANY	
	2008	2007	2008	2007
<b>9. CASH AND CASH EQUIVALENTS</b>				
Cash and cash equivalents consist of:				
Bank balances	<b>110 627 096</b>	33 553 176	<b>101 361 662</b>	33 553 176
<b>10. SHARE CAPITAL</b>				
<b>Authorised</b>				
500 000 000 Ordinary shares of 0.001cents each	<b>5 000</b>	5 000	<b>5 000</b>	5 000
– unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last Annual General Meeting. This authority remains in force until the next Annual General Meeting.				
<b>Issued</b>				
Ordinary	<b>2 000</b>	2 000	<b>2 040</b>	2 000
Share premium	<b>32 282 856</b>	32 282 856	<b>38 986 016</b>	32 282 856
	<b>32 284 856</b>	32 284 856	<b>38 988 056</b>	32 284 856
<b>11. MINORITY INTEREST</b>				
The minority interest can be reconciled as follows:				
Share of attributable capital	<b>324</b>	–	<b>–</b>	–

Figures in Rand	Opening balance	Additions	Utilised during the year	Total
	<b>12. PROVISIONS</b>			
<b>Reconciliation of provisions – 2008</b>				
<b>Group</b>				
Leave and bonuses – Wages	<b>1 811 995</b>	<b>1 941 230</b>	<b>(1 811 995)</b>	<b>1 941 230</b>
Leave and bonuses – Salaries	<b>3 665 600</b>	<b>4 323 300</b>	<b>(3 665 600)</b>	<b>4 323 300</b>
	<b>5 477 595</b>	<b>6 264 530</b>	<b>(5 477 595)</b>	<b>6 264 530</b>
<b>Company</b>				
Leave and bonuses – Wages	<b>1 811 995</b>	<b>1 941 230</b>	<b>(1 811 995)</b>	<b>1 941 230</b>
Leave and bonuses – Salaries	<b>3 665 600</b>	<b>4 323 300</b>	<b>(3 665 600)</b>	<b>4 323 300</b>
	<b>5 477 595</b>	<b>6 264 530</b>	<b>(5 477 595)</b>	<b>6 264 530</b>

Figures in Rand	GROUP		COMPANY	
	2008	2007	2008	2007
<b>13. TRADE AND OTHER PAYABLES</b>				
Trade payables	<b>57 875 624</b>	44 532 568	<b>44 786 423</b>	44 532 568
Other payables	<b>13 168 675</b>	7 854 642	<b>10 598 881</b>	7 854 642
	<b>71 044 299</b>	52 387 210	<b>55 385 304</b>	52 387 210

# ANNUAL FINANCIAL STATEMENTS

## Notes to the annual financial statements continued

For the year ended 31 August 2008

### 14. FINANCIAL LIABILITIES BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

Figures in Rand	Financial liabilities at amortised cost	Fair value through profit or loss – held for trading	Fair value through profit or loss – designated	Total
<b>2008</b>				
Loans from group companies	1 185 247	–	–	1 185 247
Trade and other payables	71 044 299	–	–	71 044 299
	<b>72 229 546</b>	<b>–</b>	<b>–</b>	<b>72 229 546</b>
<b>2007</b>				
Trade and other payables	52 387 210	–	–	52 387 210

Figures in Rand	GROUP		COMPANY	
	2008	2007	2008	2007
<b>15. OPERATING PROFIT</b>				
Operating profit for the year is stated after accounting for the following:				
<b>Operating lease charges</b>				
Premises				
Contractual amounts	845 738	465 736	845 738	465 736
Loss on sale of property, plant and equipment	(206 957)	(161 434)	(206 957)	(161 434)
(Profit)/loss on exchange differences	(4 695 198)	5 081	(5 207 851)	5 081
Depreciation on property, plant and equipment	1 489 366	848 688	1 290 489	848 688
Employee costs	17 067 955	12 434 154	17 067 955	12 434 154
<b>16. FINANCE COSTS</b>				
Bank	432 315	408 117	205 760	408 117
Other interest paid	–	466 849	–	–
6% redeemable non-cumulative preference shares	–	–	–	466 849
	<b>432 315</b>	<b>874 966</b>	<b>205 760</b>	<b>874 966</b>
<b>17. TAXATION</b>				
<b>Major components of the tax expense</b>				
<b>Current</b>				
Local income tax – current period	19 850 682	8 232 620	18 947 854	8 232 620
STC	1 121 945	–	1 121 945	–
	<b>20 972 627</b>	<b>8 232 620</b>	<b>20 069 799</b>	<b>8 232 620</b>
<b>Deferred</b>				
Changes in tax rates	(280 141)	–	(280 141)	–
Other deferred tax	3 763 904	2 856 160	3 763 904	2 856 160
	<b>3 483 763</b>	<b>2 856 160</b>	<b>3 483 763</b>	<b>2 856 160</b>
	<b>24 456 390</b>	<b>11 088 780</b>	<b>23 553 562</b>	<b>11 088 780</b>
The income tax rate of 29% in 2007 was reduced to 28% in 2008.				

