



Inspiring Trust

Annual Report

08

**SecureData** HOLDINGS LIMITED

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*Inspiring Trust*

*Annual Report 2008*

**SecureData** HOLDINGS  
LIMITED



## [FINANCIAL HIGHLIGHTS]

	<b>2008</b> <b>R'000</b>	2007 R'000	2006 R'000	2005 R'000	2004 R'000
<b>Income statement</b>					
Revenue	<b>271 347</b>	148 221	164 959	172 022	133 062
Results from operating activities	<b>27 724</b>	36 881	29 461	35 716	30 756
Headline earnings	<b>8 699</b>	1 256*	19 962	25 989	23 679
<b>Balance sheet</b>					
Cash and cash equivalents	<b>41 510</b>	22 541	40 156	70 308	70 115
Total assets	<b>423 216</b>	121 703	91 382	112 231	102 681
Ordinary shareholders' funds	<b>161 617</b>	49 367	51 554	64 851	56 451
<b>Selected returns and ratios</b>					
Earnings per share (cents)					
– Basic	<b>5,0</b>	3,9	12,6	15,5	14,2
– Adjusted**	<b>10,9</b>	16,2	12,6	15,5	14,2
– Headline	<b>5,0</b>	0,8*	12,6	15,5	14,2
Net asset value per share (cents)	<b>66,7</b>	27,4	28,8	36,9	32,8
Dividends per share (cents)	<b>–</b>	–	5,0	8,0	8,0
Effective tax rate	<b>42,6</b>	30,2	36,9	33,7	33,1
Current ratio (times)	<b>1,2</b>	1,1	2,1	2,2	2,0
Debtors days	<b>73</b>	94	74	67	66
Operating margin (%)	<b>10</b>	25	18	21	23
Number of employees	<b>215</b>	106	163	198	181
Revenue per employee (R'000)	<b>1 262</b>	1 398	1 012	869	735
Closing share price (cents)	<b>140</b>	189	141	170	116
Market capital	<b>338 942</b>	340 392	252 837	298 690	199 794
Issued number of share ('000)	<b>242 102</b>	180 102	179 317	175 700	172 236

\* Restated headline earnings is explained in note 7.1 of the financial statements

\*\* Adjusted earnings per share excludes amortisation charges and foreign exchange gains or losses on group loans

## [BOARD OF DIRECTORS]

### **Dr TN Mali (45)**

#### **Independent non-executive director**

Thembakazi holds a PhD (Chemistry) and a Graduate Diploma in Engineering (Environmental Engineering) from the University of the Witwatersrand. Most of her executive and leadership development has been with the Gordon Institute of Business Science (GIBS). She has worked in research and development at various institutions before joining Sasol Solvents first as technical manager and then Sasol Technology as Portfolio Manager: Science & Technology within the Government and Stakeholder Relations group.

She is currently with SANERI (South African National Energy Research Institute) as Senior Manager: Cleaner Energy Solutions.



### **BK Parker (40)**

#### **Chief operating officer**

Prior to joining SecureData, Brett spent a considerable amount of his career working for multinational IT corporations. His most recent role was with SAP where he held the position of Vice President – Territory Sales in Europe. Prior to joining SAP, Brett was the Enterprise and Partner Group Director for Microsoft South Africa. Brett has extensive corporate leadership and management experience as well as sales management and channel leadership skills. He was responsible for building the Microsoft Enterprise channel organisation as well as the SAP SME channel business. Brett holds a Bachelor of Commerce from the University of Natal and was appointed to the SecureData board in March 2007.



### **P Sneddon (60)**

#### **Independent non-executive director (chairman)**

Peter holds a BSc Honours Degree from the United Kingdom. He has held executive director and chief executive positions in several large companies over the last twenty years. Currently he is a non-executive director of Crystalwave Trading (Proprietary) Limited, a director of Arena Props 13 (Proprietary) Limited and non-executive chairman of SecureData Holdings Limited.



### **DTK Brazier (47)**

#### **Chief executive officer**

Dean is the founding director of the group. With 25 years' experience in the ICT industry Dean has held senior sales and executive management positions in global management consulting and software development organisations. Immediately prior to founding the group Dean was the Managing Director of Infinium Software in South Africa and a member of the Infinium Europe executive team.



**Ms YT Moerane (43)**

**Independent non-executive director**

ND Accounting (Technikon Witwatersrand), NHD Taxation (Technikon Southern Africa), MBA (Duke University, USA)

Thabiso is currently the Managing Director of Khulumanjalo Group, a holding company for Khulumanjalo Technologies (Proprietary) Limited, an Original Design Manufacturer (ODM), as well as Khulumanjalo Solutions which specialises in wireless access technologies. Prior to that, she was the Managing Director of Black Information Technology Empowerment Company Limited (Blitec) which is an investment holding company that was set up by the Black IT Forum (BITF) in 1997. Thabiso has continued studies towards a DBA (Doctor of Business Administration) with Instituto de Empresa in Madrid, Spain.



**S Murray (37)**

**Non-executive director**

Simon has a BComm from the University of the Witwatersrand and has been part of the RMB Ventures private equity team since 2000. He serves on the boards of a number of RMB Ventures portfolio companies.



**R Pretorius (47)**

**Non-executive director**

Rudolf is a founding partner of Treacle Private Equity, which holds a significant interest in SecureData. Prior to founding Treacle in 2000, Rudolf was a senior executive at the FirstRand banking group.



**JG du Toit (35)**

**Financial director**

Johan qualified as a Chartered Accountant in 1996 in South Africa and has 15 years' experience in finance, including the past 11 years in management. Johan has been the Financial Director for MIS-CDS for the past eight years. His specialist areas include: auditing, cash flow planning, budgets, mergers and acquisitions, shareholder communication and finance management.



During the year under review, SecureData made significant progress towards achieving its vision of becoming a dominant provider of Information Risk Management (IRM) solutions and services. Although marred by a weaker than expected earnings performance by the SecureData Africa division, the year had many highlights including significant market share gains in South Africa, an excellent financial and operational performance by SensePost and the completion of our R196 million acquisition of MIS-CDS in the United Kingdom (UK) effective June 2008.

Group revenue increased by 83% to R271 million of which R29 million (11%) constitutes MIS-CDS' two-month contribution. Group EBITDA remained static at R36 million resulting in an EBITDA margin of 14%. Net borrowings at the end of the year were R64 million. In order to acquire MIS-CDS, SecureData advanced an amount to a UK subsidiary for a portion of the acquisition price. By year end the Rand had strengthened relative to Sterling. International Financial Reporting Standards requires that the exchange loss of R8 million be reflected as finance cost, and be recognised through the income statement although it is unrealised and has no impact on group cash flow. The weakening of the Rand relative to Sterling subsequent to year end could well cause this amount to reverse in the next reporting period. In addition the intangible assets of all acquired companies are amortised over their estimated useful lives. This resulted in an amortisation charge in this period of R6 million. The combined negative effect of these non-cash, non-operational items on earnings per share is 5,9 cents. An 'adjusted EPS' calculation that ignores these non-cash items but includes cash expenses such as interest would have resulted in an 'adjusted EPS' of 10,9 cents per share.

The headline earnings per share for the prior year have been amended from 16,2 cents to 0,8 cents as a result of the reclassification of operating costs and profit on disposal of discontinued operations. This adjustment has no effect on the results of continuing operations or on earnings per share for the prior year.

Working capital management improved somewhat with inventories reducing from R8 million to R6 million, R2 million of which is attributable to MIS-CDS, and debtors reducing to 73 days from 94 days at the end of the prior year. Management is aware of the importance of these metrics and will continue to put particular emphasis on working capital management over the next period.

### OPERATIONAL REVIEW

#### SecureData Africa

Revenue R222 million  
EBITDA R24,3 million  
EBITDA margin 11%

SecureData Africa markets and distributes category leading IRM products in South Africa and on the rest of the continent. For a number of years, SecureData Africa has successfully expanded its product portfolio to the extent that it now represents products in every strategic area within the IRM market. Despite a clear understanding of the relationship between product mix and earnings performance this year the company failed to control the product mix in the requisite manner. This imbalance in product mix, combined with increased operating costs required to support revenue increases, and foreign exchange losses as a result of Rand volatility, resulted in an incongruous 32% reduction in EBITDA on a robust revenue increase of 50% to R222 million. Management has put in place strategic initiatives to balance the product mix in future. In addition the risks inherent in currency exposure have been somewhat mitigated by means of forward exchange contracts. We are confident of an improved performance from SecureData Africa in the coming period albeit during a period of potentially slower revenue growth.

#### MIS-CDS (two months)

Revenue R29 million  
EBITDA R5,3 million  
EBITDA margin 18,3%

MIS-CDS is one of the largest and longest established independent information security solution providers in the United Kingdom. The acquisition of MIS-CDS became effective June 2008 and the results reflect a two month operating performance. In comparison to the previous year MIS-CDS achieved a 15% increase in both revenue and EBITDA. SecureData acquired a 75,8% interest in MIS-CDS in June 2008 for a consideration of R196 million. The purchase was funded by the issue of 62 million shares at R1,70 each (R105 million), raising a loan facility of R100 million, of which R30 million was used to repay existing debt.

### **SensePost**

Revenue R20,5 million

EBITDA R6,8 million

EBITDA margin 33,1%

SensePost provides independent information security assessment services. Based in South Africa the company is a recognised leader in this niche market and boasts a bluechip client base spanning five continents. SensePost posted revenue of R20,5 million with a pleasing 33% EBITDA margin reflecting the specialist, high value nature of the company's service offering. Approximately a quarter of SensePost revenues were generated outside South Africa and in future we intend utilising our UK presence to increase SensePost's offshore revenues. Early indications of success are encouraging.

### **PROSPECTS**

With the inclusion of MIS-CDS for the full year, the group expects both Revenue and EBITDA to increase in the coming financial year, making SecureData a significant IRM presence in the Europe/Africa region. The IRM market has historically proved to be quite resilient during downturns in the economic cycle although it is clearly not immune to changes in the cycle. It is difficult at this stage to predict to what extent current financial market turmoil will impact buyer activity. The board believes the group is well positioned to take advantage of attractive opportunities within the IRM sector well into the future.

