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CHAIRMAN'S STATEMENT

African Dawn Capital Limited ("Afdawn" or "the Company") is engaged in specialist financing, which incorporates secured structured loans to commercial clients and consumers and home improvement and property transfer loans to retail clients. Afdawn is listed on the Johannesburg Stock Exchange on the AltX board, share code ADW.

Funding is secured from a number of sources, including internal funding, the National Housing Finance Corporation, commercial banks and asset management companies. This spread of funders and investors provides a prudent blend of duration, security and independence, through which we are able to manage liquidity effectively.

Since listing on AltX in September 2004, Afdawn has developed in three phases.

Phase One, completed in the 2005 financial year, entailed listing on AltX establishing a specialist finance and financial services company and securing a R10m loan facility from National Housing Finance Corporation for home improvement loans.

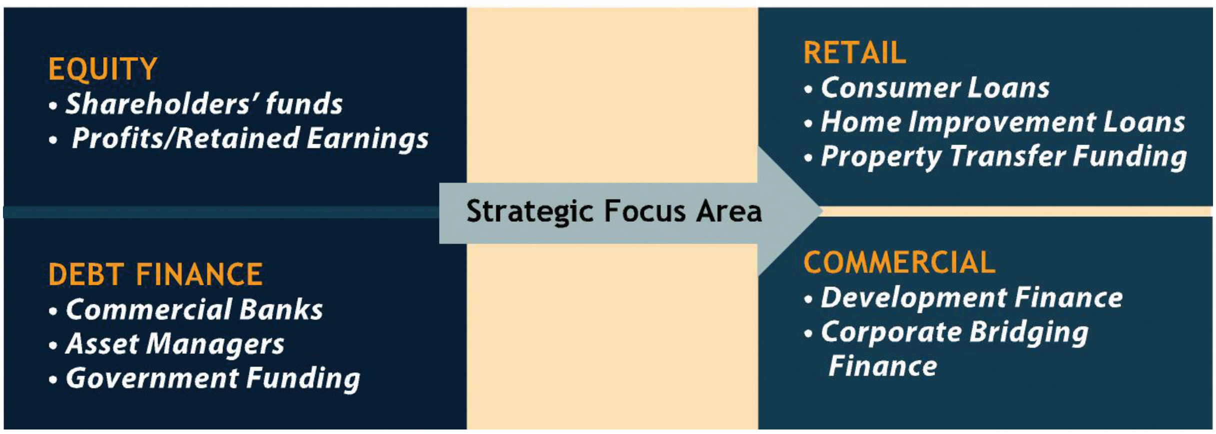
Phase Two, which continued till 2009, was about creating a sustainable business model, expanding into a more diversified product offerings, acquiring our subsidiaries, including Bhenka Financial Services (support services), the Elite Group (consumer lending), the Allegro Group (specialist bridging to commercial clients), and Dumont (specialist lending to medical clients). We increased our funding base by securing a further facility of R40m from the National Housing Finance Corporation as well as R290m from commercial banks and asset managers. The equity of the Company was also strengthened through the issue of 192m shares raising R268m.

The third phase of the development of our business model, which extends to the 2010 year, is aimed at the corporatisation of the African Dawn Group. We have begun by appointing two additional experienced Non-executive Directors. We continue to develop, implement and monitor our Board of Directors and Committee Charters. We have initiated and applied Group policy, and an ongoing effort is maintained to ensure consistency of the application of policy throughout the Group, in compliance with the regulatory and statutory environment.

The year under review has been a challenging year with an unprecedented collapse of the world financial markets precipitated by the US sub-prime crisis, higher domestic interest rates, a marked decline in credit extensions, escalating consumer prices and the rapidly deteriorating world economy, all of which has had a direct impact on the South African economic landscape and the rate at which consumers are prepared or able to borrow and spend.

Amidst these challenges, our business model yielded good results and the Company continued to show solid growth during the 2009 financial year. Revenue increased by 86,5%, profit after tax increased by 60,2% and tangible net asset value increased by 126%.

African Dawn Business Model



Our performance should be directly linked to the expressed long-term objective of the South African Government to provide affordable housing to the lower segment of the community. Over the past 14 years, the national government delivered 2,7m affordable and low cost housing units, but despite this, a backlog of 2,2m units still persists. The Human Settlements Department (previously known as Department of Housing), has undertaken to accelerate delivery over the next four years to reduce this backlog.

Afdawn's role as a financier of developers and owners of these affordable housing units will enable it to generate organic earnings growth in the years ahead.

A further factor which impacted the financial sector was the introduction of the National Credit Act. The effect on Afdawn was positive as it removed some of the smaller non-compliant participants in the industry and resulted in better growth and quality of debtors. Afdawn apply comprehensive credit assessments and in the case of home improvements make payment directly to the retailers or approved suppliers. We see the impact of the Act as continuing to improve the quality of our transactions.

MATERIAL CONTRIBUTING SUBSIDIARIES' PERFORMANCE

Allegro Holdings (Pty) Ltd ("Allegro")

Afdawn acquired 100% of Allegro Holdings in 2007. Allegro provides structured finance to individuals and developers of low cost and affordable housing as well as property transfer finance to buyers and sellers of residential, commercial and industrial property. Allegro offers a number of other services to the market, including bridging, equity investment and mezzanine finance.

The role of Allegro in the Group is also to provide critical mass to the Short-Term Secured Finance division of Afdawn. The acquisition contributed to Afdawn increasing its advances book to over R300m, with an associated increased in earnings.

In the current financial year, revenues have increased by 80% from R111m in 2008 to R199,7m in 2009, net profit increased by 222% from R20m in 2008 to R65m in 2009 and shareholders' funds increased by 359% from R17m in 2008 to R78m in 2009.

The management of African Dawn Capital Limited recently became aware that an order had been granted in the North Gauteng High Court in terms of which the Corporate Money Managers Cash Management Fund portfolio and the financial services business of Corporate Money Managers (Pty) Ltd ("CMM") were placed under provisional curatorship.

Included in the CMM group companies was Miro Capital (Pty) Ltd ("Miro"), which is an associate company of Allegro Holdings (Pty) Ltd. A subsidiary of Allegro, Allegro Bridging (Pty) Ltd, had entered into agreements with Miro in terms of which they acted as an originator of trade receivables consisting primarily of bridging finance for property developments which were in turn acquired by a rated securitisation conduit established by CMM.

Allegro, as the originator and administrator, continues to earn fees for the administration and collection of the underlying trade receivables. The trade receivables acquired by CMM.

The management of Afdawn is working closely with the curators of CMM to form a clearer understanding of the underlying transactions acquired by the CMM group, and in formulating a plan of action to ensure that recoveries are optimised.

Nexus Personnel Finance ("Nexus")

Nexus provides personal finance with an average loan size of R15 000 over an average term of 24 months. Nexus has a high effective return at approximately 42%. The loans are used for home improvements and are offered to clients who earn between R2 500 and R15 000 per month. Nexus manages payments to suppliers for the materials for which the loan was advanced.

In the current financial year, revenues have increased by 109% from R21,3m in 2008 to R44,7m in 2009, net profit increased by 148% from R10m in 2008 to R26m in 2009 and shareholders' funds increased by 99% from R26m in 2008 to R52m in 2009.

Number of clients	7 247
Debtor book	103 974 635
Average loan size	R14 365
Loan period	6 to 36 months

Elite Group (Pty) Ltd ("Elite")

Elite Group was acquired by African Dawn Capital on 1 August 2007, as part of the expansion of the Afdawn home improvement financing business. Elite has 21 branches providing home improvement finance and consumer loans, LSM 2-7 consumers, and operates a debt collection service. Elite has a large client base – approximately 7 514 active clients, state of the art systems and call centre capabilities, and offers Afdawn the opportunity to cross-sell other products such as cellular phone banking and financial literacy to its client base.

In the current financial year, revenues have increased by 153% from R16,4m in 2008 to R41,5m in 2009, net profit increased by 1 157% from R1m in 2008 to R12m in 2009 and shareholders' funds increased by 103% from R12m in 2008 to R24m in 2009.

Number of clients	7 514
Debtor book	40 102 365
Average loan size	R7 018
Loan period	1 to 6 months

African Dawn Property Transfer Finance (Pty) Ltd ("PTF1, PTF2, PTF3 and PTF4")

The service offered by this part of the Group is mainly provided to corporate clients, some of whom are listed on the JSE. The average deal size is R5m and the loans are short-term in nature (average loan term is 6 months). Interest is charged at 5% per month.

In the current financial year, revenues have increased by 21% from R51m in 2008 to R61,9m in 2009, net profit increased by 11% from R43m in 2008 to R47m in 2009 and shareholders' funds increased by 58% from R42m in 2008 to R67m in 2009.

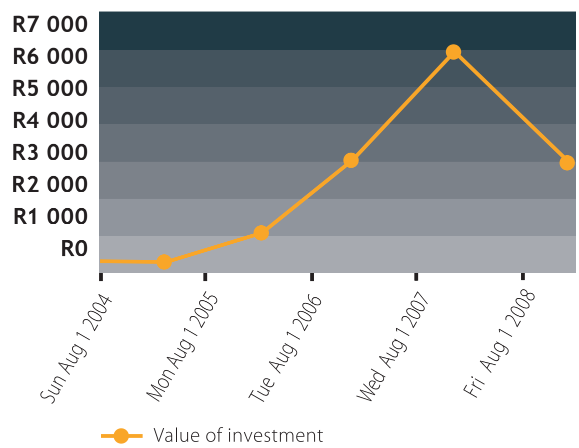
Debtors books amount to R328m and are adequately covered by up to 2,5 times security.

GROUP PERFORMANCE

Investment Performance

Beneath is a graph which shows the value of R100 invested in ADW shares on 1 February 2004. As can be seen, R100 invested then would be worth R2 857 at 28 February 2009.

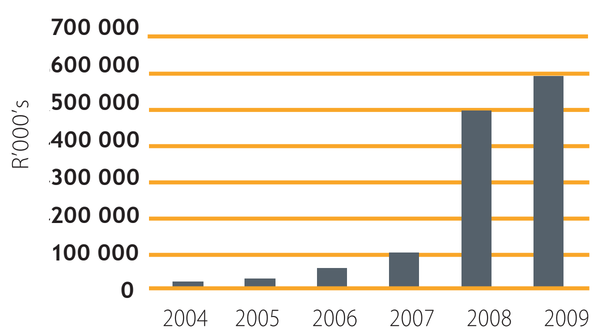
Value of Investment



Debtors Advances

The historical analysis of the loan book of the Group shows an annual doubling of growth from 2004 to 2007; but the acquisitions strategy over the past two years has seen receivables escalate from R96m in 2007 to R592m in 2009.

Debtors Advances

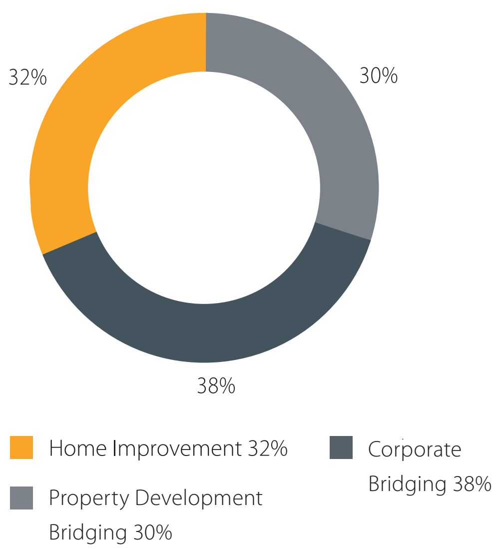


CHAIRMAN'S STATEMENT (continued)

Types of Debtors

As shown in the figure below, African Dawn maintains a spread by categories of advances to clients. This presents a diverse portfolio profile. To indicate this range, we have grouped the advances at 28 February 2009 by categories as shown in the figure below:

Total Advances by Class



Economy

The market we operate in has been influenced by a challenging macro-economic environment during the year under review. We have been required to operate in an environment of scarcer, more costly funding and capital. We have had to manage our resources carefully within these constraints. We did not experience a slowdown in demand for property finance, particularly in the affordable residential sector. The demand for home improvement finance has also continued to increase.