Figures in Rand	GROUP		COMPANY	
	2008	2007	2008	2007
<b>18. AUDITORS' REMUNERATION</b>				
Fees	<b>321 140</b>	106 670	<b>321 140</b>	106 670
<b>19. CASH GENERATED FROM OPERATIONS</b>				
Profit before taxation	<b>82 291 876</b>	35 879 827	<b>81 062 599</b>	35 879 827
<b>Adjustments for</b>				
Depreciation and amortisation	<b>1 489 366</b>	848 688	<b>1 290 489</b>	848 688
Loss on sale of assets	<b>206 957</b>	161 434	<b>206 957</b>	161 434
Interest received	<b>(7 368 294)</b>	(1 681 860)	<b>(7 793 746)</b>	(1 681 860)
Finance costs	<b>432 315</b>	874 966	<b>205 760</b>	874 966
<b>Changes in working capital</b>				
Inventories	<b>6 238 982</b>	(4 342 314)	<b>6 238 982</b>	(4 342 314)
Trade and other receivables	<b>(11 521 981)</b>	(40 093 975)	<b>5 243 527</b>	(40 093 975)
Trade and other payables	<b>18 657 413</b>	18 413 864	<b>2 998 094</b>	18 413 864
	<b>90 426 634</b>	10 060 630	<b>89 452 663</b>	10 060 630
<b>20. TAX PAID</b>				
Balance at beginning of the year	<b>(7 386 913)</b>	375 395	<b>(7 386 913)</b>	375 395
Current tax for the year recognised in income statement	<b>(20 972 627)</b>	(8 232 620)	<b>(20 069 799)</b>	(8 232 620)
Balance at end of the year	<b>18 129 546</b>	7 386 913	<b>17 834 616</b>	7 386 913
	<b>(10 229 994)</b>	(470 312)	<b>(9 622 096)</b>	(470 312)
<b>21. DIVIDENDS PAID</b>				
Dividends	<b>(11 000 000)</b>	-	<b>(11 219 450)</b>	-
<b>22. RELATED PARTIES</b>				
The following companies have common directors with B&W Instrumentation and Electrical.				
<b>Related party balances</b>				
<b>Loan accounts – Owing (to)/by related parties</b>				
Hotgaurd Plant (Proprietary) Limited	<b>66 081</b>	1 315 748	<b>66 081</b>	1 315 748
B&W Industrial Technology (Proprietary) Limited	<b>106 924</b>	432 472	<b>106 924</b>	432 472
Calaban Properties (Proprietary) Limited	-	1 077 001	-	1 077 001
<b>Related party transactions</b>				
<b>Interest paid to/(received from) related parties</b>				
Hotgaurd Plant (Proprietary) Limited	<b>(65 801)</b>	(124 846)	<b>(65 801)</b>	(124 846)
B&W Industrial Technology (Proprietary) Limited	<b>(25 686)</b>	1 429	<b>(25 686)</b>	1 429
Calaban Properties (Proprietary) Limited	<b>(26 925)</b>	(42 299)	<b>(26 925)</b>	(42 299)
<b>Rent paid to/(received from) related parties</b>				
Calaban Properties (Proprietary) Limited	<b>571 200</b>	312 870	<b>571 200</b>	312 870
<b>Compensation to directors and other key management</b>				
Directors' emoluments	<b>9 867 525</b>	8 251 228	<b>9 867 525</b>	8 251 228

# ANNUAL FINANCIAL STATEMENTS

## Notes to the annual financial statements continued

For the year ended 31 August 2008

### 23. DIRECTORS' EMOLUMENTS

The directors emoluments paid to directors of the company during the year ended 31 August 2008, are analysed as follows:

#### Details of service contracts

	Basic emoluments	Retirement/ Medical benefits	Other	Total
<b>Group</b>				
<b>Executive</b>				
Breedt GMJ	486 542	138 031	118 247	742 821
Barrow LJ	775 783	181 071	179 135	1 135 990
Rall HJ	578 545	134 258	244 836	957 639
Lombard T	553 520	133 123	140 730	827 374
Evert DJ	500 982	132 250	331 520	964 752
Harley BH	731 332	170 929	167 422	1 069 683
Nevay DS	515 623	139 057	125 011	779 691
Minnie CJ	785 130	158 959	244 565	1 188 655
Nel KE	581 483	132 223	151 030	864 737
Swanepoel GWR	592 179	150 471	135 185	877 836
Vilakazi S	223 629	24 426	53 334	301 389
	6 324 750	1 494 800	1 891 014	9 710 565
<b>Non-executive</b>				
Oosthuizen JD	52 320	-	-	52 320
Mabandla YU	52 320	-	-	52 320
Wassermeier W	52 320	-	-	52 320
	156 960	-	-	156 960
<b>Company</b>				
<b>Executive</b>				
Breedt GMJ	486 542	138 031	118 247	742 821
Barrow LJ	775 783	181 071	179 135	1 135 990
Rall HJ	578 545	134 258	244 836	957 639
Lombard T	553 520	133 123	140 730	827 374
Evert DJ	500 982	132 250	331 520	964 752
Harley BH	731 332	170 929	167 422	1 069 683
Nevay DS	515 623	139 057	125 011	779 691
Minnie CJ	785 130	158 959	244 565	1 188 655
Nel KE	581 483	132 223	151 030	864 737
Swanepoel GWR	592 179	150 471	135 185	877 836
Vilakazi S	223 629	24 426	53 334	301 389
	6 324 750	1 494 800	1 891 014	9 710 565
<b>Non-executive</b>				
Oosthuizen JD	52 320	-	-	52 320
Mabandla YU	52 320	-	-	52 320
Wassermeier W	52 320	-	-	52 320
	156 960	-	-	156 960

## 24. RISK MANAGEMENT

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. The company uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by the directors under policies approved by the board. 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.

