excel

SUCCESS

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ADTECH GROUP

Financial report 2009

Revenue	↑ 15%
Operating profit	↑ 9%
Headline earnings per share	no change
Free operating cash flow per share	↑ 21%
Distributions per share	↑ 5%

	Percentage change	2009 R'm	2008 R'm
Revenue	15%	**1 376.0**	1 197.8
Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA)	13%	**277.7**	246.3
Operating profit before interest	9%	**218.9**	200.7
Profit before taxation	3%	**229.8**	222.5
Shareholders' equity	20%	**610.6**	508.9
Total assets	16%	**928.7**	799.0
EBITDA margin (%)		**20.2**	20.6
Net asset value per share (cents)	18%	**152.3**	129.3
Free operating cash flow before capex per share (cents)	21%	**63.8**	52.9
Headline earnings per share (cents)		**40.1**	40.2
Diluted headline earnings per share (cents)		**40.1**	40.0
Distributions per share (cents)	5%	**21.0**	20. 0
Number of employees (at year end)	4%	**3 779**	3 643

Contents

ADvTECH GROUP

ADvTECH focuses on the sustainable development of human capacity. As a leader in education, training and skills development in the independent sector, and through its career placement services, the Group contributes meaningfully to the development of South Africa's human capital.

Corporate governance

Introduction

The ADvTECH Group remains fully committed to the principles of effective corporate governance and subscribes to the values as set out in the King Report on corporate governance for South Africa 2002 ("King II") and the Companies Act, 61 of 1973, as amended ("the Act"). The Board is confident that the Group currently complies, in all material respects, with the principles incorporated in the Code of Corporate Practices contained in King II and the provisions of the Act. The Board and its Committees acknowledge their responsibility to ensure that the principles of good corporate governance are observed, and the directors, collectively and individually, acknowledge their responsibilities in terms of the JSE Limited Listings Requirements.

The Board has taken cognisance of the revised King Report on corporate governance 2009 ("King III") that has subsequently replaced King II, which espouses the integration of governance, strategy and sustainability, and the Board is pleased to restate that the Group complies therewith, in all material respects. This aspect is dealt with more fully on page 71 in the annual report. The Board is further anticipating the coming into operation of the new Companies Act, 71 of 2008 (the "new Act"), later in 2010, which was given Presidential assent on 9 April 2009. The Board has taken cognisance thereof and is awaiting the finalisation of the Regulations to the new Act.

Board of directors

ADvTECH maintains a unitary board structure. There are two executive and nine non-executive directors on the Board, of which seven are independent. The roles of chairman and CEO are separate, each with clearly defined roles and responsibilities. Details of the directors appears on pages 18 and 19 of the annual report.

The Board as a whole considers the appointment of new directors. When a new director is considered the Nominations Committee evaluates suitable candidates, submits the nomination and assists the Board in the process of appointment. One third of all directors, excluding the CEO, retire by rotation annually, and any director, including the CEO, appointed by the Board are subject to election by the shareholders at the first opportunity after their initial appointment. No director holds any fixed term contract and both executive directors have standard employment contracts, with a minimum of three months notice on termination.

During the year under review JC Livingstone's appointment to the Board on 3 October 2008 was confirmed by shareholders at the Annual General Meeting held on 19 May 2009, and LW Maasdorp was appointed as a non-executive director on 17 July 2009.

Five board meetings were held during the financial year under review. The following table indicates attendance at meetings by the directors:

DIRECTORS	20/3	5/6	21/8	9/10	27/11
BD Buckham	✓		✓	✓	✓
DK Ferreira	✓	✓	✓	✓**	✓
BM Gourley			✓**	✓**	✓**
JD Jansen	✓	✓	✓		
HR Levin	✓	✓	✓	✓	✓
JC Livingstone	✓	✓	✓	✓	✓
LW Maasdorp*				✓	✓
JDR Oesch	✓	✓	✓	✓	✓
MI Sacks	✓				✓
FR Thompson	✓	✓	✓	✓	✓
F Titi	✓	✓	✓	✓	✓

**Appointed on 17 July 2009.*
***By teleconference.*

The Board retains overall accountability and is responsible to all stakeholders for the proper management and effective control of the Group. The Board has delegated to the CEO and the Executive Committee (Exco) authority to run the day-to-day affairs of the Group. In addition the Board has also created Remuneration, Audit, Litigation, Board Transformation and Nominations Committees to enable it to properly discharge its duties and responsibilities.

The Board and its sub-Committees are furnished with full and timely information ensuring that relevant facts are brought to the attention of directors. Each Committee operates within specific written terms of reference under which certain functions of the Board are delegated with defined purposes, duties and reporting procedures.

Group Executive Committee

The Executive Committee (Exco) is responsible for the day-to-day management of the business of the Group. Exco facilitates the effective control of all the Group's operational activities, acting as a medium of communication and co-ordination between all the various business units, Group companies and the Board. Exco is also responsible for recommendations to the Board with regard to the Group's policies and strategies and for monitoring their implementation in accordance with the Board's directives.

Exco consists of two executive directors and nine senior executives. The operating divisions within the Group have established formal management structures which meet regularly to ensure the maintenance of standards and best practice in respect of corporate governance and internal controls.

Remuneration Committee

The Remuneration Committee consists of the following non-executive directors:

- HR Levin (Chairman)
- JC Livingstone

The Remuneration Committee was chaired by HR Levin and consists entirely of non-executives. The Committee determines, agrees and develops the general policy for executive directors and senior management remuneration for approval by the Board. The objective is to ensure that such remuneration is fair, responsible and appropriate and that the remuneration scales, including share and other incentive schemes and conditions of employment are market-related and at levels sufficient to attract, retain and motivate individuals of quality. The Remuneration Committee relies on external market surveys and industry reward levels as benchmarks in addition to the advice obtained from independent professional advisers. It recommends to the Board the fees to be paid to directors and guarantees that no person is involved in any decisions as to his or her own remuneration.

The Remuneration Committee meets on an ad hoc basis and met on numerous occasions during the 2009 financial year.

Audit Committee

The Audit Committee consists of the following independent non-executive directors:

- HR Levin (Chairman)
- JC Livingstone
- F Titi

The role of the Audit Committee is to assist the Board in discharging its responsibilities to safeguard the Group's assets and to ensure that proper accounting records are maintained. These roles and responsibilities take into account the recommendations of King III and the amendments to the Companies Act. The Committee also oversees the financial reporting process and ensures compliance with the appointment of the independent auditors, accounting policies, Group policies, legal requirements and internal controls within the Group.

The Group's internal audit function is headed by the Group's internal audit manager. The Audit Committee monitors, supervises and evaluates the effectiveness of the internal audit function.

The Committee met three times during the 2009 financial year. These meetings are attended by the internal and external auditors, the CEO and Group finance director, as well as other Board members and invitees as considered appropriate by the Committee's chairman.

	17/3	17/8	23/11
HR Levin	✓	✓	✓
JC Livingstone	✓	✓	✓
F Titi	✓	✓	✓

The Audit Committee operates in accordance with a written charter authorised by the Board, and provides assistance to the Board with regard to:

- Ensuring compliance with applicable legislation and the requirements of regulatory authorities;
- Matters relating to financial accounting, accounting policies, reporting and disclosure;
- Internal and external audit policy;
- Activities, scope, adequacy and effectiveness of the internal audit function and audit plans;
- Reviewing and approving of external audit plans, findings, problems, reports and fees;
- Compliance with the Code of Corporate Practices and Conduct;
- Compliance with the Group's code of ethics;
- Ensuring that non-audit services will not be obtained from the external auditors where the provision of such services could impair audit independence; and
- Reviewing and recommending the approval of interim and annual results.

The Audit Committee performed its responsibilities in terms of the charter during the 2009 financial year.

Both the external and internal auditors have unrestricted access to the Audit Committee, which ensures that their independence is in no way impaired.

The Audit Committee has considered and is satisfied with the appropriateness of the expertise and experience of the Group financial director.

Litigation Committee

- BD Buckham (Chairman)
- HR Levin
- JC Livingstone

Legal proceedings in respect of substantial claims against Andry Welihockyj, Marina Welihockyj and a company controlled by them are still in process. Every effort is being made to bring these matters to a satisfactory conclusion in the interest of shareholders.

The Litigation Committee, which consists of non-executive directors, has advised the Board that legal counsel remains satisfied with the merits of the Group's claims and that the Group has no additional exposure other than for legal costs in these matters.

The Litigation Committee meets on an ad hoc basis and met on numerous occasions during the 2009 financial year.

Board Transformation Committee

- DK Ferreira (Chairman)
- JD Jansen
- F Titi

DK Ferreira chaired this Committee. The Committee monitors, reviews and evaluates the Group's progress on equity ownership, directors composition, employment equity and HR practices, training and skills development, corporate social responsibility and preferential procurement.

The Committee is further tasked to assist the Board in formulating a strategy in regard to the Group's contribution to the normalisation of the South African society through the implementation of the pillars of transformation listed above.

	20/3	21/8	27/11
DK Ferreira	✓	✓	✓
JD Jansen		✓	
F Titi	✓	✓	✓

Nominations Committee

The Nominations Committee consists of all the non-executive board members and the CEO, and is chaired by MI Sacks.

In line with its terms of reference, the Committee meets on an ad hoc basis to nominate, evaluate and recommend possible new appointments to the Board. During the year under review this Committee recommended LW Maasdorp for appointment to the Board as a non-executive director, which appointment was confirmed on 17 July 2009.

Risk management

There is no formal risk management committee. However, the Board in conjunction with Exco and the internal audit department, reviews and assesses the integrity and the quality of risk control systems and ensures that risk policies and strategies are effectively managed in accordance with the group risk management matrix. The Group's major assets are insured against loss and this together with the disaster recovery plan will ensure that the business, from an information technology and operational viewpoint, continues with the least amount of disruption.

The Board is satisfied that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group.

Internal control

The Board is responsible for ensuring that appropriate internal control systems are implemented and maintained to ensure that the Group's assets are safeguarded and managed in order to minimise potential losses arising from possible fraud and other illegal acts.

Internal control is implemented through the proper delegation of responsibility within a clearly defined approval framework, through accounting procedures and adequate segregation of duties. The Group's internal accounting controls and systems are designed to provide reasonable assurance as to the integrity of the Group's financial statements and to safeguard, verify and maintain accountability for all its assets.

Internal auditors monitor the operation of the internal controls and systems and report their findings and recommendations to management and the Board. Corrective actions are taken to address control deficiencies and where other opportunities present themselves for improving the systems as they are identified. The Board, operating through its Audit Committee, provides supervision of the financial reporting process and internal control systems.

No material incidents have come to the attention of the Board that would indicate any breakdown in internal controls during the year under review.

Internal audit

The Group's internal audit department has a specific mandate from the Audit Committee to independently appraise the appropriateness, adequacy and effectiveness of the Group's systems, financial internal controls and accounting records, and on the reporting of its findings to divisional management and the Audit Committee. The Group internal audit manager reports to the Group's financial director on an administrative basis and has direct access to the CEO and the chairman of the Audit Committee.

The Board and Exco assessed the Group's internal control system in relation to the criteria for effective internal control over financial reporting according to best practice and in terms of the Group's policies and procedures. The internal control process has been in place up to the date of the approval of the annual financial statements.

The internal audit coverage plan is based on risk assessments performed at each operating unit. The coverage plan, as approved by the Audit Committee, is updated annually, based on the risk assessment and results of the audit work performed. This ensures that the audit coverage is focused on and identifies areas of high risk. Nothing has come to the attention of the Board to indicate that any material breach of these controls has occurred during the year under review.

Ethical standards

The Group has developed and implemented a Code of Ethics (the Code), which has been fully endorsed by the Board and applies to all directors and employees. The Code is regularly reviewed and updated, as and when necessary, to ensure it reflects the highest standards of behaviour and professionalism.

In summary, the Code requires that, at all times, all Group personnel act with the utmost integrity and objectivity and in compliance with the letter and the spirit of both the law and Group policies.

The directors believe that ethical standards are being met and are fully supported by the Group's ethics programme.

Accounting and auditing

The Board places strong emphasis on achieving the highest level of financial management, accounting and reporting to shareholders. The Board is committed to comply with International Financial Reporting Standards (IFRSs), the Act and the JSE Limited Listings Requirements.

The directors are responsible for ensuring that Group companies maintain adequate records in order to report on the financial position of the Group and the results of activities with accuracy and reliability. Financial reporting procedures are applied at all levels in the Group to meet this responsibility. The external auditors are responsible for independently auditing and reporting on these financial statements in accordance with International Financial Reporting Standards.

It is the directors' responsibility to prepare financial statements that fairly present:

- The state of affairs as at the end of the financial year under review;
- Profit or loss for the year;
- Cash flows for the year; and
- Other material non-financial information.

The external auditors, Deloitte & Touche, were given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board of directors and Committees of the Board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The external auditors provide an independent assessment of systems of internal financial control to the extent necessary for the audit, and express an independent opinion on whether the financial statements are fairly presented.

