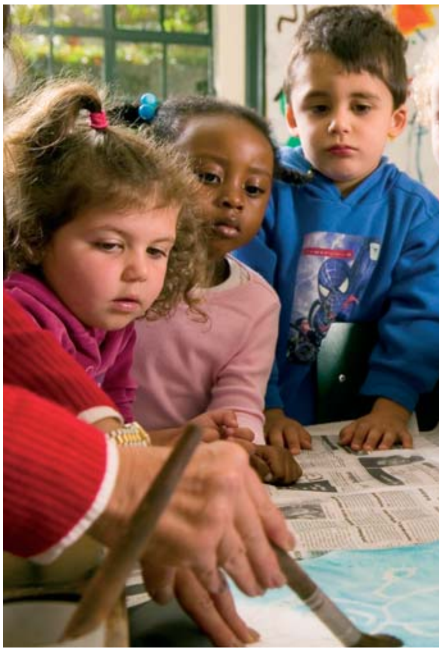
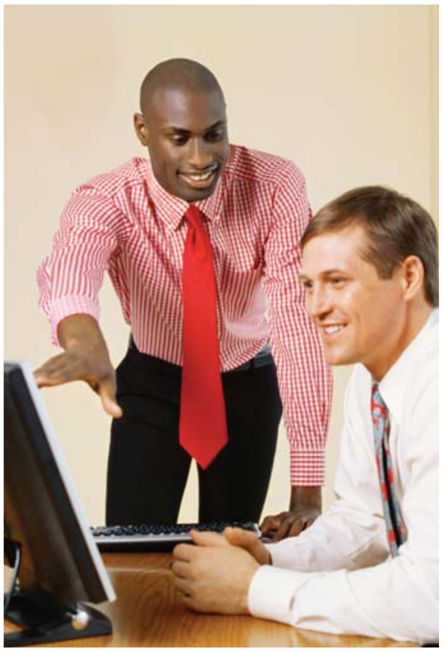
Financial Report 2008





Investing in **human potential**

FINANCIAL HIGHLIGHTS

for the year ended 31 December 2008

Revenue	^	25%
Operating profit	^	27%
Headline earnings per share	^	26%
Free operating cash flow per share	^	30%
Distributions per share	^	25%

R'm	%	**2008**	2007
Revenue	25%	**1 197.8**	960.4
Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA)	29%	**246.3**	191.2
Operating profit	27%	**200.7**	157.8
Profit before taxation	29%	**222.5**	172.1
Ordinary shareholders' equity	23%	**508.9**	414.9
Total assets	21%	**799.0**	659.0
EBITDA margin (%)		**20.6**	19.9
Net asset value per share (cents)	23%	**129.3**	105.4
Free operating cash flow before capex per share (cents)	30%	**52.9**	40.8
Headline earnings per share (cents)	26%	**40.2**	32.0
Diluted headline earnings per share (cents)	29%	**40.0**	31.0
Distributions per share (cents)	25%	**20.0**	16.0
Number of employees (at year end)		**3 643**	3 105

CONTENTS:

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 the Report 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.

Board of directors

ADvTECH has a unitary board structure, and following a restructure of the board in October 2008, there are two executive and eight non-executive directors on the Board, of which six are independent. The roles of chairman and CEO are separate, each with clearly defined roles and responsibilities. Details of the directors appears on page 11 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 is 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 Mr ER Shipalana's appointment to the Board on 24 August 2007 was confirmed by shareholders at the Annual General Meeting held on 20 May 2008. BM Gourley was appointed as a non-executive director on 16 May 2008 and JC Livingstone was appointed as a non-executive director on 3 October 2008.

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

Directors	14/3	16/5	22/8	3/10	28/11
BD Buckham	✓	✓		✓	✓
DK Ferreira	✓	✓	✓	✓	✓
BM Gourley*			✓	#	#
JD Jansen	✓			✓	
HR Levin	✓	✓	✓	✓	✓
JC Livingstone**				✓	✓
JDR Oesch	✓	✓	✓	✓	✓
MI Sacks	✓	✓		✓	
FR Thompson	✓	✓	✓	✓	✓
F Titi		✓	✓	✓	✓

* *Appointed on 16 May 2008*
** *Appointed on 3 October 2008*
# *Available telephonically for consultation*

The following directors and alternate directors resigned, after a restructure of the Board, on 10 October 2008. The table hereunder indicates their attendance at meetings during the year:

Directors	14/3	16/5	22/8	3/10	28/11*
JNP Booyens	✓	✓	✓	✓	✓
FJ Coughlan (Alt)					✓
JJ Deeb	✓	✓	✓	✓	✓
CN Duff	✓	✓	✓	✓	✓
DL Honey	✓	✓	✓	✓	✓
A Isaakidis (Alt)					✓
ER Shipalana	✓	✓	✓		✓

* *Board attendance by invitation*

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 according to the Board's directives.

Following the restructure of the Board, 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:

- MI Sacks (Chairman)*
- HR Levin
- JC Livingstone#

* Resigned 28 November 2008
\# Appointed as member and chairman on 28 November 2008

The Remuneration Committee was chaired by the acting chairman of the Board and consists entirely of independent 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 paid to directors and ensures 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 2008 financial year.

Audit Committee

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

- HR Levin (Chairman)
- JC Livingstone#
- MI Sacks*
- F Titi

* Resigned on 28 November 2008
\# Appointed on 28 November 2008

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. It 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 twice during the 2008 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.

	10/3	**18/8**
HR Levin	✓	✓
MI Sacks##	✓	
F Titi	✓	✓

\## Resigned on 28 November 2008

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 2008 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.

Litigation Committee

- BD Buckham (Chairman)
- HR Levin
- JC Livingstone#
- MI Sacks*

* *Resigned on 28 November 2008*
\# *Appointed on 3 October 2008*

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 2008 financial year.

Board Transformation Committee

- MI Sacks (Chairman)*
- DK Ferreira
- JD Jansen
- F Titi

* *Resigned on 28 November 2008*

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

This Committee, as part of its terms of reference, identifies, reviews and makes recommendations to the Board in respect of new executive and non-executive board appointments and the composition of the Board. The Committee is also tasked with the consideration of succession planning in respect of executive appointments as well as succession planning relating to non-executive directors.

A new chairman of this Committee is still to be appointed following the resignation of MI Sacks.

Attendance for the 2008 financial year is set out in the table below.

	28/2	18/8	28/11
MI Sacks*	✓		
DK Ferreira	✓	✓	✓
JD Jansen		✓	
F Titi	✓	✓	✓

* *Resigned as chairman and member on 28 November 2008*

Nominations Committee

The Nominations Committee was formalised in October 2006, and 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 BM Gourley and JC Livingstone for appointment to the Board as non-executive directors, which appointments were confirmed on 16 May and 3 October respectively.

Risk management

There is no separate 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 for which a group risk management matrix has been compiled. 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 a 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's internal audit manager, although reporting to the Group's financial director on an administrative basis, has direct access to the CEO and the chairman of the Audit Committee.

The directors and Exco assess 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 procedure. 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 and the JSE Limited Listings Requirements.

The directors are responsible for ensuring the Group's 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 Companies 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 Listing 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 service to the Group. (2008: R172 938; 2007: R17 100).

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

Exco

DL Honey, who was an executive director, and whose brother, E Honey, is a director of Bowman Gilfillan who provides intellectual property services to the Group.

JJ Deeb, DL Honey, A Isaakidis, OF Francesconi and JNP Booyens were 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 Levies 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. 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, assurance 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 42 were approved by the Board of directors on 20 March 2009 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 annual financial statements and group annual financial statements of ADvTECH Limited, which comprise the directors' report, the balance sheet and the consolidated balance sheet as at 31 December 2008, the income statement and the consolidated income statement, the statement of changes in equity and the consolidated statement of changes in equity and cash flow statement and the consolidated cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 42.

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 financial position of the Company and of the Group as at 31 December 2008, and of their financial performance and their 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

Deloitte & Touche
Registered Auditors

Per DH Uys
Partner

Buildings 1 and 2
Deloitte Place
The Woodlands Office Park
Woodlands Drive
Sandton

20 March 2009

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

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

DIRECTORS' REPORT

for the year ended 31 December 2008

Your directors have pleasure in presenting their report on the activities of the Group for the year ended 31 December 2008.

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 – Education, Business Training and Employment Agencies 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 2008 are set out herein and commentary thereon is provided in the Chairman's and CEO's reports.

Share capital

The Company's authorised and issued share capital remained unchanged during the year.

