

POWERFUL SOLUTIONS

ANNUAL REPORT 2009



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DEFINITIONS

"AltX"	The Alternative Exchange of the JSE Limited	"JSE"	JSE Limited
"B&W" or "the company"	B & W Instrumentation and Electrical Limited	"King II Report"	King Report on Corporate Governance for South Africa 2002
"BBBEE"	Broad-based black economic empowerment	"King III Report"	King Report on Corporate Governance for South Africa 2009
"the board"	The board of directors of B&W	"Listings Requirements"	Listings Requirements of the JSE Limited
"the current year"	The year ending 31 August 2010	"the previous year"	The year ended 31 August 2008
"Designated Adviser" or "DA"	Merchantec Capital	"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 2009
"IFRS"	International Financial Reporting Standards	"y-o-y"	year-on-year



FINANCIAL HIGHLIGHTS

- Revenue up **11.7%** y-o-y
- Operating profit **R76 million**
- Cash on hand **R140 million**
- Total dividend of **7.5 cents** (2008: 7 cents)
- Order book **R570 million**

GROUP PROFILE

Backed by a 36-year track record AltX-listed niche construction group B&W is one of the three largest E&I contractors in South Africa.

B&W listed on AltX in July 2007 and in 2008 was one of the top five share performers of newly listed companies on the JSE.

The group 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.

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

During the year the group achieved a '9EB' grading from the Construction Industry Development Board which enables the group to tender on projects of unlimited size and value. B&W is therefore well-positioned to take advantage of the ongoing government-led infrastructure investment.



CHAIRMAN'S AND MANAGING DIRECTOR'S REPORT

OPERATIONAL OVERVIEW

B&W managed to weather the economic downturn during the year despite the adverse effect of delays in a number of secured contracts. With these contracts now scheduled to begin during the 2010 financial year, and additional work secured by B&W during the year, the company has a record order book in hand of R570.0 million. In the absence of any further delays or postponements a large portion of the present order book will be executed during 2010.

Although the bulk of the group's revenue was still derived during the year from mining, a satisfactory proportion was also derived from infrastructure projects with the balance from the Oil & Gas industry.

The recession provided a good opportunity to review and refine operating procedures, which positively impacted the company's cash position.

FINANCIAL RESULTS

Notwithstanding the global financial crisis and in particular the weakening of resources prices, the group recorded 11.7% growth in revenue for the year.

Net profit after tax (NPAT) and earnings per share (EPS) remained relatively flat at R59.3 million and 29.64 cents per share, respectively.

Headline earnings per share ("HEPS") of 29.76 cents per share compared favourably with the prior year (2008: 29.0 cents).

Emphasis on cash conservation led to improved working capital which helped support a strong balance sheet for long-term growth and sustainability.

Positive cashflow was recorded throughout the year and the company ended the year with R140.0 million cash on hand.

Notwithstanding that the short-term outlook remains cautious, the directors have declared a final dividend of 5.0 cents per share in line with the company's



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

stated dividend policy, bringing the total dividend for the year to 7.5 cents per share. The dividend is considered prudent in light of the group's performance and medium- to longer-term prospects. The dividends will be financed out of B&W's free cashflow.

PROSPECTS

The record order book in hand at the start of the 2010 financial year, together with a successful restructuring and restriction of fixed costs and healthy cashflow, should serve the group well and boost results for the year ahead.

However, it is important to take into account that intensifying competition for tenders has become increasingly evident over the last six months resulting in pressured margins. This trend is expected to continue for the foreseeable future. B&W is addressing the challenge by continually re-assessing and streamlining operational procedures for greater efficiency.

We anticipate only a marginal to moderate recovery in the E&I Industry during 2010. Further, 2011 and 2012 are expected to remain difficult for the construction industry generally with margins under continued pressure.

Despite this reserved outlook for the short-term, the overall project pipeline in E&I continues to indicate reasonable opportunities, mainly in the Mining industry over the medium-term with Oil & Gas opportunities arising from around 2013/2014.

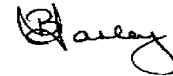
The majority of new work opportunities immediately available are South Africa-based. However, 65% of the company's present order book is situated in Africa and cross-border work is expected to continue making a significant contribution to the company's prospects over the medium- to longer-term.

B&W will therefore continue to pursue projects and opportunities in Africa. The company is currently executing two major projects in Madagascar and Mozambique where offices and subsidiaries have been established.

The prevailing economic climate is ripe to reveal acquisition opportunities which could see the company diversify into complimentary niche markets within the E&I industry and/or support expansion into Africa. B&W is currently continuing negotiations with the shareholders of Pontins (Proprietary) Limited ("Pontins"), as detailed in the results announcement dated 16 November 2009. Pontins is a leading earthing and lightning protection company which would add another niche service offering in support of B&W's existing electrical contracting business.

A handwritten signature in black ink, appearing to read 'J Barrow'.

John Barrow
Chairman

A handwritten signature in black ink, appearing to read 'B Harley'.

Brian Harley
Managing Director

17 November 2009

DIRECTORATE

EXECUTIVE DIRECTORS

JOHN BARROW (65)

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

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 (53)

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 (49)

NTC4

LOGISTICS DIRECTOR

Prior to his appointment as Logistics Director, Johan served as Proposals Director of the company from 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 (46)

B.Com (Acc)

FINANCIAL DIRECTOR

Danie has worked in the construction industry for over 24 years, five of which have been with B&W. 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 (55)

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 formerly for an international electrical equipment supply and construction company in various capacities.

KEN NEL (65)

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 formerly managed the marketing and strategic planning for various engineering companies.

DEAN NEVAY (40)

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 (45)

Pr.CM NHD (Building Science)

DEPUTY MANAGING DIRECTOR

Prior to his appointment as Deputy Managing Director in 2009 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 (49)

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 (38)

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 (73)

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 and Risk Committee.

WOLF WASSERMEIER (66)

Wolf has over 40 years' experience in the construction industry. He has held directorships at other SA 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.

ALTERNATE DIRECTORS

NEELS MINNIE (46)

(NFC3)

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 Moss gas and Engen.

JOHAN RALL (45)

(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 contracts manager for B&W for six years and now serves as a Project Director.

CORPORATE GOVERNANCE

HIGHLIGHTS

In their commitment to sound corporate governance principles the directors of B&W adhere to and have fully complied with the Code of Corporate Practices and Conduct set out in the King II Report. The board does not consider this a static responsibility. In line with developments in corporate governance in SA and internationally, the directors continually monitor compliance to ensure ongoing improvement of operational and corporate practices.

Advancements in B&W's corporate governance during the year included:

- Launch of a review of corporate governance in light of King III; and
- First annual board self-evaluation.

In anticipation of the introduction of the new Companies Act in 2010 and the launch in September 2009 of King III, the Audit and Risk Committee is currently conducting a review of the group's corporate governance in relation to the proposed new requirements. The Chairman and Managing Director are attending external seminars in this respect and are disseminating updated briefs for the board's comment. On completion of this exercise corrective action for areas requiring attention will be implemented.

The directors remain committed to identifying and mitigating significant risks, promoting sound decision-making and ensuring sustainable business practices underpinned by transparent communication with all stakeholders.

BOARD OF DIRECTORS

The unitary board is chaired by executive director John Barrow and further comprises eight executive directors, three non-executive directors, all of whom are independent, and two alternate directors. A brief curriculum vitae for each director is set out on pages 4 to 5 of the annual report. The composition of the board complies with the Listings Requirements of the JSE, specifically pertaining to AltX, in that at least one quarter (3/12) of the board is non-executive and independent ensuring that shareholders' interests are protected. The directors are cognisant of the need to increase the number of independent directors to address the imbalance of executive and non-executive directors in line with King recommendations. The directors are currently reviewing board composition in light of these recommendations.

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. All non-executive directors are sufficiently qualified to contribute their independent and objective knowledge and experience to board deliberations.

Non-executive directors have unrestricted access to management and the group's external auditors at any time. Further, all directors are entitled, at

the group's expense, to seek independent professional advice on any matters pertaining to the group where they deem this to be necessary.

In terms of the Articles of Association one third of the directors retire at each Annual General Meeting. Retiring directors are free to make themselves available for re-election at the Annual General Meeting, provided that they remain eligible as required by the Articles of Association and in compliance with the Listings Requirements. Directors JD Oosthuizen, DS Nevay, YU Mabandla and W Wassermeier will retire at the upcoming Annual General Meeting, and being eligible will offer themselves for re-election.

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 meetings for the year is set out below with the total number of meetings held in brackets:

Directors	Board meetings
LJ Barrow (<i>Chairman</i>)	8 (10)
BH Harley (<i>Managing Director</i>)	9 (10)
DJ Evert (<i>Financial Director</i>)	10 (10)
GMJ Breedt	9 (10)
T Lombard	7 (10)
YU Mabandla ^{^+}	8 (10)
CJ Minnie*	5 (10)
KE Nel	7 (10)
DS Nevay	9 (10)
JD Oosthuizen ^{^+}	9 (10)
HJ Rall*	6 (10)
GWR Swanepoel	8 (10)
VS Vilakazi	7 (10)
W Wassermeier ^{^+}	7 (10)

[^]Non-executive ⁺Independent *Alternate

A Board Charter codifies the board's composition, procedures, duties and responsibilities as well as provides guidelines for the appointment of directors, succession planning and directors' remuneration. It sets out the primary responsibilities of the board and includes regular review of strategic direction and performance against approved plans, budgets and best practice standards.

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.

To assist the board in discharging its duties, certain board responsibilities have been delegated to the Audit and Risk Committee and Remuneration Committee within a regulated framework of written authority. The board nonetheless recognises that it is ultimately accountable and responsible for the performance and affairs of the company and the group and that the use of these delegated authorities in no way absolves the board and its directors of the obligation to carry out their duties and responsibilities.

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, ensures 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. To this end going forward the group intends to send directors and management with access to price sensitive information an e-mail advising them that B&W is entering a closed period.

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.

Most board appointees are recruited from within the executive of the group and generally serve a prior period as alternate directors, during which they are made familiar with the group accounting practices and board procedures. 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

During the year the board conducted its first annual effectiveness evaluation reviewing its mix of skills, the contribution of individual directors, the effectiveness of its sub-committees, overall performance and corporate governance compliance. The evaluation exercise was led by the Chairman and a report containing recommendations was distributed to the board as a whole.

The Chairman also assessed the performance of the Managing Director and other executive directors.

SUCCESSION PLANNING

B&W continually seeks to identify suitable candidates within the group to train and mentor for succession to senior management and the board. Successors have been identified to all management positions from senior management to site managers, and career paths mapped out. Succession planning is carried through down the line – following the appointment in the previous year of a General Manager who will succeed the Managing Director, during the year under review an Operations Manager was appointed in turn to succeed the General Manager.

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. The company secretary provides directors and senior managers with regular updates on regulatory or legislative changes, including in respect of corporate governance matters. Short courses on various relevant topics are also attended by board members on the recommendation of the company secretary.

BOARD COMMITTEES

The Audit and Risk Committee and Remuneration Committee assist the board in discharging its responsibilities. These committees enhance governance and contribute to the performance of the group. Each committee is governed by a formal charter. The members and chairpersons of all board committees attend Annual General Meetings of the group to answer questions from shareholders pertaining to matters handled by their respective committees.

AUDIT AND RISK COMMITTEE

In April 2009 the Audit and Risk Committees were combined to eliminate duplication of effort. The members and attendees of the committees comprise the same directors and there was previously an overlap of the focus of the two committees.

The information below constitutes the report of the Audit and Risk Committee in respect of the year under review of the company, as required by section 270A of the Corporate Laws Amendment Act.

B&W complies with the most recent legislative requirements that the committee comprise only independent non-executive directors. In the year under review the committee was chaired by independent non-executive director JD Oosthuizen and consisted further of independent non-executive director W Wassermeier. The Managing Director, Financial Director, external auditors and Designated Adviser are invited to attend all meetings.