### 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. Due to the dynamic nature of the underlying businesses, the directors maintain flexibility in funding by maintaining availability under committed credit lines.

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored. The table below analyses the company's financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<b>Group</b>				
At 31 August 2008				
Trade and other payables	<b>71 044 299</b>	-	-	-
At 31 August 2007				
Trade and other payables	52 387 210	-	-	-
<b>Company</b>				
At 31 August 2008				
Trade and other payables	<b>55 385 304</b>	-	-	-
At 31 August 2007				
Trade and other payables	52 387 210	-	-	-

### Interest rate risk

As the company is exposed to interest rate risk through its cash and cash equivalents and interest-bearing loans to group companies and associates.

The company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the company calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

At 31 August 2008, if interest rates had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been R736 829 lower/higher, mainly as a result of higher/lower interest income on cash and cash equivalents and loans to group companies and associates.

# ANNUAL FINANCIAL STATEMENTS

## Notes to the annual financial statements continued

For the year ended 31 August 2008

### 24. RISK MANAGEMENT (continued)

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a spread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

#### Foreign exchange risk

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the company use forward contracts, transacted with South African banks. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

#### Foreign currency exposure at balance sheet date

Figures in Rand	GROUP		COMPANY	
	2008	2007	2008	2007
<b>Current assets</b>				
Cash and cash equivalents in US Dollars	<b>7 680 829</b>	18 434	-	-
Cash and cash equivalents in Pula	<b>730 868</b>	-	-	-
Cash and cash equivalents in Metical	<b>1 821 548</b>	-	-	-
Cash and cash equivalents in Ariary	<b>1 426 922</b>	-	-	-
Trade debtors held in US Dollars	<b>14 643 313</b>	-	<b>10 124 439</b>	-
Trade debtors held in Pula	<b>11 028 481</b>	-	-	-
Trade debtors held in Metical	<b>1 218 153</b>	-	-	-
Cash and cash equivalents – Other	<b>106 912</b>	160 457	<b>3 748 248</b>	178 891
<b>Liabilities</b>				
Current liabilities – Pula	<b>2 547 336</b>	-	-	-
Current liabilities – Metical	<b>1 736 862</b>	-	-	-
Current liabilities – Ariary	<b>10 823</b>	-	-	-

## 24. RISK MANAGEMENT (continued)

### Forward exchange contracts which relate to future commitments

Amount in foreign currency purchased	Forward exchange rate	Maturity date
3 200 000 US\$	1USD = R7.85	31 October 2008
2 500 000 US\$	1USD = R8.38	31 October 2008
5 000 000 US\$	1USD = R8.14	31 October 2008

The company reviews its foreign currency exposure, including commitments on an ongoing basis. The company expects its foreign exchange contracts to hedge foreign exchange exposure.

Financial instrument	Weakening in functional currency by 10% – decrease in profit before tax		Strengthening in functional currency by 10% – increase in profit before tax	
	2008	2007	2008	2007
<b>Group</b>				
US Dollar	<b>2 232 414</b>	1 843	<b>2 232 414</b>	1 843
Ariary	<b>141 609</b>	–	<b>141 609</b>	–
Pula	<b>921 201</b>	–	<b>921 201</b>	–
Metical	<b>130 284</b>		<b>130 284</b>	
<b>Company</b>				
Dollar	<b>1 373 691</b>	1 843	<b>1 373 691</b>	1 843
Ariary	<b>1 158 141</b>	–	<b>1 158 141</b>	–
Other	<b>202 705</b>	16 046	<b>202 705</b>	16 046

## 25. EARNINGS PER ORDINARY SHARE

### Group

#### Basic earnings per ordinary share (cents)

The calculation is based on earnings of R57 835 486 (2007: R24 791 047) and on the weighted average of 200 000 000 ordinary shares in issue during the year (2007: 175 000 000).

2008	<b>28.92 cents</b>
2007	14.17 cents

#### Headline earnings per ordinary share (cents)

Headline earnings per share have been calculated in terms of circular 7/2002 and excludes profits and losses of a capital nature.

The calculation is based on earnings of R58 042 443 (2007: R24 952 481)

2008	<b>29.02 cents</b>
2007	14.26 cents

### Company

#### Basic earnings per ordinary share (cents)

The calculation is based on earnings of R57 509 037 (2007: R24 791 047) and on the weighted average of 202 992 500 ordinary shares in issue during the year (2007: 175 000 000).

2008	<b>28.33 cents</b>
2007	14.17 cents

#### Headline earnings per ordinary share (cents)

Headline earnings per share have been calculated in terms of circular 7/2002 and excludes profits and losses of a capital nature.