### **BASIS OF PREPARATION**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The accounting policies applied in the preparation of these financial statements conform with the requirements of IFRS and are consistent with those applied in the prior year.

### **DIRECTORATE**

Subsequent to the MIS-CDS acquisition and the claw-back offer, which details are set out in the circulars sent to SecureData shareholders dated 27 May and 30 June 2008 respectively, Mr R Pretorius and Mr S Murray have been appointed to the board, as non-executive directors, with effect from 15 October 2008.

Mr JG du Toit has been appointed as financial director, with effect from 15 October 2008.

For and on behalf of the board



**DTK Brazier**

*Chief executive officer*

23 January 2009



## [CORPORATE GOVERNANCE]

The group fully supports the King II Report's Code of Corporate Practices and Conduct and the board of directors is committed to the principles of transparency, integrity and accountability. The board subscribes to the values of and accepts the inclusive approach to good corporate governance espoused in the King II Report. The board and individual directors accept their responsibility to ensure that the principles set out in the Code of Corporate Practices and Conduct as defined in the King II Report are observed. The board is of the view that the group substantially complies, insofar as is applicable, with the provisions contained in the Code and the board of directors specifically wish to report on the following:

### THE BOARD OF DIRECTORS

The board of directors of SecureData is chaired by Peter Sneddon, an independent non-executive director. The board comprises three independent non-executive directors, two non-executive directors and three executive directors. This allows the non-executive directors to provide independent judgement on issues of strategy, performance, resources, transformation, diversity and employment equity, evaluation of performance and standards of conduct. The above board composition together with recent changes in board members reflects more balance between non-executive and executive directors.

While executive directors have service contracts and restraint agreements, they are also shareholders. Some of the non-executive directors represent organisations that hold substantial investments in the group. The board meets at least once every quarter and retains full and effective control over the group. Specifically, it directs and controls the management of the group, is responsible for strategic and fiscal policy, and is involved in all decisions affecting the group, which it considers to be material. Full details of the board of directors are set out on pages 2 to 3 of this report.

The board gives strategic direction to the group, appoints the chief executive officer and ensures that succession is planned. The non-executive directors take responsibility for ensuring that the chair encourages proper deliberation of all matters requiring the board's attention. The board ensures that there is an appropriate balance of power and authority on the board so that no one individual or

block of individuals can dominate the board's decision-making process.

The board has a formal schedule of matters reserved to it. The board has a comprehensive system of control ensuring that risks are mitigated and the group's objectives are attained. This control environment sets the tone of the group and covers ethical values, management's philosophy and the competence of employees.

The board ensures that the group complies with all relevant laws, regulations and codes of business practice and that it communicates with its shareowners and relevant internal and external stakeholders openly, promptly and with substance prevailing over form. The board and its committees are supplied with full and timely information which enables them to discharge their responsibilities and have unrestricted access to all company information, records, documents and property. Non-executive directors have access to management and may even meet separately with management, without the attendance of executive directors. All directors have access to the advice and services of the group Secretariat and there is an agreed procedure by which directors may obtain independent professional advice at the group's expense, should they deem this necessary.





The group has a formal policy, established by the board and implemented by the company secretary, prohibiting dealing in securities by directors, officers and other selected employees for a designated period preceding the announcement of its financial results or in any other period considered sensitive.

The board defines levels of materiality, reserving specific power to it and delegating other matters with the necessary written authority to management. These matters are monitored and

evaluated on a regular basis. The board identifies the key risk areas and key performance indicators for the group. These are regularly updated and particular attention is given to technology and systems.

Directors, both executive and non-executive, are appointed for their skill and experience. The appointment of new directors requires the unanimous approval of the board.

<b>Attendance at board meetings</b>	21 August 2007	28 September 2007	13 December 2007	<b>27 February 2008</b>	<b>14 March 2008</b>	<b>24 June 2008</b>	<b>15 October 2008</b>
Peter Sneddon	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Dean Brazier	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Thembakazi Mali	Yes	Yes	Yes	No	Yes	Yes	Yes
Thabiso Moerane	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Brett Parker	Yes	Yes	Yes	No	Yes	Yes	Yes
Simon Murray	N/A	N/A	N/A	N/A	N/A	N/A	Yes
Rudolf Pretorius	N/A	N/A	N/A	N/A	N/A	N/A	Yes
Johan du Toit	N/A	N/A	N/A	N/A	N/A	N/A	Yes

*N/A: Directors not in office at time of meeting*

#### **BOARD COMMITTEES**

Specific responsibilities have been formally delegated to board committees with defined terms of reference, life span and function, clearly agreed upon reporting procedures and written scope of authority. There is transparency and full disclosure from the board committees to the board, except where mandated otherwise by the board. Board committees are free to take independent outside professional advice as and when necessary and are subject to regular evaluation by the board to ascertain their performance and effectiveness.

#### **Remuneration committee**

The remuneration committee, comprising Peter Sneddon (independent non-executive chairman) and Thabiso Moerane (independent non-executive director), is responsible for the

assessment and approval of the board's remuneration strategy for the group, the determination of short- and long-term incentive pay structures for group executives, the positioning of senior executive pay levels relative to local and international industry benchmarks and the assessment and authorisation of specific reward proposals for the group's executive directors and those executives reporting directly to the non-executive chairman.

Directors that are members of the remuneration committee are excluded from the review of their own remuneration.

The remuneration committee's overall strategy is to ensure that employees are rewarded for their contribution to the group's operating and financial performance at levels which take account of industry, market and country benchmarks, as well as the



requirements of collective bargaining. In order to promote an identity of interest with shareholders, share incentives are considered to be critical elements of executive incentive pay.

#### **Audit committee**

The audit committee, comprising Peter Sneddon (independent non-executive chairman) and Thabiso Moerane (independent non-executive director), was established with terms of reference from the board. The audit committee meets regularly to discuss issues of accounting, auditing, internal controls and financial reporting. The external auditors have unrestricted access to the chairman of the audit committee.

The committee is responsible for reviewing the functioning of the internal control system, risk areas of the group's operations, the reliability and accuracy of the financial information provided to management and other users of financial information, whether the group should continue to use the services of the current external auditors, any accounting or auditing concerns identified as a result of the external audit, and the group's compliance with legal and regulatory provisions, its articles of association, code of conduct, bylaws and the rules established by the board.

The duties of the audit committee include reviewing the scope and results of the external audit and its cost effectiveness, as well as the independence and objectivity of the external auditors. Where the auditors supply non-audit services to the group, the audit committee reviews the nature and extent of such services, seeking to balance the maintenance of objectivity and value for money.

The audit committee considers whether or not the interim report should be subject to an independent review by the auditors. It also reviews the annual financial statements and the appropriateness of the accounting policies adopted by the group.

The audit committee has written terms of reference that deal adequately with its membership, authority and duties.

The audit committee is satisfied with the appropriateness of the expertise and experience of the financial director.

#### **ACCOUNTABILITY AND AUDIT**

##### **Going concern**

The directors have no reason to believe that the company and the group will not be a going concern in the year ahead. Accordingly, the annual financial statements are prepared on the going concern basis.

The board minutes the facts and assumptions used in the assessment of the going concern status of the group and company at the financial year end.

##### **Auditing and accounting**

The audit committee is of the opinion that their auditors observe the highest level of business and professional ethics and that their independence is not in any way impaired.

##### **Internal control**

The directors are responsible for ensuring internal control systems exist that provide reasonable assurance regarding the safeguarding of assets and the prevention of their unauthorised use or disposition, the maintenance of proper accounting records, the reliability of financial and operational information used in business and compliance with applicable laws and mandates.

Actions are taken to correct any deficiencies as soon as they are identified.

Nothing has come to the attention of the directors to indicate that any breakdown in the functioning of the internal financial controls has occurred during the period under review. The controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring that the group's business practices are conducted in a manner above reproach.

Due to the size of the group, there is no internal audit function.



## RISK MANAGEMENT

The board is responsible for the total process of risk management, as well as forming its own opinion on the effectiveness of the process, and sets the risk strategy, which is based on the need to identify, assess, manage and monitor all known forms of risk across the group, in liaison with the executive directors and senior management. These policies are clearly communicated to all employees to ensure that the risk strategy is incorporated into the language and culture of the group.

The board decides the group's appetite or tolerance for risk and has the responsibility to ensure that the group has implemented an effective ongoing process to identify risk, to measure its impact against a broad set of assumptions and then to activate what is necessary to proactively manage these risks.

Risk management and internal control are practised throughout the group and are embedded in day-to-day activities.

Risk is not only viewed from a negative perspective. The review process also identifies areas of opportunity, such as where effective risk management can be turned to competitive advantage. Risks are assessed on an ongoing basis and control activities are designed to respond to risks throughout the group. This has been in place for the year under review and up to the date of approval of the annual report and financial statements.

## RELATIONS WITH SHAREHOLDERS

It is the policy of the group to pursue dialogue with institutional investors based on constructive engagement and the mutual understanding of objectives taking due regard of statutory, regulatory and other directives regulating the dissemination of information by companies and their directors. The board accepts its duty to present a balanced and understandable assessment of the group's position in reporting to stakeholders, taking into account the circumstances of the communities in which it operates and the greater demands for transparency and accountability

regarding non-financial matters. Reporting addresses material matters of significant interest and concern to all stakeholders and presents a comprehensive and objective assessment of the group so that all shareowners and relevant stakeholders with a legitimate interest in the group's affairs can obtain a full, fair and honest account of its performance.

## CODE OF ETHICS

The board is currently formulating a code of ethics in order to:

- make clear what is acceptable, and unacceptable, practice;
- guide company policy by providing a set of corporate ethical standards;
- encourage ethical behaviour of the board, managers and employees at all levels;
- guide difficult decision-making;
- make ethical infringements easy to identify;
- promote awareness of, and sensitivity to, ethical issues;
- help resolve conflicts;
- specify the enterprise's social responsibility;
- cover relations between stakeholders; and
- enhance the ethical reputation of the organisation.