The committee met four times during the year and a record of attendance at meetings held is set out below with the total number of meetings held in brackets:

	Audit and Risk Committee meetings
Directors	
JD Oosthuizen ^{^+} (<i>Chairperson</i>)	4 (4)
W Wassermeier ^{^+}	4 (4)
R Pitt (<i>Designated Adviser</i>)	4 (4)
External Auditors – <i>When required</i>	4 (4)
DJ Evert – <i>By invitation</i>	4 (4)
BH Harley – <i>By invitation</i>	2 (4)

[^]Non-executive + Independent

CORPORATE GOVERNANCE CONTINUED

Prior to the merger with the Audit Committee, the Risk Committee met once. Attendance at that meeting is set out below:

Directors	Risk Committee meetings
BH Harley	1 (1)
DJ Evert	1 (1)
JD Oosthuizen ^{^+}	1 (1)
W Wassermeier ^{^+} (<i>Chairperson</i>)	1 (1)

[^]*Non-executive + Independent*

Although the current Audit and Risk Committee charter does comply materially with King II and the recommendations of King III, it will nonetheless be reviewed during the current year to improve in accordance with recent legislative and best practice developments.

The Charter 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:

- Confirming that adequate internal controls exist within the group to ensure that a separate internal audit function is not necessary;
- Reviewing and monitoring internal control procedures including accounting policies, legislative compliance, regulatory matters and governance;
- Recommending the appointment of external independent auditors for approval by shareholders and monitoring their performance and proposed audit scope and approach;
- Determining the fees payable to the external auditors;
- Setting the principles for recommending the external auditors for non-audit purposes;
- Fulfilling its fiduciary duties in respect of the external auditors;
- Advising and updating the board on issues ranging from accounting standards through implications of major financial transactions to published financial information;
- Monitoring compliance with the Code of Ethics by executives and senior officials and identifying any violations of ethical conduct;
- Liaising with the board in respect of the company's communication with its shareholders; and
- Reviewing the group's compliance with laws and regulations.

The committee considered the independence of the external auditors, Certified Master Auditors Inc. in accordance with section 270A of the Corporate Laws Amendment Act and was of the view that the external auditors were independent of the company. The committee nominated, subject to the endorsement of the board and the approval of shareholders, the re-appointment of Certified Master Auditors Inc. and George Davias as

the independent registered audit firm and the individual registered auditor of the company, respectively.


The company's policy on non-audit services, which is reviewed annually by the committee, sets out which services may or may not be provided by the company's external auditors.

In addition the Audit and Risk Committee assists the board with supervision of the group risk framework. Its duties and responsibilities in this regard 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 risk identification and measurement methodologies;
- Monitoring procedures to deal with and review the disclosure of information to clients;
- Liaising with the board in respect of the group's communication with its shareholders; and
- Reviewing the adequacy of the group's insurance cover.

The committee considered and is satisfied with the expertise and experience of the company's Financial Director, Danie Evert.

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 and Risk Committee which ensures that their independence is in no way impaired. The committee reports regularly to the board about activities, issues and related recommendations.



JD Oosthuizen

Audit and Risk Committee Chairman

RISK MANAGEMENT

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

Risk	Risk mitigation
Foreign currency fluctuations	Currency hedges
Client default	<ul style="list-style-type: none"> ■ Credit check (Professional and Credit Bureau) ■ Cherry-picking (blue chip clients) ■ Intensified emphasis on debt collections ■ Upfront contract payments in advance of commencement ■ Reducing retention book and freeing up cash flow by substituting bonds or guarantees for retentions wherever possible
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
Retirement, death or disablement of key staff	Succession planning
Increased competition	<ul style="list-style-type: none"> ■ Streamlining operational efficiency ■ Increasing market research ■ Intensifying marketing
Economic slowdown	<ul style="list-style-type: none"> ■ Intensifying marketing ■ Accessing new markets ■ Monitoring operational costs

REMUNERATION COMMITTEE

The Remuneration Committee is chaired by independent non-executive director YU Mabandla and further comprises independent non-executive director W Wassermeier, Financial Director DJ Evert and Executive Chairman LJ Barrow. JD Oosthuizen acts as an alternate committee member to W Wassermeier. Members who are executive directors of the company are precluded from deliberations regarding their respective remuneration.

During the year the committee met once and a record of attendance at the meeting is set out below with the total number of meetings held in brackets:

Directors	Remuneration Committee meetings
LJ Barrow	1 (1)
YU Mabandla ^{^+} (<i>Chairperson</i>)	1 (1)
W Wassermeier ^{^+}	0 (1)
DJ Evert – <i>By invitation</i>	1 (1)
JD Oosthuizen ^{^+} – <i>Alternative to W Wassermeier</i>	1 (1)

[^]Non-executive + Independent

The committee is committed to adhering to the principles of governance and Code of Best Practice. It has established a formal and transparent procedure

for devising a policy on executive remuneration and for fixing the remuneration packages of individual directors.

A formal Remuneration Charter tasks the committee with reviewing the group's remuneration policy. This includes annually assessing executive remuneration and the general policy on executive and senior management remuneration as well as ensuring that this policy supports the company strategy outlined by the Managing Director. The committee determines any criteria necessary to measure the performance of executives and directors in discharging their functions and responsibilities.

REMUNERATION PHILOSOPHY

When assessing remuneration levels the Remuneration Committee takes into account organisational size coupled with job responsibility and the nature of the business, market circumstances and recommendations by consultants, if any. In addition the individual's value to the group and to the division; his/her effectiveness in performance of responsibilities and exceptional effort are considered. 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 requires explanation by the board.

Executive directors do not receive annual bonuses. Other bonuses are paid where merited, on a project basis. Senior Operational Managers

CORPORATE GOVERNANCE CONTINUED

are incentivised by the award of bonuses if their operational outcomes exceed budget.

INTERNAL CONTROL

The board is also responsible for the group's systems of internal control and is again assisted in this regard by the Audit and 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. During the year B&W appointed an independent IFRS expert to assist directors in ensuring full compliance. The preparation of the annual financial statements remains the responsibility of the directors.

The board evaluates the independence and effectiveness of the external auditors and considers whether any non-audit services rendered by such auditors substantively impair their independence. If this is found to be the case, appropriate corrective action is 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 ISO9001:2000 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.

The Chairman, Managing Director and Financial Director further meet with major shareholders, institutional investors and analysts on an ongoing basis but especially twice a year following interim and annual results. Where appropriate they liaise with the financial press in order to ensure accurate reporting. Company announcements are published on SENS and are available on B&W's website. When appropriate, these announcements may be printed in national newspapers at B&W's election. Financial results announcements are also posted to shareholders, who are further encouraged to attend the Annual General Meeting to enhance interaction with the board.

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. The accredited union represented on this Council is the South African Equity Workers Union (SAEWU).

CODE OF ETHICS ("THE CODE")

B&W is committed to conducting its business with integrity and its business ethics are formalised in the Code. The Code has been distributed to all employees and applies across the board to all directors, officers and employees in the group. The group companies' disciplinary codes and procedures further ensure compliance with the underlying policies and practices contained in the Code.

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 and Safety' and 'Sound Environmental Practices'.

SUSTAINABILITY REPORT

The directors acknowledge sustainable transformation as a business imperative and therefore prioritise social and environmental practices alongside financial reporting. The group has in place processes, programmes and initiatives to ensure that all components of sustainability are appropriately and adequately addressed.

King III and the new Companies Act, the latter to come into effect in 2010, further emphasise the importance of triple-bottom line policies and reporting for long-term success.

BBBEE

B&W fully supports BBBEE and has adopted a strategy that will ensure compliance with the Department of Trade and Industry's BBBEE Codes of Good Practice ("The Codes"). Currently B&W is rated as a 'Level 6' contributor in terms of the Codes. Accordingly 60% of client spend can be counted as spend with a BEE company. B&W is currently in the process of being re-assessed in line with the construction sector code which became effective in June 2009. The group is aiming to improve to a 'Level 5' contributor rating in the short-term.

EQUITY OWNERSHIP AND CONTROL

An Employee Trust established in September 2006 owns an unencumbered 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). Currently 10.99% of the group's equity is black-owned. This constitutes 19.75% of the shareholders by number.

Of the group's current staff complement over 85% is black. 50% of staff at a skilled and supervisory level is black.

EMPLOYMENT EQUITY

The group is committed to non-discriminatory employment practices that recognise and reward initiative, effort and merit across the board while at the same time prioritising the advancement of designated groups. In addition the group aims to employ physically disadvantaged persons in appropriate positions where their disabilities will not constitute a danger to themselves or fellow employees.

Employment equity targets are in place and the group submits the required reports to the relevant authorities. The targets are communicated to employees through regular newsletters. B&W's progress towards achieving these is set out below:

Category/Level	2008/9	Target 2009/10
	%	%
Top management	17	17
Senior management	4	8
Professionally qualified	38	45
Skilled and supervisory	50	55
Semi-skilled	89	89
Unskilled	99	99
Disabled	—	—

SKILLS DEVELOPMENT AND TRAINING

B&W operates in the highly specialised field of E&I and is committed to developing a skills pool for the group and to enriching the wider industry. To this end B&W has a training facility in Trichardt which is 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. Further the group is currently establishing a new training and assessment centre for short practical courses at its Head Office.

During the year 1 461 employees, of whom 90% was black, benefited from internal skills and development programmes at a total cost to B&W of R1.2 million.

In addition the training and development courses below were completed. 98% of attendees was black:

- Learnership in Electrical Construction NQF Levels 2, 3 and 4;
- Coach the learner NQF Level 4;
- Single phase and installation regulations;
- Microsoft – Excel 1 and 2;
- Microsoft – Project;
- Management/Stores Diploma (Damelin); and
- MBA Diploma (UNISA).

The cost of these training and development courses amounted to R1.9 million.

PREFERENTIAL PROCUREMENT

B&W is committed to broadening its supplier base with empowered enterprises and individuals who can supply goods and services on a preferred basis. The company has implemented an affirmative procurement initiative to increase expenditure with enterprises that have made significant progress in the area of BBBEE. The group has an approved vendor list which is updated each quarter.

ENTERPRISE DEVELOPMENT

One of B&W's primary BBBEE focuses is enterprise development. B&W sub-contracts sections of work and the contractors are assessed and mentored in 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 in which B&W and the successful contractors will become shareholders.

SAFETY, HEALTH AND ENVIRONMENT

The group is committed to a safe and healthy working environment and ensures B&W's strict compliance with the South African Occupational Health and Safety Act, 1993, and regulations. 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 group's achievements in this regard were recognised by the award of a NOSA 5 star safety rating at its Head Office in Alberton, and a

SUSTAINABILITY REPORT CONTINUED

NOSCAR and NOSA 5 star safety rating at the Trichardt Office at Sasol Secunda. These highest possible ratings reflect B&W's commitment to the highest standards of health and safety.

Safety is an integral part of each project and on commencement all risks are identified by a risk assessment team consisting of the supervisor in charge and a safety officer. A dedicated safety officer is appointed for each site with more than one being appointed on bigger projects. In addition each employee is responsible for his/her own safety and is encouraged to participate in the risk identification process.

Each site and client has specific health and safety courses that need to be taken by the various levels of B&W staff before projects commence. These include but are not limited to:

- First aid (levels 1 to 3);
- Specific Safety Training for Construction Supervisors;
- Incident Causation Analysis Techniques;
- Legal liability awareness;
- Fall protection training; and
- Site specific safety training.

Identified risks are then categorised by severity and are accordingly 'transferred, treated or tolerated'. Risks that cannot be managed in this way are tabled in a risk assessment which details the severity of each risk and the control measures used to minimise the possible occurrence of an incident.

B&W has not experienced any serious injuries during the year. Minor injuries and first aid cases were effectively managed and treated. The group is committed to maintaining its outstanding current Disabling Injury Frequency Rate (DIFR) for the year of 0.00.