Number of share in issue at 31 December 2008	393 664 886

Capital distribution

Share code: ADH	ISIN number: ZAE 0000 31035

The Board is pleased to announce a final distribution to shareholders, to be paid out of share premium, of 13.0 cents per share (2007: 11.0 cents). This would bring the total distributions for the year to 20.0 cents per share (2007: 16.0 cents). The authority to make this payment to shareholders was obtained at the Annual General Meeting held on 20 May 2008. 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 2008 or the financial position at that date.

Special resolutions adopted by subsidiary companies

The statutory information relating to special resolutions passed by subsidiary companies is available from the registered office of the Company on request.

Directorate

Details of directors appear on page 11 of the annual report.

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

BM Gourley – appointed as a non-executive director on 16 May 2008.

JC Livingstone – appointed as a non-executive director on 3 October 2008.

Due to a restructure of the Board, the following executive directors and alternate directors resigned from the Board on 10 October 2008:

JNP Booyens	executive director
JJ Deeb	executive director
CN Duff	executive director
DL Honey	executive director
ER Shipalana	executive director
FJ Coughlan	alternate director
A Isaakidis	alternate director

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: DK Ferreira, JD Jansen and F Titi.

In terms of the Company's articles of association the following directors are required to have their appointments confirmed at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election: BM Gourley and JC Livingstone.

Interest of directors

As at 31 December 2008, the directors' beneficial and non-beneficial, direct and indirect interests in the issued share capital of the Company was 13.9% (including resigned directors 23.5%) (2007: 22.5%) in aggregate and per director as follows:

	Beneficial				Non-beneficial			
	Direct		Indirect		Direct		Indirect	
	2008	2007	2008	2007	2008	2007	2008	2007
Director								
JNP Booyens*	6 192 356	6 017 926	150 236	150 236	–	–	–	–
BD Buckham	26 392 650	26 392 650	–	–	970 276	970 276	–	–
JJ Deeb*	1 377 986	1 619 653	150 236	150 236	–	–	–	–
CN Duff*	17 009 219	15 224 305	150 236	150 236	–	–	–	–
DK Ferreira	120 000	120 000	–	–	–	–	–	–
BM Gourley#	–	–	–	–	–	–	–	–
DL Honey*	10 574 424	9 789 909	150 236	150 236	14 325	513	–	–
JD Jansen	–	–	–	–	–	–	–	–
HR Levin	9 106 427	9 106 427	659 900	659 900	93 573	93 573	–	–
JC Livingstone##	–	–	–	–	–	–	–	–
JDR Oesch	2 343 841	2 363 841	150 236	150 236	–	–	–	–
MI Sacks	153 000	153 000	–	–	–	–	250 000	250 000
ER Shipalana*	–	–	–	–	–	–	–	–
FR Thompson	14 846 620	13 344 190	150 236	150 236	–	–	60 000	60 000
F Titi	–	–	–	–	–	–	–	–
Alternate directors								
FJ Coughlan*	–	–	150 236	150 236	–	–	–	–
A Isaakidis*	1 907 366	2 020 697	150 236	150 236	–	–	–	–
Totals	**90 023 889**	86 152 598	**1 861 788**	1 861 788	**1 078 174**	1 064 362	**310 000**	310 000

 # Appointed as a non-executive director on 16 May 2008

Appointed as a non-executive director on 3 October 2008

** Resigned, following a restructure of the Board, on 10 October 2008*

At the date that this annual 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 2008.

Directors' share options

The directors held the following share options at 31 December 2008:

	Share options as at 31 December 2007		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 2008 Number**
Name of director								
Current:								
FR Thompson	37	1 313 334			1 313 334	380	4 504 736	–
	32	1 311 096			1 311 096	330	3 907 066	–
JDR Oesch	270	60 000			20 000	375	21 000	40 000
			360 000	375				360 000
Resigned during the year:								
JNP Booyens*	32	1 324 430			1 324 430	399	4 860 658	–
CN Duff*	32	1 324 430			1 324 430	399	4 860 658	–
DL Honey*	32	1 324 430			1 324 430	399	4 860 658	–
A Isaakidis*	31	66 668			66 668	445	276 006	–
	35	266 668						266 668
	270	60 000			20 000	320	10 000	40 000
			360 000	375				360 000
JJ Deeb*	75	666 667			333 333	380	1 016 666	333 334
	270	60 000			20 000	350	16 000	40 000
			360 000	375				360 000
FJ Coughlan*	270	240 000						240 000
			360 000	375				360 000
ER Shipalana*	270	240 000						240 000
			360 000	375				360 000
		8 257 723	1 800 000		7 057 721		24 333 448	**3 000 002**

** Resigned, following a restructure of the Board, on 10 October 2008*

The share option exercise terms are detailed in note 15 on page 33.

Directors' emoluments

Emoluments paid to directors of the Group (excluding gains on share options exercised) for the year ended 31 December 2008, are set out below:

	Fees R	Salary R	Bonus* R	Expense allowances R	Provident fund contributions R	**Total 2008 R**	Total 2007 R
Executive							
JNP Booyens**		776 389		133 146	110 465	**1 020 000**	1 693 200
JJ Deeb**		790 531		111 996	109 973	**1 012 500**	1 696 600
CN Duff**		1 168 703		80 964	156 583	**1 406 250**	2 405 000
DL Honey**		910 332		96 921	125 247	**1 132 500**	2 077 495
FR Thompson		1 638 921	1 484 575	279 174	231 905	**3 634 575**	2 838 500
JDR Oesch		1 047 339	364 770	150 000	152 661	**1 714 770**	1 641 000
ER Shipalana**		656 214		145 968	97 818	**900 000**	1 253 840
Alternate directors							
FJ Coughlan**		686 707		45 000	93 293	**825 000**	1 060 441
A Isaakidis**		788 628		123 498	100 374	**1 012 500**	1 718 024
Total executive		**8 463 764**	**1 849 345**	**1 166 667**	**1 178 319**	**12 658 095**	**16 384 100**
Non-executive							
BD Buckham	140 000					**140 000**	140 000
DK Ferreira	150 000					**150 000**	150 000
BM Gourley#	75 000					**75 000**	–
JD Jansen	150 000					**150 000**	150 000
HR Levin	190 000					**190 000**	190 000
JC Livingstone##	30 000					**30 000**	–
MI Sacks	280 000					**280 000**	280 000
F Titi	180 000					**180 000**	180 000
Total non-executive	**1 195 000**					**1 195 000**	**1 090 000**

* *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*

** *Resigned, following a restructure of the Board, on 10 October 2008*

Appointed as a non-executive director on 16 May 2008

Appointed as a non-executive director on 3 October 2008

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

Major acquisitions

Details of major acquisitions made during the year under review are reported on page 42.

Company secretary

The office of company secretary was held by SC O'Connor for the financial year ended 31 December 2008.

The secretary's business, postal and e-mail address is as follows:

Business address
ADvTECH House
Inanda Greens
54 Wierda Road West
Wierda Valley
Sandton 2196

Postal address
PO Box 2369
Randburg
2125

E-mail address: groupsec@advtech.co.za

SEGMENTAL REPORT

for the year ended 31 December 2008

	Percentage increase/ (decrease)	Audited 2008 R'000	Audited 2007 R'000
Revenue		**1 197 793**	960 364
Education	20%	**977 288**	812 543
Resourcing	49%	**223 193**	150 168
Intra Group revenue		**(2 688)**	(2 347)
EBITDA		**246 315**	191 239
Education	21%	**230 982**	190 384
Resourcing	55%	**52 368**	33 732
Central administration	11%	**(36 181)**	(32 455)
Litigation	102%	**(854)**	(422)
Depreciation and amortisation		**45 622**	33 482
Education	30%	**38 967**	29 947
Resourcing	106%	**5 046**	2 453
Central administration	49%	**1 609**	1 082
Operating profit		**200 693**	157 757
Education	20%	**192 013**	160 438
Resourcing	51%	**47 322**	31 278
Central administration	13%	**(37 788)**	(33 537)
Litigation	102%	**(854)**	(422)
Profit after taxation		**155 447**	119 227
Education	22%	**166 928**	136 660
Resourcing	44%	**35 465**	24 568
Central administration	12%	**(46 946)**	(42 001)
Property, plant and equipment		**560 127**	441 347
Education	26%	**553 745**	437 908
Resourcing	86%	**6 380**	3 439
Central administration		**2**	–
Deferred taxation assets		**18 572**	26 833
Education	2%	**16 152**	15 772
Resourcing	(90%)	**896**	8 804
Central administration	(32%)	**1 524**	2 257
Current assets		**133 734**	180 178
Education	(30%)	**112 894**	161 670
Resourcing	14%	**16 108**	14 126
Central administration	8%	**4 732**	4 382
Current liabilities		**278 116**	240 241
Education	13%	**223 420**	197 883
Resourcing	37%	**52 147**	38 169
Central administration	(39%)	**2 549**	4 189
Capital expenditure		**97 840**	78 406
Education	23%	**92 705**	75 553
Resourcing	80%	**5 135**	2 853