## SAFETY, HEALTH AND ENVIRONMENT (SHE)

The board is responsible for dealing with SHE issues and provides the necessary guidance in developing and approving the policy, strategy and structure to manage SHE issues.



### **Safety**

The board is committed to preventing workplace accidents and fatalities and ensures the group's compliance with the Occupational Health and Safety Act 1993 (Act 85 of 1993) as amended.

### **Health**

The HIV/AIDS pandemic is a growing threat in South Africa and the group pays particular attention to this disease, without disregarding other diseases that could pose a significant risk.

### **The environment**

The group's activities do not pose a significant threat to the environment.

## **SOCIAL AND TRANSFORMATION ISSUES**

### **Employment equity**

The board is committed to the principles of employment equity and ensures the group's compliance with the Employment Equity Act, 1998 (Act 55 of 1998) as amended. The empowerment and advancement of previously disadvantaged individuals is based on the premise that they are equal partners in the corporate sphere and their contribution is a valuable one.

The group strives for adequate representation of historically disadvantaged individuals at top management and board levels. The board recognises the importance of diversity management and is developing mechanisms to positively reinforce the richness of diversity.

### **Employment responsibility**

The group is committed to providing equal opportunities for all its employees regardless of their race or gender. The group recognises the need for its staff complement to reflect the society in which it operates and is also committed to the development of all the employees. In order to achieve these ideals, the group has adopted policies that will ensure:

- all employees are treated as individuals regardless of religion, race, gender or creed;
- special efforts are made to assist in the development of employees who, through lack of past opportunity, do not possess the necessary skills; and
- all employees are eligible to participate in the SecureData Holdings Share Incentive Scheme.

### **Broad based black economic empowerment**

Over and above the measures to facilitate empowerment through employment practices, the group strives to make a significant contribution to black economic empowerment through its procurement and investment policies as well as its social investment prioritisation and spending.

During the last financial year, the group employed the services of a BEE agent to assist in designing a strategy to achieve the objectives of BEE. This strategy is currently being implemented.

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## [DIRECTORS' RESPONSIBILITY STATEMENT]

The directors are responsible for the preparation and fair presentation of the group annual financial statements and separate parent annual financial statements of SecureData Holdings Limited, comprising the balance sheets at 31 July 2008, and the income statements, the statements of changes in equity and cash flow statements for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these 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.

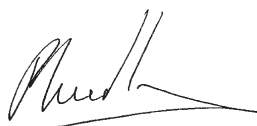
The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the group and company's ability to continue as a going concern and there is no reason to believe the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the group annual financial statements and annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

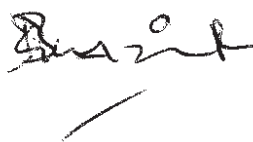
### APPROVAL OF GROUP ANNUAL FINANCIAL STATEMENTS AND SEPARATE PARENT ANNUAL FINANCIAL STATEMENTS

The group annual financial statements and separate parent annual financial statements of SecureData Holdings Limited, as identified in the first paragraph, were approved by the board of directors on 23 January 2009 and signed on its behalf by:



**P Sneddon**

*Non-executive chairman*



**DTK Brazier**

*Chief executive officer*

## [DECLARATION BY COMPANY SECRETARY]

In my capacity as company secretary, I hereby confirm, in terms of the Companies Act, 1973, that for the year ended 31 July 2008, the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.



**K Rossam**

*Company secretary*

23 January 2009



### BACKGROUND

The committee commenced with the implementation of the requirements of the Corporate Laws Amendment Act 24 of 2006 (the Act) that became effective on 14 December 2007.

The committee's operations are guided by a detailed charter that is in line with the Act and is approved by the board as and when it is amended.

### OBJECTIVE

The committee is established to assist the board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems and internal controls, control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards. The committee's purpose is to oversee the accounting and financial reporting processes of the group, the external audits of the annual financial statements, the qualifications of the public accounting firm engaged as the independent auditor to prepare or issue an audit report on the annual financial statements, and the performance of the independent auditors. The committee reviews and assesses the qualitative aspects of financial reporting to shareholders, the processes to manage business and financial risk, and compliance with significant applicable legal, ethical and regulatory requirements. The committee is directly responsible for the appointment (subject to shareholder ratification), compensation, retention and oversight of the independent auditors.

### MEMBERSHIP

During the course of the year the membership of the committee comprised solely independent non-executive directors. They were:  
P Sneddon (chairman)  
YT Moerane

### EXTERNAL AUDIT

The committee has satisfied itself through enquiry that the auditors of the group are independent as defined by the Act. The committee, in consultation with executive management, agreed to an audit fee for the 2008 financial year. The fee is considered appropriate for the work that could reasonably have been foreseen at that time.

There is a formal procedure that governs the process whereby the external auditor is considered for the provision of non-audit services, and each engagement for such work is reviewed and approved by the committee.

Meetings were held with the auditor where management was not present, and also with management where the auditor was not present.

The committee has nominated, for approval at the annual general meeting, KPMG Inc as the external auditor for the 2009 financial year and Mr Gary Parker as the designated auditor.

### ANNUAL FINANCIAL STATEMENTS

The committee has recommended the annual financial statements as set out on pages 15 to 60 for approval to the board. The board has subsequently approved the financial statements which will be open for discussion at the forthcoming annual general meeting.

**P Sneddon**

*Chairman of the audit committee*

23 January 2009

**To the members of SecureData Holdings Limited**

We have audited the group annual financial statements and the annual financial statements of SecureData Holdings Limited, which comprise the balance sheets at 31 July 2008, and the income statements, the statements of changes in equity and cash flow statements for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report as set out on pages 15 to 60.

**DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

**AUDITOR'S RESPONSIBILITY**

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

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

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

**OPINION**

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of SecureData Holdings Limited at 31 July 2008, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

**KPMG Inc.****Per G Parker***Chartered Accountant (SA)**Registered Auditor**Director*

23 January 2009



The directors have pleasure in presenting their report for the year ended 31 July 2008.

### GENERAL

SecureData Holdings Limited (the company) is a company domiciled in South Africa. The consolidated financial statements of the company as at and for the year ended 31 July 2008 comprise the company and its subsidiaries (together referred to as the group).

These consolidated financial statements are presented in Rands, which is the company's functional currency and the group's presentation currency. All financial information presented in Rands has been rounded to the nearest thousand, unless otherwise disclosed.

### BUSINESS ACTIVITIES

The company's principal business activity is that of an investment holding company. Its subsidiary companies are focused on the sale, implementation, management and integration of Information Risk Management (IRM). This includes the sale of software products from global software vendors, the subsequent development of solutions around these products and the ongoing management of the system once it has been deployed.

For details of acquisitions during the year refer to note 33 and the group chief executive officer's review on pages 4 and 5.

### FINANCIAL RESULTS

The operating results and the financial position of the group and company are set out in the accompanying financial statements.

The revenue of the group for the year was R271,3 million (2007: R148,2 million), while the net profit after taxation, and before discontinued operations, for the group for the year was R8,9 million (2007: R26,3 million) and after discontinued operations was R8,9 million (2007: R6,2 million).

### DIVIDENDS

In light of acquisitions in the last year and the intention to pursue additional acquisitions, the board deems it prudent not to pay/declare a dividend this year. The board will continue to review the group's financial position, and when considered appropriate, dividend payments will resume.

### SHARE CAPITAL

Details of the authorised and issued share capital at 31 July 2008 are set out in note 16 to the financial statements. There was no change in the authorised ordinary share capital during the year. The issued ordinary share capital increased by 62 million shares to 242 101 686 shares. The entire increase is attributable to shares issued on the acquisition of MIS-CDS.

As at 31 July 2008, SecureData Administration (Pty) Limited holds 15 964 723 shares in SecureData Holdings Limited.

### Directors' interest in share capital

At 31 July 2008 the directors of the company were directly and indirectly interested in the issued share capital of the company as follows:

Directors	<b>2008</b>	2007
Ordinary shares: <i>Directly beneficial</i>		
DTK Brazier	<b>9 400 010</b>	9 000 010
P Sneddon	<b>80 000</b>	–
BK Parker	<b>400 000</b>	–
Ordinary shares: <i>Indirectly beneficial</i>		
DTK Brazier	<b>998 577</b>	–
R Pretorius	<b>2 007 976</b>	–
S Murray	<b>1 277 027</b>	–

R Pretorius increased his indirect beneficial shareholding to 4 624 916 ordinary shares at the date of this report. Other than that change, there has been no change in the directors' interest in the share capital to the date of this report.

### PROPERTY, PLANT AND EQUIPMENT

There were no changes in the nature of plant, property and equipment nor in the policy regarding their use during the year.

### EMPLOYEE SHARE INCENTIVE SCHEME

There is a group employee share incentive scheme in place. During the period under review, 6 million (2007: 9,1 million) options were issued to employees, excluding all group directors, qualifying for this allotment. Refer to note 24 for all details of the share options.

### SUBSIDIARIES

The interest of the company in the aggregate after tax profits and losses of subsidiaries for the year ended 31 July is as follows:

	<b>2008</b> <b>R'000</b>	2007 R'000
In the profit	<b>19 943</b>	15 239
In the losses	<b>(11 244)</b>	(9 100)
	<b>8 699</b>	6 139



## MATERIAL POST BALANCE SHEET EVENTS

No events having a material effect on the financial position and results of the group have taken place between 30 July 2008 and 23 January 2009.

## DIRECTORS

The directors in office for the period:

P Sneddon (independent non-executive chairman) <sup>(1)(2)</sup>

DTK Brazier (chief executive officer)

TN Mali (independent non-executive)

YT Moerane (independent non-executive) <sup>(1)(2)</sup>

B Parker (chief operating officer)

R Pretorius (non-executive) (appointed 15 October 2008)

S Murray (non-executive) (appointed 15 October 2008)

JG du Toit (financial director) (appointed 15 October 2008)

<sup>(1)</sup> Member of remuneration committee

<sup>(2)</sup> Member of audit committee

In terms of the Articles of Association, Mr P Sneddon and Ms YT Moerane retire from the board, and being eligible, put themselves forward for re-election.