Going concern

The directors are of the opinion that the business will be a going concern in the year ahead. The Board's statement regarding this is contained in the Directors' responsibility statement on page 6. The Board has also recorded the facts and assumptions on why they concluded that the business will be a going concern for the next financial year.

Company secretary

All directors have access to the advice and services of the company secretary, whose appointment is in accordance with the provisions of the Act, and who is considered by the Board to be fit and proper for the post. The company secretary is responsible to the Board and provides guidance and advice to the Board as stipulated in section 268(G)(d) of the Companies Act, and on matters of ethics and good corporate governance. The company secretary works with the Board to ensure compliance with the rules of the JSE Limited Listings Requirements. The company secretary oversees the induction of new directors and assists the Group chairman and the CEO in setting the annual Board plan and other related matters. The details of the company secretary appear on page 10 of this report.

Insider trading

The Group has a written policy adopted by the Board on insider trading, which states that no director, executive, manager or any employee with "price sensitive information" may deal directly or indirectly in the Company's shares during closed periods. The Group adheres to two closed periods in each financial year. The first commences at the end of June until the publication of the interim results and the second commences at the end of December, the Group's financial year end, until the final audited results for the year are released. All directors' share dealings require the prior approval of the chairman and the company secretary retains a record of all such share dealings and approvals.

Related transactions

Members of the Board are required to disclose any conflict of interest, which they may have, at the Board meetings. During the year under review no material contracts involving directors' interests were entered into.

Directors

HR Levin is a non-executive director and is a senior partner at HR Levin Attorneys who provide legal services to the Group. (2009: R76 950; 2008: R172 938).

JDR Oesch has been awarded a CrawfordSchools™ bursary for his children in terms of the Group's bursary policy.

Exco

DL Honey is a member of Exco. His brother, E Honey, is a director of Bowman Gilfillan Attorneys, a firm which provides intellectual property services to the Group.

O Francesconi, DL Honey and J Coetzee have been awarded CrawfordSchools™ bursaries for their children in terms of the Group's bursary policy.

Employment equity

The Group continues to subscribe to the philosophy of employee upliftment and has dedicated resources to both training and development programmes to achieve demographic representation in its workforce. This philosophy has enabled the Group to embrace the principles of the Skills Development Levy Act (with its training initiatives) and the Employment Equity Act. All employees are encouraged to develop their full potential for both themselves and the Group.

Directors' responsibility for financial reporting

The directors of the Company are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and in a manner required by the Companies Act, 61 of 1973, as amended, and the JSE Limited Listings Requirements. The Group's external auditors, Deloitte & Touche, have audited the financial statements and their unmodified report appears on page 7.

The directors are also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute, assurances as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. 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.

The annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the Group will not remain a going concern for the foreseeable future.

The annual financial statements set out on pages 8 to 45 were approved by the Board of directors on 19 March 2010 and are signed on their behalf by:

MI Sacks
Chairman

FR Thompson
Chief Executive Officer

JDR Oesch
Group Financial Director

Certificate by Group Company Secretary

In terms of section 268(G)(d) of the Companies Act, 1973 as amended ("The Act"), I certify that ADvTECH Limited has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Act, and further, that such returns are true, correct and up to date.

SC O'Connor
Group Company Secretary

Independent auditors' report to the members of ADvTECH Limited

Report on the financial statements

We have audited the group annual financial statements and annual financial statements of ADvTECH Limited, which comprise the consolidated and separate statement of financial position as at 31 December 2009, the consolidated and separate statement of comprehensive income, consolidated and separate statement of other comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows the year then ended, a summary of significant accounting policies and other explanatory notes, and the directors' report as set out on pages 8 to 45.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of ADvTECH Limited as at 31 December 2009, and its consolidated and separate financial performance and consolidation and separate statement of cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

Deloitte & Touche

Shelly Nelson

Partner

Deloitte & Touche

19 March 2010

National Executive: GG Gelink, Chief Executive; **AE Swiegers,** Chief Operating Officer; **GM Pinnock,** Audit; **DL Kennedy,** Tax & Legal and Risk Advisory; **L Geeringh,** Consulting; **L Bam,** Corporate Finance; **CR Beukman,** Finance; **TJ Brown,** Clients & Markets; **NT Mtoba,** Chairman of the Board; **CR Qually,** Deputy Chairman of the Board.

A full list of partners and directors is available on request.

B-BBEE rating: Level 3 contributor/AA (certified by Empowerdex).

Member of Deloitte Touche Tohmatsu.

Your directors have pleasure in presenting their report on the activities of the Group for the year ended 31 December 2009.

Nature of business

The ADvTECH Group is one of the largest diversified education, training and placement groups in South Africa. It is listed in the Specialised Consumer Services sector of the JSE Limited ("JSE"). The Education division offers quality education from pre-primary to diploma, degree and post-graduate levels, as well as Adult Basic Education and Training. The Resourcing division is a significant force in niche areas of the placement industry.

Financial results

The results for the year ended 31 December 2009 are set out herein and commentary thereon is provided in the Chairman's and CEO's report.

Share capital

The Company's authorised share capital remained unchanged, however the issued share capital was altered during the year under review as follows:

Number of shares in issue at 31 December 2008	393 664 886
Shares issued*	9 000 000
Shares acquired and cancelled	(1 826 705)
Number of shares in issue at 31 December 2009	400 838 181

**These shares were issued as part payment of the purchase price for the acquisition of FLB. Full details of this acquisition can be found on page 45.*

Capital distribution by way of a reduction of share premium

Share code: ADH ISIN code: ZAE 0000 31035

The Board is pleased to announce a final distribution to shareholders, to be paid out of share premium, of 13.5 cents per share (2008: 13.0 cents). This would bring the total distribution for the year to 21.0 cents (2008: 20.0 cents) per share. The authority to make this payment to shareholders was obtained at the Annual General Meeting held on 19 May 2009. The Board is satisfied that the capital remaining after payment of the distribution is sufficient to support the current operations and to facilitate future development of the business.

Post balance sheet events

The directors are not aware of any matter or circumstance occurring between the balance sheet date and the date of this report that materially affects the results of the Group for the year ended 31 December 2009 or the financial position at that date. However, the Design School Southern Africa (Pty) Ltd was acquired in January 2010 as referred to on page 23 of the annual report.

Special resolutions adopted by subsidiary companies

No special resolutions were passed by subsidiary companies during the year under review.

Directorate

Details of directors appear on pages 18 and 19 of the annual report.

The following changes in directorate occurred during the year under review:

LW Maasdorp – appointed as a non-executive director on 17 July 2009.

In terms of the Company's articles of association the following directors retire at the forthcoming Annual General Meeting and, all being eligible, offer themselves for re-election: BD Buckham, HR Levin and JDR Oesch. An abbreviated curriculum vitae of each director can be found on pages 18 and 19 of the annual report.

Interest of directors

As at 31 December 2009, the directors' beneficial and non-beneficial, direct and indirect interests in the issued share capital of the Company was 13.0% (2008: 14.0%) in aggregate and per director as follows:

	Beneficial				Non-beneficial			
	Direct		Indirect		Direct		Indirect	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
BD Buckham	**26 392 650**	26 392 650	**–**	–	**970 276**	970 276	**–**	–
DK Ferreira	**120 000**	120 000	**–**	–	**–**	–	**–**	–
BM Gourley	**–**	–	**–**	–	**–**	–	**–**	–
JD Jansen	**–**	–	**–**	–	**–**	–	**–**	–
HR Levin	**9 106 427**	9 106 427	**659 900**	659 900	**93 573**	93 573	**–**	–
JC Livingstone	**–**	–	**–**	–	**–**	–	**–**	–
LW Maasdorp*	**–**	–	**–**	–	**–**	–	**–**	–
JDR Oesch	**1 732 000**	2 343 841	**–**	150 236	**–**	–	**–**	–
MI Sacks	**150 000**	153 000	**–**	–	**–**	–	**250 000**	250 000
FR Thompson	**12 496 856**	14 846 620	**–**	150 236	**–**	–	**60 000**	60 000
F Titi	**–**	–	**–**	–	**–**	–	**–**	–
Totals	**49 997 933**	52 962 538	**659 900**	960 372	**1 063 849**	1 063 849	**310 000**	310 000

**Appointed as a non-executive director on 17 July 2009.*

At the date that this financial report was prepared, none of the current directors of the Group has disposed of any of the shares held by them as at 31 December 2009.

Directors' share options

The directors held the following share options at 31 December 2009:

	Share options as at 31 December 2008		Share options granted during the year		Share options exercised during the year			
	Exercise price (cents)	Number	Number	Price (cents)	Number	Market price at exercise date (cents)	Benefit arising on exercise of options (R)	**Share options as at 31 December 2009 Number**
Name of director								
JDR Oesch	270	40 000						**40 000**
	375	360 000						**360 000**
		400 000						**400 000**

The share option exercise terms are detailed in note 14 on pages 36 and 37.

Directors' emoluments

Emoluments paid to directors of the Group (excluding gains on share options exercised) for the year ended 31 December 2009, are set out below:

	Fees R	Salary R	Bonus* R	Expense allowances R	Provident fund contributions R	**Total 2009 R**	Total 2008 R
Executive							
FR Thompson		1 832 594	596 000	310 800	256 606	2 996 000	3 634 575
JDR Oesch		1 202 550	207 146	150 000	172 450	1 732 146	1 714 770
Total executive		3 035 144	803 146	460 800	429 056	4 728 146	5 349 345
Non-executive							
BD Buckham	140 000					**140 000**	140 000
DK Ferreira	170 000					**170 000**	150 000
BM Gourley	120 000					**120 000**	75 000
JD Jansen	150 000					**150 000**	150 000
HR Levin	190 000					**190 000**	190 000
JC Livingstone	170 000					**170 000**	30 000
LW Maasdorp#	50 000					**50 000**	–
MI Sacks	180 000					**180 000**	280 000
F Titi	180 000					**180 000**	180 000
Total non-executive	1 350 000					**1 350 000**	1 195 000

**The Company bonus plan approved by the Board and its Remuneration Committee makes provision for a bonus payment on the attainment of agreed profits as well as a payment for the achievement of individual objectives.*

#Appointed as a non-executive director on 17 July 2009.

There were no directors' fees for executive directors for the year under review.

Major acquisition

Detail of the major acquisition made during the year under review is reported on page 45.

Company secretary

The office of company secretary was held by SC O'Connor for the financial year ended 31 December 2009.

The secretary's business, postal and email address is as follows:

Business address

ADvTECH House

Inanda Greens

54 Wierda Road West

Wierda Valley

Sandton

2196

Email address: groupsec@advtech.co.za

Postal address

PO Box 2369

Randburg

2125

Segmental report for the year ended 31 December 2009

	Percentage increase/ (decrease)	Audited 2009 R'000	Audited 2008 R'000
Revenue		**1 375 997**	1 197 793
Education	20%	**1 169 938**	977 288
Resourcing	(7%)	**208 310**	223 193
Intra Group revenue		**(2 251)**	(2 688)
EBITDA		**277 682**	246 315
Education	22%	**281 248**	230 982
Resourcing	(33%)	**35 238**	52 368
Central administration	7%	**(38 735)**	(36 181)
Litigation	(92%)	**(69)**	(854)
Depreciation and amortisation		**58 746**	45 622
Education	28%	**49 827**	38 967
Resourcing	28%	**6 452**	5 046
Central administration	53%	**2 467**	1 609
Operating profit before interest		**218 936**	200 693
Education	21%	**231 421**	192 013
Resourcing	(39%)	**28 786**	47 322
Central administration	9%	**(41 202)**	(37 788)
Litigation	(92%)	**(69)**	(854)
Profit for the year		**160 201**	155 447
Education	24%	**206 242**	166 928
Resourcing	(27%)	**26 016**	35 465
Central administration	53%	**(72 057)**	(46 946)
Property, plant and equipment		**636 507**	560 127
Education	14%	**631 617**	553 745
Resourcing	(23%)	**4 888**	6 380
Central administration		**2**	2
Deferred taxation assets		**20 719**	18 572
Education	14%	**18 412**	16 152
Resourcing	14%	**1 021**	896
Central administration	(16%)	**1 286**	1 524
Current assets		**140 790**	133 734
Education	8%	**121 750**	112 894
Resourcing	(15%)	**13 766**	16 108
Central administration	11%	**5 274**	4 732
Current liabilities		**318 114**	278 116
Education	23%	**274 785**	223 420
Resourcing	(22%)	**40 558**	52 147
Central administration	9%	**2 771**	2 549
Capital expenditure		**128 943**	97 840
Education	37%	**126 927**	92 705
Resourcing	(61%)	**2 016**	5 135

The Group's operating segments are determined by reference to the level of operating results regularly reviewed by the chief executive officer to make decisions about resources to be allocated and for which discrete financial information is available.

Operating segments which exhibit similar long-term financial performance and have similar economic characteristics are amalgamated.