Prospects

We anticipate the challenges that we face in the current climate to continue well into the next financial year, and have endeavoured to factor in the effect of these influences in our strategic plans.

Furthermore, we are exploiting the synergies between the African Dawn Group, by harmonising operations, by standardising information, internal control and compliance and by increasing the efficient use of administration and resources.

We will continue to focus on improving our capital efficiencies by further diversifying our borrowings and investor base.

Continuous effort at improvement of our cash flow is vital to our business. Through rigorous focus on our cash conversion ratios and collections in our various businesses, as well as improving our debt/equity ratio, we will endeavour to achieve this goal.

It is also a stated objective of this phase of development to increase our BEE shareholding substantially through the vehicle of a structured equity transaction.

Board changes and appreciation

During the year we were pleased to welcome Messrs M Ferreira and M Patel to our Board in Non-executive Director's roles and we look forward to their contribution to our business. This past year has been challenging and volatile and I would like to thank management and staff for the manner in which the challenges have been handled, ensuring that the Company remained profitable and sound. I would also like to extend my thanks to my fellow directors for their guidance and wisdom and particularly for ensuring that the governance of the Company has been run effectively.

LI Mophatlane
Chairman
14 May 2009

JM van Tonder
Chief Executive Officer

APPROVAL OF ANNUAL FINANCIAL STATEMENTS AND DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are solely responsible for the preparation of the annual financial statements and related financial information. They believe that the information fairly represents the affairs and results of the Company and of the Group. The external auditors are responsible for independently auditing and reporting on these annual financial statements, in accordance with International Auditing Standards.

The annual financial statements set out in this report have been prepared by management in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of 1973 in South Africa. They incorporate full and reasonable disclosure and are based on appropriate accounting policies which have been consistently applied and which are supported by reasonable and prudent judgements and estimates.

The Directors are responsible for the maintenance of adequate accounting records, the preparation and integrity of the financial statements and related information. The auditors are responsible for reporting on the fair presentation of the financial statements.

The Directors are also responsible for the Company's system of internal financial control.

The financial statements have been prepared on the going concern basis, since the Directors have every reason to believe that the Company and Group have adequate resources in place to continue operations for the foreseeable future.

The annual financial statements and Group annual financial statements set out on pages 16 to 43 were approved by the Board of Directors on 14 May 2009 and are signed on its behalf by:

LI Mophatlane
Chairman
14 May 2009

CM van Nieuwkerk
Chief Financial Officer

REPORT OF THE COMPANY SECRETARY

During the year under review, I conducted the duties of Company Secretary for African Dawn Capital Limited. The secretarial matters are the responsibility of the Company's directors. My responsibility is providing the Directors collectively and individually with guidance relating to their duties, responsibilities and powers.

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

CM van Nieuwkerk
Company Secretary
14 May 2009

CORPORATE GOVERNANCE

INTRODUCTION

African Dawn is committed to and endorses the application of the principles recommended in the King II Code of Corporate Practice. The Group has substantially applied the principles of King II in terms of the Board's governance framework as demonstrated below.

BOARD OF DIRECTORS

Composition of the Board of Directors

The corporate board as at 28 February 2009 comprised four Executive Directors and four Non-executive Directors.

Mr CJ Odams resigned from the Board on 1 October 2008 but remained as Chief Executive Officer of the Bhenka group companies. The Board welcomed Mr M Ferreira, on 17 September 2008, and Mr MM Patel, 15 January 2009, to the Board of Directors.

These Directors are drawn from diverse backgrounds and bring a wide range of experience, insight and professional skills to the Board.

Role and Function of the Board of Directors

The Board is responsible to shareholders for the proper management and the ultimate control of the Company and participates in discussions on, and monitor the progress of, the strategic direction and policy, business acquisitions and disposals, the approval of major capital expenditure, consideration of significant financial matters, the monitoring of the management and administrative activities and any other matters that have a material impact on the Company's affairs.

The Board determines the strategic intent of the Group, and is responsible for the overall direction and control of the Group. Major responsibilities of the Board include the review of business plans and budgets, monitoring performance, approval of major policy decisions, recommendation to the shareholders for the appointment of the Chairman and the Chief Executive Officer as well as the appointment of other board members and agreement of the top management structure and management succession.

The roles of Chairman and Chief Executive Officer are allocated to two separate board members.

Committees of the Board

The remuneration committee was chaired by the then Non-executive Director, Mr CD Vivier. Mr Vivier has since become an executive director and a new chairman will therefore have to be appointed for this purpose. Mr SW De Bruyn is a member of the remuneration committee with the Designated Advisor and Auditor being invited to attend the committee meetings.

The Audit Committee chaired by MM Patel (independent Non-executive Director) and further comprising SW de Bruyn (Non-executive Director) and M Ferreira (independent Non-executive Director) is in place. Furthermore, the Designated Advisor, Auditor, Chief Executive Officer and Chief Financial Officer are invited to attend committee meetings.

Audit Committee

The Audit Committee was setup to assist the Board to discharge its financial functions and is responsible for assessing African Dawns financial position and related financial internal controls. The Audit Committee meets at least four times a year and has additional meetings if deemed necessary. The meetings have an emphasis on:

The Audit Committee was formed for the purpose of monitoring and reviewing:

- the effectiveness of the Groups information systems and others systems of internal control;
- the reports of the external auditors;
- the annual report and specifically the annual financial statements included therein;
- the accounting policies of the Group and proposed revision thereto;
- the external audit findings, reports, fees and the approval thereof;
- ensuring that the non-audit services will not be obtained from the external auditors where the provisions of such services could impair audit independence; and
- compliance with applicable legislation and requirements of regulatory authorities.

The committee comprises Directors with the appropriate financial literacy and may include invitees that the committee believes will provide insight into specific aspects of the Audit Committee mandate.

Remuneration Committee

The Remuneration Committee meets at least twice a year and is responsible for determining the remunerations and conditions of employment of the Executive Directors. The Remuneration Committee reviews the succession planning within the Company. The following principles have been applied by the Remuneration Committee:

- Non-executive Directors are paid appropriate fees according to market indications;
- Directors' remuneration is reviewed annually for appropriateness and recommendations are made;
- remuneration policy; and
- overall remuneration increases.

In total two Board of Directors, two Audit Committee and one Remuneration Committee meetings were held. Mr van Tonder and Mrs van Nieuwkerk attend the Audit Committee meetings by invitation only. Details of the attendance of the meetings are provided in the table below:

Appointment and Re-election of the Directors

Shareholders ratify the appointment of Board members after recommendations by the Board to shareholders and ensure that the recommended parties are competent, qualified and have sufficient experience to serve on the Board. They furthermore ensure that the appointed people are capable and fit into the Company ethos and principles. Directors are subject to retirement by rotation and re-election by shareholders in accordance with the Company's articles of association.

Policies, Objectives and Performance Measurement

The philosophy, policies, values and objectives of the Group are determined by the Board of Directors. The Board sets the strategic objectives of the Group and determines investment and performance criteria. Management is charged with the detailed planning and implementation of that policy in accordance with appropriate risk parameters. The achievement of objectives and compliance with policies by management is monitored by the Board.

Director	Status	Appointment Date	Board of Directors	Audit Committee	Remuneration Committee
JM van Tonder	Executive	10 November 1998	3	1	n/a
MN Ramasehla	Executive	10 March 2005	3	n/a	n/a
CM van Nieuwkerk	Executive	10 March 2004	3	1	n/a
CD Vivier	Executive	1 March 2002	3	1	1
LI Mophatlane	Independent Non-executive	1 December 2004	2	n/a	n/a
SW de Bruyn	Non-executive	18 October 2005	3	2	1
M Ferreira	Independent Non-executive	17 September 2008	1	2	n/a
MM Patel	Independent Non-executive	15 January 2009	n/a	2	n/a

Risk Management

Risk management is central to African Dawn's business.

An effective governance structure and an enterprise wide risk management framework are being put in place and constantly being improved. Risk is managed by the various credit committees in conjunction with the executives and meets regularly. The processes to manage risk are inter alia the following:

- establishment of risk policies which reflect risk principles, risk appetite and risk tolerance;
- creation of risk identification and management processes;
- monitoring and support of risk management practises; and
- comprehensive reporting to the Executive Committee, Audit Committee and Board of Directors.

Operational risk is defined as the risk of loss resulting from deficiencies in information systems, internal controls or external events. These risks, if not addressed, may result in potential financial loss, which could have an impact on shareholder value and returns. The executive committee continuously reviews such potential risks as well as the mitigators required.

Various credit committees exist within the relevant companies and meet on a more regular basis, as and when required.

Employee Empowerment

The Group places great emphasis on the development and training of its people and endeavours to ensure that it offers staff equal opportunity and appropriate participation in decision-making processes. All permanent staff have been allocated with share options and previously disadvantaged staff have been allocated with specifically identified shares, purchased on their behalf by the Company.

The Group also contributes to the upliftment of staff, with the areas of contribution including financial assistance towards education.

INTERNAL, FINANCIAL AND OPERATING CONTROLS

The Board of Directors of the Company acknowledges its ultimate responsibility for the Company's systems of internal, financial and operating controls and the monitoring of their effectiveness. These systems are designed to provide reasonable, but not absolute, assurance against material misstatement and loss.

The identification of risks and the detailed design, implementation and monitoring of adequate systems of internal, financial and operating controls to manage such risks are delegated to management.

Changes in the business and operating environment could have an impact on the effectiveness of such controls, which, accordingly, will need to be reviewed and reassessed continuously.

The Company maintains appropriate levels of internal, financial and operating controls that are designed to provide reasonable assurance regarding:

- the safeguarding of assets against unauthorised use or disposition;
- compliance with statutory laws and regulations; and
- the maintenance of proper accounting records.

The Board of Directors is currently of the view, that given the size and structure of the Company that it would not be cost effective to introduce an Internal Audit function at this time. The Board is continuously monitoring this in light of the Company's operations.

ACCOUNTING AND AUDITING

The Board places strong emphasis on achieving the highest level of financial management and accounting, and reporting to shareholders. The Board is committed to compliance with International Financial Reporting Standards.

It is the Directors' responsibility to prepare and approve financial statements that fairly present:

- the state of affairs as at the end of the financial year under review;
- profit or loss for the year;
- cash flows for the year; and
- non-financial information.

The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board of Directors, and committees of the Board. The Directors are of the opinion that all representations made to the independent auditors during their audit are valid and appropriate.

The external auditors provide an independent assessment of systems of internal financial control to the extent necessary for the audit, and express an independent opinion on whether the financial statements are fairly presented. The external audit function offers reasonable, but not absolute, assurance as to the accuracy of financial disclosures.

COMPANY SECRETARIAL FUNCTION

The Company Secretary is required to provide the Directors of the Company, collectively and individually, with guidance as to their duties, responsibilities and powers. The Company Secretary is also required to ensure that the Directors are aware of all laws and legislation relevant to, or affecting the Company and reporting to any meetings of the shareholders of the Company or of the Company's directors, including any failure to comply with such law or legislation.

The Company Secretary is also required to ensure that minutes of all shareholders' meetings, directors' meetings and the meetings of any committee of the Directors are properly recorded in accordance with section 242 of the Companies Act.

All directors have access to the Company secretary, who is responsible to the Board for ensuring that the Board procedures are followed and that the applicable rules and regulations are complied with.

CODE OF ETHICS

The Company promotes the highest level of professionalism and integrity in conducting its business and dealings with stakeholders.

This approach to business ethics entails the following:

- the Company operates and competes in accordance with the principles of free enterprise;
- free enterprise is constrained by the observance of law and of generally accepted principles governing ethical behaviour in business;
- ethical behaviour is founded on the concept of utmost good faith and characterised by integrity, reliability and commitment to avoid harm;
- ethical business activities benefit all participants through a fair exchange of value or satisfaction of need;
- the Company expects equivalent standards of ethical behaviour from those individuals and companies with whom it conducts business; and
- it is incumbent upon every commercial enterprise to strive for excellence in its ethical standards, as in any other aspect of its activities.

COMMUNICATION WITH STAKEHOLDERS AND SHAREHOLDERS

The Company is committed to a policy of effective communication and engagement with its stakeholders on issues of mutual interest.

The Company promotes a healthy, secure and participative working environment with its staff, business associates and the investor community at large.