## SECRETARY

The company secretary at the date of this report is K Rossam.

### Business address

Medscheme Park  
Ground Floor  
10 Muswell Road South  
Bryanston  
2021

### Postal address

PO Box 4673  
Rivonia  
2128

[CONSOLIDATED INCOME STATEMENTS] for the year ended 31 July 2008

	Note	Group		Company	
		2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>Revenue</b>	2	<b>271 347</b>	148 221	–	8 966
Cost of sales*		<b>(161 543)</b>	(77 157)	–	–
<b>Gross profit</b>		<b>109 804</b>	71 064	–	8 966
Administration and selling expenses*		<b>(73 348)</b>	(33 163)	<b>(1 801)</b>	–
<b>Earnings before interest, taxation, depreciation and amortisation (EBITDA)</b>		<b>36 456</b>	37 901	<b>(1 801)</b>	8 966
Depreciation and amortisation		<b>(8 732)</b>	(1 020)	–	–
– Depreciation		<b>(2 651)</b>	(1 020)	–	–
– Amortisation		<b>(6 081)</b>	–	–	–
<b>Results from operating activities</b>	3	<b>27 724</b>	36 881	<b>(1 801)</b>	8 966
Finance income	4	<b>1 289</b>	845	<b>1 531</b>	–
Finance expenses		<b>(13 420)</b>	(28)	<b>(11 190)</b>	–
– Interest paid	5	<b>(5 376)</b>	(28)	<b>(2 068)</b>	–
– Foreign exchange losses on loan to subsidiary		<b>(8 044)</b>	–	<b>(9 122)</b>	–
<b>Profit/(loss) before taxation</b>		<b>15 593</b>	37 698	<b>(11 460)</b>	8 966
Taxation	6	<b>(6 654)</b>	(11 400)	<b>2 252</b>	–
<b>Profit/(loss) from continuing operations</b>		<b>8 939</b>	26 298	<b>(9 208)</b>	8 966
Loss on disposal of discontinued operations		–	(20 135)	–	–
– Loss on operations discontinued		–	(24 535)	–	–
– Profit on disposal of discontinued operations		–	4 400	–	–
<b>Profit/(loss) for the year</b>		<b>8 939</b>	6 163	<b>(9 208)</b>	8 966
<b>Attributable to:</b>					
Equity holders of the company		<b>8 699</b>	6 163		
Minority interest		<b>240</b>	–		
<b>Profit/(loss) for the year</b>		<b>8 939</b>	6 163		
Basic earnings per ordinary share (cents)	7.1	<b>5,0</b>	3,9		
Diluted earnings per share (cents)	7.3	<b>4,7</b>	3,7		

\* Excluding depreciation and amortisation



	Note	Group		Company	
		2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>ASSETS</b>					
<b>Non-current assets</b>		<b>291 630</b>	44 378	<b>126 715</b>	32 000
Property, plant and equipment	8	7 495	3 889	–	–
Interest in subsidiaries	9	–	–	124 463	32 000
Goodwill	10	120 975	37 123	–	–
Intangible assets	11	125 587	–	–	–
Deferred tax asset	12	37 573	3 366	2 252	–
<b>Current assets</b>		<b>131 586</b>	77 325	<b>108 375</b>	13 190
Inventories	13	6 117	7 807	–	–
Trade and other receivables	14	83 236	46 977	–	–
Loans to subsidiaries	9	–	–	107 987	12 826
Taxation prepaid		723	–	–	–
Cash and cash equivalents	15	41 510	22 541	388	364
<b>Total assets</b>		<b>423 216</b>	121 703	<b>235 090</b>	45 190
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>		<b>161 617</b>	49 367	<b>108 750</b>	12 834
Share capital	16	242	180	242	180
Share premium	17	115 234	12 039	115 234	12 039
Treasury share reserve	18	(23 586)	(30 187)	–	–
Share-based payment equity reserve	19	2 482	615	2 482	615
Foreign currency translation reserve	20	(8 174)	–	–	–
Retained earnings		75 419	66 720	(9 208)	–
<b>Minority interest</b>	21	<b>21 770</b>	–	–	–
<b>Non-current liabilities</b>		<b>127 328</b>	–	<b>88 738</b>	–
Loans and borrowings	22	92 167	–	88 738	–
Deferred tax liability	12	35 161	–	–	–
<b>Current liabilities</b>		<b>112 501</b>	72 336	<b>37 602</b>	32 356
Trade and other payables	23	97 401	35 358	6 388	356
Owing to vendors		–	32 000	–	32 000
Loans to subsidiaries	9	–	–	18 058	–
Taxation		1 907	4 978	–	–
Loans and borrowings	22	13 193	–	13 156	–
<b>Total liabilities</b>		<b>239 829</b>	72 336	<b>126 340</b>	32 356
<b>Total equity and liabilities</b>		<b>423 216</b>	121 703	<b>235 090</b>	45 190

[CONSOLIDATED STATEMENT OF CHANGES IN EQUITY] for the year ended 31 July 2008

Attributable to the equity shareholders of the group

	Ordinary share capital R'000	Share premium R'000	Treasury share reserve R'000	Share-based payment equity reserve R'000	Foreign currency translation reserve R'000	Retained earnings R'000	Total R'000	Minority interest R'000	Total equity R'000
<b>Group</b>									
<b>Balance at 31 July 2006</b>	179	11 837	(29 985)	–	–	69 523	51 554	–	51 554
Total recognised income and expenses (profit for the year)	–	–	–	–	–	6 163	6 163	–	6 163
Shares issued	1	206	–	–	–	–	207	–	207
Share issue expenses	–	(4)	–	–	–	–	(4)	–	(4)
Own shares acquired by subsidiary	*	–	(202)	–	–	–	(202)	–	(202)
Share-based payment transactions during the year	–	–	–	615	–	–	615	–	615
Dividends declared	–	–	–	–	–	(8 966)	(8 966)	–	(8 966)
<b>Balance at 31 July 2007</b>	<b>180</b>	<b>12 039</b>	<b>(30 187)</b>	<b>615</b>	<b>–</b>	<b>66 720</b>	<b>49 367</b>	<b>–</b>	<b>49 367</b>
Shares issued	<b>62</b>	<b>105 344</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>105 406</b>	<b>–</b>	<b>105 406</b>
Share issue expenses	<b>–</b>	<b>(2 149)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(2 149)</b>	<b>–</b>	<b>(2 149)</b>
Own shares acquired by subsidiary	<b>–</b>	<b>–</b>	<b>(379)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(379)</b>	<b>–</b>	<b>(379)</b>
Share-based payment equity transactions during the year	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 867</b>	<b>–</b>	<b>–</b>	<b>1 867</b>	<b>–</b>	<b>1 867</b>
Own shares sold by subsidiary	<b>–</b>	<b>–</b>	<b>6 980</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>6 980</b>	<b>–</b>	<b>6 980</b>
Foreign exchange movements for the year	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(8 174)</b>	<b>–</b>	<b>(8 174)</b>	<b>–</b>	<b>(8 174)</b>
Profit for the year from continuing operations	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>8 699</b>	<b>8 699</b>	<b>240</b>	<b>8 939</b>
Total recognised income and expenses	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(8 174)</b>	<b>8 699</b>	<b>525</b>	<b>240</b>	<b>765</b>
Business combination	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>21 530</b>	<b>21 530</b>
<b>Balance at 31 July 2008</b>	<b>242</b>	<b>115 234</b>	<b>(23 586)</b>	<b>2 482</b>	<b>(8 174)</b>	<b>75 419</b>	<b>161 617</b>	<b>21 770</b>	<b>183 387</b>

\* Less than R 1 000

[CONSOLIDATED STATEMENT OF CHANGES IN EQUITY] CONTINUED  
for the year ended 31 July 2008



Attributable to the equity shareholders of the parent company

	Ordinary share capital R'000	Share premium R'000	Treasury share reserve R'000	Share-based payment equity reserve R'000	Foreign currency translation reserve R'000	Retained earnings R'000	Total R'000
<b>Company</b>							
<b>Balance at 31 July 2006</b>	179	11 837	–	–	–	–	12 016
Total recognised income and expenses (profit for the year)	–	–	–	–	–	8 966	8 966
Issue of share capital	1	206	–	–	–	–	207
Share issue expenses	–	(4)	–	–	–	–	(4)
Share-based payment equity transactions during the year	–	–	–	615	–	–	615
Dividends declared	–	–	–	–	–	(8 966)	(8 966)
<b>Balance at 31 July 2007</b>	<b>180</b>	<b>12 039</b>	<b>–</b>	<b>615</b>	<b>–</b>	<b>–</b>	<b>12 834</b>
Total recognised income and expenses (profit for the year)	–	–	–	–	–	(9 208)	(9 208)
Shares issued	62	105 344	–	–	–	–	105 406
Share issue expenses	–	(2 149)	–	–	–	–	(2 149)
Share-based payment equity transactions during the year	–	–	–	1 867	–	–	1 867
<b>Balance at 31 July 2008</b>	<b>242</b>	<b>115 234</b>	<b>–</b>	<b>2 482</b>	<b>–</b>	<b>(9 208)</b>	<b>108 750</b>