HIV/AIDS

B&W recognises the potential effects of HIV/AIDS on its employees and the community at large. The formal policy in this regard provides guidelines for group employees on matters surrounding prevention of the disease; elimination of unfair discrimination in the workplace; assistance of infected employees to obtain care and support; and generally forging a spirit of openness, support and co-operation.

The group is further 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. To raise awareness and encourage prevention of HIV/AIDS the group is embarking on a programme where all employees will be exposed to HIV/AIDS DVD's. In addition B&W regularly distributes pamphlets and provides free condoms.

ENVIRONMENT

B&W has a formal environmental policy in place outlining the procedure for identifying, eliminating and managing environmental issues that may arise as a result of the execution of projects. 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. B&W bases environmental management on its standard environmental plan which is then modified on each project to align with the client's specific environmental procedures and practices. The safety officer is generally responsible for the day-to-day environmental management on each project unless the client specifies otherwise. B&W is committed to adhering to the Environmental Management Plans of its clients and all relevant environmental legislation.

CORPORATE SOCIAL INVESTMENT ("CSI")

During the year the group continued its contribution to various CSI projects to encourage empowerment and assist primarily the children of SA. All potential beneficiaries are referred to the board for decision as a whole. They are identified on an ad-hoc basis with preference given to organisations that are linked to or benefit employees or relatives of employees.

Beneficiaries during the year included:

Children

- Oliver's House is a charity organisation situated in Benoni, Gauteng which manages two feeding programmes, a children's care centre, an education centre and a computer training centre;
- Girls and Boys Town is a non-profit organisation that focuses on the development and strengthening of youth, families and communities in difficulty;
- Ocean Fund provides shelter and care for underprivileged children in Daveyton;
- The Purple Heart Foundation in Johannesburg assists disabled children and abused animals;
- A school at Xinavane, Mozambique which now has improved facilities following sponsorship of extensive renovations; and
- Deo Gloria House provides care and shelter for homeless and abused children in Krugersdorp.

The elderly

- Johannesburg Care for the Aged; and
- Vergenoeg vir Elders.

Community support and development

- Bread Trust Feeding Scheme from Lenasia, which bakes and distributes bread daily through various non-government and welfare organisations at no cost;
- Support and Care Foundation which supplies wheelchairs to disabled persons;
- Madagascar Fire which received assistance with reconstruction of the local community and aid to the homeless; and
- AYDC in Alexandra Township which assists members of the Alexandra community in need.

Sponsorships

- SA Life Savers Association
- Netcare 911
- Various Charity Golf Days

ANNUAL FINANCIAL STATEMENTS

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DIRECTORS' STATEMENT OF RESPONSIBILITY

The annual financial statements, which are presented on pages 16 to 50, 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 15.

The annual financial statements were approved by the board of directors on 13 November 2009 and are signed on its behalf by:



John Barrow
Chairman

17 November 2009



Brian Harley
Managing Director

DECLARATION BY COMPANY SECRETARY

In our capacity as company secretary, we declare that for the year ended 31 August 2009 the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of Section 268G(d) of the Companies Act, 1973, as amended, and that such returns are true, correct and up to date.



Master Business Associates Secretarial Services (Proprietary) Limited
Company secretary

17 November 2009

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 2009, 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 16 to 50.

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 2009, 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.

A handwritten signature in black ink, appearing to be 'G. J. J. J.', is written over a light blue circular background.

Certified Master Auditors Inc.

17 November 2009

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 & Gas and Food & 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 5.0 cents per share, which together with the interim dividend of 2.5 cents per share paid on 25 May 2009, amounts to approximately 25% of NPAT for the year.

It is the company's policy that a similar proportion of NPAT be declared as an annual dividend in future years.

ACCOUNTING POLICIES

The annual financial statements, which are presented on pages 16 to 50, 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 22 to 30 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 on pages 4 and 5 of the annual report of which this Directors' Report forms part.

DIRECTORS' SHAREHOLDING

At year-end the directors held 131 176 450 shares in the issued share capital of the company as set out below:

	Direct shareholding		Indirect shareholding			Total '000
	Beneficial '000	Non-beneficial '000	Beneficial '000	Non-beneficial '000	Allocated in terms of share purchase scheme '000	
2009						
LJ Barrow	500		38 040			38 540
BH Harley	12 680					12 680
DJ Evert	250				1 130	1 380
GMJ Breedt	4 250		8 430			12 680
T Lombard	4 426		8 430			12 766
YU Mabandla [^]					50	50
CJ Minnie [*]					1 130	1 130
KE Nel	12 680					12 680
DS Nevay	4 250		8 430			12 680
JD Oosthuizen [^]					50	50
HJ Rall [*]					1 130	1 130
GWR Swanepoel	4 250		8 430			12 680
VS Vilakazi		12 680				12 680
W Wassermeier [^]					50	50

[^]Independent ^{*}Alternate

	Direct shareholding		Indirect shareholding			Total '000
	Beneficial '000	Non-beneficial '000	Beneficial '000	Non-beneficial '000	Allocated in terms of share purchase scheme '000	
2008						
LJ Barrow			42 000			42 000
BH Harley	14 000					14 000
GMJ Breedt	4 250		9 750			14 000
T Lombard	4 250		9 750			14 000
DJ Evert			500		630	1 130
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

*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 29 to the annual financial statements.

COMPANY SECRETARY

The secretary of the company is Master Business Associates Secretarial Services (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

A special resolution to grant B&W the authority to acquire ordinary shares in the company was passed at the Annual General Meeting on 19 January 2009.

SHARE CAPITAL

On 1 September 2009 the authorised share capital of the company comprised 500 000 000 ordinary shares, of which 207 795 000 were in issue.

During the year 3 805 000 ordinary shares were allocated to key members of staff in terms of the company's assisted share purchase scheme. None of the shares were transferred or cancelled during the year.

At 31 August 2009 the aggregate number of ordinary shares in issue was accordingly 207 795 000.

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

POST-BALANCE SHEET EVENTS

Subsequent to year-end a final dividend of 5.0 cents per share, payable on 14 December 2009, was approved by the board of directors (see 'Dividend' above).

Johannesburg
17 November 2009

BALANCE SHEETS

At 31 August 2009

	Notes	GROUP		COMPANY	
		2009 R	2008 R	2009 R	2008 R
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	2	27 361 851	10 560 533	22 039 921	8 952 681
Investments in subsidiaries	3	–	–	32 085	32 085
Deferred tax	7	3 041 468	–	–	–
Retention debtors	8	20 176 893	13 748 843	13 595 505	13 748 843
		50 580 212	24 309 376	35 667 511	22 733 609
CURRENT ASSETS					
Inventories	9	2 083 712	4 689 671	2 083 712	4 689 671
Loans to related parties	5	–	940 393	47 054 257	19 935 401
Trade and other receivables	10	189 594 429	120 683 626	162 058 809	92 064 662
Cash and cash equivalents	11	139 763 605	110 627 096	109 861 010	101 361 662
		331 441 746	236 940 786	321 057 788	218 051 396
Total assets		382 021 958	261 250 162	356 725 299	240 785 005
EQUITY AND LIABILITIES					
EQUITY					
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT					
Share capital	12	32 284 856	32 284 856	43 554 056	38 988 056
Retained income		123 770 726	79 494 063	123 680 379	78 948 163
Minority interest	13	7 618	324	–	–
		156 063 200	111 779 243	167 234 435	117 936 219
LIABILITIES					
NON-CURRENT LIABILITIES					
Deferred tax	7	682 024	557 265	682 024	557 265
CURRENT LIABILITIES					
Loans from related parties	5	1 029 559	1 185 247	1 029 559	2 370 493
Other financial liabilities	14	78 016 621	–	70 302 014	–
Current tax payable		6 065 528	18 129 545	2 950 279	17 834 616
Trade and other payables	16	126 295 039	116 717 683	100 657 001	89 205 233
Deferred tax	7	9 967 398	11 050 579	9 967 398	11 050 579
Provisions	15	3 902 589	1 830 600	3 902 589	1 830 600
		225 276 734	148 913 654	188 808 840	122 291 521
Total liabilities		225 958 758	149 470 919	189 490 864	122 848 786
Total equity and liabilities		382 021 958	261 250 162	356 725 299	240 785 005
Number of shares in issue at year-end	12	200 000 000	200 000 000	207 795 000	203 990 000
Net asset value per share (cents)		78.03	55.89	80.48	57.81
Net tangible asset value per share (cents)		78.03	55.89	80.48	57.81

INCOME STATEMENTS

For the year ended 31 August 2009

	Notes	GROUP		COMPANY	
		2009 R	2008 R	2009 R	2008 R
Contract revenue	18	502 839 968	450 333 491	445 727 034	407 116 577
Cost of contracts	19	(397 062 371)	(350 730 640)	(340 703 699)	(310 106 540)
GROSS PROFIT		105 777 597	99 602 851	105 023 335	97 010 037
Other income		1 279 092	4 774 537	662 951	4 774 537
Operating expenses		(31 506 345)	(29 021 166)	(30 402 833)	(28 309 961)
OPERATING PROFIT	20	75 550 344	75 356 222	75 283 453	73 474 613
Investment income	21	7 750 488	7 368 294	8 584 996	7 793 746
Finance costs	22	(386 140)	(432 315)	(159 584)	(205 760)
PROFIT BEFORE TAXATION		82 914 692	82 292 201	83 708 865	81 062 599
Taxation	23	(23 630 735)	(24 456 390)	(23 582 274)	(23 553 562)
Profit for the year		59 283 957	57 835 811	60 126 591	57 509 037
Attributable to:					
Equity holders of the parent		59 276 663	57 835 487	60 126 591	57 509 037
Minority Interest		7 294	324	–	–
EARNINGS PER SHARE					
Basic EPS (cents)	36	29.64	28.92	29.07	28.33

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 August 2009

	Share capital R	Share premium R	Treasury shares R	Total share capital R	Retained income R	Total attributable to equity holders of the group/ company R	Minority interest R	Total equity R
GROUP								
BALANCE AT 1 SEPTEMBER 2007	2 000	32 282 856	–	32 284 856	32 658 576	64 943 432	–	64 943 432
Changes in equity								
Profit for the year	–	–	–	–	57 835 487	57 835 487	324	57 835 811
Issue of shares	40	6 703 160	–	6 703 200	–	6 703 200	–	6 703 200
Treasury shares	–	–	(6 703 200)	(6 703 200)	–	(6 703 200)	–	(6 703 200)
Dividends	–	–	–	–	(11 000 000)	(11 000 000)	–	(11 000 000)
Total changes	40	6 703 160	(6 703 200)	–	46 835 487	46 835 487	324	46 835 811
BALANCE AT 1 SEPTEMBER 2008	2 040	38 986 016	(6 703 200)	32 284 856	79 494 063	111 778 919	324	111 779 243
Changes in equity								
Profit for the year	–	–	–	–	59 276 663	59 276 663	7 294	59 283 957
Issue of shares	38	4 565 962	–	4 566 000	–	4 566 000	–	4 566 000
Treasury shares	–	–	(4 566 000)	(4 566 000)	–	(4 566 000)	–	(4 566 000)
Dividends	–	–	–	–	(15 000 000)	(15 000 000)	–	(15 000 000)
Total changes	38	4 565 962	(4 566 000)	–	44 276 663	44 276 663	7 294	44 283 957
BALANCE AT 31 AUGUST 2009	2 078	43 551 978	(11 269 200)	32 284 856	123 770 726	156 055 582	7 618	156 063 200
Notes	12	12	12	12			13	