YOUR DIRECTORS

Executive Directors

Jacobus Michiel van Tonder

(Chief Executive Officer), appointed 10 November 1998

BProc

Marius joined in 1998 as a Non-executive Director. He was appointed in the following year as Chief Executive Officer and still holds that position. Marius has a legal degree and experience in property development and finance.

Mlungisi Ntsoane Ramasehla

(Deputy Chief Executive Officer), appointed 10 March 2005

BCom (Fin)(Hons)

Johnny was appointed to the Board in 2004 and currently heads up the Home Improvement Finance Division of African Dawn. He also serves on the Board of another JSE-listed company and Alliance Data Corporation. He was previously an Associate Transactor in the Structured Finance Division of Gensec Bank.

CORPORATE GOVERNANCE (continued)

Connie Margriet van Nieuwkerk
(Chief Financial Officer), appointed 10 March 2004
CA (SA)

Connie was appointed to the Board in March 2004. She has extensive financial experience, having been the financial director and Chief Executive Officer of another company listed on the JSE for five years. Connie also serves as the Company Secretary.

Christiaan de Wet Vivier
(Chief Operating Officer), appointed 1 March 2002
BProc (LLM)

De Wet was appointed to the Board in May 2003. He holds a Masters degree in banking with special focus on commercial law. De Wet was appointed as Chief Operating Officer during the year.

Non-executive Directors
Lenamile Isaac Mophatlane
(Independent, Chairman), appointed 1 December 2004

Isaac was appointed to the Group in December 2004 as an independent Non-executive Chairperson. He is also a Non-executive Director of Mowana Investments and the New Business Director for Public Sector Business at Business Connexions.

Steven Wade de Bruyn
Appointed 18 October 2005
BA (Hons), CA (SA)

Steven was appointed to the Board in October 2005. He has a background in auditing and investment banking at UAL, Investec and Gensec Bank.

Marius Ferreira
(Independent), appointed 17 September 2008
B.Com (Hons)

Marius has extensive experience in the South African investment, treasury and banking industries which includes both hands-on experience as an operator as well as leading an executive team and participating in corporate governance structures.

Mitesh Mohanlal Patel
(Independent), appointed 15 January 2009
CA (SA)

Mitesh has extensive experience in the South African auditing environment. He is a partner at Nkonki Inc. since 2008. He is also Chairperson of various Audit Committees and acts as Independent Non Executive Director on many boards.

AUDIT COMMITTEE REPORT

The Corporate Laws Amendment Act 24 of 2006 came into effect on 14 December 2007 (CLAA). In compliance with the CLAA, an Audit Committee was appointed by the Board of Directors.

During the financial year ended 28 February 2009, in addition to the duties set out in the Audit Committee's Terms of Reference (a summary is provided on page 7 of the Corporate Governance Report), the Audit Committee carried out its functions as follows:

- nominated and approved the appointment of SAB&T Incorporated ("SAB&T") on 9 March 2009 as the registered independent auditor after satisfying itself through enquiry that SAB&T is independent as defined in terms of the Corporate Laws Amendment Act 24 of 2006 as well as in terms of the JSE requirement;
- determined the fees to be paid to SAB&T and their terms of engagement;
- ensured that the appointment of SAB&T complied with the Corporate Laws Amendment Act 24 of 2006 and any other legislation relating to the appointment of auditors;
- approved a non-audit services policy which determines the nature and extent of any non-audit services which SAB&T may provide to the Company; and
- pre-approved any proposed contract with SAB&T for the provision of non-audit services to the Company.

The Audit Committee has satisfied itself through enquiry that SAB&T and Mr. Bashier Adam, the designated auditor, are independent of the Company.

The Audit Committee recommended the financial statements for the year ended 28 February 2009 for approval to the Board. The Board has subsequently approved the financial statements which will be open for discussion at the forthcoming annual general meeting.

In compliance with the Listings Requirements of the JSE Limited, the Audit Committee further executed their responsibility in considering and satisfying themselves as to the appropriateness of the expertise and experience of the Financial Director.

MM Patel
Audit Committee Chairman
14 May 2009

REPORT OF THE INDEPENDENT AUDITORS

at 28 February 2009

TO THE MEMBERS OF AFRICAN DAWN CAPITAL LIMITED AND ITS SUBSIDIARIES

Report on the financial statements

We have audited the financial statements and Group Financial Statements of African Dawn Capital Limited, which comprise the Directors' report, the balance sheet as at 28 February 2009, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 16 to 43.

Directors' responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of African Dawn Capital Limited and the Group as at 28 February 2009 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa,1973.

SAB&T Incorporated

SAB&T Chartered Accountants Incorporated

Registered Auditors

Per: Bashier Adam

14 May 2009

119 Witch-Hazel Avenue

Highveld Technopark

Centurion, 0046

REPORT OF THE DIRECTORS
for the year ended 28 February 2009

The Directors have pleasure in submitting the annual financial statements for the year ended 28 February 2009 and report as follows:

The African Dawn Group has realised after tax earnings in the amount of R187m for the year ended 28 February 2009.

SHARE CAPITAL

The total issued share capital at 28 February 2009 amounted to 222 926 236 ordinary shares. 23 074 849 shares were issued during the year under review.

The following new issues were to enable the Group to obtain further long-term funding and thereby increase its advances and resultant earnings:

Date	Number of shares	Price of issue	General/Specific	Specific issue to:
18 June 2008	3 074 849	411 cents	Specific	CIA Holdings
18 June 2008	20 000 000	490 cents	General	–
	23 074 849			

RECONCILIATION OF MOVEMENT IN ORDINARY SHARES

	Shares '000
Opening balance as at 1 March 2008	199 851
Total issues for cash	20 000
Specific issue for subsidiary acquisition	3 075
Closing balance as at 28 February 2009	**222 926**

ANALYSIS OF SHAREHOLDERS

The following shareholders are the five largest shareholders of the Company as on 28 February 2009:

	2009 '000	2009 %
Micawber 694 (Pty) Ltd	**57 471**	25,8%
Osborne Funds	**14 990**	6,7%
Nedcor Securities	**10 513**	4,7%
Peregrine Funds	**8 635**	3,9%
Stanlib Funds	**7 320**	3,2%
Total	**98 929**	44,3%

SHAREHOLDER SPREAD

	2009 '000	2009 %
Held by public	**143 134**	64,2%
Held by non-public	**79 792**	35,8%
– Directors and subsidiary directors	***73 874***	
– Treasury shares	***5 918***	
Total	**222 926**	100%

The total number of public shareholders in the Company as at 28 February 2009 was 2 861.

SUBSIDIARIES

Details of subsidiary companies at 28 February 2009 are presented in an annexure on page 44 of these statements.

DIVIDENDS

No dividends were declared or paid during the year under review.

SUBSEQUENT EVENTS

The management of African Dawn Capital Limited ("Afdawn") recently became aware that an order had been granted in the North Gauteng High Court in terms of which the Corporate Money Managers Cash Management Fund portfolio and the financial services business of Corporate Money Managers (Pty) Ltd ("CMM") were placed under provisional curatorship.

Included in the CMM group companies was Miro Capital (Pty) Ltd ("Miro"), which is an associate company of Allegro Holdings (Pty) Ltd. A subsidiary of Allegro, Allegro Bridging (Pty) Ltd, had entered into agreements with Miro in terms of which they acted as an originator of trade receivables consisting primarily of bridging finance for property developments which were in turn acquired by a rated securitisation conduit established by CMM.

Allegro, as the originator and administrator, continues to earn fees for the administration and collection of the underlying trade receivables. The trade receivables acquired by the CMM group, at arms length, do not form part of the assets of Allegro. It is our understanding that the assets were acquired by CMM in accordance with its approval processes at that time.

The management of Afdawn is working closely with the curators of CMM to form a clearer understanding of the underlying transactions acquired by the CMM group, and in formulating a plan of action to ensure that recoveries are optimised.

DIRECTORS' INTEREST IN SHARE CAPITAL

At 28 February 2009, the Directors held directly, or indirectly 56 609 079 (2008: 28 105 103) shares in the Company and no significant changes in the shareholding have taken place subsequent to year-end.

All relevant shareholding has been disclosed including all known associate holdings.

The Directors and associates had the following shareholding in the Company:

	2009				2008			
	Number of shares				Number of shares			
Director	Direct	Indirect	Total	%	Direct	Indirect	Total	%
JM van Tonder	**1 763 975**	**20 757 999**	**22 521 974**	**10,10**	3 585 927	11 584 100	15 170 027	7,59
CD Wet Vivier	**776 180**	**7 146 324**	**7 922 504**	**3,55**	295 383	2 740 575	3 035 958	1,52
CM van Nieuwkerk	**–**	**10 020 408**	**10 020 408**	**4,49**	595 000	501 500	1 096 500	0,55
MN Ramasehla	**81 159**	**611 200**	**692 359**	**0,31**	1 381 159	841	1 382 000	0,69
SW de Bruyn	**125 000**	**15 326 834**	**15 451 834**	**6,93**	125 000	7 295 618	7 420 618	3,71
Total	**2 746 314**	**53 862 765**	**56 609 079**	**25,38**	5 982 469	22 122 634	28 105 103	14,06

BORROWINGS

Details of borrowings are set out in the notes to the financial statements.

GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

SPECIAL RESOLUTIONS

The only special resolutions passed during the year were at the AGM held on 1 October 2008 and related to increasing the authorised share capital and share repurchases.

AUDITORS

The auditor SAB&T Inc. has been appointed as auditors to the Group during the financial year. The change in auditing firm was so that the Group would be JSE Compliant. SAB&T Inc. will continue in office in accordance with section 270 of the Companies Act.

INCOME STATEMENT
for the year ended 28 February 2009

		GROUP		COMPANY	
		2009	2008	**2009**	2008
	Notes	**R'000**	R'000	**R'000**	R'000
Revenue	2	**443 953**	238 019	**93 510**	25 249
Finance costs	4	**(75 188)**	(54 248)	**–**	(500)
Operating expenses	3	**(154 281)**	(56 240)	**(26 389)**	(8 676)
Operating income		**214 484**	127 531	**67 121**	16 073
Other income	5	**21 849**	–	**936**	30
Fair value adjustments		**(33)**	–	**–**	–
Profit before tax		**236 300**	127 531	**68 057**	16 103
Taxation	6	**(71 171)**	(24 259)	**(19 056)**	(5 059)
Profit for the year		**165 129**	103 272	**49 001**	11 044
Minority share of losses		**22 451**	–	**–**	–
Basic and headline earnings		**187 580**	103 272	**49 001**	11 044
Basic earnings per share (cents)	7.1	**87,9**	57,0		
Headline earnings per share (cents)	7.2	**87,9**	57,0		
Diluted basic earnings per share (cents)	7.3	**85,5**	57,0		
Diluted headline earnings per share (cents)	7.3	**85,5**	57,0		
Weighted average number of ordinary shares ('000)	7.1	**213 194**	181 179		
Weighted average number of shares for diluted earnings per share ('000)	7.3	**219 343**	181 179		

BALANCE SHEET

for the year ended 28 February 2009

		GROUP		COMPANY	
		2009	2008	**2009**	2008
	Notes	**R'000**	R'000	**R'000**	R'000
ASSETS					
Non-current assets		**243 798**	153 928	**192 456**	140 176
Property, plant and equipment	8	**49 415**	13 547	**1 125**	2 791
Investment in subsidiaries	10	**–**	–	**191 331**	137 385
Goodwill	11	**188 271**	140 381	**–**	–
Deferred tax asset	12	**6 112**	–	**–**	–
Current assets		**792 252**	319 217	**188 734**	68 862
Trade and other financial receivables	13	**592 594**	267 092	**20 813**	3 097
Cash and cash equivalents	14	**27 973**	51 226	**1 506**	11 211
Inventories	9	**171 685**	899	**–**	–
Loans to group companies	18	**–**	–	**166 415**	54 554
Total assets		**1 036 050**	473 145	**381 190**	209 038
EQUITY AND LIABILITIES					
Capital and reserves		**554 865**	290 001	**316 379**	181 067
Share capital	15	**2 170**	1 997	**2 170**	1 997
Share premium	15	**242 443**	156 305	**242 443**	156 305
Accumulated profit		**316 007**	131 699	**71 766**	22 765
Minority interest		**(5 755)**	–	**–**	–
Non-current liabilities		**255 008**	40 238	**32 913**	–
Lease liability	16	**1 120**	1 031	**–**	–
Borrowings	16	**253 888**	39 207	**32 913**	–
Current liabilities		**226 177**	142 906	**31 898**	27 971
Trade and other payables	17	**127 083**	100 813	**754**	8 651
Short term borrowings	16	**18 809**	19 013	**–**	–
Taxation		**80 285**	23 080	**21 370**	2 314
Loans from group companies	18	**–**	–	**9 774**	17 006
Total equity and liabilities		**1 036 050**	473 145	**381 190**	209 038

STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2009

	Share capital R'000	Share premium R'000	Accumulated profit R'000	Minority interest R'000	**Total R'000**
GROUP					
Balance at 28 February 2007	**1 460**	**72 801**	**28 427**	**–**	**102 688**
Net profit for the year	–	–	103 272	–	**103 272**
Issue of share capital	537	83 504	–	–	**84 041**
Balance at 29 February 2008	**1 997**	**156 305**	**131 699**	**–**	**290 001**
Issue of share capital	231	110 407	–	–	**110 638**
Treasury shares repurchased	(58)	(24 269)	–	–	**(24 327)**
Net profit for the year	–	–	187 570	(22 451)	**165 122**
Business combinations	–	–	(3 265)	16 696	**13 431**
Balance at 28 February 2009	**2 170**	**242 443**	**316 007**	**(5 755)**	**554 865**

	Share Capital R'000	Share Premium R'000	Accumulated Profit R'000	**Total R'000**
COMPANY				
Balance at 28 February 2007	**1 460**	**72 801**	**11 722**	**85 983**
Net profit for the year	–	–	11 043	**11 043**
Issue of share capital	537	83 504	–	**84 041**
Balance at 29 February 2008	**1 997**	**156 305**	**22 765**	**181 067**
Issue of share capital	231	110 407	–	**110 638**
Treasury shares repurchased	(58)	(24 269)	–	**(24 327)**
Net profit for the year	–	–	49 001	**49 001**
Balance at 28 February 2009	**2 170**	**242 443**	**71 766**	**316 379**

CASH FLOW STATEMENTS
for the year ended 28 February 2009

		GROUP		COMPANY	
		2009	2008	**2009**	2008
	Notes	**R'000**	R'000	**R'000**	R'000
Net cash flows from operating activities		**(32 445)**	100 216	**42 751**	53 334
Cash received from customers		**220 287**	271 689	**75 795**	22 134
Cash paid to suppliers and employees		**(164 782)**	(111 596)	**(33 980)**	36 272
Cash generated by operations	21	**55 505**	160 093	**41 815**	58 406
Taxation		**(15 109)**	(5 629)	**–**	(4 602)
Interest received		**2 347**	–	**936**	30
Finance costs		**(75 188)**	(54 248)	**–**	(500)
Net cash flows from investing activities		**(77 120)**	(107 267)	**(171 681)**	(130 999)
Acquisition of property, plant and equipment	8	**(37 680)**	(8 512)	**(360)**	(2 296)
Sale of property, plant and equipment		**–**	–	**9**	–
Acquisition of subsidiaries	11	**(47 440)**	(98 755)	**–**	(128 703)
Proceeds on disposal of subsidiary		**8 000**	–	**–**	–
(Increase) in investments in subsidiaries		**–**	–	**(52 236)**	–
Loans to group companies repaid		**–**	–	**(7 233)**	–
Loans advanced to group companies		**–**	–	**(111 861)**	–
Net cash flows from financing activities		**86 312**	53 310	**119 225**	84 041
Proceeds on share issue		**110 638**	53 310	**110 638**	84 041
Treasury shares purchased		**(24 326)**	–	**(24 326)**	–
Increase in borrowings		**–**	–	**32 913**	–
Net increase in cash and cash equivalents at end of year		**(23 253)**	46 259	**(9 705)**	6 376
Cash and cash equivalents at beginning of year	14	**51 226**	4 967	**11 211**	4 835
Cash and cash equivalents at end of year	14	**27 973**	51 226	**1 506**	11 211

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
at 28 February 2009

ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below.

1.1a Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the requirements of the South African Companies Act, 1973, as amended, and the JSE Listings Requirements.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

All International Financial Reporting Standards, which are applicable and currently in effect, are being complied with.

1.1b Basis of consolidation

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

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

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated:

- Represent the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- Is not larger than a segment based on either the Group's primary or the Group's secondary reporting format determined in accordance with IFRS 8 – Segment Reporting.

Where goodwill forms part of a cash-generating unit (group of cash generating units) and part of the operating unit within that unit is disposed of, the goodwill associated with the operating disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

ACCOUNTING POLICIES (continued)

1.2 Property, plant and equipment

All fixed assets are shown at cost, less subsequent depreciation and impairment, except for land, which is shown at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity and any gains/losses on qualifying cash flow hedges of foreign currency purchases of fixed assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured.

All other repairs and maintenance expenditures are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life as follows:

• Furniture and fittings	4 – 6 years
• Motor vehicles	5 years
• Computer equipments and software	3 – 5 years
• Office equipment	3 – 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

1.3 Impairment of assets

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

1.4 Investments

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

1.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

ACCOUNTING POLICIES (continued)

1.5 Intangible assets

Goodwill

Goodwill is initially measured at cost, being the excess of the business combination over the Company's interest of the net fair value of the identifiable assets, liabilities, contingent liabilities and intangible assets.

Subsequently goodwill is carried at cost less any impairment.

The excess of the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is immediately recognised in profit or loss.

Internally generated goodwill is not recognised as an asset.

1.6 Financial instruments

Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. During the year, the Group did not hold any investments in this category.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

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

ACCOUNTING POLICIES (continued)

1.6 Financial Instruments (continued)

Available-for-sale financial assets (continued)

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

Trade and other receivables

Trade receivables, loans and advances are stated at amortised cost net of impairment provisions. The Group creates a specific impairment when there is objective evidence that it will not be able to collect all amounts due. The amount of impairment is the difference between the carrying and the recoverable amount.

The Group creates a further portfolio impairment where there is objective evidence that the portfolio of loans and advances contain probable losses at balance sheet date, which will only be identified in the future, or where insufficient data exists to reliably measure where such losses exist. The estimated probable losses are based on historical patterns of losses in each component, the credit assessment allocated to the borrower and take account of the current economic climate in which the borrower operates.

When an advance is uncollectible, it is written off against the related impairment. Subsequent recoveries are credited thereto.

Cash and cash equivalents

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

1.7 Leases

The Company is the lessee

Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables.

The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases where the lessor retains a significant portion of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight –line basis over the period of the lease.

The Group is the lessor

When the assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Assets leased to third parties under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

ACCOUNTING POLICIES (continued)

1.8 Share capital

Ordinary shares are classified as equity

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares, or for the acquisition of a business, are included in the cost of acquisition as part of the purchase consideration.

1.9 Borrowings

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

Preference shares, which are mandatory redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. Borrowings are not limited by the companies Articles of Association.

1.10 Deferred income taxes

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

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

Deferred tax assets are recognised only when related tax losses are assessed.

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

1.11 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when:

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

Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations – for example, in the case of product warranties – the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

ACCOUNTING POLICIES (continued)

1.12 Revenue recognition

Revenue recognition comprises the fair value for the sale of goods and services, net of value-added tax, rebates and discounts and after eliminated sales within the Group. Revenue is recognised as follows:

Sale of services

Sale of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount – being the estimated future cash flow discounted at the original effective interest rate of the instrument – and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant.

Royalty income

Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

Dividend income

Dividend income is recognised when the right to receive payment is established.

1.13 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

1.14 Segment reporting

The Group has adopted IFRS 8 Operating Segments. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by management to allocate resources and assess performance.

As the internal reporting is not done geographically and there is no significant geographic split in the business, the segments are indicated in operational segments only.

1.15 Financial risk management

Financial risk factors

The Groups activities expose it to a variety of financial risks:

- market risk,
- cash flow and fair value interest rate risk,
- credit risk, and
- liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out under policies approved by the board of Directors.

1.16 Statements and interpretations not yet effective

At the date of authorisation of these annual financial statements, the following Standards and Interpretations were in issue but not yet effective and have not been early adopted by the Company:

IFRS 5 (AC 142) – Non-current Assets Held for Sale and Discontinued Operations (effective first annual period commencing on or after 1 July 2009)

- Plan to sell the controlling interest in a subsidiary.

IFRS 7 (AC 144) – Financial Instruments: Disclosures (effective first annual period commencing on or after 1 January 2009)

- Presentation of finance costs.

IFRS 8 (AC 145) replaces IAS 14 – Segment Reporting (effective first annual period commencing on or after 1 January 2009)

- The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes.

ACCOUNTING POLICIES (continued)

1.16 Statements and interpretations not yet effective (continued)

IAS 1 (AC 101) – Presentation of Financial Statements (effective first annual period commencing on or after 1 January 2009)

- Amendments to structure of Financial Statements.
- Current/non-current classification of derivatives.

IAS 7 (AC118) – Statement of Cash Flows (effective first annual period commencing on or after 1 January 2010)

- Classification of expenditures on unrecognised assets.

IAS 8 (AC 103) – Accounting Policies – Changes in Accounting Estimates and Errors (effective first annual period commencing on or after 1 January 2009)

- Status of implementation guidance.

IAS 10 (AC 107) – Events after the Reporting Period (effective first annual period commencing on or after 1 January 2009)

- Dividends declared after the end of the reporting period.

IAS 16 (AC 123) – Property, plant and equipment (effective first annual period commencing on or after 1 January 2009)

- Recoverable amount.
- Sale of assets held for rental.

IAS 17 (AC 105) – Leases (effective first annual period commencing on or after 1 January 2010)

- Classification of leases of land and buildings.

IAS 18 (AC 111) – Revenue (effective first annual period commencing on or after 1 January 2009)

- Costs of originating a loan.

IAS 19 (AC 116) – Employee Benefits (effective first annual period commencing on or after 1 January 2009)

- Curtailments and negative past service cost.
- Plan administration costs.
- Replacement of term 'fall due'
- Guidance on contingent liabilities.

IAS 23(AC 114) – Borrowing costs (effective first annual period commencing on or after 1 January 2009)

- Amendment requiring capitalisation only model.
- Components of borrowing costs.

IAS 32 (AC 125) – Financial Instruments: Presentation (effective first annual period commencing on or after 1 January 2009)

- Certain financial instruments will be classified as equity whereas, prior to these amendments, they would have been classified as financial liabilities.

IAS 36 (AC 128) – Impairment of assets (effective first annual period commencing on or after 1 January 2009)

- Disclosure of estimates used to determine recoverable amount.

IAS 39 (AC 133) – Financial Instruments: Recognition and Measurement (effective first annual period commencing on or after 1 January 2009)

- Amendment to eligible hedged item.
- 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.

The aggregate effect of the statements and interpretations on the annual financial statements, had they been applied for the year ended 28 February 2009 is not considered by management to be material.