INCOME STATEMENTS

for the year ended 31 December 2008

	Notes	Group Audited 2008 R'000	Group Audited 2007 R'000	Company Audited 2008 R'000	Company Audited 2007 R'000
Revenue	4	**1 197 793**	960 364	**–**	–
Staff costs	5	**(593 854)**	(469 423)	**(1 788)**	(1 362)
Rent and occupancy costs		**(85 759)**	(59 761)	**–**	–
Other operating (expenses)/income		**(271 865)**	(239 941)	**2 967**	2 382
Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA)		**246 315**	191 239	**1 179**	1 020
Education		**230 982**	190 384	**–**	–
Resourcing		**52 368**	33 732	**–**	–
Central administration		**(36 181)**	(32 455)	**1 179**	1 020
Litigation costs		**(854)**	(422)	**–**	–
Depreciation and amortisation	5	**(45 622)**	(33 482)	**–**	(2)
Operating profit before interest	5	**200 693**	157 757	**1 179**	1 018
Net interest received		**21 877**	14 321	**1 522**	739
Interest received	6.1	**22 949**	17 452	**1 522**	739
Finance costs	6.2	**(1 072)**	(3 131)	**–**	–
Profit before taxation		**222 570**	172 078	**2 701**	1 757
Taxation	7	**(67 123)**	(52 851)	**(704)**	(368)
Profit for the year		**155 447**	119 227	**1 997**	1 389
Earnings per share					
Basic (cents)	8	**40.2**	32.1		
Diluted (cents)	8	**40.0**	31.1		

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2008

	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 2007		3 937	301 195	4 668	–	(18 895)	36 341	327 246
Total recognised income and expense for the year				9 465	–	6 417	119 227	135 109
Share-based payment expense	5,15			1 986				1 986
Profit for the year							119 227	119 227
Share awards granted						2 199		2 199
Share options exercised				7 479		4 218		11 697
Capital distributions to shareholders	21.2		(47 431)					(47 431)
Balance at 31 December 2007		**3 937**	**253 764**	**14 133**	**–**	**(12 478)**	**155 568**	**414 924**
Total recognised income and expense for the year				458	816	6 723	155 447	163 444
Share-based payment expense	5,15			1 496				1 496
Profit for the year							155 447	155 447
Foreign exchange contract reserve					816			816
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	21.2		(69 473)					(69 473)
Balance at 31 December 2008		**3 937**	**184 291**	**14 591**	**816**	**(5 755)**	**311 015**	**508 895**
Company								
Balance at 1 January 2007		3 937	301 195				(83 025)	222 107
Profit for the year							1 389	1 389
Capital distributions to shareholders	21.2		(47 431)					(47 431)
Balance at 31 December 2007		**3 937**	**253 764**				**(81 636)**	**176 065**
Profit for the year							1 997	1 997
Capital distributions to shareholders	21.2		(69 473)					(69 473)
Balance at 31 December 2008		**3 937**	**184 291**				**(79 639)**	**108 589**

BALANCE SHEETS

as at 31 December 2008

		Group		Company	
	Notes	**Audited 2008 R'000**	Audited 2007 R'000	**Audited 2008 R'000**	Audited 2007 R'000
Assets					
Non-current assets					
Property, plant and equipment	10	**560 127**	441 347	**2**	–
Goodwill	11	**38 359**	–	**–**	–
Intangible assets	12	**48 200**	10 659	**–**	–
Investments in subsidiaries	14			**160 988**	160 988
Loan to Share Incentive Trust	15			**–**	3 604
Deferred taxation assets	16	**18 572**	26 833	**1 524**	2 239
		665 258	478 839	**162 514**	166 831
Current assets					
Loans to subsidiaries	14			**6 515**	7 088
Inventories	17	**5 938**	3 243	**–**	–
Trade and other receivables	18	**72 393**	48 626	**4 654**	4 261
Prepayments		**10 798**	10 248	**–**	–
Foreign exchange contract asset		**816**	–	**–**	–
Cash and cash equivalents	19	**43 789**	118 061	**–**	–
		133 734	180 178	**11 169**	11 349
Total assets		**798 992**	659 017	**173 683**	178 180
Equity and liabilities					
Capital and reserves					
Share capital	21.1	**3 937**	3 937	**3 937**	3 937
Share premium	21.2	**184 291**	253 764	**184 291**	253 764
Share option reserve		**14 591**	14 133	**–**	–
Foreign exchange contract reserve		**816**	–	**–**	–
Shares held by the Share Incentive Trust		**(5 755)**	(12 478)	**–**	–
Retained earnings/(accumulated loss)		**311 015**	155 568	**(79 639)**	(81 636)
Total equity		**508 895**	414 924	**108 589**	176 065
Non-current liabilities					
Bank loans	22	**–**	3 852	**–**	–
Loan from Share Incentive Trust	15			**2 081**	–
Vendor claims		**11 981**	–	**–**	–
		11 981	3 852	**2 081**	–
Current liabilities					
Trade and other payables	23	**150 803**	137 728	**613**	1 798
Taxation		**39 405**	29 585	**–**	–
Bank loans	22	**3 852**	7 044	**–**	–
Provisions	24	**–**	518	**–**	–
Fees received in advance		**83 582**	65 049	**–**	–
Loans from subsidiaries	14	**–**	–	**61 926**	–
Shareholders for capital distribution		**439**	282	**439**	282
Shareholders for dividend		**35**	35	**35**	35
		278 116	240 241	**63 013**	2 115
Total liabilities		**290 097**	244 093	**65 094**	2 115
Total equity and liabilities		**798 992**	659 017	**173 683**	178 180

CASH FLOW STATEMENTS

for the year ended 31 December 2008

		Group		Company	
	Notes	**Audited 2008 R'000**	Audited 2007 R'000	**Audited 2008 R'000**	Audited 2007 R'000
Cash flows from operating activities					
Cash generated by operations	28.1	**251 492**	193 514	**1 179**	1 020
Utilised to increase working capital	28.2	**(982)**	(3 098)	**(1 578)**	(1 477)
Cash generated/(utilised) by operating activities		**250 510**	190 416	**(399)**	(457)
Net interest received		**21 877**	14 321	**1 522**	739
– interest received	6.1	**22 949**	17 452	**1 522**	739
– finance costs	6.2	**(1 072)**	(3 131)	**–**	–
Taxation (paid)/received	28.3	**(49 042)**	(21 657)	**11**	–
Capital distributions	28.4	**(69 316)**	(47 294)	**(69 316)**	(47 294)
Net cash inflow/(outflow) from operating activities		**154 029**	135 786	**(68 182)**	(47 012)
Cash flows from investing activities					
Additions to property, plant and equipment					
– to maintain operations	28.6	**(34 612)**	(25 636)	**(2)**	–
– to expand operations	28.7	**(63 228)**	(52 770)	**–**	–
– through business acquisitions	28.8	**(63 618)**	–	**–**	–
Additions to goodwill	11	**(38 359)**	–	**–**	–
Additions to intangible assets	12	**(40 914)**	(4 500)	**–**	–
Prepayment on business acquired		**–**	(4 000)	**–**	–
Proceeds on disposal of property, plant and equipment		**117**	1 065	**–**	–
Proceeds on disposal of investments		**–**	182	**–**	–
Share option reserve movement		**(1 038)**	7 479	**–**	–
Cash movement in Share Incentive Trust		**6 723**	6 417	**5 685**	13 896
Net cash (outflow)/inflow from investing activities		**(234 929)**	(71 763)	**5 683**	13 896
Cash flows from financing activities					
Decrease in long-term interest bearing debt		**(7 044)**	(7 248)	**–**	–
Decrease in loans to/increase in loans from subsidiaries				**62 499**	7 290
Vendor claims raised		**13 667**	1 851	**–**	–
Net cash inflow/(outflow) from financing activities		**6 623**	(5 397)	**62 499**	7 290
Net (decrease)/increase in cash and cash equivalents		**(74 277)**	58 626	**–**	(25 826)
Cash and cash equivalents at beginning of the year		**118 061**	59 462	**–**	25 826
Net foreign exchange difference on cash and cash equivalents		**5**	(27)	**–**	–
Cash and cash equivalents at end of the year	19	**43 789**	118 061	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

1. General information

ADvTECH Limited is a limited company incorporated in South Africa.