[CONSOLIDATED STATEMENT OF CASH FLOWS] for the year ended 31 July 2008

	Note	Group		Company	
		2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>Cash flows from operating activities</b>		<b>37 735</b>	(22 891)	<b>(2 841)</b>	668
Profit/(loss) before taxation		<b>15 593</b>	37 698	<b>(11 460)</b>	8 966
Adjustments not affecting the flow of funds		<b>23 450</b>	(22 115)	<b>12 246</b>	615
<b>Operating income before working capital changes</b>		<b>39 043</b>	15 583	<b>786</b>	9 581
Increase/(decrease) in working capital		<b>24 181</b>	(19 316)	<b>6 032</b>	53
<b>Cash generated from operations</b>	27.1	<b>63 224</b>	(3 733)	<b>6 818</b>	9 634
		<b>(25 489)</b>	(19 158)	<b>(9 659)</b>	(8 966)
Finance income		<b>1 289</b>	845	<b>1 531</b>	–
Finance costs		<b>(13 420)</b>	(28)	<b>(11 190)</b>	–
Taxation paid	27.2	<b>(13 358)</b>	(11 009)	–	–
Dividends paid		–	(8 966)	–	(8 966)
<b>Cash flows from investing activities</b>		<b>(202 555)</b>	(26 725)	<b>(188 344)</b>	(32 810)
Acquisition of MIS Corporate Defence Solutions Limited	33.1	<b>(180 719)</b>	–	–	–
Acquisition of New Generation Solutions (Pty) Limited	33.2	<b>(14 621)</b>	–	–	–
Acquisition of SensePost (Pty) Limited	33.3	<b>1 675</b>	(32 000)	–	–
Acquisition of Value Added Distributors	33.4	–	(4 000)	–	–
Acquisition costs incurred		<b>(5 858)</b>	–	–	–
Acquisition of subsidiaries		–	–	<b>(92 463)</b>	(32 000)
Loan to subsidiaries		–	–	<b>(95 161)</b>	(810)
Loans to associate		<b>(720)</b>	–	<b>(720)</b>	–
Proceeds on disposal of Gateway Technologies		–	15	–	–
Proceeds on disposal group		–	11 124	–	–
Proceeds on disposal of subsidiaries		–	1 500	–	–
Proceeds on disposal of property, plant and equipment		<b>31</b>	22	–	–
Acquisition of property, plant and equipment		<b>(2 243)</b>	(3 386)	–	–
<b>Cash flows from financing activities</b>		<b>183 789</b>	32 001	<b>191 209</b>	32 203
Proceeds from issue of shares		<b>105 406</b>	207	<b>105 406</b>	207
Share issue expenses		<b>(2 149)</b>	(4)	<b>(2 149)</b>	(4)
Own shares acquired by subsidiary		<b>(379)</b>	(202)	–	–
Own shares sold by subsidiary		<b>6 980</b>	–	–	–
Loans raised		<b>135 931</b>	–	<b>101 894</b>	–
Loans repaid		<b>(30 000)</b>	–	–	–
Loans to subsidiaries		–	–	<b>18 058</b>	–
(Payment)/owing to vendors		<b>(32 000)</b>	32 000	<b>(32 000)</b>	32 000
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>18 969</b>	(17 615)	<b>24</b>	61
Cash and cash equivalents at beginning of year		<b>22 541</b>	40 156	<b>364</b>	303
<b>Cash and cash equivalents at end of year</b>		<b>41 510</b>	22 541	<b>388</b>	364



## I. ACCOUNTING POLICIES

The financial statements incorporate the principal accounting policies set out below, which are consistent with those adopted in the previous two financial years. The accounting policies of the subsidiaries are consistent with those of the holding company, namely SecureData Holdings Limited. SecureData Holdings Limited (the company) is a company domiciled in South Africa.

The consolidated financial statements of the company for the year ended 31 July 2008 comprise the company and its subsidiaries (together referred to as the group).

### I.1 Statement of compliance

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

Where considered appropriate, comparative figures have been restated and explained in the relevant note.

### I.2 Basis of preparation

The financial statements are presented in South African Rands, which is the company's functional currency and the group's presentation currency, rounded to the nearest thousand. They are prepared on the historical basis, unless otherwise indicated.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of the assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 10: measurement of recoverable amounts of cash-generating units containing goodwill;

Note 19: measurement of share-based payments;

Note 33: business combinations; and

Note 12: utilisation of tax losses.

### I.3 Basis of consolidation

Subsidiaries are those entities over whose financial and operating policies the group has the power to exercise control, so as to obtain benefits from their activities. In assuming control, potential voting rights that are currently exercisable are taken into account.



I. ACCOUNTING POLICIES (continued)

**I.3 Basis of consolidation (continued)**

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the group.

Goodwill, arising on acquisition, is treated in accordance with the group's accounting policy for goodwill. (See note I.7)

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Associates are those entities in which the group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the group holds between 20 and 50 percent of the voting power of another entity.

Associates are accounted for using the equity method (equity accounted investees) and are recognised initially at cost. The group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the group, from the date that significant influence commences until the date that significant influence ceases to exist.

When the group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the group has an obligation or has made payments on behalf of the investee.

**I.4 Property, plant and equipment**

*Recognition and measurement*

Items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets concerned taking account of any residual value remaining at the end of the useful life.

The estimated useful lives for the current and comparative periods are as follows:

Motor vehicles	5 years
Computer equipment	3 years
Furniture and fittings	10 years
Office equipment	3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.



## I. ACCOUNTING POLICIES (continued)

### I.4 Property, plant and equipment (continued)

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour; any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition, construction or production of qualifying assets are recognised in profit or loss as incurred.

When parts of an item of property, plant and equipment have different useful lives they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

### I.5 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined on a first-in first-out basis, and includes expenditure incurred in acquiring the inventories, production, or conversion costs and other costs incurred in bringing them to their existing location and condition. Obsolete and slow moving inventories are identified on a regular basis and are written down to their estimated net realisable values.

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

### I.6 Revenue

Revenue comprises the net invoiced supply of goods and services to customers excluding value added tax, and other non-operating income. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when significant risks and rewards of ownership are transferred to the buyer; costs can be measured reliably, and receipt of the future economic benefits is probable, and there is no continuing management involvement with goods and the amount of revenue can be measured reliably.

Dividends are recognised when the right to receive payment is established. Revenue from the sale of software licences is recognised when the software is delivered to the customers.

Revenue from short-term maintenance contracts is recognised over the term of the contract.



I. ACCOUNTING POLICIES (continued)

**1.6 Revenue (continued)**

Revenue earned from long-term maintenance contracts is deferred and recognised over the term of the contract.

Revenue arising from the provision of services is recognised in profit and loss in proportion to the stage of completion of the transaction at the reporting date. Inter-group revenue is eliminated on consolidation.

**1.7 Intangible assets**

*Other intangible assets*

Other finite life intangible assets acquired by the group are measured at cost less accumulated amortisation and impairment losses. Finite life intangible assets are amortised over their estimated useful lives.

*Subsequent expenditure*

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the costs can be measured reliably. All other subsequent expenditure is expensed as incurred.

*Goodwill*

Goodwill/(negative goodwill) arises on the acquisition of subsidiaries.

*Acquisitions prior 1 August 2003*

As part of its transition to IFRS, the group elected to restate only those business combinations that occurred on or after 1 August 2003. In respect of acquisitions prior to 1 August 2003, goodwill representing the excess of the cost of the acquisition of the group's interest in the book value of the identifiable assets was written off on acquisition in terms of the group's previous accounting framework, South African Generally Accepted Accounting Practice.

*Acquisitions on or after 1 August 2003*

For acquisitions on or after August 2003, goodwill represents the excess of the cost of the acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative, it is recognised immediately in profit or loss.

*Amortisation*

Amortisation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- |                             |            |
|-----------------------------|------------|
| • Trademarks                | 6-10 years |
| • Customer relationships    | 2-10 years |
| • Distributor relationships | 5 years    |
| • Computer software         | varied     |

The estimated useful life of an intangible asset in a service concession arrangement is the period when it is available for use to the end of the concession period.



## I. ACCOUNTING POLICIES (continued)

### I.7 Intangible assets (continued)

Goodwill is not amortised. Goodwill is subjected to at least an annual impairment test and whenever there is an indication of impairment. Useful lives, amortisation methods and residual values are reassessed annually.

### I.8 Impairment

#### *Non-financial assets*

The carrying amounts of the group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is the higher of its fair value less cost to sell and its value in use. For intangible assets that are not yet available for use, goodwill and intangible assets that have an indefinite useful life, the recoverable amount is estimated at each balance sheet date.

In assessing value in use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination. An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

For an asset that does not generate cash inflows that are largely independent of those from other assets the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

A previously recognised impairment loss is reversed if there is an indication that the impairment loss may have reversed and if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years. Impairment losses on goodwill are not reversed.

#### *Financial assets*

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset.

An impairment loss in respect of financial assets measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.



I. ACCOUNTING POLICIES (continued)

**1.8 Impairment (continued)**

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are reassessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

**1.9 Income tax expense**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current income tax expense comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted or substantively enacted at the balance sheet date, and any adjustment of tax payable for previous years.

Deferred tax is provided using the balance sheet method, based on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax is charged to the income statement except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination that is an acquisition. The effect on deferred tax of any changes in tax rates is recognised in the income statement, except to the extent that it relates to items previously charged or credited directly to equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.



## I. ACCOUNTING POLICIES (continued)

### I.9 Income tax expense (continued)

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

### I.10 Financial instruments

#### *Measurement*

Financial instruments are initially measured at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition these instruments are measured as set out below.

#### *Trade and other receivables*

Trade and other receivables are measured at amortised cost using the effective interest method, less impairment losses.

#### *Cash and cash equivalents*

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at balance sheet date.

#### *Financial liabilities*

Financial liabilities not at fair value through profit and loss are recognised at amortised cost, using the effective interest method.

### I.11 Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation. Where the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

### I.12 Leases

#### *Operating leases*

Leases where the lessor retains the risks and rewards of ownership of the underlying asset are classified as operating leases. Payments made under operating leases are charged against income on a straight-line basis over the period of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

### I.13 Finance income and expenses

#### *Finance income and expenses*

Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is probable that such income will accrue to the group.



## [NOTES TO THE ANNUAL FINANCIAL STATEMENTS]

CONTINUED for the year ended 31 July 2008

### I. ACCOUNTING POLICIES (continued)

#### I.13 Finance income and expenses (continued)

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, foreign exchange gains and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings as well as foreign exchange losses on borrowings. All borrowing costs are recognised in profit or loss using the effective interest method. Foreign currency gains and losses are reported on a net basis.

#### I.14. Foreign currency

##### *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate date at the fair value as determined. Foreign currency differences arising on the retranslation are recognised in profit or loss, except for the differences arising on the retranslation of available-for-sale equity instruments, a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised directly in equity.

##### *Foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Rands at exchange rate at the reporting dates. The income and expenses of foreign operations are translated to Rand at exchange rate at the dates of the transactions.