	Share capital R	Share premium R	Total share capital R	Retained income R	Total attributable to equity holders of the group/ company R	Minority interest R	Total equity R
COMPANY							
BALANCE AT 1 SEPTEMBER 2007	2 000	32 282 856	32 284 856	32 658 576	64 943 432	–	64 943 432
Changes in equity							
Profit for the year	–	–	–	57 509 037	57 509 037	–	57 509 037
Issue of shares	40	6 703 160	6 703 200	–	6 703 200	–	6 703 200
Dividends	–	–	–	(11 219 450)	(11 219 450)	–	(11 219 450)
Total changes	40	6 703 160	6 703 200	46 289 587	52 992 787	–	52 992 787
BALANCE AT 1 SEPTEMBER 2008	2 040	38 986 016	38 988 056	78 948 163	117 936 219	–	117 936 219
Changes in equity							
Profit for the year	–	–	–	60 126 591	60 126 591	–	60 126 591
Issue of shares	38	4 565 962	4 566 000	–	4 566 000	–	4 566 000
Dividends	–	–	–	(15 394 375)	(15 394 375)	–	(15 394 375)
Total changes	38	4 565 962	4 566 000	44 732 216	49 298 216	–	49 298 216
BALANCE AT 31 AUGUST 2009	2 078	43 551 978	43 554 056	123 680 379	167 234 435	–	167 234 435
Notes	12	12	12				

CASH FLOW STATEMENTS

For the year ended 31 August 2009

	Notes	GROUP		COMPANY	
		2009 R	2008 R	2009 R	2008 R
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	24	17 943 428	90 426 636	23 946 094	89 452 663
Interest income	21	7 750 488	7 368 294	8 584 996	7 793 746
Finance costs	22	(386 140)	(432 315)	(159 584)	(205 760)
Tax paid	25	(39 694 641)	(10 229 995)	(39 425 032)	(9 622 096)
Net cash from operating activities		(14 386 865)	87 132 620	(7 053 526)	87 418 553
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	2	(20 591 704)	(5 792 694)	(15 538 746)	(3 985 965)
Sale of property, plant and equipment	2	313 751	22 167	77 771	22 167
Loans to group companies repaid		(1 185 246)	–	(2 370 493)	–
Loans advanced to group companies		–	6 278 513	(28 059 249)	(11 531 248)
Proceeds from loans from group companies		1 969 952	–	1 969 952	–
Realisation of foreign exchange contract		–	433 314	–	433 314
Investment in subsidiaries	3	–	–	–	(32 085)
Net cash from investing activities		(19 493 247)	941 300	(43 920 765)	(15 093 817)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds on share issue	12	–	–	4 566 000	6 703 200
Proceeds from other financial liabilities		78 016 621	–	70 302 014	–
Dividends paid	26	(15 000 000)	(11 000 000)	(15 394 375)	(11 219 450)
Net cash from financing activities		63 016 621	(11 000 000)	59 473 639	(4 516 250)
TOTAL CASH MOVEMENT FOR THE YEAR					
		29 136 509	77 073 920	8 499 348	67 808 486
Cash at the beginning of the year		110 627 096	33 553 176	101 361 662	33 553 176
Total cash at end of the year	11	139 763 605	110 627 096	109 861 010	101 361 662

ACCOUNTING POLICIES

1. PRESENTATION OF COMPANY AND GROUP ANNUAL FINANCIAL STATEMENTS

The annual financial statements of the group and company have been prepared in accordance with International Financial Reporting Standards, Interpretations issued by the International Financial Reporting Interpretations Committee, and the Companies Act No. 61 of South Africa, 1973 (as amended). The company and group annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

1.1 SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION

In preparing the company and group annual financial statements, management is required to make estimates and assumptions that affect the amounts presented in the company and group annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the company and group annual financial statements. Significant judgements include:

ALLOWANCE FOR SLOW MOVING, DAMAGED AND OBSOLETE INVENTORY

An allowance for inventory to write inventory down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down, where applicable, is included in the operating profit note.

IMPAIRMENT TESTING

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values. These calculations require the use of estimates and assumptions.

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairments may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

PROVISIONS

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 15 – Provisions.

TAXATION

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the balance sheet date could be impacted.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is depreciated over its useful life taking into account residual values, where appropriate. Assessments of useful lives and residual values are performed annually after considering factors such as technological innovation, maintenance programmes, relevant market information and management consideration. In assessing residual values, the group considers the remaining life of the asset, its projected disposal value and future market conditions.

1.2 PROPERTY, PLANT AND EQUIPMENT

The cost of an item of property, plant and equipment 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 an item of property, plant and equipment 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 property, plant and equipment, the carrying amount of the replaced part is derecognised.

All property, plant and equipment are initially recorded at cost, less accumulated depreciation and accumulated impairment losses. Property, plant and equipment is subsequently carried at cost less accumulated depreciation and any impairment losses.

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 depreciation charge for each period is recognised in profit or loss, unless it is included in the carrying amount of another asset. The estimated useful lives of the assets are as indicated below:

Item	Average useful life
Land	Not depreciated
Buildings	50 years
Plant and equipment	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 residual value and the useful life of each asset are reviewed at each financial period-end.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

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.

1.3 INVESTMENTS IN SUBSIDIARIES

GROUP ANNUAL FINANCIAL STATEMENTS

The group annual financial statements include those of the holding company and its subsidiaries. The results of the subsidiaries are included from the effective date of acquisition.

On acquisition the group recognises the subsidiary's identifiable assets, liabilities and contingent liabilities at fair value, except for assets classified as held-for-sale, which are recognised at fair value less costs to sell.

COMPANY ANNUAL FINANCIAL STATEMENTS

In the company's separate annual financial statements, 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.

1.4 INVESTMENT IN JOINT VENTURES

GROUP ANNUAL FINANCIAL STATEMENTS

An investment in a joint venture is accounted for using the proportionate consolidation method, except when the asset is classified as held-for-sale. Under the proportionate consolidation method the group's share of each of the assets, liabilities, income and expenses of the investment is combined line by line with similar items in the group. The use of proportionate consolidation is discontinued from the date on which it ceases to have joint control over a jointly controlled entity.

COMPANY ANNUAL FINANCIAL STATEMENTS

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 company'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.

ACCOUNTING POLICIES CONTINUED

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.

1.5 BASIS OF CONSOLIDATION

The group consolidates all of its subsidiaries, joint ventures and special purpose trusts which it controls. Accounting policies are applied consistently in all group companies.

The results of subsidiaries, joint ventures and trusts are included from the effective date of acquisition up to the effective date of disposal. Where subsidiaries have a different statutory financial year end, their results are included on a basis consistent with the period of the company's financial year.

All intragroup balances, transactions, income and expenses, and profit and losses, resulting from intragroup transactions, are eliminated in full.

1.6 FINANCIAL INSTRUMENTS

INITIAL RECOGNITION AND MEASUREMENT

Financial instruments are recognised initially when the company or group becomes a party to the contractual provisions of the instruments.

The company or group 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 instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

LOANS TO (FROM) RELATED PARTIES

These include loans to and from subsidiaries, joint ventures and other related parties and are recognised initially at fair value plus direct transaction costs.

Loans to related parties are classified as loans and receivables.

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.

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.

RETENTION DEBTORS

These financial assets are classified as loans and receivables and accordingly are initially recognised at fair value and subsequently measured at amortised cost.

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 90 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 uncollectible, 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.

BORROWINGS

Borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's or group's accounting policy for borrowing costs.

OTHER FINANCIAL LIABILITIES

Other financial liabilities of the group and company are initially recognised at fair value and subsequently measured at amortised cost.

OFFSET

Financial assets and liabilities are disclosed separately on the balance sheet unless a legally enforceable right for setoff exists and there is an intention to settle the liability and realise the asset simultaneously, or to settle on a net basis.

DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

A financial asset is derecognised when the right to receive cash from the asset has expired, or the group or company has transferred the asset and the transfer qualifies for derecognition. A transfer qualifying for derecognition occurs when the group or company transfers the contractual rights to receive the cash flows of the financial asset, or retains the rights but assumes a contractual obligation to pay those cash flows in full to a third party.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or has expired.

An exchange between the group and an existing lender of debt instruments with substantially different terms or a substantial modification to an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The resulting difference between the carrying value on derecognition of the financial instrument and the amount received or paid is taken to the income statement

1.7 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.

ACCOUNTING POLICIES CONTINUED

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.

1.8 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

OPERATING LEASES – LESSEE

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.9 INVENTORIES

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis. The same cost formula is used for all inventories having a similar nature and use to the entity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in-first-out (FIFO) formula.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Small tools are transferred to the cost of a contract as and when consumed.

1.10 IMPAIRMENT OF ASSETS

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

Irrespective of whether there is any indication of impairment, the group 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; and
- 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.

1.11 SHARE CAPITAL AND EQUITY

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Ordinary shares are classified as equity.

1.12 TREASURY SHARES

Shares in the company that are held by entities that are controlled by the company are treated as treasury shares. The shares are shown as a deduction from the issued and weighted average number of shares and the cost price of the shares is deducted from the share capital and share premium in the balance sheet on consolidation. Dividends received on treasury shares are eliminated on consolidation. No profit or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the group's own equity instruments.

1.13 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 group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.14 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- the group 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.

ACCOUNTING POLICIES CONTINUED

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

1.15 SEGMENTAL INFORMATION

The group only has secondary segments which have been based on the location in which its construction revenue services have been performed.

Segment revenue, cost of sales, expenses, assets and liabilities, include items directly attributable to segments and those that can be allocated on a reasonable basis.

The accounting policies are consistently applied in determining the segmental information.

1.16 CONTRACT REVENUE

When the outcome of a transaction involving the rendering of services can be estimated reliably, contract revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group;
- the stage of completion of the transaction at the balance sheet date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of a construction contract involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Contract revenue comprises:

- the initial amount of revenue agreed in the contract; and
- variations in contract work, claims and incentive payments:
 - to the extent that it is probable that they will result in revenue; and
 - they are capable of being reliably measured.

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

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. Contract costs are recognised as an expense in the period in which they are incurred.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

1.17 INVESTMENT INCOME

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

1.18 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.19 FOREIGN CURRENCIES

FOREIGN CURRENCY TRANSACTIONS

A foreign currency transaction is recorded, on initial recognition in Rand, 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 company and group annual financial statements are recognised in profit or loss in the period in which they arise.

FUNCTIONAL AND PRESENTATION CURRENCY

Items presented in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency.) The consolidated financial statements are presented in South African Rand, which is the company's functional and presentation currency.

1.20 STANDARDS/INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The company has not yet adopted the following IFRSs and IFRIC Standards/Interpretations that have been issued but are not yet effective:

Standard/Interpretation	Details of amendment	Effective date: Years beginning on or after
IFRS 2, Share Based Payments	<ul style="list-style-type: none"> • Amendments to vesting conditions and cancellations. 	1 January 2009
IFRS 3, Business Combinations	<ul style="list-style-type: none"> • Amendments to accounting for business and combinations. 	1 July 2009
IFRS 5, Non-current Assets Held for Sale and Discontinued Operations	<ul style="list-style-type: none"> • Plan to sell the controlling interest in a subsidiary. 	1 July 2009
IFRS 8, Operating Segments	<ul style="list-style-type: none"> • New standard on segment reporting (replaces IAS 14). 	1 January 2009
IAS 1, Presentation of Financial Statements	<ul style="list-style-type: none"> • Amendments to structure of Financial Statements. • Current/Non-current classification of derivatives. 	1 January 2009
IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors	<ul style="list-style-type: none"> • Status of implementation guidance. 	1 January 2009
IAS 10, Events after the Reporting Period	<ul style="list-style-type: none"> • Dividends declared after the end of the reporting period. 	1 January 2009
IAS 16, Property, Plant and Equipment	<ul style="list-style-type: none"> • Recoverable amount. • Sale of assets held for rental. 	1 January 2009
IAS 18, Revenue	<ul style="list-style-type: none"> • Costs of originating a loan. 	1 January 2009
IAS 19, Employee Benefits	<ul style="list-style-type: none"> • Curtailments and negative past service cost. • Plan administration costs. • Replacement of term "fall due". • Guidance on contingent liabilities. 	1 January 2009
IAS 20, Accounting for Government Grants and Disclosure of Government Assistance	<ul style="list-style-type: none"> • Government loans with a below-market rate of interest. • Consistency of terminology with other IFRSs. 	1 January 2009