The principal business activity is 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 2008:

- IFRIC 11 'IFRS 2: Group and Treasury Share Transactions'
- IFRIC 12 'Service Concession Arrangements'
- IFRIC 14 'IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'

These have no 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, except for the restatements as mentioned below.

Restatements

In the prior year, an associate entity was accounted for using the equity method. This year, considering the substance of the agreement, it has been accounted for as a joint operation. These amounts are not material. This change in accounting treatment changed the disclosures in the income statement, statement of changes in equity and the balance sheet.

In the prior year intra Group revenue and operating expenses were not eliminated on consolidation as they were not material. Intra Group revenue was eliminated on consolidation in the current year and the prior year revenue and other operating expenses were therefore restated to reflect the comparative numbers.

In the prior year the gains or losses arising on exercise of share options was not being accounted for separately from the cost of the shares held by the Share Incentive Trust. This has been corrected for the current and preceding financial periods to reflect the treasury shares as a deduction from equity and any gains or losses as credits to or deductions from the share option reserve.

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 income statement 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 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. The 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 is 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 re-translated at the rates prevailing on the balance sheet date.

Exchange differences arising on the settlement of monetary items, and on the re-translation 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 the funds are defined contribution plans and do not require to be actuarially valued.

These plans are governed by the Pension Funds 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 income statement 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 balance sheet 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 derivates 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 a cash flow hedge. At the inception of the hedge relationship, the entity document the relationship between the hedging instrument and the hedged item, along with its 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 20 sets out details of the derivatives used for hedging purposes. Movements in the hedging reserve in equity are also detailed in the statements of changes in equity.

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 income statement 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 advisors in the accounting and share-based payment advisory industry. The critical estimates as used in the Bermudan Binomial model are detailed in note 15 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 advisors 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 30). 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 1 (Revised)	Presentation of Financial Statements
IAS 16 (Revised)	Property, Plant and Equipment
IAS 19 (Revised)	Employee Benefits
IAS 20 (Revised)	Government Grants and Disclosure of Government Assistance
IAS 23 (Revised)	Borrowing Costs
IAS 27 (Revised)	Consolidated and Separate Financial Statements
IAS 28 (Revised)	Investments in Associates
IAS 29 (Revised)	Financial Reporting in Hyperinflationary Economics
IAS 31 (Revised)	Interests in Joint Ventures
IAS 32 (Revised)	Financial Instruments: Presentation
IAS 36 (Revised)	Impairment of Assets
IAS 38 (Revised)	Intangible Assets
IAS 39 (Revised)	Financial Instruments: Recognition and Measurement
IAS 40 (Revised)	Investment Property
IAS 41 (Revised)	Agriculture
IFRS 1 (Revised)	First-time Adoption of International Financial Reporting Standards
IFRS 2 (Revised)	Share-based Payment
IFRS 3 (Revised)	Business Combinations
IFRS 5 (Revised)	Non-current Assets Held for Sale and Discounted Operations
IFRS 8	Operating Segments
IFRIC 13	Customer Loyalty Programmes
IFRIC 15	Agreements for Construction of Real Estate
IFRIC 16	Hedges of a Net Investment in a Foreign Operation
IFRIC 17	Distributions of Non-cash Assets to Owners

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 2008 R'000	Audited 2007 R'000
4. Revenue		
Tuition fees	**938 138**	784 929
Placement fees	**213 918**	141 974
Sale of goods and services	**48 425**	35 808
Intra Group revenue	**(2 688)**	(2 347)
	1 197 793	960 364

		Group		Company	
	Notes	**Audited 2008 R'000**	Audited 2007 R'000	**Audited 2008 R'000**	Audited 2007 R'000
5. Operating profit before interest					
Operating profit before interest is stated after taking the following into account:					
Auditors' remuneration		**3 710**	2 607	**207**	192
– Current year audit fee		**3 035**	2 525	**207**	192
– Prior year under/(over) provision		**249**	(47)	**–**	–
– Other services		**426**	129	**–**	–
Amortisation of intangible assets	12	**3 078**	1 068	**–**	–
Depreciation		**42 544**	32 414	**–**	2
Owned					
– Land and buildings		**4 819**	4 088	**–**	–
– Computer equipment		**14 168**	10 231	**–**	2
– Computer software		**1 146**	1 229	**–**	–
– Furniture, fittings and equipment		**10 944**	9 207	**–**	–
– Motor vehicles		**1 433**	1 420	**–**	–
– Video equipment, courses and masters		**118**	114	**–**	–
– Leasehold improvements		**9 916**	6 022	**–**	–
	10	**42 544**	32 311	**–**	2
Leased					
– Computer equipment	10	**–**	103	**–**	–
Total depreciation and amortisation		**45 622**	33 482	**–**	2

	Note	Group		Company	
		Audited 2008 R'000	Audited 2007 R'000	**Audited 2008 R'000**	Audited 2007 R'000

5. Operating profit before interest continued

	Note	Audited 2008 R'000	Audited 2007 R'000	Audited 2008 R'000	Audited 2007 R'000
Foreign exchange gains		**(1 562)**	–	**–**	–
Foreign exchange losses		**–**	215	**–**	–
Operating lease charges		**57 793**	41 686	**–**	–
– Premises		**54 599**	38 458	**–**	–
– Equipment		**3 194**	3 228	**–**	–
Professional fees		**2 080**	2 227	**–**	–
Loss/(profit) on sale of assets		**15**	(561)	**–**	–
Loss on sale and impairment of investment		**5**	18	**–**	–
Directors' emoluments		**13 853**	17 474	**1 539**	1 090
– For services as directors		**1 195**	1 090	**1 539**	1 090
– For managerial and other services		**12 658**	16 384	**–**	–
Pension and provident fund contributions		**28 992**	24 082	**–**	–
Share-based payment expense	15	**1 496**	1 986	**–**	–
Staff costs		**549 513**	425 881	**249**	272
Total staff costs		**593 854**	469 423	**1 788**	1 362
Number of staff (at year end)		**3 643**	3 105	**–**	–
Number of staff covered by retirement plans (at year end)		**1 894**	1 546	**–**	–

6. Net interest received

6.1 Interest received

	Audited 2008 R'000	Audited 2007 R'000	Audited 2008 R'000	Audited 2007 R'000
Call accounts	**22 400**	17 126	**1 510**	694
Current accounts	**253**	281	**–**	45
South African Revenue Service	**5**	–	**5**	–
Other	**291**	45	**7**	–
	22 949	17 452	**1 522**	739

6.2 Finance costs

	Audited 2008 R'000	Audited 2007 R'000	Audited 2008 R'000	Audited 2007 R'000
Long-term loans	**(926)**	(1 712)	**–**	–
South African Revenue Service	**–**	(3)	**–**	–
Other	**(146)**	(1 416)	**–**	–
	(1 072)	(3 131)	**–**	–
Net interest received	**21 877**	14 321	**1 522**	739

		Note	Group		Company	
			Audited 2008 R'000	Audited 2007 R'000	**Audited 2008 R'000**	Audited 2007 R'000
7.	**Taxation**					
7.1	**Taxation expense comprises**					
Current taxation	– current year		**59 821**	45 006	**–**	–
	– prior year over provision		**(959)**	(732)	**(11)**	–
Deferred taxation	– current year	16	**7 466**	7 908	**768**	519
	– prior year (over)/under provision	16	**(130)**	669	**(130)**	(151)
	– expense resulting from a reduction in taxation rate	16	**925**	–	**77**	–
Total taxation per the Income Statement			**67 123**	52 851	**704**	368

Estimated taxation losses for the Group carried forward at year end were R5,4 million (2007: R35,3 million). Deferred taxation assets have been raised for the full value of the estimated taxation losses in the Group.

Estimated taxation losses for the Company carried forward at year end were R5,4 million (2007: R8,1 million). Deferred taxation asset has been raised for the full value of the estimated taxation losses in the Company.