The calculation is based on earnings of R57 715 994 (2007: R24 952 481)

2008	<b>28.43 cents</b>
2007	14.26 cents

## Analysis of shareholders

### SHAREHOLDER ANALYSIS BY NUMBER OF SHARES HELD

From	To	Number of holders	%	Number of shares	%
	→10 000 000	8	0.43	126 800 000	62.16
1 000 000	9 999 999	15	0.82	47 453 813	23.26
100 000	999 999	60	3.26	13 646 584	6.69
10 000	99 999	534	29.02	11 872 342	5.82
1 000	9 999	1 091	59.29	4 150 359	2.03
	←1 000	132	7.17	66 902	0.03
<b>Total</b>		<b>1 840</b>	<b>100.00</b>	<b>203 990 000</b>	<b>100.00</b>

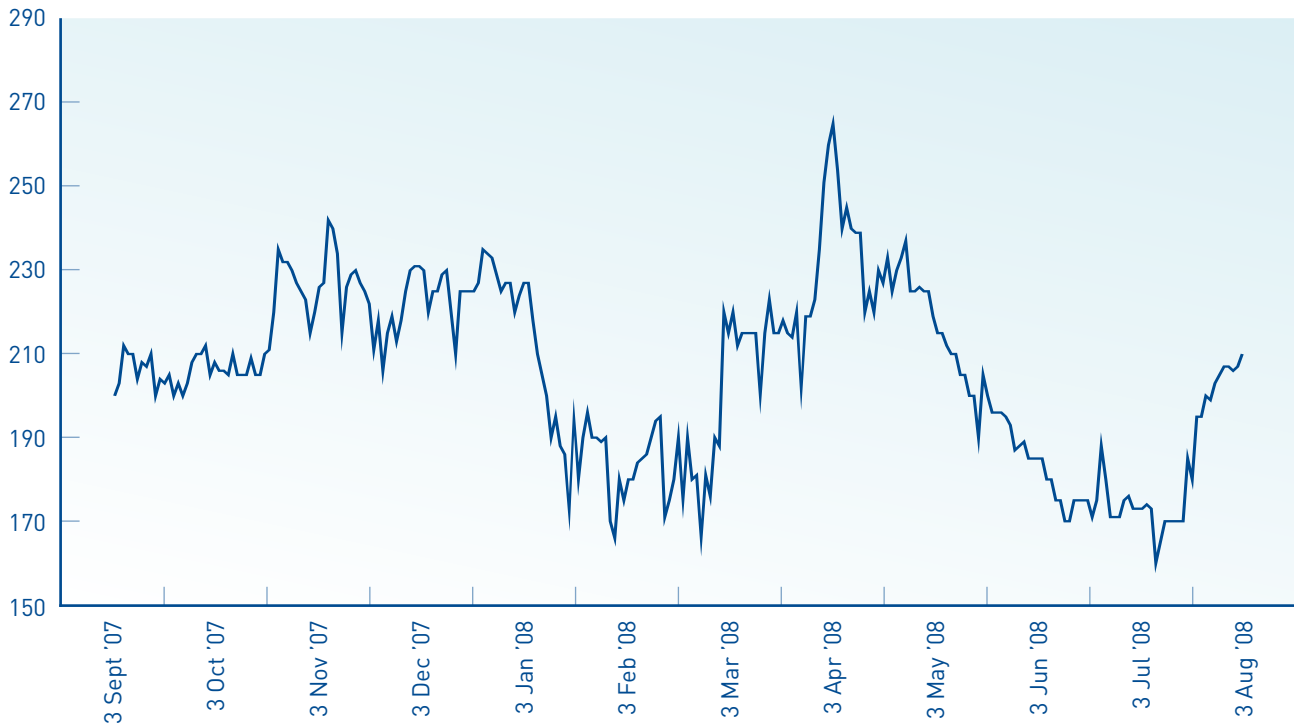
### SHAREHOLDER ANALYSIS BY TYPE OF SHAREHOLDER

	Number of shares	%	Number of shareholders	%
Directors	116 260 000	56.99	10	0.54
Employee Trust	12 680 000	6.22	1	0.05
Investment institutions	49 135 567	24.09	42	2.28
Other companies	1 362 055	0.67	74	4.02
Trusts	2 128 338	1.04	67	3.64
Individuals	35 104 040	17.21	1 646	89.46
<b>Total</b>	<b>203 990 000</b>	<b>100.00</b>	<b>1 840</b>	<b>100.00</b>

Name	Shareholders holding 5% or more of total equity at 31 August 2008	
		Shareholding
LJ Barrow		38 040 000
BH Harley		12 680 000
GWR Swanepoel		12 680 000
DS Nevay		12 680 000
KE Nel		12 680 000
GHJ Breedt		12 680 000
T Lombard		12 680 000
B&W Employee Trust		12 680 000

## JSE performance

### BWI CLOSING PRICE



## Shareholders' diary

Financial year-end	31 August
Announcement of interim results	April 2008
Announcement of annual results	November 2008
Annual report posted	November 2008
Annual general meeting	19 January 2009

---

## Notice of annual general meeting



### **B&W INSTRUMENTATION AND ELECTRICAL LIMITED**

Incorporated in the Republic of South Africa

(Registration number 2001/008548/06)

Share Code: BWI ISIN: ZAE000098687

("B&W" or "the company")

**If you are in any doubt as to what action you should take in respect of the following resolutions, please consult your Central Securities Depository Participant ("CSDP"), broker, banker, attorney, accountant or other professional adviser immediately.**

Notice is hereby given that the Annual General Meeting of shareholders of the company will be held at The Ascot Mews Conference Centre, 19 Heidelberg Road, Newmarket, Alberton, at 10:00 on Monday, 19 January 2009 to conduct the following business:

1. To receive, consider and adopt the annual financial statements of the company and the group for the financial year ended 31 August 2008, including the directors' report and the report of the auditors therein.
2. To re-elect GMJ Breedts who, in terms of Article 117 of the company's articles of association, retires by rotation at this Annual General Meeting but, being eligible to do so, offers himself for re-election.
3. To re-elect DJ Evert who, in terms of Article 117 of the company's articles of association, retires by rotation at this Annual General Meeting but, being eligible to do so, offers himself for re-election.
4. To re-elect GWR Swanepoel who, in terms of Article 117 of the company's articles of association, retires by rotation at this Annual General Meeting but, being eligible to do so, offers himself for re-election.
5. To re-elect VS Vilakazi who, in terms of Article 117 of the company's articles of association, retires by rotation at this Annual General Meeting but, being eligible to do so, offers himself for re-election.