		GROUP		COMPANY	
		2009	2008	**2009**	2008
		R'000	R'000	**R'000**	R'000
2. REVENUE					
Gross revenue comprises turnover, which excludes value-added tax and represents the invoiced value of goods and services supplied.					
Total revenue comprises of:					
Interest earned		**439 100**	223 570	**93 510**	25 249
Fees generated from training and education					
Activities		**4 853**	3 084	**–**	–
Other income		**–**	11 365	**–**	–
Total		**443 953**	238 019	**93 510**	25 249
3. OPERATING EXPENSES					
The income is stated after:					
Auditors remuneration		**707**	590	**200**	310
– Audit fee		**707**	590	**200**	310
Bad debts		**21 043**	3 028	**–**	–
Depreciation – owned assets		**1 813**	811	**306**	184
– Computer equipment		**386**	219	**81**	89
– Computer software		**22**	16	**–**	–
– Office equipment		**117**	64	**13**	9
– Furniture and fittings		**484**	179	**212**	86
– Motor vehicles		**742**	333	**–**	–
– Other		**62**	–	**–**	–
Operating lease expense					
– Premises		**2 825**	2 136	**285**	339
Staff costs		**55 842**	17 586	**14 795**	3 755
Directors' emoluments					
Executive Directors		**11 801**	2 705	**10 909**	2 201
– JM van Tonder	salary	**2 152**	1 361	**2 152**	1 361
	bonus	**4 566**	–	**4 566**	–
– MN Ramasehla	salary	**892**	504	**–**	–
	bonus	**–**	–	**–**	–
– CM van Nieuwkerk	salary	**720**	840	**720**	840
	bonus	**1 360**	–	**1 360**	–
– CD Vivier	salary	**1 985**	–	**1 985**	–
	bonus	**126**	–	**126**	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

at 28 February 2009

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R'000	R'000	**R'000**	R'000
3. OPERATING EXPENSES (continued)				
Directors' emoluments (continued)				
Non-executive Directors				
– Services as Directors	**1 646**	–	**2 552**	–
– M Ferreira	**101**	–	**101**	–
– MM Patel	**40**	–	**40**	–
– SW de Bruyn	**1 505**	–	**2 411**	–
Directors services	**900**	–	**–**	–
Project fees	**605**	–	**–**	–

Executive Directors received a basic salary plus a performance bonus based on the 2008 annual results. No commissions or contributions to pension funds were paid.

As per the Company's articles the Directors are re-appointed on an annual basis at the annual general meeting.

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R'000	R'000	**R'000**	R'000
4. FINANCE CHARGES				
Interest paid on:				
– Borrowings to fund loans	**75 188**	54 248	**–**	500
	75 188	54 248	**–**	500
5. OTHER INCOME				
Investment revenue	**2 347**	–	**936**	30
Sundry income	**19 502**	–	**–**	–
	21 849	–	**936**	30

	GROUP	
	2009	2008
	R'000	R'000
6. TAXATION		
Taxation is calculated according to the South African Income Tax Act.		
Taxes attributable to operations:		
South African normal tax		
– Current tax	**66 164**	24 259
– Deferred tax	**5 007**	–
	71 171	24 259
The Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of South Africa as follows:		
Profit before tax	**236 300**	127 531
Tax rate	**28%**	29%
Tax calculated at tax rate	**66 164**	36 984
Assessed loss utilised during the year	**–**	(12 725)
Deferred tax effect on income statement	**5 007**	–
	71 171	24 259
Effective tax rate	**30%**	19%

	COMPANY	
	2009	2008
	R'000	R'000
6. TAXATION (continued)		
Taxes attributable to operations:		
South African normal tax		
– Current tax	**19 056**	5 059
	19 056	5 059
The Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of South Africa as follows:		
Profit before tax	**68 057**	16 103
Tax rate	**28%**	29%
Tax calculated at tax rate	**19 056**	4 669
Under/(overprovision) of deferred tax	**–**	390
	19 056	5 059
Effective tax rate	**28%**	31%
The income tax rate of 29% in 2008 was reduced to 28% in 2009.		

7. EARNINGS PER SHARE

7.1 Basic earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighed number of ordinary shares outstanding during the year.

The calculation is based on a profit of R187 580 104 (2008: R103 272 983) and weighted average number of ordinary shares in issue during the year of 213 193 789 (2008: 181 179 323).

7.2 Headline earnings per share

Headline earnings per share have been calculated in terms of Circular 8 of 2007 and IAS 33.

The calculation is based on headline earning of R187 580 104 (2008: profit of R103 272 983) and weighted average number of ordinary shares in issue during the year of 213 193 789 (2008: 181 179 323). No reconciliation is provided as the basic earning and headline earnings have the same value.

7.3 Diluted earnings per share

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

The calculation of diluted earnings per share is based on a weighted average number of shares outstanding during the period, adjusted for the effect of the potential issue of 6 149 698 shares to Allegro for the balance of the purchase consideration pending the outcome of certain profit warranties.

	GROUP	
	2009	2008
	cents	cents
Basic earnings per share	**87,9**	57,0
Headline earnings per share	**87,9**	57,0
Diluted basic earnings per share	**85,5**	57,0
Diluted headline earnings per share	**85,5**	57,0

	Land and buildings R'000	Computer equipment R'000	Computer software R'000	Office equipment R'000	Furniture and fittings R'000	Motor vehicles R'000	Other R'000	Total R'000
8. PROPERTY, PLANT AND EQUIPMENT								
GROUP 2009								
Owned assets								
Net book value at 29 February 2008	**8 974**	**656**	**21**	**407**	**1 837**	**1 653**	**–**	**13 548**
Current year movements								
– Additions	**30 011**	**957**	**4**	**319**	**1 543**	**4 191**	**1 267**	**38 292**
– Depreciation	**–**	**(386)**	**(22)**	**(117)**	**(484)**	**(742)**	**(62)**	**(1 813)**
– Disposals	**–**	**(20)**	**–**	**(59)**	**(57)**	**(476)**	**–**	**(612)**
Balance at end of year	**38 985**	**1 207**	**3**	**550**	**2 839**	**4 626**	**1 205**	**49 415**
Made up as follows:								
– Assets at cost	**38 985**	**3 101**	**206**	**1 005**	**3 993**	**6 705**	**1 267**	**55 201**
– Accumulated								
– Depreciation	**–**	**(1 894)**	**(203)**	**(455)**	**(1 094)**	**(2 079)**	**(62)**	**(5 786)**
Net book value at 28 February 2009	**39 985**	**1 207**	**3**	**550**	**2 839**	**4 626**	**1 205**	**49 415**
GROUP 2008								
Owned assets								
Net book value at 28 February 2007	2 086	293	7	31	601	1 207	–	4 225
– Additions	6 888	582	30	447	1 421	1 204	–	10 572
– Depreciation	–	(219)	(16)	(64)	(179)	(333)	–	(811)
– Disposals	–	–	–	(7)	(5)	(309)	–	(321)
– Disposals Depreciation	–	–	–	–	(1)	(117)	–	(118)
Balance at end of year	8 974	656	21	407	1 837	1 652		13 547
Made up as follows:								
– Assets at cost	8 974	2 164	202	745	2 447	2 990	–	17 522
– Accumulated depreciation	–	(1 508)	(181)	(338)	(610)	(1 338)	–	(3 975)
Net book value at 29 February 2008	8 974	656	21	407	1 837	1 652	–	13 547

	Land and buildings R'000	Computer equipment R'000	Computer software R'000	Office equipment R'000	Furniture and fittings R'000	Motor vehicles R'000	Total R'000
8. PROPERTY, PLANT AND EQUIPMENT (continued)							
COMPANY 2009							
Owned assets							
Net book value at 29 February 2008	**1 876**	**260**	**–**	**45**	**610**	**–**	**2791**
Current year movements							
– Additions	**–**	**156**	**–**	**46**	**314**	**–**	**516**
– Depreciation	**–**	**(81)**	**–**	**(13)**	**(212)**	**–**	**(306)**
– Disposals	**(1 876)**	**–**	**–**	**–**	**–**	**–**	**(1 876)**
Balance at end of year	**–**	**335**	**–**	**78**	**712**	**–**	**1 125**
Made up as follows:							
– Assets at cost	**–**	**585**	**–**	**109**	**1 120**	**–**	**1 814**
– Accumulated depreciation	**–**	**(250)**	**–**	**(31)**	**(408)**	**–**	**(689)**
Balance at end of year	**–**	**335**	**–**	**78**	**712**	**–**	**1 125**
COMPANY 2008							
Owned assets							
Beginning of year							
– Assets at cost	253	125	16	23	477	71	966
– Accumulated depreciation	–	(80)	(16)	(9)	(109)	(71)	(286)
Net book value at 29 February 2007	253	45	–	14	368	–	680
Current year movements							
– Additions	1 623	304	–	40	328	–	2 295
– Depreciation	–	(89)	–	(9)	(86)	–	(184)
Balance at end of year	1 876	260	–	45	610	–	2 791
Made up as follows:							
– Assets at cost	1 876	429	16	63	805	71	3 261
– Accumulated depreciation	–	(169)	(16)	(18)	(195)	(71)	(469)
Net book value at 29 February 2008	1 876	260	–	45	610	–	2 791

The Group leases certain motor vehicles and buildings under a number of finance leases. As at 28 February 2009, the net carrying amount of leased motor vehicles is R1 584 597 and buildings is R18 094 563.

Details of properties

Erf 127 Dunkeld West, Johannesburg, Gauteng

Commercial Property housing the registered office of African Dawn Capital Limited. The property is bonded with Investec bank.

Erf 150 West Park, Pretoria, Gauteng

A 756sqm residential property in Western Pretoria that has been bonded with Standard Bank.

Erf 2126 Douglasdale Extension 149

A residential property in Johannesburg that is bonded with ABSA bank

Portion 2 Haartebeeslagte 552KR, Limpopo

A game farm situated in the Nylsvley nature reserve originally purchased for R19 650 000 including residential buildings which have been improved to the value of R1 483 255 during the year. The land and buildings are currently in development.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

at 28 February 2009

		GROUP		COMPANY	
		2009	2008	**2009**	2008
		R'000	R'000	**R'000**	R'000
9.	**INVENTORIES**				
	Inventories consist of the following:				
	Land in development	**171 657**	–	**–**	–
	Consumables	**28**	194	**–**	–
	Work-in-progress	**–**	705	**–**	–
		171 685	899	**–**	–
	The land in development relates to equity investments in affordable housing developments by Allegro. Details regarding the developments are available at the registered offices of the Company.				
	Inventory valued at R164 147 721 was pledged as security for financing facilities of the Group from Four Rivers Trading 307 (Pty) Ltd. Refer to note 16.				
10.	**INVESTMENT IN SUBSIDIARIES**				
	Name of company				
	Short-term secured financing				
	Allegro Holdings (Pty) Ltd	**–**	–	**94 913**	57 000
	Home improvement financing				
	Elite Group (Pty) Ltd	**–**	–	**21 822**	18 706
	Training, education and other				
	Bhenka Financial services (Pty) Ltd	**–**	–	**20 197**	20 197
	African Dawn Pam Golding Properties (Pty) Ltd	**–**	–	**680**	680
	Candlestick Park Investments (Pty) Ltd	**–**	–	**12 917**	–
	Dumont Healthcare (Pty) Ltd	**–**	–	**11 500**	11 500
	Other subsidiaries	**–**	–	**29 302**	29 302
				191 331	137 385
	Based on an assessment of the underlying potential of the businesses housed in the subsidiaries listed above, the Directors are of the opinion that there has been no impairment in the above investments, or in the underlying goodwill as at 28 February 2009 (refer to note 11).				
11.	**GOODWILL**				
	Cost:				
	Beginning of the year				
	– Assets at cost	**140 381**	10 896	**–**	–
	Current year movements				
	– Acquisition of subsidiaries	**47 890**	129 485	**–**	–
	Balance at end of the year	**188 271**	140 381	**–**	–
	Amortisation and impairment	**–**	–	**–**	–
	Net book value	**188 271**	140 381	**–**	–

There is no indication that goodwill has been impaired as at 28 February 2009. For more detail on investments refer to note 10.

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R'000	R'000	**R'000**	R'000
12. DEFERRED TAX ASSET				
Balance at beginning of the year	**–**	–	**–**	–
Movements during the period attributable to:				
– Timing differences arising on provisions	**4 884**	–	**–**	–
– Tax losses available for set off against future taxable income	**1 228**	–	**–**	–
Balance at end of the year/period	**6 112**	–	**–**	–

	GROUP	
	2009	2008
	R'000	R'000
13. TRADE AND OTHER FINANCIAL RECEIVABLES		
Short-term secured finance		
Current financial receivables	**422 663**	198 997
Specific provision for impairment	**(14 874)**	(12 762)
Specific provision for impairment as percentage of book	**3,52%**	6.41%
Security held, ceded by debtors, that is saleable in the event of default	**584 406**	1 236 556
The short-term secured finance is advanced at interest rates between 3% and 5% per month and is secured with a minimum of 2.5 times the advance value of assets. The advance books are monitored by a credit committee on a weekly basis to monitor the status of all advances.		
Home improvement finance and other		
Current financial receivables	**169 931**	68 095
Specific provision for impairment	**(7 256)**	(13 084)
Specific provision for impairment as percentage of book	**4,2%**	19,21%
The Home Improvement Finance is advanced at a rate of 42% per annum and is in compliance with the National Credit Act ("NCA"). An affordability profile is completed as part of the NCA requirements and all purchases are only paid to selected home improvement suppliers. The advance book is regularly reviewed and monitored for increased risk of non payment and provisions are made. The book is growing in line with forecasts and risk is being assessed on a regular basis.		
Total		
Current financial receivables	**592 594**	267 092
Specific provision for impairment	**(22 130)**	(25 846)
Specific provision for impairment as percentage of book	**3,73%**	9.67%

The significant decrease in the risk carried by the Group in respect of trade and other financial receivables is largely due to the rigid credit quality checks and regular monitoring of debtors by management.