Statements of comprehensive income for the year ended 31 December 2009

	Notes	Group		Company	
		Audited 2009 R'000	Audited 2008 R'000	**Audited 2009 R'000**	Audited 2008 R'000
Revenue	4	**1 375 997**	1 197 793	**–**	–
Staff costs	5	**(676 561)**	(593 854)	**(1 878)**	(1 788)
Rent and occupancy costs		**(103 573)**	(85 759)	**–**	–
Other operating (expenses)/income		**(318 181)**	(271 865)	**2 436**	2 967
Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA)		**277 682**	246 315	**558**	1 179
Education		**281 248**	230 982	**–**	–
Resourcing		**35 238**	52 368	**–**	–
Central administration		**(38 735)**	(36 181)	**558**	1 179
Litigation costs		**(69)**	(854)	**–**	–
Depreciation and amortisation	5	**(58 746)**	(45 622)	**–**	–
Operating profit before interest	5	**218 936**	200 693	**558**	1 179
Net interest received		**10 849**	21 877	**836**	1 522
Interest received	6.1	**11 005**	22 949	**836**	1 522
Finance costs	6.2	**(156)**	(1 072)	**–**	–
Profit before taxation		**229 785**	222 570	**1 394**	2 701
Taxation	7	**(69 584)**	(67 123)	**(238)**	(704)
Profit for the year		**160 201**	155 447	**1 156**	1 997
Earnings per share					
Basic (cents)	8	**40.1**	40.2		
Diluted (cents)	8	**40.1**	40.0		

Statements of other comprehensive income for the year ended 31 December 2009

	Group		Company	
	Audited 2009 R'000	Audited 2008 R'000	**Audited 2009 R'000**	Audited 2008 R'000
Profit for the year	**160 201**	155 447	**1 156**	1 997
Other comprehensive (expenses)/income				
Cash flow hedge revaluation	**(846)**	816	**–**	–
(Loss)/gain arising during the year	**(30)**	816	**–**	–
Reclassification adjustment for amounts transferred to the initial carrying amount of hedged items	**(816)**	–	**–**	–
Total comprehensive income for the year	**159 355**	156 263	**1 156**	1 997

Statements of changes in equity for the year ended 31 December 2009

	Notes	Share capital R'000	Share premium R'000	Share option reserve R'000	Foreign exchange contract reserve R'000	Shares held by the Share Incentive Trust R'000	Retained earnings/ (accumulated loss) R'000	Attributable to equity holders R'000
GROUP								
Balance at 1 January 2008		3 937	253 764	14 133	–	(12 478)	155 568	414 924
Total comprehensive income for the year					816	–	155 447	156 263
Profit for the year							155 447	155 447
Other comprehensive income for the year					816			816
Share-based payment expense	5,14			1 496				1 496
Share awards granted						1 008		1 008
Broad-based scheme shares granted						221		221
Share options exercised				(1 038)		5 494		4 456
Capital distributions to shareholders	20.2		(69 473)					(69 473)
Balance at 31 December 2008		**3 937**	**184 291**	**14 591**	**816**	**(5 755)**	**311 015**	**508 895**
Total comprehensive income for the year					(846)	–	160 201	159 355
Profit for the year							160 201	160 201
Other comprehensive expenses for the year					(846)			(846)
Share-based payment expense	5,14			1 712				1 712
Shares issued for business acquisition	20	90	35 460					35 550
Share buy-back	20	(19)	(7 579)					(7 598)
Shares purchased by the Share Incentive Trust						(12 472)		(12 472)
Share awards granted						2 098		2 098
Broad-based scheme shares granted						468		468
Share options exercised				(7 434)		10 360		2 926
Capital distributions to shareholders	20.2		(80 341)					(80 341)
Balance at 31 December 2009		**4 008**	**131 831**	**8 869**	**(30)**	**(5 301)**	**471 216**	**610 593**
COMPANY								
Balance at 1 January 2008		3 937	253 764				(81 636)	176 065
Total comprehensive income for the year							1 997	1 997
Capital distributions to shareholders	20.2		(69 473)					(69 473)
Balance at 31 December 2008		**3 937**	**184 291**				**(79 639)**	**108 589**
Total comprehensive income for the year							1 156	1 156
Shares issued for business acquisition	20	90	35 460					35 550
Share buy-back	20	(19)	(7 579)					(7 598)
Capital distributions to shareholders	20.2		(80 341)					(80 341)
Balance at 31 December 2009		**4 008**	**131 831**				**(78 483)**	**57 356**

Statements of financial position as at 31 December 2009

	Notes	Group Audited 2009 R'000	Group Audited 2008 R'000	Company Audited 2009 R'000	Company Audited 2008 R'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	**636 507**	560 127	**2**	2
Goodwill	11	**80 909**	38 359	**–**	–
Intangible assets	12	**49 782**	48 200	**–**	–
Investments in subsidiaries	13			**160 988**	160 988
Loan to Share Incentive Trust	14			**4 900**	–
Deferred taxation assets	15	**20 719**	18 572	**1 286**	1 524
		787 917	665 258	**167 176**	162 514
Current assets					
Loans to subsidiaries	13			**6 515**	6 515
Inventories	16	**4 466**	5 938	**–**	–
Trade and other receivables	17	**84 886**	72 393	**5 177**	4 654
Prepayments		**11 828**	10 798	**–**	–
Foreign exchange contract asset		**–**	816	**–**	–
Cash and cash equivalents	18	**39 610**	43 789	**–**	–
		140 790	133 734	**11 692**	11 169
Total assets		**928 707**	798 992	**178 868**	173 683
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	20.1	**4 008**	3 937	**4 008**	3 937
Share premium	20.2	**131 831**	184 291	**131 831**	184 291
Share option reserve		**8 869**	14 591	**–**	–
Foreign exchange contract reserve		**(30)**	816	**–**	–
Shares held by the Share Incentive Trust		**(5 301)**	(5 755)	**–**	–
Retained earnings/(accumulated loss)		**471 216**	311 015	**(78 483)**	(79 639)
Total equity		**610 593**	508 895	**57 356**	108 589
Non-current liabilities					
Loan from Share Incentive Trust	14			**–**	2 081
Vendor claims		**–**	11 981	**–**	–
		–	11 981	**–**	2 081
Current liabilities					
Trade and other payables	22	**181 209**	150 803	**795**	613
Taxation		**35 685**	39 405	**–**	–
Borrowings	21	**–**	3 852	**–**	–
Fees received in advance		**100 556**	83 582	**–**	–
Foreign exchange contract liability		**30**	–	**–**	–
Loans from subsidiaries	13			**120 083**	61 926
Shareholders for capital distribution		**599**	439	**599**	439
Shareholders for dividend		**35**	35	**35**	35
		318 114	278 116	**121 512**	63 013
Total liabilities		**318 114**	290 097	**121 512**	65 094
Total equity and liabilities		**928 707**	798 992	**178 868**	173 683

Statements of cash flows for the year ended 31 December 2009

	Notes	Group Audited 2009 R'000	Group Audited 2008 R'000	Company Audited 2009 R'000	Company Audited 2008 R'000
Cash flows from operating activities					
Cash generated from operations	26.1	**284 161**	251 492	**558**	1 179
Movement in working capital	26.2	**30 630**	(982)	**(341)**	(1 578)
Cash generated/(utilised) by operating activities		**314 791**	250 510	**217**	(399)
Net interest received		**10 849**	21 877	**836**	1 522
– interest received	6.1	**11 005**	22 949	**836**	1 522
– finance costs	6.2	**(156)**	(1 072)	**–**	–
Taxation (paid)/received	26.3	**(75 451)**	(49 042)	**–**	11
Capital distributions	26.4	**(80 181)**	(69 316)	**(80 181)**	(69 316)
Net cash inflow/(outflow) from operating activities		**170 008**	154 029	**(79 128)**	(68 182)
Cash flows from investing activities					
Additions to property, plant and equipment					
– to maintain operations	26.6	**(42 229)**	(34 612)	**–**	(2)
– to expand operations	26.7	**(86 714)**	(63 228)	**–**	–
Business combination cash flows					
– additions to property, plant and equipment	26.8	**(2 464)**	(63 618)	**–**	–
– additions to goodwill	11	**(46 534)**	(38 359)	**–**	–
– additions to intangible assets	12	**(7 705)**	(40 914)	**–**	–
– shares issued in respect of acquisition		**35 550**	–	**35 550**	–
Proceeds on disposal of property, plant and equipment		**1 363**	117	**–**	–
Effects of share options exercised on the share option reserve		**(7 434)**	(1 038)	**–**	–
Movement in shares held by The Share Incentive Trust and the loan to The Share Incentive Trust		**454**	6 723	**(6 980)**	5 685
Net cash (outflow)/inflow from investing activities		**(155 713)**	(234 929)	**28 570**	5 683
Cash flows from financing activities					
Share buy-back		**(7 598)**	–	**(7 598)**	–
Decrease in long-term interest bearing borrowings		**(3 852)**	(7 044)	**–**	–
Increase in net loans from subsidiaries				**58 156**	62 499
Vendor claims (paid)/raised		**(7 023)**	13 667	**–**	–
Net cash (outflow)/inflow from financing activities		**(18 473)**	6 623	**50 558**	62 499
Net decrease in cash and cash equivalents		**(4 178)**	(74 277)	**–**	–
Cash and cash equivalents at beginning of the year		**43 789**	118 061	**–**	–
Net foreign exchange difference on cash and cash equivalents		**(1)**	5	**–**	–
Cash and cash equivalents at end of the year	18	**39 610**	43 789	**–**	–

1. General information

ADvTECH Limited is a limited company incorporated in South Africa.

The principal business activities are the provision of education, training and staff placement within South Africa.

2. Adoption of new and revised standards

In the current year, the Group has adopted the following standards which are effective for annual reporting periods beginning on or after 1 January 2009:

- IFRS 1 'First-time Adoption of International Financial Reporting Standards'
- IFRS 2 'Share-based Payment'
- IFRS 7 'Financial Instruments: Disclosures'
- IFRS 8 'Operating segments'
- IAS 1 'Presentation of Financial Statements'
- IAS 23 'Borrowing Costs'
- IAS 27 'Consolidated and Separate Financial Statements'
- IAS 32 'Financial Instrument: Presentation'
- IFRIC 15 'Agreements for the Construction of Real Estate'
- IFRIC 16 'Hedges of a Net Investment in a foreign Operation'

These have no financial impact on the Group.

3. Significant accounting policies

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act of South Africa.

3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments.

The principal accounting policies adopted are set out below. These were consistently applied in the previous year.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination (see below) and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

3.4 Business combinations

The acquisition of subsidiaries and businesses is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 'Business Combinations' are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with IFRS 5 'Non-current assets held-for-sale and Discontinued operations', which are recognised and measured at fair value less costs to sell.

Goodwill arising on business combinations is accounted for as per note 3.5.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

3.5 Goodwill

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit *pro rata* on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. Goodwill is assessed at each balance sheet date for impairment.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition is recognised as goodwill. Goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

3.6 Non-current assets held-for-sale

Non-current assets and disposal groups are classified as held-for-sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held-for-sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

3.7 Revenue recognition

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

Sale of goods is recognised when goods are delivered and title has passed.

Interest income is accrued on a time basis, by reference to the principal amount outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

3.8 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the term of the lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expenses on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.9 Foreign currencies

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in currency units, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the Group and individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss for the period.

3.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.11 Retirement benefit costs

The Group operates pension and provident funds to which employees from certain defined divisions belong. Both funds are defined contribution plans and do not require to be actuarially valued.

These plans are governed by the Pension Fund Act of 1956.

Current contributions to the pension and provident funds are expensed when they become payable.

The Group has no liabilities in respect of post retirement medical aid contributions or benefits.

3.12 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 grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period with a corresponding movement in the share reserve, 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 is measured using the Bermudan Binomial model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

3.13 Taxation

Income taxation expense represents the sum of the taxation currently payable and deferred taxation.

Current taxation

The taxation currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current taxation is calculated using taxation rates that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

Deferred taxation is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding taxation base used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred taxation liabilities are generally recognised for all taxable temporary differences and deferred taxation assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred taxation assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred taxation assets and liabilities are measured at the taxation rates that are expected to apply in the period in which the liability is settled or asset realised, based on taxation rates (and taxation laws) that have been enacted or substantively enacted by the balance sheet date. Deferred taxation is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred taxation is also dealt with in equity.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to set off current taxation assets against current taxation liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current taxation assets and liabilities on a net basis.

3.14 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment. Land is not depreciated. Depreciation is calculated on the straight-line basis at rates that will reduce the cost of the assets to estimated residual values over their expected useful lives.

The annual rates for this purpose are:

Buildings	2%
Computer equipment	33.3%
Computer software	33.3%
Furniture, fittings and equipment	10 – 20%
Motor vehicles	20%
Video equipment, courses and masters	33.3%
Leasehold improvements	Period of lease

Assets held under finance leases are depreciated over the shorter of their expected useful lives on the same basis as owned assets or the term of the lease.

The gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Borrowing costs incurred relating to the development of properties and software are capitalised and included in the cost of these assets until completion, less any identified impairment loss. The capitalisation rate used to determine the borrowing cost capitalised is the prevailing average borrowing rate. Depreciation of these assets, on the same basis as other property and software assets, commences when the assets are ready for their intended use.