ACCOUNTING POLICIES CONTINUED

Standard/Interpretation	Details of amendment	Effective date: Years beginning on or after
IAS 23, Borrowing Costs	<ul style="list-style-type: none"> Amendment requiring capitalisation only model. Components of borrowing costs. 	1 January 2009
IAS 27, Consolidated and Separate Financial Statements	<ul style="list-style-type: none"> Amendment dealing with measurement of the cost of investments when adopting IFRS for the first time. Consequential amendments from changes to Business Combinations. Measurement of subsidiary held for sale in separate. Financial Statements. 	1 January 2009
IAS 28, Investments in Associates	<ul style="list-style-type: none"> Consequential amendments from changes to Business Combinations. Required disclosures when investments in associates. Are accounted for at a fair value through profit or loss. Impairment of investment in associate. 	1 January 2009
IAS 29, Financial Reporting in Hyperinflationary Economies	<ul style="list-style-type: none"> Description of measurement basis in financial statements. Consistency of terminology with other IFRSs. 	1 January 2009
IAS 31, Interests in Joint Ventures	<ul style="list-style-type: none"> Consequential amendments from changes to Business Combinations. Required disclosures when interests in jointly controlled entities are accounted for at fair value through profit or loss. 	1 January 2009
IAS 32, Financial Instruments: Presentation	<ul style="list-style-type: none"> Certain financial instruments will be classified as equity whereas, prior to these amendments, they would have been classified as financial liabilities. 	1 January 2009
IAS 34, Interim Financial Reporting	<ul style="list-style-type: none"> Earnings per share disclosures in interim financial reports. 	1 January 2009
IAS 36, Impairment of Assets	<ul style="list-style-type: none"> Disclosure of estimates used to determine recoverable amount. 	1 January 2009
IAS 38, Intangible Assets	<ul style="list-style-type: none"> Advertising and promotional activities. Unit of production method of amortisation. 	1 January 2009
IAS 39, Financial Instruments: Recognition and Measurement	<ul style="list-style-type: none"> Reclassification of derivatives into or out of the classification of at fair value through profit or loss. Designating and documenting hedges at the segment level. Applicable effective interest rate on cessation of fair value hedge accounting. 	1 January 2009
IAS 40, Investment Property	<ul style="list-style-type: none"> Property under construction or development for future use as investment property. Consistency of terminology with IAS 8. Investment property held under lease. 	1 January 2009
IAS 41, Agriculture	<ul style="list-style-type: none"> Discount rate for fair value calculations. Additional biological transformation. Examples of agricultural produce and products. Point-of-sale costs. 	1 January 2009
IFRIC 13	<ul style="list-style-type: none"> Customer Loyalty Programmes. 	1 July 2008
IFRIC 15	<ul style="list-style-type: none"> Agreements for the Construction of Real Estate. 	1 January 2009
IFRIC 16	<ul style="list-style-type: none"> Hedges of a Net Investment in a Foreign Operation. (Revised) Hedges of a Net Investment in a Foreign Operation. Amendment to the restriction on the entity the entity that can hold hedging instruments. 	1 October 2008 1 July 2009
IFRIC 17	<ul style="list-style-type: none"> Distribution of Non-cash Assets to Owners. 	1 July 2009
IFRIC 18	<ul style="list-style-type: none"> Transfers of Assets from Customers. 	1 July 2009
IAS 24	<ul style="list-style-type: none"> Related Party Disclosures. 	1 January 2011

The above standards and interpretations are not expected to have a material impact on the group or company.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 August 2009

FIGURES IN RAND	2009			2008		
	Cost/Valuation	Accumulated depreciation	Carrying value	Cost/Valuation	Accumulated depreciation	Carrying value
2. PROPERTY, PLANT AND EQUIPMENT GROUP						
Land	1 600 000	–	1 600 000	1 600 000	–	1 600 000
Buildings	1 554 790	(15 548)	1 539 242	698 037	–	698 037
Plant and machinery	6 652 368	(1 059 478)	5 592 890	2 104 931	(704 899)	1 400 032
Furniture and fixtures	474 588	(167 063)	307 525	662 605	(133 291)	529 314
Motor vehicles	19 830 050	(3 837 378)	15 992 672	6 797 768	(1 836 248)	4 961 520
IT equipment	767 159	(348 571)	418 588	585 713	(216 484)	369 229
Mobile offices	2 881 110	(970 176)	1 910 934	1 738 004	(735 603)	1 002 401
Total	33 760 065	(6 398 214)	27 361 851	14 187 058	(3 626 525)	10 560 533
COMPANY						
Land	1 600 000	–	1 600 000	1 600 000	–	1 600 000
Buildings	1 554 790	(15 548)	1 539 242	698 037	–	698 037
Plant and machinery	5 890 583	(678 586)	5 211 997	2 066 279	(702 742)	1 363 537
Furniture and fixtures	411 110	(150 688)	260 422	379 390	(113 151)	266 239
Motor vehicles	14 375 111	(2 900 864)	11 474 247	5 315 264	(1 659 669)	3 655 595
IT equipment	752 481	(343 025)	409 456	583 356	(216 484)	366 872
Mobile offices	2 474 025	(929 468)	1 544 557	1 738 004	(735 603)	1 002 401
Total	27 058 100	(5 018 179)	22 039 921	12 380 330	(3 427 649)	8 952 681

FIGURES IN RAND	Opening balance	Additions	Disposals	Depreciation	Closing balance
RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT GROUP					
2009					
Land	1 600 000	–	–	–	1 600 000
Buildings	698 037	856 753	–	(15 548)	1 539 242
Plant and machinery	1 400 032	5 258 993	(273 469)	(792 666)	5 592 890
Furniture and fixtures	529 314	66 087	(235 980)	(51 896)	307 525
Motor vehicles	4 961 520	13 037 208	(38 176)	(1 967 880)	15 992 672
IT equipment	369 229	229 527	(2 450)	(177 718)	418 588
Mobile offices	1 002 401	1 143 136	–	(234 603)	1 910 934
	10 560 533	20 591 704	(550 075)	(3 240 311)	27 361 851
2008					
Land	–	1 600 000	–	–	1 600 000
Buildings	–	698 037	–	–	698 037
Plant and machinery	1 077 092	505 093	(13 242)	(168 911)	1 400 032
Furniture and fixtures	222 350	367 435	(851)	(59 620)	529 314
Motor vehicles	4 136 532	2 048 015	(215 031)	(1 007 996)	4 961 520
IT equipment	164 260	322 761	–	(117 792)	369 229
Mobile offices	886 095	251 353	–	(135 047)	1 002 401
	6 486 329	5 792 694	(229 124)	(1 489 366)	10 560 533

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FIGURES IN RAND	Opening balance	Additions	Disposals	Depreciation	Closing balance
2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)					
RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT					
COMPANY					
2009					
Land	1 600 000	–	–	–	1 600 000
Buildings	698 037	856 753	–	(15 548)	1 539 242
Plant and machinery	1 363 537	4 561 381	(273 469)	(439 452)	5 211 997
Furniture and fixtures	266 239	31 720	–	(37 537)	260 422
Motor vehicles	3 655 595	9 135 500	(38 176)	(1 278 672)	11 474 247
IT equipment	366 872	217 371	(2 450)	(172 337)	409 456
Mobile offices	1 002 401	736 021	–	(193 865)	1 544 557
	8 952 681	15 538 746	(314 095)	(2 137 411)	22 039 921
2008					
Land	–	1 600 000	–	–	1 600 000
Buildings	–	698 037	–	–	698 037
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
	6 486 329	3 985 965	(229 124)	(1 290 489)	8 952 681

FIGURES IN RAND	GROUP		COMPANY	
	2009	2008	2009	2008
DETAILS OF PROPERTIES				
ERF 530, ALRODE, EXTENSION 7				
Land with buildings thereon				
– Purchase price	1 600 000	1 600 000	1 600 000	1 600 000
– Building costs	1 554 790	698 037	1 554 790	698 037
	3 154 790	2 298 037	3 154 790	2 298 037

Name of company	Direct/indirect	% holding 2009	% holding 2008	Carrying amount 2009	Carrying amount 2008
3. INVESTMENTS IN SUBSIDIARIES					
B&W Madagascar SARL (Incorporated in Madagascar)	Direct	99.00	99.00	9 300	9 300
B&W Electricidade, Lda (Incorporated in Mozambique)	Direct	99.00	99.00	22 785	22 785
				32 085	32 085

The carrying amounts of subsidiaries have not been impaired as they are deemed by the directors to be at their fair value.

Name of company	Type of joint venture	% holding 2009	% holding 2008	Carrying amount 2009	Carrying amount 2008	Fair value 2009	Fair value 2008
4. INVESTMENT IN JOINT VENTURES							
Dukwe Joint Venture	Jointly controlled operation	50.00	50.00	–	–	–	–
Damatshaa Joint Venture	Jointly controlled operation	50.00	50.00	–	–	–	–
				–	–	–	–

The joint ventures are not incorporated entities and the group recognises its share of assets, liabilities, income and expenses.

SUMMARY OF GROUP'S INTEREST IN JOINT VENTURE

Summary of the group's interests in the joint venture. The joint ventures ceased during the year under review.

FIGURES IN RAND	GROUP		COMPANY	
	2009	2008	2009	2008
Non-current assets	–	1 185 246	–	–
Current assets	–	12 756 173	–	–
Long-term liabilities – non-interest-bearing	–	(1 643 080)	–	–
Current liabilities – non-interest-bearing	–	(11 473 590)	–	–
Revenue	1 007 281	22 122 653	–	–
Expenses	(7 551 460)	21 297 294	–	–
Net profit	8 558 741	824 750	–	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 August 2009

FIGURES IN RAND	GROUP		COMPANY	
	2009	2008	2009	2008
5. LOANS TO (FROM) GROUP COMPANIES				
JOINT VENTURES				
Bokomoso Joint Venture				
Unsecured loan, interest free with no fixed terms of repayment.	–	(1 185 246)	–	(2 370 493)
RELATED PARTIES				
B&W Industrial Technology (Proprietary) Limited	–	106 924	–	106 924
B&W Employee Trust	(1 029 559)	767 388	(1 029 559)	767 388
Hotguard Plant (Proprietary) Limited	–	66 081	–	66 081
The loans are unsecured, bearing interest at 2% below the prime overdraft rate. There are no fixed terms of repayment.				
	(1 029 559)	940 393	(1 029 559)	940 393
GROUP COMPANIES				
B&W Share Purchase Scheme Trust	–	–	12 670 112	7 205 940
B&W Madagascar SARL	–	–	31 066 158	11 581 401
The loan is unsecured, interest free with no fixed terms of repayment.				
B&W Electricidade, Lda	–	–	3 317 987	207 667
The loan is unsecured, interest free with no fixed terms of repayment.				
	–	–	47 054 257	18 995 008
Current assets	–	940 393	47 054 257	19 935 401
Current liabilities	(1 029 559)	(1 185 247)	(1 029 559)	(2 370 493)
	(1 029 559)	(244 854)	46 024 698	17 564 908

The B&W Employee Trust is an independent Trust that is not controlled by the group or the company.

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 the loans are trading accounts, the loans which are unsecured, 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 Share Incentive Scheme Trust resulted from assistance given to the Trust in order for the Trust to acquire shares in the company. Interest is charged on both Trust loan accounts at a rate linked to prime lending rates. It is anticipated that the loan from the B&W Employee Trust will be settled in the 2010 financial year.