Foreign currency differences are recognised directly in equity. Since 1 January 2004, the group's date of transition to IFRSs, such differences have been recognised in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss.

#### I.15 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts, only for those that are repayable on demand and form an integral part of the entity's cash management, all of which are available for use by the group unless otherwise stated.



## I. ACCOUNTING POLICIES (continued)

### I.16 Segment reporting

A segment is a distinguishable component of the group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the group's business and geographical segments. The group's primary format for segment reporting is based on business segments. The business segments are determined based on the group's management and internal reporting structure.

The group conducts its business in the IT services and software industry. The group is organised into three operating segments:

- *SecureData Africa*: which includes the sale, distribution and support of security products including antivirus, intrusion detection, firewalls, authentication and network asset management and the provision of managed security services in Africa;
- *SensePost*: which includes consultancy services and independent information security assessment services; and
- *MIS-CDS*: which includes the sale, distribution and support of security products including antivirus, intrusion detection, firewalls, authentication and network asset management and the provision of managed security services in the United Kingdom.

Segment results include revenue and expenses directly attributable to a segment and the relevant portion of enterprise revenue and expenses that can be allocated on a reasonable basis to a segment, whether from external transactions or from transactions with other group segments. Inter-segment transfer pricing is based on cost plus an appropriate margin. Unallocated items mainly comprise corporate expenses, research and development costs, and amortisation of intangible assets. Segment results are determined before any adjustments for minority interest.

Segment assets and liabilities comprise those operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets are determined after deduction of related allowances that are reported as direct offsets in the group's balance sheet. Segment assets and liabilities do not include income tax items.

Capital expenditure represents the total costs incurred during the period to acquire segment assets that are expected to be used during more than one period (namely, property, plant and equipment and intangible assets).

### I.17 Employee benefits

#### *Short-term employee benefits*

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service. The accruals for employee entitlements to salaries, annual and sick leave represent the amount which the group has a present obligation to pay as a result of employee's services provided to the balance sheet date. The accruals have been calculated at undiscounted amounts based on current salary rates.



I. ACCOUNTING POLICIES (continued)

**I.17 Employee benefits (continued)**

*Retirement benefits*

The company and its South African subsidiaries contribute to a defined contribution plan in accordance with the Pension Funds Act of 1956. The UK operations contribute to a defined contribution pension fund. Contributions to defined contribution funds are charged against income as incurred.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

*Termination benefits*

Termination benefits are recognised as an expense when the group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognised as an expense if the group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

**I.18 Share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity net of any tax effects.

When share capital recognised as equity is repurchased the amount of the consideration paid, which includes directly attributable costs, is net of any tax effects and recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or measured subsequently, the amount received is recognised as an increase in equity.

**I.19 Share-based transactions**

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options for which the related service and non-market vesting conditions are met.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expenses in profit or loss.



## I. ACCOUNTING POLICIES (continued)

### I.20 Determination of fair values

A number of the group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### *Property, plant and equipment*

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items.

#### *Intangible assets*

The fair value of patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the patent or trademark being owned. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

Intangible assets received as consideration for providing construction services in a service concession arrangement are measured at fair value upon initial recognition, estimated by reference to the fair value of the construction services provided. When the group receives an intangible asset and a financial asset as consideration for providing construction services in a service concession arrangement, the group estimates the fair value of intangible assets as the difference between the fair value of the construction services provided and the fair value of the financial asset received.

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

#### *Inventories*

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

#### *Investments in equity and debt securities*

The fair value of financial assets at fair value through profit or loss and held-to-maturity investments is determined by reference to their quoted closing bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.



I. ACCOUNTING POLICIES (continued)

**I.20 Determination of fair values (continued)**

*Trade and other receivables*

The fair value of trade and other receivables, excluding construction work in progress, but including service concession receivables, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

*Non-derivative financial liabilities*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. For finance leases the market rate of interest is determined by reference to similar lease agreements.

*Share-based payment transactions*

The fair value of employee share options is measured using the Black-Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

**I.21 Earnings per share**

The group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

---



	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>2. REVENUE</b>				
Sales	<b>229 658</b>	138 560	–	8 966
Services	<b>41 689</b>	9 661	–	–
	<b>271 347</b>	148 221	–	8 966
<b>3. RESULTS FROM OPERATING ACTIVITIES</b>				
Results from operating activities is arrived at after taking into account:				
Auditors' remuneration				
– audit fees	<b>1 335</b>	429	–	–
– Current year	<b>996</b>	400	–	–
– Prior years	<b>255</b>	–	–	–
– Other services	<b>84</b>	29	–	–
Operating lease costs	<b>3 679</b>	3 178	–	–
– premises	<b>3 648</b>	3 090	–	–
– equipment	<b>31</b>	88	–	–
Foreign exchange losses on suppliers	<b>4 549</b>	667	–	–
Depreciation of property, plant and equipment	<b>2 652</b>	1 020	–	–
– motor vehicles	<b>48</b>	9	–	–
– computer equipment	<b>2 118</b>	842	–	–
– furniture and fittings	<b>223</b>	99	–	–
– office equipment	<b>263</b>	70	–	–
Amortisation of intangible assets	<b>6 081</b>	–	–	–
– trademarks	<b>1 461</b>	–	–	–
– customer relationships	<b>570</b>	–	–	–
– distributor relationships	<b>2 414</b>	–	–	–
– computer software	<b>1 636</b>	–	–	–
Loss on disposals of subsidiaries	–	(507)	–	–
Employee costs	<b>59 152</b>	25 785	–	–
– reorganisational and retrenchment costs	–	79	–	–
– contribution to provident fund	<b>1 080</b>	492	–	–
– directors' remuneration	<b>3 277</b>	3 644	–	–
– other salaries and wages	<b>52 928</b>	20 955	–	–
– share-based payment expense	<b>1 867</b>	615	–	–
Number of employees	<b>215</b>	106	–	–

[NOTES TO THE ANNUAL FINANCIAL STATEMENTS] CONTINUED  
for the year ended 31 July 2008

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>4. FINANCE INCOME</b>				
– Bank accounts	1 093	845	24	–
– Other	196	–	1 507	–
	<b>1 289</b>	845	<b>1 531</b>	–
<b>5. INTEREST PAID</b>				
– Bank accounts	28	28	–	–
– Long-term borrowings	2 108	–	2 068	–
– Short-term borrowings	2 957	–	–	–
– Other	283	–	–	–
	<b>5 376</b>	28	<b>2 068</b>	–
<b>6. TAXATION</b>				
<b>Income tax comprises</b>				
South African normal tax				
– Current tax	8 748	9 810	–	–
– Prior year current tax	535	–	–	–
– Deferred taxation	(2 963)	469	(2 252)	–
– Deferred tax change in rate	(1)	–	–	–
– Prior year deferred tax	(72)	–	–	–
Secondary tax on companies	–	1 121	–	–
Foreign tax charge				
– Deferred tax	407	–	–	–
<b>Total normal tax</b>	<b>6 654</b>	11 400	<b>(2 252)</b>	–
<b>Reconciliation of rate of income tax:</b>				
	%	%	%	%
The reconciliation of the rate of income tax is based on profit before income tax.				
Standard rate of income tax	28,0	29,0	(28,0)	29,0
<i>Adjusted for:</i>				
Prior year adjustments	3,0	–	–	–
Disallowed expenditure	7,9	–	8,3	–
Tax losses created not utilised	3,8	–	–	–
Secondary tax on companies	–	3,0	–	–
Exempt income	–	(1,8)	–	(29,0)
<b>Effective income tax rate (%)</b>	<b>42,7</b>	30,2	<b>(19,7)</b>	–



	Group	
	2008	2007
<b>7. EARNINGS PER ORDINARY SHARE</b>		
<b>7.1 Basic earnings per ordinary share</b>		
The calculation of earnings per ordinary share is based on:		
Weighted average number of ordinary shares outstanding during the period ('000)	173 219	159 227
Profit attributable to ordinary shareholders (R'000)	8 699	6 163
<b>Basic earnings per ordinary share (cents)</b>	<b>5,0</b>	3,9

**Reconciliation of the weighted average number of ordinary shares:**

	Total number of shares		Weighted number of shares	
	2008 '000	2007 '000	2008 '000	2007 R'000
Balance at the beginning of the year			180 102	179 317
Treasury shares held	(20 536)	(19 936)	(20 536)	(19 936)
Effect of share issue in June 2008	62 000	785	10 333	174
Effect of share options exercised	1 560	–	650	–
Shares utilised on acquisition of subsidiaries	2 423	–	2 423	–
Effect of shares repurchased	(211)	(600)	(88)	(328)
Treasury shares sold by subsidiaries	800	–	335	–
<b>Weighted average number of shares</b>			<b>173 219</b>	159 227

**7.2 Headline earnings per share**

The calculation of headline earnings per ordinary share is based on a weighted average of 173 218 599 (2007: 159 227 248) ordinary shares in issue during the year; and headline earnings is calculated as follows:

	Group	
	2008 R'000	Restated 2007 R'000
<i>Reconciliation between earnings and headline earnings</i>		
Profit attributable to ordinary shareholders	8 699	6 163
Adjustments for:		
Profit on disposal of discontinued operations	–	(4 400)
Profit on disposal of assets	–	(507)
<b>Headline earnings</b>	<b>8 699</b>	1 256
<b>Headline earnings per ordinary share (cents)</b>	<b>5,0</b>	0,8*

\*The adjustment to the prior period headline earnings relates to the sale of I-Serve which was accounted for as a discontinued operation in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations at 31 July 2006 and disposed of during the 2007 financial year.

IFRS 5.33(a) requires an entity to distinguish between:

- (1) the post-tax profit or loss of the discontinued operation; and
- (2) the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the asset or disposal group either on the face of the income statement or in the notes.

## [NOTES TO THE ANNUAL FINANCIAL STATEMENTS] CONTINUED

for the year ended 31 July 2008

### 7. EARNINGS PER ORDINARY SHARE (continued)

#### 7.2 Headline earnings per share (continued)

Circular 8/2007 requires an entity to include the post-tax profit or loss of the discontinued operation ((1) above) in the calculation of headline earnings; and to exclude the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the asset of disposal group ((2) above) from this calculation.