3.15 Intangible assets

Intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3.16 Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, 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.

The 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-taxation discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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 (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately as an expense, unless the relevant asset is carried at a revalued amount, in which case their impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

3.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

3.19 Share purchases

The ADvTECH Limited Share Incentive Trust purchases shares in the Company to be used for the settlement of its obligations under its share incentive schemes. When such purchases occur, these amounts are deducted from share capital.

3.20 Financial instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a partner to the contractual provisions of the instrument. They are measured initially at fair value, being the transaction price. The subsequent accounting treatment depends on the classification of an instrument as set out below:

Loans and receivables

Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial. 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.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value and 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.

Other financial liabilities

Loans and other payables are carried at amortised cost using the effective interest method if the time value of money is significant. Trade payables are generally carried at the original invoiced amount. Interest is recognised as an expense when incurred.

3.21 Derivative financial instruments

The Group enters into foreign exchange contracts to manage its foreign exchange risk.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently measured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges) or hedges of net investments in foreign operations.

A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and it's not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges or hedges of net investments in foreign operations.

Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with it's risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Note 19 sets out details of the derivatives used for hedging purposes. Movements in the hedging reserve in equity are also detailed in the statement of other comprehensive income.

Cash flow hedges

The effective portion of changes in the fair value of the derivatives that are designated and qualify as cash flow hedges is deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts deferred in equity are recycled in profit or loss in the period when the hedged item is recognised in profit or loss, in the same line of the statement of comprehensive income as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at the time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

3.22 Critical accounting judgements and key sources of estimation uncertainty

Valuation of equity compensation benefits

Management classifies its share-based payment scheme as an equity-settled scheme. In applying its judgement, management consulted with external expert advisers in the accounting and share-based payment advisory industry. The critical estimates as used in the Bermudan Binomial model are detailed in note 14 to the financial statements. This includes estimated option exercise behaviour, as well as anticipated forfeiture rates.

Impairment of assets

An assessment of impairment at a cash-generating unit level for fixed and intangible assets, as well as individual assessments of goodwill and financial assets (including related provisions), is performed at the end of each reporting period. Individual impairment assessments of assets are performed annually based on technical, economic and business circumstances.

Deferred taxation assets

Deferred taxation assets are recognised to the extent it is probable that taxable income will be available in future against which these can be utilised. Future taxable profits are estimates based on business plans which include estimates and assumptions regarding economic growth, interest, inflation, taxation rates and competitive forces.

Contingent liabilities

Management applies its judgement based on facts and advice it receives from its legal and other advisers in assessing if an obligation is probable, more likely than not or remote. This judgement is used to determine whether the potential obligation is recognised as a liability, disclosed as a contingent liability or ignored for financial statement purposes.

Purchase price allocation relating to business combinations

The Group exercised judgement in determining the purchase price allocation in respect of intangible assets and resulting goodwill relating to the business combinations (refer to note 28). The free cash flow method was used and the key assumptions involved were growth rates, discount rates and attrition rates.

3.23 Standards and interpretations not yet effective

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

- IAS 24 Related Party Disclosures
- IAS 27 Consolidated and Separate Financial Statements
- IAS 28 Investments in Associates
- IAS 31 Interests in Joint Ventures
- IAS 32 Financial Instruments: Presentation
- IAS 39 Financial Instruments: Recognition and Measurement
- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRS 2 Share-based Payment
- IFRS 3 Business Combinations
- IFRS 9 Financial Instruments
- IFRIC 17 Distributions of Non-cash Assets to Owners
- IFRIC 18 Transfers of Assets from Customers
- IFRIC 19 Instruments

None of the standards and interpretations that have been published, but not yet effective, are expected to have a significant impact on the amounts recorded in the financial statements.

	Group	
	Audited 2009 R'000	Audited 2008 R'000
4. Revenue		
Tuition fees	**1 123 801**	938 138
Placement fees	**197 361**	213 918
Sale of goods and services	**57 086**	48 425
Intra Group revenue	**(2 251)**	(2 688)
	1 375 997	1 197 793

		Group		Company	
	Notes	**Audited 2009 R'000**	Audited 2008 R'000	**Audited 2009 R'000**	Audited 2008 R'000
5. Operating profit before interest					
Operating profit before interest is stated after taking the following into account:					
Auditors' remuneration		**3 947**	3 710	**357**	207
– Current year audit fee		**3 646**	3 035	**357**	207
– Prior year under provision		**162**	249	**–**	–
– Other services		**139**	426	**–**	–
Amortisation of intangible assets	12	**5 287**	3 078	**–**	–
Depreciation	10	**53 459**	42 544	**–**	–
Owned					
– Land and buildings		**4 092**	4 819	**–**	–
– Computer equipment		**19 268**	14 168	**–**	–
– Computer software		**1 623**	1 146	**–**	–
– Furniture, fittings and equipment		**12 687**	10 944	**–**	–
– Motor vehicles		**1 871**	1 433	**–**	–
– Video equipment, courses and masters		**435**	118	**–**	–
– Leasehold improvements		**13 483**	9 916	**–**	–
Total depreciation and amortisation		**58 746**	45 622	**–**	–

	Note	Group		Company	
		Audited 2009 R'000	Audited 2008 R'000	**Audited 2009 R'000**	Audited 2008 R'000
5. Operating profit before interest *(continued)*					
Foreign exchange gains		**–**	(1 562)	**–**	–
Operating lease charges		**73 877**	57 793	**–**	–
– Premises		**71 400**	54 599	**–**	–
– Equipment		**2 477**	3 194	**–**	–
Professional fees		**2 033**	2 080	**–**	–
Loss on sale of property, plant and equipment		**205**	15	**–**	–
Loss on sale of investment		**–**	5	**–**	–
Directors' emoluments		**6 078**	13 853	**1 350**	1 195
– For services as directors		**1 350**	1 195	**1 350**	1 195
– For managerial and other services		**4 728**	12 658	**–**	–
Pension and provident fund contributions		**35 796**	28 992	**–**	–
Share-based payment expense	14	**1 712**	1 496	**–**	–
Staff costs		**632 975**	549 513	**528**	593
Total staff costs		**676 561**	593 854	**1 878**	1 788
Number of staff (at year end)		**3 779**	3 643	**–**	–
Number of staff covered by retirement plans (at year end)		**2 674**	1 894	**–**	–
6. Net interest received					
6.1 Interest received					
Call accounts		**10 358**	22 400	**829**	1 510
Current accounts		**560**	253	**–**	–
South African Revenue Services		**–**	5	**–**	5
Other		**87**	291	**7**	7
		11 005	22 949	**836**	1 522
6.2 Finance costs					
Borrowings		**(134)**	(926)	**–**	–
South African Revenue Services		**(3)**	–	**–**	–
Other		**(19)**	(146)	**–**	–
		(156)	(1 072)	**–**	–
Net interest received		**10 849**	21 877	**836**	1 522

		Group		Company	
	Note	**Audited 2009 R'000**	Audited 2008 R'000	**Audited 2009 R'000**	Audited 2008 R'000

7. Taxation

7.1 Taxation expense comprises

	Note	**Group Audited 2009 R'000**	Group Audited 2008 R'000	**Company Audited 2009 R'000**	Company Audited 2008 R'000
Current taxation – current year		**72 414**	59 821	**–**	–
– prior year over provision		**(683)**	(959)	**–**	(11)
Deferred taxation – current year	15	**(1 992)**	7 466	**393**	768
– prior year over provision	15	**(155)**	(130)	**(155)**	(130)
– expense resulting from a reduction in taxation rate	15	**–**	925	**–**	77
Total taxation expense		**69 584**	67 123	**238**	704

Estimated taxation losses for the Group and Company carried forward at year end were R4,6 million (2008: R6,0 million).

Deferred taxation assets have been raised for the full value of the estimated taxation losses in the Group and Company.

7.2 Reconciliation of taxation

	Group Audited 2009 R'000	Group Audited 2008 R'000
Profit before taxation	**229 785**	222 570
Taxation at 28%	**64 340**	62 320
Permanent differences	**6 082**	4 967
Disallowable expenditure – depreciation on buildings	**3 956**	3 196
Disallowable expenditure – other	**2 126**	1 776
Non-taxable income	**–**	(5)
Current taxation – prior year over provision	**(683)**	(959)
Deferred taxation – prior year over provision	**(155)**	(130)
– expense resulting from a reduction in taxation rate	**–**	925
Taxation expense recognised in profit	**69 584**	67 123

	Company	
	Audited 2009 R'000	Audited 2008 R'000
7. Taxation *(continued)*		
7.2 Reconciliation of taxation *(continued)*		
Profit before taxation	**1 394**	2 701
Taxation at 28%	**390**	756
Permanent differences – disallowable expenditure	**3**	1
Deferred taxation – prior year over provision	**(155)**	(130)
– expense resulting from a reduction in taxation rate	**–**	77
Taxation expense recognised in profit	**238**	704

	Group	
	Audited 2009 R'000	Audited 2008 R'000
8. Earnings per share		
The calculation of the basic and diluted earnings per share attributable to equity holders is based on the following data:		
Earnings		
Earnings for the purpose of basic and diluted earnings per share (profit for the year)	**160 201**	155 447
Number of shares		
Weighted average number of shares in issue at year end ('000)	**401 002**	393 665
Less: Weighted average number of shares held by the Share Incentive Trust ('000)	**(1 553)**	(7 196)
Weighted average number of shares for purposes of basic earnings per share ('000)	**399 449**	386 469
Effect of dilutive potential ordinary shares ('000)	**246**	2 584
Weighted average number of shares for purposes of diluted earnings per share ('000)	**399 695**	389 053
Earnings per share		
Basic (cents)	**40.1**	40.2
Diluted (cents)	**40.1**	40.0

	Group	
	Audited 2009 R'000	Audited 2008 R'000
9. Headline earnings per share		
Earnings		
Earnings attributable to equity holders	**160 201**	155 447
Items excluded from headline earnings per share	**148**	16
Loss on sale of investment	**–**	5
Loss on sale of property, plant and equipment	**205**	15
	205	20
Taxation effects of adjustments	**(57)**	(4)
Earnings for the purpose of headline earnings per share	**160 349**	155 463
Number of shares		
Weighted average number of shares in issue at year end ('000)	**401 002**	393 665
Less: Weighted average number of shares held by the Share Incentive Trust ('000)	**(1 553)**	(7 196)
Weighted average number of shares for purposes of basic earnings per share ('000)	**399 449**	386 469
Effect of dilutive potential ordinary shares ('000)	**246**	2 584
Weighted average number of shares for purposes of diluted earnings per share ('000)	**399 695**	389 053
Headline earnings per share		
Basic (cents)	**40.1**	40.2
Diluted (cents)	**40.1**	40.0

	Group Cost				
	1 Jan 2009 R'000	Additions R'000	Acquisitions through business combination R'000	Disposals R'000	**31 Dec 2009 R'000**
10. Property, plant and equipment					
Owned					
Land and buildings	380 224	51 094	–	–	**431 318**
Computer equipment	92 221	25 043	289	(1 016)	**116 537**
Computer software	27 266	25 216	–	(890)	**51 592**
Furniture, fittings and equipment	98 250	11 771	1 581	(128)	**111 474**
Motor vehicles	14 081	957	26	(330)	**14 734**
Video equipment, courses and masters	1 556	529	–	–	**2 085**
Leasehold improvements	151 063	14 333	568	(4 432)	**161 532**
	764 661	128 943	2 464	(6 796)	**889 272**
Leased					
Computer equipment	2 248	–	–	–	**2 248**
Motor vehicles	528	–	–	–	**528**
	2 776	–	–	–	**2 776**
	767 437	128 943	2 464	(6 796)	**892 048**

	Group Accumulated depreciation				
	1 Jan 2009 R'000	Depreciation R'000	Acquisitions through business combination R'000	Disposals R'000	**31 Dec 2009 R'000**
10. Property, plant and equipment *(continued)*					
Owned					
Land and buildings	26 640	4 092	–	–	**30 732**
Computer equipment	61 989	19 268	–	(718)	**80 539**
Computer software	7 333	1 623	–	(890)	**8 066**
Furniture, fittings and equipment	64 876	12 687	–	(46)	**77 517**
Motor vehicles	7 846	1 871	–	(199)	**9 518**
Video equipment, courses and masters	971	435	–	–	**1 406**
Leasehold improvements	34 879	13 483	–	(3 375)	**44 987**
	204 534	53 459	–	(5 228)	**252 765**
Leased					
Computer equipment	2 248	–	–	–	**2 248**
Motor vehicles	528	–	–	–	**528**
	2 776	–	–	–	**2 776**
	207 310	53 459	–	(5 228)	**255 541**

	Group Net book value	
	31 Dec 2009 R'000	31 Dec 2008 R'000
Owned		
Land and buildings	**400 586**	353 584
Computer equipment	**35 998**	30 232
Computer software	**43 526**	19 933
Furniture, fittings and equipment	**33 957**	33 374
Motor vehicles	**5 216**	6 235
Video equipment, courses and masters	**679**	585
Leasehold improvements	**116 545**	116 184
	636 507	560 127
Leased		
Computer equipment	**–**	–
Motor vehicles	**–**	–
	–	–
	636 507	560 127

	Company Cost			
	1 Jan 2009 R'000	Additions R'000	Disposals R'000	**31 Dec 2009 R'000**
10. Property, plant and equipment *(continued)*				
Owned				
Computer equipment	11	–	–	**11**
Furniture, fittings and equipment	2	–	–	**2**
	13	–	–	**13**

	Company Accumulated depreciation			
	1 Jan 2009 R'000	Depreciation R'000	Disposals R'000	**31 Dec 2009 R'000**
Owned				
Computer equipment	11	–	–	**11**
Furniture, fittings and equipment	–	–	–	**–**
	11	–	–	**11**

	Company Net book value	
	31 Dec 2009 R'000	31 Dec 2008 R'000
Owned		
Computer equipment	**–**	–
Furniture, fittings and equipment	**2**	2
	2	2

Group and Company

The register of land and buildings is available for inspection at the Company's registered offices.