		Group	
		Audited 2008 R'000	Audited 2007 R'000
7.2	**Reconciliation of taxation**		
Profit before taxation		**222 570**	172 078
Taxation at 28% (2007: 29%)		**62 320**	49 903
Permanent differences		**4 967**	3 011
Disallowable expenditure – depreciation on buildings		**3 196**	2 064
Disallowable expenditure – other		**1 776**	1 630
Non-taxable income		**(5)**	(683)
Current taxation	– prior year over provision	**(959)**	(732)
Deferred taxation	– prior year (over)/under provision	**(130)**	669
	– expense resulting from a reduction in taxation rate	**925**	–
Taxation per the Income Statement		**67 123**	52 851

		Company	
		Audited 2008 R'000	Audited 2007 R'000
Profit before taxation		**2 701**	1 757
Taxation at 28% (2007: 29%)		**756**	510
Permanent differences – disallowable expenditure		**1**	9
Deferred taxation	– prior year over provision	**(130)**	(151)
	– expense resulting from a reduction in taxation rate	**77**	–
Taxation per the Income Statement		**704**	368

	Group	
	Audited 2008 R'000	Audited 2007 R'000
8. Earnings per share		
The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders is based on the following data:		
Earnings		
Earnings for the purpose of basic and diluted earnings per share (profit for the year)	**155 447**	119 227
Number of shares		
Number of shares in issue at year end ('000)	**393 665**	393 665
Less: Weighted number of shares held by the Share Incentive Trust ('000)	**(7 196)**	(21 695)
Weighted average number of shares for purposes of basic earnings per share ('000)	**386 469**	371 970
Effect of dilutive potential ordinary shares ('000)	**2 584**	11 009
Weighted average number of shares for purposes of diluted earnings per share ('000)	**389 053**	382 979
Earnings per share		
Basic (cents)	**40.2**	32.1
Diluted (cents)	**40.0**	31.1
9. Headline earnings per share		
Earnings		
Earnings attributable to equity holders	**155 447**	119 227
Items excluded from headline earnings per share	**16**	(381)
Loss on sale and impairment of investment	**5**	18
Loss/(profit) on sale of assets	**15**	(561)
	20	(543)
Taxation effects of adjustments	**(4)**	162
Earnings for the purpose of headline earnings per share	**155 463**	118 846
Number of shares		
Number of shares in issue at year end ('000)	**393 665**	393 665
Less: Weighted number of shares held by the Share Incentive Trust ('000)	**(7 196)**	(21 695)
Weighted average number of shares for purposes of basic earnings per share ('000)	**386 469**	371 970
Effect of dilutive potential ordinary shares ('000)	**2 584**	11 009
Weighted average number of shares for purposes of diluted earnings per share ('000)	**389 053**	382 979
Headline earnings per share		
Basic (cents)	**40.2**	32.0
Diluted (cents)	**40.0**	31.0

10. Property, plant and equipment

	Group Cost				
	1 Jan 2008 R'000	Additions R'000	Acquisitions through business combinations R'000	Disposals R'000	**31 Dec 2008 R'000**
Owned					
Land and buildings	308 169	9 663	61 513	–	**379 345**
Computer equipment	65 247	26 569	554	(291)	**92 079**
Computer software	8 282	18 991	–	(7)	**27 266**
Furniture, fittings and equipment	81 599	15 454	1 025	(29)	**98 049**
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	–	–	**151 577**
	602 911	97 840	63 618	(416)	**763 953**
Leased					
Computer equipment	2 248	–	–	–	**2 248**
Motor vehicles	528	–	–	–	**528**
	2 776	–	–	–	**2 776**
	605 687	97 840	63 618	(416)	**766 729**

	Group Accumulated depreciation				
	1 Jan 2008 R'000	Depreciation R'000	Acquisitions through business combinations R'000	Disposals R'000	**31 Dec 2008 R'000**
Owned					
Land and buildings	24 640	4 819	–	–	**29 459**
Computer equipment	47 846	14 168	–	(167)	**61 847**
Computer software	6 194	1 146	–	(7)	**7 333**
Furniture, fittings and equipment	53 750	10 944	–	(19)	**64 675**
Motor vehicles	6 502	1 433	–	(89)	**7 846**
Video equipment, courses and masters	853	118	–	–	**971**
Leasehold improvements	21 779	9 916	–	–	**31 695**
	161 564	42 544	–	(282)	**203 826**
Leased					
Computer equipment	2 248	–	–	–	**2 248**
Motor vehicles	528	–	–	–	**528**
	2 776	–	–	–	**2 776**
	164 340	42 544	–	(282)	**206 602**

	Group Net book value	
	31 Dec 2008 R'000	31 Dec 2007 R'000

10. Property, plant and equipment continued

	31 Dec 2008 R'000	31 Dec 2007 R'000
Owned		
Land and buildings	**349 886**	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	**119 882**	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**
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
10. Property, plant and equipment continued		
Owned		
Computer equipment	**–**	–
Furniture, fittings and equipment	**2**	–
	2	–

Group and Company

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

Land and buildings having a cost of R40,3 million (2007: R40,3 million) have been pledged as security for the mortgage bond (refer to note 22).

Included in land and building is an amount of R1,0 million (2007: R2,4 million) which relates to buildings that are still in progress. Included in leasehold improvements is an amount of R9,5 million (2007: R4,5 million) which relates to improvements that are still in progress. Included in computer software is an amount of R18,0 million (2007: Nil) which relates to software that is 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.

	Group Cost			
	1 Jan 2007 R'000	Additions R'000	Disposals R'000	**31 Dec 2007 R'000**
Owned				
Land and buildings	294 488	13 681	–	**308 169**
Computer equipment	52 507	14 760	(2 020)	**65 247**
Computer software	5 929	2 353	–	**8 282**
Furniture, fittings and equipment	69 570	12 739	(710)	**81 599**
Motor vehicles	8 615	2 185	(134)	**10 666**
Video equipment, courses and masters	1 092	182	–	**1 274**
Leasehold improvements	95 522	32 506	(354)	**127 674**
	527 723	78 406	(3 218)	**602 911**
Leased				
Computer equipment	2 248	–	–	**2 248**
Motor vehicles	528	–	–	**528**
	2 776	–	–	**2 776**
	530 499	78 406	(3 218)	**605 687**

10. Property, plant and equipment continued

	Group Accumulated depreciation 1 Jan 2007 R'000	Depreciation R'000	Disposals R'000	31 Dec 2007 R'000
Owned				
Land and buildings	20 552	4 088	–	**24 640**
Computer equipment	39 525	10 231	(1 910)	**47 846**
Computer software	4 965	1 229	–	**6 194**
Furniture, fittings and equipment	45 157	9 207	(614)	**53 750**
Motor vehicles	5 210	1 420	(128)	**6 502**
Video equipment, courses and masters	739	114	–	**853**
Leasehold improvements	15 819	6 022	(62)	**21 779**
	131 967	32 311	(2 714)	**161 564**
Leased				
Computer equipment	2 145	103	–	**2 248**
Motor vehicles	528	–	–	**528**
	2 673	103	–	**2 776**
	134 640	32 414	(2 714)	**164 340**

	Group Net book value 31 Dec 2007 R'000	31 Dec 2006 R'000
Owned		
Land and buildings	**283 529**	273 936
Computer equipment	**17 401**	12 982
Computer software	**2 088**	964
Furniture, fittings and equipment	**27 849**	24 413
Motor vehicles	**4 164**	3 405
Video equipment, courses and masters	**421**	353
Leasehold improvements	**105 895**	79 703
	441 347	395 756
Leased		
Computer equipment	**–**	103
Motor vehicles	**–**	–
	–	103
	441 347	395 859

	Company Cost			
	1 Jan 2007 R'000	Additions R'000	Disposals R'000	**31 Dec 2007 R'000**
10. Property, plant and equipment continued				
Owned				
Computer equipment	11	–	–	**11**

	Company Accumulated depreciation			
	1 Jan 2007 R'000	Depreciation R'000	Disposals R'000	**31 Dec 2007 R'000**
Owned				
Computer equipment	9	2	–	**11**

	Company Net book value	
	31 Dec 2007 R'000	31 Dec 2006 R'000
Owned		
Computer equipment	**–**	2

	Group	
	Audited 2008 R'000	Audited 2007 R'000
11. Goodwill		
Cost		
Balance at beginning of year	**–**	–
Additional amounts recognised from business combinations occuring during the year	**38 359**	–
Balance at end of the year	**38 359**	–
Accumulated impairment losses		
Balance at beginning of year	**–**	–
Impairment losses recognised in the year	**–**	–
Balance at end of year	**–**	–
Carrying amount		
At beginning of the year	**–**	–
At end of the year	**38 359**	–

11. Goodwill continued

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 CGU's are determined using value-in-use calculations. The key assumptions for the value-in-use calculations are discount rates, growth rates and expected 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's. 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.

Refer to note 30 for additional information.