6. 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 investments	Available- for-sale	Total
GROUP						
2009						
Non-current retention debtors	20 176 893	–	–	–	–	20 176 893
Trade and other receivables	143 031 523	–	–	–	–	143 031 523
Cash and cash equivalents	139 763 605	–	–	–	–	139 763 605
	302 972 021	–	–	–	–	302 972 021
2008						
Loans to related parties	940 393	–	–	–	–	940 393
Non-current retention debtors	13 748 843	–	–	–	–	13 748 843
Trade and other receivables	95 764 414	–	–	–	–	95 764 414
Cash and cash equivalents	110 627 096	–	–	–	–	110 627 096
	221 080 746	–	–	–	–	221 080 746
COMPANY						
2009						
Loans to related parties	47 054 257	–	–	–	–	47 054 257
Non-current retention debtors	13 595 505	–	–	–	–	13 595 505
Trade and other receivables	119 485 484	–	–	–	–	119 485 484
Cash and cash equivalents	109 861 010	–	–	–	–	109 861 010
	289 996 256	–	–	–	–	289 996 256
2008						
Loans to related parties	19 935 401	–	–	–	–	19 935 401
Non-current retention debtors	13 748 843	–	–	–	–	13 748 843
Trade and other receivables	70 054 628	–	–	–	–	70 054 628
Cash and cash equivalents	101 361 662	–	–	–	–	101 361 662
	205 100 534	–	–	–	–	205 100 534

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 August 2009

FIGURES IN RAND	GROUP		COMPANY	
	2009	2008	2009	2008
7. DEFERRED TAX				
DEFERRED TAX (ASSET) LIABILITY				
Retention debtors	8 150 583	7 741 385	8 150 583	7 741 385
Section 24C allowance	1 208 985	7 480 001	4 250 453	7 480 001
Provisions	(2 433 638)	(1 754 041)	(2 433 638)	(1 754 041)
Property, plant and equipment	682 024	557 265	682 024	557 265
Invoices in advance	–	(2 416 766)	–	(2 416 766)
	7 607 954	11 607 844	10 649 422	11 607 844
RECONCILIATION OF DEFERRED TAX (ASSET) LIABILITY				
At beginning of the year	11 607 844	8 124 080	11 607 844	8 124 080
Reduction due to rate change	–	(280 141)	–	(280 141)
Originating temporary difference on tangible fixed assets	124 760	66 437	124 760	66 437
Movement in payments received in advance	2 416 765	(2 416 765)	2 416 765	(2 416 765)
Movement in provisions	(679 597)	(250 835)	(679 597)	(250 835)
Movement in retentions and Section 24C allowance	(5 861 818)	6 365 068	(2 820 350)	6 365 068
	7 607 954	11 607 844	10 649 922	11 607 844
Disclosed as follows:				
Non-current assets	(3 041 468)	–	–	–
Non-current liabilities	682 024	557 265	682 024	557 265
Current liabilities	9 967 398	11 050 579	9 967 398	11 050 579
	7 607 954	11 607 844	10 649 422	11 607 844
8. RETENTION DEBTORS				
Retention debtors are in respect of contract customers.				
Total retention debtors	35 762 954	27 647 805	29 109 225	27 647 805
Short-term portion of retention debtors included in trade and other receivables	(15 586 061)	(13 898 962)	(15 513 720)	(13 898 962)
Long-term retention debtors	20 176 893	13 748 843	13 595 505	13 748 843
9. INVENTORIES				
Raw materials, components	2 083 712	2 567 982	2 083 712	2 567 982
Small tools	–	2 121 689	–	2 121 689
	2 083 712	4 689 671	2 083 712	4 689 671

FIGURES IN RAND	GROUP		COMPANY	
	2009	2008	2009	2008
10. TRADE AND OTHER RECEIVABLES				
Trade receivables	188 727 859	119 844 496	161 192 239	91 225 532
Other receivable	866 570	839 130	866 570	839 130
	189 594 429	120 683 626	162 058 809	92 064 662
TRADE AND OTHER RECEIVABLES PAST DUE BUT NOT IMPAIRED				
Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 August 2009, R1 897 335 (2008: R2 808 120) were past due but not impaired.				
The ageing of amounts past due but not impaired is as follows:				
1 month past due	1 897 335	2 407 746	1 897 335	2 407 746
2 months past due	–	223 188	–	223 188
3 months past due	–	177 186	–	177 186
	1 897 335	2 808 120	1 897 335	2 808 120
TRADE AND OTHER RECEIVABLES IMPAIRED				
As of 31 August 2009 no trade and other receivables were impaired.				
Contract work in progress included above:				
Construction costs	260 285 490	137 236 626	256 340 837	115 679 565
Profit recognised to date	48 968 352	14 884 326	48 968 352	12 933 000
Billings	(262 690 936)	(127 201 740)	(262 735 864)	(106 752 650)
	46 562 906	24 919 212	42 573 325	21 859 915
Included in trade and other receivables are short-term retention debtors amounting to R15 513 720 (2008: R13 898 962) and R15 586 061 (2008: R13 898 962) for the company and group respectively.				
The carrying amounts of trade and other receivables approximate their fair value.				
11. CASH AND CASH EQUIVALENTS				
Cash and cash equivalents consist of:				
Bank balances	139 763 605	110 627 096	109 861 010	101 361 662

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 August 2009

FIGURES IN RAND	GROUP		COMPANY	
	2009	2008	2009	2008
12. SHARE CAPITAL				
AUTHORISED				
500 000 000 Ordinary shares of 0.001 cents each	5 000	5 000	5 000	5 000
RECONCILIATION OF NUMBER OF SHARES ISSUED:				
Reported as at beginning of the year	203 990 000	200 000 000	203 990 000	200 000 000
Issue of shares to B&W Share Incentive Scheme	3 805 000	3 990 000	3 805 000	3 990 000
Treasury shares	(7 795 000)	(3 990 000)	–	–
	200 000 000	200 000 000	207 795 000	203 990 000
– 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.				
ISSUED				
Ordinary	2 078	2 040	2 078	2 040
Share premium	43 551 978	38 986 016	43 551 978	38 986 016
Treasury shares	(11 269 200)	(6 703 200)	–	–
	32 284 856	32 284 856	43 554 056	38 988 056
13. MINORITY INTEREST				
The minority interest can be reconciled as follows:				
Balance beginning of year	324	–	–	–
Share of profits for the year	7 294	324	–	–
	7 618	324	–	–
14. OTHER FINANCIAL LIABILITIES				
Held at amortised cost				
Advances from customers				
The advances relate to amounts received from customers for initial detailing and document preparation, site logistics and establishment and procurement of project costs with long lead times. The amounts are amortised monthly over the duration of the contract.	78 016 621	–	70 302 014	–
CURRENT LIABILITIES				
At amortised cost	78 016 621	–	70 302 014	–

FIGURES IN RAND	Opening balance	Additions	Utilised during the year	Total
15. PROVISIONS				
RECONCILIATION OF PROVISIONS				
GROUP				
2009				
Provision for bonuses	1 830 600	3 902 589	(1 830 600)	3 902 589
2008				
Provision for bonuses	3 307 497	1 830 600	(3 307 497)	1 830 600
COMPANY				
2009				
Provision for bonuses	1 830 600	3 902 589	(1 830 600)	3 902 589
2008				
Provision for bonuses	3 307 497	1 830 600	(3 307 497)	1 830 600

FIGURES IN RAND	GROUP		COMPANY	
	2009	2008	2009	2008
16. TRADE AND OTHER PAYABLES				
Trade payables	54 897 003	57 875 624	54 778 297	44 786 425
Billings in excess of costs incurred to date	46 056 218	47 734 212	29 587 045	35 880 756
Other payables	25 341 818	11 107 847	16 291 659	8 538 052
	126 295 039	116 717 683	100 657 001	89 205 233
Billings in excess of costs incurred to date is made up as follows:				
Billings	551 203 004	510 128 649	478 433 908	487 329 934
Contract costs	(425 243 280)	(380 207 437)	(369 663 923)	(369 262 178)
Profit recognised to date	(79 903 506)	(82 187 000)	(79 182 940)	(82 187 000)
	46 056 218	47 734 212	29 587 045	35 880 756

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 August 2009

17. 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
GROUP				
2009				
Loans from related parties	1 029 559	–	–	1 029 559
Other financial liabilities	78 016 621	–	–	78 016 621
Trade and other payables	80 238 821	–	–	80 238 821
	159 285 001	–	–	159 285 001
2008				
Loans from group companies	1 185 247	–	–	1 185 247
Trade and other payables	68 983 471	–	–	68 983 471
	70 168 718	–	–	70 168 718
COMPANY				
2009				
Loans from group companies	1 029 559	–	–	1 029 559
Other financial liabilities	70 302 014	–	–	70 302 014
Trade and other payables	71 069 956	–	–	71 069 956
	142 401 529	–	–	142 401 529
2008				
Loans from group companies	2 370 493	–	–	2 370 493
Trade and other payables	53 322 477	–	–	53 322 477
	55 692 970	–	–	55 692 970

FIGURES IN RAND	GROUP		COMPANY	
	2009	2008	2009	2008
18. REVENUE				
Contract revenue	502 839 968	450 333 491	445 727 034	407 116 577
19. COST OF SALES				
CONTRACTS COSTS				
Cost of materials	238 237 423	210 438 384	204 422 219	186 063 924
Direct labour	99 265 593	87 682 660	85 175 925	77 526 635
Overheads	59 559 355	52 609 596	51 105 555	46 515 981
	397 062 371	350 730 640	340 703 699	310 106 540

FIGURES IN RAND	GROUP		COMPANY	
	2009	2008	2009	2008
20. OPERATING PROFIT				
Operating profit for the year is stated after accounting for the following:				
OPERATING LEASE CHARGES				
Premises				
– Contractual amounts	825 915	845 738	825 915	845 738
Loss on sale of property, plant and equipment	236 324	206 957	236 324	206 957
Profit on exchange differences	(1 279 092)	(4 695 522)	(662 951)	(5 207 851)
Depreciation on property, plant and equipment	3 240 313	1 489 365	2 137 411	1 290 489
Employee costs	16 183 788	17 067 955	16 183 788	17 067 955
21. INVESTMENT INCOME				
INTEREST RECEIVED				
Interest received on loan accounts	16 307	307 737	914 479	810 477
Interest received from bank	7 734 181	7 060 557	7 670 517	6 983 269
	7 750 488	7 368 294	8 584 996	7 793 746
22. FINANCE COSTS				
Bank	285 874	432 315	59 318	205 760
Interest paid on loans	100 266	–	100 266	–
	386 140	432 315	159 584	205 760
23. TAXATION				
MAJOR COMPONENTS OF THE TAX EXPENSE				
CURRENT				
Local income tax – current period	26 091 186	19 850 682	23 001 257	18 947 854
STC	1 539 438	1 121 945	1 539 438	1 121 945
	27 630 624	20 972 627	24 540 695	20 069 799
DEFERRED				
Changes in tax rates	–	(280 141)	–	(280 141)
Other deferred tax	(3 999 889)	3 763 904	(958 421)	3 763 904
	(3 999 889)	3 483 763	(958 421)	3 483 763
	23 630 735	24 456 390	23 582 274	23 553 562
RECONCILIATION OF THE TAX EXPENSE	%	%	%	%
Reconciliation between applicable tax rate and average effective tax rate:				
Applicable tax rate	28.00	28.00	28.00	28.00
Tax rate change	–	(0.34)	–	(0.34)
Tax incentives	(1.69)	–	(1.68)	–
Disallowable charges	0.33	0.70	0.01	0.02
STC	1.86	1.36	1.84	1.38
	28.50	29.72	28.17	29.06

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

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FIGURES IN RAND	GROUP		COMPANY	
	2009	2008	2009	2008
24. CASH GENERATED FROM OPERATIONS				
Profit before taxation	82 914 692	82 292 201	83 708 865	81 062 599
Adjustments for:				
Depreciation and amortisation	3 240 313	1 489 365	2 137 411	1 290 489
Loss on sale of assets	236 324	206 957	236 324	206 957
Interest received	(7 750 488)	(7 368 294)	(8 584 996)	(7 793 746)
Finance costs	386 140	432 315	159 584	205 760
Movements in provisions	2 071 989	(1 476 897)	2 071 989	(1 476 897)
Changes in working capital:				
Inventories	2 605 959	6 238 982	2 605 959	6 238 982
Trade and other receivables	(68 910 803)	(45 423 065)	(69 994 147)	(16 804 101)
Trade and other payables	9 727 471	67 633 796	11 451 767	40 271 463
Deferred tax	(6 578 169)	(13 598 724)	153 338	(13 748 843)
	17 943 428	90 426 636	23 946 094	89 452 663
25. TAX PAID				
Balance at beginning of the year	(18 129 545)	(7 386 913)	(17 834 616)	(7 386 913)
Current tax for the year recognised in income statement	(27 630 624)	(20 972 627)	(24 540 695)	(20 069 799)
Balance at end of the year	6 065 528	18 129 545	2 950 279	17 834 616
	(39 694 641)	(10 229 995)	(39 425 032)	(9 622 096)
26. DIVIDENDS PAID				
Dividends	(15 000 000)	(11 000 000)	(15 394 375)	(11 219 450)

