

redefining **partnerships**



Business
PARTNERS
Investing in Entrepreneurs



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A man with short dark hair, wearing a light blue and white striped button-down shirt and blue jeans, is smiling and holding a menu. The menu features images of breakfast items like orange juice and a bowl of food. In the background, there is a red and white striped awning with a logo that includes the word 'IMPY'.

Corporate Overview

Key performance areas

OPERATIONAL

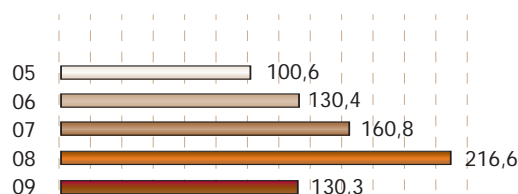
- The portfolio of investments under management increased by R280,8 million to R1 952,9 million (2008: R1 672,1 million) – an increase of 16,8 percent
- The investment property portfolio increased by R91 million to R448,5 million (2008: R357,5 million) – an increase of 25,5 percent
- During the year 520 investments (including investment properties) were advanced to the value of R873,4 million (2008: 496 investments to the value of R725,2 million) – an increase of 20,4 percent. Of these
 - 246 investments to the value of R364,7 million were

advanced for black entrepreneurs – (2008: 221 investments to the value of R274,5 million)

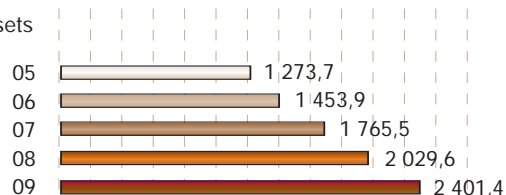
- 180 investments amounting to R220,4 million were advanced for female entrepreneurs – (2008: 183 investments amounting to R215,6 million)
- 47 investments amounting to R26,9 million were advanced on behalf of the Business Partners–Khula Start-up Fund, launched in 2006 as a R150 million fund for investment in start-up businesses by previously disadvantaged individuals

- Properties under management total more than 634 000 m² of lettable space and are occupied by 3 370 tenants
- More than 7 094 employment opportunities were facilitated through our investment activities
- 387 mentors are available to provide mentorship and consulting services to clients

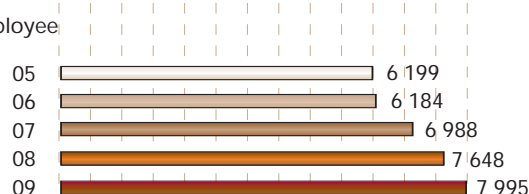
Net profit
(R000)



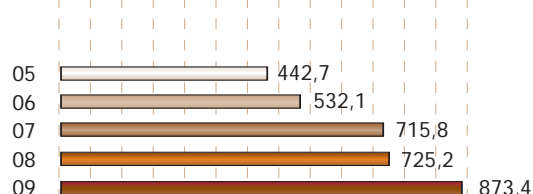
Operational assets
(R000)



Assets per employee
(R000)



Advances
(R000)



FINANCIAL AND CORPORATE

- Operational assets increase by 18,3 percent to R2 401,4 million
- Assets per employee improved by 4,5 percent to R8 million
- Net profit for the year was R130,3 million, a decline of 39,8 percent
- Dividend per share was 15 cents

Corporate Overview

Vision, Mission and Goal

Our vision is to live our name by being the premier business partner for SMEs (small and medium enterprises), and by facilitating wealth creation, job creation and shared economic development

Our mission is to invest capital, skill and knowledge into viable entrepreneurial enterprises in South Africa, Africa and all of the markets in which we have a presence

Our goal is to be an internationally respected, successful and profitable business partner for SMEs

“WHEN MY COMPANY
STARTED OUT, I
NEEDED MORE THAN
AN INVESTOR.
I NEEDED A GUIDING
HAND TO PUT ME ON
THE PATH TO
SUCCESS.”

Charles Ngobeni –
Wimpy, Maponya Mall

Business Partners Values

Business and Personal Integrity

Honesty, integrity and respect for human dignity are imbued in both our business and personal conduct.

Superior Client Service

We exist for our clients and enjoy serving them. We aim to delight our clients with our products, innovative solutions and the quality of our service.

Economic merit

Economic merit underpins all our investment decisions, ensuring access to business finance and added-value service for all the communities we serve. It also underpins all our operational decisions, ensuring long-term sustainability and the ability to deliver optimum value for clients and shareholders alike.

Entrepreneurship

Our entrepreneurial approach to doing business enables us to partner with our clients in the success of their businesses.



Strategic Pillars

Business Partners has, over more than 28 years, built up an enviable track record of successfully providing, on scale, its full service offering for small and medium enterprises (SMEs). This includes risk finance solutions; property broking, management and consulting; and mentorship, consulting and technical assistance services. Over the past four years, Business Partners' reach has also successfully been extended into Africa, with the establishment of country-specific pilot SME investment funds in Madagascar and Kenya. These provide scalable risk finance solutions to SMEs in those countries, and test the rigour, relevance and portability of the Business Partners SME funding model beyond the borders of South Africa. Similar funds are planned on this basis for other African countries.

Business Partners' successful record has often elicited questions such as why it has been able to succeed, on scale, in a market niche where many other risk financiers have failed miserably. What are the factors that have led to its success? It is in answering questions like these that one is able to distil the strategic principles that guide all Business Partners' activities, and which are the very foundation of its success.

These are:

A single-minded, relentless focus on SMEs

In economic debates, small and medium enterprises have enjoyed much prominence, often being held up as the solution to economic growth, wealth generation and job creation. While many people – ranging from politicians to political and economic commentators, economists and financial analysts – wax lyrical about the role and importance of SMEs in economic development, few are prepared to finance or support them.

At Business Partners, we live for SMEs because we understand the important role they play in economic development. We do not deviate from this focus, as tempting as it may sometimes be to extend our full-service offering to big businesses or even micro enterprises.

We have deliberately chosen to focus on and specialise in SMEs. This has enabled us to achieve an in-depth understanding of all factors critical to SMEs' success across all industries and/or economic sectors. It has also enabled us to consciously identify, build relationships with, and tap into deal sources; streamline and reduce the cost of due diligence; and add value to our clients' businesses.

Development and profit

Financing SMEs, the heart of our business, is developmental by nature and, in essence, our business has a twin soul. We aim to do good – by facilitating access to risk finance for entrepreneurs, who use it to pursue wealth for themselves and, in the process, create many jobs for others. Simultaneously, we aim to do well – by generating profits from our activities in order to ensure the long-term sustainability of Business Partners.

Of equal importance, we believe it would be difficult for Business Partners, as risk financier, to guide and encourage SMEs to be profitable if our business itself was not profitable.



More than just money

The risks associated with starting, expanding or taking over SMEs are innumerable. Experience has taught us that if a financier provides only risk financing, without offering any value-adding services, then both the SME and the financier stand a strong chance of failure.

For reasons ranging from altruism to self preservation, Business Partners provides value-added services – “more than just money” – for its clients and prospective clients. These value-adding interventions are offered at every stage of the investment process and include, among others, business advice following the assessment of the initial application; assistance with the negotiation of purchase prices during the due diligence phase; and guidance with turning around and/or growing a business during the post-investment phase. All of these are specifically designed to protect both the entrepreneur and Business Partners, and to ensure the long-term success of SMEs.

“More than just money” value-added services are provided by Business Partners’ staff, as well as by the mentors and consultants contracted to Business Partners Mentorship and Consulting Services, a division of Business Partners Limited.

Corporate Overview



Processes, systems and infrastructure

Due diligence comprises, in absolute terms, by far the single largest cost associated with providing risk finance solutions to SMEs. To remain profitable and hence sustainable, information technology has been used extensively to design Business Partners’ processes, systems and databases in order to reduce the time, extent and cost of due diligence, as well as to administer our client base.

Effectively, the best practices associated with private equity and venture capital (financial solutions designed for a few businesses with high growth potential) have been borrowed and adapted, enabling Business Partners to produce private equity or venture capital-like solutions for many SMEs, regardless of whether they have high growth potential or not.

People

Our business is all about people, and our people are our greatest asset. For us to be successful, we continuously endeavour to find good people, train them, invest in them and retain them so that they, in turn, can continuously find good

entrepreneurs whose businesses we can invest in and add value to. Our human resources policies and practices, together with our business culture, are shaped by our values, and are designed to enable each Business Partners staff member to live, work, operate and contribute to the full extent of their potential.

We at Business Partners understand that there are much easier things to do in life – and much easier ways to earn a living – than to finance SMEs. In our recruitment process, we therefore actively search for people who are already passionate about entrepreneurs, entrepreneurship and development for profit, or have the potential to be.

Once hired, all staff are systematically trained and retrained as risk financiers, using largely customised, in-house courses that include classroom work, on-the-job training and productivity benchmarks. Training is goal-oriented, with staff having to pass rigorous evaluations before being allowed to progress from one level to the next.

Reward systems are designed and implemented to ensure that the interests of Business Partners' shareholders and its staff are aligned. A balanced scorecard is used to measure the business's ability to generate profits and remain sustainable, as well as to determine

the development impact of our activities. The former criteria account for 60 percent of our defined performance measures, while the latter account for 40 percent.

Managing Director's Message and Strategic Focus

2009/2010 Strategic Focus

The world's economy, and especially its financial institutions, changed significantly during 2008. The "sub-prime crisis" in the USA sparked crises in financial markets across the world, with some global financial institutions and manufacturers going bankrupt or having to be "bailed out" by their governments. The financial crisis was accompanied by high oil and food prices and, together, these factors triggered a number of national recessions, as well as widespread retrenchments in the world's most developed countries.

Initially, the South African economy seemed resilient, possibly even immune, to the gloomy global economic conditions. However, by the end of 2008, the global crisis had started to impact adversely on SA businesses, including on SMEs.

**"BUSINESS PARTNERS
CREATED THE
OPPORTUNITY I
NEEDED TO NOT ONLY
START, BUT EXPAND
MY BUSINESS IDEA
INTO A SUCCESSFUL
COMPANY."**



Don Singh – Donish Luggage



Corporate Overview

At the end of 2008, the company said farewell to Jo' Schwenke, former Managing Director of Business Partners. Over a period of 13 years, Jo' admirably and successfully drove the transformation of Business Partners from a "high risk lender for low returns" to a "risk financier for fair returns" in the SME space. Jo' was relentless in his objective of proving that one can profitably – and therefore on an economically sustainable basis – invest in SMEs, something which has never been done on the same scale anywhere else in the world.

The global economic changes and the leadership change at Business Partners encouraged a strategic review, both of our priorities and the manner in which we organise ourselves. The business's key strategic objectives have now been re-defined as:

"Touching" more SMEs

Given the present global and local economic environment, a rational, cautious yet optimistic approach to expanding the Business Partners footprint is being pursued.

Business Partners has historically concluded its best business during economic downturns, especially when traditional financiers, like banks, have all but abandoned lending to SMEs. The risks in these circumstances are invariably higher, but the need and opportunity for risk financiers to structure proper deals with SMEs rather than simply offering loans are endless – and the rewards,

which usually follow three to five years later, can be substantial.

But, to successfully and profitably invest in SMEs during a recession requires a more nuanced approach, focused on proactively seeking the right entrepreneurs to finance; conducting due diligence on entrepreneurs, industries and economic sectors much more intensely; assuming realistic business growth rates; negotiating fair deals despite the impact of the liquidity crunch on deal pricing; and so on. Rational, cautious optimism is a fundamental requirement for success in these trying economic conditions.

INVESTING IN

SMEs

ON AN ECONOMICALLY SUSTAINABLE BASIS



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Increasing the funds under management

Increasingly, Business Partners' knowledge, skills and extensive infrastructure, including our financing model, delivery platform and successful track record, are receiving widespread recognition in South Africa, Africa and further abroad. Commercial and development finance institutions wishing to enter or expand into the SME risk finance arena could either replicate our infrastructure, which would be a costly and time-consuming exercise, or choose the option of contracting Business Partners to manage the funds they have earmarked for financing SMEs.

We continuously explore discussions and opportunities with both South African and international institutions seeking to enter into or expand their presence in the SME risk finance arena.

Industry alliances

Strategic alliances with all SME risk finance industry stakeholders are being forged, with the objective of shaping the legislative, regulatory and fiscal environments in order to foster the development of SMEs and champion their cause. One of these initiatives is to increase the opportunities available to investment professionals in the SME risk finance

"IT'S NOT THE GOOD NAME OF OUR COUNTRY'S SEA FOOD NOR THE FACT THAT OUR TEAM IS VERY DYNAMIC THAT HAVE CONVINCED BUSINESS PARTNERS INTERNATIONAL TO INVEST INTO OUR BUSINESS, BUT MAINLY THE INTERESTS OF THOUSANDS OF FISH AND SEA FOOD WHOLESALERS AND FISHERMEN FAMILIES WHO REPRESENT KEY PLAYERS IN OUR ACTIVITIES. THIS INVESTMENT PROJECT REPRESENTS A CHALLENGE AND WE ARE GRATEFUL TO BPI FOR ITS REALIZATION".

area, and to provide for their increased development and participation in the sector, especially for black people and women. Another important goal is to enhance the general awareness of risk finance as a desirable tool for providing financing to SMEs.

Broadening and deepening the Business Partners delivery platform

Nuanced changes to the Business Partners organisational structure are being implemented in such a way as to seamlessly, efficiently and cost-effectively deliver a full service offering on an even greater scale than in the past. As part of this process, we are reviewing our human resource development policies and



Razakanavalona Bakoly – **Manda Sa**, Madagascar

allenge

Corporate Overview

practices which, together with our business culture and values, need to enable each of us to live, work, operate and contribute to the full extent of our potential, and be incentivised and rewarded commensurately.

To broaden and deepen the Business Partners delivery platform, we are continuing our efforts to attract, select, train and retain people who are passionate about SME entrepreneurs, SME entrepreneurial development, wealth facilitation and job creation.

Our finance and services offering is also being constantly and innovatively revised to ensure that we remain one of the leaders in providing risk finance solutions to SMEs, and we are leveraging off existing and new systems, procedures and Information Technology to further enhance operational efficiencies.

Post-investment value-added services (PIVAS)

To ensure that our PIVAS are at least as proficient as our investment decision-making, we have established a project team to identify international best practices in this area and to ensure that these are imbued in every aspect of our full-service offering to our clients.

In Madagascar and Kenya, for instance, we have technical assistance funds running in tandem with the respective country SME Investment Funds. These “subsidised” funds are used to pay for mentorship and consulting services, which are essential to reducing the failure rate amongst SMEs. We are actively trying to

persuade government, parastatals, development finance institutions and philanthropists to establish a similar technical assistance fund for SA entrepreneurs.

Expansion into Africa

Africa represents a huge growth opportunity for Business Partners. We currently manage SME investment funds in Kenya and Madagascar. We have also recently been given the opportunity, after competing with more than 20 international SME fund managers, to set up and manage a similar investment fund in Mozambique, and have concluded preliminary studies into the establishment of another fund in Tanzania. Business Partners plans to further expand into two African countries every year.

Property Management

Business Partners has, over the years, developed the considerable

skills, knowledge and systems required to manage properties occupied by SMEs. Property management remains an integral part of our full-service offering, and we are therefore aggressively pursuing property management contracts with owners of properties that cater for SME tenants in order to grow our portfolio of properties under management.

“NOT INVESTORS,
BUT TRUE
PARTNERS. FOR THE
PAST 19 YEARS THEY
HAVE STOOD BY US
WITH TRUST,
ENTHUSIASM AND
TAILOR MADE
SOLUTIONS,
ALLOWING US TO
CREATE THE
SUCCESS WE HAVE
TODAY.”



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Financial Analysis

Financial Review

The group has recorded a decline in profits, with profit after tax decreasing by 38,8 percent to R130,3 million from the R216,6 million recorded in 2008. The decrease in profitability is primarily the result of the following factors:

- An increase in bad debts written off and an increased impairment charge on the investment portfolio largely as a result of the deterioration in the macro-economic environment in South Africa
- A decrease in the proceeds realised from the sale of investments, with the 2008 financial year having recorded extraordinary results.

Despite the decrease in profitability, the operational performance of the group was satisfactory with 520 new investments amounting to R873,4 million being disbursed, an improvement of 20,4 percent compared to the previous year. The fall-out from the global financial markets crisis affected the South African market conditions. From September 2008, a more cautious approach was followed in approving new investments, which

resulted in lower activity levels during the second half of the year.

The Directors' valuation of the unlisted investments is performed by applying the valuation methodologies endorsed by the South African Venture Capital Association. Changes in the value of the investment portfolio are not accounted for in the financial statements, but income realised by the associated companies are recognised and the value of the investment is adjusted accordingly.

The decrease in interest rate levels has affected the interest revenues of the group, but the returns yielded by the equity and quasi-equity investments decreased our exposure to interest rate changes in the latter half of the year.

The diversification of the Business Partners revenue stream has continued to gather momentum. Revenue generated by the property investments, consisting mainly of rental income, and the fees earned from managing third party properties, contributed 19,7 percent to total revenue and increased by 13,2 percent from R85,3 million in 2008 to R96,6 million in 2009.

Additional revenue streams, consisting primarily of fees earned from the management of third party investment funds as well as due diligence fees, decreased by 12,1 percent to R28,2 million (2008: R32,1 million).

The expenses incurred in managing the Business Partners operations increased by 14,9 percent from R210,6 million in 2008 to R241,9 million in 2009, primarily the result



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Malcolm Green – **Green's Bottle Recyclers**



of an expansion in capacity and systems, as well as an increased international presence. The cost to operational income ratio has however improved from 55 percent in 2008 to 52 percent in 2009.

Risk Review

SMEs were severely affected by the macro economic conditions during the period under review. The high interest rates as well as other pressures on consumers' disposable income severely affected businesses such as restaurants and fuel suppliers. The interest rate relief resulting from the decrease in the prime interest rate will take some time to effect meaningful improvements in macro-economic conditions, and the recessionary pressures will continue to negatively affect the risk profile of the investment portfolio.

Our exposure to non-performing and doubtful investments are reflecting the deterioration in market conditions with investments at risk amounting to 22,2 percent of the total portfolio at 31 March 2009 compared to 13,9 percent at 31 March 2008.

The concentration of risk in the investment portfolio is diversified by the exposure to all thirteen major industry sectors¹, with the largest exposure (17,1 percent of the portfolio) to the manufacturing sector.

614 new investments (including investments in properties) were approved in the year under review, of which 94 investments were approved for amounts exceeding R2,5 million. These investments represent 50,6 percent of the total value of investments approved for the year.

At the end of the reporting period, 173 of the 2 038 investments in the portfolio had an outstanding exposure of more than R2,5 million, representing 41,4 percent of the value of the investment portfolio, effectively spreading the credit risk across a large number of investments.

Outlook

The difficult market conditions are expected to continue adversely impacting on the SME sector, despite the downward trend in interest rates and the buffering effect of governmental infrastructure investments. The 2009/2010 period is expected to be challenging, and although the lower interest rate levels will bring welcome relief to over indebted consumers and small businesses, the interest revenues of the company will be negatively affected.

Our role in facilitating small business growth remain as important as ever, and a careful and patient approach will be followed in making new investments and protecting investments made in sound, well managed businesses.



¹ Refer to the graph on page 21.