An abbreviated curriculum vitae in respect of each director offering himself for re-election appears on page 5 and page 6 of the annual report to which this notice is attached.

6. To confirm the re-appointment of Certified Master Auditors Inc. as independent auditors of the company for the ensuing financial year and to authorise the directors to determine the auditors' remuneration.
7. To approve the non-executive directors' remuneration for the year ended 31 August 2008 as reflected in note 23 to the annual financial statements.

As special business, to consider and, if deemed fit, to pass, with or without modification, the following resolutions:

#### **ORDINARY RESOLUTION NUMBER 1**

##### **Control of authorised but unissued ordinary shares**

8. "Resolved by way of a general authority that the authorised but unissued ordinary shares in the capital of B&W Instrumentation and Electrical Limited ("the company") be and are hereby placed under the control and authority of the directors of the company ("directors") and that the directors be and are hereby authorised and empowered to allot and issue all or any of such ordinary shares, or to issue any options in respect of all or any of such ordinary shares, to such person/s on such terms and conditions and at such times as the directors may from time to time and in their

discretion deem fit, subject to the provisions of sections 221 and 222 of the Companies Act, 1973 (Act 61 of 1973), as amended, the articles of association of the company and the Listings Requirements of JSE Limited from time to time.”

## **ORDINARY RESOLUTION NUMBER 2**

### **Approval to issue ordinary shares, and to sell treasury shares, for cash**

9. “Resolved that the directors of B&W Instrumentation and Electrical Limited (“the company”) and/or any of its subsidiaries from time to time be and are hereby authorised, by way of a general authority, to:

- allot and issue, or to issue any options in respect of, all or any of the authorised but unissued ordinary shares in the capital of the company; and/or
- sell or otherwise dispose of or transfer, or issue any options in respect of, ordinary shares in the capital of the company purchased by subsidiaries of the company,

for cash, to such person/s on such terms and conditions and at such times as the directors may from time to time in their discretion deem fit, subject to the Companies Act, 1973 (Act 61 of 1973), as amended, the articles of association of the company and its subsidiaries and the Listings Requirements of JSE Limited (“the JSE Listings Requirements”) from time to time.

The JSE Listings Requirements currently provide, *inter alia*, that:

- the securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- any such issue may only be made to “public shareholders” as defined in the JSE Listings Requirements and not to related parties;
- the number of ordinary shares issued for cash shall not in any one financial year in the aggregate exceed 50% (fifty percent) of the number of issued ordinary shares. The number of ordinary shares which may be issued shall be based, *inter alia*, on the number of ordinary shares in issue, added to those that may be issued in future (arising from the conversion of options/convertibles) at the date of such application, less any ordinary shares issued, or to be issued in future arising from options/convertible ordinary shares issued during the current financial year; plus any ordinary shares to be issued pursuant to a rights issue which has been announced, is irrevocable and is fully underwritten, or an acquisition which has had final terms announced;
- this general authority will be valid until the earlier of the company’s next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given;
- an announcement giving full details, including the impact on net asset value per share, net tangible asset value per share, earnings per share and headline earnings per share and, if applicable, diluted earnings and headline earnings per share, will be published when the company has issued ordinary shares representing, on a cumulative basis within 1 (one) financial year, 5% (five per cent) or more of the number of ordinary shares in issue prior to the issue;
- in determining the price at which an issue of ordinary shares may be made in terms of this authority, the maximum discount permitted will be 10% (ten per cent) of the weighted average traded price on the JSE Limited of the ordinary shares over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the issuer and the party subscribing for the securities; and
- whenever the company wishes to use ordinary shares, held as treasury stock by a subsidiary of the company, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of ordinary shares.”

Under the JSE Listings Requirements, Ordinary Resolution Number 2 must be passed by a 75% (seventy five) majority of the votes cast in favour of the resolution by all members present or represented by proxy at the Annual General Meeting.

---

## Notice of annual general meeting continued

### **SPECIAL RESOLUTION NUMBER 1**

#### **General approval to acquire shares**

10. “Resolved, by way of a general approval that B&W Instrumentation and Electrical Limited (“the company”) and/or any of its subsidiaries from time to time be and are hereby authorised to acquire ordinary shares in the company in terms of sections 85 to 89 of the Companies Act, 1973 (Act 61 of 1973), as amended, the articles of association of the company and its subsidiaries and the Listings Requirements of JSE Limited (“the JSE”) (“the JSE Listings Requirements”) from time to time.