In the prior year land and buildings having a cost of R40,3 million were pledged as security for the mortgage bond (Refer to note 21). The mortgage has been settled in the current year and security released.

Included in land and building is an amount of R19,1 million (2008: R1,0 million) which relates to buildings that are still in progress.

Included in leasehold improvements is an amount of R0,7 million (2008: R9,5 million) which relates to improvements that are still in progress.

Included in computer software is an amount of R41,8 million (2008: R18,0 million) which relates to systems that are still under development.

The Group valued its fixed property during March 2007. The valuation was conducted by the Quadrant Property Group, a group of independent sworn valuators. Their valuation based on present land use came to R615,1 million, a premium of R331,6 million or 117% over book value as at December 2007.

Valuations are done on a triennial basis with the next valuation due in 2010.

	Group					
	Cost					
	1 Jan 2008 R'000	Additions R'000	Acquisitions through business combinations R'000	Disposals R'000	Realloca-tion R'000	31 Dec 2008 R'000
10. Property, plant and equipment *(continued)*						
Owned						
Land and buildings	308 169	9 663	61 513	–	879	380 224
Computer equipment	65 247	26 569	554	(291)	142	92 221
Computer software	8 282	18 991	–	(7)	–	27 266
Furniture, fittings and equipment	81 599	15 454	1 025	(29)	201	98 250
Motor vehicles	10 666	2 978	526	(89)	–	14 081
Video equipment, courses and masters	1 274	282	–	–	–	1 556
Leasehold improvements	127 674	23 903	–	–	(514)	151 063
	602 911	97 840	63 618	(416)	708	764 661
Leased						
Computer equipment	2 248	–	–	–	–	2 248
Motor vehicles	528	–	–	–	–	528
	2 776	–	–	–	–	2 776
	605 687	97 840	63 618	(416)	708	767 437

	Group Accumulated depreciation					
	1 Jan 2008 R'000	Depreciation R'000	Acquisitions through business combinations R'000	Disposals R'000	Realloca-tion R'000	31 Dec 2008 R'000
10. Property, plant and equipment *(continued)*						
Owned						
Land and buildings	24 640	4 819	–	–	(2 819)	26 640
Computer equipment	47 846	14 168	–	(167)	142	61 989
Computer software	6 194	1 146	–	(7)	–	7 333
Furniture, fittings and equipment	53 750	10 944	–	(19)	201	64 876
Motor vehicles	6 502	1 433	–	(89)	–	7 846
Video equipment, courses and masters	853	118	–	–	–	971
Leasehold improvements	21 779	9 916	–	–	3 184	34 879
	161 564	42 544	–	(282)	708	204 534
Leased						
Computer equipment	2 248	–	–	–	–	2 248
Motor vehicles	528	–	–	–	–	528
	2 776	–	–	–	–	2 776
	164 340	42 544	–	(282)	708	207 310

	Group Net book value	
	31 Dec 2008 R'000	31 Dec 2007 R'000
Owned		
Land and buildings	353 584	283 529
Computer equipment	30 232	17 401
Computer software	19 933	2 088
Furniture, fittings and equipment	33 374	27 849
Motor vehicles	6 235	4 164
Video equipment, courses and masters	585	421
Leasehold improvements	116 184	105 895
	560 127	441 347
Leased		
Computer equipment	–	–
Motor vehicles	–	–
	560 127	441 347

	Company Cost			
	1 Jan 2008 R'000	Additions R'000	Disposals R'000	31 Dec 2008 R'000
10. Property, plant and equipment *(continued)*				
Owned				
Computer equipment	11	–	–	11
Furniture, fittings and equipment	–	2	–	2
	11	2	–	13

	Company Accumulated depreciation			
	1 Jan 2008 R'000	Depreciation R'000	Disposals R'000	31 Dec 2008 R'000
Owned				
Computer equipment	11	–	–	11
Furniture, fittings and equipment	–	–	–	–
	11	–	–	11

	Company Net book value	
	31 Dec 2008 R'000	31 Dec 2007 R'000
Owned		
Computer equipment	–	–
Furniture, fittings and equipment	2	–
	2	–

		Group	
	Note	**Audited 2009 R'000**	Audited 2008 R'000

11. Goodwill

Cost			
Balance at beginning of the year		**38 359**	–
Additional amounts recognised from business combinations occurring during the year	28	**46 534**	38 359
Acquisition price adjustment*		**(3 984)**	–
Balance at end of the year		**80 909**	38 359
Accumulated impairment losses			
Balance at beginning of the year		**–**	–
Impairment losses recognised in the year		**–**	–
Balance at end of the year		**–**	–
Carrying amount			
At beginning of the year		**38 359**	–
At end of the year		**80 909**	38 359

*The purchase consideration of two acquisitions are based on an earnings-up method. These acquisitions have been accounted for in the prior year based on preliminary assessments of the earnings to be made. The purchase prices and resulting impact on the original allocated goodwill has been revised based on the latest forecasts.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

When testing goodwill for impairment, the recoverable amounts of the cash generating units (CGU) are determined using value-in-use calculations. The key assumptions for the value-in-use calculations are discount rates, growth rates and expected future cash flows. Management estimates discount rates using rates that reflect current market assumptions of the time value of money and the risks specific to the CGU. The growth rates are based on industry growth forecasts.

The Group prepares cash flow forecasts based on the CGU's budgeted results. A terminal value is calculated based on a conservative growth rate.

As the Group integrates the acquired customers into existing platforms as part of the business model the Group aggregates the CGU's into the core business segments and has used these segments as CGU's for the purpose of performing the value-in-use calculations.

The directors were satisfied that there were no impairment indicators.

		Group		
	Note	Customer bases R'000	Brand values R'000	**Total audited R'000**
12. Intangible assets				
Cost				
Balance at 1 January 2008		12 312	–	**12 312**
Additions through business combinations		25 562	15 352	**40 914**
Adjustment to preliminary purchase price		(295)	–	**(295)**
Balance at 1 January 2009		37 579	15 352	**52 931**
Additions through business combination	28	5 020	2 685	**7 705**
Adjustment to preliminary purchase price		(592)	(244)	**(836)**
At 31 December 2009		42 007	17 793	**59 800**
Accumulated amortisation				
Balance at 1 January 2008		1 653	–	**1 653**
Amortisation expense		2 694	384	**3 078**
Balance at 1 January 2009		4 347	384	**4 731**
Amortisation expense		4 546	741	**5 287**
At 31 December 2009		8 893	1 125	**10 018**
Carrying amount				
As at 31 December 2008		33 232	14 968	**48 200**
As at 31 December 2009		33 114	16 668	**49 782**

The following useful lives are used in the calculation of amortisation on a straight-line basis:

Customer bases	3 to 13.4 years
Brand values	5 to 10 years, indefinite life

The brand value of Trinityhouse has a life span in excess of twenty years and therefore an indefinite period of amortisation was selected. The carrying amount of this asset amounts to R10,8 million (2008: R10,8 million).

	Company								
					Interest of Holding Company				
	Issued share capital		Proportion held directly or indirectly		Shares		Loans receivable/ (payable)		
	31 Dec 2009 R	31 Dec 2008 R	**31 Dec 2009 %**	31 Dec 2008 %	**31 Dec 2009 R'000**	31 Dec 2008 R'000	**31 Dec 2009 R'000**	31 Dec 2008 R'000	Principal activity
13. Investments in and loans to and from subsidiaries									
Direct:									
The Independent Institute of Education (Pty) Ltd	**2**	2	**100**	100	**101 228**	101 228	**(120 083)**	(61 926)	1
ADvTECH Resource Holdings (Pty) Ltd	**3 150 023**	3 150 023	**100**	100	**59 760**	59 760			2
Indirect:									
Hamlora (Pty) Ltd (a)	**10**	10	**100**	100					5
ADvTECH Resourcing (Pty) Ltd	**10**	10	**100**	100			**6 515**	6 515	4
ADvTECH Training (Pty) Ltd	**2**	2	**100**	100					3
Bryan Hattingh Independent Services (Pty) Ltd	**1**	1	**100**	100					3
Business Learning Systems (Pty) Ltd	**1 000**	1 000	**100**	100					3
HC Leon (Pty) Ltd	**100**	100	**100**	100					3
Kapele Appointments (Pty) Ltd	**100**	100	**70**	70					4
Learntron (Pty) Ltd	**922**	922	**100**	100					3
Resource Development International (Pty) Ltd	**200**	200	**100**	100					3
Sight and Sound Education (Pty) Ltd	**150**	150	**100**	100					3
Strategic Connection (Pty) Ltd	**100**	100	**100**	100					3
Time Systems SA (Pty) Ltd	**1 000**	1 000	**100**	100					3
Triumph Holdings Ltd (b)	**4**	4	**100**	100					5
					160 988	160 988	**(113 568)**	(55 411)	

1 *Independent provider of education*
2 *Investment Holding Company*
3 *Dormant Company*
4 *Recruitment, placement and temporary staffing Company*
5 *In the process of deregistration*

Results of subsidiaries so far as they concern members of the Company: Aggregate profit after taxation R160,2 million (2008: R155,4 million). All companies are incorporated in the Republic of South Africa except as indicated (a) Australia (b) British Virgin Islands above.

The loans are interest free and there are no fixed terms of repayment. The inter-company loans do not carry any credit risk as the underlying entities are profitable and generate sufficient cash to meet their obligations.

14. ADvTECH share incentive scheme

Certain employees and directors are eligible to participate in the scheme. The option offer value is the closing price at which shares are traded on the JSE Limited on the trading day immediately preceding the offer date. Share options accepted by participants are exercisable at intervals of 2, 4 and 6 years after the offer date. On exercise of the options the participant pays the Share Incentive Trust an amount equal to the offer price multiplied by the number of options exercised. If a participant leaves the employ of the Group prior to exercising the options the options lapse. Variations to the vesting periods are possible with the written consent of the Remuneration Committee of the Board and the Trustees of the Trust.

The broad-based scheme allocates shares to all employees based on a predefined period of employment. This scheme will run for a period of five years.

Date options granted	Expiry date year ending	Exercise price of outstanding options (cents)	Weighted average estimated contractual life (years)	Fair value at grant date (cents)
4 April 2007	31 Dec 2013	270	2.7	115
22 August 2008	31 Dec 2014	375	2.5	124

	Number of share options	**Weighted average exercise price (cents)**	Number of share options	Weighted average exercise price (cents)
Reconciliation of options	**2009**		2008	
Options outstanding on 1 January	**8 439 153**	**217**	13 801 507	71
Add – Options granted during the year	**–**	**–**	3 610 000	375
Less – Exercised	**(3 768 152)**	**75**	(8 753 782)	52
– Lapsed	**(136 001)**	**223**	(218 572)	108
Options outstanding at 31 December	**4 535 000**	**344**	8 439 153	217

As at 31 December 2009 there were 30 (2008: 70) participants (including directors) in the ADvTECH share incentive scheme.

	Number of shares		Loan receivable/(payable) R'000	
Reconciliation of shares owned	**2009**	2008	**2009**	2008
Shares owned by the Trust as at 1 January	**2 754 097**	12 112 279	**(2 081)**	3 604
Add – Shares purchased by the Share Incentive Trust	**3 000 000**	–	**12 472**	–
Less – Share awards to staff 2007	**–**	–	**–**	50
– Share awards to staff 2008	**–**	(499 000)	**13**	(1 058)
– Share awards to staff 2009	**(507 500)**	–	**(2 110)**	–
– Broad based scheme shares transferred	**(203 400)**	(105 400)	**(468)**	(221)
– Options exercised during the year	**(3 768 152)**	(8 753 782)	**(2 926)**	(4 456)
Shares owned by the Trust at 31 December	**1 275 045**	2 754 097	**4 900**	(2 081)

All shares owned by the Trust have been allocated and will be transferred to participants as and when the exercise and payment of options are due. In the event that the Trust does not own sufficient shares to issue to participants, new shares will be issued from the unissued share capital of the Company, subject to continued shareholders' approval.

The loan receivable from/(payable to) the Share Trust is unsecured, interest free and has no fixed terms of repayment.