FIGURES IN RAND	GROUP		COMPANY	
	2009	2008	2009	2008
27. COMMITMENTS				
AUTHORISED CAPITAL EXPENDITURE				
The group and company have no capital commitments.				
GUARANTEES				
The following guarantees have been issued:				
FIRST NATIONAL BANK				
Performance	33 911 460	38 637 514	33 911 460	38 637 514
Retention	16 616 189	21 851 669	16 616 189	21 851 669
	50 527 649	60 489 183	50 527 649	60 489 183
The long-term guarantees included above are as follows:				
Performance R32 283 202 (2008: R37 428 581)				
Retention R Nil (2008: R21 851 669)				
LOMBARD INSURANCE				
Performance	43 553 034	21 789 932	43 553 034	21 789 932
Retention	40 029 515	6 672 567	40 029 515	6 672 567
Advance payments	46 795 572	6 757 712	46 795 572	6 757 712
	130 378 121	35 220 211	130 378 121	35 220 211
The long-term guarantees included above are as follows:				
Performance R40 908 228 (2008: R12 546 349)				
Retention R40 029 515 (2008: R6 672 567)				
Advance payments of R2 297 325 (2008: R6 757 712)				
OPERATING LEASES – AS LESSEE (EXPENSE)				
MINIMUM LEASE PAYMENTS DUE				
– within one year	330 000	285 600	330 000	285 600
Operating lease payments represent rentals payable by the group for certain of its office properties. Leases are negotiated for an average term of one year. No contingent rent is payable.				

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28. RELATED PARTIES

Subsidiaries	Refer to note 3
Joint ventures	Refer to note 4
Companies with common directors	Hotguard Plant (Proprietary) Limited Calaban Properties (Proprietary) Limited
Shareholder with significant interest	B&W Industrial Technology (Proprietary) Limited
Employment benefit plan for employees of entity	B&W Employee Trust
Members of key management	Members of the board as per the directors' report

RELATED PARTY BALANCES

LOAN ACCOUNTS – OWING (TO) BY RELATED PARTIES

Refer notes 3 and 4 for amount of loans outstanding

RELATED PARTY TRANSACTIONS

FIGURES IN RAND	GROUP		COMPANY	
	2009	2008	2009	2008
INTEREST PAID TO (RECEIVED FROM) RELATED PARTIES				
Hotguard Plant (Proprietary) Limited	–	(65 801)	–	(65 801)
B&W Industrial Technology (Proprietary) Limited	–	(25 686)	–	(25 686)
Calaban Properties (Proprietary) Limited	–	(26 925)	–	(26 925)
B&W Share Incentive Scheme Trust	–	–	(898 172)	(502 740)
B&W Employee Trust	(16 307)	(189 325)	(16 307)	(189 325)
B&W Employee Trust	100 266	–	100 266	–
RENT PAID TO RELATED PARTIES				
Calaban Properties (Proprietary) Limited	660 000	571 200	660 000	571 200
COMPENSATION TO DIRECTORS AND OTHER KEY MANAGEMENT				
Short-term employee benefits	11 670 710	9 867 525	11 670 710	9 867 525

FIGURES IN RAND	Basic emoluments	Retirement and medical benefits	Other	Total
29. DIRECTORS' EMOLUMENTS				
EXECUTIVE				
2009				
GMJ Breedt	458 347	154 481	164 669	777 497
LJ Barrow	748 051	204 849	230 234	1 183 134
HJ Rall	531 708	159 644	446 034	1 137 386
T Lombard	509 243	149 111	207 078	865 432
DJ Evert	500 008	155 063	325 046	980 117
BH Harley	803 065	202 727	201 448	1 207 240
DS Nevay	458 385	156 283	203 644	818 312
CJ Minnie	1 296 062	217 824	289 960	1 803 846
KE Nel	572 561	150 545	178 732	901 838
GWR Swanepoel	553 969	172 272	212 415	938 656
S Vilakazi	422 505	43 183	115 400	581 088
	6 853 904	1 765 982	2 574 660	11 194 546

FIGURES IN RAND	Basic emoluments	Retirement and medical benefits	Other	Total
29. DIRECTORS' EMOLUMENTS (CONTINUED)				
EXECUTIVE (CONTINUED)				
2008				
GMJ Breedt	486 542	138 031	118 247	742 820
LJ Barrow	775 783	181 071	179 135	1 135 989
HJ Rall	578 545	134 258	244 836	957 639
T Lombard	553 520	133 123	140 730	827 373
DJ Evert	500 982	132 250	331 520	964 752
BH Harley	731 332	170 929	167 422	1 069 683
DS Nevay	515 623	139 057	125 011	779 691
CJ Minnie	785 130	158 959	244 565	1 188 654
KE Nel	581 483	132 223	151 030	864 736
GWR Swanepoel	592 179	150 471	135 185	877 835
S Vilakazi	223 629	24 426	53 334	301 389
	6 324 748	1 494 798	1 891 015	9 710 561
NON-EXECUTIVE				
2009				
JD Oosthuizen	160 001	–	8 720	168 721
YU Mabandla	140 001	–	8 720	148 721
W Wassermeier	150 001	–	8 720	158 721
	450 003	–	26 160	476 163
2008				
JD Oosthuizen	52 320	–	–	52 320
YU Mabandla	52 320	–	–	52 320
W Wassermeier	52 320	–	–	52 320
	156 960	–	–	156 960

30. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to better comply with IFRS disclosure requirements.

The reclassifications have either increased or (decreased) the line items previously reported and the impact is as follows:

FIGURES IN RAND	GROUP		COMPANY	
	2009	2008	2009	2008
BALANCE SHEET				
Trade and other payables	–	45 673 384	–	33 819 929
Provisions	–	1 830 600	–	1 830 600
Trade and other receivables	–	33 755 141	–	21 901 685
Deferred tax – current liability	–	11 050 579	–	11 050 579
Deferred tax – non-current liabilities	–	(11 050 579)	–	(11 050 579)
Retention debtors – non-current	–	13 748 843	–	13 748 843

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 August 2009

30. COMPARATIVE FIGURES (CONTINUED)

FIGURES IN RAND	GROUP		COMPANY	
	2009	2008	2009	2008
INCOME STATEMENT				
Other income	–	512 653	–	–
Operating expenses	–	512 328	–	–
Operating profit	–	325	–	–
Profit before tax	–	325	–	–
Profit for the year	–	325	–	–
STATEMENT OF CHANGES IN EQUITY				
Retained income balance 1 September 2007	–	(1)	–	(1)
Profit for the year 2008	–	(1)	–	(1)
Issue of share capital	–	6 703 240	–	–
Treasury shares	–	(6 703 240)	–	–

31. RISK MANAGEMENT

CAPITAL RISK MANAGEMENT

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders taking into account the future capital requirements of the group.

The capital structure of the group consists of debt, which includes the related party loans and advances received from customers disclosed in notes 5 and 14, cash and cash equivalents disclosed in note 11, and equity as disclosed in the balance sheet.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The directors are of the opinion that the current capital structure is in line with the group's strategic objectives and any future gearing will be linked to the future expansion of the group.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The group's risk to liquidity is a result of the funds available to cover future commitments. The group 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 settlement of the financial liabilities is expected to occur as follows:

FIGURES IN RAND	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
GROUP				
AT 31 AUGUST 2009				
Other financial liabilities	78 016 621	–	–	–
Loans from related parties	1 029 559	–	–	–
Trade and other payables	126 295 039	–	–	–
AT 31 AUGUST 2008				
Loans from related parties	1 185 247	–	–	–
Trade and other payables	116 717 683	–	–	–

31. RISK MANAGEMENT (CONTINUED)

FIGURES IN RAND	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
COMPANY				
AT 31 AUGUST 2009				
Other financial liabilities	70 302 014	–	–	–
Loans from related parties	1 029 559	–	–	–
Trade and other payables	100 657 001	–	–	–
AT 31 AUGUST 2008				
Loans from related parties	2 370 493	–	–	–
Trade and other payables	89 205 233	–	–	–

INTEREST RATE RISK

As the group has significant interest-bearing assets, the group's income and operating cash flows are substantially dependent of changes in market interest rates. The group's interest rate risk arises from related party loans and cash and cash equivalents.

At 31 August 2009, if interest rates had been 1% higher/lower with all other variables held constant, the group post-tax profit for the year would have been R949 582 (2008: R764 559) lower/higher, the company post-tax profit for the year would have been R827 729 (2008: R757 573) lower/higher, mainly as a result of higher/lower interest income.

CREDIT RISK

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments 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 and primarily deals with customers of a high credit rating. The company evaluates the credit quality of the customer, taking into account its financial position, past experience and other factors. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year-end were as follows:

FIGURES IN RAND	GROUP		COMPANY	
	2009	2008	2009	2008
FINANCIAL INSTRUMENT				
Loans to group companies	–	940 393	47 054 257	19 935 401
Trade and other receivables	189 594 429	120 683 626	162 058 809	92 064 662
Cash and cash equivalents	139 763 605	110 627 096	109 861 010	101 361 662

FOREIGN EXCHANGE RISK

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, the Mozambican Metical, and the Madagascan Ariary. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The group did not hedge foreign exchange fluctuations for the year under review.

At 31 August 2009, if the currency had weakened/strengthened by 10% against the US dollar with all other variables held constant, group post-tax profit for the year would have differed by R4 274 341 (2008: R1 607 338) mainly as a result of foreign exchange gains/losses on translation of US dollar denominated trade receivables, and foreign exchange losses/gains on translation of US dollar denominated cash and cash equivalents. The effect on the company results would have been a change of R1 169 519 (2008: R989 058).

At 31 August 2009, if the currency had weakened/strengthened by 10% against the Mozambique Metical with all other variables held constant, group post-tax profit for the year would have differed by R617 066 (2008: R93 804) mainly as a result of foreign exchange gains/losses on translation of Mozambique Metical denominated trade receivables, and foreign exchange losses/gains on translation of Mozambique Metical denominated cash and cash equivalents. The effect on the company results would have been a change of R5 451 (2008: R Nil).

At 31 August 2009, if the currency had weakened/strengthened by 10% against the Madagascar Ariary with all other variables held constant, group post-tax profit for the year would have differed by R154 016 (2008: R101 958), mainly as a result of foreign exchange gains/losses on translation of Madagascar Ariary denominated trade receivables and foreign exchange losses/gains on translation of Madagascar Ariary cash and cash equivalents. Movements in the Madagascar Ariary would not have impacted the company's profitability in the current year (2008: R833 862).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 August 2009

At 31 August 2009, if the currency had weakened/strengthened by 10% against other currencies with all other variables held constant, group post-tax profit for the year would have differed by R8 102 (2008: R663 265) mainly as a result of foreign exchange gains/losses on translation of other currencies denominated trade receivables, and foreign exchange losses/gains on translation of other currencies denominated cash and cash equivalents. The effect on the company results would have been a change of R8 102 (2008: R145 948).