	Group		
	Customer base R'000	Brand value R'000	**Total Audited R'000**
12. Intangible assets			
Cost			
Balance at 1 January 2007	7 812	–	**7 812**
Additions	4 500	–	**4 500**
Balance at 1 January 2008	12 312	–	**12 312**
Additions through business combinations	25 562	15 352	**40 914**
Adjustment to Vertex purchase price	(295)	–	**(295)**
Balance at 31 December 2008	37 579	15 352	**52 931**
Accumulated amortisation			
Balance at 1 January 2007	585	–	**585**
Amortisation expense	1 068	–	**1 068**
Balance at 1 January 2008	1 653	–	**1 653**
Amortisation expense	2 694	384	**3 078**
At 31 December 2008	4 347	384	**4 731**
Carrying amount			
As at 31 December 2007	10 659	–	**10 659**
As at 31 December 2008	33 232	14 968	**48 200**

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

Customer base	3 to 13.4 years
Brand value	5 to 10 years, indefinite life

The brand value of the Trinityhouse acquisition 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 (2007: Nil).

Refer to note 30 for additional information.

	Group		Company	
	Audited 2008 R'000	Audited 2007 R'000	**Audited 2008 R'000**	Audited 2007 R'000
13. Investment				
Unlisted shares at fair value				
26% 39 100 shares interest in Rhino Management (Proprietary) Limited at cost	**–**	723	**–**	–
Less: Accumulated impairment	**–**	(523)	**–**	–
Less: Disposal of investment	**–**	(200)	**–**	–
Net book value	**–**	–	**–**	–

	Company								
	Issued share capital		Proportion held directly or indirectly		Interest of Holding Company Shares		Loans receivable		
	31 Dec 2008 R	31 Dec 2007 R	**31 Dec 2008 %**	31 Dec 2007 %	**31 Dec 2008 R'000**	31 Dec 2007 R'000	**31 Dec 2008 R'000**	31 Dec 2007 R'000	Principal activity
14. Investment in and loans to and from subsidiaries									
Direct:									
The Independent Institute of Education (Pty) Ltd	**2**	2	**100**	100	**101 228**	101 228	**(61 926)**	573	1
ADvTECH Resource Holdings (Pty) Ltd	**3 150 023**	3 150 023	**100**	100	**59 760**	59 760			2
Indirect:									
ADvTECH Australia (Pty) Ltd (a)	**10**	10	**100**	100					3
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
Chisholm (Pty) Ltd (a)	**9**	9	**100**	100					3
Crowe Associates (Pty) Ltd (a)	**16**	16	**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					3
					160 988	160 988	**(55 411)**	7 088	

1. *Independent provider of education*
2. *Investment Holding Company*
3. *Dormant Company*
4. *Recruitment, placement and temporary staffing Company*

Results of the subsidiaries so far as they concern members of the Company: Aggregate profit after taxation R155,4 million (2007: R119,2 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.

15. 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 the 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 pre-defined 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	**2008**		2007	
Options outstanding on 1 January	**13 801 507**	**71**	25 672 422	85
Add – Options granted during the year	**3 610 000**	**375**	90 000	270
Less – Exercised	**(8 753 782)**	**52**	(11 369 655)	93
– Lapsed	**(218 572)**	**108**	(591 260)	79
Options outstanding at 31 December	**8 439 153**	**217**	13 801 507	71

As at 31 December 2008 there were 70 (2007: 238) participants (including directors) in the ADvTECH share incentive scheme.

	Number of shares		Loan (payable)/receivable R'000	
Reconciliation of shares owned	**2008**	2007	**2008**	2007
Shares owned by the Trust as at 1 January	**12 112 279**	23 982 934	**3 604**	17 500
Less – Share awards to staff 2006	**–**	–	**–**	(1 100)
– Share awards to staff 2007	**–**	(501 000)	**50**	(1 099)
– Share awards to staff 2008	**(505 000)**	–	**(1 058)**	–
– Broad based scheme shares transferred	**(105 400)**	–	**(221)**	–
– Options exercised during the year	**(8 753 782)**	(11 369 655)	**(4 456)**	(11 697)
Shares owned by the Trust at 31 December	**2 748 097**	12 112 279	**(2 081)**	3 604

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 fair values relating to the share option expense were calculated using the Bermudan Binomial model. The inputs into the model were as follows:

	2008	2007
Weighted average share price (cents)	**395**	430
Weighted average exercise price (cents)	**52**	93
Expected volatility	**36%**	45%
Expected life	**5.6 years**	5.3 years
Risk free rate	**10%**	8%
Expected dividend yield	**5%**	3%

Expected volatility was determined calculating the historical volatility of the Company's share price over the previous 6 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 R1,5 million (2007: R2,0 million) related to share-based payment transactions during the year.

	Group		Company	
	Audited 2008 R'000	Audited 2007 R'000	**Audited 2008 R'000**	Audited 2007 R'000
16. Deferred taxation assets				
Opening deferred taxation assets	**26 833**	35 410	**2 239**	2 607
	(7 466)	(7 908)	**(768)**	(519)
Current year temporary differences	**908**	269	**–**	1
Utilisation of deferred taxation assets relating to taxation losses	**(8 374)**	(8 177)	**(768)**	(520)
Prior year over/(under) provision	**130**	(669)	**130**	151
Reduction in deferred taxation assets resulting from a reduction in taxation rate	**(925)**	–	**(77)**	–
Balance at end of year	**18 572**	26 833	**1 524**	2 239
The balance comprises:				
Deferred and prepaid expenditure	**(2 986)**	(1 300)	**–**	–
Allowance for future expenditure (S24C)	**(12 568)**	(7 710)	**–**	–
Fees received in advance	**18 058**	12 063	**–**	–
Commercial building allowance	**(120)**	–	**–**	–
Provision for bad debts	**8 547**	8 346	**–**	–
Leave pay accrual	**2 634**	2 017	**–**	–
Trademarks (S11G(a))	**32**	534	**–**	–
Estimated taxation losses carried forward	**1 524**	10 193	**1 524**	2 239
Other	**3 451**	2 690	**–**	
	18 572	26 833	**1 524**	2 239
Deferred taxation accounted for in the income statement:				
Deferred and prepaid expenditure	**(1 731)**	(615)	**–**	–
Allowance for future expenditure (S24C)	**(5 124)**	339	**–**	–
Fees received in advance	**6 411**	783	**–**	–
Commercial building allowance	**(120)**	(5)	**–**	–
Provision for bad debts	**489**	1 351	**–**	–
Leave pay accrual	**688**	720	**–**	1
Amortisation of trademarks	**(484)**	(2 976)	**–**	–
Estimated taxation losses carried forward	**(8 447)**	(7 889)	**(768)**	(520)
Other	**852**	384	**–**	–
	(7 466)	(7 908)	**(768)**	(519)
17. Inventories				
Books	**756**	127	**–**	–
Promotional items	**5 172**	3 080	**–**	–
Other	**10**	36	**–**	–
	5 938	3 243	**–**	–

	Group		Company	
	Audited 2008 R'000	Audited 2007 R'000	**Audited 2008 R'000**	Audited 2007 R'000
18. Trade and other receivables				
Amounts receivable from tuition fees	**76 736**	55 512	**–**	–
Amounts receivable for placement fees	**23 548**	17 924	**–**	–
Amounts receivable from the sale of goods and services	**2 207**	2 139	**–**	–
Trade receivables	**102 491**	75 575	**–**	–
Allowance for doubtful debts	**(40 701)**	(38 373)	**–**	–
	61 790	37 202	**–**	–
Other receivables	**10 603**	11 424	**4 654**	4 261
	72 393	48 626	**4 654**	4 261
There are no customers who individually represent more than 5% of the total balance of trade receivables net of allowance for doubtful debt.				
Ageing of past due trade receivables but not impaired				
30 days	**14 732**	12 580	**–**	–
60 days	**8 736**	6 953	**–**	–
90 days	**5 751**	5 270	**–**	–
120+ days	**16 972**	1 282	**–**	–
Total	**46 191**	26 085	**–**	–
The amount of R17,0 million reflected in the 120+ days consists mainly of amounts due by contract customers which are considered to be recoverable.				
Movement in the allowance for doubtful debts				
Balance at the beginning of the year	**38 373**	32 160	**–**	–
Impairment losses recognised on receivables	**20 749**	18 315	**–**	–
Impairment losses reversed	**(18 421)**	(12 102)	**–**	–
Balance at the end of the year	**40 701**	38 373	**–**	–
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	**121**	456	**–**	–
60 days	**997**	902	**–**	–
90 days	**851**	608	**–**	–
120+ days	**38 732**	36 407	**–**	–
Total	**40 701**	38 373	**–**	–

	Group		Company	
	Audited 2008 R'000	Audited 2007 R'000	**Audited 2008 R'000**	Audited 2007 R'000

19. Cash and cash equivalents

	Audited 2008 R'000	Audited 2007 R'000	**Audited 2008 R'000**	Audited 2007 R'000
Bank balances	**43 550**	117 881	**–**	–
Cash	**239**	180	**–**	–
	43 789	118 061	**–**	–

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 2008 '000**	Foreign currency 2007 '000	**Rand equivalent 2008 R'000**	Rand equivalent 2007 R'000
Bank balances	ZAR	**–**	–	**43 531**	117 828
Bank balances	US Dollars	**–**	8	**–**	53
Bank balances	Euro	**1**	–	**19**	–
				43 550	117 881

20. Foreign currency exposure

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

	Average contract rate		Foreign currency		Rand equivalent	
Outstanding contracts	**2008**	2007	**2008 '000**	2007 '000	**2008 R'000**	2007 R'000
Cash flow hedges						
Buy US Dollars						
Less than 3 months	**8.5676**	–	**$555**	–	**4 755**	–
3 to 9 months	**8.9778**	–	**$171**	–	**1 535**	–
			$726	–	**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.