The JSE Listings Requirements currently provide, *inter alia*, that:

- the acquisition of the ordinary shares must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counter party;
- this general authority shall only be valid until the earlier of the company’s next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date of passing of this special resolution;
- in determining the price at which the company’s ordinary shares are acquired in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten per cent) of the weighted average of the market value at which such ordinary shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date on which the transaction is effected;
- the acquisitions of ordinary shares in the aggregate in any one financial year may not exceed 20% (twenty per cent) of the company’s issued ordinary share capital;
- the company or its subsidiaries may not acquire ordinary shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements;
- the repurchase of ordinary shares may only be undertaken if, after such repurchase, the company will still comply with paragraphs 3.37 to 3.41 of the JSE Listings Requirements concerning shareholder spread;
- an announcement will be published once the company has cumulatively repurchased 3% (three percent) of the number of the ordinary shares in issue at the time this general authority is granted (“initial number”), and for each 3% (three percent) in aggregate of the initial number acquired thereafter; and
- at any point in time, the company may only appoint one agent to effect any acquisition/s on its behalf.”

#### **10.1 Reason for and effect of special resolution number 1**

The reason for and effect of this special resolution number 1 is to obtain an authority for, and to authorise, the company and the company’s subsidiaries, by way of a general authority, to acquire the company’s issued ordinary shares.

It is the intention of the directors of the company to use such authority should prevailing circumstances (including tax dispensations and market conditions) in their opinion so warrant it.

#### **10.2 Other disclosure in terms of Section 11.26 of the JSE Listings Requirements**

The JSE Listings Requirements require the following disclosure, which are contained in the annual report of which this notice forms part:

- directors and management – pages 5 to 7;
- major shareholders of B&W – page 50;
- directors’ interests in securities – page 24; and
- share capital of the company – page 25.

#### **10.3 Litigation statement**

There are no legal or arbitration proceedings against the company nor, as far as the directors are aware, are there any legal or arbitration proceedings pending or threatened against the company which may have, or have had, in the 12 months preceding the date of this annual report a material effect on the company’s financial position.

#### 10.4 Material change

There have been no material changes in the affairs or financial position of B&W and its subsidiaries since B&W's financial year-end and the date of this notice.

#### 10.5 Directors' responsibility statement

The directors, whose names are given on pages 5 to 7 of the annual report to which this notice is attached, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 1 and certify that to the best of their knowledge and belief there are no facts in relation to special resolution number 1 that have been omitted which would make any statement in relation to special resolution number 1 false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that special resolution number 1 together with this notice contains all information required by law and the JSE Listings Requirements in relation to special resolution number 1.

#### 10.6 Adequacy of working capital

At the time that the contemplated repurchase is to take place, the directors will ensure that, after considering the effect of the maximum repurchase and for a period of twelve months after the date of this notice of Annual General Meeting:

- the company and its subsidiaries will be able to pay their debts as they become due in the ordinary course of business;
- the consolidated assets of the company and its subsidiaries, fairly valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the company and its subsidiaries;
- the issued share capital and reserves of the company and its subsidiaries will be adequate for the purpose of the ordinary business of the company and its subsidiaries; and
- the working capital available to the company and its subsidiaries will be sufficient for the group's requirements.

The company may not enter the market to proceed with the repurchase until its Designated Adviser, Merchantec (Proprietary) Limited, has discharged of all of its responsibilities in terms of the JSE Listings Requirements insofar as they apply to working capital statements for the purposes of undertaking an acquisition of its issued ordinary shares.

### ORDINARY RESOLUTION NUMBER 3

#### Future remuneration of non-executive directors

11. "Resolved that with effect from 1 September 2008, the non-executive directors of B&W Instrumentation and Electrical Limited ("the company") will receive a fixed fee as remuneration in the amounts set out below:

Non-executive director	R10 000.00 per month
Audit committee chairman	R10 000.00 per meeting
Audit committee member	R10 000.00 per meeting
Remuneration committee member	R10 000.00 per meeting
Risk committee member	R10 000.00 per meeting"

### ORDINARY RESOLUTION NUMBER 4

#### Signature of documents

12. "Resolved that each director of B&W Instrumentation and Electrical Limited ("the company") be and is hereby individually authorised to sign all such documents and do all such things as may be necessary for or incidental to the implementation of those resolutions to be proposed at the Annual General Meeting convened to consider this

---

## Notice of annual general meeting continued

resolution which are passed, in the case of ordinary resolutions, or are passed and registered by the Companies and Intellectual Property Registration Office (formerly the Registrar of Companies), in the case of special resolutions.”

### 13. Other business

To transact such other business as may be transacted at the Annual General Meeting of the company.

### VOTING AND PROXIES

A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or proxies to attend and act in his/her stead. A proxy need not be a member of the company. For the convenience of registered members of the company, a form of proxy is attached hereto.

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

- hold ordinary shares in certificated form; or
- are recorded on the sub-register in “own name” dematerialised form.

Ordinary shareholders who have dematerialised their ordinary shares through a CSDP or broker without “own name” registration and who wish to attend the Annual General Meeting, must instruct their CSDP or broker to provide them with the relevant Letter of Representation to attend the meeting in person or by proxy and vote. If they do not wish to attend in person or by proxy, they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

Proxy forms should be forwarded to reach the transfer secretaries, Computershare Investor Services (Proprietary) Limited, at least 48 hours (excluding Saturdays, Sundays and public holidays) before the time of the meeting.