14. ADvTECH share incentive scheme *(continued)*

The fair values relating to the share option expense were calculated using the Bermudan Binomial model. The inputs into the model in respect of 2008 options granted were as follows:

Weighted average share price (cents)	395
Weighted average exercise price (cents)	52
Expected volatility	36%
Expected life	5.6 years
Risk free rate	10%
Expected dividend yield	5%

Expected volatility was determined calculating the historical volatility of the Company's share price over the previous six years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised total expenses of R1,7 million (2008: R1,5 million) related to share-based payment transactions during the year.

	Group		Company	
	Audited 2009 R'000	Audited 2008 R'000	**Audited 2009 R'000**	Audited 2008 R'000
15. Deferred taxation assets				
Opening deferred taxation assets	**18 572**	26 833	**1 524**	2 239
	1 992	(7 466)	**(393)**	(768)
Current year temporary differences	**2 385**	908	**–**	–
Utilisation of deferred taxation assets relating to taxation losses	**(393)**	(8 374)	**(393)**	(768)
Prior year over provision	**155**	130	**155**	130
Reduction in deferred taxation assets resulting from a reduction in taxation rate	**–**	(925)	**–**	(77)
Balance at end of the year	**20 719**	18 572	**1 286**	1 524
The balance comprises:				
Deferred and prepaid expenditure	**(2 548)**	(2 986)	**–**	–
Allowance for future expenditure (S24C)	**(15 379)**	(12 568)	**–**	–
Fees received in advance	**21 641**	18 058	**–**	–
Commercial building allowance	**(634)**	(120)	**–**	–
Provision for bad debts	**8 823**	8 547	**–**	–
Leave pay accrual	**2 773**	2 634	**–**	–
Trademarks	**30**	32	**–**	–
Estimated taxation losses carried forward	**1 286**	1 524	**1 286**	1 524
Other	**4 727**	3 451	**–**	–
	20 719	18 572	**1 286**	1 524

	Group		Company	
	Audited 2009 R'000	Audited 2008 R'000	**Audited 2009 R'000**	Audited 2008 R'000
15. Deferred taxation assets *(continued)*				
Deferred taxation accounted for in the statement of comprehensive income:				
Deferred and prepaid expenditure	**438**	(1 731)	**–**	–
Allowance for future expenditure (S24C)	**(2 811)**	(5 124)	**–**	–
Fees received in advance	**3 583**	6 411	**–**	–
Commercial building allowance	**(514)**	(120)	**–**	–
Provision for bad debts	**276**	489	**–**	–
Leave pay accrual	**139**	688	**–**	–
Amortisation of trademarks	**(2)**	(484)	**–**	–
Estimated taxation losses carried forward	**(393)**	(8 447)	**(393)**	(768)
Other	**1 276**	852	**–**	–
	1 992	(7 466)	**(393)**	(768)
16. Inventories				
Books	**809**	756	**–**	–
Promotional items	**3 655**	5 172	**–**	–
Other	**2**	10	**–**	–
	4 466	5 938	**–**	–
17. Trade and other receivables				
Amounts receivable from tuition fees	**92 506**	75 639	**–**	–
Amounts receivable for placement fees	**18 774**	24 645	**–**	–
Amounts receivable from the sale of goods and services	**1 666**	2 207	**–**	–
Trade receivables	**112 946**	102 491	**–**	–
Allowance for doubtful debts	**(42 016)**	(40 701)	**–**	–
	70 930	61 790	**–**	–
Other receivables	**13 956**	10 603	**5 177**	4 654
	84 886	72 393	**5 177**	4 654

There are no customers who individually represent more than 5% of the total balance of trade receivables net of allowance for doubtful debt.

Other receivables of the Company consists of inter-company receivables. The inter-company receivables are unsecured, interest free and have no fixed terms of repayment.

	Group		Company	
Ageing of past due trade receivables but not impaired				
30 days	**12 137**	14 732	**–**	–
60 days	**9 578**	8 736	**–**	–
90 days	**6 180**	5 751	**–**	–
120+ days	**25 502**	16 972	**–**	–
Total	**53 397**	46 191	**–**	–

	Group		Company	
	Audited 2009 R'000	Audited 2008 R'000	**Audited 2009 R'000**	Audited 2008 R'000
17. Trade and other receivables *(continued)*				
Movement in the allowance for doubtful debts				
Balance at beginning of the year	**40 701**	38 373	**–**	–
Impairment losses recognised on receivables	**23 116**	20 749	**–**	–
Impairment losses reversed	**(21 801)**	(18 421)	**–**	–
Balance at end of the year	**42 016**	40 701	**–**	–
The concentration of credit risk is limited due to the customer base being large and unrelated. This allowance has been determined by reference to past default experience.				
The directors consider that the carrying amount of trade and other receivables approximates their fair value.				
Ageing of impaired trade receivables				
30 days	**229**	121	**–**	–
60 days	**217**	997	**–**	–
90 days	**666**	851	**–**	–
120+ days	**40 904**	38 732	**–**	–
Total	**42 016**	40 701	**–**	–
18. Cash and cash equivalents				
Bank balances	**39 349**	43 550	–	–
Cash	**261**	239	–	–
	39 610	43 789	–	–

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying value of these assets approximates their fair value.

The carrying amounts of the Group's bank balances are denominated in the following currencies:

	Foreign currency	**Foreign currency 2009 '000**	Foreign currency 2008 '000	**Rand 2009 R'000**	Rand 2008 R'000
Bank balances	ZAR	**–**	–	**39 312**	43 531
Bank balances	Euro	**3**	1	**37**	19
				39 349	43 550

19. Foreign currency exposure

The Group has entered into the following forward exchange contracts to cover foreign commitments not yet due:

Outstanding contracts	Average contract rate 2009	Average contract rate 2008	Foreign currency 2009 '000	Foreign currency 2008 '000	Rand equivalent 2009 R'000	Rand equivalent 2008 R'000
Cash flow hedges						
Buy US Dollars						
Less than 3 months	**–**	8.5676	**–**	$555	**–**	4 755
3 to 9 months	**7.8129**	8.9778	**$171**	$171	**1 336**	1 535
			$171	$726	**1 336**	6 290

Software licences and related support were acquired and the amounts are payable in US Dollars in the subsequent year.

The Group has entered into forward foreign exchange contracts to hedge the exchange rate risk arising from these anticipated future transactions, which are designated as cash flow hedges.

Nature of monetary item	Foreign currency	Foreign currency 2009 '000	Foreign currency 2008 '000	Rand equivalent 2009 R'000	Rand equivalent 2008 R'000
Trade credit					
Trade credit	Australian Dollars	**40**	–	**276**	–

	Group Audited 2009 R'000	Group Audited 2008 R'000	Company Audited 2009 R'000	Company Audited 2008 R'000
20. Share capital and share premium				
20.1 Share capital				
Authorised				
500 000 000 shares of 1 cent each (2008: 500 000 000 shares of 1 cent each)	**5 000**	5 000	**5 000**	5 000
500 000 000 N shares of 0.01 cent each (2008: 500 000 000 N shares of 0.01 cent each)	**50**	50	**50**	50
	5 050	5 050	**5 050**	5 050

	Group and Company Number of shares 2009 '000	Share capital 2009 R'000	Number of shares 2008 '000	Share capital 2008 R'000
Issued				
Balance at 1 January	**393 665**	**3 937**	393 665	3 937
Shares issued for business acquisition*	**9 000**	**90**	–	–
Shares acquired and cancelled	**(1 827)**	**(19)**	–	–
Balance at 31 December	**400 838**	**4 008**	393 665	3 937

*These shares were issued as part payment of the purchase price for the acquisition of Forbes Lever Baker. Refer to note 28 for additional information.

The unissued shares are under the control of the directors subject to the provisions of the Companies Act and the requirements of the JSE Limited.

	Group		Company	
	Audited 2009 R'000	Audited 2008 R'000	**Audited 2009 R'000**	Audited 2008 R'000
20. Share capital and share premium *(continued)*				
20.2 Share premium				
Balance at 1 January	**184 291**	253 764	**184 291**	253 764
Capital distributions to shareholders	**(80 341)**	(69 473)	**(80 341)**	(69 473)
Shares issued for business acquisition	**35 460**	–	**35 460**	–
Shares acquired and cancelled	**(7 579)**	–	**(7 579)**	–
Balance at 31 December	**131 831**	184 291	**131 831**	184 291
21. Borrowings				
Mortgage bond	**–**	3 852	**–**	–
The borrowings are repayable as follows:				
On demand or within one year	**–**	3 852	**–**	–
In the second year	**–**	–	**–**	–
	–	3 852	**–**	–
Less: Amounts due for settlement within 12 months (shown under current liabilities)	**–**	(3 852)	**–**	–
Amounts due for settlement after 12 months	**–**	–	**–**	–

The mortgage bond was repayable in monthly instalments of R0,7 million, with a fixed interest rate of 11.92% (2008: 11.92%). The loan was secured by security bonds over properties with a cost of R40,3 million in 2008 as referred to in note 10 and subsequent to repayment the security was released.

	Group		Company	
22. Trade and other payables				
Trade payables and accruals	**152 787**	123 014	**795**	613
Leave pay accrual	**9 904**	9 409	**–**	–
Vendor claims	**18 518**	18 380	**–**	–
	181 209	150 803	**795**	613

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

The directors consider that the carrying amount of trade payables, including the leave pay accrual, approximates their fair value. The average credit period on purchases is two months. No interest is charged on trade payables for the first 60 days from date of invoice. The Group has financial risk management policies in place to ensure that payables are paid within the credit time frame.

	Group		Company	
	Audited 2009 R'000	Audited 2008 R'000	**Audited 2009 R'000**	Audited 2008 R'000
23. Commitments				
23.1 Capital commitments				
Capital expenditure approved by the directors:				
Contracted but not provided for	**35 579**	36 202	**–**	–
Not contracted for	**87 035**	121 320	**–**	–
	122 614	157 522	**–**	–
Capital commitments will be financed through existing facilities and working capital.				
23.2 Operating lease commitments				
Commitments under non-cancellable operating leases are as follows:				
Premises:				
Due within one year	**73 444**	56 364	**–**	–
Due within two to five years	**176 494**	173 318	**–**	–
Due thereafter	**104 554**	129 520	**–**	–
	354 492	359 202	**–**	–
Equipment:				
Due within one year	**828**	1 542	**–**	–
Due within two to five years	**392**	1 004	**–**	–
Due thereafter	**619**	1 162	**–**	–
	1 839	3 708	**–**	–
	356 331	362 910	**–**	–

The operating leases relate to premises and equipment with various lease terms, with an option to extend if required.

24. Financial instruments

Financial risk management objectives and policies

The Group's principal financial instruments comprise cash and cash equivalents, investments and various items such as trade receivables and payables that arise directly from operations. The main purpose of these instruments is to finance the Group's operations.

Capital risk management

The Group manages its capital to ensure that subsidiaries/divisions will be able to continue as going concerns while maximising the return to stakeholders through optimisation of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of cash and cash equivalents and equity, comprising issued capital, share premium, reserves and retained earnings.

Capital projects are timed to coincide with additional capacity required to ensure facilities are utilised on completion.

Liquidity risk

Cash balances are monitored daily and surplus funds are placed on short-term deposits.

Bank overdraft facilities available at 31 December 2009 amounted to R53,0 million (2008: R30,0 million), all of which expire within a year. These are considered more than adequate to finance operations.

24. Financial instruments *(continued)*

Credit risk

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are shown net of allowances for doubtful receivables. The Group has no concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposure to exchange rate fluctuations arise. Material foreign exchange exposures are hedged with a corresponding foreign exchange contract. See note 19 for additional detail.

25. Contingent liabilities

In terms of the Group's banking arrangement the Company has issued to its bankers an unlimited suretyship on behalf of a wholly owned subsidiary for overdraft facilities, which at 31 December 2009 were not being utilised. The same circumstances were applicable at 31 December 2008.