	COMPANY	
	2009	2008
	R'000	R'000
Trade receivables	**20 808**	2 825
Other receivables	**5**	272
	20 813	3 097

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
at 28 February 2009

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R'000	R'000	**R'000**	R'000
14. CASH AND CASH EQUIVALENTS				
For the purpose of the cash flow statement the year-end cash and cash equivalents comprise of the following:				
Cash at bank and on hand	**27 973**	51 226	**1 506**	11 211
Cash at banks earn interest at floating rates based on daily bank deposit rates.				
15. SHARE CAPITAL AND PREMIUM				
Share capital				
Authorised				
500 000 000 ordinary shares of R0,01 each	**5 000**	5 000	**5 000**	5 000
Issued				
222 926 236 (2008: 199 851 400) ordinary shares of R0,01 each	**2 229**	1 997	**2 229**	1 997
Reconciliation of number of shares				
Balance at the beginning of the year	**1 997**	1 460	**1 997**	1 460
Issued during the year				
28 853 572 shares issued 31 May 2007	**–**	287	**–**	287
25 000 000 shares issued 8 August 2007	**–**	250	**–**	250
3 074 849 shares issued 28 March 2008	**31**	–	**31**	–
20 000 000 shares issued 30 May 2008	**200**	–	**200**	–
5 918 176 treasury shares repurchased during the year	**(59)**	–	**(59)**	–
Balance at end of year	**2 170**	1 997	**2 170**	1 997
Share premium				
Balance at beginning of year	**156 303**	72 801	**156 303**	72 801
Issued during the year	**110 407**	83 504	**110 407**	83 504
5 918 176 treasury shares repurchased during the year	**(24 267)**	–	**(24 267)**	–
Balance at end of year	**242 443**	156 305	**242 443**	156 305
Total share capital and premium	**244 613**	158 302	**244 613**	158 302

The un-issued shares are under the control of the Directors until the next Annual General meeting.

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R'000	R'000	**R'000**	R'000
16. BORROWINGS				
Non-current borrowings consist of:				
Liabilities at amortised cost				
Lease liability				
The lease liabilities are secured on motor vehicles and computer equipment and have fixed terms of repayment that range from R2 134 – R1 088 per month for 54 months and interest is charged at prime. The net carrying amount of leased motor vehicles is R1 584 597.	**1 120**	1 031	**–**	–
National Housing Finance Corporation ("NHFC") Loan				
The loan is repayable over a period of 5 years and interest is levied at prime minus 2%. The loan is secured by a cession of the associated debtors valued at R116 737 595. Instalments are paid monthly.	**21 263**	18 530	**–**	–
Shareholders of CIA Holdings (Pty) Ltd				
The liability is payable in two instalments by transferring shares equivalent to the amount outstanding of R25 275 257 on condition that warranted after tax profit of the business for the financial years ending 28 February 2009 and 28 February 2010 amount to R42 000 000 and will be achieved.	**32 913**	–	**32 913**	–
Four Rivers Trading 307 (Pty) Ltd				
Secured loan bearing interest at 32,76% per annum with no fixed terms of repayment. Inventory valued at R164 147 721 was pledged as security for this loan.	**156 268**	–	**–**	–
Other borrowings				
The loans are raised as the advances are made and attract at 2,5% interest per month. The borrowings are incurred on a transactional basis. The loans are secured by a cession of the associated debtors.	**31 652**	7 158	**–**	–
Mortgage bond over property				
Bonds are loans secured over the companies' fixed property. The bond is charged at prime and is repayable in instalments of R161 234 per month.	**11 792**	13 519	**–**	–
	255 008	40 238	**32 913**	–
The short-term borrowings consist of:				
– NHFC loan	**8 277**	4 633	**–**	–
– Overdraft facility	**10 532**	13 956	**–**	–
– Other	**–**	424	**–**	–
	18 809	19 013	**–**	–

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R'000	R'000	**R'000**	R'000
17. TRADE AND OTHER PAYABLES				
Trade payables	**115 204**	99 105	**185**	6 596
VAT payable	**146**	–	**–**	–
Accruals	**11 733**	1 708	**569**	2 055
Balance at end of year	**127 083**	100 813	**754**	8 651
18. LOANS TO GROUP COMPANIES				
Amounts owing by group companies				
Dumont Healthcare (Pty) Ltd	**–**	–	**10 302**	1 230
Loan is unsecured, bears simple interest of 1,5% per month and there is no fixed terms of repayment				
Candlestick Park Investments (Pty) Ltd	**–**	–	**–**	700
Loan is unsecured, interest free and there is no fixed terms of repayment				
Nexus Personnel Finance (Pty) Ltd	**–**	–	**16 463**	8 226
Loan is unsecured, bears simple interest of 1,5% per month and there is no fixed terms of repayment				
ABC Randburg (Pty) Ltd	**–**	–	**–**	15 071
Loan is unsecured, interest free and there is no fixed terms of repayment				
African Dawn Social Education (Pty) Ltd	**–**	–	**6**	6
Loan is unsecured, interest free and there is no fixed terms of repayment				
African Dawn Property Finance 3 (Pty) Ltd	**–**	–	**–**	1 332
Loan is unsecured, interest free and there is no fixed terms of repayment				
African Dawn Pam Golding Properties (Pty) Ltd	**–**	–	**1 203**	1 031
Loan is unsecured, interest free and there is no fixed terms of repayment				
African Dawn Property Finance 2 (Pty) Ltd	**–**	–	**108 013**	23 285
Loan is unsecured, bears simple interest of 1,5% per month and there is no fixed terms of repayment				
African Dawn Renovations (Pty) Ltd				
Loan is unsecured, interest free and there is no fixed terms of repayment	**–**	–	**2 814**	1 803

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R'000	R'000	**R'000**	R'000
18. LOANS TO GROUP COMPANIES (continued)				
Amounts owing by group companies (continued)				
African Dawn Property Finance 1 (Pty) Ltd				
Loan is unsecured, bears simple interest of 1,5% per month and there is no fixed terms of repayment	**–**	–	**7 763**	–
African Dawn Management (Pty) Ltd				
Loan is unsecured, interest free and there is no fixed terms of repayment	**–**	–	**2 245**	5
African Dawn Kwazulu Natal (Pty) Ltd				
Loan is unsecured, interest free and there is no fixed terms of repayment	**–**	–	**453**	–
African Dawn Operations (Pty) Ltd				
Loan is unsecured, interest free and there is no fixed terms of repayment	**–**	–	**8 145**	–
Elite Group (Pty) Ltd				
Loan is unsecured, bears simple interest of 1,5% per month and there is no fixed terms of repayment	**–**	–	**9 008**	1 865
	–	**–**	**166 415**	54 554
Amounts owing to group companies				
Bhenka Financial Services (Pty) Ltd	**–**	–	**(6 204)**	(6 604)
Candlestick Park Investments (Pty) Ltd	**–**	–	**(3 570)**	–
African Dawn Property Finance 3 (Pty) Ltd			**–**	(8 489)
African Dawn Property Finance 1 (Pty) Ltd	**–**	–	**–**	(1 913)
	–	–	**(9 774)**	(17 006)
The loans bear no interest and have no fixed terms of repayment				
19. CAPITAL AND OTHER COMMITMENTS				
The Directors have not entered into material capital commitment agreements during the current year and no contingent rent is payable.				
Operating lease commitments				
The future minimum lease payments relating to office premises and equipment are as follows:				
– Within one year	**2 166**	2 512	**–**	-
– After one year and not later than five years	**127**	3 193	**–**	-

20. CONTINGENT LIABILITIES

There were no material contingent liabilities in existence at year end.

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R'000	R'000	**R'000**	R'000
21. NOTES TO CASH FLOW STATEMENTS				
Cash generated by operations				
Profit before taxation	**236 300**	127 531	**68 057**	16 103
Adjustments for:				
Finance costs	**75 188**	54 248	**–**	500
Depreciation	**1 813**	810	**306**	184
Interest received	**(2 347)**	–	**(936)**	(30)
Operating profit before changes in working capital	**310 954**	182 589	**67 427**	16 757
(Increase)/decrease in trade and other receivables	**(325 504)**	(154 144)	**(17 715)**	42 973
Increase in inventory	**(170 786)**	(899)	**–**	–
Increase in borrowings	**214 770**	33 218	**–**	–
(Decrease)/increase in trade and other payables	**26 071**	99 329	**(7 897)**	(1 324)
	55 505	160 093	**41 815**	58 406

22. FINANCIAL INSTRUMENTS

The Group manages its financial instruments in terms of credit risk, interest rate risk, liquidity and capital risk as detailed below:

22.1 Credit risk

Credit risk relates to the risk of financial loss to the Group relating to customers, loans receivables and other financial instruments that fail to meet their contractual obligations. Credit risk consists mainly of cash deposits, cash equivalents, trade and other financial receivables. The Company only deposits cash with major banks with high quality credit standing and limits exposure to any specific counterparty.

	GROUP 2009 R'000	GROUP 2008 R'000	COMPANY 2009 R'000	COMPANY 2008 R'000
Financial assets exposed to credit risk at year-end were as follows:				
Trade and other financial receivables	**592 594**	267 092	**20 813**	3 097
Cash and cash equivalents	**27 973**	51 226	**1 506**	11 211

22.2 Interest rate risk

The Group is exposed to interest rate risks as funds are borrowed at interest rates linked to prime and fixed rates. Fluctuations in interest rates impact on the value of short-term investment and financing activities, give rise to interest rate risk. A significant amount of the Group's interest rate risk arises from borrowings.

Interest rate sensitivity analysis

As at 28 February 2009, if the interest rate on variable rate assets and liabilities of the Group held at amortised cost had increased or decreased by 100 basis points on a prime lending rate of 14,5%, with all other variables held constant, the impact in profit and loss would have been as follows:

	GROUP		COMPANY	
	Pre-tax	Post-tax	Pre-tax	Post-tax
	R'000	R'000	R'000	R'000
Increase by 100 basis points	678	488	–	–
Decrease by 100 basis points	(678)	(488)	–	–

22. FINANCIAL INSTRUMENTS (continued)

22.3 Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group obtained at least double the advance value in appropriate collateral as a means of mitigating the risk of financial loss from defaults. The Group has adopted a policy of only dealing with credit worthy counter parties, and uses publicly available information and its own trading records to assess credit worthiness. Where available, information is obtained from independent rating agencies. The Groups' exposure and credit assessment of its counter parties is continually monitored throughout the year.

22.4 Liquidity and capital risk

The Group's risk to liquidity is as a result of the funds available to cover future commitments. The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising return to stakeholders, through the optimisation of the debt and equity balance. The Groups overall strategy has remained unchanged from 2008.

The capital structure of the Group consists of debt, included in borrowings, cash and cash equivalents and equity attributable to equity holders, comprising of issued share capital, reserves and retained earnings.

The gearing ratio at year end was as follows:

	2009 R'000	2008 R'000
Debt (Long term and short term)	**481 185**	183 144
Cash and cash equivalents	**27 973**	51,226
Net debt	**453 212**	131 918
Equity	**554 865**	290 001
Net debt to equity ratio	**82%**	45%
Net debt to total assets	**44%**	28%
Equity as percentage of total assets	**54%**	61%

The Board of Directors review the capital structure on a semi annual basis. As part of this review the board considers the risks associated with each class of capital. The Board deems the current level of gearing to be appropriate due to the nature of the niche markets in which the Group operates.