By order of the Board

### Master Business Associates VII (Proprietary) Limited

Company secretary

17 November 2008

Johannesburg

### Registered office

139 Everfair Avenue

Randjesfontein

Midrand 1685

(Private Bag X168, Halfway House, 1685)

### Transfer secretaries

Computershare Investor Services (Proprietary) Limited

Ground Floor, 70 Marshall Street

Johannesburg

PO Box 61051, Marshalltown, 2107

Telefax: 011 688 5200

## Form of proxy

### B&W INSTRUMENTATION AND ELECTRICAL LIMITED

Incorporated in the Republic of South Africa  
(Registration number 2001/008548/06)  
Share Code: BWI ISIN: ZAE000098687  
("B&W" or "the company")

For use only by ordinary shareholders who:

- hold ordinary shares in certificated form ("certificated ordinary shareholders"); or
- have dematerialised their ordinary shares ("dematerialised ordinary shareholders") and are registered with "own-name" registration,

at the Annual General Meeting of ordinary shareholders of the company to be held at The Ascot Mews Conference Centre, 19 Heidelberg Road, Newmarket, Alberton, at 10:00 on Monday, 19 January 2009 and any adjournment thereof.

Dematerialised ordinary shareholders holding ordinary shares other than with "own-name" registration who wish to attend the Annual General Meeting must inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the Annual General Meeting and request their CSDP or broker to issue them with the relevant Letter of Representation to attend the Annual General Meeting in person or by proxy and vote. If they do not wish to attend the Annual General Meeting in person or by proxy, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. **These ordinary shareholders must not use this form of proxy.**

I/We (BLOCK LETTERS please)

of (address)

Telephone work ( ) Telephone home ( )

being the holder/custodian of \_\_\_\_\_ ordinary shares in the company, hereby appoint (see note):  
1. \_\_\_\_\_ or failing him/her,

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

3. \_\_\_\_\_ the Chairperson of the meeting,  
as my/our proxy to attend and act for me/us on my/our behalf at the Annual General Meeting of the company convened for purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat ("resolutions") and at each postponement or adjournment thereof and to vote for and/or against such resolutions, and/or abstain from voting, in respect of the ordinary shares in the issued share capital of the company registered in my/our name/s in accordance with the following instructions:

	Number of ordinary shares		
	For	Against	Abstain
1. To receive, consider and adopt the annual financial statements of the company and group for the financial year ended 31 August 2008			
2. To approve the re-election as director of GMJ Breedts who retires by rotation			
3. To approve the re-election as director of DJ Evert who retires by rotation			
4. To approve the re-election as director of GWR Swanepoel who retires by rotation			
5. To approve the re-election as director of VS Vilakazi who retires by rotation			
6. To confirm the re-appointment of Certified Master Auditors Inc. as auditors of the company for the ensuing year			
7. To approve the non-executive directors' remuneration for the financial year ended 31 August 2008			
8. <b>Ordinary resolution number 1</b> Control of authorised but unissued ordinary shares			
9. <b>Ordinary resolution number 2</b> Approval to issue ordinary shares, and to sell treasury shares, for cash			
10. <b>Special resolution number 1</b> General approval to acquire shares			
11. <b>Ordinary resolution number 3</b> Approval of future remuneration of non-executive directors			
12. <b>Ordinary resolution number 4</b> Signature of documents			

Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable.

A member entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend and act in his stead. A proxy so appointed need not be a member of the company.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2008/2009

Signature \_\_\_\_\_ Assisted by (if applicable) \_\_\_\_\_

Please read the notes on the reverse.

---

## Notes to the form of proxy

1. The form of proxy must only be completed by shareholders who hold shares in certificated form or who are recorded on the sub-register in electronic form in "own name".
2. All other beneficial owners who have dematerialised their shares through a CSDP or broker and wish to attend the Annual General Meeting must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.
3. A shareholder entitled to attend and vote at the Annual General Meeting may insert the name of a proxy or the names of two alternate proxies of the shareholder's choice in the space provided, with or without deleting "the Chairperson of the meeting". The person whose name stands first on this form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those proxy(ies) whose names follow.
4. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. If an "X" has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholders or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
5. A vote given in terms of an instrument of proxy shall be valid in relation to the Annual General Meeting notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the ordinary shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall have been received by the transfer secretaries not less than forty eight hours before the commencement of the Annual General Meeting.
6. If a shareholder does not indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the Annual General Meeting be proposed, such proxy shall be entitled to vote as he/she thinks fit.
7. The Chairperson of the Annual General Meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
8. A shareholder's authorisation to the proxy including the Chairperson of the Annual General Meeting, to vote on such shareholder's behalf, shall be deemed to include the authority to vote on procedural matters at the Annual General Meeting.
9. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
10. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company's transfer secretaries or waived by the Chairperson of the Annual General Meeting.
11. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the transfer secretaries of the company.
12. Where there are joint holders of ordinary shares:
  - any one holder may sign the form of proxy;
  - the vote(s) of the senior ordinary shareholders (for that purpose seniority will be determined by the order in which the names of ordinary shareholders appear in the company's register of ordinary shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
13. Forms of proxy should be lodged with or mailed to Computershare Investor Services (Proprietary) Limited:

Hand deliveries to: Computershare Investor Services (Proprietary) Limited Ground Floor, 70 Marshall Street Johannesburg, 2001	Postal deliveries to: Computershare Investor Services (Proprietary) Limited PO Box 61051 Marshalltown, 2107
--	--

to be received by no later than 10:00 on Thursday, 15 January 2009 (or 48 hours before any adjournment of the Annual General Meeting, which date, if necessary will be notified on SENS).
14. A deletion of any printed matter and the completion of any blank space need not be signed or initialled. Any alteration or correction must be signed and not merely initialled.