Five year summary

	2009/2008 Increase/(decrease)	2009	2008	2007	2006	2005
Consolidated Balance Sheet (R000)						
Investment properties	25,5%	448 544	357 469	267 760	224 474	209 544
Business investments	15,6%	1 740 618	1 506 277	1 365 097	1 138 347	962 235
Deposits and bank balances	-89,5%	24 832	236 751	280 615	386 847	469 655
Total assets	2,8%	2 358 658	2 294 483	2 096 253	1 830 339	1 729 567
Capital and reserves	1,7%	2 169 364	2 132 264	1 942 977	1 714 395	1 605 711
Consolidated Income Statement (R000)						
Net profit		130 310	216 599	160 821	130 398	100 588
Adjustments		(488)	(3 537)	(6 614)	(4 086)	(7 729)
Headline earnings		129 822	213 062	154 207	126 312	92 859
Change in net profit		-39,8%	34,7%	23,3%	29,6%	-15,3%
Change in headline earnings		-39,1%	38,2%	22,1%	36,0%	-18,7%
Share statistics						
Earnings per share (cents)	-41,0%	75,9	128,7	99,5	81,0	62,5
Headline earnings per share (cents)	-40,2%	75,7	126,6	95,4	78,4	57,7
Dividends per ordinary share (cents)	-31,8%	15	22	20	18	16
Dividend cover (times)	-13,6%	5,1	5,9	5,0	4,5	3,9
Net asset value per share (cents)	0,8%	1 255,9	1 245,4	1 158,3	1 064,6	997,1
Ratios						
Effective tax rate	12,7%	24,8%	22,0%	25,1%	24,0%	26,6%
Return on opening shareholders' interest	-45,0%	6,1%	11,1%	9,4%	8,1%	6,6%
Return on average assets	-43,4%	5,6%	9,9%	8,2%	7,3%	6,0%
Operating expenditure/total income	41,8%	68,9%	48,6%	48,8%	50,5%	55,6%
Net profit per employee (R000)	-38,8%	441,7	722,0	536,1	440,5	360,5
Net profit/employee cost	-52,2%	1,1	2,3	1,9	1,8	1,4



unique

"BUSINESS PARTNERS'
FINANCIAL PRODUCTS
ARE TAILOR-MADE
AND AS SUCH ARE
UNIQUE AND
REPRESENT AN
IMPORTANT
OPPORTUNITY FOR
SMEs LIKE US "

Razafindralambo Luc – **Millenium
Industries Madagascar Sa**

Directors and Management

Directors



Mr Johann Rupert
Chairman

Appointed: 31 August 1993
Chairman: Compagnie Financière Richemont SA, Reinnet Investments Manager SA, Remgro Limited and VenFin Limited



Mr Theo van Wyk ^{2,3,4,5}
Deputy Chairman

Chairman: Personnel Committee
Chairman: Nominations Committee
Appointed: 18 August 1998
Executive Director: Remgro Limited



Mr Jo' Schwenke ^{2,3,4,5}
Managing Director

Served: 1 January 1996 until 31 December 2008



Mr Nazeem Martin ^{2,3,4,5}
Managing Director

Appointed Executive Director: 6 November 2002
Appointed Deputy Managing Director: 14 November 2005
Appointed Managing Director: 1 January 2009



Mr Philip Baum
Non-executive Director

Served: 3 March 1994 until 30 August 2001
Re-appointed: 15 January 2002
Chief Executive Officer: Anglo Ferrous Metals and Industries



Mr Christo Botes
Executive Director

Appointed: 6 November 2002



Mr Div Geeringh ^{1,2,3,4}
Non-executive Director

Chairman: Audit and Risk Committee
Appointed: 29 August 1989
Director of Companies
Alternate: Mr Themba Ngcobo



Dr Paula Huysamer ^{2,5}
Non-executive Director

Appointed: 14 February 2002
Executive Director: VUYA! Investments (Pty) Limited



Dr Eltie Links ^{1,5}
Non-executive Director

Appointed: 14 February 2002
Professor at the University of Stellenbosch Business School
Director of Companies



Ms Joyce Matlala ¹
Non-executive Director

Appointed: 4 March 2008
Group Financial Director: Kagiso Trust Investments (Pty) Limited



Mr Friedel Meisenholl ^{1,4}
Non-executive Director

Deputy Chairman: Audit and Risk Committee
Appointed: 23 February 2000
Director of Companies

Directors and Management

Regional Committees



Mr David Moshapalo ^{3,4}
Non-executive
Director

Served: 23 January 1996 until
30 August 2001
Re-appointed: 14 February 2002
Executive Deputy Chairman:
Strategic Partners Group
Black Partner in the Bombela
Consortium in the Gautrain
Project
Director of Companies



Mr Themba Ngcobo ^{4,5}
Non-executive
Director*

*Alternate to Mr Div Geeringh
Appointed: 20 February 2002
Director: Three Cities
Investments Limited and Vukani
Property Developments (Pty)
Limited



**Dr Mamphela
Ramphele** ^{2,3,5}
Non-executive
Director

Chairperson: B-BBEE Strategy
Committee
Appointed: 26 July 2005
Chairperson: Circle Capital
Ventures (Pty) Limited



**Dr Zavareh
Rustomjee** ^{2,3,5}
Non-executive
Director

Appointed: 23 January 1996
Independent Consultant



Mr Xola Sithole ^{2,3}
Non-executive
Director

Appointed: 18 February 2004
Chief Executive Officer: Oteo
Capital (Pty) Limited



Mr Gerrie van Biljon
Executive Director
Appointed: 6 November 2002

Egoli Business Unit (Johannesburg)

Mr David Moshapalo (Chairman) ^{3,4},
Ms Buhle Mthethwa (resigned July 2008),
Mr Lemmy Mule, Mr Andrew Siebrits,
Mr Phillip Thobela, Mr Jo' Schwenke (Ex-Officio)
(retired 31 December 2008) ^{2,3,4,5}, Mr Nazeem Martin
(Ex-Officio) (appointed 1 January 2009) ^{2,3,4,5},
Mr Christo Botes (Ex-Officio)

e'Thekweni Business Unit (Durban)

Mr Themba Ngcobo (Chairman) ^{4,5}, Mr Johan de Jager
Prof Dilip Garach, Ms Londiwe Mthembu (resigned
May 2008), Ms Dudu Myeni (appointed 4 August 2008),
Mr Jo' Schwenke (Ex-Officio) (retired 31 December
2008) ^{2,3,4,5}, Mr Nazeem Martin (Ex-Officio) (appointed
1 January 2009) ^{2,3,4,5}, Mr Gerrie van Biljon (Ex-Officio)

iKapa Business Unit (Cape Town)

Dr Carel Stander (Chairman) ⁴, Mr Richard Ball,
Ms Debbie Bruce, Dr Pat Gorvalla, Mr Peter Matshitse,
Mr Yusuf Pahad, Mr Themba Pasiwe, Mr Jack Patel,
Mr Jo' Schwenke (Ex-Officio) (retired 31 December
2008) ^{2,3,4,5}, Mr Nazeem Martin (Ex-Officio) ^{2,3,4,5},
Mr Anton Roelofse (Ex-Officio, Acting Head: iKapa
Business Unit) (from 1 January 2009)

- 1 Audit and Risk Committee
- 2 Personnel Committee
- 3 Nominations Committee
- 4 National Investment Committee
- 5 B-BBEE Strategy Committee

Directors and Management

Executive Management



Mr Nazeem Martin
Managing Director
Appointed Managing Director:
1 January 2009
BA, HDE, M Urban Planning,
AMP
11 years' service



Mr Ben Bierman
Chief Financial Officer
B Com, B Com (Hons), ACMA,
H Dip Tax
19 years' service



Mr Christo Botes
Executive Director:
Egoli Business Unit
B Acc, B Compt Hons, CTA
23 years' service



Mr Pierre Mey
Executive General
Manager: Operational
Support Services
B Com
22 years' service



Ms Lorraine Nakene
Executive General
Manager: Systems
Quality
B Com (cum laude), CA (SA)
3 years' service



Mr Jo' Schwenke
Managing Director
Retired: 31 December 2008
B Com, CA (SA), B Iuris
19 years' service



Mr JM Smith
Executive General
Manager: Human
Resources
B Soc Sc (cum laude), B Com
(Hons) (cum laude), M Com
17 years' service



Mr Gerrie van Biljon
Executive Director:
e'Thekweni Business
Unit
B Com, MBA
23 years' service



Mr Willem Bosch
Chief Operating
Officer: Property
Management Services
B Com Acct, CPA
17 years' service



Directors and Management



Ms Petro Bothma
Assistant General
Manager: Marketing
Coordination
23 years' service



Ms Marjan Gerbrands
Company Secretary
Corporate Legal
Adviser
BLC, LLB (cum laude), LLM
8 years' service



Mr Paul Malherbe
Chief Operating
Officer: Technical
Assistance,
Mentorship and
Consulting Services
Resigned: 31 October 2008
B Compt, MBL
14 years' service



Mr Mark Paper
Chief Operating
Officer: Business
Partners International
B Com
17 years' service

Participation

"IT'S GREAT TO KNOW YOU HAVE THE
SUPPORT OF A PARTNER WHO IS
ACTIVELY INVOLVED IN THE SUCCESS
OF YOUR COMPANY. BUSINESS
PARTNERS IS SO MUCH MORE THAN
JUST AN INVESTOR."

Haseena Osman – Sasol Hindle Road





Management Analysis and Discussion

Business Investments (South Africa)

Business Partners serves the SME market by offering tailor-made financial solutions for entrepreneurs, making use of loan financing, equity financing and quasi-equity financing, or any combination of these instruments. This risk financing segment of the market is well serviced by Business Partners, mainly as it is able to make sound investment decisions based on business viability and abilities of the entrepreneur, rather than solely relying on the availability of collateral.

When analysing business viability, portfolio managers take into account the industry skills of the entrepreneur as well as his or her management skills, both of which are required to run a business successfully. Viability analysis also includes an evaluation of the business risks involved in the deal, such as the industry in which the business operates, the competitive environment, the potential to generate profit and growth, life-cycle stage and gearing.



support

Mike Williams and Owen Sandison –
G&R Hydraulics

Management Analysis and Discussion

**"A FRIEND IN NEED IS A
FRIEND INDEED.
BUSINESS PARTNERS
BACKED US WHEN NO-
ONE ELSE WAS WILLING
TO. THEY MADE THE
IMPOSSIBLE POSSIBLE."**



Well-trained staff in 21 strategically-located offices around the country has in-depth knowledge of both the macro-economic environment and local issues, and are well placed to service Business Partners' clients in their own areas and regions. These local offices are supported by regional offices in all the larger metropolitan areas, and by the corporate office in Johannesburg.

Business Partners offers financing for start-ups, business expansions, management buy-outs and buy-ins, working capital or finance to assist in restructuring debt; property investments and the purchase of own premises. The latter is particularly important in cases where tenure is essential to future viability. Under certain conditions, entrepreneurs may qualify for 100% financing, which is not readily available through other financial institutions and, in the case of multi-tenanted premises such as industrial parks and shopping centres, Business Partners not only offers investment services, but also a range of property management services.

In terms of the broader environment in which Business Partners operates, SMEs have, like larger companies, been experiencing the effects of the liquidity crunch. Despite this, the company has not experienced a drop in activity levels, mainly due to the fact that its investment emphasis is on viability and the ability and experience of the entrepreneur, rather than on collateral. In addition, the introduction of more stringent lending conditions by the banking sector has resulted in a higher number of applications for risk

financing. During the 2009 financial year, 520 investments were made, compared to 496 during the previous year, with no material change in sectoral distribution being experienced.

In addition to its own investment funds, Business Partners has also been managing two joint venture funds, the Business Partners-Khula Start-Up Fund and the Business Partners Umsobomvu Franchise Fund.

The first, a R150 million fund established together with Khula Enterprise Finance Limited in 2006, has since inception financed 163 enterprises to the value of R92,4 million. It focuses on start-ups and early stage expansions, and strongly emphasises added-value client support services.

The second fund, the Business Partners Umsobomvu Franchise Fund, successfully invested R125 million in a number of franchises across all sectors, and has now entered the disinvestment period. Due to the success of this fund, Business Partners continues to service young entrepreneurs who want to either purchase a franchise or expand their franchising operations. Although franchising is still a growth area, the past financial year has seen lower levels of activity as a result of the general decline in consumers' disposable income and overall cooling off of the economy, factors which have, unfortunately, had a significant impact on the profitability and viability of many franchises.

Management Analysis and Discussion

In summary, the overall investment portfolio increased from R1,672 billion at the beginning of the financial year to R1,953 billion at year end, representing an increase of 16,8 percent.



Business Investments (International)

Business Partners International (Pty) Limited, a small and medium enterprise investment fund management company, was established in 2004 with the support of the International Finance Corporation (IFC). Its objective is to take the internationally recognised Business Partners SME risk finance model into other African countries .

The business unit has since successfully established investment funds in both Madagascar and Kenya. The €8,5 million investment fund in Madagascar is supported by a US\$2 million technical assistance fund, while the US\$14,1 million investment fund in Kenya is supported by a US\$2,5 million technical assistance fund.



Management Analysis and Discussion

Business Partners International is currently working on establishing similar investment funds in Mozambique and other Southern African countries.

Business Partners International: Madagascar

Business Partners International Madagascar Limited is a wholly-owned subsidiary of Business Partners International (Pty) Limited. Based in Antananarivo, it acts on behalf of its shareholders as the in-country fund manager for the Business Partners International Madagascar SME Fund.

During the financial year ending 31 December 2008, 15 investments were approved to the value of R29,9 million. Of these:

- 14 investments to the value of R25,6 million were approved for indigenous Malagasy entrepreneurs
- 6 investments to the value of R8,5 million were approved for female entrepreneurs
- an estimated 208 new jobs were facilitated as a direct result of these investments

This sound performance has, however, been marred by the political crisis that has gripped Madagascar since late December 2008, and which has seen at least 135 people killed in acts of violence. The unrest has had a marked impact on the economy and the volatile situation means that our Malagasy team expects to provide extensive support to the current portfolio of clients to ensure that their businesses remain viable.

Business Partners International: Kenya

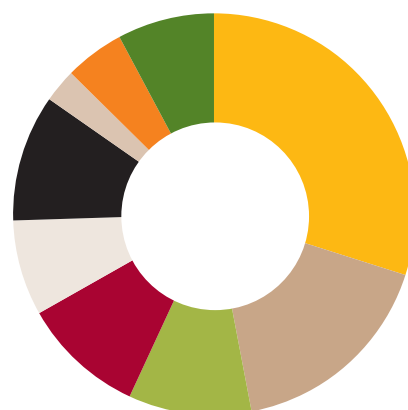
Business Partners International Kenya Limited is a wholly-owned subsidiary of Business Partners International (Pty) Limited. Based in Nairobi, like its counterpart in Madagascar, it acts on behalf of its shareholders as the in-country fund manager for the Business Partners International Kenya SME Fund.

During the 2008/2009 financial year, 20 investments to the value of R35,6 million were approved through this fund. Of these:

- all 20 investments were approved for indigenous Kenyan entrepreneurs
- 5 investments to the value of R11,5 million were approved for female entrepreneurs
- an estimated 168 new jobs were facilitated as a direct result of these investments

BUSINESS PARTNERS LIMITED (SA) Distribution of investments by sector

Investment portfolio composition as at 31 March 2009



29,9%	Professional and personal services
17,1%	Manufacturing
9,9%	Motor trade
9,9%	Retailing
7,7%	Leisure
10,2%	Travel and Tourism
2,7%	Coastal fishing
4,8%	Building, plumbing and shopfitting
7,8%	Other

flexibility

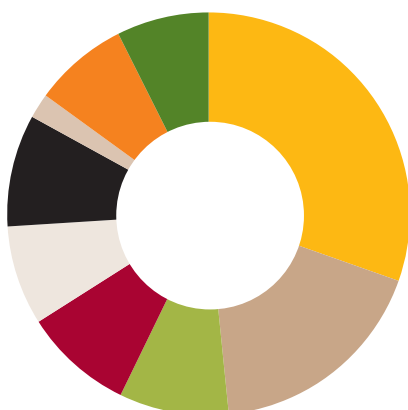
Robert Njoka Muthara – **Zingo Investments Limited**, a leather processing and tannery business, Kenya

Management Analysis and Discussion

BUSINESS PARTNERS LIMITED (SA)

Distribution of investments by sector

Investments advanced for the year ended 31 March 2009



30,4%	Professional and personal services
18,0%	Manufacturing
8,8%	Motor trade
8,8%	Retailing
8,0%	Leisure
9,0%	Travel and Tourism
2,0%	Coastal fishing
7,6%	Building, plumbing and shopfitting
7,4%	Other

Property Management Services

Business Partners Property Management Services provides property broking and management services tailored to meet the needs of SMEs. The division sources and secures appropriate business premises for entrepreneurial enterprises at market-related rentals or purchase prices, and provides integrated property management for entrepreneurs who have invested in property, either for own use or rental. It manages properties owned by the company itself, as well as premises owned by third parties.

2008/2009 Review

Business Partners Property Management Services experienced a satisfactory first half of the year. However, the second half witnessed a number of tenants experiencing cash flow problems due to adverse business conditions and opting not to renew their leases on expiry. Tenants in the clothing, construction and motor manufacturing industries have been particularly hard hit by the downturn in the economy and this has resulted in an increase in the vacancies in the portfolio.

During the year, the division was actively involved in a number of new projects related to both wholly-owned properties and co-

investments with entrepreneurs, particularly in the project management of these ventures.

Geographic distribution and penetration

The portfolios under management represent the full spectrum of commercial and specialised properties and are situated in all of the major commercial centres across the country.

There are currently 3 370 businesses across all sectors of the economy accommodated in premises either owned or managed by Business



Management Analysis and Discussion

"WITHOUT THE ASSISTANCE OF BUSINESS PARTNERS AT THE INCEPTION OF OUR BUSINESS, WE WOULD NOT HAVE BEEN AFFORDED THE OPPORTUNITY TO ATTAIN THE HEIGHTS THAT WE HAVE REACHED TODAY."



Philippe and Michelle
Parmentier –
Tigger 2 Charters

Partners Property Management Services, with the industrial sector being best represented.

Portfolio management

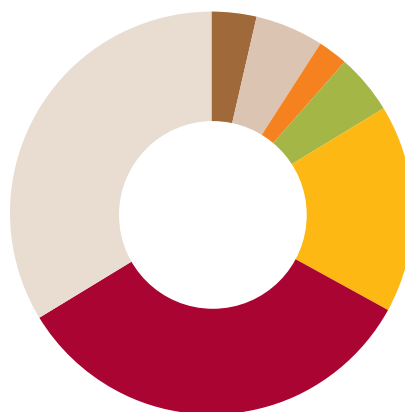
The overall property management portfolio is broad-based, providing for the needs of a wide range of entrepreneurs, particularly in the retail and industrial sectors. Premises under management include individual retail sites, shopping centres, offices and industrial parks.

Property portfolio management is one of Property Management Services' core competencies and in line with company strategy, is an important source of sustainable non-interest income. As at 31 March 2009, the property portfolios under management were made up of

BUSINESS PARTNERS LIMITED (SA)

Distribution of investments by product

Investment portfolio composition as at 31 March 2009

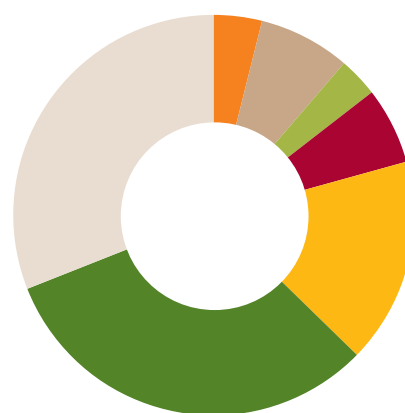


3,6%	Equity Partner
5,5%	Property Equity Partner
2,4%	Risk Partner
4,8%	Royalty Risk Partner
16,7%	Property Risk Partner
33,3%	Royalty Partner
33,7%	Loan Partner

achievement

Distribution of investments by product

Investment portfolio composition as at 31 March 2008



3,9%	Equity Partner
7,4%	Property Equity Partner
3,2%	Risk Partner
6,2%	Royalty Risk Partner
16,6%	Property Risk Partner
31,7%	Royalty Partner
31,0%	Loan Partner

Management Analysis and Discussion

238 individual properties, comprising 634 453m² of lettable space occupied by 3 370 tenants.

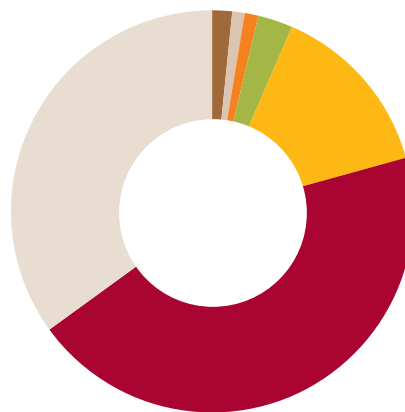
Property ownership, investment and sales

Developments in Silverton, Montana and Polokwane were completed in this year, while vacant land is also available for development in Randfontein, Burgersfort, Richards Bay and Retreat.

The upgrading of the Business Partners office blocks in Durban and Cape Town, which is being done under the auspices of the division, was completed during the year.

Distribution of investments by product

Investments advanced for the year ended 31 March 2009



1,6%	Equity Partner
1,0%	Property Equity Partner
1,1%	Risk Partner
2,8%	Royalty Risk Partner
14,2%	Property Risk Partner
44,3%	Royalty Partner
35,0%	Loan Partner

From a property rationalisation perspective, four properties that did not fit the company's strategic profile were sold and transferred during the year. A further 19 properties, including sectional title units, were sold and transferred on behalf of Khula Enterprise Finance Ltd.

Consulting services

Property-related consulting services are provided by both Business Partners Property Management Services and third parties contracted on its behalf. The aim of these services is primarily to determine the value and business viability of properties for both investment and disinvestment purposes. This added-value service is strategically aligned to Business Partners business and marketing strategy.

Procurement policy

Business Partners and its divisions adhere to an empowerment procurement policy in all discretionary spending. The company ensures that, wherever possible, the small and medium enterprise sector and, in particular, historically-disadvantaged individuals, are contracted for the supply of goods and services. The company also supports its own clients as far as possible, adhering to sound business practice at all times.

flexibility

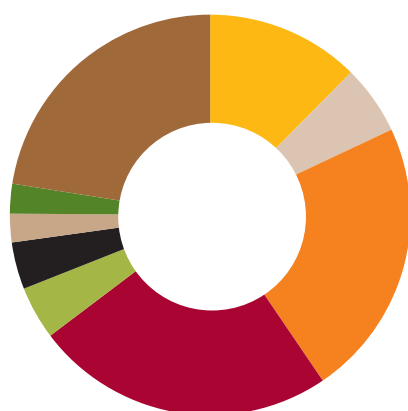
Management Analysis and Discussion

While recognising the need to support the SME sector and historically-disadvantaged individuals, the company is nevertheless aware of the fact that independent enterprises need to compete in the open market. For this reason, suppliers are required to provide quality goods and services, at competitive prices and to deadline.

Each region and division is set individual targets for empowerment procurement and at the end of the 2009 financial year, Business Partners Property Management Services had exceeded its target. The empowerment procurement target for the division was 70 percent, while the actual achieved was 70,1 percent.

BUSINESS PARTNERS LIMITED (SA) Distribution of investments by province

Investment portfolio composition as at 31 March 2009



12,4%	Eastern Cape
5,6%	Free State
22,5%	Gauteng
24,2%	KwaZulu-Natal
4,3%	Limpopo Province
3,8%	Mpumalanga
2,3%	North West
2,4%	Northern Cape
22,5%	Western Cape

"WITH BUSINESS PARTNERS, YOU ARE NOT ONLY A NUMBER. THEY STRUCTURED A FLEXIBLE PARTNERSHIP ACCORDING TO THE UNIQUE NEEDS OF OUR BUSINESS."

Mahomed and Zayeeda Suleman – **Royal Tent and Tarp**



BUSINESS PARTNERS LIMITED (SA) Stratification of investments

Investment portfolio composition as at 31 March 2009

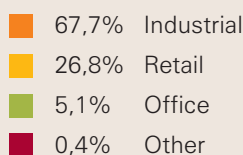
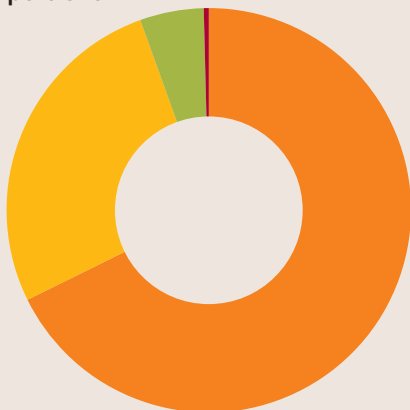


9,3%	0 - 500 000
15,6%	500 000 - 1 000 000
33,7%	1 000 000 - 2 500 000
41,4%	more than 2 500 000

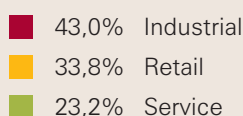
Management Analysis and Discussion

PROPERTY MANAGEMENT SERVICES

Sectoral breakdown of the property portfolio



Sectoral classification of tenant businesses:



Operational Support Services

Operational Support Services has two main areas of responsibility at Business Partners. Firstly, to ensure that deals are implemented in accordance with the terms and conditions approved by the relevant credit committees. Legal teams, situated in each of four larger geographical offices ensure that all legal agreements are in place before any disbursements are made.

Secondly, Operational Support Services manages the collections and risk management function, a process which is overseen by a dedicated team of legal officers. Current conditions in the macro economic environment have had a marked impact on the activities of this team.

Operating from decentralised service centres allows us to remain closer to our clients, while still benefitting from standardised, centralised management, systems and procedures.



Management Analysis and Discussion

Technical Assistance, Mentorship and Consulting Services

Business Partners Technical Assistance, Mentorship and Consulting Services is a service unit which offers professional business support to entrepreneurs throughout Southern Africa. This is in line with the company's mission of investing not only capital, but also skill and knowledge, into the SME sector.

It has been widely acknowledged that mentorship can make a difference to the underlying viability of SMEs and Business Partners is acknowledged as playing a leading role in this regard. This has led to the extension of the mentorship and consulting offering to other role players in the financial services sector.

In line with the Business Partners name, vision and mission, the unit continues to focus on pro-actively determining the needs of our clients, and addressing these needs in the best possible way, to the overall benefit of the business.

Human Resources

The quality, added-value products and services that Business Partners is known for can only be delivered by people who are motivated, dedicated, specialised, professional and well-trained. The company's staff complement, with its longstanding and in-depth knowledge of the entrepreneurial environment, specialist sectors and industries, and of the factors that influence business viability, are an essential aspect of its competitive advantage. As such, careful attention is given firstly to recruiting the right person for each job, and then to ensuring their long-term development and effectiveness.

People management philosophy

At Business Partners, people are our real business and this philosophy extends as much to our employees as to our clients.

With this in mind, our human resources practices are designed to be flexible and to accommodate the needs of each employee. As importantly, they are designed to encourage an entrepreneurial approach to business, a sense of ownership in the company's various business units, superior client service, honesty, integrity and sound financial discipline.

Our people management objective is to employ the best people available and to enable them to experience the pride of working for a respected organisation, job satisfaction at individual level, and on-going growth development in the working environment.

PROPERTY MANAGEMENT SERVICES

Management fees received



53,2%	Business Partners	R12,56m
30,4%	Khula	R7,17m
16,4%	Other	R3,87m

rust

Joseph and Gillian Thomson – **The Bow and Blade** shop



Management Analysis and Discussion

Training and development

Skills development at all levels is a core objective for Business Partners. With this in mind, the company established the Entrepreneurship Investor Academy during the 2008/2009 financial year to provide for all its training requirements.

The training interventions offered by the academy range from classroom training to interactive workshops, systems training, coaching, group activities and one-on-one sessions. These are guided by a holistic approach, which ensures that all employees receive both product and soft skills training. The training programme itself is based on a three year cycle and credits are required in order to move on to the next phase. The first-year course is titled "Foundation Training", the following year's course "Cornerstone" and the last year's "Building Blocks".

This programme will continue to play a decisive role in equipping the company to become even more professional in the challenging years ahead.

Business Partners is registered with the appropriate sectoral training authority, namely the SETA for Finance, Accounting, Management Consulting and other Financial Services (FASSET).

During the 2008/2009 financial year, 219 training sessions were provided by the company, amounting to 1 615 student sessions and 8 488 hours of training exposure, an average of 29 hours of training per employee.

Training Statistics

- Student sessions = 1 615
- Student hours = 8 488
- Number of student training sessions = 219
- 29 hours per person for the year

Talent management

In keeping with our people management philosophy at Business Partners, we aim to create and maintain effective talent management practices in order to attract, identify, develop, engage and deploy individuals who will thrive at the company and, as a result, contribute to organisational success.

We aim to improve and maintain the talent pipeline for Business Partners through initiatives such as the Business Partners e-recruitment website, the use of preferred and specialist search companies and the improved articulation of our value proposition and employer brand in the recruitment market. We strive to effectively identify talent through the continuous revision of work profiles, and the refinement of assessment and interview processes. We make every effort to engage our employees by creating a platform for their voices through forums, surveys and career discussions, and also through post-placement and exit interviews.



Management Analysis and Discussion

Employment equity

Since its inception, Business Partners has aspired to make equal employment opportunities available to all suitable candidates, regardless of race or gender. Similarly, it recognises the need for preferential programmes aimed at redressing societal inequalities, and fosters a business environment in which diversity is viewed as a strength in competing for business.

During the past financial year, Business Partners has complied with the provisions of the Employment Equity Act and will continue to do so. Details of this compliance are submitted in full in the company's annual employment equity report to the Department of Labour. The employee profile was summarised in the report on 26 September 2008 to the department, as follows:

development

Dima Tsobanopulos – D&D
Designers for Hair

**"WHAT A PARTNER!
NOT ONLY HAS
BUSINESS PARTNERS
PLAYED A HUGE ROLE
IN DEVELOPING MY
SALON, BUT THROUGH
THEIR MENTORSHIP
AND PARTICIPATION
I'VE DEVELOPED AS AN
ENTREPRENEUR."**

Management Analysis and Discussion

Workforce Profile

As at 15 September 2008

Permanent Employees by Occupational Category	MALE				FEMALE				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Executive Management	0	1	0	3	0	0	0	0	4
Senior Management	1	2	0	15	1	0	0	0	19
Professionals	13	6	11	49	1	7	1	24	112
Skilled Technical Staff	14	8	8	16	3	20	19	36	125 ¹
Semi-skilled Staff	6	4	0	1	2	3	3	5	24
Unskilled Staff	2	1	0	0	6	1	0	0	10
Sub Total	36	22	19	84	13	31	23	65	294
Non-Permanent Employees	4	1	1	1	5	2	1	6	21
Total	40	23	20	85	18	33	24	71	315

¹ One female foreign national included under total

boost

"It's so pleasant to work with Business Partners which has given us an important boost. Thanks to Business Partners, we could invest in a state-of-the-art industrial printer which allows us to better serve our customers. "

The company's transformation and evolutionary process is guided by policies and principles that:

- benefit existing employees, the company and employment candidates from historically-disadvantaged communities
- include a comprehensive advancement programme
- accept the company's responsibility for addressing any imbalances that may occur in the workplace
- ensure fairness in work practices, policies and facilities
- encourage the sharing of information
- improve competency levels as measured against competitive norms
- maintain merit as a guideline when considering promotion opportunities, salary and benefits structuring
- ensure the implementation of a human resources strategy in line with our core values of integrity, client service and economic merit

Mrs. Ralaimanisa Fidisoa –
Kadopub Sarlu, Madagascar

Management Analysis and Discussion

Staffing

As at 31 March 2009, 295 people were employed at Business Partners. The statistical breakdown is as follows:

Employee Statistics

31 March 2009

	2009	2008
Business Investments	216	220
Operational Employees	108	110
Operational Support Employees	108	110
Property	33	38
Operational Employees	20	23
Operational Support Employees	13	15
Group/Divisional	46	42

Two-Year Overview of Employee Statistics

2008 – 2009

	2009	2008
Total Number of Employees	295	300
Staff Turnover		
Total Employees at Beginning of Year	300	300
Add: Recruitments	38	58
Sub-Total	338	358
Less: Resignations/Retirements	(43)	(58)
Total at Year-End	295	300
Gender Profile		
Female	142	135
Male	153	165
Total	295	300
Community Profile		
Black	142	149
White	153	151
Total	295	300

Age Distribution of Employees at Year-End

2008 - 2009

	2009	2008
21 - 30	77	71
31 – 40	65	70
41 – 50	66	77
51 – 60	73	69
Over 60	14	13
Total	295	300

Management Analysis and Discussion

Marketing

The Business Partners marketing strategy is designed to give form to and communicate the company's vision, deliver on its mission, and achieve its goal. Every activity and message related to these objectives is tested against the company's values before being implemented. During the 2008/2009 financial year, the focus of corporate services

marketing remained on delivering clear, consistent marketing and media messages, and on strengthening client relationship management (CRM) through the use of such tools as the Client Service Charter and the monthly client satisfaction index.

The primary strategic objective of all marketing and media activities is to ensure that the brand is nationally recognised and that there is a solid platform to support the sales function.

Client relationship management focuses on clients, intermediaries and other stakeholders through the use of such communication channels as newsletters, networking functions and relationship-building initiatives. Implementation of marketing strategy and plans is done on a matrix management basis through professionals based at the Business Partners corporate offices in Parktown and regionally in Johannesburg, Cape Town and Durban. This enables the company's marketing team to remain close to clients in each region, and to maintain a real understanding of the business and marketing issues in the local environment.

Communication with existing and potential clients continues on an on-going basis through the Business Partners web site, from which visitors can download important documents such as the annual report, interim results and information brochures. A free, comprehensive business plan template is also available and specific industry-related information is provided as an added value for Business Partners' clients.

During the year, much attention was also given to improving client focus and to extending the customer relationship management programme. The aim of this initiative is to identify problems as early as possible, so that appropriate remedial action can be taken without delay. It also aims to give the company constant insight into the changing needs of its client base.

The client satisfaction survey and the programme of follow-up calls focus on service delivery, client satisfaction, overall perceptions of the company and specific problem areas.



Anesh Maharaj – NSM Beverage Enterprises – Del Aqua

Management Analysis and Discussion

Entrepreneur of the Year®

The Entrepreneur of the Year® Awards programme, a well-established component of client relationship management, continues with annual refinements. The programme focuses on recognising entrepreneurial ability, and aims to ensure that individual entrepreneurs are celebrated in their own communities. The national award winner receives a cash prize, free business-related mentorship and media coverage through Business Partners.

Stakeholder engagement

Senior and operational employees representing Business Partners are active members of their respective geographical business communities, and are members of such professional and industry bodies as various Chambers of Commerce, the Franchise Association of South Africa (FASA), the Businesswomen's Association (BWA) and the Black Management Forum.

ADDED

value
for Business
Partners' clients

"I APPRECIATED THE
MENTORSHIP
PROGRAM – THE
ADVICE GIVEN AND
KNOWLEDGE
IMPARTED BY THE
MENTORS HAVE
BEEN EXTREMELY
USEFUL"

useful

Management Analysis and Discussion

Environmental and Social Management and Enterprise Development

Sustained socio-economic prosperity depends, amongst other things, on human welfare and a healthy environment. Business Partners is committed to sustainable wealth creation through investment in viable entrepreneurial enterprises that operate in an environmentally and socially sound way.

Environmental legislation

Business Partners Limited complies fully with all of the country's environmental legislation, and also subscribes to an internal environmental policy. This commits the company to practices that do not pollute the natural and social environment, a commitment which is constantly monitored and evaluated.

As part of the due diligence process, all potential clients are also evaluated in terms of their compliance with internationally-accepted environmental management standards. Business Partners will not invest in companies that do not respect the local and global environment, no matter how lucrative the potential investment may be. The company also reserves the right, in terms of its investment agreements, to call in the investment facility should a client company be found to be in breach of environmentally-sound business practices.

As far as possible, clients are encouraged to comply with the environmental practices and procedures as outlined in the ISO 14001 certification procedure.

In addition, Business Partners will not let out premises to any tenant or business whose practices and/or procedures are harmful to the environment. Existing tenants whose practices are found to be environmentally harmful receive a written warning to improve their practices and, if they do not respond to this appropriately, they are evicted. Finally, Business Partners will, under no circumstances, consider investing in any businesses involved in covert, illegal or environmentally-harmful activities, or in any activities suspected of being associated with money laundering.



Management Analysis and Discussion

Enterprise development

Business Partners is aware of the fact that a company is not an island, and that every successful business is part of a broader socio-economic community. The company's corporate social investment programme acknowledges this, and focuses on empowering both SMEs and the communities in which they operate.

SME Toolkit

One of the company's flagship enterprise development programmes is the free online SME Toolkit. A joint initiative with the International Finance Corporation (IFC) and IBM, it offers easily-accessible business information, resources and online training for the country's growing independent business sector.

The aim of the SME Toolkit is to get information and resources to as many entrepreneurs as possible via the internet, since access to these is frequently one of the greatest challenges they face. The Toolkit offers how-to articles, business forms, financial tools, online training, and information resources developed by leading experts, as well as free software tailor-made for SMEs. All aspects of business set-up and management are covered, from business planning to accounting, financial management, human

resources, international business (import/export), legal matters, insurance, marketing, sales, operations and information technology.

The site also offers a range of self-assessment exercises and tools aimed at enabling entrepreneurs to take control of problem-solving in their own businesses. Everything entrepreneurs need to run a successful business is there – and it is all free.

Information dissemination and advisory projects

Quality business information is essential to emerging entrepreneurs if they are to enter the mainstream economy, and grow profitable and sustainable businesses. Business Partners provides information and advice for these entrepreneurs through business clinics and open entrepreneurship days, which are held at regular intervals across the country.

The business clinics, which are conducted in association with various chambers of commerce, and facilitated by Business Partners mentors, are structured to give participants a better understanding of the functional aspects of running a business, such as marketing, production, financial management, human resources and so on. The purpose of these clinics is to offer information, guidance and advice to aspirant entrepreneurs in order to motivate and equip them to enter the business world.

"BUSINESS
PARTNERS TOLD
THE MEDIA MY
STORY, AND I GOT
VALUABLE
EXPOSURE.
THAT'S WHAT
PARTNERS DO"

valuable

Nomsa Manqele – Harvey
World Travel

Management Analysis and Discussion

Open days, on the other hand, give existing and potential entrepreneurs with an established skills base the opportunity to supplement their experience, and to gain the specialist knowledge they require to remain competitive. Participants are given the opportunity to interact with Business Partners mentors and staff, discuss issues and problems, and receive advice on all aspects of running a successful business. Mentors assist with information on how to improve the efficiency, profitability and growth potential of a business, and do presentations on such topics as how to write a business plan or access start-up capital.

Educational support

In order to support and further the education of the next generation of entrepreneurs, Business Partners offers six bursaries a year for undergraduate study in the fields of commerce or law at a South African university.

"SEDICO IS
PROFOUNDLY
GRATEFUL TO BPI
MADAGASCAR, ITS
FINANCIAL PARTNER
WHICH IS RELIABLE,
EFFICIENT AND
ALWAYS ON TIME FOR
ITS INVALUABLE HELP.
INDEED, THEY HAVE
HELPED US FULFILL
OUR NOBLE CALLING:
OFFERING EDUCATION
TO LIFT PEOPLE OUT
OF POVERTY."

Mr. Ratoejanahary Maxime –
Sedico Sarl, Madagascar



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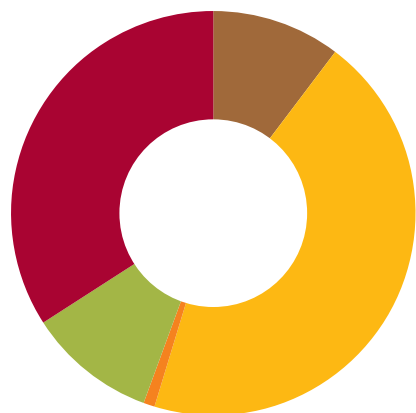


Governance Report

Shareholder Information

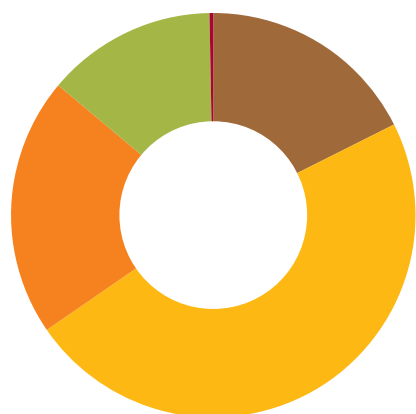
Shareholder information

Number of shareholders



- 10,3% Banks
- 44,4% Corporate bodies
- 0,9% Government
- 10,3% Insurance companies
- 34,1% Individuals

Number of shares



- 17,6% Banks
- 47,8% Corporate bodies
- 20,7% Government
- 13,6% Insurance companies
- 0,3% Individuals

Governance Report

Distribution of shareholding	Number of holders	% of holders	Number of shares	% of shares
0 – 10 000	30	25,6%	86 325	0,0%
10 001 – 100 000	24	20,5%	667 961	0,4%
100 001 – 1 000 000	40	34,2%	10 042 234	5,6%
1 000 001 – 10 000 000	19	16,2%	69 409 253	38,8%
10 000 000 and above	4	3,5%	98 628 821	55,2%
	117	100,0%	178 834 594	100,0%

Major Shareholders	Number of shares	% of shares
Remgro Limited (Eikenlust (Pty) Limited)	37 135 149	20,8%
Khula Enterprise Finance Limited	36 973 899	20,7%
Sanlam Limited (CMB Nominees (Pty) Limited)	13 799 152	7,7%
Billiton SA Limited	10 720 621	6,0%
ABSA Group Limited	8 117 003	4,5%
Nedcor Limited	6 918 205	3,9%
Business Partners Employee Share Trust	6 104 400	3,4%
Firststrand Limited	6 093 656	3,4%
Old Mutual Life Assurance Co of SA Limited	5 822 304	3,3%
Standard Bank Investment Corporation Limited	5 602 422	3,1%
Anglo Corporate Enterprises (Pty) Limited	5 523 801	3,1%
De Beers Group Services (Pty) Limited	5 523 801	3,1%
Standard Bank Nominees Tvl (Pty) Limited	3 204 652	1,8%
Momentum Group Limited (Futuregrowth Asset Management (Pty) Limited)	2 900 000	1,6%
	154 439 065	86,4%

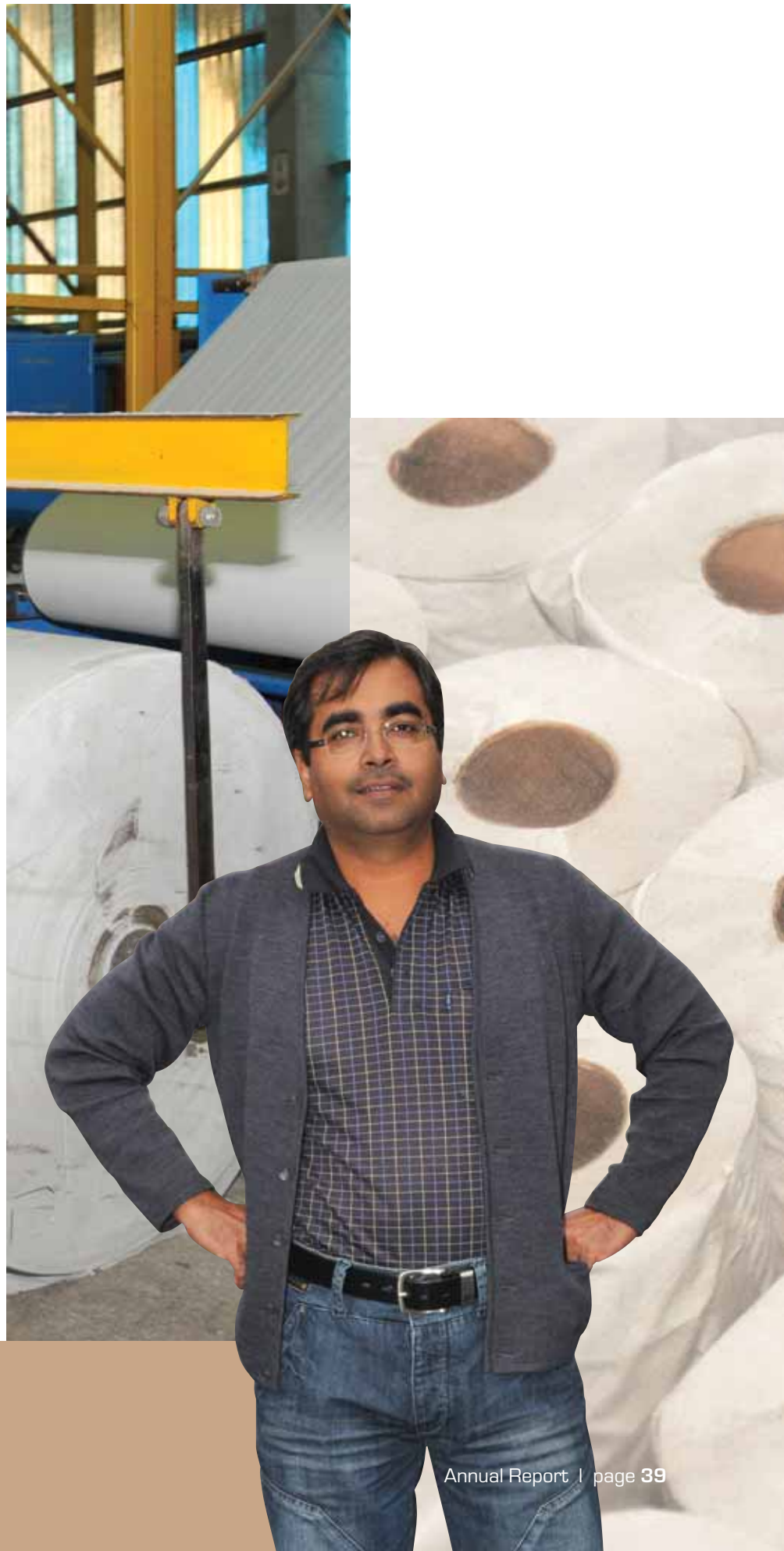
Business Partners Limited shares can be traded by contacting the Company Secretary.

creating value



“BUSINESS PARTNERS
BUILT VALUE INTO MY
COMPANY. IN A
CAPITAL INTENSIVE
INDUSTRY, SUCH AS
OURS, THEIR UNIQUE
APPROACH ENABLES
US TO AIM FOR THE
STARS.”

Majid Aziz – Janjirker Paper Mill
t/a Green Tissue



Governance Report

Corporate Governance

Business Partners is committed to being one of the most internationally respected, successful and profitable investors in small and medium enterprises. In order to achieve this, we are also committed to the highest level of corporate governance, and have a culture that values business and personal integrity, superior client service, transparency and accountability in all our business activities.

We believe that there is a link between high-quality governance and the creation of shareholder value.

COMPLIANCE WITH CORPORATE GOVERNANCE STANDARDS

We use the seven principles of good governance identified by the King II Report on Corporate Governance in South Africa to measure whether we are operating in a sound corporate governed environment:

Discipline – commitment by the company's executive management, management and staff to widely-accepted standards of correct and proper behaviour

Transparency – the ease with which an outsider can meaningfully analyse the company's actions and performance

Independence – the extent to which conflicts of interest are avoided, so that the company's best interests prevail at all times

Accountability – addressing the shareholders' rights to receive and, if necessary, query information relating to the stewardship of the company's assets and its performance

Responsibility – acceptance of all consequences of the company's behaviour and actions, including commitment to improvement where required

Fairness – acknowledgement of, respect for and balance between the rights and interests of the company's various stakeholders

Social Responsibility – the company's evident commitment to ethical standards and its appreciation of the social, environmental and economic impact of its activities on the communities in which it operates



BOARD OF DIRECTORS

Role and Responsibilities

The role of the Board of Directors is to represent the shareholders, and to promote and protect the interests of the company. The board has delegated all authority to achieve the corporate objectives to the Managing Director, who is free to take all decisions and actions which, in his judgement, are reasonable within the limits imposed by the board.

The Managing Director remains accountable to the board for the authority that is delegated to him and for the performance of the company. The board monitors the progress of the company towards set goals through the decisions made by the Managing Director and through the performance of the committees of the board.

The board specifically reserves the following matters for its decision:

- appointment of executive directors

- approval of strategy and annual budgets
- determination of matters in accordance with the approvals framework

Members

The board comprises a non-executive chairman, a non-executive deputy chairman, a managing director, two executive directors, ten non-executive directors and one alternate non-executive director.

In terms of the company's articles of association, shareholders or groups of shareholders are entitled to appoint one non-executive director for every ten percent of issued share capital held in the company. In addition, up to six non-executive directors may be appointed by the majority of shareholders. Any shareholder may nominate a director for such appointment. If the shareholders appoint less than six directors, the board may appoint directors subject to ratification by shareholders. All directors serve for a maximum period of three years, but are eligible for re-appointment.

In addition to the Managing Director, no more than three directors may hold executive offices. Should the employment contract of any executive director terminate, he or she shall be deemed to have resigned as a director.

Skills, Knowledge and Experience

The non-executive directors hail from various business backgrounds. The role of all directors is to bring independent judgement and experience to the board's

"BUSINESS
PARTNERS
ESTABLISHED A TRUE
PARTNERSHIP
RELATIONSHIP,
CONTINUING EVEN
AFTER THE FINANCE
WAS PAID OUT. THEY
ARE ALWAYS READY
AND EAGER TO
PROMOTE OUR
BUSINESS THROUGH
THEIR OWN
PROMOTIONS,
PRESENTATIONS
AND THE MEDIA."

Dr Ronel du Toit – La Colombe
Aesthetic Clinic

ust



Governance Report

deliberations and decisions. They monitor the company's performance and its executive management and contribute to the company's strategy formulation.

Meetings

The board meets five times a year. In addition, the board may schedule strategy sessions as it deems necessary. The roles of the Chairman and the Managing Director do not vest in the same person. The Chairman, Deputy Chairman and the Managing Director provide leadership and guidance to the company's board, obtain optimum input from the other directors and encourage proper deliberation of all matters requiring the board's attention.

The board and its committees are supplied with timely information to enable them to discharge their responsibilities effectively. All directors have access to the Company Secretary as a central source of guidance and assistance, as well as to independent professional advice at the company's expense in appropriate circumstances. The Company Secretary:

- is responsible for directors' training and development
- assists the Chairman and Managing Director with the orientation and induction of new directors

- monitors the legal and regulatory environment and informs the board of any new or changing legislation relevant to the board or the company
- ensures that the company complies with all legislation applicable.

COMMITTEES OF THE BOARD OF DIRECTORS

In line with best practice, committees of the board exist within written terms of reference, respectively defining their quorum requirements, frequency of meetings, powers, duties and reporting obligations. The board considers the composition of all committees annually.

The members of the respective committees are identified in the Directors and Management section of this report.

Audit and Risk Committee

The committee operates in accordance with an Audit and Risk Committee Charter, approved annually by the Board. Annually the committee assesses whether it is

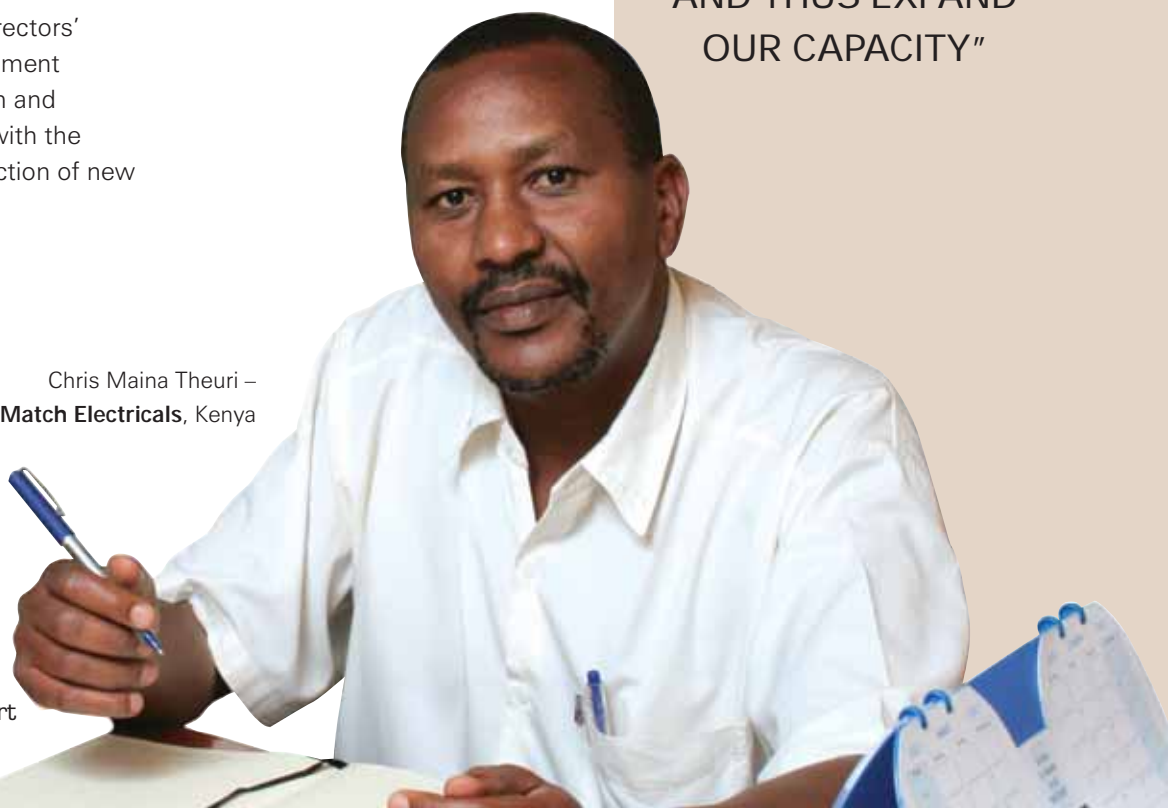
meeting its duties and responsibilities as set out in the committee's Charter.

The responsibilities of the Audit and Risk Committee include the following:

- reviewing the company's interim and annual financial statements
- reviewing the scope and effectiveness of the internal audit function and overseeing the effectiveness of the internal controls, ensuring that they are suitable to identified key business risks
- ensuring that the appropriate accounting policies and practices have been adopted and consistently applied

**"BY PARTNERING
WITH BUSINESS
PARTNERS WE
COULD MODERNISE
OUR MACHINERY
AND THUS EXPAND
OUR CAPACITY"**

Chris Maina Theuri –
Match Electricals, Kenya



- reviewing the scope and effectiveness of the external audit function, including approving the external audit plan and reviewing findings, problems and reports
- monitoring compliance with applicable legislation and regulatory requirements and reviewing compliance with the King II Report
- considering the appointment of the external auditors, including the approval of the audit fee, independence and objectivity
- considering the approval of non-audit services provided by the external auditors

The external and internal auditors have unfettered access to the committee, and both attend meetings by invitation. The Managing Director, Chief Financial Officer, a senior executive representing the Property Management Services division and the directors representing the two major shareholders also attend committee meetings by invitation. The Chairman of the committee meets at least quarterly with the head of Internal

Audit and at every meeting the external auditors are given a private audience with the committee.

National Investment Committee

The committee considers investments for approval, the sale of assets and property development projects beyond the delegated powers of executive management. Its mandate also includes the monitoring of performance on projects in which the company has invested.

Nominations Committee

The committee is authorised to consider and submit proposals regarding the size, structure and composition of the board. The committee also identifies and evaluates suitable potential candidates for appointment to the board. This is done with due regard to the skills and knowledge of the incumbent board and the requirements of the company. In addition, the committee reviews and makes recommendations to the board regarding the requirements for, and the composition and functioning of the committees of the board, and the directors' fees.



COMMITTED to
high
LEVELS OF CORPORATE
GOVERNANCE

Governance Report

Personnel Committee

The committee submits recommendations to the board regarding general staff policy, remuneration of staff and executive directors, service contract of the managing director, the employee share incentive scheme and the company pension and retirement funds.

Regional Committees

Regional committees assist the board in monitoring corporate governance and compliance with the company's strategy and policies in each business unit. Each committee takes an active interest in matters affecting the company in the relevant region, contributes expertise in due diligence investigations when required and assists in promoting the company in the SME sector.

Transactions Committee

The committee considers company transactions in which directors, regional committee members or employees have any interests. Full transparency to the board on any transaction considered will ensure the required corporate governance. The members of a meeting of the committee will always be disinterested parties and therefore the committee has no permanent members.

B-BBEE Strategy Committee

The committee is authorised to develop a comprehensive broad-based black economic empowerment strategy for the company, including for every element of the scorecard in terms of the B-BBEE Codes of Good Practice.

INTERNAL AUDIT

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation to accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

The company has a well-established internal audit division, the purpose of which is formally defined in the Internal Audit Charter. The Charter is consistent with the Institute of Internal Auditors' Standards for Professional Practice of Internal Auditing. The operating activities of the division are governed by a risk-based audit plan. The Internal Audit Charter and Internal Audit Plan are reviewed and approved annually by the Audit and Risk Committee.

CODE OF ETHICS

Business Partners has adopted a Code of Ethics to:

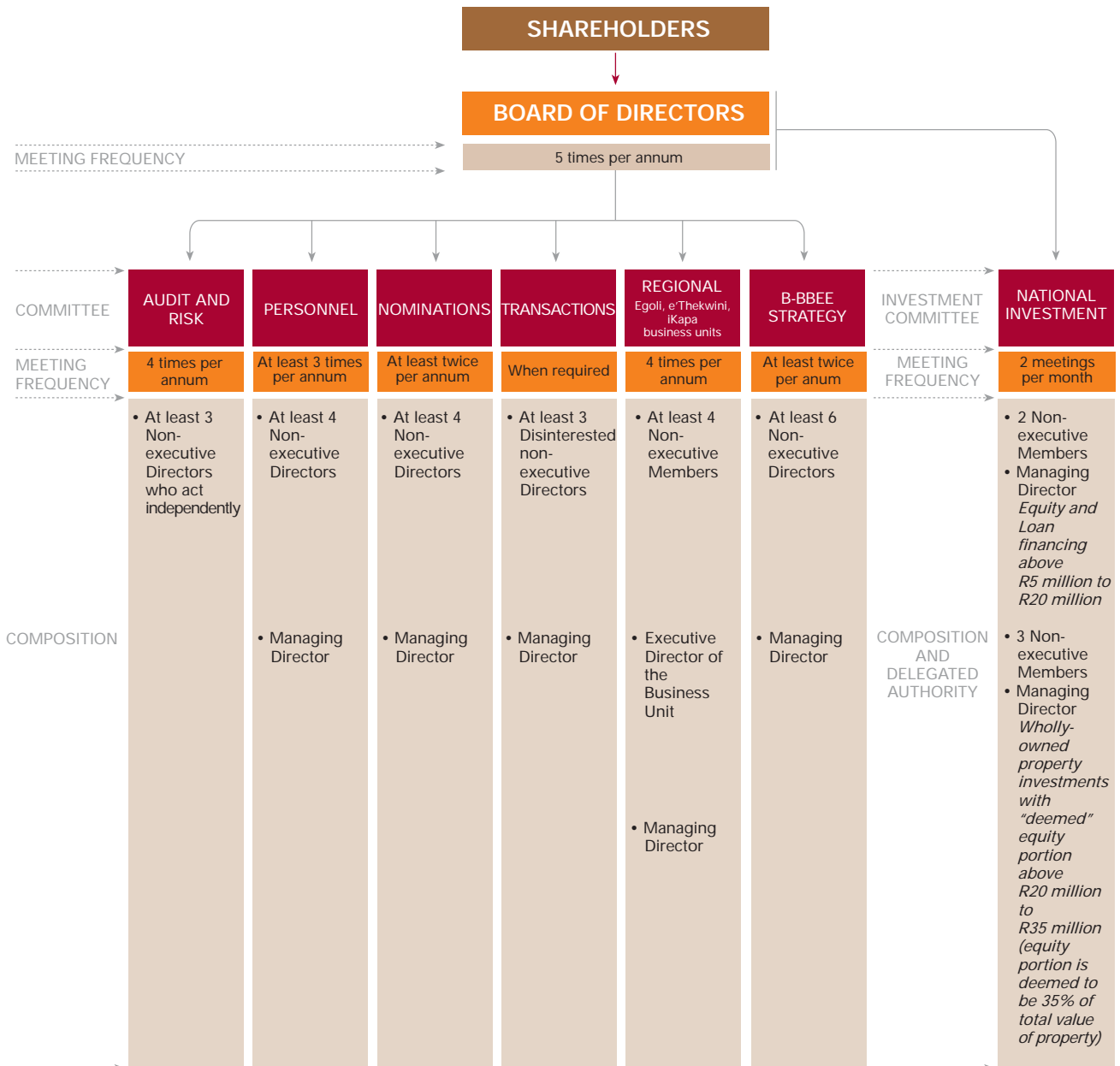
- formalise a culture of utmost integrity and uncompromising honesty
- ensure that management complies with the code and demonstrably exhibits ethical behaviour in all business activities
- ensure that a robust, written code is in place to address all appropriate parties and cover all mandated issues
- ensure effective communication of the company's ethics to all employees, allowing for continual compliance and related training
- provide mechanisms for monitoring adherence to the code

New employees receive a copy of the Code of Ethics with their conditions of employment and the code forms an integral part of the induction programme.

ETHICAL
BEHAVIOUR in

all

BUSINESS ACTIVITIES



Governance Report

Enterprise Risk Management

Enterprise risk management (ERM) is a process effected by a legal entity's board of directors, management and other personnel, applied in a strategic manner across the enterprise, and designed to identify and manage potential risks and events that may affect the entity. This process is aimed at providing reasonable assurance that the entity will be able to achieve its objectives.

The Board of Directors, through the Audit and Risk Committee, is tasked with ensuring that there is an effective risk management process at Business Partners. The Audit and Risk Committee operates within written guidelines to assist the board in fulfilling its oversight responsibilities. The board oversees the company's risk strategy formulation, risk methodologies and risk assessments, and reinforces its commitment to sound risk management.

Risk management is an intrinsic aspect of Business Partners' strategic and business procedures. The management of the company, led by the Managing Director, is responsible and accountable for risk management, and it is the responsibility of all staff to practise risk management in their day-to-day activities. The ERM methodology at Business Partners consists of the following interrelated components,

which are derived from global ERM best practices:

- risk governance
- risk identification
- risk control and response
- risk monitoring and reporting
- performance measurement

Risks

Business Partners' business activities involve acceptance and management of a range of risks. Risks may be defined as uncertain future events that may influence the achievement of the company's strategic, operational and financial objectives.

It is the responsibility of the board to decide on the company's appetite for risk and its ability to bear the consequences of the risk it accepts. In the process of identifying risk, the board considers materiality, insurance and retention levels. The management of these risks requires that they be clearly identified, and that appropriate policies and procedures be put in place to mitigate them.

The risk identification process is undertaken by each business unit periodically to assess the risks that may impact on the company. Some of the major risks currently facing the business include:

- sustainability risk
- reputational risk
- compliance risk
- ethics risk
- social risk, including risk associated with social investments, employment equity and the retention of staff

Internal Audit

The Internal Audit department adheres to a risk-based approach in its planning, and continuously monitors business performance and risk. The internal audit plan includes a thorough assessment of the strategic, financial, information technology, human resources, environmental and other general issues that could endanger the operations of the company. Regular audits are performed as per the audit plan to assure management and the board of the effectiveness of the company's control environment. An annual assessment of the effectiveness of the company's system of internal control, performance and risk management is also compiled for the board.

Quality management system

Business Partners has adopted a policy of total quality management (TQM), which conforms to the ISO 9001:2000 standard for quality management systems.

This means that Business Partners adheres to the following eight principles of ISO 9001:2000:

- customer focus
- leadership
- people involvement
- continual improvement
- a process approach to operations
- a systems approach to management
- a factual approach to decision-making
- mutually-beneficial supplier relationships

attentive

Governance Report

Continuous evaluation and improvement of quality management practices, and the wide-ranging communication of control procedures, is an integral part of the company's overall risk management philosophy.

Reviews

Process owners are responsible for monitoring the quality of the process against the set standards, and there are tools to assist them in this regard.



All business units have appointed Internal Quality Assurance Officers, who regularly check the quality of the products (the end results of the process) against the set standards.

There are also annual reviews by an accredited external firm to verify that the company adheres to ISO 9001:2000 standards.

**"BUSINESS
PARTNERS IS VERY
FLEXIBLE AND HAS
ALWAYS BEEN
ATTENTIVE TO US."**

Mrs. Rajaonarison Baovola –
Vidy Varotra Sarl, Madagascar

Broad-Based Black Economic Empowerment

Business Partners has, for a number of years, been recording, monitoring and measuring its broad-based black economic empowerment (B-BBEE) performance as an integral part of its mission to invest in and develop small and medium enterprises in South Africa.

This commitment was further entrenched when, at a meeting in September 2006, the Board of Directors appointed a new sub-committee, the B-BBEE Strategy Committee.

This committee was formed to ensure that Business Partners complies with the letter and spirit of the country's B-BBEE legislation and the Broad-Based Black Economic Empowerment Codes of Good Practice (B-BBEE Codes), which were developed by the Department of Trade and Industry (dti).

Various initiatives were undertaken during the past year to provide additional impetus to the role Business Partners plays in broad-based empowerment. The results of the efforts were verified by PricewaterhouseCoopers Incorporated with significant progress being recorded in Procurement and Enterprise Development results.

The verification of the performance in terms of the B-BBEE Scorecard resulted in a score that confers a Level 5 contributor status on Business Partners. As a result of Business Partners' status as a Value Adding Supplier, a B-BBEE procurement recognition level of 100 percent is achieved.

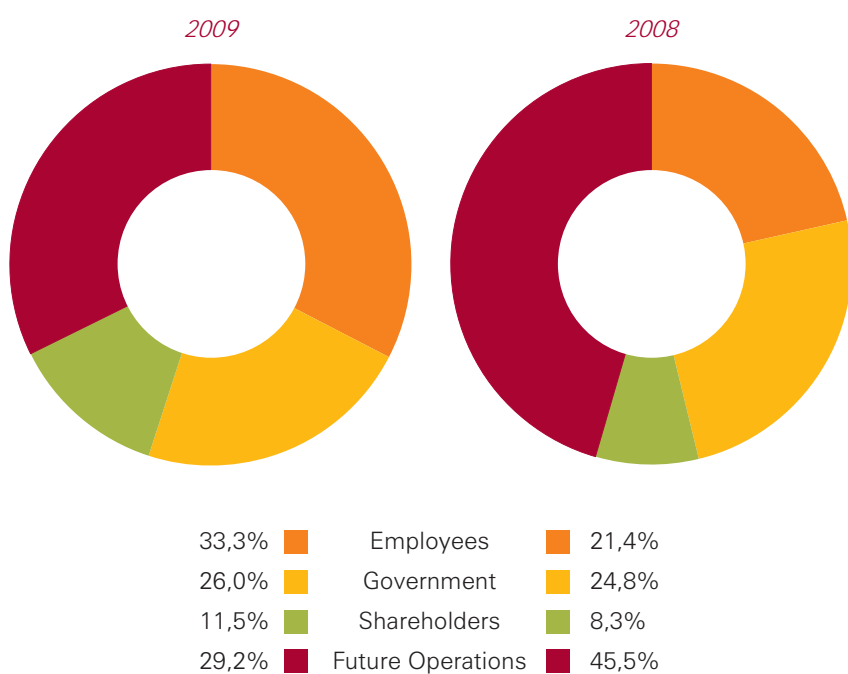
A range of projects aimed at further improving the Business Partners Ltd B-BBEE score will be implemented during our 2009/2010 financial year.



Value Added Statement

	2009 R000	%	2008 R000	%
Value Added				
Interest received, rent charged and other income	528 808		547 993	
Less: paid to suppliers	(201 828)		(141 638)	
Total wealth created	326 980	100,0%	406 355	100,0%
Distributed as follows:				
Employees	108 859	33,3%	87 051	21,4%
Salaries, wages and contributions	108 859	33,3%	87 051	21,4%
Government	84 873	26,0%	100 619	24,8%
Normal taxation	38 361	11,7%	58 736	14,5%
Employee taxes	37 440	11,5%	30 076	7,4%
Skills development levies	1 201	0,4%	1 060	0,3%
Value added tax	7 871	2,4%	10 747	2,6%
Shareholders	37 667	11,5%	33 563	8,3%
Shareholders for dividend	37 667	11,5%	33 563	8,3%
Retentions to support future operations	95 581	29,2%	185 122	45,5%
Depreciation	2 938	0,9%	2 086	0,5%
Income retained	92 643	28,3%	183 036	45,0%
	326 980	100,0%	406 355	100,0%

Group Value Added Statement



Financial Statements



Statement of responsibility by the Board of Directors

The directors are responsible for the preparation, integrity and fair presentation of the financial statements of Business Partners Limited and its subsidiaries. The financial statements, presented on pages 53 to 91, have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice, and include amounts based on judgements and estimates made by management. The directors reviewed the information included in the Annual Report and are responsible for both the accuracy and consistency of the financial statements.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the company or the Group will not be going concerns in the foreseeable future.

The financial statements have been audited by the independent accounting and auditing firm, PricewaterhouseCoopers Incorporated, which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board of Directors, committees of the Board and management. The directors have no reason to believe that all representations made to the independent auditors during their audit were not valid and appropriate. The audit report of PricewaterhouseCoopers Incorporated is presented below.

The financial statements were approved by the Board of Directors on 19 May 2009 and are signed on its behalf.



T van Wyk
Deputy Chairman



N Martin
Managing Director

Independent auditor's report to the members of Business Partners Limited

We have audited the Group annual financial statements and annual financial statements of Business Partners Limited, which comprise the consolidated and separate balance sheets as at 31 March 2009, and consolidated and separate income statements, the consolidated and separate statements of changes in equity, the consolidated and separate statements of recognised income and expense and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the director's report, as set out on pages 53 to 91.

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 South African Statements of Generally Accepted Accounting Practice, 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 the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of Business Partners Limited as at 31 March 2009, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa.



PricewaterhouseCoopers Inc.

Director: JH Cloete

Registered Auditor

Johannesburg

8 June 2009

Directors' Report

for the year ended 31 March 2009

1. Nature of the business

The Company is principally engaged in investing capital, knowledge and skill in viable small and medium sized businesses.

2. Business activities

During the period under review 607 (2008: 670) investment projects (excluding investment properties) amounting to R934,2 million (2008: R954,8 million) were approved for investment at an average investment amount of R1 539 000 (2008: R1 425 000). Business Partners follows a risk based investment approach by structuring the majority (64,9 percent (2008: 64,5 percent)) of its investments with equity and royalty based financial instruments. An equity stake was obtained in 101 projects (2008: 116 projects) at an average investment amount of R2,8 million (2008: R2,2 million). Business Partners manages a portfolio of industrial and commercial properties with a lettable area totalling more than 634 000 m² (2008: 657 000 m²), providing business premises to more than 3 370 (2008: 3 390) tenants. Additional information on the business activities of the Company is available in the Management Review section of the Annual Report.

3. Operational and financial review

The Company's net profit amounted to R130,3 million, (2008: R216,6 million), a decrease of R86,3 million compared to the previous year. The decrease in net profit of 39,8 percent is primarily the result of the downturn in global and local economic conditions which resulted in increased write-offs, larger impairment on investments and reducing interest rates, which impacted revenue directly.

The financial position and the results of the various operations are fully disclosed in the financial statements on pages 53 to 91.

The business investment portfolio is continually analysed in terms of a range of risk management and control measures, ensuring that risks are identified and adequately provided for. During the period under review, bad debts amounting to R73,9 million (2008: R35,4 million) were written off. The recovery of bad debts written off amounted to R15,9 million (2008: R22,2 million).

4. Events subsequent to the balance sheet date

No events occurred between the balance sheet date and the date of this report that would require disclosure in or adjustment to the financial statements that have not already been disclosed.

5. Share capital and reserves

The authorised share capital remained unchanged at 400 million ordinary shares of R1 each. The issued share capital remained unchanged at 178,8 million shares of R1 each.

6. Dividend

Dividend cover for the year equals 5,1 times. The dividend policy aims to ensure at least a 4 times cover for the dividend after considering the nature of the profit for the year. A cash dividend of 15 cents per share in respect of the 2009 financial year (2008: 22 cents) was declared on 19 May 2009, payable on or about 14 August 2009 to all shareholders registered in the share register at the close of business on 28 July 2009.

7. Earnings per share

Earnings per share decreased to 75,9 cents (2008: 128,7 cents) based on 171,6 million weighted number of shares in issue. Diluted earnings per share decreased to 73,7 cents (2008: 121,9 cents). Headline earnings per share decreased to 75,7 cents (2008: 126,6 cents). Diluted headline earnings per share decreased to 73,4 cents (2008: 120,0 cents). For more information refer to notes 11 and 23 in the financial statements.

8. Directors' remuneration and interest

Details of the directors' remuneration are set out in note 28 to the financial statements. No material contracts in which the directors have any interest were entered into in the current year.

9. Major shareholders

Shareholders holding beneficially, directly or indirectly, in excess of 5 percent of the issued share capital of the Company are detailed on page 38 of the Annual Report.

Financial Statements

10. Directors

10.1 The directors of the Company on the 31st of March 2009 were:

Directors appointed in terms of Article 13.4 of the Articles of Association:

Mr JP Rupert
Dr ZZR Rustomjee
Mr PM Baum
Mr XGS Sithole
Mr F Meisenholl
Mr T van Wyk

Directors appointed in terms of Article 13.2 of the Articles of Association:

Mr DR Geeringh
Mr D Moshapalo
Dr P Huysamer
Dr MA Ramphela
Dr E Links
Ms ZJ Matlala

Directors appointed in terms of Article 17.1 of the Articles of Association:

Mr SST Ngcobo (Alternate to Mr DR Geeringh)

Directors appointed in terms of Article 15 of the Articles of Association:

Mr N Martin (Managing Director)
Mr C Botes (Executive Director)
Mr G van Biljon (Executive Director)

10.2 During the year the following changes occurred in the composition of the Board of Directors:

Director	Event	Terms	Date
Mr J Schwenke	Retired as Managing Director	Article 15	31 December 2008
Mr N Martin	Appointed as Managing Director	Article 15	1 January 2009

11. Auditors

The Audit and Risk Committee nominated PricewaterhouseCoopers Incorporated and Mr JH Cloete as the individual designated auditor in accordance with Section 270A(1) for appointment in terms of Section 270(1) and 274(3) of the Companies Act 61 of 1973, as amended by the Corporate Laws Amendment Act 24 of 2006.

12. Acknowledgements

Sincere appreciation is extended to all our shareholders, members of the Board and its committees for their dedicated and positive participation throughout the year. We would like to extend a special word of appreciation to the former Managing Director Jo' Schwenke who served Business Partners for more than two decades. To the entire staff of Business Partners, we express our gratitude for their loyalty, commitment and hard work in achieving the objectives of the Company.



T van Wyk
Deputy Chairman
19 May 2009



N Martin
Managing Director

Audit and Risk Committee report

The Audit and Risk Committee met five times during the year. One of the meetings held was a special meeting. The external and internal auditors present formal reports to the Committee and attend meetings by invitation. In accordance with section 270(1)(f) of the Companies Act 61 of 1973, as amended, the Committee reports as follows:

- The scope, independence and objectivity of the external auditors were reviewed
- The audit firm PricewaterhouseCoopers Inc, and audit partner Johan Cloete, are, in the Committee's opinion, independent of the Company, and have been proposed to the shareholders for approval to be the Group's auditor for the 2009/2010 financial year
- On an ongoing basis, the Committee reviews and approves the fees proposed by the external auditors
- The appointment of the external auditor complies with the Companies Act, as amended, and with all other legislation relating to the appointment of external auditors
- The nature and extent of non-audit services provided by the external auditors have been reviewed to ensure that the fees for such services do not become so significant as to call into question their independence
- The nature and extent of future non-audit services have been defined and pre-approved
- As at the date of this report, no complaints have been received relating to accounting practices and internal audit of the Company or to the content or auditing of the company's financial statements, or to any related matter



DR Geeringh
Chairman: Audit and Risk Committee
19 May 2009

Balance Sheet

Balance Sheet as at 31 March

		Group		Company	
	Notes	2009 R000	2008 R000	2009 R000	2008 R000
Assets					
Non-current assets		2 029 619	1 785 230	1 926 972	1 715 081
Investment properties	2	448 544	357 469	387 411	307 371
Business investments	3	1 455 856	1 246 701	1 454 556	1 249 344
Investments in associates	4	59 790	44 231	1 870	1 868
Property and equipment	5	28 613	28 163	3 840	5 000
Investments in subsidiaries	6	-	-	44 460	42 832
Deferred tax asset	7	15 083	-	13 102	-
Defined benefit pension fund surplus	14	21 733	108 666	21 733	108 666
Current assets		329 039	509 253	305 724	490 994
Inventories and assets held for resale	8	457	759	457	759
Short-term portion of business investments	3	284 762	259 576	284 762	259 447
Accounts receivable		18 988	12 167	16 404	10 411
Deposits and bank balances	9	24 832	236 751	4 101	220 377
Total assets		2 358 658	2 294 483	2 232 696	2 206 075
Equity and liabilities					
Capital and reserves attributable to equity holders of the parent		2 169 364	2 132 264	2 069 192	2 056 666
Share capital	11	178 835	178 835	178 835	178 835
Treasury shares	11	(15 984)	(19 973)		
Fair value and other reserves	12	18 429	77 961	15 265	76 695
Retained earnings		1 988 084	1 895 441	1 875 092	1 801 136
Minority interest		961	872		
Non-current liabilities		52 539	57 912	51 480	59 660
Borrowings	13	1 349	640	289	289
Post-retirement medical aid obligation	14	51 190	49 520	51 191	49 520
Deferred tax liability	7	-	7 752	-	9 851
Current liabilities		135 794	103 435	112 024	89 749
Borrowings	13	58 866	-	58 866	-
Accounts payable		37 979	35 563	18 011	25 186
Provisions	15	39 641	44 044	38 389	43 139
Current tax liability		(743)	23 815	(3 293)	21 411
Shareholders for dividend		51	13	51	13
Total liabilities		188 333	161 347	163 504	149 409
Total equity and liabilities		2 358 658	2 294 483	2 232 696	2 206 075

Income Statement

for the year ended 31 March

		Group		Company	
	Notes	2009 R000	2008 R000	2009 R000	2008 R000
Revenue	17	423 700	365 612	409 627	354 883
Other operating income	18	67 119	141 561	66 442	137 563
Operating expenses	19	(337 930)	(246 314)	(325 745)	(233 625)
Profit from operations	20	152 889	260 859	150 324	258 821
Finance cost		(1 524)	(677)	(974)	(2)
Income from associated companies		22 123	18 653		
Profit before taxation		173 488	278 835	149 350	258 819
Tax expense	22	(43 089)	(61 364)	(36 050)	(53 757)
Net profit		130 399	217 471	113 300	205 062
Attributable to:					
Equity holders of the parent		130 310	216 599	113 300	205 062
Minority interest		89	872		
		130 399	217 471	113 300	205 062

Statement of recognised income and expense

for the year ended 31 March

		Group		Company	
	Notes	2009 R000	2008 R000	2009 R000	2008 R000
Actuarial gain / (loss) on defined benefit pension fund		(86 932)	(4 201)	(86 932)	(4 201)
Actuarial loss on pension fund assets, liabilities and contingency reserves		(97 034)	(13 491)	(97 034)	(13 491)
Other actuarial movements on defined benefit pension fund		10 102	9 290	10 102	9 290
Actuarial gain / (loss) on post-retirement medical aid obligation		1 745	(2 917)	1 745	(2 917)
Net gain / (loss) on post-retirement benefits		(85 187)	(7 118)	(85 187)	(7 118)
Fair value adjustments of available for sale instruments		(132)	(243)	(132)	(243)
Foreign currency translation gains		1 898	1 352		
Deferred taxation on items above		23 889	3 200	23 889	3 200
Net income recognised directly in equity		(59 532)	(2 809)	(61 430)	(4 161)
Profit for the year		130 399	217 471	113 300	205 062
Total recognised income for the year		70 867	214 662	51 870	200 901

Statement of changes in equity

for the year ended 31 March

		Attributable to equity holders of the parent				
	Notes	Share capital R000	Fair value and other R000	Retained earnings R000	Minority interest R000	Total R000
Changes in equity - Group						
Balance at 1 April 2007		149 802	80 770	1 712 405	-	1 942 977
Share options taken up		9 060				9 060
Fair value adjustments of available for sale instruments	12		(170)			(170)
Actuarial gains / (losses) on employee benefits			(3 991)			(3 991)
Foreign currency translation gains / (losses)			1 352			1 352
Net profit				216 599	872	217 471
Dividend	24			(33 563)		(33 563)
Balance at 31 March 2008		158 862	77 961	1 895 441	872	2 133 136
Balance at 1 April 2008		158 862	77 961	1 895 441	872	2 133 136
Share options taken up		3 989				3 989
Fair value adjustments of available for sale instruments	12		(95)			(95)
Actuarial gains / (losses) on employee benefits			(61 335)			(61 335)
Foreign currency translation gains / (losses)			1 898			1 898
Net profit				130 310	89	130 399
Dividend	24			(37 667)		(37 667)
Balance at 31 March 2009		162 851	18 429	1 988 084	961	2 170 325
Changes in equity - Company						
Balance at 1 April 2007		178 835	80 856	1 631 841	-	1 891 532
Fair value adjustments of available for sale instruments			(170)			(170)
Actuarial gains / (losses) on employee benefits	12		(3 991)			(3 991)
Net profit				205 062		205 062
Dividend	24			(35 767)		(35 767)
Balance at 31 March 2008		178 835	76 695	1 801 136	-	2 056 666
Balance at 1 April 2008		178 835	76 695	1 801 136	-	2 056,666
Fair value adjustments of available for sale instruments	12		(95)			(95)
Actuarial gains / (losses) on employee benefits			(61 335)			(61 335)
Net profit				113 300		113 300
Dividend	24			(39 344)		(39 344)
Balance at 31 March 2009		178 835	15 265	1 875 092	-	2 069 192

Cash flow statement

for the year ended 31 March

		Group		Company	
	Notes	2009 R000	2008 R000	2009 R000	2008 R000
Cash flow from operating activities					
Cash received from clients		460 278	407 619	436 851	388 638
Cash paid to suppliers and employees		(244 545)	(189 471)	(240 588)	(182 075)
Cash generated from operating activities	27.1	215 733	218 148	196 263	206 563
Finance cost		(1 524)	(677)	(974)	(2)
Taxation paid	27.2	(62 919)	(62 814)	(59 818)	(61 325)
Dividends paid	27.3	(37 629)	(33 575)	(39 306)	(35 779)
Net cash generated from operating activities		113 661	121 082	96 165	109 457
Cash flow from investing activities					
Capital expenditure on					
– investment properties		(71 478)	(45 066)	(58 509)	(33 802)
– property and equipment		(1 147)	(4 246)	(1 084)	(4 219)
Proceeds from sale of					
– investment properties		2 400	12 255	2 400	12 255
– property and equipment		37	47	37	47
Business investments advanced		(636 563)	(637 266)	(636 563)	(637 266)
Business investments repaid		294 454	424 140	294 950	418 557
Investment in subsidiaries				(1 628)	(8 008)
Proceeds from sale of other investments		23 794	84 034	21 219	83 329
Dividends received from other investments		5 056	1 156	7 871	6 314
Net cash utilised in investing activities		(383 447)	(164 946)	(371 307)	(162 793)
Cash flow from financing activities					
Long-term borrowings		(999)	-	-	-
Net cash utilised in financing activities		(999)	-	-	-
Net decrease in cash and cash equivalents		(270 785)	(43 864)	(275 142)	(53 336)
Cash and cash equivalents at beginning of year		236 751	280 615	220 377	273 713
Cash and cash equivalents at end of year		(34 034)	236 751	(54 765)	220 377

Notes to the financial statements

for the year ended 31 March

1 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below and are consistent with those of the previous year.

1.1 Basis of preparation

The consolidated financial statements are prepared in accordance with and comply with South African Statements of Generally Accepted Accounting Practice. The consolidated financial statements are prepared under the historical cost convention, as amended by the fair value of investment properties and financial instruments.

The preparation of financial statements in conformity with South African Statements of Generally Accepted Accounting Practice, requires the use of estimates and assumptions based on management's best knowledge of current events and actions. These estimates and assumptions affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may ultimately differ from these estimates.

1.2 Group accounting

1.2.1 Subsidiaries

Subsidiary undertakings, which are those companies and other entities in which the Company, directly or indirectly, has an interest of more than one half of the voting rights, or otherwise has power to govern the operations, are consolidated.

Subsidiaries are consolidated from the date on which effective control is transferred to the Company and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the net assets of the subsidiary

acquired is recorded as goodwill. All inter-Company transactions, balances and unrealised surpluses and deficits on transactions between Group companies have been eliminated.

Where necessary, accounting policies in subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

1.2.2 Investments in associates

Investments in associates are accounted for by the equity method of accounting. Under this method the Company's share of the post-acquisition profits or losses of associates is recognised in the income statement and its share of post-acquisition reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment. Associates are entities over which the Company generally has between 20 percent and 50 percent of the voting rights, or over which the Company has significant influence, but which it does not control. Impairments are recorded for long-term diminutions in value.

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. When the Company's share of losses in an associate equals or exceeds its interest in the associate, the Company does not further recognise losses, unless the Company has incurred obligations or makes payments on behalf of the associates. Audited financial statements are utilised to determine the share of the associated Company earnings. Where these are not available, management estimates are not included in the equity accounted earnings.

Notes to the financial statements

for the year ended 31 March

1.2.3 Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Company's interest in a jointly-controlled entity is accounted for by proportionate consolidation. The Company combines its share of the joint venture's individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Company's financial statements.

As with subsidiaries, joint ventures are excluded from consolidation if the interest is intended to be temporary or if the joint venture operates under severe long-term restrictions.

Where required, accounting policies in joint ventures have been changed to ensure consistency with the policies adopted by the Group.

1.3 Foreign currencies

1.3.1 Functional and presentation currency

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

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

1.3.2 Foreign currency translations

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

The assets and liabilities of foreign subsidiary companies are translated at the closing exchange rates ruling at year-end. Income statement items in respect of foreign entities are translated at the appropriate weighted average exchange rate for the year. Gains and losses arising on translation

are transferred to fair value and other reserves (foreign currency translation reserve).

On consolidation, exchange differences arising on the translation of the net investment in foreign entities and of borrowings, are taken to shareholders' equity.

1.4 Financial instruments

Financial instruments carried on the balance sheet include loans and receivables, listed shares, bonds, cash and bank balances, borrowings and accounts payable. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The Company classifies its financial instruments primarily into the following categories: loans and receivables and available for sale instruments. The classification of investments is done in consultation with the Audit and Risk Committee.

Investments which the Company intends to hold for an indefinite period of time, but which may be sold in response to market opportunities, are classified as available for sale. The fair value of these investments is based on quoted bid prices. Unrealised gains and losses, arising from changes in fair value of investments classified as available for sale, are recognised in equity. When investments classified as available for sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses.

Loans and receivables include interest bearing loans, shareholders' loans, royalty agreements and staff loans. The financial instruments are initially recorded at fair value. Thereafter, the instruments are measured at amortised cost.

Impairment of loans and receivables:

Specific impairments

The Company determines whether a financial asset or Group of financial assets is impaired by assessing whether objective evidence is presented

Notes to the financial statements

for the year ended 31 March

that one or more loss events occurred after the initial recognition of the assets that can or will impact the expected cash flows resulting from the financial asset or Group of financial assets in the future.

The portfolio of investments is classified into different risk classes which are determined by the application of various risk criteria. Meeting these criteria is accepted as objective evidence that an impairment event has occurred in the specific investment. The criteria for assessing the investment's performance in meeting its repayment obligations are as follows:

- A. Investments with no arrears
- B. Amount in arrears for 30 days is less than the repayment required or value of instalment
- C. Amount in arrears for 60 days is less than the repayment required or value of instalment
- D. Amount in arrears for 30 days is greater than value of instalment
- E. Amount in arrears for 30 days with no planned instalments on account
- F. Dishonoured payments occurring in the preceding six months
- G. Informal sector loans
- H. Investments under legal control

In addition to the assessment of repayment performance, a qualitative assessment is performed to identify other specific indicators of impairment. The following events are considered to be indicative of potential impairment:

- the loss of big contracts
- labour unrest, litigation or unresolved issues
- legal actions being undertaken by other parties against the client
- entrance of a new competitor
- conflict between partners in the business
- shareholders' meetings that are cancelled and which have not been held for a long time
- the sensitivity of revenue to fluctuations in the exchange rate
- input costs materially affected by high commodity prices or high resource prices

In quantifying the impairment for investments in the different risk classes, estimates are applied to key variables as follows:

- The probability of a loss giving default occurring for the risk classification applicable to each investment, which ranges from 0 percent to 70 percent
- The time period required from the date of assessment to the point in the future when cash flows are expected from a specific investment. The period is estimated to be 18 months on average. The cash flows are discounted to the current date over the expected period at a discount rate equal to the rate of return expected from the specific investment.

An impairment loss is recognised for the amount by which the carrying value of the investment exceeds the discounted future cash flows. Impairment losses are accounted for in the income statement.

Collective assessment of an investment class

Impairment losses are recognised for assets with similar industry and financial instrument profiles where losses have been incurred but for which the evidence of the losses has not yet been reported. The objective evidence is expected to emerge at some period in the future, normally assessed to be between six to 24 months. The impairment losses collectively assessed are accounted for in the income statement.

Renegotiated loans

Renegotiated loans are those loans whose terms of repayment have been renegotiated and changed, and are no longer considered to be past due as a result of the renegotiated terms.

Disclosure about financial instruments to which the Company is a party is provided in note 10 to the annual financial statements.

Notes to the financial statements

for the year ended 31 March

1.5 Investment properties

Investment properties are held for long-term rental yields and are not occupied by the Company. Investment properties are treated as long-term investments and are carried at fair value. Valuations are done internally at the end of each accounting period on the capitalised income basis, taking into account the profile and locality of the property, market conditions and core vacancy factors.

Changes in fair value are recorded in the income statement and reported as other operating income.

Properties to be disposed of are valued in terms of the above principles, but are influenced by market offers received. Leased properties are reflected at original capital cost less depreciation.

1.6 Property and equipment

All owner-occupied property is initially recorded at cost. Depreciation is calculated on a straight-line basis to the revised residual value over the estimated useful life of the property which ranges from between 25 to 30 years. Land is not depreciated.

Equipment acquired is initially recorded at cost and depreciation is calculated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life, currently assessed as being between three and ten years.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are included in the income statement.

1.7 Inventories and assets held for resale

Inventories consist mainly of repossessed assets and are stated at the lower of cost or net realisable

value. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

1.8 Trade receivables

Trade receivables are carried at anticipated realisable value and consist mainly of rent receivable and interest accrued.

1.9 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

1.10 Cash and cash equivalents

Money market assets form part of deposits and bank balances and are carried at fair value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks and bank overdraft.

1.11 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Employee entitlements to annual leave and bonuses are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Notes to the financial statements

for the year ended 31 March

1.12 Employee benefits

1.12.1 Pension obligations

The Company operates a defined benefit pension plan and a defined contribution pension plan. All employees are members of one of these funds.

Defined Benefit Pension Fund

The assets of the defined benefit pension plan are held in a separate trustee-administered fund. The pension plan is funded by payments from employees and the Company, taking into account the recommendations of independent actuaries.

The pension accounting costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the income statement to spread the regular cost over the service lives of employees, in accordance with the advice of actuaries who carry out a full statutory valuation of the plan every three years. In addition, an interim, non-statutory valuation is performed between statutory valuation dates.

The pension obligation is measured as the present value of the estimated future cash outflow, using interest rates of government securities that have terms to maturity approximating the terms of the related liability.

The Group's net obligation to the pension fund can either be a liability or a benefit to the Group. Assets and liabilities resulting from the calculation are recognised in full on the balance sheet. Actuarial gains or losses that arise from the determination of the liability or asset are recognised in full in the statement of recognised income and expense and reflected in equity.

Defined Contribution Pension Fund

The Company pays fixed contributions into a separate trustee-administered fund in terms of the defined contribution plan. The Company will

have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

1.12.2 Post-retirement medical aid obligations

The Group provides post-retirement medical aid benefits to employees and pensioners in service of the Group on or before 30 April 1999. The entitlement to post-retirement medical aid benefits is based on the employee remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment, using the projected unit credit method. Valuations of these obligations are carried out by independent actuaries. Actuarial gains or losses are recognised in full in the year in which the gain or loss is determined by the actuary in the statement of recognised income and expense, and are accounted for under fair value and other reserves.

1.13 Deferred tax

Deferred tax is determined by using the liability method, for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

Under this method, the Company is required to make provision for deferred tax on the fair value adjustments arising from investment properties and, in relation to an acquisition, on the difference between the fair values of net assets acquired and their tax base.

Notes to the financial statements

for the year ended 31 March

1.14 Operating leases

Leases of assets, under which all the risks and benefits of ownership are effectively retained by the lessor, are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

1.15 Revenue recognition

Revenue comprises the invoiced value, net of value added tax, rebates and discounts.

Interest income is recognised on a time apportionment basis, taking account of the principal amount outstanding and the effective rate over the period to maturity to determine when such income will accrue to the Company.

Rental income is recognised equally over the period of the lease taking into consideration the clauses affecting the rental charge.

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

1.16 Critical accounting estimates and judgements

Critical accounting estimates are those that involve complex or subjective judgements or assessments. The areas of the Company's business that typically require such estimates are the determination of fair value for financial assets, financial liabilities and investment properties, the impairment charges on financial instruments and deferred taxes.

The fair values of financial assets and liabilities are classified and accounted for in accordance with the policies set out in section 1.4 above. Listed market prices for equities, bonds and other instruments are used as far as possible in the determination of the fair value. If prices are not available, pricing models are used that consider a range of probable factors. The estimates and variables used in determining the fair value adjustments on investment properties are disclosed in note 2.

Assets are subject to regular impairment reviews as required. Impairments are measured as the difference between the cost (or amortised cost) of a particular asset and the current fair value or recoverable amount. In determining the recoverable amount on portfolios of investments, the historical loss experience is adjusted to reflect current economic conditions, as well as changes in the emergence period for evidence of impairment to be identified and reported.

Notes to the financial statements

for the year ended 31 March

	Group		Company	
	2009 R000	2008 R000	2009 R000	2008 R000
2 Investment properties				
Fair value – beginning of year	357 469	267 760	307 371	235 080
Acquisitions	71 478	45 066	58 509	33 802
Reclassification from inventory	-	3 700	-	3 700
Disposals	(1 950)	(8 740)	(1 950)	(8 740)
Depreciation on leasehold property	(99)	(99)	(99)	(99)
Fair value adjustment	21 646	49 782	23 580	43 628
Fair value – end of year	448 544	357 469	387 411	307 371

The valuation of property investments was performed internally by suitably qualified personnel and was based on the capitalised income method. The key assumptions used in the valuation of the investment properties were:

- Capitalisation rates used varied between 10% and 16% (2008: 10% and 15%)
- Vacancy factors varied between 0% and 15% (2008: 0% and 10%)
- Property maintenance and expenses varied between 10% and 33% of total rent (2008: 11% and 34%)

The following items regarding the investment properties are included in the income statement:

– Rental income	69 035	58 589	56 522	47 926
– Repairs and maintenance expenses	7 626	7 742	5 651	4 947
– Other operating expenses	28 012	24 486	21 460	18 389

A register of the property portfolio is available for inspection at the registered office.

3 Business investments				
Investment in <i>En Commandite</i> partnerships (Refer note 3.1)	17 338	37 642	16 645	36 692
Financial instruments - fair value adjusted to equity (Refer note 3.2)	592	1 085	592	1 085
Loans and receivables (Refer note 3.3)	1 722 688	1 467 550	1 722 081	1 471 014
Less: Short-term portion	(284 762)	(259 576)	(284 762)	(259 447)
Carrying value of business investments	1 455 856	1 246 701	1 454 556	1 249 344

3.1 Investment in *En Commandite* partnerships

The Company entered into an *En Commandite* partnership in March 2003 with the Umsobomvu Youth Fund to establish a R125 million investment fund aimed at expanding the ownership of franchises amongst the previously disadvantaged youth. The Company contributed 20 percent of the capital for the fund, and the Umsobomvu Youth Fund the balance of 80 percent.

The Company entered into an *En Commandite* partnership in February 2006 with Khula Enterprise Finance Limited to establish a R150 million investment fund aimed at promoting start-up ventures amongst previously disadvantaged individuals. The Company will contribute 20 percent of the capital for the fund, and Khula the balance of 80 percent.

The investments are stated at cost and profits are equity accounted in accordance with specifications of the partnership agreements. Future investments by the Company in the partnerships are disclosed in note 25.

Notes to the financial statements

for the year ended 31 March

	Group		Company	
	2009 R000	2008 R000	2009 R000	2008 R000
3.2 Financial instruments - fair value adjusted to equity				
Fair value – beginning of year	1 085	1 689	1 085	1 689
Disposals	(447)	(447)	(447)	(447)
Acquisitions	-	-	-	-
Fair value (loss) / surplus transferred to equity	(46)	(157)	(46)	(157)
Fair value – end of year	592	1 085	592	1 085

The above available for sale investments, comprising bond market investments and listed shares, are measured at fair value. Fair value is determined by reference to quoted prices on the relevant bond market and securities exchange.

3.3 Loans and receivables

Interest bearing loans

These loans are secured and are priced at market rates which are representative of the risk of the investment and the quality and quantum of the collateral available. The loans are initially recorded at fair value and thereafter measured at amortised cost, at level yields to maturity that vary between 10 percent and 27 percent.

Gross interest bearing loans	1 798 947	1 502 560	1 798 947	1 502 290
Less: allowance for impairment	(138 000)	(99 467)	(138 000)	(99 466)
	1 660 947	1 403 093	1 660 947	1 402 824

Shareholders' loans

These loans are unsecured, and are priced at interest rates between 0 percent and 13,5 percent. The loans are initially recorded at fair value and thereafter measured at amortised cost, at level yields to maturity that vary between 10,5 percent and 25,5 percent. Fair value at initial recognition is determined with reference to quoted market interest rates. Should information regarding the repayment terms not be available, the loan is recognised at cost.

Gross shareholders' loans	50 914	49 291	50 270	52 682
Less: allowance for impairment	(6 750)	(5 711)	(6 704)	(5 359)
	44 164	43 580	43 566	47 323

Royalty agreements

The cash flows expected from royalty agreements are determined by adjusting the contracted royalty payments with a risk factor. These expected future royalty payments are initially measured at fair value and then measured at amortised cost by applying a discount rate which is determined by the return expected from the investment to which the royalty agreement is linked. The rates vary between 1 percent and 13,5 percent.

	16 375	19 280	16 375	19 280
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Notes to the financial statements

for the year ended 31 March

	Group		Company	
	2009 R000	2008 R000	2009 R000	2008 R000
Staff loans				
These loans, consisting mainly of mortgage loans over residential property and bearing interest at rates linked to the prime overdraft rate, are initially recorded at fair value and thereafter measured at amortised cost using rates that vary between 6 percent and 13 percent.				
Gross staff loans	1 433	1 940	1 424	1 930
Less: allowance for impairment	(231)	(343)	(231)	(343)
	1 202	1 597	1 193	1 587
Total for loans and receivables	1 722 688	1 467 550	1 722 081	1 471 014

The Company accepted mortgage and notarial bonds at fair value of R1 344,4 million (2008: R1 224,5 million) as collateral for interest bearing loans, which it is permitted to sell or repledge. At year end, none of the collateral had been sold or repledged.

Subsequent to the financial year end the Company ceded contingent rights to its loan book as security for a bank overdraft facility of R100 million. (see note 32)

Notes to the financial statements

for the year ended 31 March

	Interest bearing loans R000	Shareholders' loans R000	Staff loans R000	Total R000
Reconciliation of allowance account for losses on loans and receivables				
Group				
At 1 April 2007	72 882	10 067	271	83 220
Increase in allowance (new investments)	18 523	184	-	18 707
Impairment reversed on investments written off / repaid	(24 543)	(4 611)	-	(29 154)
Increase in allowance during the year (existing investments)	52 390	572	72	53 034
Decrease in allowance during the year (existing investments)	(19 785)	(501)	-	(20 286)
At 31 March 2008	99 467	5 711	343	105 521
At 1 April 2008	99 467	5 711	343	105 521
Increase in allowance (new investments)	36 411	214	-	36 625
Impairment reversed on investments written off / repaid	(47 101)	(328)	-	(47 429)
Increase in allowance during the year (existing investments)	64 576	2 714	-	67 290
Decrease in allowance during the year (existing investments)	(15 353)	(1 561)	(112)	(17 026)
At 31 March 2009	138 000	6 750	231	144 981
Company				
At 1 April 2007	71 789	9 436	271	81 496
Increase in allowance (new investments)	18 523	184	-	18 707
Impairment reversed on investments written off / repaid	(23 452)	(4 011)	-	(27 463)
Increase in allowance during the year (existing investments)	52 390	249	72	52 711
Decrease in allowance during the year (existing investments)	(19 784)	(499)	-	(20 283)
At 31 March 2008	99 466	5 359	343	105 168
At 1 April 2008	99 466	5 359	343	105 168
Increase in allowance (new investments)	36 411	214	-	36 625
Impairment reversed on investments written off / repaid	(47 100)	(324)	-	(47 424)
Increase in allowance during the year (existing investments)	64 576	2 714	-	67 290
Decrease in allowance during the year (existing investments)	(15 353)	(1 259)	(112)	(16 724)
At 31 March 2009	138 000	6 704	231	144 935

Notes to the financial statements

for the year ended 31 March

Group		Company	
2009	2008	2009	2008
R000	R000	R000	R000

4 Investments in associates

Audited financial statements are utilised to determine the share of associated Company earnings. For those associates for which audited financial accounts are not available, an estimation is made of the associated Company's earnings. For the current year the estimated earnings totaled R143 000 before tax. No adjustment has been made for these earnings. A register containing details of all listed, unlisted and other investments is available at the registered office.

Unlisted shares at cost	3 675	3 673	1 870	1 868
Share of retained earnings	56 115	40 558		
Total for unlisted associates	59 790	44 231	1 870	1 868

Directors' valuation of the investment in associates	126 698	138 046	125 083	135 469
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The valuation methods applied to determine the directors' valuation are consistent with the valuation guidelines recommended by the South African Venture Capital Association (SAVCA).

The movement in investments in associates are as follows:

At the beginning of year	44 231	37 978	1 868	1 877
Share of results before tax	22 123	18 653		
Share of tax	(3 674)	(4 289)		
Other movements (net of acquisitions and disposals)	(2 890)	(8 111)	2	(9)
At end of year	59 790	44 231	1 870	1 868

Notes to the financial statements

for the year ended 31 March

Group		Company	
2009 R000	2008 R000	2009 R000	2008 R000

5 Property and equipment

5.1 Equipment

Cost – beginning of year	24 297	20 630	24 197	20 557
Acquisitions	1 147	4 246	1 084	4 219
Disposals	(5 043)	(579)	(5 037)	(579)
Cost – end of year	20 401	24 297	20 244	24 197
Accumulated depreciation – beginning of year	(19 228)	(18 030)	(19 197)	(18 022)
Depreciation charged	(2 286)	(1 752)	(2 244)	(1 729)
Depreciation on disposals	5 043	554	5 037	554
Accumulated depreciation – end of year	(16 471)	(19 228)	(16 404)	(19 197)
Closing net book amount	3 930	5 069	3 840	5 000

5.2 Land

Cost – beginning of year	7 295	7 295	-	-
Disposals	-	-	-	-
Cost – end of year	7 295	7 295	-	-

5.3 Buildings

Cost – beginning of year	17 208	7 648	-	-
Improvements	2 142	9 560	-	-
Cost – end of year	19 350	17 208	-	-
Accumulated depreciation – beginning of year	(1 409)	(1 174)	-	-
Depreciation charged	(553)	(235)	-	-
Accumulated depreciation – end of year	(1 962)	(1 409)	-	-
Closing net book amount	17 388	15 799	-	-
Total net book amount for property and equipment	28 613	28 163	3 840	5 000

6 Investments in subsidiaries

Unlisted shares at cost	6	6
Loans	49 571	47 943
Provisions	(5 117)	(5 117)
	44 460	42 832
The Company's interest in the aggregate net profits and losses of subsidiaries are:		
Profits	9 378	10 858
Losses	(265)	(672)

The details of the subsidiaries are disclosed in note 30.

Notes to the financial statements

for the year ended 31 March

Group		Company	
2009	2008	2009	2008
R000	R000	R000	R000

7 Deferred tax asset / liability

Deferred tax is calculated on all temporary differences under the liability method using a principal tax rate of 28% (2008: 29%)

The movement on the deferred tax account is as follows:

At beginning of the year	(7 752)	(12 613)	(9 851)	(15 772)
Income statement charge – Provisions	3 826	3 911	3 371	4 799
Income statement charge – Fixed assets	(4 517)	(6 194)	(3 546)	(5 108)
Income statement charge – Fair value adjustments	724	1 345	742	1 271
Income statement charge – Assessed losses	416	840	-	-
Income statement charge – Dividends received after the dividend cycle	(1 503)	1 759	(1 503)	1 759
Fair value and other reserves charge	23 889	3 200	23 889	3 200
At end of the year	15 083	(7 752)	13 102	(9 851)

Deferred tax assets / liabilities consist of temporary differences relating to:

Provisions	41 720	37 894	40 703	37 332
Fixed assets	(24 599)	(20 082)	(21 940)	(18 394)
Fair value adjustments: financial instruments	142	(130)	125	(165)
Dividends received after the dividend cycle	299	1 802	299	1 802
Assessed losses	3 606	3 190	-	-
Defined benefit pension fund surplus	(6 085)	(30 426)	(6 085)	(30 426)
Net deferred tax asset	15 083	(7 752)	13 102	(9 851)

8 Inventories and assets held for resale

Repossessed properties (at lower of cost or net realisable value)	426	727	426	727
Other (at cost)	31	32	31	32
	457	759	457	759

9 Deposits and bank balances

Term deposits	-	208 707	-	208 707
Bank current accounts	24 832	23 473	4 101	7 099
Interest accrued	-	4 571	-	4 571
	24 832	236 751	4 101	220 377

Cash, cash equivalents and bank overdrafts include the following for the purposes of the cash flow statement:

Deposits and bank balances	24 832	236 751	4 101	220 377
Bank overdraft (see note 13.1)	(58 866)	-	(58 866)	-
	(34 034)	236 751	(54 765)	220 337

Notes to the financial statements

for the year ended 31 March

10 Financial risk management

The Company's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. The Company's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company's financial performance.

The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to risk exposure limits by means of reliable and up-to-date information systems. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by the Company's management. In addition, internal audit is responsible for the independent review of risk management policies and the control environment.

The primary financial risks to which the Company is exposed are credit risk, market risk, interest rate risk and liquidity risk.

10.1 Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Company by failing to discharge an obligation. Credit risk is the most important risk for the Company's business. Credit risk exposures arise principally from accepting the credit risk of investing in small and medium businesses which forms the core business activity of the Company. Credit risk exposures also arise from property rental contracts entered into with lessees as well as the investment of treasury funds.

10.1.1 Credit risk measurement

Loans and receivables

The credit risk at the investment stage of any potential investment is analysed and assessed in a due diligence process where the entrepreneur is evaluated, the viability of the enterprise is considered and various other risk indicators are determined, verified and benchmarked.

10.1.2 Risk limit control and mitigation

The Company manages, limits and controls concentrations of credit risk where they are identified.

Loans and receivables

The concentration of risk in the investment portfolio is decreased through industry diversification. The more than 2 035 investments in the portfolio are representative of most sectors of the economy, with no specific industry or geographical area representing undue risk. No single investment represents more than 0,7 percent of the total investment portfolio, limiting the concentration of risk in single investments.

The ongoing monitoring of the risk profile of the portfolio is managed and guided by investment policies, investment committees and credit control functions. Exception reporting at various levels within the organisation provides early identification of increases in the credit risk of the business investment portfolio. A formal risk assessment process is undertaken in terms of which investments are impaired in line with movements in the credit risk.

Rental contracts

The credit risk of rent debtors is controlled and monitored on an ongoing basis by property management committees, credit control functions as well as exception reporting at various levels in the management structure.

Collateral

The Company employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced. The Company implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and receivables are:

- Mortgage bonds over residential, commercial and industrial property
- Notarial bonds over property and equipment
- Personal sureties and the cession of policies and investments

Notes to the financial statements

for the year ended 31 March

	Group		Company	
	2009 R000	2008 R000	2009 R000	2008 R000
10.1.3 Maximum exposure to credit risk				
Credit exposure relating to on-balance sheet assets are as follows:				
Loans and receivables				
– Interest bearing loans	1 660 947	1 403 093	1 660 947	1 402 824
– Shareholders' loans	44 164	43 580	43 566	47 323
– Royalty agreements	16 375	19 280	16 375	19 280
– Staff loans	1 202	1 597	1 193	1 587
Treasury investments	-	236 751	-	220 377
Credit risk exposure relating to off-balance sheet items are as follows:				
– Financial guarantees	457	7 689	457	7 689
– Loan commitments and other credit related liabilities	242 359	295 427	242 359	295 427
At 31 March 2009	1 965 504	2 007 417	1 964 897	1 994 507

The above table represents the worst case scenario of credit risk exposure to the Company at 31 March 2009 and 2008, without taking account of any collateral held or other credit enhancements attached. For on-balance sheet assets, the exposures set out above are based on net carrying amounts as reported in the balance sheet.

10.1.4 Loans and receivables

Loans and receivables are summarised as follows:

Neither past due nor impaired	1 307 035	1 332 927	1 306 382	1 336 621
Past due but not impaired	58 344	11 939	58 344	11 939
Impaired	502 290	228 205	502 290	227 622
Gross	1 867 669	1 573 071	1 867 016	1 576 182
Less: allowance for impairment	(144 981)	(105 521)	(144 935)	(105 168)
Net	1 722 688	1 467 550	1 722 081	1 471 014

The total impairment provision for the Group for loans and receivables is R145,0 million (2008: R105,5 million) of which R101,6 million (2008: R89,4 million) represents the individually impaired loans and the remaining amount of R43,4 million (2008: R16,1 million) represents the portfolio impairment. For further information regarding the impairment refer to Note 3.3

Loans and receivables neither past due nor impaired

The credit quality of the portfolio of loans and receivables that were neither past due nor impaired can be assessed by reference to the internal risk rating system adopted by the Company.

Notes to the financial statements

for the year ended 31 March

	Interest bearing loans R000	Shareholders' loans R000	Royalty agreements R000	Staff loans R000	Total R000
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31 March 2009

Group					
No Arrears	1 246 385	43 145	16 375	1 130	1 307 035
Company					
No Arrears	1 246 385	42 501	16 375	1 121	1 306 382

31 March 2008

Group					
No Arrears	1 268 109	43 940	19 280	1 598	1 332 927
Company					
No Arrears	1 267 839	47 914	19 280	1 588	1 336 621

Loans and receivables past due but not impaired

Loans and receivables with amounts past due for 30 days that are less than the required amount due, are not considered impaired, unless other information is available to indicate specific impairment. Gross amount of loans and receivables that were past due but not impaired are as follows:

31 March 2009

Group					
30 Days arrear less than instalment	58 344	-	-	-	58 344
Fair value of collateral	46 751	-	-	-	46 751
Company					
30 Days arrear less than instalment	58 344	-	-	-	58 344
Fair value of collateral	46 751	-	-	-	46 751

31 March 2008

Group					
30 Days arrear less than instalment	11 939	-	-	-	11 939
Fair value of collateral	8 465	-	-	-	8 465
Company					
30 Days arrear less than instalment	11 939	-	-	-	11 939
Fair value of collateral	8 465	-	-	-	8 465

Upon initial recognition of loans and receivables, the fair value of collateral is based on valuation techniques commonly used for the corresponding assets. In subsequent periods, the fair value is updated by reference to market price or indexes of similar assets.

Loans and receivables individually impaired

The individually impaired loans and receivables of the Group before taking into consideration the cash flows from collateral held is R502,3 million (2008: R228,2 million).

Notes to the financial statements

for the year ended 31 March

	Interest bearing loans R000	Shareholder's loans R000	Royalty agreements R000	Staff loans R000	Total R000
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The breakdown of the gross amount of individually impaired loans and receivables by class, along with the fair value of related collateral held by the Company as security are as follows:

31 March 2009

Group

Individually impaired loans	494 218	7 769	-	303	502 290
Fair value of collateral	244 208	-	-	-	244 208

Company

Individually impaired loans	494 218	7 769	-	303	502 290
Fair value of collateral	244 208	-	-	-	244 208

31 March 2008

Group

Individually impaired loans	222 512	5 351	-	342	228 205
Fair value of collateral	99 647	-	-	-	99 647

Company

Individually impaired loans	222 512	4 768	-	342	227 622
Fair value of collateral	99 647	-	-	-	99 647

10.2 Market risk

The Company takes on exposures to market risk which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise predominantly from risks associated with interest rates.

10.2.1 Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the majority of the Company's interest bearing investment products are linked to the prime overdraft rate, changes in this rate will affect the revenue stream of the Company. The level of interest rates also determines the return on treasury funds invested over periods ranging primarily over 90 to 150 days. The sensitivity to interest rate changes is decreased by alternative revenue streams from the investment portfolio, such as investment property returns, dividends and royalty fees.

If the prime overdraft rate was one percent higher during the year, the Group's profit before tax would have been R191,7 million (2008: R296,4 million). Alternatively, if the interest rate was one percent lower the Group's profit before tax would have been R155,3 million (2008: R261,3 million).

10.3 Liquidity risk

Liquidity risk is the risk that the Company is unable to advance new funds as and when they are requested and is unable to meet its payment obligations associated with its financial liabilities when they fall due, as well as the payment obligations of its day to day operations.

Notes to the financial statements

for the year ended 31 March

10.3.1 Risk management process

Prudent liquidity risk management implies maintaining sufficient cash resources and the availability of funding through an adequate amount of committed credit facilities. At the date of this report the Company had arranged a funding line of R100 million and is in the process of arranging further funding facilities estimated at R140 million.

Monitoring and reporting take the form of cash flow measurements and projections for the next day, week and month respectively for all key periods of liquidity management. The major cash outflows consist of investment advances, capital expenditure projects, salaries and wages payments, dividend payments and income tax payments.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date:

	Less than 1 year R000	Between 1 and 2 years R000	Between 2 and 5 years R000	Over 5 years R000
At 31 March 2009				
Borrowings (see note 13.1)	58 866	-	-	1 349
At 31 March 2008				
Borrowings (see note 13.1)	-	-	-	640

10.4 Fair values of financial assets and financial liabilities

The carrying amount of the financial assets and liabilities is fair and where required, adequate provision was made for any potential impairments to the carrying value. The fair values have been determined using available information and are indicative of the amounts the Company could realise in the normal course of business.

Fair values are determined as follows:

(a) Loans and receivables

The fair value of the investment is initially calculated with reference to market related interest rates. Risk-based investments in SMEs are priced relative to the market rates and the rates of return on these investments are used to determine the fair value of the future cash flows resulting from the investment.

(b) Available-for-sale financial assets

Fair values are determined with reference to quoted prices on the relevant bond market and securities exchange.

10.5 Capital management

The Company's objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern in order to continue providing returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development and growth of the business

The table below summarises the composition of capital

	Group		Company	
	2009 R000	2008 R000	2009 R000	2008 R000
Share capital	178 835	178 835	178 835	178 835
Treasury shares	(15 984)	(19 973)	-	-
Fair value and other reserves	18 429	77 961	15 265	76 695
Retained earnings	1 988 084	1 895 441	1 875 092	1 801 136
Total capital	2 169 364	2 132 264	2 069 192	2 056 666

Notes to the financial statements

for the year ended 31 March

	Group		Company	
	2009 R000	2008 R000	2009 R000	2008 R000
11 Share capital				
11.1 Authorised				
400 000 000 ordinary shares of R1 each	400 000	400 000	400 000	400 000
11.2 Issued				
178 834 594 ordinary shares of R1 each	178 835	178 835	178 835	178 835
6 104 400 (2008: 7 627 200) treasury shares held by the share trust	(15 984)	(19 973)		
172 730 194 (2008: 171 207 394) ordinary shares	162 851	158 862	178 835	178 835

11.3 Unissued shares

Ten percent of the unissued shares are under the control of the directors in terms of a general authority to allot and issue shares on such terms and conditions and at such times as they deem fit.

This general authority expires at the forthcoming annual general meeting of the Company.

The Company has a share incentive scheme in terms of which shares are issued and options are granted (refer to note 29).

12 Fair value and other reserves				
Balance – beginning of year	77 961	80 770	76 695	80 856
Fair value adjustment to financial instruments (refer note 3.2).	(95)	(170)	(95)	(170)
Actuarial gains / (losses) – post-retirement medical aid	1 257	(2 094)	1 257	(2 094)
Actuarial gains / (losses) – defined benefit pension fund	(62 592)	(1 897)	(62 592)	(1 897)
Foreign currency translation gains / (losses)	1 898	1 352	-	-
Balance – end of year	18 429	77 961	15 265	76 695

13 Borrowings				
13.1 Unsecured				
Non-current				
Interest-free loans repayable by rebates on petrol purchases	289	289	289	289
Interest-bearing long term loans	1 060	351	-	-
	1 349	640	289	289
Current				
Bank overdraft (see note 9)	58 866	-	58 866	-
	60 215	640	59 155	289

13.2 Borrowing powers

Maximum permitted borrowings in terms of the Company's

articles of association

2 896 869 2 879 332

Total borrowings

289 289

Notes to the financial statements

for the year ended 31 March

2009 R000	2008 R000	2007 R000	2006 R000	2005 R000
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14 Employee benefits

14.1 Pension funds

The Company operates a defined benefit pension fund as well as a defined contribution pension fund. All permanently employed personnel are members of one of the two funds. Both pension funds are funded by employee and employer contributions.

Defined Contribution Pension Fund

The Company pays fixed contributions into a separate trustee-administered fund in terms of the defined contribution plan. The Company has no legal or constructive obligation to pay additional contributions to the fund apart from those contributions that are contractual between the employer and employee. Should the fund not hold sufficient assets to pay employee benefits, no liability to make any additional contribution can or will accrue to the Company.

Defined Benefit Pension Fund

The defined benefit fund was actuarially valued at 1 April 2007 in terms of section 16 of the Pension Fund Act of 1956 (as amended). Statutory valuations of this fund are performed every three years.

Projected unit credit valuation performed in terms of the requirements of IAS 19 (AC 116), Employee Benefits

An actuarial valuation of the defined benefit pension fund was performed effective for 31 March 2009 applying the Projected Unit Credit method in line with the requirements of IAS 19 (AC 116), Employee Benefits. The current service cost reflects the increase in the past service liability resulting from employee service during the financial year. The interest cost represents the increase during the year in the past service obligation which arises because the benefits are one year closer to retirement and is determined by multiplying the discount rate used in the 1 April 2007 valuation by the average liability over the period. Based on the market value of the assets, the funding level, in terms of this valuation basis and assumptions, was 107,7 percent (2008: 139%).

The results of the valuation are as follows:

Projected benefit obligation at beginning of year	278 774	259 209	235 769	176 285	169 852
Interest cost	27 191	22 864	20 047	20 603	19 038
Current service cost	10 813	9 696	9 619	8 369	8 681
Benefits paid	(35 382)	(17 435)	(13 736)	(10 062)	(27 253)
	2 622	15 125	15 930	18 910	466
Additional past service obligations	-	-	12 243	1 966	-
Actuarial gains / (losses)	479	4 440	(4 733)	38 608	5 967
Projected benefit obligation at end of year	281 875	278 774	259 209	235 769	176 285

The total value of the past service liabilities are made up as follows:

Active members	209 109	209 369	191 779	173 697	130 130
Pensioners	72 766	69 405	67 430	62 072	46 155
Total past service liability at end of year	281 875	278 774	259 209	235 769	176 285
Market value of assets at beginning of year	423 661	402 474	319 471	240 630	210 764
Expected return on assets	40 072	33 820	25 877	24 063	23 184
Actuarial gains / (losses)	(96 887)	(3 228)	62 576	58 421	27 344
Employer contributions	7 314	7 249	7 942	6 899	6 599
Member contributions	2 632	2 627	2 877	2 500	3 666
Benefits paid	(35 382)	(17 435)	(13 736)	(10 062)	(27 253)
Expenses and tax paid	(1 912)	(1 846)	(2 533)	(2 980)	(3 674)
Market value of assets at end of year	339 498	423 661	402 474	319 471	240 630

The principal actuarial assumptions used were:

Discount rate	9,2%	9,7%	8,5%	8,1%	10,0%
Expected rate of return on assets	9,2%	9,7%	8,5%	8,1%	10,0%
Expected future salary increases	6,9%	7,9%	6,7%	6,2%	6,7%
Expected average remaining working life	13,3	13,7	14,7	15,1	16,1

Notes to the financial statements

for the year ended 31 March

	2009 R000	2008 R000
14.1 Pension funds (continued)		
The pension fund assets, as administered by three asset managers, are in accordance with prudential guidelines, and consist of the following asset classes:		
Equity	258 866	318 945
Capital market	19 521	28 061
Money market	59 582	74 326
Pooled funds	1 529	2 329
Market value of assets at end of year	339 498	423 661

It is anticipated, on a best estimate basis, that contributions to be paid to the pension fund will amount to R10,8 million (2008: R10,4 million) in the period 1 April 2009 to 31 March 2010. This amount includes contributions made by the employer as well as the members.

Recognition of the surplus of the Fund as an asset of the Company

The surplus of the Fund is recognised as an asset in the balance sheet of the Company after a decision taken by the Trustees of the Fund on 21 March 2006 to apportion all future surpluses of the Fund to an employer surplus account. The submission of the new scheme rules was acknowledged by the FSB on 26 May 2006 and the Registrar of Pension Funds recorded the submission.

The Pension Fund Second Amendment Act, 2001 permits the establishment of contingency reserve accounts that the Board of Trustees deem to be prudent. The Trustees decided to establish a Data Reserve and a Solvency Reserve amounting to R2,46 million (2008: R2,86 million) and R33,4 million (2008: R33,4 million) respectively on 31 March 2009. These reserves are deducted in the determination of the surplus.

Financial position of the Fund

Assets	339 498	423 661
Less Contingency reserves	(35 890)	(36 221)
Less Past service liabilities	(281 875)	(278 774)
Surplus reflected as an asset of the Group and Company	21 733	108 666

The movement in the value of the surplus of R86,9 million (2008: R4,2 million) is reflected in the statement of recognised income and expense.

Notes to the financial statements

for the year ended 31 March

	Group		Company	
	2009 R000	2008 R000	2009 R000	2008 R000
14.2 Post-retirement medical aid obligation				
The Company has an obligation to provide post-retirement medical aid benefits to employees and pensioners in the service of the Company on or before 30 April 1999. The entitlement to these benefits is dependent upon the employee remaining in service until retirement age. The employer set the post-retirement medical aid subsidy for all participants (pensioners and employees) at a fixed amount since 1 January 2000 which increases annually by the same percentage granted as an increase to pensioners' pensions in the previous calendar year.				
The main actuarial assumptions used in determining the liability are the investment returns expected in the Pension Fund which will afford the annual increase in pensions to which this liability is linked. An investment return of 9,9 percent (2008: 10,3%) per annum was applied, and is based on the yield on the R186 government bond as at 1 April 2009 to which is added an additional risk premium of 1,25 percent. This yield is accepted as the equivalent yield on high quality corporate bonds. The inflation rate assumption for the medical subsidy for the current year was 5,3 percent (2008: 6%).				
The amounts recognised are as follows:				
Interest cost	5 024	3 958	5 024	3 958
Current service cost	713	748	713	748
Benefits paid	(2 322)	(2 086)	(2 322)	(2 086)
Total included in staff costs	3 415	2 620	3 415	2 620
Actuarial gains / (losses) recognised in statement of recognised income and expense	(1 745)	2 917	(1 745)	2 917
Change in basis - (gain) / loss	(1 592)	2 849	(1 592)	2 849
Membership movements - (gain) / loss	(374)	19	(374)	19
Previous subsidy increase - (gain) / loss	846	(617)	846	(617)
Miscellaneous - (gain)/ loss	(625)	666	(625)	666
Movement in liability recognised in the balance sheet	1 670	5 537	1 670	5 537
Liability accounted for at beginning of year	49 520	43 983	49 520	43 983
Total expense as above	1 670	5 537	1 671	5 537
Liability accounted for at end of year	51 190	49 520	51 191	49 520

The actuarial loss of R1,7 million (2008: R2,9 million gain) is reflected in the statement of recognised income and expense.

Should the subsidy inflation rate move by one percent, the impact on the expenses and final liability would be as follows:

For a one percent increase the amounts are:

– Interest cost	R5,6 million
– Current service cost	R0,8 million
– Liability	R5,6 million

For a one percent decrease the amounts are:

– Interest cost	R4,5 million
– Current service cost	R0,6 million
– Liability	R4,9 million

Notes to the financial statements

for the year ended 31 March

15 Provisions

Group	Leave pay R000	Bonus R000	Total R000
At 1 April 2007	16 564	20 696	37 260
Provided for the year	2 779	27 536	30 315
Utilised during the year	(1 181)	(22 350)	(23 531)
At 31 March 2008	18 162	25 882	44 044
At 1 April 2008	18 162	25 882	44 044
Provided for the year	1 909	28 295	30 204
Utilised during the year	(2 041)	(32 566)	(34 607)
At 31 March 2009	18 030	21 611	39 641
Company			
At 1 April 2007	16 294	20 311	36 605
Provided for the year	2 779	26 779	29 558
Utilised during the year	(1 237)	(21 787)	(23 024)
At 31 March 2008	17 836	25 303	43 139
At 1 April 2008	17 836	25 303	43 139
Provided for the year	1 909	27 279	29 188
Utilised during the year	(2 270)	(31 668)	(33 938)
At 31 March 2009	17 475	20 914	38 389

16 Segment information

	International operations R000	Business investments R000	Property investments R000	Total R000
31 March 2009				
Revenue	10 107	334 145	79 448	423 700
Profit before tax	357	101 577	71 554	173 488
Total assets	8 750	1 911 735	438 173	2 358 658
Total liabilities	5 554	153 156	29 623	188 333
Other segment items				
– Capital expenditure	57	1 090	71 478	72 625
– Depreciation	42	2 244	652	2 938
31 March 2008				
Revenue	9 074	288 541	67 997	365 612
Profit before tax	401	189 794	88 640	278 835
Total assets	7 687	1 936 043	350 753	2 294 483
Total liabilities	5 532	137 416	18 399	161 347
Other segment items				
– Capital expenditure	27	4 185	45 100	49 312
– Depreciation	23	1 700	363	2 086

Notes to the financial statements

for the year ended 31 March

Group		Company	
2009 R000	2008 R000	2009 R000	2008 R000

The Company activities are concentrated in a number of business divisions:

The International Operations division comprise a small and medium enterprise investment fund management Company, currently busy with a pilot phase of establishing three risk capital funds with third party investors.