The table below analyses the Group's financial assets and financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the analysis are the contractual undiscounted cash flows except if otherwise stated.

	Less than 1 year R'000	Between 1 and 2 years R'000	Between 2 and 5 years R'000
As at 28 February 2009			
Trade and other financial receivables	**592 594**	**–**	**–**
Cash and cash equivalents	**27 973**	**–**	**–**
Lease liability	**–**	**(1 120)**	**–**
Borrowings	**(18 809)**	**(253 888)**	**–**
Trade and other payables	**(127 083)**	**–**	**–**
As at 29 February 2008			
Trade and other financial receivables	267 092	–	–
Cash and cash equivalents	51 226	–	–
Lease liability	–	(1 031)	–
Borrowings	(19 013)	(39 207)	–
Trade and other payables	(100 813)	–	–

23. SEGMENT RESULTS

Management has decided to organise the entity in operational segments according to the nature of the financing and the service rendered. As at 28 February 2009 the African Dawn Group was organised into the following four main business segments:

- Short-term secured financing
- Home improvement financing
- Training and education
- Others (property sales and administrative)

Operating segments

The following table presents revenue and profit and certain assets and liability information regarding African Dawn Capital Group business segments:

	Short-term secured financing	Home improvement financing	Training, education and other	Total
Year ended 28 February 2009				
Total segment revenue	**342 632**	**86 156**	**15 165**	**443 953**
Operating profit/segment results	**149 917**	**49 504**	**15 063**	**214 484**
Assets				
Non-current assets	**221 167**	**1 720**	**20 911**	**243 798**
Current assets	**579 002**	**171 947**	**41 303**	**792 252**
Liabilities				
Non-current liabilities	**204 285**	**38 134**	**12 589**	**255 008**
Current liabilities	**160 618**	**35 599**	**29 960**	**226 177**
Year ended 29 February 2008				
Total segment revenue	183 920	37 707	16 392	238 019
Operating profit/segment results	103 987	21 762	1 782	127 531
Assets				
Non-current assets	10 330	24 624	118 974	153 928
Current assets	281 846	32 909	4 462	319 217
Liabilities				
Non-current liabilities	37 572	2 537	129	40 238
Current liabilities	114 441	14 615	13 850	142 906

24. COMPARITIVE FIGURES

In order to facilitate meaningful comparisons between the prior year and the current year financial statements and to present the financial position more meaningfully the following figures reported in the prior year have been reclassified as a comparative reported during the current year.

	GROUP 2008 R'000
BALANCE SHEET	
Goodwill on acquisition of subsidiaries	(29 302)
Financial receivables	22 093
Trade and other receivables	(265 465)
Inventories	(899)
Financial receivables	501 987
Borrowings	(325 387)
Trade and other payables	96 973
Borrowings	(13 956)
Bank overdraft	13 956
Net effect	–
INCOME STATEMENT	
Revenue	20 766
Cost of funding	(20 766)
Net effect	–
CASH FLOW STATEMENT	
Acquisition of subsidiaries	(29 302)
Cash generated from operations	96 973
Increase in borrowings	(325 387)
(Decrease) in financial receivable	258 615
Increase in inventory	(899)
Net effect	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
at 28 February 2009

24. COMPARITIVE FIGURES (continued)

	COMPANY 2008 R'000
BALANCE SHEET	
Loans to group companies	54 554
Loans from group companies	(17 006)
Investments in subsidiaries	70 534
Goodwill	(108 082)
Net effect	–
INCOME STATEMENT	
Revenue	10 774
Other operating expenses	(10 774)
Other operating expenses	(20)
Depreciation	(183)
Finance costs	203
Other operating expenses	(30)
Investment revenue	30
Net effect	–
CASH FLOW STATEMENT	
Proceeds on share issue	30 731
Acquisition of business	(30 731)
Tax paid	457
Increase/(decrease) in taxation	(457)
Cash generated from operations	46 262
Interest income	30
Increase/(decrease) in financial receivables	(46 088)
Finance costs	(203)
Net effect	–

25. RELATED PARTIES

Relationships	**Name of related party**
Members of key management	CM van Nieuwkerk is the owner of Imagine Wealth (Pty) Ltd. CD Vivier was an associate of Le Roux Vivier and Associates.
Subsidiaries	Refer to Annexure A

	2009 R'000	2008 R'000
Relationships		
Dumont Healthcare (Pty) Ltd	**10 302**	1 230
Candlestick Park Investments (Pty) Ltd	**(3 570)**	700
Nexus Personnel Finance (Pty) Ltd	**16 463**	8 226
ABC Cash Plus Randburg (Pty) Ltd	**–**	15 071
African Dawn Social Education (Pty) Ltd	**6**	6
African Dawn Property Transfer Finance 3 (Pty) Ltd	**–**	(7 157)
African Dawn Pam Golding Properties Pretoria (Pty) Ltd	**1 202**	1 031
African Dawn Property Transfer Finance 2 (Pty) Ltd	**108 013**	23 285
African Dawn Renovations (Pty) Ltd	**2 814**	1 803
African Dawn Property Transfer Finance 1 (Pty) Ltd	**7 763**	(1 913)
African Dawn Management (Pty) Ltd	**2 245**	5
African Dawn Kwazulu Natal (Pty) Ltd	**453**	–
African Dawn Operations (Pty) Ltd	**8 145**	–
Elite Group (Pty) Ltd	**9 008**	1 865
Bhenka Financial Services (Pty) Ltd	**(6 204)**	(6 609)
Related party transactions		
Imagine Wealth (Pty) Ltd	**2 203**	155
Le Roux Vivier and Associates	**109**	408
Candlestick Park Investments (Pty) Ltd	**285**	339

Sales to and purchases from related parties are made at normal market prices.

26. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

27. EVENTS AFTER BALANCE SHEET

Allegro Holdings (Pty) Ltd

The management of African Dawn Capital Limited ("Afdawn") recently became aware that an order had been granted in the North Gauteng HighCourt in terms of which the Corporate Money Managers Cash Management Fund portfolio and the financial services business of Corporate Money Managers (Pty) Ltd ("CMM") were placed under provisional curatorship.

Included in the CMM group companies was Miro Capital (Pty) Ltd ("Miro"), which is an associate company of Allegro Holdings (Pty) Ltd. A subsidiary of Allegro, Allegro Bridging (Pty) Ltd, had entered into agreements with Miro in terms of which they acted as an originator of trade receivables consisting primarily of bridging finance for property developments which were in turn acquired by a rated securitisation conduit established by CMM.

Allegro, as the originator and administrator, continues to earn fees for the administration and collection of the underlying trade receivables. The trade receivables acquired by the CMM group, at arms length, do not form part of the assets of Allegro. It is our understanding that the assets were acquired by CMM in accordance with its approval processes at that time.

The management of Afdawn is working closely with the curators of CMM to form a clearer understanding of the underlying transactions acquired by the CMM group, and in formulating a plan of action to ensure that recoveries are optimised.

ANNEXURE A

	Issued capital		% Held		Shares		Amounts owing	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
							R'000	R'000
African Dawn Kwazulu Natal (Pty) Ltd	**100**	100	**100**	100	**100**	100	**453**	–
African Dawn Pam Golding Properties Pretoria (Pty) Ltd	**100**	100	**100**	100	**100**	100	**1 203**	1 031
African Dawn Renovations (Pty) Ltd	**100**	100	**100**	100	**100**	100	**2 814**	1 803
African Dawn Property Transfer Finance 3 (Pty) Ltd	**100**	100	**100**	100	**100**	100	**–**	(7 157)
African Dawn Property Transfer Finance 2 (Pty) Ltd	**100**	100	**100**	100	**100**	100	**108 013**	23 285
African Dawn Property Transfer Finance 1 (Pty) Ltd	**100**	100	**100**	100	**100**	100	**7 763**	(1 913)
African Dawn Social Education (Pty) Ltd	**100**	100	**100**	100	**100**	100	**6**	6
Nexus Personnel Finance (Pty) Ltd	**100**	100	**100**	100	**100**	100	**16 463**	8 226
African Dawn Operations (Pty) Ltd	**100**	100	**100**	100	**100**	100	**8 145**	–
ABC Randburg (Pty) Ltd	**100**	100	**100**	100	**100**	100	**–**	15 071
ABC Cash Plus Financial Services (Pty) Ltd	**100**	100	**100**	100	**100**	100	**–**	–
African Dawn Wheels (Pty) Ltd	**100**	100	**100**	100	**100**	100	**2 245**	5
Bhenka Community Marketing (Pty) Ltd	**100**	100	**100**	100	**100**	100	**(6 204)**	(6 604)
Allegro Holdings (Pty) Ltd	**1 000**	1 000	**100**	100	**1 000**	1 000	**–**	–
Dumont Health (Pty) Ltd	**100**	100	**100**	100	**100**	100	**10 302**	1 230
Elite Group (Pty) Ltd	**100**	100	**100**	100	**100**	100	**9 008**	1 865
Candlestick Investments (Pty) Ltd	**100**	100	**100**	50	**100**	50	**(3 570)**	700
							156 641	37 548

NOTICE OF ANNUAL GENERAL MEETING

African Dawn Capital Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1998/020520/06)
JSE code: ADW ISIN: ZAE000060703
("African Dawn" or "the Company")

NOTICE is hereby given that the annual general meeting of shareholders of African Dawn will be held at Glenhove Conference Centre, 52 Glenhove Road, Melrose Estate on Thursday, 1 October 2009 at 10h00 for the following purposes:

1. To consider the annual financial statements of the Company for the year ended 28 February 2009.
2. To transact such other business as may be transacted at the annual general meeting of the Company including the re appointment of the auditors and the re-election of retiring Directors; and
3. To consider and, if deemed fit, to pass, with or without modification, the following special and ordinary resolutions set out below, in the manner required by the South African Companies Act, 1973, as amended:

SPECIAL RESOLUTION NUMBER 1:
Share repurchases
"Resolved, as a special resolution, that the Directors be authorised in terms of a general authority pursuant, inter alia, to the Companies Act, 1973 (Act 61 of 1973), as amended, the Company's articles of association and the Listings Requirements of the JSE Limited ("JSE"), until this authority lapses at the next annual general meeting of the Company, unless it is then renewed at the next annual general meeting of the Company and provided that this authority shall not extend beyond 15 months from date of passing this special resolution, for the Company or any subsidiary of the Company to acquire shares of the Company, subject to the following terms and conditions:
1. any repurchase of securities 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;
2. at any point in time, the Company may only appoint one agent to effect any repurchases on its behalf;
3. the number of shares which may be acquired pursuant to this authority in any one financial year may not in the aggregate exceed 20% (twenty percent) of the Company's issued share capital as at the date of passing of this special resolution or 10% of the Company's issued share capital in the case of an acquisition of the Company's shares by a subsidiary of the Company;
4. repurchases of shares may not be made at a price greater than 10% (ten percent) above the weighted average of the market value of the securities for the five business days immediately preceding the date on which the transaction was effected;
5. repurchases may not be made by the Company and/or its subsidiaries during a prohibited period as defined by the Listings Requirements of the JSE unless a repurchase programme is in place where the dates and quantities of securities to be traded during the relevant period are fixed and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period;
6. repurchases may only take place if, after such repurchase, the shareholder spread of the Company still complies with the Listings Requirements of the JSE;
7. after the Company has acquired shares which constitute, on a cumulative basis, 3% (three percent) of the initial number of shares in issue of the relevant class (at the time that authority from shareholders for the repurchase is granted), the Company shall publish an announcement to such effect, and for each 3% in aggregate of the initial number of that class acquired thereafter, containing full details of such repurchases; and
8. the Company's Designated Adviser shall confirm the adequacy of the Company's working capital for purposes of undertaking the repurchase of shares in writing to the JSE prior to entering the market to proceed with any repurchase."

Reasons for and effects of Special Resolution number 1
The reason for Special Resolution number 1 is to afford the Directors of the Company or a subsidiary of the Company a general authority to affect a repurchase of the Company's shares on the JSE. The effect of the resolution will be that the Directors will have the authority, subject to the Listings Requirements of the JSE, to effect acquisitions of the Company's shares on the JSE.

In accordance with the Listings Requirements of the JSE, the Directors record that:

Although there is no immediate intention to effect a repurchase of securities of the Company, the Directors would utilise the general authority to repurchase securities as and when suitable opportunities present themselves, which opportunities may require expeditious and immediate action.