---

## Administration

### COMPANY SECRETARY AND REGISTERED OFFICE

Master Business Associates VII (Proprietary) Limited  
139 Everfair Avenue  
Randjesfontein, Midrand, 1685  
(Private Bag X168, Halfway House, 1685)

### ATTORNEYS

Fluxmans Inc.  
11 Biermann Avenue, Rosebank  
Johannesburg, 2196  
(Private Bag X41, Saxonwold, 2132)

### TRANSFER SECRETARIES

Computershare Investor Services (Proprietary) Limited  
Ground Floor, 70 Marshall Street  
Johannesburg, 2001  
(PO Box 61051, Marshalltown, 2107)

### DESIGNATED ADVISER

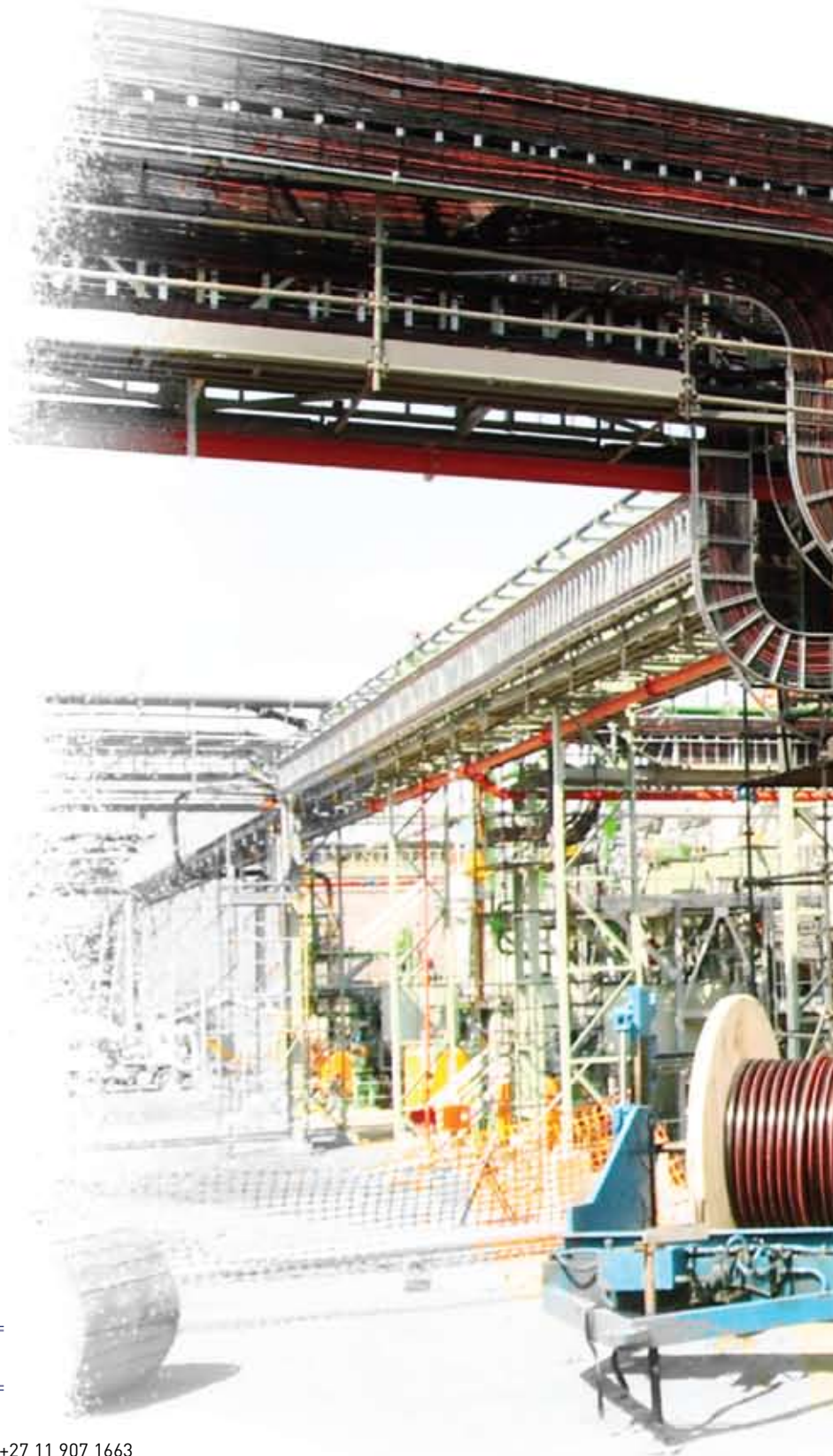
Merchantec (Proprietary) Limited  
2nd Floor, North Block  
Hyde Park Office Tower  
Corner 6th Road and Jan Smuts Avenue  
Johannesburg, 2196  
(PO Box 41480, Craighall, 2024)

### AUDITORS

Certified Master Auditors Inc.  
Chartered Accountants (SA)  
234 Alexandra Avenue  
Midrand, 1685  
(Private Bag X168, Halfway House, 1685)

### COMMERCIAL BANKER

First National Bank Limited Alberton  
Corner Voortrekker Road and Forest Street  
Alberton, 1449  
(PO Box 1040, Alberton, 1450)



Instrumentation and Electrical Limited

Address: 42 4th Avenue  
Alberton North  
PO Box 956, Alberton 1450

Telephone: +27 11 907 1663  
Facsimile: +27 11 907 1957  
[www.bwie.co.za](http://www.bwie.co.za)