	Notes	Group		Company	
		Audited 2009 R'000	Audited 2008 R'000	**Audited 2009 R'000**	Audited 2008 R'000
26. Notes to the statement of cash flows					
26.1 Cash generated from operations					
Profit before taxation		**229 785**	222 570	**1 394**	2 701
Adjust for non-cash IFRS and lease adjustments (before taxation)		**6 273**	5 161	**–**	–
		236 058	227 731	**1 394**	2 701
Adjusted:		**48 103**	23 761	**(836)**	(1 522)
Depreciation and amortisation	5	**58 746**	45 622	**–**	–
Net interest received	6	**(10 849)**	(21 877)	**(836)**	(1 522)
Net foreign exchange differences on cash and cash equivalents		**1**	(5)	**–**	–
Other non-cash flow income statement items		**205**	21	**–**	–
		284 161	251 492	**558**	1 179
26.2 Movement in working capital					
Decrease/(increase) in inventories		**1 472**	(2 695)	**–**	–
Increase in trade and other receivables and prepayments		**(13 523)**	(25 133)	**(523)**	(393)
Increase/(decrease) in trade and other payables		**25 707**	8 313	**182**	(1 185)
Increase in fees received in advance		**16 974**	18 533	**–**	–
Decrease/(increase) in working capital		**30 630**	(982)	**(341)**	(1 578)

	Notes	Group Audited 2009 R'000	Group Audited 2008 R'000	Company Audited 2009 R'000	Company Audited 2008 R'000
26. Notes to the statement of cash flows *(continued)*					
26.3 Taxation (paid)/received					
Balance at beginning of the year		**(39 405)**	(29 585)	**–**	–
Current charge	7.1	**(71 731)**	(58 862)	**–**	11
Balance at end of the year		**35 685**	39 405	**–**	–
Cash amount (paid)/received		**(75 451)**	(49 042)	**–**	11
26.4 Capital distributions					
Balance at beginning of the year		**(439)**	(282)	**(439)**	(282)
Declared during the year	20.2	**(80 341)**	(69 473)	**(80 341)**	(69 473)
Balance at end of the year		**599**	439	**599**	439
Cash amount paid		**(80 181)**	(69 316)	**(80 181)**	(69 316)
26.5 Dividend payments					
Balance at beginning of the year		**(35)**	(35)	**(35)**	(35)
Declared during the year		**–**	–	**–**	–
Balance at end of the year		**35**	35	**35**	35
Cash amount paid		**–**	–	**–**	–
26.6 Additions to property, plant and equipment to maintain operations					
Land and buildings		**(7 424)**	(3 216)	**–**	–
Computer equipment		**(18 910)**	(14 359)	**–**	–
Computer software		**(1 499)**	(736)	**–**	–
Furniture, fittings and equipment		**(8 949)**	(9 227)	**–**	(2)
Motor vehicles		**(957)**	(1 412)	**–**	–
Video equipment, courses and masters		**(529)**	(282)	**–**	–
Leasehold improvements		**(3 961)**	(5 380)	**–**	–
		(42 229)	(34 612)	**–**	(2)
26.7 Additions to property, plant and equipment to expand operations					
Land and buildings		**(43 670)**	(6 447)	**–**	–
Computer equipment		**(6 133)**	(12 210)	**–**	–
Computer software		**(23 717)**	(18 255)	**–**	–
Furniture, fittings and equipment		**(2 822)**	(6 227)	**–**	–
Motor vehicles		**–**	(1 566)	**–**	–
Leasehold improvements		**(10 372)**	(18 523)	**–**	–
		(86 714)	(63 228)	**–**	–

	Group		Company	
	Audited 2009 R'000	Audited 2008 R'000	**Audited 2009 R'000**	Audited 2008 R'000
26. Notes to the statement of cash flows *(continued)*				
26.8 Additions to property, plant and equipment through business acquisitions				
Land and buildings	**–**	(61 513)	**–**	–
Computer equipment	**(289)**	(554)	**–**	–
Furniture, fittings and equipment	**(1 581)**	(1 025)	**–**	–
Motor vehicles	**(26)**	(526)	**–**	–
Leasehold improvements	**(568)**	–	**–**	–
	(2 464)	(63 618)	**–**	–

27. Related party transactions

Group

The parent and ultimate controlling party of the Group is ADvTECH Limited.

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Directors

Details regarding directors' remuneration, interest and share options are disclosed in the Directors' report.

Company

ADvTECH Limited performed certain administrative services for The Independent Institute of Education (Proprietary) Limited and for ADvTECH Resourcing (Proprietary) Limited for which management fees of R2,6 million (2008: R2,1 million) and R0,6 million (2008: R0,5 million) respectively were charged and paid, being an appropriate allocation of costs incurred by the relevant administrative departments.

	Audited 2009 R'000
28. Business combination	
Entity acquired:	
The Group did not acquire any liabilities in respect of the business acquisition. The purchase consideration has been allocated as indicated below:	
Forbes Lever Baker was acquired on 1 January 2009. The consideration is based on an earnings-up method. A preliminary estimation of R56,7 million has been made. The principal business activity is the provision of education.	
Non-current assets acquired	
Intangible assets	**7 705**
Goodwill	**46 534**
Property, plant and equipment	**2 464**
	56 703

Refer to notes 11 and 12 for adjustments made to the goodwill and intangible assets arising on acquisitions previously accounted for based on preliminary purchase price allocations.

Shareholders' analysis Distribution of shareholders at 31 December 2009

	Number of shareholders	% of shareholders	Number of shares	% of total shares
Range of shareholding				
1 to 10 000	2 479	76.0%	5 211 237	1.3%
10 001 to 100 000	526	16.1%	18 046 965	4.5%
100 001 to 500 000	149	4.6%	35 654 580	8.9%
500 001 to 1 000 000	34	1.0%	26 514 650	6.6%
more than 1 000 000	75	2.3%	315 410 749	78.7%
	3 263	**100.0%**	**400 838 181**	**100.0%**

To the best knowledge of the directors and after reasonable enquiry, as at 31 December 2009 the spread of shareholders was as follows:

Shareholder spread

ADvTECH Share Incentive Scheme	1	0.1%	1 275 045	0.3%
Directors (including subsidiary directors)	7	0.2%	52 061 682	13.0%
Non-public shareholding	8	0.3%	53 336 727	13.3%
Public shareholding	3 255	99.7%	347 501 454	86.7%
Total of all shareholders	**3 263**	**100.00%**	**400 838 181**	**100.00%**

Major shareholders

According to the information available to the Company after reasonable enquiry, the following shareholders are directly or indirectly interested in 5% or more of ADvTECH's share capital.

	Shares held	
	Number	%
Sanlam	50 454 797	12.6%
Coronation	43 809 326	10.9%
RMB Asset Management	36 974 036	9.2%
Old Mutual Asset Management	30 691 304	7.7%
BD Buckham	27 362 926	6.8%

Share information

	2009	2008	2007	2006	2005
Closing price at period end (cents)	**525**	395	485	310	210
JSE market price high (cents)	**535**	464	529	325	220
JSE market price low (cents)	**290**	300	290	191	120
Total number of transactions at JSE	**3 970**	4 346	4 629	3 560	2 277
Total number of shares traded	**72 982 931**	70 227 537	70 219 288	91 060 718	61 275 060
Total value of shares traded (R)	**318 742 200**	278 128 027	301 544 748	233 207 604	91 057 684
Average price per share (cents)	**437**	396	441	256	149
Shares in issue	**400 838 181**	393 664 886	393 664 886	393 664 886	393 664 886
Percentage volume traded to shares in issue	**18%**	18%	18%	23%	16%
PE ratio	**13.1**	12.3	15.2	13.7	13. 4

Note: Shares in issue per JSE as at 31 December 2009

Shareholders' diary

	2010
Announcement of annual results	Tuesday, 23 March
Annual report	Friday, 26 March
Annual General Meeting	Tuesday, 18 May
Interim results for the six months ended 30 June 2010	Monday, 23 August

Capital distribution by way of a reduction of share premium ("Distribution")

The Board is pleased to advise that a final distribution of 13.5 cents per share will be paid to shareholders out of the share premium in respect of the year ended 31 December 2009. The authority to make this payment was obtained at the Annual General Meeting held on 19 May 2009.

Set out in the table below are the salient dates and times applicable to the distribution.

	2010
Declaration date	Tuesday, 23 March
Last date to trade in order to participate in the distribution	Friday, 9 April
Trading commences ex-distribution	Monday, 12 April
Record date	Friday, 16 April
Payment date	Monday, 19 April

Share certificates may not be dematerialised or rematerialised between Monday,12 April 2010 and Friday, 16 April 2010, both days inclusive.

Notice is hereby given to all members of ADvTECH Limited ("the Company") that the twentieth Annual General Meeting of members will be held at ADvTECH House, Inanda Greens, 54 Wierda Road West, Wierda Valley, Sandton on Tuesday, 18 May 2010 at 10h00 to transact the following business:

To consider and, if thought fit, pass the following resolutions with or without modification as ordinary resolutions:

1. Ordinary resolution number one

To receive and adopt the Group annual financial statements for the year ended 31 December 2009, including the Directors' report and the report of the Auditors thereon.

2. Ordinary resolution number two

To resolve that the reappointment of Mr BD Buckham as a non-executive director, who retires by rotation, but being eligible, offers himself for re-election in accordance with Article 53 of the Company's articles of association for a further term of office, be authorised and confirmed.
(A brief CV appears on page 19 of the annual report.)

3. Ordinary resolution number three

To resolve that the reappointment of Mr HR Levin as a non-executive director, who retires by rotation, but being eligible, offers himself for re-election in accordance with Article 53 of the Company's articles of association for a further term of office, be authorised and confirmed.
(A brief CV appears on page 18 of the annual report.)

4. Ordinary resolution number four

To resolve that the reappointment of Mr JDR Oesch as an executive director, who retires by rotation, but being eligible, offers himself for re-election in accordance with Article 53 of the Company's articles of association for a further term of office, be authorised and confirmed.
(A brief CV appears on page 18 of the annual report.)

5. Ordinary resolution number five

To confirm the appointment of Mr LW Maasdorp, who has been appointed as a non-executive director since the last Annual General Meeting and who, in terms of Article 53 of the Company's articles of association, retires from office at the conclusion of the Annual General Meeting, and being eligible, offers himself for re-election.
(A brief CV appears on page 19 of the annual report.)

6. Ordinary resolution number six

To resolve that the reappointment of Deloitte & Touche as auditors, until the conclusion of the next Annual General Meeting in accordance with S270 (1) of the Companies Act, 1973 (Act 61 of 1973), as amended, be authorised and confirmed.

7. Ordinary resolution number seven

To resolve that the fees paid to the directors of the Company in respect of the year ended 31 December 2009, as set out in the financial report on page 10, be approved.

8. Ordinary resolution number eight

To resolve that, in terms of articles 13 and 13.2 of the Company's articles of association and subject to the Company obtaining a statement by the directors that after considering the effect of such maximum payment:

a. the Company and the Group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of the notice of the Annual General Meeting;
b. the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group for a period of 12 months after the date of the notice of the Annual General Meeting. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited annual Group financial statements;
c. the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the Annual General Meeting; and
d. the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the Annual General Meeting,

the directors of the Company shall be entitled, from time to time, to pay by way of a reduction of share premium, capital distributions to shareholders of the company *in lieu* of a dividend. Such distributions shall be made *pro rata* to all shareholders and be amounts equal to the amounts which the directors would have declared and paid out of profits of the Company as interim and final dividends in respect of the financial year ending 31 December 2010. This authority shall not extend beyond the date of the Annual General Meeting following the date of the Annual General Meeting at which this resolution is being proposed or 15 months from the date of the resolution whichever is shorter.

In terms of the Listings Requirements of the JSE Limited ("Listings Requirements"), any general payment(s) may not exceed 20% of the Company's issued share capital, including reserves but excluding minority interests, and revaluations of assets and intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE Limited ("JSE") prepared within the last six months, in any one financial year, measured as at the beginning of such financial year.

General payments, from time to time, to pay by way of a reduction of share premium, capital distributions to shareholders of the company *in lieu* of a dividend, shall not be effected before the Jse has received written confirmation from the Company's sponsor to the effect that the directors have considered the solvency and liquidity of the Company and the Group as required in terms of Section 90 (2) of the Companies Act, 1973 (Act 61 of 1973), as amended.

The Company shall publish an announcement in terms of paragraph 11.31 of the Listings Requirements.

9. Ordinary resolution number 9

To resolve that the ADvTECH Limited Share Incentive Scheme (2002) dated 1 July 2002 (the "Scheme") be amended so as to comply with the amendments to Schedule 14 of the JSE Listings Requirements –

Substantive amendments:

- Increase the number of shares that may be issued through the Scheme from 60 125 727 (representing 15% of the issued share capital of the Company) to 80 167 636 shares (representing 20% of the issued share capital of the Company); and
- Increase the number of shares that may be issued to any one participant in the Scheme from 11 809 947 (representing 3% of the issued share capital of the Company) to 12 025 145 shares (representing 3% of the increased issued share capital of the Company at the signature date);
- The Trustees of the Scheme undertake to ensure that from the date the Scheme is amended no more than 40 083 818 shares (representing 10% of the Company's issued share capital), will be under option or available for deferred delivery in terms of the Scheme at any point in time.

Prescriptive amendments:

- Amendments to the Scheme to bring same in line with the requirements of Schedule 14 of the JSE Listing Requirements.