	Group		Company	
	Audited 2008 R'000	Audited 2007 R'000	**Audited 2008 R'000**	Audited 2007 R'000
21. Share capital and share premium				
21.1 Share capital				
Authorised				
500 000 000 shares of 1 cent each (2007: 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 (2007: 500 000 000 N shares of 0.01 cent each)	**50**	50	**50**	50
	5 050	5 050	**5 050**	5 050
Issued				
393 664 886 shares of 1 cent each (2007: 393 664 886 shares of 1 cent each)	**3 937**	3 937	**3 937**	3 937
	3 937	3 937	**3 937**	3 937
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.				
21.2 Share premium				
Balance at 1 January	**253 764**	301 195	**253 764**	301 195
Capital distributions to shareholders	**(69 473)**	(47 431)	**(69 473)**	(47 431)
Balance at 31 December	**184 291**	253 764	**184 291**	253 764
22. Bank loans				
Mortgage bond	**3 852**	10 896	**–**	–
	3 852	10 896	**–**	–
The borrowings are repayable as follows:				
On demand or within one year	**3 852**	7 044	**–**	–
In the second year	**–**	3 852	**–**	–
	3 852	10 896	**–**	–
Less: Amounts due for settlement within 12 months (shown under current liabilities)	**(3 852)**	(7 044)	**–**	–
Amounts due for settlement after 12 months	**–**	3 852	**–**	–

The mortgage bond is repayable in monthly instalments of R0,7 million, and bears interest at a fixed rate of 11.92% (2007: 11.92%). The loan is secured by security bonds over properties with a cost of R40,3 million (2007: R40,3 million) as referred to in note 10.

	Group		Company	
	Audited 2008 R'000	Audited 2007 R'000	**Audited 2008 R'000**	Audited 2007 R'000
23. Trade and other payables				
Trade payables and accruals	**123 014**	113 786	**613**	1 798
Leave pay accrual	**9 409**	6 953	**–**	–
Vendor claims	**18 380**	16 989	**–**	–
	150 803	137 728	**613**	1 798

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	
	Audited 2008 R'000	Audited 2007 R'000
24. Provisions		
Restructuring provision	**–**	518
	–	518

This provision related to the closure of a school in Cape Town and formed part of ongoing activities. This provision comprised legal fees and compensation to staff.

	Group		Company	
	Audited 2008 R'000	Audited 2007 R'000	**Audited 2008 R'000**	Audited 2007 R'000
25. Commitments				
25.1 Capital commitments				
Capital expenditure commitments to be incurred				
Capital expenditure approved by the directors:				
Contracted but not provided for	**36 202**	14 358	**–**	–
Not contracted for	**158 885**	155 655	**–**	–
	195 087	170 013	**–**	–

Capital commitments will be financed through existing facilities and working capital.

	Group		Company	
	Audited 2008 R'000	Audited 2007 R'000	**Audited 2008 R'000**	Audited 2007 R'000

25. Commitments continued

25.2 Operating lease commitments

Commitments under non-cancellable operating leases are as follows:				
Premises:				
Due within one year	**56 364**	37 761	**–**	–
Due within two to five years	**173 318**	99 885	**–**	–
Due thereafter	**129 520**	43 319	**–**	–
	359 202	180 965	**–**	–
Equipment:				
Due within one year	**1 542**	1 374	**–**	–
Due within two to five years	**1 004**	1 642	**–**	–
Due thereafter	**1 162**	22	**–**	–
	3 708	3 038	**–**	–
	362 910	184 003	**–**	–

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

26. Financial instruments

Financial risk management objectives and policies

The Group's principal financial instruments comprise bank loans, 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 a going concern 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 debt, 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 2008 amounted to R30,0 million (2007: R30,0 million), all of which expire within a year. These are considered more than adequate to finance operations.

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 20 for additional detail.

27. 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 2008 were not being utilised. The same circumstances were applicable at 31 December 2007.

		Group		Company	
	Notes	**Audited 2008 R'000**	Audited 2007 R'000	**Audited 2008 R'000**	Audited 2007 R'000
28. Notes to the cash flow statement					
28.1 Cash generated by operations					
Profit before taxation		**222 570**	172 078	**2 701**	1 757
Adjust for non-cash IFRS and lease adjustments (before taxation)		**5 161**	2 789	**–**	–
		227 731	174 867	**2 701**	1 757
Add back:		**23 761**	18 647	**(1 522)**	(737)
Depreciation and amortisation	5	**45 622**	33 482	**–**	2
Net interest received	6	**(21 877)**	(14 321)	**(1 522)**	(739)
Net foreign exchange differences on cash and cash equivalents		**(5)**	27	**–**	–
Other non-cashflow income statement items		**21**	(541)	**–**	–
		251 492	193 514	**1 179**	1 020
28.2 Utilised to increase working capital					
(Increase)/decrease in inventories		**(2 695)**	1 941	**–**	–
Increase in trade and other receivables and prepayments		**(25 133)**	(29 193)	**(393)**	(2 331)
Increase/(decrease) in trade and other payables		**8 313**	6 519	**(1 185)**	854
Increase in fees received in advance		**18 533**	17 635	**–**	–
Increase in working capital		**(982)**	(3 098)	**(1 578)**	(1 477)
28.3 Taxation (paid)/received					
Balance at beginning of year		**(29 585)**	(6 968)	**–**	–
Current charge	7.1	**(58 862)**	(44 274)	**11**	–
Balance at end of year		**39 405**	29 585	**–**	–
Cash amount (paid)/received		**(49 042)**	(21 657)	**11**	–
28.4 Capital distributions					
Balance at beginning of year		**(282)**	(145)	**(282)**	(145)
Declared during the year	21.2	**(69 473)**	(47 431)	**(69 473)**	(47 431)
Balance at end of year		**439**	282	**439**	282
Cash amount paid		**(69 316)**	(47 294)	**(69 316)**	(47 294)
28.5 Dividend payments					
Balance at beginning of year		**(35)**	(35)	**(35)**	(35)
Declared during the year		**–**	–	**–**	–
Balance at end of year		**35**	35	**35**	35
Cash amount paid		**–**	–	**–**	–

	Group		Company	
	Audited 2008 R'000	Audited 2007 R'000	**Audited 2008 R'000**	Audited 2007 R'000

28. Notes to the cash flow statement continued

28.6 Additions to property, plant and equipment to maintain operations

Land and buildings	**(3 216)**	(2 650)	**–**	–
Computer equipment	**(14 359)**	(10 645)	**–**	–
Computer software	**(736)**	(1 974)	**–**	–
Furniture, fittings and equipment	**(9 227)**	(7 923)	**(2)**	–
Motor vehicles	**(1 412)**	(1 045)	**–**	–
Video equipment, courses and masters	**(282)**	–	**–**	–
Leasehold improvements	**(5 380)**	(1 399)	**–**	–
	(34 612)	(25 636)	**(2)**	–

28.7 Additions to property, plant and equipment to expand operations

Land and buildings	**(6 447)**	(11 031)	**–**	–
Computer equipment	**(12 210)**	(4 115)	**–**	–
Computer software	**(18 255)**	(379)	**–**	–
Furniture, fittings and equipment	**(6 227)**	(4 816)	**–**	–
Motor vehicles	**(1 566)**	(1 140)	**–**	–
Video equipment, courses and masters	**–**	(182)	**–**	–
Leasehold improvements	**(18 523)**	(31 107)	**–**	–
	(63 228)	(52 770)	**–**	–

28.8 Additions to property, plant and equipment through business acquisitions

Land and buildings	**(61 513)**	–	**–**	–
Computer equipment	**(554)**	–	**–**	–
Furniture, fittings and equipment	**(1 025)**	–	**–**	–
Motor vehicles	**(526)**	–	**–**	–
	(63 618)	–	**–**	–

29. Related party transactions

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.