In the prior year, the calculation of these elements contained an error (noted in the reviewed provisional financial results as a "reclassification"); and the post-tax profit or loss of the discontinued operation was excluded from (rather than included in) the calculation of headline earnings. An appropriate adjustment to the 2007 headline earnings has now been made.

#### 7.3 Diluted earnings per ordinary share

The calculation of fully diluted earnings per ordinary share is based on earnings of R8 699 000 (2007: R6 163 000) and a weighted average number of ordinary shares outstanding during the year adjusted for the effect of all possible dilutions as calculated below:

	<b>2008</b>	2007
	<b>'000</b>	'000
<b>Group</b>		
<i>Reconciliation of the weighted average number of ordinary shares for diluted earnings per ordinary share</i>		
Weighted average number of ordinary shares (used in the calculation of basic earnings per share)	<b>173 219</b>	159 227
Options outstanding at year-end to the Employee Share Incentive Scheme	<b>10 190</b>	9 640
Number of shares	<b>183 409</b>	168 867
<b>Diluted earnings per ordinary share (cents)</b>	<b>4,7</b>	3,7
<b>7.4 Diluted headline earnings per share</b>		
The calculation of diluted headline earnings per share is based on headline earnings of R8 699 000 (2007: R1 256 000) and a weighted average number of ordinary shares outstanding during the year adjusted for the effect of all possible dilutions of 183 408 599 (2007: 168 227 248).		
<b>Diluted headline earnings per ordinary share (cents)</b>	<b>4,7</b>	0,7*

\* See note 7.2

#### 7.5 Adjusted earnings per share

The calculation in adjusted earnings per ordinary share is based on a weighted average of 173 218 599 (2007: 159 227 248) ordinary shares in issue during the year; and adjusted earnings is calculated as follows:

	<b>2008</b>	2007
	<b>R'000</b>	R'000
<i>Reconciliation between earnings and adjusted earnings</i>		
Profit attributable to ordinary shareholders	<b>8 699</b>	6 163
Adjustments for		
– Amortisation (after taxation)	<b>4 354</b>	–
– Foreign exchange losses on group loans (after taxation)	<b>5 791</b>	–
– Profit on disposal of subsidiaries	<b>–</b>	(507)
– Discontinued operations	<b>–</b>	20 135
Adjusted earnings	<b>18 844</b>	25 791
Adjusted earnings per share (cents)	<b>10,9</b>	16,2



## 8. PROPERTY, PLANT AND EQUIPMENT

### 8.1 Group

	Depreciation rate %	Cost R'000	Accumulated depreciation and impairment R'000	Carrying amount R'000
<b>2008</b>				
Motor vehicles	20	135	81	54
Computer equipment	33	8 367	4 897	3 470
Furniture and fittings	10	1 963	804	1 159
Office equipment	33	3 255	443	2 812
		<b>13 720</b>	<b>6 225</b>	<b>7 495</b>
<b>2007</b>				
Motor vehicles	20	47	33	14
Computer equipment	33	4 765	2 779	1 986
Furniture and fittings	10	1 201	581	620
Office equipment	33	1 449	180	1 269
		<b>7 462</b>	<b>3 573</b>	<b>3 889</b>

### 8.2 Carrying amount reconciliation

#### Group

	Motor vehicles R'000	Computer equipment R'000	Furniture and fittings R'000	Office equipment R'000	Total R'000
<b>2008</b>					
At beginning of year	14	1 986	620	1 269	3 889
Additions	–	1 609	476	258	2 343
Disposals	–	(31)	–	–	(31)
Acquisitions	91	2 206	329	1 619	4 245
Depreciation	(48)	(2 118)	(223)	(263)	(2 652)
Currency adjustment	(3)	(182)	(43)	(71)	(299)
<b>At end of year</b>	<b>54</b>	<b>3 470</b>	<b>1 159</b>	<b>2 812</b>	<b>7 495</b>
<b>2007</b>					
At beginning of year	45	990	430	49	1 514
Additions	–	1 838	289	1 290	3 417
Disposals	(22)	–	–	–	(22)
Depreciation	(9)	(842)	(99)	(70)	(1 020)
<b>At end of year</b>	<b>14</b>	<b>1 986</b>	<b>620</b>	<b>1 269</b>	<b>3 889</b>

There is a charge over the property, plant and equipment as security for debt as disclosed in note 22.

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9. INVESTMENTS IN SUBSIDIARIES

Interest in subsidiaries	Issued share capital (shares)	Percentage holding		Interest of company			
		2008 %	2007 %	Shares at cost		Due by/(to) subsidiaries**	
				2008 R'000	2007 R'000	2008 R'000	2007 R'000
<i>Directly held</i>							
Activ8 (Pty) Limited	100	100	100	*	*	–	–
New Generation Solutions (Pty) Limited	200	100	–	14 070	–	1 704	–
SDH UK Limited (United Kingdom)	200 000	75,8	–	75 911	–	106 283	–
SecureData Administration (Pty) Limited	1	100	100	*	*	(18 058)	12 826
SecureData Content (Pty) Limited	100	100	100	*	*	–	–
SecureData Continuity (Pty) Limited	100	100	100	*	*	–	–
SecureData Security (Pty) Limited	100	100	100	2 482	*	–	–
SensePost (Pty) Limited	100	100	100	32 000	32 000	–	–
				124 463	32 000	89 929	12 826
<i>Indirectly held</i>							
I-Sentral Security Limited (United Kingdom)	932 493	75,8	–	–	–	–	–
MIS Corporate Defence Solutions Limited (United Kingdom)	1 358 056	75,8	–	–	–	–	–
MIS Group Holdings Limited (United Kingdom)	944 261	75,8	–	–	–	–	–
<i>Interest in associate company</i>							
Kenterton Enterprise Risk Management (Pty) Limited							
– Cost of investment	100	26	–	*	–	720	–
– Impairment				–	–	(720)	–
				*	–	–	–

\* Less than R1 000.

\*\* Non-interest bearing, unsecured and no fixed terms of repayment.

All of the assets of subsidiaries, including the company's shareholding, are given as security for secured bank loans (note 22).



	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>10. GOODWILL</b>				
<i>Reconciliation of the carrying amount of goodwill</i>				
Carrying amount at beginning of year	37 123	2 726	–	–
Acquisition during the year:				
– New Generation Solutions (Pty) Limited	11 122	–	–	–
– SDH UK Limited	80 987	–	–	–
Adjustments in respect of prior year acquisitions:				
– SensePost (Pty) Limited	(5 558)	29 760	–	–
– Value Added Distribution	(2 699)	5 004	–	–
– Customised Solutions (Pty) Limited	–	(367)	–	–
<b>Carrying amount at end of year</b>	<b>120 975</b>	<b>37 123</b>	<b>–</b>	<b>–</b>
The aggregate carrying amounts of goodwill allocated to each cash-generating unit are as follows:				
SecureData Content (Pty) Limited	2 359	2 359	–	–
Value Added Distribution	2 305	5 004	–	–
SensePost (Pty) Limited	24 202	29 760	–	–
SDH UK Limited	80 987	–	–	–
New Generation Solutions (Pty) Limited	11 122	–	–	–
	<b>120 975</b>	<b>37 123</b>	<b>–</b>	<b>–</b>

Management reviewed the results of these cash-generating units annually based on the value in use and determined that there were no impairment indicators. Goodwill was tested for impairment at year end.

Management has based its cash flow projections for the period covered by the most recent budgets with growth forecast appropriate for each business division ranging between 5% and 20% as appropriate. Management used a discount rate appropriate for business units of a similar size in similar markets.

#### 11. INTANGIBLE ASSETS

Cost	Trademarks	Customer	Distributor	Computer	Total
	R'000	relationships	relationships	software	
	R'000	R'000	R'000	R'000	R'000
As at beginning of the year	–	–	–	–	–
Acquisitions					
– MIS Corporate Defence Solutions Limited	60 870	15 280	–	44 600	120 750
– New Generation Solutions (Pty) Limited	–	–	5 419	–	5 419
– SensePost (Pty) Limited	5 360	2 856	–	1 912	10 128
– Value Added Distribution	–	–	3 801	–	3 801
– Computer Software	–	–	–	997	997
Effect of movement in exchange rate	(4 753)	(1 195)	–	(3 479)	(9 427)
<b>At end of the year</b>	<b>61 477</b>	<b>16 941</b>	<b>9 220</b>	<b>44 030</b>	<b>131 668</b>
<b>Accumulated amortisation and impairments</b>					
At beginning of the year	–	–	–	–	–
Amortisation for current year	1 461	570	2 414	1 636	6 081
<b>At end of the year</b>	<b>1 461</b>	<b>570</b>	<b>2 414</b>	<b>1 636</b>	<b>6 081</b>
<b>Net book value at end of year</b>	<b>60 016</b>	<b>16 371</b>	<b>6 806</b>	<b>42 394</b>	<b>125 587</b>

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	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>12. DEFERRED TAX ASSET</b>				
Balance at beginning of year	3 366	2 897	–	–
Acquired in business combinations	(533)	–	–	–
Current year's charge	2 629	469	2 252	–
Foreign currency adjustment	(3 050)	–	–	–
<b>Balance at end of year</b>	<b>2 412</b>	<b>3 366</b>	<b>2 252</b>	<b>–</b>

**12.1 Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Capital allowances	(64)	–	–	–	(64)	–
Operating lease accrual	65	(110)	–	–	65	(110)
Prepayments	–	(52)	–	–	–	(52)
Provisions	723	627	489	–	1 212	627
Deferred income	–	44	–	–	–	44
Tax loss carried forward	34 597	2 857	–	–	34 597	2 857
Intangible assets	–	–	(35 650)	–	(35 650)	–
Unrealised foreign exchange losses	2 252	–	–	–	2 252	–
<b>At end of year</b>	<b>37 573</b>	<b>3 366</b>	<b>(35 161)</b>	<b>–</b>	<b>2 412</b>	<b>2 252</b>