FIGURES IN RAND	GROUP		COMPANY	
	2009	2008	2009	2008
FOREIGN CURRENCY EXPOSURE AT BALANCE SHEET DATE				
Current assets				
Included in cash and cash equivalents:				
US \$	23 289 982	7 680 829	4 103 624	–
Pula	1 144	730 868	1 144	–
Aus \$	12 507	–	12 507	–
Euros	44 591	–	44 591	–
Canadian \$	23 421	–	23 421	–
Swiss Francs	30 869	–	30 869	–
Metical	6 361 575	1 821 548	1 100	–
Other	–	106 912	–	3 748 248
Ariary	3 719 378	1 426 922	–	–
Included in trade debtors:				
US \$	36 075 871	14 643 313	12 139 690	10 124 439
Ariary	1 840 505	–	–	–
Pula	–	11 028 481	–	–
Metical	4 425 349	1 218 153	74 608	–
Liabilities				
Included in trade creditors:				
Ariary	7 698 987	10 823	–	–
Metical	2 216 566	1 736 862	–	–
Pula	–	2 547 336	–	–
EXCHANGE RATES USED FOR CONVERSION OF FOREIGN ITEMS WERE:				
US \$	7.70	7.52	7.70	7.52
AUS \$	6.57	–	6.57	–
Botswana Pula	1.20	1.14	1.20	1.14
Mozambiquan Metical	3.45	3.16	3.45	3.16
Swiss Franc	7.37	–	7.37	–
Madagascan Ariary	254.17	215.04	254.17	215.04
Canadian \$	7.05	–	7.05	–
Euros	11.25	–	11.25	–

FORWARD EXCHANGE CONTRACTS WHICH RELATE TO FUTURE COMMITMENTS 2008

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 group decided not to hedge foreign currency exposure during the current year.

32. SEGMENTAL REPORTING

The group's segmental analysis is based on the economic environments in which it operates as presented below. All the business activities are related to the construction and erection of electrical plant and instrumentation.

FIGURES IN RAND	South Africa and other	Madagascar	Mozambique	Total
2009				
PROFIT AND LOSS				
Contract revenue	366 400 432	88 631 822	47 807 714	502 839 968
Contract costs	(266 826 648)	(88 426 874)	(41 808 849)	(397 062 371)
GROSS PROFIT	99 573 784	204 948	5 998 865	105 777 597
Other income	524 860	702 397	51 835	1 279 092
Operating expenses	(30 403 444)	(985 275)	(117 626)	(31 506 345)
OPERATING PROFIT	69 695 200	(77 930)	5 933 074	75 550 344
Investment income	7 708 528	41 960	–	7 750 488
Finance costs	(159 584)	(226 556)	–	(386 140)
PROFIT/(LOSS) BEFORE TAX	77 244 144	(262 526)	5 933 074	82 914 692
ASSETS AND LIABILITIES				
TOTAL ASSETS	240 225 518	72 387 298	69 409 142	382 021 958
TOTAL LIABILITIES	(138 476 713)	(34 105 271)	(53 376 774)	(225 958 758)
2008				
PROFIT AND LOSS				
Contract revenue	365 758 118	57 447 384	27 127 989	450 333 491
Contract costs	(278 640 595)	(49 133 756)	(22 956 289)	(350 730 640)
GROSS PROFIT	87 117 523	8 313 628	4 171 700	99 602 851
Other income	4 774 537	–	–	4 774 537
Operating expenses	(28 309 747)	(700 784)	(10 635)	(29 021 166)
OPERATING PROFIT	63 582 313	7 612 844	4 161 065	75 356 222
Investment income	7 292 473	75 821	–	7 368 294
Finance costs	(205 760)	(226 555)	–	(432 315)
PROFIT/(LOSS) BEFORE TAX	70 669 026	7 462 110	4 161 065	82 292 201
ASSETS AND LIABILITIES				
TOTAL ASSETS	221 244 432	30 049 450	9 956 280	261 250 162
TOTAL LIABILITIES	(135 509 315)	(10 996 749)	(2 964 855)	(149 470 919)

33. POST BALANCE SHEET EVENTS

There are no post balance sheet events for the group or company.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 August 2009

34. AUTHORISATION OF ANNUAL FINANCIAL STATEMENTS

The board of directors has authorised the annual financial statements for issue on 13 November 2009. The shareholders do not have the power to amend the annual financial statements after issue.

FIGURES IN RAND	GROUP		COMPANY	
	2009	2008	2009	2008
35. AUDITORS' REMUNERATION				
Fees	552 000	321 140	552 000	321 140
	Number of shares	Number of shares	Number of shares	Number of shares
36. EARNINGS PER SHARE				
WEIGHTED AVERAGE NUMBER OF SHARES				
Shares in issues for the full year	200 000 000	200 000 000	203 990 000	200 000 000
Issue of shares adjusted for period outstanding during the year	–	–	2 853 750	2 992 500
	200 000 000	200 000 000	206 843 750	202 992 500
	R	R	R	R
RECONCILIATION OF HEADLINE EARNINGS				
Profit after tax	59 276 663	57 835 487	60 126 591	57 509 037
Loss on disposal of property, plant and equipment	236 324	206 957	236 324	206 957
	59 512 987	58 042 444	60 362 915	57 715 994
EARNINGS PER SHARE (CENTS)				
Basic earnings per share	29.64	28.92	29.07	28.33
Headline earnings per share	29.76	29.02	29.18	28.43

ANALYSIS OF SHAREHOLDERS

SHAREHOLDER ANALYSIS BY NUMBER OF SHARES HELD

From	To	Number of holders	%	Number of shares	%
	>10 000 000	4	0.25	109 800 000	52.81
1 000 000	9 999 999	18	1.14	62 198 277	29.93
100 000	999 999	85	5.36	19 627 464	9.45
10 000	99 999	525	33.12	12 795 990	6.16
1 000	9 999	837	52.80	3 317 121	1.61
	<1 000	116	7.32	56 148	0.04
Total		1 585	100	207 795 000	100

SHAREHOLDER ANALYSIS BY TYPE OF SHAREHOLDER

	Number of shares	%	Number of shareholders	%
Directors	115 096 451	55.39	12	0.75
B&W Employee Trust	12 680 000	6.10	1	0.06
B&W Share Incentive Scheme	7 795 000	3.75	1	0.06
Investment institutions	46 325 153	22.29	80	5.05
Other companies	1 670 941	0.80	71	4.48
Trusts	3 207 556	1.55	72	4.55
Individuals	21 019 899	10.12	1 348	85.05
Total	207 795 000	100	1 585	100

SHAREHOLDERS EFFECTIVELY HOLDING 5% OR MORE OF TOTAL EQUITY AT 31 AUGUST 2009

Name	Shareholding	%
LJ Barrow	38 540 000	18.55
T Lombard	12 766 450	6.14
GHJ Breedt	12 680 000	6.10
B&W Employee Trust	12 680 000	6.10
BH Harley	12 680 000	6.10
KE Nel	12 680 000	6.10
DS Nevay	12 680 000	6.10
GWR Swanepoel	12 680 000	6.10

JSE PERFORMANCE

BWI CLOSING PRICE



As at 31 August 2009

Closing price (cents)	154
High for the year (cents)	210
Low for the year (cents)	70
Volume of shares traded during the year	24 608 751
Value of shares traded during the year (R)	31 415 028

SHAREHOLDERS' DIARY

Financial year-end	31 August
Announcement of interim results	April 2010
Announcement of annual results	November 2009
Annual report posted	November 2009
Annual general meeting	15 January 2010

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 Ascot Mews, Heidelberg Road, Alberton, at 10:00 on Friday, 15 January 2010, to conduct the following business:

- To receive, consider and adopt the annual financial statements of the company and the group for the financial year ended 31 August 2009, including the directors' report and the report of the auditors therein.
- To re-elect YU Mabandla 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 herself for re-election.
- To re-elect DS Nevay 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.
- To re-elect JD Oosthuizen 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.
- To re-elect W Wassermeier 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/herself for re-election is included on pages 4 and 5 of the annual report to which this notice is attached.

- To confirm the re-appointment of Certified Master Auditors Inc., with George Davias being the individual registered auditor who has undertaken the audit, as independent auditors of the company for the ensuing financial year and to authorise the directors to determine the auditors' remuneration.

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

- 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

- 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.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

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 percent) 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.”

In accordance with the JSE Listings Requirements, ordinary resolution number 2 must be passed by a 75% (seventy five percent) majority of the votes cast in favour of the resolution by all members present or represented by proxy at the Annual General Meeting.

SPECIAL RESOLUTION NUMBER 1 GENERAL APPROVAL TO ACQUIRE SHARES

9. “**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 percent) 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 percent) 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.”

9.1 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.

9.2 OTHER DISCLOSURE IN TERMS OF SECTION 11.26 OF THE JSE LISTINGS REQUIREMENTS

The JSE Listings Requirements require the following disclosure, which is contained in the annual report to which this notice is attached:

- directors and management – pages 4 to 5;
- major shareholders of B&W – page 51;
- directors' interests in securities – page 16; and
- share capital of the company – page 38.

9.3 LITIGATION STATEMENT

There are no legal or arbitration proceedings against the company nor, as far as the directors are aware, 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.

9.4 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.

9.5 DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are given on pages 4 to 5 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.

9.6 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 12 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 Capital, has discharged 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

- 10.1 **“Resolved that** with effect from 1 September 2009, the non-executive directors of B & W Instrumentation and Electrical Limited will receive a fixed fee as remuneration in the amounts set out below:

Non-executive director	R10 000 per month
Audit and Risk committee chairman	R10 000 per meeting
Audit and Risk committee member	R10 000 per meeting
Remuneration committee chairman	R10 000 per meeting
Remuneration committee member	R10 000 per meeting”

ORDINARY RESOLUTION NUMBER 4

APPROVAL OF AMENDMENT TO THE B&W SHARE PURCHASE SCHEME

11. **“Resolved that** the following amendment to the trust deed recording the terms of the B&W Share Purchase Scheme be and is hereby approved in terms of the Listings Requirements of the JSE Limited (“the JSE Listings Requirements”): the substitution of the words 3 (three) or 3rd (third) anniversary with the words 6 (six) or 6th (sixth) anniversary in clauses 7.2, 7.8, 7.9, 7.10.1, 7.10.2, 23.2.3.3, 23.2.4.2, 23.2.4.4 and 23.3.”

11.1 REASON FOR ORDINARY RESOLUTION 4

The reason for this ordinary resolution number 4 is to allow shares allocated under the assisted purchase scheme to be purchased within six years of allocation instead of three years as currently provided for.

In accordance with the JSE Listings Requirements, ordinary resolution number 4 must be passed by a 75% (seventy five percent) 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

ORDINARY RESOLUTION NUMBER 5

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 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.

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 Secretarial Services (Proprietary) Limited

Company secretary

17 November 2009
Johannesburg

Registered office

234 Alexandra Avenue
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 Ascot Mews, Heidelberg Road, Alberton at 10:00 on Friday, 15 January 2010 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 2009			
2. To approve the re-election as director of YU Mabandla who retires by rotation			
3. To approve the re-election as director of DS Nevay who retires by rotation			
4. To approve the re-election as director of JD Oosthuizen who retires by rotation			
5. To approve the re-election as director of W Wassermeier who retires by rotation			
6. To confirm the re-appointment of Certified Master Auditors Inc. as auditors of the company, together with George Davias as the individual registered auditor, for the ensuing year			
7. Ordinary resolution number 1 Control of authorised but unissued ordinary shares			
8. Ordinary resolution number 2 Approval to issue ordinary shares, and to sell treasury shares, for cash			
9. Special resolution number 1 General approval to acquire shares			
10. Ordinary resolution number 3 Approval of future remuneration of non-executive directors			
11. Ordinary resolution number 4 Approval of amendment to the B&W Share Purchase Scheme			
12. Ordinary resolution number 5 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 _____ 2009/2010

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

to be received by no later than 10:00 on Wednesday, 13 January 2010 (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 Secretarial Services (Proprietary) Limited
234 Alexandra Avenue, 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 Capital
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)



B & W INSTRUMENTATION AND ELECTRICAL LIMITED

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

Telephone: +27 11 907 1663
Facsimile: +27 11 907 1957

www.bwie.co.za