The Directors, after considering the effect of the maximum repurchase permitted, are of the opinion that for a period of 12 months after the date of this annual general meeting:

- the Company and the Group will be able to pay their debts in the ordinary course of business;
- the assets of the Company and the Group, fairly valued in accordance with International Financial Reporting Standards, will be in excess of the liabilities of the Company and the Group, the assets and liabilities being recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements;
- the share capital and reserves will be adequate for ordinary business purposes of the Company and the Group; and
- the working capital of the Company and the Group will be adequate for ordinary business purposes.

The following additional information, some of which may appear elsewhere in the annual report of which this notice forms part, is provided in terms of paragraph 11.26 of the Listings Requirements of the JSE for purposes of special resolution number 1:

- Directors – page 10;
- Major beneficial shareholders – page 14;
- Directors' interests in ordinary shares – page 15; and
- Share capital of the Company – page 14.

Litigation statement

The Directors, whose names appear on page 10 of this notice to shareholders which forms part of the Annual Report, are not aware of any legal or arbitration proceedings including proceedings that are pending or threatened of which the Company is aware that may have or have had in the recent past (being at least the previous 12 (twelve) months from the date of this annual report) a material effect on the Group's financial position.

Directors' responsibility statement

The Directors whose names appear on page 10 of this notice to shareholders which forms part of the Annual Report, 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 that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required in terms of the Listings Requirements of the JSE.

Material changes

Other than the facts and developments reported on in the annual report, there have been no material changes in the affairs, financial or trading position of the Company and its subsidiaries since the Company's financial year end and the signature date of this annual report.

Ordinary Resolutions

ORDINARY RESOLUTION NUMBER 1:
Issue of shares for cash

"Resolved that the Directors be authorised, in terms of a general authority, pursuant, inter alia, to the Company's articles of association, until this authority lapses at the next annual general meeting of the Company, unless it is then renewed at the next annual general meeting of the Company provided that it shall not extend beyond 15 months, to allot and issue any ordinary shares for cash subject to the Listings Requirements of the JSE Limited ("JSE") on the following conditions:

1. the allotment and issue of the shares be made to persons qualifying as public shareholders as defined in the Listings Requirements of the JSE and not to related parties;
2. the shares 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 shares or rights that are convertible into a class already in issue;
3. the number of shares issued for cash shall not in the aggregate in any one financial year exceed 15% (fifteen percent) of the Company's issued share capital of ordinary shares. The number of ordinary shares which may be issued shall be based on the number of ordinary shares in issue at the date of such application less any ordinary shares issued during the current financial year, provided that any ordinary shares to be issued pursuant to a rights issue (announced, irrevocable and fully underwritten) or acquisition (concluded up to the date of application including announcement of the final terms) may be included as though they were shares in issue at the date of application;

4. the maximum discount at which ordinary shares may be issued is 10% (ten percent) of the weighted average traded price on the JSE of those shares over the 30 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for its securities or any other priced agreed to by the JSE;
5. after the Company has issued shares for cash which represent, on a cumulative basis within a financial year, 5% (five percent) or more of the number of shares in issue prior to that issue, the Company shall publish an announcement containing full details of the issue (including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the securities and the effect of the issue on net asset value, tangible net asset value, earnings and headline earnings per share), or any other announcements that may be required in such regard in terms of the Listings Requirements of the JSE which may be applicable from time to time."

In terms of the Listings Requirements of the JSE a 75% (seventy-five percent) majority of the votes cast by shareholders present or represented by proxy at the general meeting (excluding the Designated Adviser and the controlling shareholders together with their associates) must be cast in favour of Ordinary Resolution number 1 for it to be approved.

ORDINARY RESOLUTION NUMBER 2:
Unissued ordinary shares
"Resolved that the authorised and unissued ordinary share capital of the Company be and is hereby placed under the control of the Directors of the Company which Directors are, subject to the Listings Requirements of the JSE Limited ("JSE") and the provisions of section 221 and 222 of the Companies Act, 1973 as amended, authorised to allot and issue any of such shares at such time or times, to such person or persons, company or companies and upon such terms and conditions as they may determine, such authority to remain in force until the next annual general meeting of the Company."

ORDINARY RESOLUTION NUMBER 3:
Re-election of Directors
"Resolved that JM van Tonder, CD Vivier, CM van Nieuwkerk, MN Ramasehla, SW de Bruyn and M Ferreira be re-elected as Directors of the Company in terms of separate resolutions."

ORDINARY RESOLUTION NUMBER 4:
Appointment of Directors
"Resolved that MM Patel be appointed as an independent Non-executive Directors of the Company."

Curricula vitae of the abovementioned Directors are set out on pages 10 to 11 of this annual report.

ORDINARY RESOLUTION NUMBER 5:
Directors' remuneration
"Resolved that the remuneration of the Directors, as set out on page 27 to 28 of the annual report of which this notice forms part, be and is hereby confirmed and ratified."

ORDINARY RESOLUTION NUMBER 6:
Signature of documentation
"Resolved that any director or the Company secretary of the Company be and is hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of Special Resolution number 1 and Ordinary Resolutions numbers 1, 2, 3, 4 and 6 which are passed by the members in accordance with and subject to the terms thereof."

ORDINARY RESOLUTION NUMBER 7:
Re-appointment of auditors
"Resolved that SAB&T Incorporated be appointed as auditors of the Company."

NOTICE OF ANNUAL GENERAL MEETING (continued)

VOTING

A shareholder of the Company entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, vote and speak in his/her stead.

On a show of hands, every shareholder of the Company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the Company present in person or represented by proxy shall have one vote for every share held in the Company by such shareholder.

PROXIES

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and on a poll, to vote in his/her stead.

A form of proxy is attached for completion by registered certificated shareholders and dematerialised shareholders with own-name registration who are unable to attend the annual general meeting in person. Forms of proxy must be completed and received by the transfer secretaries, by no later than 10h00 on Tuesday, 29 September 2009. Registered certificated shareholders and dematerialised shareholders with own-name registration who complete and lodge forms of proxy will nevertheless be entitled to attend and vote in person at the annual general meeting to the exclusion of their appointed proxy/(ies) should such member wish to do so.

Dematerialised shareholders, other than with own-name registrations, must inform their CSDP or broker of their intention to attend the annual general meeting and obtain the necessary Letter of Representation from their CSDP or broker to attend the annual general meeting or provide their CSDP or broker with their voting instructions should they not be able to attend the annual general meeting in person. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

By order of the board

CM Nieuwkerk
Company Secretary
14 May 2009

Registered address
1st Floor
Dunkeld Place
12 North Road
Dunkeld West
(PO Box 411741, Craighall, 2024)

Transfer Secretaries
Computershare Investor Services (Pty) Ltd
70 Marshall Street
Johannesburg
(PO Box 61051, Marshalltown, 2107)

FORM OF PROXY

(for use by certificated shareholders and own-name dematerialised shareholders only)

African Dawn Capital Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1998/020520/06)
JSE code: ADW ISIN: ZAE000060703
("African Dawn" or "the Company")

For use at the annual general meeting of the Company to be held at 10:00 on Thursday, 1 October 2009 at Glenhove Conference Centre, 52 Glenhove Road, Melrose Estate ("the annual general meeting").

Ordinary shareholders who have dematerialised their shares with a CSDP or broker, other than with own-name registration, must arrange with the CSDP or broker concerned to provide them with the necessary Letter of Representation to attend the annual general meeting or the ordinary shareholders concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

I/We (Name in block letters) ________________________

of (address and telephone number) ________________________

Being the holder/s of ________________________

Ordinary shares in the Company, do hereby appoint ________________________

1. ________________________ **or failing him/her**

2. ________________________ **or failing him/her**

3. The chairperson of the annual general meeting
as my/our proxy to act for me/us and on my/our behalf at the annual general meeting of the Company, or any adjournment thereof, which will be held for the purpose of considering and, if deemed fit, of passing, with or without modification, the ordinary and special resolutions as detailed in the Notice of Annual General Meeting, and to vote for and/or against the resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (refer notes):

	Number of votes on a poll (one vote per ordinary share)		
	In favour	**Against**	**Abstain**
Special resolution:			
1. General authority to repurchase the Company's shares			
Ordinary resolutions:			
1. General authority to issue shares for cash			
2. To place the unissued shares under the control of the Directors			
3. To re-elect the following Directors			
JM van Tonder			
CD Vivier			
CM van Nieuwkerk			
MN Ramasehla			
SW de Bruyn			
M Ferreira			
4. To appoint MM Patel as independent Non-executive Director			
5. To ratify Directors' remuneration			
6. To authorise the signature of documentation			
7. To appoint SAB&T Incorporated as auditors of the Company			

Signed at ________________ on ________ 2009

Signature ________________________

Assisted by (if applicable) ________________________

FORM OF PROXY (continued)

1. A shareholder may insert the name(s) of one or more proxies (none of whom need be a Company shareholder) in the space provided, with or without deleting the words "the Chairperson of the annual general meeting of the ordinary shareholders". The person whose name stands first on the form of proxy and has not been deleted and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the Chairperson.
2. A shareholder's instructions to the proxy must be indicated by the insertion of an "X" or the relevant number of votes exercisable by that shareholder in the appropriate box provided. Failure to comply with the above, will be deemed to authorise the proxy to vote as he/she deems fit, where the proxy is the Chairperson, such failure shall be deemed to authorise the Chairperson to vote in favour of the ordinary and special resolutions in respect of all the shareholders' votes exercisable thereat.
3. The completion and lodging of this form of proxy shall in no way preclude the shareholder from attending, speaking and voting in person at the annual general meeting to the exclusion of any proxy appointed in terms hereof.
4. Should this form of proxy not be completed and/or received in accordance with these notes, the Chairperson may accept or reject it, provided that, in respect of its acceptance, the Chairperson is satisfied as to the manner in which the shareholder wishes to vote.
5. Documentary evidence establishing the authority of the person signing this 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 meeting.
6. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form unless it has previously been registered with the Company.
7. Where shares are held jointly, all joint holders are required to sign.
8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity have been produced or have been registered by the transfer secretaries of the Company.
9. Any alteration or correction made to this form of proxy must be signed in full and not initiated by the signatories.
10 This form of proxy must be lodged with, or posted to the transfer secretaries, Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) so as to be received by no later than 10:00 on Tuesday, 29 September 2009.
11. The completion and lodging of this form of proxy by the shareholders holding certificated shares, nominee companies of CSDP's or brokers and the shareholders who have dematerialised their shares and who have elected own-name registration, 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 thereof. The shareholders who have dematerialised their shares, other than with own name registration, and who wish to attend the annual general meeting must instruct their CSDP or broker to issue them with the necessary Letter of Representation to attend

SHAREHOLDER INFORMATION

SHAREHOLDER'S DIARY

February 2009	Financial year end
14 May 2009	Announcement of reviewed annual financial results
11 August 2009	Publication of annual report
1 October 2009	Annual General Meeting
October 2009	Interim profit report

CORPORATE INFORMATION

DIRECTORS (as at 28 February 2009)

JM van Tonder
CM van Nieuwkerk
MN Ramasehla
CD Vivier
LI Mophatlane*
SW de Bruyn**
F Ferreira*
MM Patel*
* Independent Non-executive
** Non-executive

Please refer to page 10 and 11 for further details on each Director

NATURE OF BUSINESS

Refer Chairman's Report – 'Nature of Business'

AUDITORS

SAB&T Incorporated

COMPANY REGISTRATION NUMBER

1998/020520/06

DOMICILE

Republic of South Africa

SECRETARY

CM van Nieuwkerk

REGISTERED OFFICE

1st Floor
Dunkeld Place
12 North Road
Dunkeld West

COUNTRY OF INCORPORATION

Republic of South Africa

TRANSFER SECRETARY

Computershare Investor Services (Pty) Ltd
70 Marshall Street
Johannesburg
2001
PO Box 61051
Marshalltown
2107

BANKERS

ABSA Bank Limited

TELEPHONE

(011) 341 0860

WEBSITE

www.africandawncapital.co.za

DESIGNATED ADVISER

Vunani Corporate Finance

NOTES: