INTEGRATED
ANNUAL REPORT

2013

NU-WORLD HOLDINGS LIMITED

FINANCIAL OVERVIEW

Statement of Comprehensive Income

Group revenue from continuing operations decreased by 1.9% to R1 684,1 million (August 2012 – R1 716,1 million) due to the struggling economy. Interest paid improved by 37.6% to R7,2 million (August 2012 - R11,6 million) due to the lower stock levels and reduced borrowings.

Income before taxation from continuing operations decreased by 11.6% to R63,1 million (August 2012 – R71,3 million) due to lower margins arising from the weaker Rand.

Total attributable income for the year decreased by 5.0% to R36,5 million (August 2012 – R38,4 million).

Earnings per share – EPS decreased 5.0% to 170,2 cents (August 2012 – 179,2 cents). HEPS increased 7.6% to 192.8 cents (August 2012 – 179.2 cents).

Dividend per share increased 5.1% to 59,4 cents (August 2012 – 56,5 cents). Dividend cover increased to 2.75 times.

Statement of Financial Position

The balance sheet remains strong with a negative gearing ratio (debt: equity) of 16.3%.

The increase in fixed assets arose primarily from the acquisition of previously leased land and buildings.

Inventory levels of R377,4 million have decreased due to the improved stock turn and working capital management.

Stocking levels and ranges are being rationalised and stock turn rates will improve even further going forward.

Net asset value per share has increased by 3.9% to 3,165.4 cents (August 2012 – 3,045.8 cents).

Trade and other receivables of R289,9 million have decreased due to improved debtor collection days and strong debt collection at financial year end.

Cash Flow

Cash generated from operating activities amounted to R156,6 million (2012: absorbed by operations R110,3 million) attributed to reduced inventory levels, improved debtor collections and better working capital management.
Cash generated, from the drive to improve working capital management further, will be used to reduce short-term borrowings and increase financial investments.

CONTINUING OPERATIONS

The South African business operations contributed 74% of the group's continuing operations revenue and 85% of group continuing operations income. Offshore operations account for 26% of turnover and 15% of income. At the beginning of October 2012, the Reserve Bank of Australia cut its benchmark interest rate to 3.25%, the lowest level since 2009, in an effort to support the economy and revive consumer demand. The Australian economic environment remains challenging and competitive.

TRANSFORMATION

Management has continued to meaningfully extend its initiatives in employment equity, enterprise development and corporate social investment during the period. The Group is committed to a process of further transformation and economic empowerment of its stakeholders, such that an acceptable balance between the operatives and commercial benefits of such a process can be achieved, thereby ensuring the sustainability of the Group in a competitive market sector.

CORPORATE ACTIVITIES

On 21 January 2013, Nu-World acquired the remaining 50.1% of Palsonic (H.K) Limited for a nominal amount and changed the name of the company to Nu-World Global Limited.

On 24 April 2013, the Group disposed of its 51% investment in Golf & Sports Pty Limited. In addition, it sold a substantial part of the assets and liabilities of its subsidiary OO Australasia Pty Limited for a total consideration of AUD 6,22 million. Subsequently OO Australasia Pty Limited was renamed Nu-World Australia Pty Limited.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ASPECTS

The Group subscribes to, and applies in, all material aspects with the Code on Corporate Governance Practices and Conduct as contained in the King III Report on Corporate Governance. Nu-World is committed to transparent and integrated reporting in the spirit of King III and the Global Reporting Initiative (GRI).

Initiatives include the reduction in energy consumption through ongoing staff awareness programmes, the replacement of equipment with energy-efficient units and by installing Power Management System (PMS) devices. These installations will significantly reduce our overall electricity footprint.

Nu-World has introduced community support and corporate social investment. The group focuses our efforts on children's needs, in particular the handicapped, supports charities and community facilities.

MANAGING DIRECTOR'S REVIEW CONTINUED

SUBSEQUENT EVENTS

No events material to the understanding of this report have occurred during the period between 31 August 2013 and the date of this report.

COMPANY OUTLOOK

The Company is focusing on increasing volumes as it remains a driver of performance across its operations.

The directors are hopeful that the trend of rising impairments and unemployment, slowing income and GDP growth, should begin reversing in 2014.

The Group is continuing to place increased focus on its successful working capital management in an effort to reduce finance costs and strengthen the balance sheet further.

The Group is negotiating additional distribution rights of the JVC visual brand for other territories. Countries on other continents are being investigated, analysed and validated.

DECLARATION OF FINAL DIVIDEND

Notice is hereby given that a final gross dividend of 59,4 cents per share (2012: 56,5 cents per share) was declared on 24 October 2013 payable to shareholders recorded in the register of Nu-World at the close of business on the record date appearing below.

The salient dates pertaining to the final dividend are as follows:

Last date to trade ''*cum*'' dividend	Friday, 29 November 2013
Date trading commences ''*ex*'' dividend	Monday, 2 December 2013
Record date	Friday, 6 December 2013
Date of payment	Monday, 9 December 2013

Ordinary share certificates may not be dematerialised or rematerialised between Monday, 2 December 2013 and Friday, 6 December 2013, both days inclusive.

In determining the dividend withholding tax (DWT) of 15% to withhold in terms of the Income Tax Act for those shareholders who are not exempt from the DWT, the total secondary tax on companies (STC) credits utilised as part of this declaration amount to R13,452,000.21 and consequently the STC credits utilised per share amount to 59,4 cents per share. Shareholders who are not exempt from the DWT will therefore receive a dividend of 59,4 cents net of DWT. Nu-World has 22 646 465 ordinary shares in issue and its income tax reference number is 9100/085/71/2.

Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. In the absence of specific mandates, dividend cheques will be posted to shareholders. Ordinary shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited on Monday, 9 December 2013.

On behalf of the board of directors

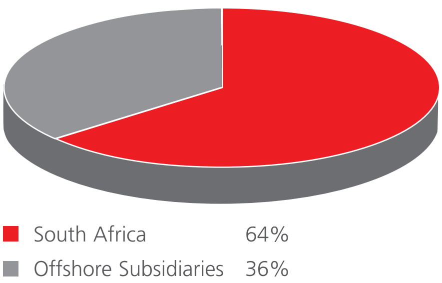
J A Goldberg
Managing director
23 October 2013

VALUE ADDED STATEMENT

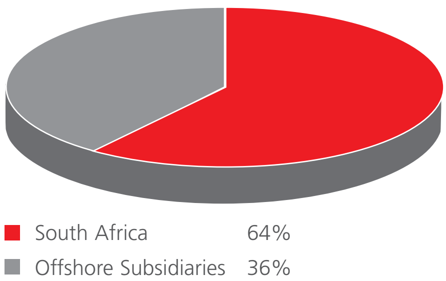
	2013		2012	
	R'000	%	R'000	%
Revenue	1 942 957	100.00	2 123 359	100.00
Cost of materials, services and expenses	(1 459 613)	(75.12)	(1 566 825)	(73.79)
Value added from trading operations	483 344	24.88	556 534	26.21
Net interest paid	(7 225)	(0.37)	(13 224)	(0.62)
Total value added	476 119	24.51	543 310	25.59
Allocated as follows:				
Employees				
Salaries, wages, commission and other benefits	129 359	6.66	118 785	5.59
Government				
Normal taxation on companies	15 255	0.79	13 702	0.65
Employee tax	11 807	0.61	11 445	0.54
Providers of capital				
Non-controlling interest	(6 149)	(0.31)	4 256	0.20
Dividends	12 795	0.66	6 681	0.31
Total wealth distributed	163 067	8.41	154 869	7.29
Re-investment in the Group				
Depreciation and amortisation	4 017	0.20	5 703	0.27
Retained for future growth	309 035	15.90	382 738	18.03
	476 119	24.51	543 310	25.59

SEGMENTAL INFORMATION

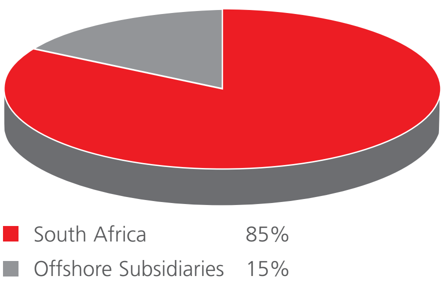
GEOGRAPHICAL REVENUE 2013



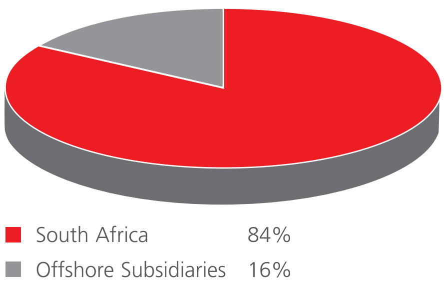
GEOGRAPHICAL REVENUE 2012



ASSETS 2013



ASSETS 2012



BOARD OF DIRECTORS

M S Goldberg (61)
Executive chairman
BCom MBA (Wits)

Executive chairman responsible for the Group's overall performance and well-being. He plays an active role in the formulation of Group strategies, in the formulation and implementation of growth strategies, and in determining the future direction of the Group. Appointed to the Board in 1986, listed the Group in 1987 and appointed chairman of the Group in 2001. Has 36 years' experience in manufacturing and the appliance industry.

J A Goldberg (58)
Managing director/Chief executive officer
BSc Eng (Wits)

Managing director responsible for developing and implementing the Group's marketing and sales strategies. Intimately involved in all operational aspects of the Group and in sourcing new products and markets. Appointed to the Board in 1986. Has 36 years' experience in manufacturing and the appliance industry.

G R Hindle (52)
Group financial director
BAcc (Wits) CA(SA)

Financial director joined the Group in 1992. Responsibilities include all financial aspects of the business including information systems, administrative and treasury functions. Appointed to the Board in 1993. Has 30 years' experience in financial management and information system technology in the manufacturing and electronic environment.

J M Judin (67)

Lead independent non-executive director

Dip Law (Wits)

Currently the senior partner at the Johannesburg based law firm, Goldman, Judin, Maisels Inc. Appointed to the Board in 1989 and holds the position of chairman of the Primeserv Group Limited and as a non-executive director to Set Point Group Holdings Limited.

D Piaray (46)

Independent non-executive director

DChem. Eng (Natal) BCom (Unisa) MBA (Wits)

Currently the Group chief executive officer of Xeon Logistics (Proprietary) Limited. Appointed to the Board in 2002 and holds positions as executive and non-executive director for several listed and non-listed companies.

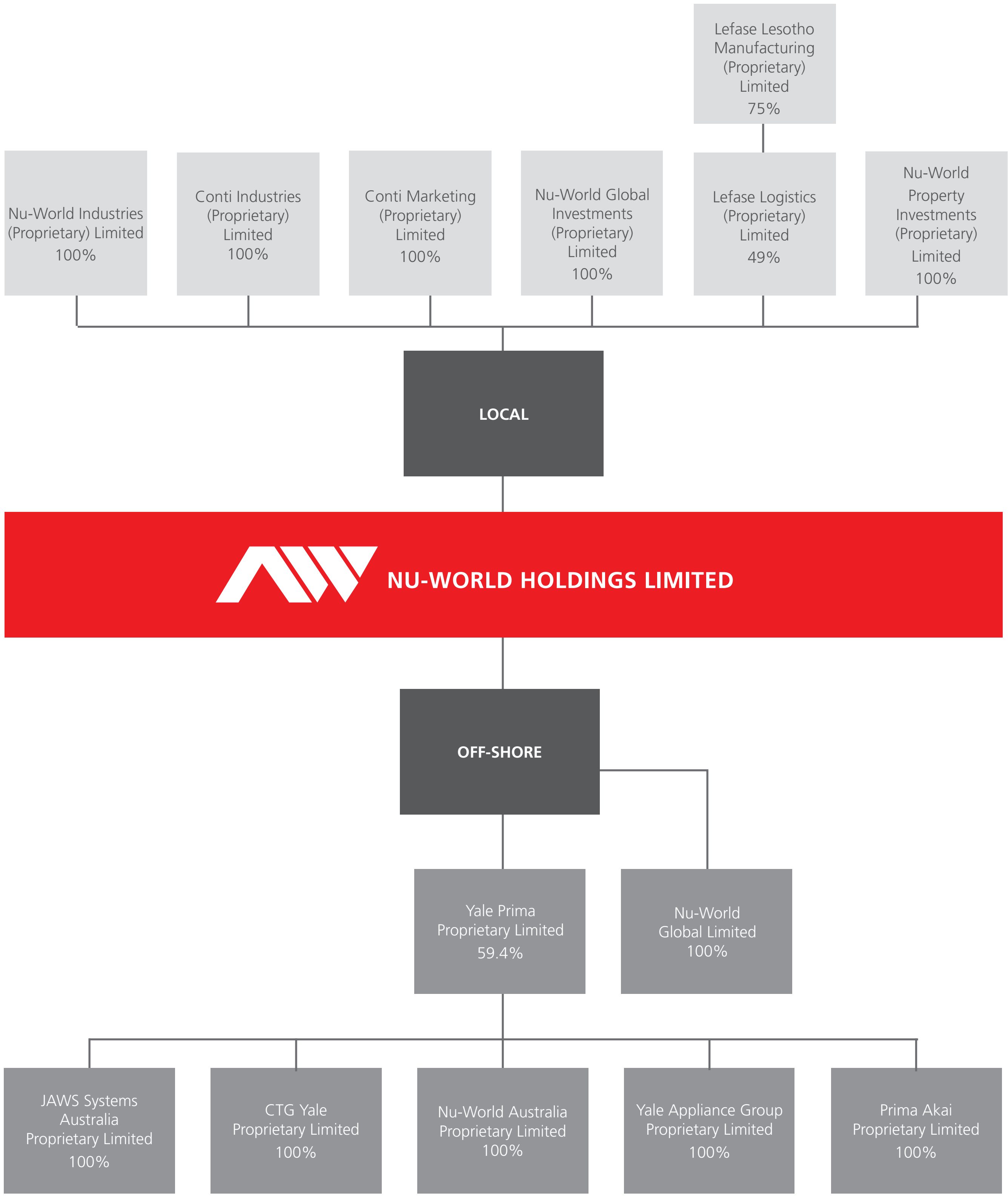
R Kinross (72)

Independent non-executive director

BAcc (Unisa) CA(SA)

Served as a financial director in the retail industry for a number of years before becoming a senior partner at Tuffias Sandberg KSi. Retired from audit practice in 2009 having reached mandatory retirement age. Appointed to the Board in 2009 and is currently a consultant to several medium-sized family businesses.

GROUP STRUCTURE



HISTORY OF NU-WORLD HOLDINGS LIMITED

1946 Nu-World Industries (Proprietary) Limited was established

The Company began manufacturing electrical wiring accessories

1952 Manufacturing of small electrical appliances commenced

1980 Nu-World began importing and distributing small electrical appliances

1987 Nu-World Holdings Limited listed on the Johannesburg Stock Exchange

1995 Nu-World appointed as the sole agent for JVC in South Africa and sub-saharan Africa

1999 Nu-Tec consumer electronics introduced

2000 Nu-World acquires 33% of Prima Australasia Proprietary Limited

Agency/distribution agreement established with Casio/ James Ralph (Proprietary) Limited

Appointed sole agent for Telefunken in South Africa

2001 Thomson distribution agreement for South Africa signed

Telefunken agency for Prima Australasia Proprietary Limited

2002 Nu-World increased its holding in Prima Australasia to 51%

Strategic alliance with Prima International UK (Proprietary) Limited established

2003 Acquired 100% interest in Conti South Africa

60% investment in Nu-World UK Limited

2004 Appointed South African agent for General Electric large appliances

65% investment in Yale Appliance Group Proprietary Limited

Introduction of Conti Motorsports division

2006 Rationalisation of Prima Australasia Proprietary Limited and Yale Appliance Group Proprietary Limited into Yale Prima Proprietary Limited

45% investment in On Corporation Inc. USA

2007 Increased investment in Yale Prima Proprietary Limited to 59.4%

Introduction of home improvement division

2008 Disposed of investment in On Corporation Inc. USA

Yale Prima Proprietary Limited acquires 51% of online retailer OO Australasia Proprietary Limited

2009 Disposed of investment in Nu-World UK Limited

2010 Acquired 49.9% interest in Palsonic China (H.K) Limited

Acquired 49% interest in Lefase Logistics (Proprietary) Limited

Introduction of the Hi-Tech and Liquor divisions

Expansion of White Goods division

2011 Groups manufacturing operations closed

2012 Lefase Lesotho Manufacturing (Proprietary) Limited established

2013 Yale Prima Proprietary Limited, acquired 100% of Nu-World Australia Proprietary Limited (formerly known as OO Australasia Proprietary Limited)

Acquired 100% in Nu-World Global Limited (formerly known as Palsonic China (H.K) Limited)

Nu-World's JVC agency agreement extended to include entire Africa, Middle East, Australasia and New Zealand

10 YEAR REVIEW

	2013 R'000	2012 R'000	2011 R'000	2010 R'000	2009 R'000
Statement of comprehensive income					
Revenue	1 942 957	2 123 359	1 665 585	1 821 931	1 443 104
Operating income	55 597	69 525	38 075	105 479	40 117
Interest paid	7 225	13 224	8 573	4 811	6 676
Income before taxation	48 372	56 301	29 502	100 668	33 441
Taxation	12 290	13 678	7 888	26 596	8 465
Income after taxation	36 082	42 623	21 614	74 072	24 976
Share of income attributable to associated companies	24	28	(292)	(183)	
Net income	36 106	42 651	21 322	73 889	24 976
Non-controlling interest	351	(4 256)	(1 278)	(5 289)	(1 943)
Attributable income	36 457	38 395	20 044	68 600	23 033
Headline earnings	41 286	38 395	20 044	68 600	30 285
Shares in issue (000)					
– at year end	21 418	21 419	21 421	21 261	21 149
– weighted average	21 418	21 420	21 400	21 144	21 163
Headline earnings per share (cents)	192,8	179,2	93,7	324,4	143,2
Basic earnings per share (cents)	170,2	179,2	93,7	324,4	108,9
Dividend per share (cents)	59,4	56,5	29,5	101,0	33,9
Dividend cover	2,7	3,0	3,0	3,0	3,0
Statement of financial position					
Assets					
Non-current assets	113 014	153 240	146 997	154 980	154 336
Plant and equipment	32 625	17 651	16 774	30 942	32 563
Deferred taxation	19 079	21 371	19 239	18 809	17 754
Investment		51 706	51 706	51 706	51 706
Investment in associates	94	584	2 612	2 905	
Intangible assets	61 216	61 928	56 666	50 618	52 313
Current assets	789 685	810 081	714 418	733 754	611 974
Inventories	377 459	481 689	372 885	407 284	264 690
Non-current assets held for sale			12 490		
Trade and other receivables	289 854	318 308	241 243	267 950	198 153
Bank and cash balances	122 372	10 084	87 800	58 520	149 131
Total assets	902 699	963 321	861 415	888 734	766 310
Equity and liabilities					
Total capital and reserves	677 955	652 371	616 138	620 102	554 452
Issued capital and premium	19 481	19 481	26 162	49 035	58 908
Treasury shares	(23 685)	(23 601)	(23 601)	(20 376)	(22 009)
Foreign currency translation reserve	19 226	12 223	7 704	3 842	2 403
Share-based payment reserve	2 560	2 560	2 560	2 560	2 282
Hedging reserve					(3 934)
Retained earnings	660 373	641 708	603 313	585 041	516 802
Non-controlling interest	33 156	43 812	35 781	29 136	23 133
Non-current liabilities	9 516	14 432	28 470	27 226	27 262
Interest bearing borrowings			20 000	20 000	20 000
Deferred taxation	9 516	14 432	8 470	7 226	7 262
Current liabilities	182 072	252 706	181 026	212 270	161 463
Trade and other payables	169 906	167 981	181 026	212 270	161 463
Borrowings	12 166	64 725			
Current portion of interest bearing borrowings		20 000			
Total equity and liabilities	902 699	963 321	861 415	888 734	766 310

2008 R'000	2007 R'000	2006 R'000	2005 R'000	2004 R'000	
					Statement of comprehensive income
1 890 882	1 865 780	1 638 724	1 626 122	1 430 804	Revenue
61 528	109 027	121 646	94 215	86 219	Operating income
6 788	4 691	1 223	7 220	3 606	Interest paid
54 740	104 336	120 423	86 995	82 613	Income before taxation
11 619	15 214	29 613	18 212	19 082	Taxation
43 121	89 122	90 810	68 783	63 531	Income after taxation
		(6 994)			Share of income attributable to associated companies
43 121	89 122	83 816	68 783	63 531	Net income
(2 848)	(3 991)	(1 786)	4 444	(2 781)	Non-controlling interest
40 273	85 131	82 030	73 227	60 750	Attributable income
43 596	54 383	82 030	73 227	60 610	Headline earnings
					Shares in issue (000)
21 215	21 833	21 684	21 592	21 597	– at year end
21 697	21 833	21 684	21 592	21 597	– weighted average
205,5	249,1	378,3	339,9	280,6	Headline earnings per share (cents)
189,8	389,9	378,3	339,9	280,6	Basic earnings per share (cents)
59,3	125,3	120,8	92,6	70,3	Dividend per share (cents)
3,0	3,0	3,0	3,5	4,0	Dividend cover
					Statement of financial position
					Assets
157 456	80 083	86 134	62 956	52 923	Non-current assets
35 054	35 839	41 673	44 867	46 997	Plant and equipment
18 383	19 137	18 732			Deferred taxation
51 706					Investment
					Investment in associates
52 313	25 107	25 729	18 089	5 926	Intangible assets
623 258	666 692	688 121	589 605	546 664	Current assets
244 349	153 086	179 030	171 340	167 448	Inventories
					Non-current assets held for sale
239 221	225 793	241 513	227 717	217 528	Trade and other receivables
139 688	287 813	267 578	190 548	161 688	Bank and cash balances
780 714	746 775	774 255	652 561	599 587	Total assets
					Equity and liabilities
550 060	545 406	485 282	422 478	361 397	Total capital and reserves
72 337	109 271	136 628	136 628	115 849	Issued capital and premium
(20 927)	(20 201)	(20 931)	(21 944)	(1 073)	Treasury shares
2 803	1 246	166	(185)	(813)	Foreign currency translation reserve
1 839	1 078	538	158		Share-based payment reserve
					Hedging reserve
494 008	454 012	368 881	307 821	247 434	Retained earnings
21 466	51 346	47 949	28 156	23 786	Non-controlling interest
28 149	7 233	10 607	6 928	4 443	Non-current liabilities
20 000					Interest bearing borrowings
8 149	7 233	10 607	6 928	4 443	Deferred taxation
181 039	142 790	230 417	194 999	209 961	Current liabilities
181 039	142 790	219 056	194 999	209 961	Trade and other payables
					Borrowings
		11 361			Current portion of interest bearing borrowings
780 714	746 775	774 255	652 561	599 587	Total equity and liabilities

CORPORATE CONDUCT AND PERFORMANCE

Introduction

The corporate governance statement documented below sets out the key governance principles and practices of Nu-World Holdings Limited (NWHL). Our aim is to fairly and honestly inform our internal and external stakeholders through reasonable and understandable disclosure.

Endorsement

The Company's Board of directors (the Board) is committed to ensuring that the Group is governed appropriately. The Board recognises the responsibility of the Group to conduct its affairs with prudence, transparency, accountability, fairness and in a socially responsible manner. The Group complies in all material respects with the principles of the Code of Corporate Practices and Conduct as recommended in the King Report on Corporate Governance in South Africa 2009, as well as with the spirit and form of the obligations that exist in terms of the Listings Requirements of the JSE Limited. Where specific principles have not been applied, explanations for these are contained within the annual report. Specifically, the directors report the following:

In terms of the King Report on Governance for South Africa, 2009 (King III), the Board needs to consider the interests of the Company and shareholders, taking into account the concerns and issues of its wider stakeholders, including supplier, customers, employees and the environment. The Group is committed to conduct the business in accordance with sound corporate governance practices, understands the importance of balancing long-term social, environmental and economic interests, whilst achieving sustainable returns for its shareholders.

The Board has noted the new recommendations contained in the King III report, and will ensure that appropriate reporting principles and guidelines are applied at the relevant time.

Board of directors

Chairman of the Board of directors

The roles of the chairman and the chief executive officer are seperate. The chairman is an executive director which is not in accordance with King III, however the Group has appointed a lead independent non-executive director. The chairman, M S Goldberg, an executive director of the Board since 1986, was appointed as chairman on 1 September 2001. The chairman is responsible for ensuring the effectiveness of governance practices within the Group.

Particular areas of responsibility for the chairman include guidance regarding strategic planning, Group economic empowerment, corporate relations, and advice on local and overseas acquisitions.

The chairman's duties are governed by a formal Board, and this is reviewed from time to time when appropriate.

Composition of the Board

The Board of Directors comprises three executive directors and three non-executive directors chosen for their achievements, business acumen and skills.

The Board considers J M Judin, D Piaray and R Kinross to be independent non-executive directors as defined in King lll and the Companies Act.

All directors bring independent judgment to the issues of performance, strategy and resources including key appointments of directors and staff and standards of conduct within the Group.

The non-executive directors have no fixed term of appointment and no service contracts with NWHL.

Letters of appointment confirm the terms of their service. Their fees are independent of the Group's financial performance and they do not receive share options or bonuses.

The Board recognises the need for more independent directors and continues to seek further non-executive directors with the aim of obtaining a majority of non-executive directors.

Changes to the Board during the year

There were no changes to the composition of the Board of Directors for the year under review.

Role and responsibilities of the Board

The Board is the focal point for corporate governance. It is responsible to shareholders and stakeholders for sustainable performance of the Company. In directing the Group, the Board exercises leadership, integrity and judgment based on fairness, accountability, responsibility and transparency, directed to achieve the ongoing prosperity of the Group.

The Board approves operational and investment plans and strategies and empowers executive management to implement these plans and strategies. There is a clear division between the responsibilities of the Board and management.

Structured management succession planning, for purposes of identifying, developing and advancing future leaders in the Group, is an important element in the management process.

The Board remains accountable for the overall success of the approved strategies, based on values, objectives and stakeholder requirements, and for the process and policy to ensure the integrity of risk management and internal control. The Board is also responsible for ensuring that it complies with all relevant laws, regulations and codes of best business practice.

Duties of directors

The Companies Act places certain duties on directors and stipulates that they should apply the necessary care and skill in fulfilling their duties. To ensure that this is achieved, best practice principles, as contained in the King III Report on Corporate Governance for South Africa, are applied. As part of the implementation of King III, the Board approved changes to its governance structure going forward.

The Board is responsible for formulating the Company's communication policy and ensuring that spokespersons adhere to it. This responsibility includes clear, transparent, balanced, truthful and timeous communication to shareholders and relevant stakeholders.

In terms of the respective directors' charters, the directors are of the opinion that the Board and the subcommittees have discharged all their responsibilities.

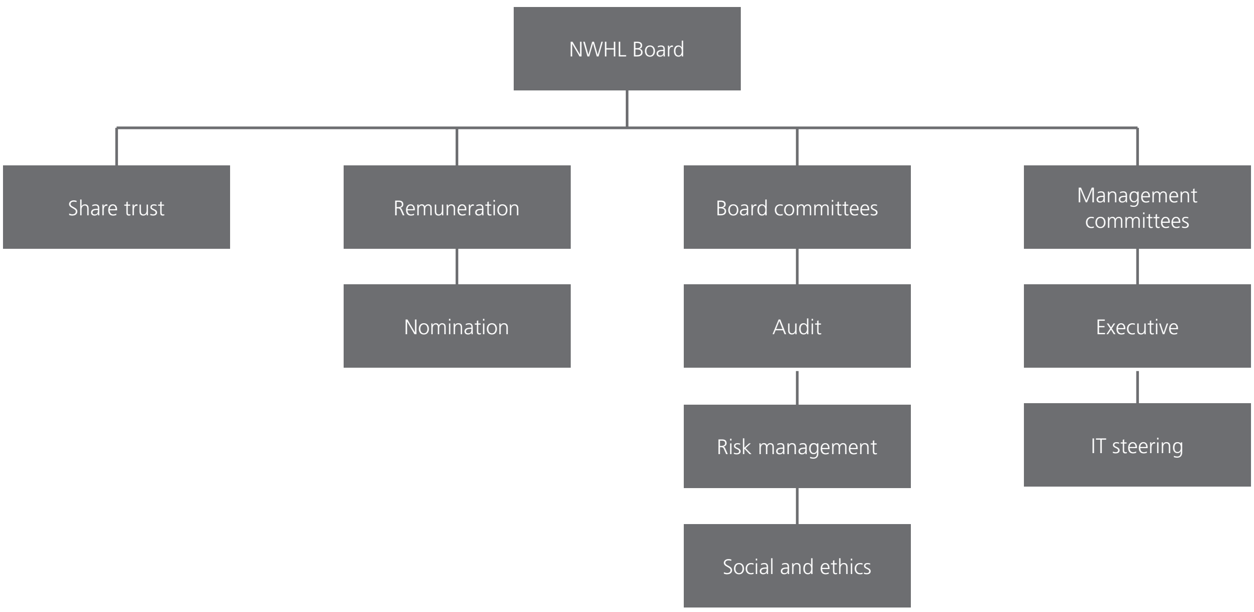
The Board meets four times annually and more frequently if circumstances or decisions require.

Directors declare their interests in contracts and other appointments at all Board meetings. Meetings are conducted in accordance with formal agendas, ensuring that all substantive matters are properly addressed. Subcommittees have been appointed while ad hoc subcommittees are created as and when required. The chairman of the relevant subcommittee sets the agenda for each meeting in consultation with the Group chairman and Group chief executive officer. Any director may request that additional matters be added to the agenda. Board packs are circulated to the directors in advance of the meetings. The non-executive directors take responsibility for ensuring that the chairman reviews all matters requiring the Board's attention. The Board ensures that there is an appropriate balance of power and authority in its make-up, so that no one individual or block of individuals can dominate its decision-making process. All directors are entitled to seek independent professional advice concerning the affairs of the Group, at the Company's expense.

Board committees

The Board has established several non-executive board committees which support the Board of Directors with regard to certain functions, and in which non-executive directors play an active and pivotal role. All committees operate under Board approved terms of reference, which were reviewed and updated during the period under review to align them further with best practice and to take into consideration the recommendations set out in King lll and all the requirements of the Companies Act. All Board committees, except the executive committee, are chaired by a non-executive director who attends the annual general meeting in order to respond to shareholder queries.

With the exception of the Audit Committee and Social and Ethics Committee, membership of each committee is reviewed regularly by the Group chairman and adjusted accordingly.



The chairmen of the committees are elected by the members of each committee, unless sound reasons cause the committees and the Board to determine otherwise.

Audit committee

Subject to shareholder approval and taking into account the recommendations of the Nomination Committee, the Board is responsible for filling vacancies on the Audit Committee. The Board elects the Chairman of the committee. As the Audit Committee is a statutory committee under the Companies Act 71 of 2008, as amended (the Companies Act), and in terms of the recommendations set out in King lll, shareholders will be requested to elect the members of the committee at the annual general meeting to be held on 12 February 2014. Audit Committee members are kept up to date with the developments affecting the skill set required for committee membership. The committee and/or individual members are permitted to consult with specialists in any related field, subject to Board approval.

The Audit Committee consists of three independent non-executive directors, R Kinross (chairman), D Piaray and J M Judin. G R Hindle and B H Haikney attend meetings by invitation.

The audit committee monitors proposed changes in accounting policy and all published financial information, reviews the external audit function and discusses the accounting implications of major transactions prior to Board approval.

The audit committee meets regularly with the Group's external auditors to review accounting controls, disclosure requirements, corporate governance practices, as well as auditing and financial matters and reports to the Board of directors on its findings.

The audit committee performs the following specific activities:

- Approve the external auditor's terms of engagement, audit approach and audit fees;
- Ensure the independence of the external auditor;
- Approve external auditor's appointment for the ensuing financial year;
- Pre-approve all fees paid to the external auditor for non-audit service;
- Consider and set mandatory term limits on the period the lead partner of the external auditors may serve the Company;
- Review risk areas of the Company's operations to be covered in the scope of external audits;
- Reviewing half-year and annual financial statements before submission to the Board focusing on *inter alia*;
  - any changes in accounting policies and practices.
  - major judgmental areas.
  - significant adjustments arising from the audit.
  - the going concern statement.
  - compliance with stock exchange and statutory requirements.
  - reliability and accuracy of the financial information provided by management to other users of financial information.
  - satisfying itself regarding the experience and expertise of the financial director.
  - satisfying itself that the external auditors are accredited in terms of the JSE list of accredited auditors.
  - discussing any problems and reservations arising from the year-end audit and any related matters that the external auditors may wish to discuss.
- Satisfies itself of the expertise, resources and experience of the companies finance functions;
- Oversees and approves the company's integrated report;
- Ensures that a combined assurance model is applied to provide a coordinated approach to all assurance activities; and
- Integral component of risk management process.

The audit committee chairman and its members confirm their review and approval of the above-mentioned activities.

Attendance at audit committee meetings for the period 1 September 2012 – 31 August 2013:

		Attended	Eligible to attend
R Kinross	Chairman	4	4
J M Judin	Member	4	4
D Piaray	Member	4	4
G R Hindle	By invitation	4	4
B H Haikney	By invitation	4	4

Risk management committee

Risk management committee forms an integral component of the Group's governance framework and enables management to limit the impact of business, industry and general risks and protect the interests of all stakeholders.

The Board retains accountability for risk management. The risk committee ensures the Group has adequate risk management and internal control procedures in place.

The focus of the risk management committee is on identifying, assessing, managing and monitoring material forms of risk encompassing strategic performance, trading, investment and operational risks. The committee consists of three non-executive directors; J M Judin (chairman), D Piaray and R Kinross, with executive directors attending each meeting, being

M S Goldberg, J A Goldberg and G R Hindle, as well as the company secretary, B H Haikney. The committee meets quarterly and is responsible for monitoring key risk areas for which a comprehensive Group risk matrix has been developed, addressing the general business risks, trading conditions, succession planning, credit risk, exchange rate exposure, IT risk, insurable losses, interest rate and liquidity risks.

Attendance at risk management committee meetings for the period 1 September 2012 – 31 August 2013:

		Attended	Eligible to attend
J M Judin	Chairman	4	4
D Piaray	Member	4	4
R Kinross	Member	4	4
M S Goldberg	By invitation	1	4
J A Goldberg	By invitation	2	4
G R Hindle	By invitation	4	4
B H Haikney	By invitation	4	4

Social and ethics committee

Introduction

The Board during the course of the review period delegated certain of its responsibilities and approved the formation of an additional committee, the social and ethics committee and appointed members as listed below:

J M Judin – Chairman and independent non-executive director

D Piaray – Independent non-executive director

R Kinross – Independent non-executive director

G R Hindle – Financial director

B H Haikney – Company secretary

Social and ethics committee report

The social and ethics committee is constituted as a committee of the Board of NWHL, in terms of Section 72(4) of the Companies Act no 71 of 2008 read with regulation 43 of the Companies Regulations, 2012.

Responsibilities

The committees mandate, and main functions, are as follows:

- To monitor the Group's activities having regard to any relevant legislation, other legal requirements or existing codes of best practice, relating to:
  - Employment Equity Act.
  - Broad Based Black Economic Empowerment Act.
  - Good corporate citizenship.
    Environment, health and public safety, to include the impact of the Groups activities and of its products and services.
  - Consumer relationships, and compliance with consumer protection laws.
  - Labour and employment.
- Raising matters of concern and importance within its mandate to the attention of the Board.
- Reporting to the shareholders of the Group at the annual general meeting.

The committee, was constituted during the course of this review period, and consequently will examine its independent role and mandate given, by the Board during the course of the next 12 months and report back to shareholders at the next annual general meeting.

Remuneration committee

The remuneration committee comprised Messrs D Piaray (chairman), J M Judin and R Kinross. All members are independent non-executive directors, and the committee satisfied its responsibilities in compliance with its written terms of reference during the year.

Attendance at remuneration committee meetings for the period 1 September 2012 – 31 August 2013:

		Attended	Eligible to attend
D Piaray	Chairman	2	2
J M Judin	Member	2	2
R Kinross	Member	2	2
G R Hindle	By invitation	2	2
B H Haikney	By invitation	2	2

The financial director and the company secretary attend all meetings of the committee by invitation, unless deemed inappropriate by the committee.

Strategy and objectives

Our remuneration policies support a culture of effective corporate governance while encouraging innovation and entrepreneurial spirit to ensure the long-term sustainability of the business. In addition, they serve as a guideline for the effective governance of remuneration within the Group as a whole. The remuneration philosophy seeks to set criteria that will boost output as well as performance and thereby create long-term stakeholder value.

During deliberations of the remuneration committee, members are informed by way of performance reviews from both an individual and Group perspective as well as reviews of relevant market data.

Remuneration policies are implemented by the remuneration committee with the objective of:

- Motivating sustainable value creation and superior performance.
- Informing stakeholders of remuneration practices and governance processes.
- Complying with all applicable legislative requirements.

The Board carries ultimate responsibility for the Remuneration Policy. The remuneration committee operates in accordance with Board approved terms of reference.

In terms of King III recommendations, the Remuneration Policy is submitted to shareholders for their non-binding vote.

The remuneration committee:

- Reviews Group remuneration philosophy and policy.
- Reviews the recommendations of management on fee proposals for the chairman of the Board and the non-executive directors and determines, in conjunction with the Board, the final proposed remuneration.
- Determines all the remuneration and executive directors.
- Agrees the criteria to be adopted for bonus incentives and share option allocations.
- Awards long-term incentives for executive directors and other qualifying members of senior management.
- Evaluates the remuneration policies in relation to the requirements of good corporate governance.

Non-executive directors are appointed in line with nomination committee policies.

Non-executive remuneration is determined on the basis of attracting and retaining non-executive directors of the skill and acumen required to lead and govern the Group. Their remuneration is not linked to the performance of the Group, nor its share performance, and the non-executive directors do not participate in any type of share option scheme.

The Group does not provide pension or medical benefits to non-executive directors. Management review non-executive director fees annually. After discussions with the remuneration committee, recommendations are made to the Board who, in turn, propose fees for approval by the shareholders at the AGM. Full details of non-executive director fees for the year ended 31 August 2013 are shown on page 59 of the integrated annual report.

Executive directors receive a remuneration package based on total cost-to-company, including basic remuneration, retirement, medical and other benefits. They, like other employees, also qualify for short and long-term incentives. Executive directors and other members of senior management participate in the Share Option Scheme. The notice period for these directors is three months.

Share trust

The Group share option scheme, which was approved by the shareholders a number of years ago, is managed by a Share Trust Fund. The trustees of the trust fund are as follows:

J M Judin	Chairman	Non-executive director
D Piaray	Trustee	Non-executive director
R Kinross	Trustee	Non-executive director

The main function of the Share Trust Committee is to award share options on recommendation of Remco to employee participants in terms of the trust deed, and to manage the share option scheme accordingly.

Remco utilises the share option scheme as the basis for long-term incentives to retain key employees, and reward deserving employees on a merit basis.

Nomination committee

The nomination committee is an independent committee. There is no formal meeting schedule because it will meet as and when required, but this committee meets at least twice a year.

The members of the committee are Messrs D Piaray (chairman), J M Judin and R Kinross. All members are independent non-executive directors in terms of the King III report. The financial director and the company secretary attend by invitation when appropriate.

The appointment of executive and non-executive directors is a transparent and formal procedure governed by the nomination committee's terms of reference. Special emphasis is placed on the development of diverse leadership representation of all race groups. Specific areas of responsibility include:

- Ensuring a balance of skills at Board level.
- Succession planning of executive management.
- Nomination of members to serve on subcommittees.

The desire for additional Board members requires that the nomination committee identify and evaluate suitable candidates to the Board. The composition of the various subcommittees were reviewed, and appointments recommended to the Board for approval.

Management committees

Executive committee

The executive committee comprises the executive directors, namely, M S Goldberg (chairman), J A Goldberg (chief executive officer), G R Hindle (financial director) and executive managers, namely, B H Haikney and other senior managers. The committee monitors the operations of the Group giving monthly operational feedback on administrative, treasury and operational issues in order to keep abreast of economic and business trends. The committee meets quarterly.

Attendance at executive committee meetings for the period 1 September 2012 – 31 August 2013:

		Attended	Eligible to attend
M S Goldberg	Chairman	2	4
J A Goldberg	Member*	4	4
G R Hindle	Member	4	4
B H Haikney	Member	4	4

*Acted as chairman in the absence of M S Goldberg

Information technology steering committee

The information technology steering committee comprises G R Hindle (chairman), G Smith, R Kellock and supported by senior management as and when required. The committee meets regularly and ensures that Group strategic business needs and core objects are met. In addition, the committee is tasked to keep up with ongoing technological changes in order to provide management with accurate and meaningful data to run the Group effectively.

A Group information technology disaster recovery plan is in place and is tested regularly to ensure systems continuity at all times.

Attendance at information technology steering committee meetings for the period 1 September 2012 – 31 August 2013:

		Attended	Eligible to attend
G R Hindle	Chairman	3	3
G Smith	Member	3	3
R Kellock	Member	3	3

Other corporate governance issues

Internal audit

NWHL do not believe it necessary to appoint separate internal auditors.

Internal control

The directors and management are responsible to maintain effective systems of internal control. These systems are designed to provide reasonable but not absolute assurance as to the integrity and reliability of the financial statements, to safeguard, verify and maintain accountability of the Group's assets and to detect and minimise significant fraud, potential liability, loss and material misstatement while complying with applicable laws and regulations.

Close day-to-day control of operations and procedures are maintained and monitored by senior management, producing monthly performance reports and management accounts for review by management, executive committee and the Board.

No significant internal control problems have come to the attention of the directors to indicate that a material breakdown in the controls within the Group has occurred.

Materiality and approval framework

Issues of a material or strategic nature, which can impact on the reputation and performance of the Group, are referred to the Board. Other issues, as mandated by the Board, are dealt with at executive management level.

The minutes of all the committee meetings are circulated to the members of the Board. Issues that require the Board's attention or a Board resolution are highlighted and included as agenda items for the next Board meeting.

Financial statements

The directors are responsible for ensuring that Group companies maintain adequate accounting records, and for reporting on the financial position of the Group at all levels to meet this responsibility. The external auditors are responsible for independently auditing and reporting on these financial statements in conformity with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act of South Africa. The Group's auditors have confirmed that the financial information is in accordance with the underlying audited financial records of the Company and its subsidiaries.

Company, secretarial and professional advice

To enable the Board to function effectively, all directors have full and timely access to all information that may be relevant to the proper discharge of their duties and obligations. This includes information such as agenda items for Board meetings, corporate announcements, investor communications and any other developments, which may affect NWHL or its operations.

The office of the Group company secretary is responsible for facilitating this access.

The Group company secretary is responsible for the functions specified in section 88 of the Companies Act of 2008 (as amended) (the Act). All meetings of shareholders, directors and Board subcommittees are properly recorded as per the requirements of section 24 of the Act. The appointment and removal of the Group company secretary would be a matter for the Board as a whole.

The Board has considered and is satisfied that the company secretary has the necessary competence, qualifications and experience and regularly ensures that there is an arm's length relationship between the company secretary and Board of directors. The company secretary Mr B H Haikney is required to ensure that the minutes of all shareholders' meetings, directors' meetings and minutes of any committee of the directors are properly recorded.

The directors have unlimited access to the services of the company secretary who is responsible to the Board for ensuring that proper corporate governance principles are adhered to. Board orientation and training are done when appropriate.

Dealing in securities

In accordance with the Listings Requirements of the JSE, NWHL has adopted a code of conduct for insider trading. During the closed period, directors and designated senior employees are prohibited from dealing in the Company's securities. Directors may only deal in the Company's securities outside the closed period, with the authorisation of the Group chairman and/or the Group chief executive officer. The closed period lasts from the end of the financial reporting period until the publication of financial results for that period. Additional closed periods may be declared from time to time if circumstances warrant.

Stakeholder communication

NWHL is committed to transparent, timeous and consistent communications with stakeholders and aims to present in all its communications, a balanced and logical assessment of the Group's position. The Group encourages stakeholder attendance at general meetings and, where appropriate, provides full and comprehensive explanations of the effect of resolutions to be proposed at these meetings.

Company announcements are released on SENS and posted on the Company's website. Further results' announcements are posted to shareholders. The chairman and Board are available to answer queries from stakeholders at all times and wherever possible, the Group chief executive officer or Group financial director will engage with the financial media to ensure accurate reporting. Communications with institutional shareholders and investment analysts is maintained through semi-annual presentations of financial results, one-on-one visits, trading statements and press announcements of interim and annual results.

Fraud and illegal acts

NWHL does not engage in or accept or condone the engaging in of any illegal acts in the conduct of its business. The directors' policy is to actively pursue and prosecute the perpetrators of fraudulent or other illegal activities, should they become aware of any such acts.

Legal/arbitration

There are no pending or threatened legal or arbitration proceedings which had or may have a material effect on the financial position of the Company or the Group.

Going concern

The directors confirm, giving due cognisance to the Group's current financial position and cash flows, that the Group is a going concern and accordingly will continue adopting the going concern basis in preparing the annual financial statements.

Introduction

Nu-World Holdings Limited (NWHL), having been in existence and a very successful business for over 65 years, recognises that in order to remain successful, survive and prosper, it is critical that it continually strategise and change, adopting sound business practices to ensure the long-term viability of the Group is in the interests of the stakeholders it serves.

In pursuit of this sustainability objective, the Group embraces the philosophy of the King III Report, and endeavours to implement the principles in all areas. The Board has approved this report and mandated the social and ethics committee to take responsibility for the key sustainability issues contained in this report. The Group's Audit committee has final oversight of the integrated annual report.

The Group's sustainability strategy is based on the acknowledgement of its responsibility to all stakeholders in order to ensure its long term viability. In pursuing this strategy, the Group has to continuously identify and consider the impact of its business on its stakeholders.

NWHL aims to provide a balanced assessment of the Group's strategic position and performance to enable all stakeholders to properly assess its ability to continue creating value sustainability into the future. As part of this, the Board has embraced integrated reporting, seeking to provide financial and non-financial information applicable to a range of stakeholders. The Board has mandated the Company's management to ensure implementation of sustainability principles and periodically report on progress and the reasons for non-compliance, where applicable.

Whilst King III also requires that sustainability reporting should be independently assured, the committee is of the opinion that it would be premature to obtain external assurance until the Group's recording systems are formalised. It is, however, the Group's intention to expand on the qualitative and quantitative information as systems are developed and put in place.
The scope of the review currently covers its South African operations and will in time be extended to cover its subsidiaries in other countries.

Scope of report

This report covers the economic, social and environmental performance of NWHL for the year from 1 September 2012 to 31 August 2013 and is intended to provide this information to a wide range of stakeholders with an interest in its performance. These include existing and prospective shareholders and investment analysts, government (local, provincial and national), industry organisations, trade unions, employees and their families, communities in the vicinity of our operations, contractors, suppliers, customers, business partners and the media.

Labour relations

The Group subscribes fully to the principle of freedom of association and in consequence thereof, one main trade union (NUMSA) is recognised as being the representative of certain of our employees. Labour harmony remains the key to our employee relationship, which helps to promote the necessary climate for positive and active employee participation.

Broad-based black economic empowerment (BBBEE)

The Group recognises the importance of black economic empowerment and is committed to the transformation process. To this end, a BBBEE subcommittee was established in 2003 and continues its engagement with potential partners.

NWHL will proceed with BBBEE activities as and when appropriate, to ensure that the changes made and initiatives taken are sustainable, viable, and will be beneficial to our shareholders. Transformation will involve a systematic process and is not considered a short-term event.

The major South African wholly owned subsidiary, Nu-World Industries (Pty) Ltd, had attained a level 6 accreditation in 2013. The Group will endeavour and continues to improve on this level of accreditation.

The Group's BBBEE subcommittee has and continues to address the transformation challenges by focusing on each element separately which are presented below:

Employment equity

The Group commits itself to non-discrimination and employment equity, whilst maintaining its commitment to quality and service excellence.

The Group encourages all its employees to undergo appropriate training and development in order to enable them to give of their best and also to realise their full potential in the work situation. The Group believes in the policy of promotion from within, in accordance with selection procedures and criteria, and such promotion is non-discriminatory and based on merit.

In the implementation of the Group's employment equity strategy the Group submitted its eleventh Employment Equity Plan to the department of labour. The Group is positively committed to this process, which is consistent with its philosophy in respect of employee development.

A share incentive scheme has been established to provide an incentive to employees to remain in the service of the Group and increase the proprietary interest in the Group's success. Other mechanisms have also been put in place by the remuneration committee and sanctioned by the Board which incentivise, motivate and empower management to express dynamic entrepreneurial skills.

The employee/employer relationship is governed by the customary human resource policies, which are reviewed on a regular basis, ie safety, health, training and development, etc.

Ownership

Ownership represents the greatest challenge to the Group. The Board of Directors is continually in pursuit and negotiations with various parties in an attempt to find suitable partners that would be of benefit to all stakeholders.

Management control

The Board is in the process of identifying candidates who will add value to the Board and increase the black representation of the Board.

Skills development

Skills development is viewed as a strategic and business imperative. The Group recognises that diversity will enable management to use differing skills, expertise and cultures to enhance our ability to provide proper employee succession and deliver sustained growth of the Group into the future. Skills development remained static during the restructuring phases of the Group, due to financial constraints, and the need to retain key skills. Both skills development programmes and the related succession planning systems are now back on track.

Preferential procurement

With regard to preferential procurement it should be noted that most of the Company's procurement spend is in product and components from international suppliers, and therefore our local spend is comparatively small. Nevertheless, we seek to place our local spend with black empowered and/or black-owned companies wherever possible. We also encourage the development of black-owned SMMEs by, *inter alia*, procuring services for them and assist whenever possible to allow key local suppliers to transform their business to achieve BBBEE status.

Enterprise development

NWHL has participated successfully in enterprise development and will continue to identify new opportunities in the future.

Socio-economic development

Nu-World has contributed in excess of 1% of net profit after tax towards socio-economic development, elements of which are included in the corporate social investment review.

Environment

The Group acknowledges the importance of the communities who may be affected by its operations and the safe guarding of the environment is considered in the normal business decision making processes.

The Group is conscious of the fact that in carrying out its activities there is a potential risk of environmental damage. An effort has therefore been made to educate all employees in best practice so as to avoid causing long-term damage to the environment or atmospheric pollution through the inappropriate use of plant and equipment.

Nu-World is committed to ensuring that its environmental management systems comply with legislation and attempts to promote the long term philosophy of continuous environmental improvement.

The Company promotes the enhancement of the quality and safety of the environment through education that develops the knowledge, awareness, attitudes, values and skills that will enable its employees to make a valuable contribution towards maintaining and improving the quality of the environment both in the work place and in the community.

Social investment

As the Company's head office and main operations are based on the outskirts of Alexandra in Sandton, the Group's socio-economic development programs are mainly centered around development programs for the youth, elderly, woman and people with disabilities, living within the Alexandra community. The programs vary from community training, encouraging the skills development of the unemployed; support to the Alexander Police force, clinic and old age home; support for development programs for sport in the area; and programs focusing on conservation, education and waste management.

More specifically, the main beneficiaries of Nu-World's Socio-Economic Development Initiative during the 2013 financial year were as follows:

- Alexandra Health Centre who provide primary healthcare services to the community;
- Cotlands who care for thousands of children in need; and
- Sparrow Ministries who provides care and comfort to adults and children who have been infected or affected by the HIV/AIDS pandemic.

Occupational health and safety

The Group is continually in the process of developing and implementing a health and safety management system to improve its occupational health and safety management, in its drive to reduce the risks of/to its operations and services.

Due to regular safety, health and environment committee meetings and inspections by safety and health representatives, management is satisfied that all non-conformances and risks are addressed and managed as required by the safety standards and Occupational and Safety legislation.

Nu-World has a HIV/AIDS wellness policy to address and manage the potential impact of HIV/AIDS on the Group's activities. In recognising the seriousness of the HIV/AIDS pandemic, Nu-World has over recent years intensified its drive to minimise the number of its employees who are infected by HIV and to prolong the lives of those who are already living with AIDS.

The Company has created an environment in which employees have access to information about HIV/AIDS in the workplace; appropriate supplementary and therapeutic medications through the Company health clinic and appropriate counselling services.

The Company has implemented an intensive communication programme about Nu-World's improved support and care system which is aimed at:

- Improved levels of awareness and knowledge relating to HIV/AIDS at a general level.
- Enhanced management preparedness.
- Greater coverage of Nu-World's HIV/AIDS programme with regard to visibility, language adaptation and relevance.
- Increased uptake of voluntary testing activity.

Cotlands
together we bring hope to life

Nu-World's Socio-Economic Development Initiative during the 2013 financial year varied from community training, encouraging the skills development of the unemployed; support to the Alexander Police force, clinic and old age home; support for development programs for sport in the area; and programs focusing on conservation, education and waste management. The programmes were centred around the Alexander area as this is where the head office is based. The main beneficiaries during the financial year were as follows:

- Alexandra Health Centre who provide primary healthcare services to the community;
- Cotlands who care for thousands of children in need; and
- Sparrow Ministries who provides care and comfort to adults and children who have been infected or affected by the HIV/AIDS pandemic

SHARE PERFORMANCE

	12 months trade 31 August 2013	12 months trade 31 August 2012
Stock exchange performance		
Market price per share (cents)		
– at year end	1 600	1 900
– highest	2 249	2 200
– lowest	1 600	1 503
Number of shares traded (000)	1 643	1 683
Number of shares in issue (000)	22 646	22 646
Volume traded as a percentage of total shares in issue (%)	7.3	7.4

HISTORICAL SHARE PRICE (CENTS)

SHAREHOLDER ANALYSIS

	Number of shareholders	%	Number of shares	%
Shareholder spread				
1 to 25 000	531	91,7	688 448	3,0
25 001 to 50 000	13	2,3	430 559	1,9
50 001 to 100 000	8	1,4	596 994	2,6
Over 100 000 shares	27	4,6	20 930 464	92,5
	579	**100,0**	**22 646 465**	**100,0**
Category of shareholders				
Non public shareholders				
Directors and associates	7	1,2	1 260 424	5,6
Trustee of employees share scheme	2	0,3	1 228 770	5,4
Strategic holdings	4	0,7	8 604 148	38,0
Public shareholders	566	97,8	11 553 123	51,0
	579	**100,0**	**22 646 465**	**100,0**
Shareholders spread				
Major shareholders beneficially interested in more than 5% of the Company's listed securities				
Old Mutual Group			7 925 761	35,0
UBS Zurich AG			3 380 173	14,9
Nu-World Share Trust			1 228 770	5,4
Nedbank Group			1 137 623	5,0
Distribution of shareholders				
Banks	13	2,3	5 897 553	26,0
Close corporations	9	1,6	37 670	0,2
Individuals	452	78,1	1 342 671	5,9
Insurance companies	5	0,8	5 321 280	23,5
Medical aid schemes	1	0,2	118 794	0,5
Mutual funds	15	2,6	6 032 247	26,6
Nominees and trusts	38	6,6	644 592	2,8
Other corporations	6	1,0	1 502	0,1
Pension funds	19	3,3	1 827 189	8,1
Private companies	12	2,1	54 756	0,2
Public companies	2	0,3	45	0,1
Share trust	2	0,3	1 228 770	5,4
Investment companies	5	0,8	139 396	0,6
	579	**100,0**	**22 646 465**	**100,0**

FINANCIAL CONTENTS

Prepared by Mr G R Hindle, BAcc (Wits) CA(SA),
Group financial director
with the oversight of the audit committee.

DIRECTORS' RESPONSIBILITY FOR AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 August 2013

The annual financial statements, set out on pages 32 to 56, were prepared by management in conformity with International Financial Reporting Standards and the Companies Act of South Africa, applied on a consistent basis throughout the year, except where otherwise stated. They have been approved by the board of directors and have been signed on their behalf by the undermentioned directors.

The manner of presentation of the annual financial statements, the selection of accounting policies and the integrity of the financial information are the responsibility of the board of directors.

To fulfil its responsibilities, the board of directors has developed and continues to maintain a system of internal controls. These controls are based on established policies and procedures, are implemented by trained skilled personnel with an appropriate segregation of duties and are closely monitored by the board of directors.

We believe the controls in use are adequate to provide reasonable assurance that assets are safeguarded from loss or unauthorised use and that the financial records may be relied on for preparing the financial statements and maintaining accountability for assets and liabilities.

Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

After conducting appropriate procedures the directors are satisfied that the company will be a going concern for the foreseeable future and have continued to adopt the going concern basis in preparing the annual financial statements.

The board of directors are primarily responsible for the financial affairs of the group. The auditors are responsible for independently auditing and reporting on the group's annual financial statements and the relevant underlying financial controls.

The audit committee is comprised three non-executive directors and meets bi-annually with the auditors. The auditors have free access to this committee.

The annual financial statements have been examined by the group's auditors and their report is presented on page 29. The auditors are appointed each year based on recommendation by the audit committee.

M S Goldberg
Executive chairman
Sandton
23 October 2013

J A Goldberg
Chief executive officer

CERTIFICATE OF THE COMPANY SECRETARY

for the year ended 31 August 2013

I certify, in accordance with Section 88(2) of the Companies Act No. 71 of 2008 (as amended) that the company has lodged with the Registrar all such returns as are required by a public company in terms of this Act, for the year ended 31 August 2013. Furthermore, all such returns are true, correct and up to date.

B H Haikney
Company secretary
Sandton
23 October 2013

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NU-WORLD HOLDINGS LIMITED

We have audited the consolidated and separate financial statements of Nu-World Holdings Limited set out on pages 32 to 56, which comprise the statements of financial position as at 31 August 2013, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated and separate 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 about whether the consolidated and separate financial statements are free from material misstatement.

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

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

OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Nu-World Holdings Limited as at 31 August 2013, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the consolidated and separate financial statements for the year ended 31 August 2013, we have read the Directors' Report and the Company Secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Tuffias Sandberg KSi

Tuffias Sandberg KSi
Registered Auditors

Per Ashley Muller
Partner
Registered Auditor
Partner
23 October 2013

REPORT OF THE DIRECTORS

NATURE OF BUSINESS

The Company is a holding company listed on the JSE Limited South Africa. Its subsidiaries import and export a diversified range of electrical appliances, consumer electronics and branded consumer durables.

The results and state of affairs of the group are reflected in the attached financial statements and commentary thereon is provided in the managing director's review.

SHARE CAPITAL

Authorised share capital

The authorised share capital of the company comprises 30 000 000 ordinary shares of 1 cent each and 20 000 000 "N" ordinary shares of 0,1 cent each. There were no changes to the authorised share capital for the year under review.

Issued share capital

There were no changes in the issued share capital of the company during the year under review.

Unissued share capital

At the forthcoming annual general meeting, members will be asked to place the unissued share capital of the company under the control of the directors. A resolution for this purpose is included in the notice of the forthcoming annual general meeting.

The Nu-World Share Incentive Trust

The Nu-World Share Incentive Trust (the trust) was established in March 1994. In terms of the trust deed, the aggregate number of ordinary shares in the capital of the company, which may be made available for purposes of the trust, shall not exceed 10% of the company's issued share capital. The trust requires a minimum of two trustees. The current trustees are Messrs R Kinross, D Piaray and J M Judin. No trustee is a beneficiary of the trust.

Refer to note 24 in the attached financial statements for further details.

DIVIDEND

The Board has resolved to declare a dividend to shareholders of 59,4 cents per share.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant changes in the state of affairs of the Group occurred during the financial year:

i) On 21 January 2013, Nu-World Holdings Ltd acquired the remaining 50,1% of Palsonic China (H.K) Ltd.
ii) On 21 January 2013, Palsonic China (H.K) Ltd changed its name to Nu-World Global Ltd.
iii) On 15 April 2013, OO Australasia Pty Ltd disposed of the assets and business to a third party.
iv) On 24 April 2013, OO Australasia Pty Ltd disposed of its 51% holding in Golf and Sports Pty Ltd.
v) On 5 May 2013, OO Australasia Pty Ltd changed its name to Nu-World Australia Pty Ltd.
vi) On 14 May 2013, Yale Prima Pty Ltd acquired the remaining 49% share of Jaws Systems Australia Pty Ltd.
vii) On 31 July 2013, Yale Prima Pty Ltd acquired the remaining 49% share of Nu-World Australia Pty Ltd.

DIRECTORS

The composition of the board of directors during the year under review was as follows:

M S Goldberg (chairman), J A Goldberg (managing director), G R Hindle, J M Judin, D Piaray and R Kinross.

In terms of the Memorandum of Incorporation, Messrs G R Hindle, J M Judin, D Piaray and R Kinross retire at the forthcoming annual general meeting, but being eligible offer themselves for re-election.

SECRETARY

Mr B H Haikney was company secretary throughout the year.
Business and postal address:
The Secretary
35, 3rd Street, Wynberg.
P O Box 8964, Johannesburg.

SUBSIDIARY COMPANIES

Details of your company's investment in its subsidiaries are set out on page 57 to the annual financial statements.

DIRECTORS' INTEREST IN THE SHARES OF THE COMPANY

The directors' interest, directly and indirectly, in the issued share capital of the company at the year end represented 5,6%.

There have been no material changes in the directors' interest between 31 August 2013 and the date of this report.

EVENTS AFTER REPORTING DATE

No material facts or circumstances have occurred between 31 August 2013 and the date of this report.

The directors' remuneration in respect of the financial year ended 31 August 2013 was as follows:

Name	Directors' fees R'000	Basic salary R'000	Performance bonus R'000	Other allowances R'000	Total 2013 R'000	Total 2012 R'000
Executive						
M S Goldberg		4 012		420	4 432	4 347
J A Goldberg		4 012		420	4 432	4 347
G R Hindle		2 794		683	3 477	3 402
Non-executive						
R Kinross	145				145	145
D Piaray	145				145	145
J M Judin	175				175	175
	465	10 818	–	1 523	12 806	12 561

The directors' interests in the issued share capital of the Company was as follows:

Name	Direct beneficial	Indirect beneficial	Total 2013	Total 2012
Executive				
M S Goldberg	142 805	437 000	579 805	579 805
J A Goldberg	637 610		637 610	637 610
G R Hindle	4 470		4 470	4 470
Non-executive				
R Kinross	10 000		10 000	10 000
J M Judin		26 039	26 039	26 039

There have been no changes in the shareholding of the directors between the year-end and the date of this report.

STATEMENT OF FINANCIAL POSITION
as at 31 August 2013

		Group		Company	
		2013	2012	2013	2012
	Note	R'000	R'000	R'000	R'000
ASSETS					
Non-current assets		113 014	101 534	28 059	13 598
Property, plant and equipment	2	32 625	17 651		
Intangible assets	3	61 216	61 928		
Investment in subsidiaries	4			27 965	13 014
Investment in associates	5	94	584	94	584
Deferred taxation	6	19 079	21 371		
Current assets		789 685	861 787	5 698	4 490
Inventories	7	377 459	481 689		
Trade and other receivables	8	289 854	318 285	5 698	4 467
Cash and cash resources		122 372	10 084		
Taxation prepaid			23		23
Investment	9		51 706		
Total assets		902 699	963 321	33 757	18 088
EQUITY AND LIABILITIES					
Capital and reserves		711 111	696 183	33 733	18 088
Issued capital and premium	10	19 481	19 481	21 369	21 369
Treasury shares		(23 685)	(23 601)		
Foreign currency translation reserve		19 226	12 223		
Accumulated profits/(losses)		660 373	641 708	9 804	(5 841)
Share based payment reserve	11	2 560	2 560	2 560	2 560
Capital and reserves attributed to equity holders of the company		677 955	652 371	33 733	18 088
Non-controlling interest		33 156	43 812		
Non-current liabilities		9 516	14 432	–	–
Deferred taxation	6	9 516	14 432		
Current liabilities		182 072	252 706	24	–
Borrowings	12		20 000		
Trade and other payables	13	151 368	150 980	21	
Provisions	14	12 909	12 841		
Taxation		5 629	4 160	3	
Bank overdraft		12 166	64 725		
Total equity and liabilities		902 699	963 321	33 757	18 088

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 August 2013

		Group		Company	
		2013	2012	2013	2012
	Note	R'000	R'000	R'000	R'000
Continuing operations					
Revenue	15	1 684 064	1 716 071	29 584	2 799
Cost of sales		1 267 956	1 263 480		
Gross profit		416 108	452 591	29 584	2 799
Other income		9 164	4 509		
Operating expenses		354 969	372 519	1 142	1 110
Operating profit before interest	16	70 303	84 581	28 442	1 689
Interest paid		7 226	13 224		
Profit before taxation		63 077	71 357	28 442	1 689
Taxation	17	14 514	12 067	25	23
Net profit after taxation		48 563	59 290	28 417	1 712
Share of profit attributable to associated companies		24	28	24	28
Net profit for the year from continuing operations		48 587	59 318	28 441	1 740
Discontinued operations					
Loss for the year from discontinued operations	18	(12 481)	(16 667)		(2 085)
Net profit/(loss) for the year		36 106	42 651	28 441	(345)
Other comprehensive income:					
Exchange differences on translating foreign operations		5 482	10 774	–	–
Gains arising during the year		7 831	15 399		
Taxation		(2 349)	(4 625)		
Other comprehensive income for the year net of taxation		5 482	10 774	–	–
Total comprehensive income/(loss) for the year		41 588	53 425	28 441	(345)
Net profit attributable to:					
Non-controlling interest		(351)	4 256		
Equity holders of the Company		36 457	38 395	28 441	(345)
		36 106	42 651	28 441	(345)
Total comprehensive income attributable to:					
Non-controlling interest		1 877	10 511		
Equity holders of the Company		39 711	42 914	28 441	(345)
		41 588	53 425	28 441	(345)
Basic earnings per share (cents)	19	170,2	179,2		
Headline earnings per share (cents)	19	192,8	179,2		
Diluted basic earnings per share (cents)	19	163,1	171,8		
Diluted headline earnings per share (cents)	19	184,7	171,8		
Basic earnings per share from continuing operations (cents)	19	268,4	256,9		
Diluted basic earnings per share from continuing operations (cents)	19	257 ,2	246,6		
Dividend declared per share (cents)	20	59,4	56,5		

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 August 2013

	Issued share capital R'000	Share premium R'000	Treasury share R'000	Foreign currency translation reserve R'000	Accumulated profits R'000	Share-based payment reserve R'000	Total R'000	Non-controlling interest R'000	Total equity R'000
GROUP									
Balance at 31 August 2011	226	25 936	(23 601)	7 704	603 313	2 560	616 138	35 781	651 919
Total comprehensive income for the year				4 519	38 395		42 914	10 511	53 425
Dividend paid		(6 681)					(6 681)	(2 480)	(9 161)
Balance at 31 August 2012	226	19 255	(23 601)	12 223	641 708	2 560	652 371	43 812	696 183
Total comprehensive income for the year				7 003	36 457		43 460	(15 653)	27 807
Dividend paid					(12 795)		(12 795)		(12 795)
Treasury share movement			(84)				(84)		(84)
Transfer of non-controlling interest on disposal and deconsolidation of subsidiaries					(4 997)		(4 997)	4 997	
Balance at 31 August 2013	226	19 255	(23 685)	19 226	660 373	2 560	677 955	33 156	711 111

	Share-based payment reserve R'000	Issued share capital R'000	Share premium R'000	Accumulated profits R'000	Total equity R'000
COMPANY					
Balance at 31 August 2011	2 560	226	27 824	(5 496)	25 114
Total comprehensive income for the year				(345)	(345)
Dividend paid			(6 681)		(6 681)
Balance at 31 August 2012	2 560	226	21 143	(5 841)	18 088
Total comprehensive income for the year				28 440	28 440
Dividend paid				(12 795)	(12 795)
Balance at 31 August 2013	2 560	226	21 143	9 804	33 733

STATEMENT OF CASH FLOWS

for the year ended 31 August 2013

		Group		Company	
		2013	2012	**2013**	2012
	Note	**R'000**	R'000	**R'000**	R'000
Cash flows from operating activities		**123 375**	(139 363)	**14 461**	(6 300)
Receipts from customers		**1 971 388**	2 033 074)	**28 352**	1 550
Paid to suppliers and employees		**(1 814 778)**	(2 143 340)	**(1 096)**	(1 208)
Cash generated from/(absorbed by) operations	21.1	**156 610**	(110 266)	**27 256**	342
Investment income		**550**	1 754		
Interest paid		**(7 226)**	(13 224)		
Taxation paid	21.2	**(13 764)**	(8 466)		39
Dividends paid	21.3	**(12 795)**	(9 161)	**(12 795)**	(6 681)
Cash flows from investing activities		**41 472**	(3 078)	**(14 461)**	6 300
Additions to property, plant and equipment		**(27 169)**	(5 874)		
Purchase of intangible assets		**(31 706)**			
Proceeds on disposal of property, plant and equipment		**3 037**	113		
Loans to associates		**514**	(29)	**490**	(29)
Proceeds on disposal of assets in discontinued operations		**45 174**			
(Decrease)/increase in amounts due by subsidiaries				**(14 951)**	6 329
Increase in investment in treasury shares		**(84)**			
Proceeds on disposal of financial assets		**51 706**			
Proceeds on disposal of assets held for sale			2 712		
Cash flows from financing activities		**–**	–	**–**	–
Net increase/(decrease) in cash and cash equivalents		**164 847**	(142 441)	**–**	–
Cash and cash equivalents at the beginning of the year		**(54 641)**	87 800		
Cash and cash equivalents at the end of the year		**110 206**	(54 641)	**–**	–

1. Basis of preparation and accounting policies

1.1 General information

Nu-World Holdings Limited is a company incorporated in South Africa.

The address of its registered office is 35, 3rd Street, Wynberg, Sandton, 2199.

The principal business of the company is a holding company listed on the JSE Securities Exchange South Africa. Its subsidiaries import and export a diversified range of electrical appliances, consumer electronics and branded consumer durables.

The annual financial statements have been presented in South African Rand, and all amounts have been rounded to the nearest thousand Rand.

1.2 Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS, its interpretations adopted by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) and the requirements of the Companies Act.

1.3 Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial instruments to fair value.

1.4 Accounting policies

The financial statements incorporate the following principal accounting policies, which have been applied consistently in all material respects with those applied in the previous year.

1.4.1 Basis of consolidation

The consolidated financial statements include those of Nu-World Holdings Limited and its subsidiaries. A subsidiary being defined as a company in which Nu-World has the power to govern the financial and operating activities. The results of any subsidiary acquired or disposed of during the year are included from the date effective control commenced to the date that effective control ceased. Significant intercompany transactions and balances and any resultant unrealised profits have been eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein.

1.4.2 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

1.4.3 Investment in subsidiaries

Investment in subsidiaries are stated at cost less impairment losses.

1.4.4 Investment in associates

Investments in associated undertakings are accounted for by the equity method of accounting. These are undertakings over which the Group has between 20% and 50% of the voting rights, and over which the Group exercises significant influence, but which it does not control. Provisions are recorded for long-term impairment in value.

Equity accounting involves recognising in the statement of comprehensive income the Group's share of the associates' profit and loss for the year. The Group's interest in the associate is carried in the statement of financial position at an amount that reflects its share of the net assets of the associate and includes goodwill on acquisition.

1.4.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and are depreciated on the reducing balance basis to reduce their cost to their residual values over their estimated useful lives. Depreciation is provided at the following rates:

Property	Nil
Plant and machinery	7,5% – 30%
Moulds and dies	15%
Computers and software	10% – 50%
Motor vehicles	22,5% – 25%
Equipment	10% – 30%
Furniture, fixtures and fittings	7,5% – 22,5%
Leasehold improvements	2,5% – 30%

The assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

1.4.5 Property, plant and equipment (continued)

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit and loss in the period.

1.4.6 Treasury shares

Treasury shares represent the shares in Nu-World Holdings Limited that are held by controlled entities. These shares are held at cost and treated as a deduction against Group reserves.

1.4.7 Inventories

Inventories are valued at the lower of cost or net realisable value. Cost is determined on the weighted average basis. Net realisable value is the estimate of the selling price in the ordinary course of business less the costs of completion and selling expenses. Specific provisions are made for slow moving, obsolete and redundant inventories.

1.4.8 Foreign currencies

Foreign operations

The statements of financial position of the consolidated foreign subsidiaries are translated into South African Rand at rates of exchange ruling at year end. The related statements of comprehensive income are translated at the weighted average rate of exchange for the period. Aggregate gains or losses on the translation of the foreign subsidiaries are taken directly to a foreign currency translation reserve.

Foreign currency transactions and balances

Transactions in foreign currencies are translated at the rate of exchange ruling on the transaction dates. Gains and losses on settlement of these amounts are included in operating profit when they arise.

Monetary assets and liabilities denominated in foreign currencies are brought to account or valued at the rates of exchange ruling at the reporting date. Unrealised differences on monetary assets and liabilities are recognised in the statement of comprehensive income in the period in which they occur.

1.4.9 Financial instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Loans and receivables

Loans and receivables are measured on initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Held-to-maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method less any impairment.

Cash and cash resources

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

Borrowings and trade and other payables

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

Derivatives

Derivatives including forward foreign exchange contracts and financial future options are categorised as financial assets at fair value through profit or loss. Purchases and settlements of derivative financial instruments are recognised on the trade date at cost and are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of derivative financial instruments are included in the statement of comprehensive income as other income or other expenses in the period in which they arise. The fair value of forward foreign exchange contracts and financial future options is determined using exchange rates at the reporting date.

1.4.10 Earnings per share

Earnings per share has been calculated on the basis of net profit attributable to equity holders of the company in relation to the weighted average number of shares in issue during the financial year.

1.4.11 Income tax

Tax expenses

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year.

Current tax assets and liabilities

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

Deferred taxation

Deferred taxation is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted taxation rates are used to determine deferred taxation. Deferred taxation assets are recognised to the extent that it is probable that future taxable profits will be available against which to offset the deductible temporary difference.

Management applies judgement to determine whether sufficient future taxable profits will be available after considering, amongst others, factors such as profit histories, forecasted cash flows and budgets.

1.4.12 Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the economic entity to an employee superannuation fund and are charged as expenses when incurred. There is no legal obligation to provide benefits to employees on retirement.

1.4.13 Discontinued operations

A discontinued operation results from the sale or abandonment of an operation that represents a separate major line of business or geographical area of operations and of which the assets, net profit or loss and activities can be distinguished physically, operationally and for financial reporting purposes. A subsidiary acquired exclusively with the view to resale is also classified as a discontinued operation. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative period.

1.4.14 Revenue recognition

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

Rental income from operating leases is recognised on a straight-line basis over the terms of the lease in profit or loss. Initial direct costs incurred in negotiating and arranging the operating leases are included in the carrying amount of the leased asset and recognised in profit or loss on a straight line basis over the lease terms.

Interest income is recognised on a time proportion basis.

Dividend income is recognised when shareholders are entitled to such dividend.

1.4.15 Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

1.4.16 Intangible assets

Goodwill

The difference between the fair value of the consideration paid and the fair value of net tangible assets of subsidiaries at the date of acquisition is charged or credited to goodwill arising on consolidation. Goodwill is not amortised, instead it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

If the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the company shall:

- reassess the identification and measurement of the identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and
- recognise immediately in profit or loss any excess remaining after that assessment.

Intellectual property

Intellectual property is recognised at directors valuation on the acquisition of subsidiary. Intellectual property has a finite useful life and is carried at directors' initial valuation less any accumulated amortisation and any impairment losses. Intellectual property is amortised over its useful life, which is estimated to be 20 years. The useful life will be reviewed at each reporting date.

Trademarks

Trademarks that are acquired separately are recognised as assets at their historical cost. Trademarks with indefinite useful lives are carried at cost less accumulated impairment losses.

1.4.17 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.4.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.4.19 Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. Fair value has been calculated using the binomial pricing model. The expected life used in the model has been adjusted, based on management's estimates for the effects of non-transferability, exercise restrictions and behavioural considerations.

1.4.20 Adoption of new and revised accounting standards

During the year the Group adopted all of the new and revised International Accounting Standards and Interpretations applicable to its operations which became mandatory.

1.4.21 Significant judgements and sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Provision for doubtful debts of trade debtors

A provision for impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade debtor is impaired. The amount of the provision is the difference between the trade debtor's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Property, plant and equipment

Property, plant and equipment is depreciated on a reducing balance basis over its useful life to residual value. Residual values and useful lives are based on management's best estimates and actual future outcomes may differ from these estimates.

The Group annually tests whether property, plant and equipment has suffered any impairment. When performing impairment testing, the recoverable amount is determined for the individual asset. If the asset does not generate cash flows that are largely independent from other assets or groups of assets then the recoverable amounts of cash-generating units that those assets belong to are determined based on discounted future cash flows.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves an exercise of significant judgement and estimates of the outcome of future events.

Impairment of intellectual property

The Group assesses impairment at the end of each reporting year by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Warranty provisioning

Provision is made in respect of the consolidated Group's estimated liability on all products and services under warranty at reporting date. The provision is measured as the present value of future cash flows estimated to be required to settle the warranty obligation. The future cash flows have been estimated by reference to the consolidated Group's history of warranty claims.

Warranty provisioning is determined with reference to historical sales, the average period of warranties granted and data available to estimate a return pattern which is likely to occur in the future periods. Allowance is made for the estimated amount to be recovered from inventory that may be salvageable in the future.

Extended warranties are brought to account based on standard and current patterns in industry date regarding recognition and deferral criteria.

Employee entitlements

In calculating the present value of future cash flows in respect of provision for long service leave, directors have used their judgement in determining the probability of retention of the employees.

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
2. Property, plant and equipment				
Cost				
Property	25 249			
Plant and machinery	4 580	11 443		
Motor vehicles	6 875	7 396		
Office equipment and furniture	19 626	29 543		
Leasehold improvements	1 605	12 966		
	57 935	61 348		
Accumulated depreciation				
Plant and machinery	2 862	7 219		
Motor vehicles	5 396	5 440		
Office equipment and furniture	16 470	22 681		
Leasehold improvements	582	8 357		
	25 310	43 697		
Net carrying amount				
Property	25 249			
Plant and machinery	1 718	4 224		
Motor vehicles	1 479	1 956		
Office equipment and furniture	3 156	6 862		
Leasehold improvements	1 023	4 609		
	32 625	17 651		

Movement summary	Property R'000	Leasehold improvements R'000	Plant and machinery R'000	Other fixed assets R'000	Total R'000
Opening net carrying amount		4 609	4 224	8 818	17 651
Additions	25 249	159	64	1 697	27 169
Disposals		(3 260)	(2 137)	(3 337)	(8 734)
Depreciation		(433)	(535)	(3 049)	(4 017)
Translation difference		(52)	102	506	556
Closing net carrying amount	25 249	1 023	1 718	4 635	32 625

	Group		Company	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
3. Intangible assets				
Trademarks				
Balance at beginning of year				
Acquired during the year	31 706			
Balance at end of year	31 706	–		
Intellectual property				
Balance at beginning of year	14 155	13 182		
Amount impaired during year	(14 155)			
Translation difference		973		
Balance at end of year	–	14 155		
Goodwill				
Balance at beginning of year	47 773	43 484		
Amount impaired during year	(22 381)			
Translation difference	4 118	4 289		
Balance at end of year	29 510	47 773		
	61 216	61 928		
The carrying amount of goodwill is attributable to the following cash-generating units:				
Consumer goods – internet sales		22 381		
Consumer goods – direct wholesale business	29 510	25 392		
Balance at end of year	29 510	47 773		

The recoverable amount of both cash-generating units is determined based on a value in use calculation which uses flows projections based on financial budgets approved by the directors covering a five-year period, and a discount rate of 8% per annum (2012: 8% per annum).

Cash flow projections during the budgeted period are based on the same expected gross margins and varying price inflation throughout the budgeted period. The Directors believe that any possible change in the key assumptions on which recoverable amount is based would cause the aggregate carrying amounts to exceed the aggregate recoverable amount of the cash-generating units.

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
4. Investment in subsidiaries				
Shares at valuation			85 568	85 556
Amount owing by subsidiaries			(57 603)	(72 542)
			27 965	13 014
The above loans are unsecured, interest free, with no fixed terms of repayment. Refer to page 57 for analysis of subsidiaries.				
5. Investment in associates				
On 1 September 2009 the Group acquired a 49% share of Lefase Logistics (Proprietary) Limited				
Shares at cost	29	29	29	29
Equity accounted share of retained earnings	65	41	65	41
	94	70	94	70
On 21 January 2013 the group acquired 100% of Palsonic China (H.K) Limited and subsequently the name of the company was changed to Nu-World Global Limited.				
Share at cost		765		765
Amount owing by associate		2 323		2 323
Fair value adjustment		(2 085)		(2 085)
Equity accounted share of retained earnings		(489)		(489)
		514		514
	94	584	94	584
6. Deferred taxation				
Balance at beginning of year	(6 939)	(10 769)		
Charge to profit or loss	(741)	(33)		
– capital allowances	(2 166)	(897)		
– other temporary differences	(882)	27		
– foreign asset	2 307	837		
Transferred to liabilities associated with assets held for sale		2 213		
Charged to other comprehensive income – translation reserve	(1 883)	1 650		
	(9 563)	(6 939)		
Balance consists of:				
Asset	(19 079)	(21 371)		
Computed tax losses	(19 079)	(21 371)		
Liability	9 516	14 432		
Capital allowances	1 227	3 392		
Other temporary differences	(1 350)	(467)		
Translation reserve	9 639	11 507		
	(9 563)	(6 939)		

		Group		Company	
		2013	2012	**2013**	2012
		R'000	R'000	**R'000**	R'000
7.	**Inventories**				
	Raw materials		1 136		
	Finished goods	**377 459**	480 553		
		377 459	481 689		
8.	**Trade and other receivables**				
	Trade receivables	**212 144**	226 224		
	Other	**77 710**	92 061	**5 698**	4 467
		289 854	318 285	**5 698**	4 467
	Ageing of past due but not impaired trade receivables				
	Not past due	**205 945**	215 675		
	Past due				
	90 – 120 days	**4 871**	2 048		
	+ 120 days	**1 328**	8 501		
		212 144	226 224		
	The maximum exposure to credit risk for gross trade and other receivables at the reporting date by geographical region was:				
	South Africa	**210 810**	280 219	**5 698**	4 467
	Australasia	**50 072**	36 954		
	Africa	**1 863**	1 218		
	Asia	**27 109**	(106)		
		289 854	318 285	**5 698**	4 467
	In line with the Group's accounting policies, total accruals of R27 946 366 (2012: R31 764 483) are held in respect of the Group's total trade receivables. These accruals relate to, inter alia, customer returns and claims.				
9.	**Investment**				
	Unlisted investment at cost				
	HY Investments 19 (Proprietary) Limited		51 706		
	Classified as:				
	Non-current assets				
	Current assets		51 706		
		–	51 706		
	2 redeemable cumulative preference shares redeemed on 18 October 2013.				
	Dividends were receivable at an annual rate of 10,6% nominal, compounded semi-annually.				
10.	**Share capital and premium**				
	Authorised				
	30 000 000 ordinary shares of 1 cent each	**300**	300	**300**	300
	20 000 000 'N' ordinary shares of 0,1 cent each	**20**	20	**20**	20
		320	320	**320**	320

		Group		Company	
		2013 R'000	2012 R'000	2013 R'000	2012 R'000
10.	**Share capital and premium (continued)**				
	Issued				
	22 646 465 (2012: 22 646 465) ordinary shares of 1 cent each	226	226	226	226
	Share premium	19 255	19 255	21 143	21 143
	Capital distribution	(108 589)	(108 589)	(108 589)	(108 589)
	Arising on shares issued	133 106	133 106	133 106	133 106
	Share issue expenses written off	(3 374)	(3 374)	(3 374)	(3 374)
	Goodwill arising on consolidation	(1 888)	(1 888)		
		19 481	19 481	21 369	21 369
11.	**Share-based payment reserve**				
	Equity arising on share-based payment transactions	2 560	2 560	2 560	2 560
12.	**Borrowings**		20 000		
	The loan from Gap Finance 19 (Proprietary) Limited was repayable on 18 October 2013, bore interest at a fixed rate of 12,05% compounded semi annually in arrear and was secured by a fellow subsidiary of Nu-World Holdings Ltd.				
	Classified as:				
	Non-current liabilities				
	Current liabilities		20 000		
		–	20 000		
13.	**Trade and other payables**				
	Trade payables	112 740	120 908		
	Accrued expenses	23 142	15 001	21	
	Value added tax	7 160	10 598		
	Other payables	8 326	4 473		
		151 368	150 980	21	–
	The directors consider the carrying amount of trade and other payables to approximate their fair value. The credit period of trade payables ranges between 30 and 90 days.				
14.	**Provisions**				
	Warranty provisions	10 893	10 097		
	Employee bonus provisions	2 016	2 744		
		12 909	12 841		
	Analysis of movement:				
	Warranty provisions				
	Opening balance	10 097	11 307		
	Additional provision raised for the year	878	2 727		
	Utilisation of provision	(82)	(3 937)		
	Closing balance	10 893	10 097		
	Employees bonus provisions				
	Opening balance	2 744	3 033		
	Additional provision raised for the year	1 800	3 755		
	Utilisation of provision	(2 528)	(4 044)		
	Closing balance	2 016	2 744		

14. Provisions (continued)

Employees bonus provisions

These bonuses are due to be paid in December each year. These bonuses were approved the remuneration committee, and are payable at the discretion of the managing director.

Warranty provisions

The warranty provisions represent management's best estimate of the Group's liability under the 12 month warranties granted on household domestic products and electronics and based on prior experience, industry averages for defective products and new legislation.

	Group		Company	
	2013 R'000	2012 R'000	**2013 R'000**	2012 R'000
15. Revenue				
15.1 Group				
Continuing operations	1 684 064	1 716 071		
Discontinued operations	258 893	407 288		
	1 942 957	2 123 359		
Consolidated revenue comprises the net invoiced value of goods supplied to customers, less trade discounts and rebates where applicable.				
15.2 Company				
Revenue comprises dividends and interest received from subsidiary companies.			29 584	2 799
16. Operating profit				
Operating profit is arrived at after taking into account:				
From continuing operations:				
Income				
Foreign exchange profits	5 339	15 348		
Investment income	550	1 754		
Profit on disposal of property, plant and equipment		22		
Expenditure				
Auditors' remuneration	1 462	1 643	50	23
Audit fees	948	1 247	41	18
Fees for other services	514	396	9	5
Depreciation of property, plant and equipment	1 619	1 763		
Plant and machinery	78	60		
Leasehold improvements	384	439		
Motor vehicles	314	419		
Office equipment and furniture	843	845		
Directors' executive emoluments				
Paid by company	465	465	465	465
Paid by subsidiary	17 017	23 583		
Loss on disposal of property, plant and equipment	285			
Operating lease rentals				
Property	10 485	13 388		
Staff costs	70 251	73 663		

		Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
16.	**Operating profit (continued)**				
	From discontinued operations:				
	Depreciation of property, plant and equipment	2 397	3 939		
	Plant and machinery	457	935		
	Leasehold improvements	49	389		
	Motor vehicles	195	108		
	Office equipment and furniture	1 696	2 507		
	Fair value adjustment to assets held for sale		8 329		
	Fair value adjustment to investment in associated company		2 085		2 085
	Loss on disposal of assets held for sale		1 179		
	Operating lease rentals				
	Property	4 607	6 917		
	Staff costs	29 554	45 123		
17.	**Taxation**				
17.1	**From continuing operations:**				
	Charge to profit or loss				
	South African normal taxation	(16 180)	(12 030)	(25)	23
	– current year	(16 180)	(15 492)	(25)	23
	– prior year		3 462		
	South African deferred taxation	3 049	870		
	– current year	3 049	870		
	Foreign taxation	925	(70)		
	– current year	925	(70)		
	Foreign deferred taxation	(2 308)	(837)		
	– current year	(2 308)	(837)		
		(14 514)	(12 067)	(25)	23
17.2	**From discontinued operations:**				
	South African normal taxation				
	Current	–	(10)		
	– current year		(10)		
	Foreign taxation	2 224			
	– current year	2 224	(1 601)		
		2 224	(1 611)		
17.3	**Reconciliation of rates of taxation**				
	Statutory tax rate	28,00%	28,00%		
	Adjusted for:	(4,50%)	(3,71%)		
	Permanent differences		2,36%		
	Foreign taxation	(1,79%)	(0,08%)		
	Disallowable expenditure	(0,05%)	0,16%		
	Prior period adjustment	(2,66%)	(6,15%)		
	Effective tax rate	23,50%	24,29%		

	Group		Company	
	2013	2012	**2013**	2012
	R'000	R'000	**R'000**	R'000
18. Discontinued operations				
18.1 Plan to dispose of the assets and the business of OO Australasia Pty Ltd and its subsidiary				
On the 15 April 2013 the Group announced its decision to dispose of the assets and the business of OO Australasia Pty Ltd (subsequently changed its name to Nu-World Australia Pty Ltd) and to dispose of its interest in Golf and Sports Pty Ltd, thereby discontinuing its operations in these business segments. The announcement was made subsequent to approval by the Group's management and shareholders. Financial information relating to these entities has been presented as discontinued operations in these financial statements.				
18.2 Analysis of loss for the year from discontinued operations				
The results of the discontinued operations, included in the consolidated statement of comprehensive income, are set out below.				
Loss for the year from discontinued operations				
Revenue	**258 893**	407 288		
Cost of sales	**191 657**	303 345		
Gross profit	**67 236**	103 943		
Operating expenses	**(73 579)**	(108 585)		
Operating loss before taxation	**(6 343)**	(4 642)		
Taxation	**2 224**	(1 611)		
	(4 119)	(6 253)		
Outside shareholders interest	**(1 136)**			
	(5 255)	(6 253)		
Loss attributable to disposal of assets in Nu-World Australia Pty Ltd	**(18 887)**			
Gain attributable to disposal of shares in Golf and Sports Pty Ltd	**3 113**			
Outside shareholders interest	**8 548**			
Loss on remeasurement of assets held for sale to fair value less costs to sell		(8 329)		
Fair value adjustment to investment in associated company		(2 085)		(2 085)
Loss for the year from discontinued operations	**(12 481)**	(16 667)	**–**	(2 085)

		Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
19.	**Earnings and headline earnings per share**				
	Reconciliation of basic/diluted basic earnings to headline earnings:				
	Basic and diluted basic earnings	36 457	38 395		
	Adjusted for:				
	IAS 16 gains on disposal of plant and equipment	(20 992)			
	IAS 38 impairment of intangible assets	29 128			
	Non-controlling interest effects of adjustments	(3 307)			
	Headline earnings and diluted headline earnings	41 286	38 395		
	Basic earnings per share is based on:				
	Weighted average number of shares (000)	21 418	21 420		
	Basic earnings	36 457	38 395		
	Headline earnings per share is based on:				
	Weighted average number of shares (000)	21 418	21 420		
	Headline earnings	41 286	38 395		
	Diluted basic earnings per share is based on:				
	Diluted weighted average number of shares (000)	22 349	22 350		
	Diluted basic earnings	36 457	38 395		
	Diluted headline earnings per share is based on:				
	Diluted weighted average number of shares (000)	22 349	22 350		
	Diluted headline earnings	41 286	38 395		
	Basic earnings per share from continuing operations is based on:				
	Weighted average number of shares (000)	21 418	21 420		
	Basic earnings from continuing operations	57 486	55 062		
	Diluted basic earnings per share from continuing operations is based on:				
	Diluted weighted average number of shares (000)	22 349	22 350		
	Diluted basic earnings from continuing operations	57 486	55 062		
20.	**Dividend**	13 452	12 795	13 452	12 795
	It is the Company's policy to declare only one dividend per year. The Board has resolved to declare a dividend of 59,4 cents (2012: 56,5 cents) per share in respect of the year ended 31 August 2013.				

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
21. Cash flow information				
21.1 Cash generated from operations				
Net profit/(loss) before interest and taxation	49 274	69 526	28 466	(396)
Adjustments for:				
Fair value adjustment of assets held for sale		8 329		
Depreciation	4 017	5 703		
Fair value adjustment of investment in associate		2 085		2 085
Loss/(profit) on disposal of property, plant and equipment	285	(22)		
Investment income	(550)	(1 754)		
Translation difference	1 775	6 636		
Loss attributable to disposal of assets in Nu-World Australia Pty Ltd	18 887			
Loss on disposal of assets held for sale		1 179		
Transfer of non-controlling interest on disposal and amortisation of subsidiary	(4 997)			
Operating profit before working capital changes	68 691	91 682	28 466	1 689
Working capital changes	87 919	(201 948)	(1 210)	(1 347)
Decrease/(increase) in inventories	45 321	(108 804)		
Decrease/(increase) in trade and other receivables	25 540	(77 043)	(1 232)	(1 249)
Increase/(decrease) in trade and other payables	17 058	(16 101)	22	(98)
	156 610	(110 266)	27 256	342
21.2 Taxation paid				
Amount (unpaid)/prepaid at beginning of year	(4 137)	1 108	23	39
Amounts charged to the income statement	(15 256)	(13 711)	(26)	(23)
Amounts unpaid at end of year	5 629	4 137	3	23
	(13 764)	(8 466)	–	39
21.3 Dividends paid				
Amounts unpaid at beginning of year				
Dividends paid	(12 795)	(2 480)	(12 795)	
Capital distribution		(6 681)		(6 681)
Amounts unpaid at end of year				
	(12 795)	(9 161)	(12 795)	(6 681)

22. Related party transactions

Transactions with Group companies

Nu-World Industries (Proprietary) Limited; Nu-World Strategic Investments (Proprietary) Limited; Conti Marketing (Proprietary) Limited; Conti Industries (Proprietary) Limited; Yale Prima Proprietary Limited and Nu-World Global Limited are subsidiaries of Nu-World Holdings Limited.

Related party transactions are conducted at arms length.

Transactions with related parties

Nu-World Industries (Proprietary) Limited is a wholly-owned subsidiary and the main trading entity of the Group.

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
23. Retirement benefits				
The Group contributes to either a defined contribution pension fund or provident fund. These funds are registered under the Pension funds Act, 1956.				
Non-scheduled employees may choose to which fund they wish to belong.				
Defined contribution expenses	6 443	6 645		

	2013 Shares	2012 Shares
24. Share incentive and option scheme		
The Group has an equity-settled share based payment scheme for executive and senior employees of the Group. In accordance with the provisions of the scheme, it provides for share options as approved by the remuneration committee.		
Total number of shares available to be utilised for the share incentive and option scheme:		
Opening balance – unissued shares	1 227 770	1 225 670
Shares purchased during the year	1 000	2 100
Shares issued during the year		
Closing balance – unissued shares	1 228 770	1 227 770
The above mentioned shares are under the control of the Company's executive directors.		

Share options granted	Number of shares	Expiry date	Allocation price (cents)	Exercise price (cents)	Fair value at grant date (cents)
Allocation November 2012	465 750	Sept 2014	1 650	1 650	1 650
Allocation November 2012	465 750	Aug 2015	1 650	1 650	1 650

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
25. Commitments				
Operating lease commitments				
Property				
Due within one year	13 803	13 882		
Due within two to five years	10 386	19 920		
	24 189	33 802		

Other commitments

At year end the Group had established letters of credit for the equivalent of R286 445 107 (2012: R298 020 324) in respect of future stock commitments.

26. Financial risk management

Senior executives meet on a regular basis to analyse interest rate exposures and evaluate treasury management strategies against revised economic forecasts. Compliance with Group policies and exposure limits are reviewed at quarterly meetings of the Board. The directors believe, to the best of their knowledge, that there are no undisclosed financial risks.

26.1 Interest rate management

As part of the process of managing the Group's fixed and floating borrowings, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates.

26.2 Foreign currency management

Trade exposure

The Group's policy is to cover trade commitments within an agreed treasury management policy which have been approved by the Board of Directors. The Group has entered into forward exchange contracts to cover foreign commitments not yet due.

The majority of forward cover is established to mature within a period of 90 days from the date the cover is taken and the commitments are always firm and ascertainable.

The Group does not speculate in trading of derivative instruments.

Details of these contracts are as follows:

	Foreign exchange contract		Foreign currency		Market value		Fair value adjustment	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
Currency	**R'000**	R'000	**'000**	'000	**R'000**	R'000	**R'000**	R'000
US Dollars	**72 930**	138 746	**7 333**	16 800	**75 424**	142 065	**2 494**	3 319

Foreign exchange sensitivity analysis

The Group is primarily exposed to the exchange rate fluctuations in relation to the US Dollar. An assessment of the Group's sensitivity to the Rand:Dollar exchange rate shows that should the Rand strengthen by 10% against the Dollar, the Group's profit before tax would decrease by R7 542 408. A 10% weakening of the Rand versus the Dollar would result in a profit of the same amount.

26.3 Credit risk management

Potential concentrations of credit risk consist principally of trade receivables and short-term cash investments. The Group only deposits short-term cash surpluses with major banks of high quality credit standing. Trade receivables comprise a large, widespread customer base. The granting of credit is controlled via credit applications, rigorous credit reviews, and the assumptions therein are reviewed and updated on an ongoing basis. At 31 August 2013, the Group did not consider that any significant concentration of credit risk existed which had not been adequately provided for.

26.4 Liquidity risk

The Group manages liquidity risk by the proper management of working capital and cash flows. The risk of illiquidity is not considered probable as the Group has substantial banking facilities available. The Group is not subject to any restrictive funding arrangements.

27. Segmental information

Geographical areas from which reportable segments derive their revenue

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the geographic location of services delivered or provided.

The Group's reportable segments under IFRS 8 are therefore as follows:

South Africa – continuing operations
South Africa – discontinued operations
Offshore Subsidiaries – continuing operations
Offshore Subsidiaries – discontinued operations

27. Segmental information (continued)

The following is an analysis of the Group's revenue and results from operations by reportable segment.

	Segment revenue		Segment income	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
South Africa – continuing operations	1 242 044	1 362 569	41 441	56 349
South Africa – discontinued operations		8 859		(18 217)
Offshore subsidiaries – continuing operations	442 020	353 502	7 497	(1 287)
Offshore subsidiaries – discontinued operations	258 893	398 429	(12 481)	1 550
Total	1 942 957	2 123 359	36 457	38 395

Segment revenue reported above presents revenue generated from external customers. There were no inter-segment sales in the current year (2012: Nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies.

Segment income represents the profit earned by each segment. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

	August 2013 R'000	August 2012 R'000
Segment assets and liabilities		
South Africa	764 894	806 493
Offshore subsidiaries	137 805	156 829
Consolidated total assets	902 699	963 322
South Africa	128 311	213 977
Offshore subsidiaries	63 277	53 162
Consolidated total liabilities	191 588	267 139

For the purpose of monitoring segment performance and allocating resources between segments:

- All assets including goodwill are allocated to reportable segments. No assets are used jointly by reportable segments.
- All liabilities including borrowings are allocated to reportable segments. No liabilities are jointly liable by reportable segments.

Information about major customers

The Group has two customer groups (2012: two customer groups) that individually account for at least 10% or more of the Group's South African continuing operations revenue comprising 33.7% and 10.6% respectively (2012: 35.8% and 11.2%).

No other single customer group contributed 10% or more to the Group's South African operation nor the Offshore Subsidiaries for both 2013 and 2012.

28. Contingent liabilities

The Group has signed guarantee's for bank borrowings and other loan facilities on behalf of their wholly owned subsidiary, Nu-World Industries (Proprietary) Limited, which at year end amounted to R687 million (2012: R574 million).

29. Accounting statements issued, not yet effective

At the date of authorisation of these financial statements, the following new standards and interpretations and amendments to existing standards were in issue but not yet effective:

Standard	Details of amendment	Annual periods beginning on or after
IFRS 1, First-time adoption of International Financial Reporting Standards	• Amendments add an exception to the retrospective application of IFRSs to require that first-time adopters apply the requirements in IFRS 9 Financial Instruments and IAS 20 Accounting for Government Grants and Disclosure of Government Assistance prospectively to government loans existing at the date of transition to IFRSs.	1 January 2013
	• Annual Improvements 2009 – 2011 Cycle amendments clarify the options available to users when repeated application of IFRS 1 is required and to add relevant disclosure requirements.	1 January 2013
	• Annual improvements 2009 – 2011 Cycle amendments to borrowing costs.	1 January 2013
IFRS 7, Financial instruments: disclosures	• Amendments require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standards followed, and the related net credit exposure. This information will help investors understand the extent to which an entity has set off in its balance sheet and the effects of rights of set-off on the entity's rights and obligations.	1 January 2013
IFRS 9, Financial instruments	• New standard that forms part of a three-part project to replace IAS 39 Financial Instruments: Recognition and measurement.	1 January 2015
IFRS 10, Consolidated financial statements	• New standard that replaces the consolidation requirements in SIC-12 Consolidation-Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements. Standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company and provides additional guidance to assist in the determination of control where this is difficult to assess.	1 January 2013
	• Amendments to the transition guidance of IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, thus limiting the requirements to provide adjusted comparative information.	1 January 2013
	• IFRS 10 exception to the principle that all subsidiaries must be consolidated. Entities meeting the definition of 'Investment Entities' must be accounted for at fair value under IFRS 9, Financial Instruments, or IAS 39, Financial Instruments: Recognition and measurement.	1 January 2014
IFRS 11, Joint arrangements	• New standard that deals with the accounting for joint arrangements and focuses on the rights and obligations of the arrangement, rather than its legal form. Standard requires a single method for accounting for interests in jointly controlled entities.	1 January 2013
	• Amendments to the transition guidance of IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, thus limiting the requirements to provide adjusted comparative information.	1 January 2013

29. Accounting statements issued, not yet effective (continued)

Standard	Details of amendment	Annual periods beginning on or after
IFRS 12, Disclosure of interests in other entities	• New and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.	1 January 2013
IFRS 13, Fair value measurement	• New guidance on fair value measurement and disclosure requirements.	1 January 2013
IAS 1, Presentation of financial statements	• Annual improvements 2009-2011 Cycle: Amendments clarifying the requirements for comparative information including minimum and additional comparative information required.	1 January 2013
IAS 16, Property, plant and equipment	• Annual improvements 2009-2011 Cycle: Amendments to the recognition and classification of servicing equipment.	1 January 2013
IAS 19, Employee benefits	• Amendments to the accounting for current and future obligations resulting from the provision of defined benefit plans.	1 January 2013
IAS 27, Consolidated and separate financial statements	• Consequential amendments resulting from the issue of IFRS 10,11 and 12. • Requirement to account for interests in 'Investment Entities' at fair value under IFRS 9, Financial Instruments, or IAS 39, Financial Instruments: Recognition and measurement, in the separate financial statements of a parent.	1 January 2013
IAS 28, Investments in associates	• Consequential amendments resulting from the issue of IFRS 10,11 and 12.	1 January 2013
IAS 32, Financial instruments: presentation	• Amendments require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standards followed, and the related net credit exposure. This information will help investors understand the extent to which an entity has set off in its balance sheet the effects of rights of set-off on the entity's rights and obligations. • Annual improvements 2009 – 2011 Cycle: Amendments to clarify the tax effect of distribution to holders of equity instruments.	1 January 2013
IAS 34, Interim financial reporting	• Annual improvements 2009 – 2011 Cycle: Amendments to improve the disclosures for interim financial reporting and segment information for total assets and liabilities.	1 January 2013
IAS 36, Impairment of assets	• The amendment to IAS 36 clarifies the required disclosures of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.	1 January 2013
	Interpretations	
IFRIC 20 Stripping costs in the production phase of a surface mine.		1 January 2013

The directors anticipate that the adoption of these standards and interpretations and amendments to existing standards in future periods will have no material effect on the financial statements of the Group.

INTEREST IN SUBSIDIARIES

as at 31 August 2013

	Issued share capital		Effective shareholding		Shares at valuation		Loans receivable/ (payable)	
	2013	2012	2013	2012	2013	2012	2013	2012
	Rs	Rs	%	%	R'000	R'000	R'000	R'000
Direct interest								
Nu-World Industries (Proprietary) Limited	5 725	5 725	100,0	100,0	38 930	38 930	(13 242)	(110 354)
Nu-World Strategic Investments (Proprietary) Limited	1	1	100,0	100,0	1	1		
Conti Industries (Proprietary) Limited	35 401	35 401	100,0	100,0	15	15	(41 105)	
Conti Marketing (Proprietary) Limited	4 781	4 781	100,0	100,0	15	15	(32 447)	
Yale Prima Proprietary Limited	58 267	58 267	59,4	59,4	46 595	46 595	10 006	10 006
Nu-World Global Investments (Proprietary) Limited	100	100	100,0	100,0			4 332	27 806
Nu-World Property Investments (Proprietary) Limited	100	100	100,0	100,0				
Nu-World Global Limited	100		100,0		12		14 853	
The aggregate net profit after taxation of subsidiaries attributable to the company amounted to R36 457 289 (2012: R38 394 825).								
					85 568	85 556	(57 603)	(72 542)

Indirect interest

Prima Akai Proprietary Limited

Yale Appliance Group Proprietary Limited

CTG Yale Proprietary Limited

Nu-World Australia Proprietary Limited

Jaws Systems Australia Proprietary Limited

SHAREHOLDERS' CALENDER

Declaration of dividend	24 October 2013
Announcement of 2013 results	Published 24 October 2013
2013 annual financial statement to shareholders	Published November 2013
Record date	6 December 2013
Payment of dividend	9 December 2013
Annual general meeting	12 February 2014
Announcement of 2014 interim results	To be published April 2014

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the annual general meeting of shareholders in respect of the year ended 31 August 2013 will be held in the boardroom of Nu-World Holdings Limited at 35, 3rd Street, Wynberg, Sandton at 10h00 on Wednesday, 12 February 2014 for the purpose of considering and, if deemed fit, passing with or without modification the resolutions set out below, in the manner required by the Companies Act, 2008 (Act 71 of 2008), as amended (the Act); and subject to the Listings Requirements of the JSE Limited (JSE).

Record date to receive the notice of annual general meeting is Friday, 22 November 2013. Last date to trade to be eligible to vote is Friday, 31 January 2014. Record date to be eligible to vote is Friday, 7 February 2014. Last date for lodging forms of proxy is Monday, 10 February 2014.

Ordinary resolution number 1

"Resolved that the annual financial statements and Group annual financial statements together with reports of the directors and auditors for the year ended 31 August 2013 be approved."

Ordinary resolution number 2

In terms of the Company's MOI, at least one third of the directors are required to retire from office at every annual general meeting. Messrs M S Goldberg and J A Goldberg will not retire and thus will continue as directors. Curriculum vitae in respect of each director as at 31 August 2013 appear on page 8 and 9 of the annual report.

Accordingly, shareholders are requested to consider and, if deemed fit, to re-elect the directors named below by way of passing the separate ordinary resolutions set out below:

2.1 "Resolved that G R Hindle be and is hereby re-elected as a director of the Company."

2.2 "Resolved that J M Judin be and is hereby re-elected as a director of the Company."

2.3 "Resolved that D Piaray be and is hereby re-elected as a director of the Company."

2.4 "Resolved that R Kinross be and is hereby re-elected as a director of the Company."

Ordinary resolution number 3

"Resolved to elect, each by separate vote, the following independent non-executive directors as board members of the Nu-World Holdings Limited audit committee for the ensuing year:

1. J M Judin
2. D Piaray
3. R Kinross

Curriculum vitae in respect of each director as at 31 August 2013 appear on page 8 and 9 of the annual report."

Ordinary resolution number 4

"Resolved that the directors be and are hereby authorised to re-appoint Tuffias Sandberg KSi as auditors and Ashley Muller as the individual designated auditor of the Company, which appointment shall be valid until the next annual general meeting of the Company unless varied or revoked by any general meeting prior thereto and that their remuneration for the year ended 31 August 2013 be approved."

Ordinary resolution number 5

"Resolved to elect, each by separate vote, the following independent non-executive directors as board members of the Nu-World Holdings Limited social and ethics committee for the ensuing year:

5.1 J M Judin

5.2 D Piaray

5.3 R Kinross

Curriculum vitae in respect of each director as at 31 August 2013 appear on page 8 and 9 of the annual report."

Ordinary resolution number 6

"Resolved that subject to the Act and the Listings Requirements of the JSE, the directors of the Company be authorised, by way of a general authority to allot and issue ordinary shares of the Company for cash, in the share capital of the Company, subject to the following limitations:

- That this authority shall not extend beyond 15 (fifteen) months from the date of this annual general meeting, or the date of the next annual general meeting, whichever is the earlier date;
- That the shares will only be issued to 'public shareholders' as defined in the Listings Requirements of the JSE, and not to related parties;
- That a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within one financial year, 5% (five percent) or more of the number of shares of that class in issue prior to the issue;
- That issues in the aggregate in any one financial year may not exceed 5% (five percent) of the number of shares of that class of the Company's issued share capital (including instruments which are compulsorily convertible into shares of that class) at the date of application less any shares of that class issued, or to be issued in future arising from option/convertible securities issued during the current financial year, plus any shares to be issued pursuant to an announced, irrevocable and fully underwritten rights offer or to be issued pursuant to any acquisition for which final terms have been announced; and

- That, in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average trading price of the shares in question, as determined over the 30 (thirty) business days prior to the date that the price of the issue is determined or was agreed between the issuer and the party subscribing for the securities."

In terms of the Listing Requirements of the JSE, the approval of a 75% (seventy five percent) majority of votes cast by shareholders present or represented by proxy at this meeting is required for this resolution to become effective.

Ordinary resolution number 7

"Resolved to endorse, through a non-binding advisory vote, recommended by the King Code of Governance for South Africa 2009 (King III) to ascertain the shareholders' views on the Company's remuneration policy and its implementation. The Company's remuneration report is set out on page 17 of this report."

Special resolution number 1

"Resolved that in terms of section 66(8) and 66(9) of the Act, the Company be authorised to pay remuneration to its non-executive directors for their services as non-executive directors in accordance with a special resolution approved by shareholders within the previous two years as listed below."

	Fees year ended 31 August 2013	Fees year ended 31 August 2014
Lead non-executive board member	R175 000	R200 000
Non-executive board member	R145 000	R165 000

Special resolution number 2

"Resolved that the Company hereby approves, as a general approval contemplated in section 48 of the Act, and in terms of the Company's MOI, the acquisition by the Company or any of its subsidiaries from time to time of the issued ordinary shares of the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but subject to the MOI of the Company, the provisions of the Act and the Listings Requirements of the JSE as presently constituted and which may be amended from time to time, and provided:

- That any such acquisition of ordinary shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counter party;
- That this general authority shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
- That a paid press announcement will be published as soon as the Company or its subsidiaries has/have acquired ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of ordinary shares in issue prior to the acquisition pursuant to which the 3% (three percent) threshold is reached, and in respect of every 3% (three percent) thereafter, which announcement shall contain full details of such acquisitions. Such announcement must be made as soon as possible and in any event no later than 08h30 on the second day following the day the relevant threshold is reached or exceeded;
- That acquisitions by the Company and its subsidiaries of ordinary shares in the aggregate in any one financial year may not exceed 10% (ten percent) of the Company's issued ordinary share capital from the date of the grant of this general authority;
- That, in determining the price at which the Company's ordinary shares are acquired by the Company in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the weighted average of the market price at which such ordinary shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date of repurchase of such ordinary shares by the Company;
- That the Company may at any point in time only appoint one agent to effect any repurchase(s) on its behalf;
- A resolution has been passed by the Board of Directors, that the Board has authorised the repurchase, that the Company has satisfied the solvency and liquidity tests contemplated in Section 4 of the Companies Act, and that since the test was done there had been no material changes to the financial position of the Group; and
- That the Company may not repurchase securities during a prohibited period, as defined in the JSE Listings Requirements, unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to variation) and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period."

The reason for the special resolution is to grant the Company a general authority in terms of the Act for the acquisition by the Company or any of its subsidiaries of shares issued by the Company, which authority shall be valid until the earlier of the next annual general meeting of the Company or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the Company, provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this annual general meeting. The passing and registration of this special resolution will have the effect of authorising the Company or any of its subsidiaries to acquire shares issued by the Company.

The following information which is required by the JSE Listings Requirements with regard to the special resolution number 2, granting a general authority to the Company to repurchase securities, appears on the pages of the annual financial statements to which this notice of general meeting is annexed, namely:

Directors of the Company	page 8 and 9
Major shareholders	page26
Directors' interests in securities	page 30
Share capital of the Company	page 30

Litigation

There are no legal or arbitration proceedings, either pending or threatened against the Company or its subsidiaries, of which the Company is aware, which may have, or have had in the last 12 (twelve) months, a material effect on financial position of the Company or its subsidiaries.

Material changes

Save as disclosed in the report of the directors, there has been no material change in the financial and trading position of the Company or of its subsidiaries since 31 August 2013 and the date of this report.

Directors' responsibility statement

The directors, whose names are given on page 8 and 9 of the annual report, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the annual report and notice of annual general meeting contains all the information required by the JSE Listings Requirements.

Statement by the Board of directors of the Company

Pursuant to and in terms of the Listings Requirements of the JSE, the directors of the Company hereby state:

- That the intention of the directors of the Company is to utilise the authorities if at some future date the cash resources of the Company are in excess of its requirements;
- In this regard the directors will take account of, inter alia, an appropriate capitalisation structure for the Company, the long-term cash needs of the Company, and will ensure that any such utilisation is in the interests of shareholders;
- That the method by which the Company intends to re-purchase its securities and the date on which such re-purchase will take place, has not yet been determined; and
- That after considering the effect of a maximum permitted re-purchase of securities, the Company is, as at the date of this notice convening the annual general meeting of the Company, able to fully comply with the Listings Requirements of the JSE.

Nevertheless, at the time that the contemplated repurchase is to take place, the directors of the Company will ensure:

- That the Company and the Group will be able to pay their debts as they become due in the ordinary course of business for a period of 12 (twelve) months after the date of the general repurchase;
- That the consolidated assets of the Company and the Group, fairly valued in accordance with the accounting policies used in the Company's latest audited annual group financial statements, will be in excess of the consolidated liabilities of the Company and the Group for a period of 12 (twelve) months after the date of the general repurchase;
- That the issued share capital and reserves of the Company and the Group will be adequate for the purposes of the business of the Company and the Group for a period of 12 (twelve) months after the date of the general repurchase;
- That the working capital available to the Company and the Group will be sufficient for the Company and the Group's requirements for a period of 12 (twelve) months after the date of the general repurchase; and
- That the Company will provide its sponsor with all documentation as required in Schedule 25 of the JSE Listings Requirements, and will not commence any repurchase programme until the sponsor has signed off on the adequacy of its working capital, advised the JSE accordingly, and the JSE has approved this documentation.

Special resolution number 3

"Resolved that in terms of section 45 of the Act that the shareholders hereby approve of the Group providing, at any time and from time to time during the period of 2 (two) years commencing on the date of approval of this special resolution, any direct or indirect financial assistance as contemplated in such section of the Act to any 1 (one) or more related or inter-related companies or corporations of Nu-World provided:

- That the recipient or recipients of such financial assistance; the form, nature and extent of such financial assistance, and the terms and conditions under which such financial assistance is provided, are determined by the Board from time to time;
- That the Board may not authorise the Group to provide any financial assistance pursuant to this special resolution unless the Board meets all those requirements of section 45 of the Act which it is required to meet in order to authorise the Group to provide such financial assistance;
- That the Board is satisfied that immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test; and
- That such financial assistance to a recipient thereof is, in the opinion of the Board, required for the purpose of meeting all or any such recipient's operating expenses (including capital expenditure), and/or funding the growth, expansion, reorganisation or restructuring of the businesses or operations of such recipient, and/or funding such recipient for any other purpose which in the opinion of the Board is directly or indirectly in the interests of the Group."

The reason for and effect of this special resolution is to allow the Group to grant direct or indirect financial assistance to any company or corporation forming part of the Group, including in the form of loans or the guaranteeing of their debts. This authority will be in place for a period of two years from the date of adoption of this special resolution.

Ordinary resolution number 8

"Resolved that the directors of the Company be and are hereby authorised to sign all such documents and do all such things as may be necessary for or incidental to the registration or implementation of the resolutions set out in the notice convening the annual general meeting at which this ordinary resolution is to be considered."

In terms of section 63(1) of the Companies Act, before any person may attend or participate in a shareholders meeting such as the meeting convened in terms of this notice of annual general meeting, that person must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder, or as a proxy for a shareholder, has been reasonably verified. The company will regard presentation of an original of a meeting participants' valid license, identity document or passport to be satisfactory identification.

Each shareholder who, being a natural person is present in person or by proxy, or, being a company, is present by representative proxy at the annual general meeting is entitled to one vote on a show of hands. On a poll, each shareholder, whether present in person or by proxy, or by representation, is entitled to one vote for each share held.

Equity securities held by a share purchase trust or scheme will not have their votes at the annual general meeting taken into account for the purposes of resolutions proposed in terms of the JSE Listing Requirements. Unlisted securities and shares held as treasury shares may not vote.

Any member entitled to attend and vote is entitled to appoint a proxy or proxies to attend, speak and vote in his stead and the person so appointed need not be a member. A form of proxy is attached for use by certificated and own name dematerialised shareholders who cannot attend the annual general meeting and wish to be represented thereat. A form of proxy may be obtained from the registered office of the Company.

The attention of members is drawn to the fact that, to be effective, the completed proxy form must reach the transfer secretaries of the Company, Computershare Investor Services Proprietary Limited, Ground floor, 70 Marshall Street, Johannesburg, 2001 (P O Box 61051, Marshalltown, 2107), 48 hours (being 10h00 on Monday, 10 February 2014) before the scheduled time of the meeting. Shareholders whose shares have been dematerialised (other than by own name registration) must inform their CSDP or broker of their intention to attend the meeting and obtain the necessary Letter of Representation from the CSDP or broker to attend the meeting, or provide the CSDP or broker with voting instructions in terms of the custody agreement between them.

By order of the Board

B H Haikney
Company secretary
Sandton
22 November 2013

DIRECTORATE AND ADMINISTRATION

Directors	Mr Michael S Goldberg BCom MBA (Rand) Mr Jeffrey A Goldberg BSc (Eng) (Rand) Mr Graham R Hindle BAcc (Wits) CA(SA) Mr J Michael Judin DipLaw (Rand) Mr Richard Kinross BAcc (Unisa) CA(SA) Mr Desmond Piaray Chem Eng (Natal) BCom (Unisa) MBA (Wits)
Company secretary	Mr Bruce H Haikney CA(SA) 35 Third Street Wynberg Sandton, 2199
Registered office	35 Third Street Wynberg Sandton, 2199
External auditors	Tuffias Sandberg KSi Chartered Accountants (SA) Registered Auditors Building 8 Greenstone Hill Office Park Emerald Boulevard Greenstone Hill Extention 22 Edenvale, 1609
Transfer secretaries	Computershare Investor Services Proprietary Limited 70 Marshall Street Johannesburg, 2001
Bankers	ABSA Bank Limited China Construction Bank Citibank, N.A First National Bank, a division of First Rand Bank Limited Investec Bank Limited Standard Bank of South Africa
Attorneys	Adams Attorney Unit 2, Cnr Minis Northlands Business Park New Market Road North Riding, 2030
Company registration number	1968/002490/06
Sponsor	Sasfin Capital Sasfin Place, 29 Scott Street Waverley, 2090

FORM OF PROXY

NU-WORLD HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(REGISTRATION NUMBER 1968/002490/06)
Share Code: NWL ISIN code: ZAE000005070
('Nu-World' or 'the Company')

For use only by certificated shareholders and own name dematerialised shareholders at the annual general meeting of the Company to be held at the Company's registered office, 35 Third Street, Wynberg, Sandton on Wednesday, 12 February 2014 at 10h00 and at any adjournment thereof.

I/We (Please print name in full) ______________________________

of (address) ______________________________

being a holder of ______________________________ ordinary shares hereby appoint

1. ______________________________ or failing him/her

2. ______________________________ or failing him/her

3. The Chairman of the annual general meeting
as my/our proxy to act for me/us at the annual general meeting for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against such resolutions and/or abstain from voting in respect of the ordinary shares in the issued capital of Nu-World registered in my/our name as follows:

	For	Against	Abstain
Ordinary resolution 1: approval of annual financial statements			
Ordinary resolution 2: re-appointment of directors			
2.1 G R Hindle			
2.2 J M Judin			
2.3 D Piaray			
2.4 R Kinross			
Ordinary resolution 3: appointment of the audit committee			
3.1 J M Judin			
3.2 D Piaray			
3.3 R Kinross			
Ordinary resolution 4: re-appointment of auditors and individual designated auditor			
Ordinary resolution 5: appointment of social and ethics committee			
5.1 J M Judin			
5.2 D Piaray			
5.3 R Kinross			
Ordinary resolution 6: general authority to issue shares for cash			
Ordinary resolution 7: endorsement of remuneration policy			
Special resolution 1: approval to pay remuneration to non-executive directors			
Special resolution 2: general approval to repurchase shares			
Special resolution 3: approval to providing direct or indirect financial assistance			
Ordinary resolution 8: authority to sign documents			

Signed at ______________________________ on ______________________________

Signature ______________________________

Name in full ______________________________

NOTES TO THE FORM OF PROXY

Any member entitled to attend and vote is entitled to appoint a proxy or proxies to attend, speak and vote in his stead and the person so appointed need not be a member. A form of proxy is attached for use by certificated and own name dematerialised shareholders who cannot attend the annual general meeting and wish to be represented thereat. A form of proxy may be obtained from the registered office of the Company. The attention of members is drawn to the fact that, to be effective, the completed proxy form must reach the transfer secretaries of the Company, Computershare Investor Services Proprietary Limited, Ground floor, 70 Marshall Street, Johannesburg, 2001 (P O Box 61051, Marshalltown, 2107), 48 hours (being 10h00 on Monday, 10 February 2014) before the scheduled time of the meeting. Shareholders whose shares have been dematerialised (other than by own name registration) must inform their Central Securities Depository Participant ('CSDP') or broker of their intention to attend the annual general meeting and obtain the necessary authorisation from the CSDP or broker to attend the annual general meeting, or provide the CSDP or broker with voting instructions in terms of the custody agreement between them. A form of proxy is only to be completed by those shareholders who are:

1.1 Holding shares in certificated form; or

1.2 Recorded in dematerialised form on the electronic sub-register in 'own name'.

Please note that in terms of section 58(3):

- the appointment of a proxy is revocable unless the proxy appointment expressly states otherwise. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy; and delivering a copy of the revocation instrument to the proxy, and to the Company. The revocation will take effect on the later (i) the date stated in the revocation instrument; or (ii) the date on which the revocation instrument was delivered to the proxy and the Company;
- a proxy may delegate his/her authority to act on your behalf to another person, subject to any restriction set out in this proxy form;
- a proxy must be delivered to the Company, or to the transfer secretary of the Company, namely Computershare Investor Services Proprietary Limited, before your proxy exercises any of your rights as a shareholder at the general meeting.

All other beneficial owners who have dematerialised their shares through a Central Securities Depository Participant ('CSDP') or broker and wish to attend the annual general meeting, must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker in the manner and cut-off time stipulated therein.

A shareholder may insert the name of a proxy or the names of an alternative proxy of the shareholder's choice in the space provided, with or without deleting "the Chairman of the annual general meeting", but any such deletion must be initialled by the shareholder. The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are filled in, the proxy shall be exercised by the Chairman of the annual general meeting.

A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercised by that shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he deems fit in respect of all the shareholder's votes exercised thereat. A shareholder or his proxy is not obliged to use all the votes exercisable by the shareholder or by his proxy, but the total of the votes cast and in respect of which abstentions are recorded may not exceed the total votes exercisable by the shareholder or his proxy.

Forms of proxy must be lodged with or posted to the transfer secretaries; Computershare Investor Services Proprietary Limited, Ground floor, 70 Marshall Street, Johannesburg, 2001 (P O Box 61051, Marshalltown, 2107) to be received by not later than 10h00 on Monday, 10 February 2014, in accordance with the instructions thereon.

The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting, speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.

Documentary proof establishing the authority of the person signing this form of proxy in a representative or other legal capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries of the Company or waived by the Chairman of the annual general meeting.

Any alterations to the form of proxy must be initialled by the signatories.

OUR BRANDS

- IDEAS BY NU-WORLD
- Sunbeam®
- NU-TEC
- Vegas
- TELEFUNKEN
- ideal
- CASIO®
- GOLDAIR
- prima ONE&ONLY
- MAGIC LINE
- CONTI
- JVC
- FENICI
- ENZER® Technology With Style
- Palsonic

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