Other related party transactions

In addition to the above, 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 R2,1 million (2007: R1,8 million) and R0,5 million (2007: R0,5 million), respectively were charged and paid, being an appropriate allocation of costs incurred by relevant administrative departments.

	Audited 2008 R'000
30. Business combinations	
Entities acquired:	
The Group did not acquire any liabilities in respect of business acquisitions. The purchase considerations have been allocated as indicated below:	
The National College of Photography was acquired on 1 January 2008 for consideration amounting to R10,0 million. The principal business activity is the provision of photography courses.	
Non-current assets acquired	
Intangible assets	**798**
Goodwill	**8 879**
Plant and equipment	**323**
	10 000
IT Edge was acquired on 1 March 2008. The consideration is based on an earnings-up method. A preliminary estimation of R5,0 million has been made. The principal business activity is recruitment.	
Non-current assets acquired	
Intangible assets	**3 540**
Goodwill	**1 429**
Plant and equipment	**31**
	5 000
Tech-Pro Personnel was acquired on 1 March 2008. The consideration is based on an earnings-up method. A preliminary estimation of R10,3 million has been made. The principal business activity is recruitment.	
Non-current assets acquired	
Intangible assets	**6 434**
Goodwill	**3 673**
Plant and equipment	**178**
	10 285
The Working Earth was acquired on 1 July 2008. The consideration is based on an earnings-up method. A preliminary estimation of R13,8 million has been made. The principal business activity is recruitment.	
Non-current assets acquired	
Intangible assets	**9 602**
Goodwill	**4 093**
Plant and equipment	**86**
	13 781
Trinityhouse was acquired on 1 August 2008 for consideration amounting to R103,8 million. The principal business activity is private education for scholars.	
Non-current assets acquired	
Intangible assets	**20 540**
Goodwill	**20 285**
Land and buildings	**61 513**
Plant and equipment	**1 487**
	103 825
Total goodwill	**38 359**
Total intangibles	**40 914**
Total land and buildings, plant and equipment	**63 618**
Total consideration paid	**142 891**

SHAREHOLDERS' ANALYSIS

Distribution of shareholders at 31 December 2008

	Number of shareholders	% of shareholders	Number of shares	% of total shares
Range of shareholding				
1 to 10 000	2 396	76.4%	4 915 002	1.2%
10 001 to 100 000	483	15.4%	16 106 023	4.1%
100 001 to 500 000	154	4.9%	34 471 681	8.8%
500 001 to 1 000 000	38	1.2%	29 662 443	7.5%
more than 1 000 000	66	2.1%	308 509 737	78.4%
	3 137	**100.0%**	**393 664 886**	**100.0%**

To the best knowledge of the directors and after reasonable enquiry, as at 31 December 2008 the spread of shareholders was as follows:

Shareholder spread

	Number of shareholders	% of shareholders	Number of shares	% of total shares
ADvTECH Share Incentive Scheme	1	0.0%	2 748 097	0.7%
Directors (including subsidiary directors)	7	0.3%	54 721 859	13.9%
Non-public shareholding	8	0.3%	57 469 956	14.6%
Public shareholding	3 129	99.7%	336 194 930	85.4%
Total of all shareholders	**3 137**	**100.0%**	**393 664 886**	**100.0%**

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	75 950 162	19.3%
RMB Asset Management	46 628 739	11.8%
BD Buckham	27 362 926	7.0%
Old Mutual Asset Management	25 260 945	6.4%

Share information

	2008	2007	2006	2005	2004
Closing price at period end (cents)	**395**	485	310	210	120
JSE market price high (cents)	**464**	529	325	220	135
JSE market price low (cents)	**300**	290	191	120	65
Total number of transactions at JSE	**4 346**	4 629	3 560	2 277	2 053
Total number of shares traded	**70 227 537**	70 219 288	91 060 718	61 275 060	94 988 320
Total value of shares traded (R)	**278 128 027**	301 544 748	233 207 604	91 057 684	84 293 545
Average price per share (cents)	**396**	441	256	149	89
Shares in issue	**393 664 886**	393 664 886	393 664 886	393 664 886	393 664 886
Percentage volume traded to shares in issue	**18%**	18%	23%	16%	24%
PE ratio	**12.3**	15.2	13.7	13.4	10.6

Note: Shares in issue per JSE as at 31 December 2008

Shareholders' diary

	2009
Announcement of Annual results	Monday, 23 March
Annual report	Friday, 27 March
Annual General Meeting	Tuesday, 19 May
Interim results for the six months ended 30 June 2009	Monday, 24 August

Capital distribution date

The Board is pleased to advise that a final distribution of 13.0 cents per share will be paid to shareholders out of the share premium in respect of the year ended 31 December 2008. The authority to make this payment was obtained at the Annual General Meeting held 20 May 2008.

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

	2009
Declaration date	April
Last date to trade in order to participate in the distribution	Wednesday, 8 April
Trading commences ex-distribution	Thursday, 9 April
Record date	Friday, 17 April
Payment date	Monday, 20 April

Share certificates may not be dematerialised or rematerialised between Thursday, 9 April 2009 and Friday, 17 April 2009, both days inclusive.

NOTICE TO SHAREHOLDERS

for the year ended 31 December 2008

Notice is hereby given to all members of ADvTECH Limited ("the Company") that the nineteenth Annual General Meeting of members will be held at ADvTECH House, Inanda Greens, 54 Wierda Road West, Wierda Valley, Sandton on Tuesday, 19 May 2009 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 2008, including the Directors' Report and the report of the Auditors thereon.

2. **Ordinary Resolution Number Two**

   To resolve that the re-appointment of Mr DK Ferreira 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 11 of the annual report.)

3. **Ordinary Resolution Number Three**

   To resolve that the re-appointment of Prof. JD Jansen 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 11 of the annual report.)

4. **Ordinary Resolution Number Four**

   To resolve that the re-appointment of Mr F Titi 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 11 of the annual report.)

5. **Ordinary Resolution Number Five**

   To confirm the appointment of Prof. BM Gourley, 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 herself for re-election.

   (A brief CV appears on page 11 of the annual report.)

6. **Ordinary Resolution Number Six**

   To confirm the appointment of Mr JC Livingstone, 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 11 of the annual report.)

7. **Ordinary Resolution Number Seven**

   To resolve that the re-appointment 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.

8. **Ordinary Resolution Number Eight**

   To resolve that the fees paid to the directors of the Company in respect of the year ended 31 December 2008, as set out in the annual financial statements on page 10, be approved.

9. **Ordinary Resolution Number Nine**

   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 Group annual 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 2008. 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 term 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.

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 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 11 of the annual report
- Major shareholders: page 43 of the annual financial statements
- Directors' interests in securities: page 9 of the annual financial statements
- Share capital of the Company: page 37 of the annual financial statements
- Litigation: page 3 of the financial report.

The directors, whose names are given on page 11 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 2008.

Additional explanatory notes to ordinary resolution number nine 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.

Notes:

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 authorises 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 (Pty) Ltd, 16th Floor, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) to be received by no later than 10h00 on Friday, 15 May 2008.

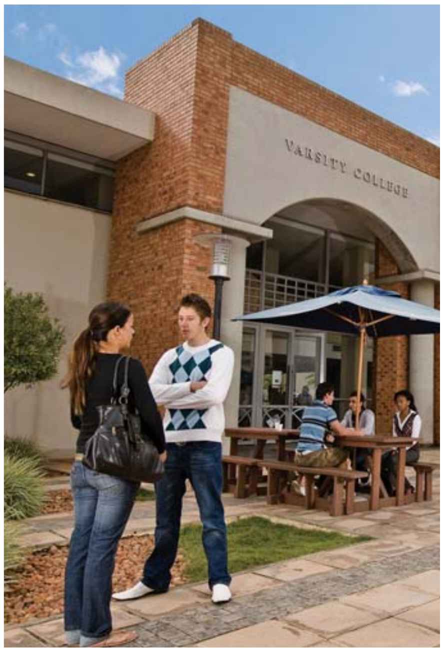
If you have already dematerialised your shares in ADvTECH:

- 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 (Pty) Ltd, 16th Floor, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) to be received by no later than 10h00 on Friday, 15 May 2009; 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
Secretary

Bridge Capital Advisors (Pty) Limited
Sponsor



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