Special business

To consider and, if thought fit, pass the following resolution with or without modification as a special resolution:

10. Special resolution number one

To resolve as a special resolution that the Company approves, as a general approval as contemplated in Sections 85(2) and 85(3), as amended of the Companies Act, 1973 (Act 61 of 1973), as amended ("the Act"), the acquisition of shares issued by the Company upon such terms and conditions and in such amounts as the directors may from time to time decide, but subject to the provisions of Section 85 to Section 89 of the Act, and the Listings Requirements, namely that:

- The repurchase of securities may only be effected through the order book operated by the JSE trading system and done without any understanding or arrangement between the Company and the counterparty;
- Authorisation thereto being given by the Company's articles of association;
- Approval by shareholders in terms of a special resolution of the Company, which shall be valid only until the Company's next Annual General Meeting provided that it does not extend beyond 15 months from the date of the special resolution;

- At any point in time, the Company will only appoint one agent to effect any repurchase(s) on the Company's behalf;
- In any one financial year the general authority to repurchase will be limited to a maximum of 20% of the Company's issued share capital of that class at the time authority is granted in that financial year;
- Repurchases may not be made at a price greater than 10% above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the transaction is effected;
- The Company after such repurchases still complies with paragraphs 3.37 to 3.41 of the Listings Requirements concerning shareholder spread requirements;
- The Company makes an announcement in terms of paragraph 11.27 of the Listings Requirements; and
- Repurchases may not be made during a prohibited period as defined in paragraph 3.67 of the Listings Requirements.

The reason for and effect of special resolution number one is to grant the directors a general authority in terms of the act, as amended, for the acquisition by the Company of shares issued by it on the basis reflected in the special resolution.

11. To transact such other business as may be transacted at an Annual General Meeting.

Explanatory notes to ordinary resolution number eight, nine and special resolution number one:

Information required in terms of the Listings Requirements with regard to the general authority for the Company to make general payments to shareholders and the general authority for the Company or any of its subsidiaries to repurchase the Company's securities appears in the annual financial statements, to which this notice of Annual General Meeting ("notice") is annexed as indicated below:

- Directors and management: pages 18 and 19 of the annual report
- Major shareholders: page 46 of the financial report
- Directors' interests in securities: page 9 of the financial report
- Share capital of the Company: page 40 of the financial report
- Litigation: page 3 of the financial report

The directors, whose names are given on pages 18 and 19 of the annual report in which this notice was included collectively and individually accept full responsibility for the accuracy of the information given in this notice 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 contains all information required by law and the Listings Requirements.

There has been no material change in the financial or trading position of the Company and its subsidiaries that has occurred since 31 December 2009.

Explanation notes to ordinary resolution number nine

The Scheme is a scheme designed to retain and incentivise the Company's directors, executives and other members of staff. The terms of the proposed amendments, which are required to be approved by shareholders in general meeting, is set out below.

- The Scheme was adopted by the Company on 1 July 2002, which replaced the ADvTECH Education Holdings Limited Share Incentive Trust, established pursuant to a trust deed dated 10 March 1998.
- On 19 March 2010, the Board resolved to effect the amendments to the Scheme.
- The full text of the proposed amendments to the Scheme is contained in a deed of amendment, which will be available for inspection at the offices of the Company at 54 Wierda Road West, Wierda Valley, Sandton during normal business hours from 08h00 until 16h00.

Rationale for the amendments

Substantive amendments:

- The Scheme is a scheme designed to attract, retain and incentivise the Company's directors, executives and other members of staff. The Board, on the recommendation of the Remuneration Committee, wishes to continue the policy of incentivisation through share awards and options as part of staff remuneration packages.
- Options were granted in terms of the Scheme during 2001 and 2002 at a time when the share price was low. As a result of the low share price at the time, and in order to achieve the objectives of the Scheme, relatively meaningful quantities of

shares were issued to certain key executives. Certain of these executives remain in the employ of the Group and continue to be instrumental in the improved performance of the Company and the consequent increase in shareholder value.

- The Scheme is authorised in terms of the trust deed, and in accordance with the JSE Listing Requirements, to hold no more than 60 125 727 shares, representing 15% of the issued share capital of the Company. To date 56 459 495 shares have been issued or are subject to options still to be exercised leaving only 3 666 232 shares for future incentivisation.
- The Scheme operates two award schemes, namely the Broad-Based Share Scheme and the Senior Staff Share Scheme (collectively referred to as the "award schemes"), in addition to the granting of share options. It is planned to continue operating the award schemes in future for the attraction and retention of staff and to ensure their identification with shareholder objectives. The award schemes are expected to utilise the remaining unissued shares available to the Scheme in the next few years. Executives are excluded from the award schemes.
- As a result of the lack of headroom certain senior executives do not at present hold share options and are currently precluded from further participation in the Scheme unless the number of shares available to the Scheme is increased.
- The directors believe it is appropriate to continue to offer these incentives to executives and other key employees, and the use thereof as a mechanism for the attraction and retention of such staff. In order to do so, it is necessary to increase the number of shares available in the Scheme.
- Due to the increase in the share price, it is envisaged that a significantly lower number of awards or options per participant will be granted in the future.
- Current staff in the Company, including executives, have collectively 4 535 000 options (1.1% of the issued share capital of the Company) still available to be exercised when they fall due.
- The effect of the amendment is that a maximum of 25 652 937 shares will be available to the Scheme for allocation under current and future awards. This amounts to approximately 6.4% of the issued share capital, of which 1.1% is already allocated as set out above.

Prescriptive amendments:

- Listed companies have been afforded until 31 December 2010 to amend their share trust documents to bring same in line with the provisions of Schedule 14 of the JSE Listings Requirements.

Condition Precedent

- The amendment to the Scheme is subject to the approval of 75% of ADvTECH shareholders present in person or represented by proxy at the Annual General Meeting.
- In accordance with Schedule 14 of the JSE Listings Requirements, as amended, the votes in respect of the shares held by existing participants shall not be taken into account for purposes of determining the requisite majority.

Additional explanatory notes to ordinary resolution number eight and special resolution number one

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

1. That the intention of the Company and/or any of its subsidiaries is to utilise the general authority to repurchase securities and/or general authority to make a general payment to shareholders, 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*, appropriate capitalisation structures for the Company, the long-term cash needs of the Company, and will ensure that any such repurchases and/or payments are in the interests of shareholders;
2. That the method by which the Company and/or any of its subsidiaries intends to repurchase its securities and the date on which such repurchases will take place, has not yet been determined;
3. That the method by which the Company intends to make general payments to shareholders in terms of a general authority and the date on which such payments will take place has not yet been determined; and
4. That after considering the effect of a maximum permitted general repurchase of securities or general payments, the Company and its subsidiaries are, as at the date of this notice convening the Annual General Meeting of the Company, able to fully comply with the Listings Requirements. Nevertheless, at the time that the contemplated general repurchase or general

payment is to take place, the directors of the Company will ensure that:

- The Company and the Group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of the notice of the Annual General Meeting;
- The assets of the Company and the Group will be in excess of the liabilities of the Company and Group for a period of 12 months after the date of the notice of the Annual General Meeting. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in these Group annual financial statements;
- The share capital and reserves of the Company and Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of Annual General Meeting;
- The working capital of the Company and Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of Annual General Meeting; and
- The Company will provide its sponsor and the JSE with all documentation as required in Schedule 25 of the Listings Requirements, and will not commence any repurchase programme or general payment until the sponsor has signed off on the adequacy of its working capital, advised the JSE accordingly and the JSE has approved this documentation.

Note:

Any shareholders wishing to attend the AGM who have already dematerialised their shares in ADvTECH, and such dematerialised shares are not recorded in the electronic sub-register of ADvTECH in their own names, should request letters of representation from their duly appointed Central Securities Depository Participant ("CSDP") or broker, as the case may be, to authorise them to attend and vote at the AGM in person.

Any shareholders entitled to attend and vote at the AGM are entitled to appoint proxies to attend, speak and vote at the AGM in their stead. The proxies so appointed need not be members of the Company.

If you have not yet dematerialised your shares in ADvTECH and are unable to attend the AGM, but wish to be represented thereat, you must complete the attached form of proxy in accordance with the instructions therein and lodge it with the transfer secretaries of ADvTECH namely, Link Market Services SA (Proprietary) Limited, 16th Floor, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) to be received by no later than 10h00 on Friday, 14 May 2010.

If you have already dematerialised your shares in ADvTECH:

- And such dematerialised shares are recorded in the electronic sub-register of ADvTECH in your own name and are unable to attend the AGM, but wish to be represented thereat, you must complete the attached form of proxy in accordance with the instructions therein and lodge it with the transfer secretaries of ADvTECH namely, Link Market Services SA (Proprietary) Limited, 16th Floor, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) to be received by no later than 10h00 on Friday, 14 May 2010; or
- Where such dematerialised shares are not recorded in the electronic sub-register of ADvTECH in your own name, you should notify your duly appointed Central Securities Depository Participant ("CSDP") or broker, as the case may be, in the manner and cut-off time stipulated in the agreement governing your relationship with your CSDP or broker of your instructions as regards voting your shares at the AGM.

By order of the Board

SC O'Connor

Group Company Secretary

Bridge Capital Advisors (Proprietary) Limited

Sponsor

Education brands

THE INDEPENDENT INSTITUTE OF EDUCATION

Schools	Tertiary	Skills
Junior colleges	College Campus	IMFUNDO
Abbotts College	FLB	Corporate College
Crawford Schools	Rosebank College	
Trinityhouse	Varsity College	
	Vega	
	National College of Photography	

Resourcing brands

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Tech-Pro Personnel

cassel&co

IT Edge

Vertex Kapele

communicate

Network Recruitment

the working earth

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Form of proxy

ADvTECH LIMITED
Registration Number: 1990/001119/06
("ADvTECH" or "the Company")
JSE Code: ADH ISIN: ZAE 0000 31035

For use by certificated members and dematerialised members with "own name" registration at the meeting of ADvTECH to be held on Tuesday, 18 May 2010 at 10h00 at ADvTECH House, Inanda Greens, 54 Wierda Road West, Wierda Valley, Sandton.

I/We (please print names in full) ____

Of (address)____

being the holder of: ______________________ shares in ADvTECH, do hereby appoint (see note 1)

1. ____ or failing him/her

2. ____ or failing him/her

3. the Chairman of the meeting as my/our proxy to act for me/us at the 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 thereof, and to vote for and/or against the resolutions in respect of the shares registered in my/our name/s in accordance with the following instructions:

	Number of votes (one vote per ordinary share)		
Resolution	In favour of	Against	Abstain
Ordinary Resolution Number One To receive and adopt the Annual Financial Statements of the Company and the Group for the year ended 31 December 2009.			
Ordinary Resolution Number Two Re-appointment of Mr BD Buckham			
Ordinary Resolution Number Three Re-appointment of Mr HR Levin			
Ordinary Resolution Number Four Re-appointment of Mr JDR Oesch			
Ordinary Resolution Number Five Confirm the appointment of Mr LW Maasdorp			
Ordinary Resolution Number Six Re-appointment of the auditors			
Ordinary Resolution Number Seven Approval of directors' fees			
Ordinary Resolution Number Eight General authority to make general payments to ordinary shareholders			
Ordinary Resolution Number Nine Amendments to the ADvTECH Share Scheme			
Special Resolution Number One General authority for the acquisition of shares issued by the Company			

(Indicate instructions to proxy by way of a cross in space provided above)

Unless indicated above, my proxy may vote as he/she thinks fit.

Signed this______________________ day of ______________________ 2010

Signed ____

Each shareholder is entitled to appoint one or more proxies (who need not be shareholders of the Company) to attend, speak and vote on behalf of that shareholder.

Notes

1. This form of proxy must be used by certificated ordinary shareholders or dematerialised ordinary shareholders who hold dematerialised ordinary shares with "own name" registrations.
2. Dematerialised ordinary shareholders are reminded that the onus is on them to communicate with their CSDP or broker.
3. A shareholder may insert the name of a proxy or the names of two alternative proxies (who need not be shareholders of the Company) of the shareholder's choice in the space/s provided, with or without deleting "the chairman of the meeting". The person whose name appears first on the proxy and which has not been deleted will be entitled to act as proxy in priority to those whose names follow.
4. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of ordinary shares to be voted on behalf of that shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote at the meeting as he/she deems fit in respect of the shareholder's votes exercisable thereat, but where the proxy is the chairman, failure to so comply will be deemed to authorise the proxy to vote in favour of the resolutions. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy.
5. Forms of proxy must be lodged at or be posted to the registered office of Link Market Services SA (Proprietary) Limited, 16^{th} Floor, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) to be received by no later than 10h00 on Friday, 14 May 2010.
6. The completion and lodging of this form will not preclude the shareholder from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof, should such shareholder wish to do so.
7. The chairman of the meeting may reject or accept any form of proxy not completed and/or received, other than in accordance with these notes, provided that in respect of the acceptance he is satisfied as to the manner in which the shareholder concerned wishes to vote.
8. An instrument of proxy shall be valid for any adjournment of the meeting as well as for the meeting to which it relates, unless the contrary is stated thereon.
9. The authority (or a certified copy of the authority) of a person signing the form of proxy
   (a) under a power of attorney; or
   (b) on behalf of a company,
   must be attached to this form of proxy unless the Company has already recorded the power of attorney.
10. Where shares are held jointly, at least one of the joint shareholders must sign the form of proxy.
11. A minor must be assisted by his/her guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company.

Registered office

ADvTECH House
Inanda Greens
54 Wierda Road West
Wierda Valley
Sandton 2125

PO Box 2369
Randburg
2125

Transfer secretaries

Link Market Services SA (Proprietary) Limited
16th Floor
11 Diagonal Street
Johannesburg
2001

PO Box 4844
Johannesburg
2000

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