The Business Investments division makes equity, as well as interest-bearing investments, with a range of investment products structured to address the requirements of the investee Company.

The Property Investments division earns property management fees from the management of commercial and industrial properties on behalf of the Company as well as other property owners. The Company also invests in property, either wholly-owned or partially-owned, on which rental income is earned and property related expenses are incurred.

Other operations of the Company comprise the mobilisation and facilitation of mentorship services, the management of surplus funds and providing corporate support services. These operations have been included in the Business Investments segment.

The assets of the divisions consist primarily of business investments, investment properties, equipment, furniture and vehicles, inventories, receivables and operating cash. The liabilities comprise operating liabilities, taxation and borrowings. Capital expenditure comprises additions to investment properties, equipment, furniture and vehicles.

17 Revenue

Revenue consists of:

Interest on business investments	257 633	194 473	258 701	195 318
Interest on cash and cash equivalents	10 888	24 853	9 360	24 028
Royalty fees	44 029	44 221	44 029	44 214
Financing fees	8 118	6 629	8 118	6 629
Dividends received	5 056	1 156	7 871	6 314
Fund management fees	17 594	21 456	7 500	12 391
Rental income	66 783	58 178	57 407	49 279
Property management fees	11 063	10 606	14 105	12 670
Professional services rendered	2 536	4 040	2 536	4 040
	423 700	365 612	409 627	354 883

18 Other operating income

Surplus on realisation of unlisted investments	20 459	74 556	23 074	79 478
Surplus on realisation of investments properties	450	3 514	450	3 514
Surplus on realisation of property and equipment	38	23	38	23
Recovery of property expenses	18 787	16 477	15 831	13 737
Fair value adjustment of investment properties	21 646	49 782	23 580	43 628
Fair value adjustment of royalty agreements	(2 905)	(673)	(2 905)	(671)
Fair value adjustment of shareholders' loans	1 935	(7 370)	1 873	(7 112)
Interest on shareholders' loans	1 092	593	1 093	577
Interest on staff loans	169	259	169	259
Other	5 448	4 400	3 239	4 130
	67 119	141 561	66 442	137 563

Notes to the financial statements

for the year ended 31 March

19 Operating expenses

	Group		Company	
	2009 R000	2008 R000	2009 R000	2008 R000
Staff costs (refer note 21)	154 148	134 590	147 973	130 206
Bad debts - net of recoveries and impairment created / (reversed)	97 527	35 710	99 005	36 786
Bad debts written off	73 898	35 426	73 652	35 144
Bad debt recoveries	(15 866)	(22 168)	(14 490)	(22 099)
Impairment created / (reversed)	39 495	22 452	39 843	23 741
Repairs and maintenance	9 146	10 063	7 166	7 259
Other administrative overheads	77 109	65 951	71 601	59 374
	337 930	246 314	325 745	233 625

20 Profit from operations

The following items have been included in arriving at profit from operations:

Depreciation on property and equipment	2 938	2 086	2 343	1 828
Interest paid	1 524	677	974	2
Directors' emoluments				
– as directors			1 471	1 282
– as management			17 242	11 575
Auditor's remuneration				
– audit	2 200	2 268	1 625	1 753
– other services	215	109	193	102
Impairment on investments created				
– Interest bearing loans	(38 533)	(26 585)	(38 534)	(27 677)
– Shareholders' loans	(1 039)	4 356	(1 345)	4 077
– Staff loans	112	(72)	112	(72)
Bad debts	73 898	35 426	73 652	35 144
Repairs and maintenance	9 146	10 063	7 166	7 259
Leasing charges				
– equipment	23	22	23	22
– office premises	2 025	1 848	8 037	6 597
Dividends on investments				
– listed	6	26	6	26
– unlisted	5 050	1 130	3 998	1 130
Income from subsidiaries				
– dividends received			3 867	5 158
Surplus on realisation of property and equipment	38	23	38	23
Surplus on realisation of investments properties	450	3 514	450	3 514
Surplus on realisation of unlisted investments	20 459	74 556	23 074	79 478
Fair value adjustment on investment properties	21 646	49 782	23 580	43 628

21 Staff Costs

Salaries	103 834	84 802	99 056	81 370
Bonuses	28 295	27 536	27 279	26 779
Leave pay	1 909	2 779	1 909	2 779
Pension costs (see note 14.1)	9 946	9 876	9 946	9 876
Post-retirement medical aid costs	3 416	2 620	3 416	2 620
Other costs	6 748	6 977	6 367	6 782
	154 148	134 590	147 973	130 206

Notes to the financial statements

for the year ended 31 March

Group		Company	
2009	2008	2009	2008
R000	R000	R000	R000

22 Tax expense

22.1 Income statement charge

South African normal tax

Current year

Deferred tax current year

Secondary tax on companies

Tax of associated companies

Capital gains tax

33 596	47 479	30 349	45 221
1 054	(1 661)	936	(2 721)
34 650	45 818	31 285	42 500
2 031	3 524	2 031	3 524
3 674	4 289		
2 734	7 733	2 734	7 733
43 089	61 364	36 050	53 757

22.2 Reconciliation of rate of taxation

South African normal tax rate

Adjusted for:

Income not subject to normal tax

Secondary tax on companies

Capital gains tax

Other

Total effective rate on profit before taxation

29,00%	29,00%	29,00%	29,00%
-4,16%	-6,99%	-4,86%	-8,23%
-4,48%	-8,31%	-6,29%	-10,12%
1,17%	1,26%	1,36%	1,36%
1,58%	2,77%	1,83%	2,99%
-2,43%	-2,71%	-1,76%	-2,46%
24,84%	22,01%	24,14%	20,77%

23 Earnings per share

Basic earnings per share are calculated by dividing the net profit by the number of ordinary shares in issue during the year.

23.1 Basic earnings per share

Net profit

Weighted number of ordinary shares ('000)

Basic earnings per share (cents)

130 310	216 599
171 588	168 280
75,9	128,7

For the diluted earnings per share calculation, the number of ordinary shares in issue are adjusted on the assumption that all remaining share options are exercised. The net profit is adjusted for interest earned on the capital received from the share trust initially for the full repayment of the loan, and thereafter as non-taxable distributions by the trust.

23.2 Diluted earnings per share

Net profit

Interest received (net of tax effect)

Net profit used to determine diluted earnings per share

Number of ordinary shares in issue ('000)

Adjustment for share options

Number of ordinary shares used to determine diluted earnings per share

Diluted earnings per share (cents)

130 310	216 599
1 494	1 473
131 804	218 072
172 730	171 207
6 104	7 627
178 834	178 834
73,7	121,9

23.3 Headline earnings per share

Net profit

Capital profit on sale of equipment

Profit on sale of property investments

Headline earnings

Headline earnings per share (cents)

130 310	216 599
(38)	(23)
(450)	(3 514)
129 822	213 062
75,7	126,6

Notes to the financial statements

for the year ended 31 March

	Group		Company	
	2009 R000	2008 R000	2009 R000	2008 R000
23.4 Diluted headline earnings per share				
Headline earnings	129 822	213 062		
Interest received (net of tax effect)	1 494	1 473		
Diluted headline earnings	131 316	214 535		
Diluted headline earnings per share (cents)	73,4	120,0		

24 Dividend per share

Dividend in respect of 2008 of 22 cents per share paid on 15 August 2008 to shareholders registered on 29 July 2008.	37 667		39 344	
Dividend in respect of 2007 of 20 cents per share paid on 10 August 2007 to shareholders registered on 24 July 2007.		33 563		35 767
	37 667	33 563	39 344	35 767

A dividend in respect of 2009 of 15 cents per share was declared on 19 May 2009, payable to shareholders registered on 28 July 2009, payable on or about 14 August 2009.

25 Commitments and lease agreements

Business investments approved but not yet paid out	242 359	295 427	242 359	295 427
Capital committed to En Commandite partnerships (refer note 3).	15 560	18 308	15 560	18 308
Capital committed in respect of purchase of building *	55 000	-	55 000	-
Unexpired portion of lease agreements				
– less than 1 year	2 823	2 927	2 823	2 927
– 1 year to 4 years	7 264	3 769	7 264	3 769
– 5 years	-	1 245	-	1 245
	323 006	321 676	323 006	321 676

* During the year the Group signed an offer to purchase a building to the value R55 million in its wholly-owned subsidiary, Business Partners Properties 002 (Pty) Ltd. Funding for this purchase has been arranged with a financial institution.

26 Contingent liabilities

Forward exchange contract taken up on behalf of client	-	7 232	-	7 232
Guarantees *	457	457	457	457
	457	7 689	457	7 689

* The guarantees are issued to third parties on behalf of clients and will be paid should the clients default on their obligations to the third parties.

Notes to the financial statements

for the year ended 31 March

Group		Company	
2009	2008	2009	2008
R000	R000	R000	R000

27 Cash flow information

27.1 Cash generated from operating activities

Profit before taxation	173 488	278 835	149 350	258 819
Adjustments	44 826	(68 354)	58 806	(53 389)
Depreciation	2 938	2 086	2 343	1 828
Profit on sale of assets	(20 947)	(78 093)	(23 562)	(83 015)
Dividends received	(5 056)	(1 156)	(7 871)	(6 314)
Income from associated companies	(22 123)	(18 653)		
Fair value adjustment of investment properties	(21 646)	(49 782)	(23 580)	(43 628)
Fair value adjustment of inventories and assets held for resale	29	(998)	29	(998)
Fair value adjustment of financial instruments	970	8 042	1 032	7 783
Provisions and write-offs	110 661	70 200	110 415	70 955
Changes in working capital	(4 105)	6 990	(12 867)	1 131
Decrease / (increase) in inventory and assets held for resale	302	2 759	302	2 759
Decrease / (increase) in accounts receivable	(6 823)	(119)	(5 994)	(3 471)
(Decrease) / increase in accounts payable	2 416	4 350	(7 175)	1 843
Finance cost	1 524	677	974	2
	215 733	218 148	196 263	206 563

27.2 Taxation paid

Taxation liability at beginning of year	(23 815)	(27 893)	(21 411)	(26 258)
Tax provision for the year	(43 089)	(61 364)	(36 050)	(53 757)
Deferred tax	1 054	(1 661)	936	(2 721)
Paid by associated companies	3 674	4 289		
Taxation liability at end of year	(743)	23 815	(3 293)	21 411
	(62 919)	(62 814)	(59 818)	(61 325)

27.3 Dividends paid

Dividends payable at beginning of year	(13)	(25)	(13)	(25)
Dividends declared	(39 344)	(35 767)	(39 344)	(35 767)
Share trust dividends	1 677	2 204		
Dividends payable at end of year	51	13	51	13
	(37 629)	(33 575)	(39 306)	(35 779)

Notes to the financial statements

for the year ended 31 March

28

Related parties

28.1 Loans to related parties

Loan to the Business Partners Employee Share Trust

	2009 R000	2008 R000	2009 R000	2008 R000
Balance at the beginning of the year	-		-	8 969
Fair value adjustment	-		-	760
Loan repaid during the year	-		-	(9 729)
Balance at the end of the year	-		-	-

Loan from the Business Partners Employee Share Trust

Balance at the beginning of the year	3 169		-	
Fair value adjustment	-		-	
Loan advanced during the year	5 437		3 169	
Balance at the end of the year	8 606		3 169	

Loans to subsidiaries

Balance at the beginning of the year	39 657		33 857	
Loans advanced during the year	(3 809)		5 800	
Balance at the end of the year	35 848		39 657	

Dividends received from subsidiaries

3 867	5 158
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28.2 Directors' remuneration

Executive directors

– as management	17 242	11 575
– gains made on the exercise of share options	1 632	3 258
– loss of office	12 794	-

Non-executive directors

1 471	1 282
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28.3 Loans to associates

Balance at the beginning of the year	575 759	569 545	575 008	565 558
Loans advanced during the year	161 682	176 304	161 682	176 304
Loan repayments received	(110 508)	(164 207)	(110 401)	(160 348)
Loans written off	(22 082)	(5 883)	(22 082)	(6 506)
Balance at the end of the year	604 851	575 759	604 207	575 008

These loans form part of the normal business activities and are included under business investments (refer note 3).

Notes to the financial statements

for the year ended 31 March

29 Share incentive scheme

17 800 000 shares of R1 each were reserved to meet the requirements of the Employee Share Incentive Scheme in terms of the shareholder's resolution dated 18 August 1998. Refer note 11.2 for information regarding shares owned by the trust.

	2009 Number of Shares '000	2008 Number of Shares '000
--	----------------------------------	----------------------------------

Unallocated options	5 831	5 776
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The movement in the scheme during the year is summarised as follows:

Shares under option at beginning of the year	1 851	5 532
Share options allocated	-	-
Options exercised during the year	(1 523)	(3 458)
Options forfeited during the year		
@ 300 cents	-	(16)
@ 325 cents	-	(93)
@ 250 cents	(55)	(113)
@ 262 cents	-	(1)
Under option at the end of the year	273	1 851

The shares under option are available for exercise as follows:

After 1 October 2002 @ 300 cents	-	-
After 1 October 2003 @ 325 cents	-	-
After 1 October 2004 @ 300 cents	-	-
After 1 October 2004 @ 250 cents	-	309
After 1 October 2005 @ 325 cents	-	-
After 1 October 2005 @ 250 cents	88	304
After 1 October 2006 @ 300 cents	-	-
After 1 October 2006 @ 250 cents	2	312
After 1 October 2007 @ 325 cents	-	-
After 1 October 2007 @ 250 cents	88	304
After 1 October 2007 @ 262 cents	1	1
After 1 October 2008 @ 250 cents	2	312
After 1 October 2009 @ 250 cents	88	304
After 1 October 2009 @ 262 cents	1	1
After 1 October 2010 @ 250 cents	2	3
After 1 October 2011 @ 262 cents	1	1
	273	1 851

The expiry dates of these share options are as follows:

at 30 September 2007	-	-
at 30 September 2008	-	-
at 30 September 2009	-	926
at 30 September 2010	262	913
at 30 September 2011	7	8
at 30 September 2012	4	4
	273	1 851

During the year no share options were allocated to executive directors. Total outstanding share options allocated to current executive directors are:

@ 300 cents	-	-
@ 325 cents	-	-
@ 250 cents	50	485

Notes to the financial statements

for the year ended 31 March

Share percentage held		Shares at cost		Loans	
2009 %	2008 %	2009 R	2008 R	2009 R000	2008 R000

30 Principal subsidiaries

Business Partners International (Pty) Ltd	100	100	100	100	(1 579)	-
Business Partners Mentors (Pty) Ltd	100	100	100	100	-	1
Business Partners Property Brokers (Pty) Ltd	100	100	100	100	-	-
Business Partners Venture Managers (Pty) Ltd	100	100	100	100	-	(23)
Business Partners Ventures 1 (Pty) Ltd	100	100	100	100	(4 386)	(3 424)
Cussonia Trust (Pty) Ltd	100	100	3	3	9 146	9 719
Finance for the Third Millennium (Pty) Ltd	100	100	100	100	693	693
JRC Properties (Pty) Ltd	100	100	100	100	1 621	1 893
Lindros Investments (Pty) Ltd	100	100	4 000	4 000	(249)	(421)
Business Partners Properties 002 (Pty) Ltd	100	100	1 000	1 000	39 198	27 662
Unitrade 106 (Pty) Ltd	100	100	100	100	5 137	6 056
Business Partners Employee Share Trust			-	-	(8 606)	(3 169)
Yellowstar Properties 1057 (Pty) Ltd	80	-	80	80	3 667	3 902
Yellowstar Properties 1129 (Pty) Ltd	60	-	60	60	2 001	1 980
Yeoman Properties 1016 (Pty) Ltd	80	-	80	80	2 928	3 074
Franchise Partners (Pty) Ltd - indirectly held ¹						
Business Partners International Madagascar Société Anonyme - indirectly held ²						
Business Partners International Kenya Limited - indirectly held ³						
			6 023	6 023	49 571	47 943

All holdings are in the ordinary share capital of the entity concerned

1 Franchise Partners (Pty) Ltd is a wholly-owned subsidiary of Business Partners Ventures 1 (Pty) Ltd

2 Business Partners International Madagascar Société Anonyme is a wholly-owned subsidiary of Business Partners International (Pty) Ltd

3 Business Partners International Kenya Limited is owned by Business Partners Limited (1 percent shareholding) and Business Partners International (Pty) Ltd (99 percent shareholding)

Notes to the financial statements

for the year ended 31 March

2009
R000

2008
R000

31 Interest in joint ventures

The Company has a 50 percent interest in a joint venture with ZASM.

The following amounts represent the Company's share of the assets and liabilities and revenue and results of the joint venture and are included in the consolidated balance sheet and income statement:

Business investments	30	452
Current assets	113	6 096
Current liabilities	-	(968)
Net assets	143	5 580
Revenue	515	649
Profit before taxation	562	802
Taxation	(157)	(233)
Net profit	405	569

During the financial year the joint venture agreement came to an end. The assets of the joint venture are in the process of being realised and will be distributed.

32 Subsequent events

After the balance sheet date, the Company increased its funding line to R100 million which is secured by a contingent cession of rights to the Company's loans and receivables.

Notice of Annual General Meeting

Notice Convening the Annual General Meeting

Notice is hereby given that the twenty-eighth Annual General Meeting of the Company will be held on Tuesday, 4 August 2009 at 15h30, in the auditorium of The Court House, 2 Saxon Road, Sandhurst, Sandton, to pass, if deemed fit, with or without modifications, ordinary resolutions to:

1. receive and adopt the audited annual financial statements for the year ended 31 March 2009
2. appoint PricewaterhouseCoopers Inc. as auditors of the Company and Mr J H Cloete as the individual designated auditor
3. elect directors (in terms of the Articles of Association, directors retire, but are eligible for re-election)
4. transact any other business that falls within the scope of the meeting

A member who is entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and speak on his/her behalf and, on poll, to vote in his/her stead. A proxy need not be a member of the Company.

By order of the Board.

A handwritten signature in black ink, appearing to read 'C M Gerbrands', with a stylized, cursive script.

Ms C M Gerbrands
Company Secretary
19 May 2009

Business Partners Limited

COMPANY REGISTRATION NUMBER

1981/000918/06

COMPANY SECRETARY

Ms CM Gerbrands

REGISTERED OFFICE

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WEBSITE

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AUDITORS

PricewaterhouseCoopers Inc.

BANKERS

ABSA Bank Limited
Standard Bank of South Africa
Limited

TRANSFER SECRETARIES

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

SHARE TRADING

Business Partners Limited shares
can be traded by contacting the
Company Secretary.

National Offices

SOUTH AFRICA (+27)

Bellville

Tel: 021 919 3242
Fax: 021 919 3333

Benoni**

Tel: 011 422 2640
Fax: 011 845 3005

Bethlehem

Tel: 058 303 7842
Fax: 058 303 6801

Bloemfontein

Tel: 051 446 0536
Fax: 051 446 4978

Cape Town

Tel: 021 464 3600
Fax: 021 461 8720

Durban (Westville)

Tel: 031 240 7700
Fax: 031 266 7286

East London

Tel: 043 721 1525/6/7
Fax: 043 721 1528

East London (Arcadia)**

Tel: 043 743 5485
Fax: 043 743 0596

East Rand (Jet Park)

Tel: 011 397 2616/7/8
Fax: 011 397 2619

George

Tel: 044 873 6112
Fax: 044 873 3397

Johannesburg

Tel: 011 470 3111
Fax: 011 470 3171

Kimberley

Tel: 053 831 1778
Fax: 053 832 2389

Nelspruit

Tel: 013 752 3185
Fax: 013 752 4669

Pietermaritzburg

Tel: 033 342 2372
Fax: 033 394 0945

Polokwane

Tel: 015 297 1571
Fax: 015 297 1461

Port Elizabeth

Tel: 041 582 1601
Fax: 041 585 2297

Pretoria (Centurion)

Tel: 012 664 3397
Fax: 012 664 2641

Pretoria (Silverton)**

Tel: 012 804 0602
Fax: 012 804 0961

Queenstown

Tel: 045 838 1004
Fax: 045 838 1008

Richards Bay

Tel: 035 789 7301
Fax: 035 789 6727

Springbok

Tel: 027 712 1120
Fax: 027 712 3519

Stellenbosch

Tel: 021 809 2169
Fax: 021 887 2001

Uppington

Tel: 054 331 1172
Fax: 054 332 2334

West Rand (Clearwater)

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** Property Management Services only

Annual Report 2009

BUSINESS PARTNERS LIMITED CORPORATE SERVICES

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Company registration number: 1981/000918/06

Business
PARTNERS
Investing in Entrepreneurs