Company	Assets		Liabilities		Net	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Unrealised foreign exchange losses	2 252	–	–	–	2 252	–
<b>At end of year</b>	<b>2 252</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2 252</b>	<b>–</b>

**12.2 Movement in temporary differences during the year**

Group	Balance at 31 July 2007 R'000	Recognised in profit R'000	Acquired in business combinations R'000	Foreign currency adjustment R'000	Balance at 31 July 2008 R'000
Capital allowances	–	(64)	–	–	(64)
Operating lease accrual	(110)	175	–	–	65
Prepayments	(52)	52	–	–	–
Provisions	627	395	190	–	1 212
Deferred income	44	(44)	–	–	–
Tax loss carried forward	2 857	(3 730)	35 470	–	34 597
Intangible assets	–	3 593	(36 193)	(3 050)	(35 650)
Unrealised foreign exchange losses	–	2 252	–	–	2 252
<b>At end of year</b>	<b>3 366</b>	<b>2 629</b>	<b>(533)</b>	<b>(3 050)</b>	<b>2 412</b>



## 12. DEFERRED TAX ASSET (continued)

### 12.2 Movement in temporary differences during the year (continued)

Group	Balance at 31 July 2006 R'000	Recognised in profit R'000	Acquired in business combinations R'000	Foreign currency adjustment R'000	Balance at 31 July 2007 R'000
Operating lease accrual	–	(110)	–	–	(110)
Prepayments	–	(52)	–	–	(52)
Provisions	1 015	(388)	–	–	627
Deferred income	350	(306)	–	–	44
Tax loss carried forward	1 532	1 325	–	–	2 857
At end of year	2 897	469	–	–	3 366

### 12.3 Unrecognised deferred tax assets as a result of assessed losses

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Estimated tax losses available for utilisation against future taxable income	145 267	29 901	–	–
Applied to increase deferred tax asset	(117 172)	(9 851)	–	–
<b>Net tax loss carried forward</b>	<b>28 095</b>	20 050	–	–

The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the group can utilise the benefit there from.

## 13. INVENTORIES

Goods held for resale	7 062	7 807	–	–
Allowance for impairment	(945)	–	–	–
<b>Inventories</b>	<b>6 117</b>	7 807	–	–

There is a charge over inventories as security for debt as disclosed in note 22.

## 14. TRADE AND OTHER RECEIVABLES

Net trade receivables	78 214	39 899	–	–
– trade receivables	80 836	41 630	–	–
– allowance for impairment	(2 622)	(1 731)	–	–
Prepayments	2 500	180	–	–
Loans to directors (note 26.2)	1 208	–	–	–
Other receivables	1 314	6 898	–	–
<b>Balance at end of year</b>	<b>83 236</b>	46 977	–	–

The group's exposure to credit and currency risks related to trade and other receivables is discussed in note 25. There is a charge over trade and other receivables as security for debt as disclosed in note 22.

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	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>15. CASH AND CASH EQUIVALENTS</b>				
Rand denominated bank balances	18 624	21 208	388	364
Foreign denominated bank balances	22 886	1 333	–	–
	<b>41 510</b>	22 541	<b>388</b>	364
The foreign denominated bank balances include the following foreign currencies:				
US Dollar ('000)	476	190	–	–
Sterling ('000)	1 339	–	–	–
There is a charge over cash and cash equivalents as security for debt as disclosed in note 22.				

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>16. SHARE CAPITAL</b>				
<i>Authorised</i>				
500 000 000 ordinary shares of R0,001 each	500	500	500	500
<i>Issued</i>				
242 101 686 (2007: 180 101 686) ordinary shares of R0,001 each	242	180	242	180

The unissued ordinary share capital of the company has been placed under the control of the directors of the company with the authority to issue all or part thereof to such persons and on such terms and conditions and at such prices and times as the directors may from time to time determine, but subject to the provisions of sections 221, 222 and 223 of the Companies Act (Act 61 of 1973), as amended (the Companies Act) and the requirements of the JSE Limited (JSE) Listings Requirements.

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>Reconciliation of movement in share Capital</b>				
Balance at beginning of year	180	179	180	179
Shares issued during the year	62	1	62	1
Shares sold	–	–	–	–
<b>Balance at end of year</b>	<b>242</b>	180	<b>242</b>	180
<b>17. SHARE PREMIUM</b>				
Balance at beginning of year	12 039	11 837	12 039	11 837
Shares issued	105 344	206	105 344	206
Less: share issue expenses	(2 149)	(4)	(2 149)	(4)
<b>Balance at end of year</b>	<b>115 234</b>	12 039	<b>115 234</b>	12 039
<b>18. TREASURY SHARE RESERVE</b>				
Balance at beginning of year	(30 187)	(29 985)	–	–
Own shares acquired by subsidiaries	(379)	(202)	–	–
Own shares sold by subsidiaries	(6 980)	–	–	–
<b>Balance at end of year</b>	<b>(23 586)</b>	(30 187)	–	–



	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>19. SHARE-BASED PAYMENT EQUITY RESERVE</b>				
Balance at beginning of year	615	–	615	–
Created during year	1 867	615	1 867	615
<b>Balance at end of year</b>	<b>2 482</b>	615	<b>2 482</b>	615
The share-based payment reserve relates to the value of the accumulated cost for the future settlement of obligations arising from the share incentive scheme.				
<b>20. FOREIGN CURRENCY TRANSLATION RESERVE (FCTR)</b>				
Balance at beginning of year	–	–	–	–
Foreign exchange movements during year	(8 174)	–	–	–
<b>Balance at end of year</b>	<b>(8 174)</b>	–	–	–
The FCTR comprises all foreign currency arising from the translation of the financial statements of foreign operations.				
<b>21. MINORITY INTEREST</b>				
Acquisition of subsidiary company	21 530	–	–	–
Recognised income for the year	240	–	–	–
<b>Balance at end of year</b>	<b>21 770</b>	–	–	–
<b>22. LOANS AND BORROWING</b>				
Non-current liabilities				
Secured bank loans	88 738	–	88 738	–
Unsecured loan stock (B loan)	3 429	–	–	–
<b>Balance at end of year</b>	<b>92 167</b>	–	<b>88 738</b>	–
Current liabilities				
Current portion of secured bank loans	13 156	–	13 156	–
Current portion of finance lease liabilities	37	–	–	–
<b>Balance at end of year</b>	<b>13 193</b>	–	<b>13 156</b>	–
The secured bank loan carries interest at a rate of JIBAR plus 450 basis points and is repayable in quarterly instalments over 60 months. The loan is secured by a fixed and floating charge over all the assets within the group.				
The unsecured loan stock is interest free and redeemable after 20 years.				
<b>23. TRADE AND OTHER PAYABLES</b>				
Trade payables	44 940	26 419	–	–
Other payables	33 663	8 559	6 388	356
Operating lease accrual	660	380	–	–
Deferred revenue	18 138	–	–	–
<b>Balance at end of year</b>	<b>97 401</b>	35 358	<b>6 388</b>	356

The group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 25.

#### 24. SHARE-BASED PAYMENTS

Effective 1 April 2008 and 28 February 2007, the group issued share options to directors, key management and employees (group employees). The terms and conditions of the option scheme entitle participating staff to purchase shares in five equal tranches, every April and February over a period of five years.

In terms of the scheme, 6 million (2007: 9,1 million) share options were issued at an option strike price of R1,15 (2007: R1,31) per share, being market value at date of approval of the scheme.

The fair value of the options at grant date has been determined using the Black Scholes formula using the following model inputs:

	<b>2008</b>	2007
Share price	<b>R1,70</b>	R1,31
Exercise price	<b>R1,15</b>	R1,31
Volatility	<b>32%</b>	2,04%
Term	<b>1-5 years (20% per annum)</b>	1-5 years (20% per annum)
Risk free rate	<b>11,2%</b>	12,5%
Resignation rate		
– year 1	<b>8%</b>	0%
– year 2	<b>8%</b>	0%
– year 3	<b>17%</b>	9%
– year 4	<b>17%</b>	9%
– year 5	<b>25%</b>	9%

Expected volatility is estimated by considering three years' historic average share price volatility.

The qualifying group employees must be in the employ of the company on the 'anniversary date', being 1 April and 28 February each year.

The movement in the number of share options is as follows:

	<b>2008</b>	2007
	<b>'000</b>	'000
Outstanding 01 August	<b>9 640</b>	1 720
Forfeited during the year	<b>(1 160)</b>	(395)
Exercised during the year	<b>(1 560)</b>	(785)
Granted during the year	<b>6 000</b>	9 100
Outstanding at 31 July	<b>12 920</b>	9 640

The weighted average share price at the date of the exercise for share options exercised in 2008 was 140 cents.

The options outstanding at 31 July have an exercise price in the range of R1,15 and R1,31 and a weighted average contractual life of 2,5 years.



## 25. FINANCIAL INSTRUMENTS

Exposure to currency, interest rate, liquidity and credit risk arises in the normal course of the group's business.

### Currency risk

The group is exposed to currency risk as a result of licence fees payable in foreign currencies. The currencies in which the group primarily deals are Euros and US Dollars. The group does not hedge all its foreign currency exposure. Management monitors exchange rates and uses FECs where necessary.

### Interest rate risk

The group generally adopts a policy of ensuring that its exposure to changes in interest rates is on a floating rate basis. Management monitors market conditions and will act to fix interest rates where appropriate.

### Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers where management considers recoverability to be a risk. Reputable financial institutions are used for investing and cash handling purposes.

At balance sheet date there were no significant concentrations of credit risk.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Credit risk	Group		Group	
	Carrying amount 2008 R'000	Fair value 2008 R'000	Carrying amount 2007 R'000	Fair value 2007 R'000
Net trade receivable	78 214	78 214	39 899	39 899
Cash and cash equivalents	41 510	41 510	22 541	22 541
Other receivables	2 522	2 522	6 898	6 898
	<b>122 246</b>	<b>122 246</b>	69 338	69 338
	Gross amount 2008 R	Impairment allowances 2008 R	Gross amount 2007 R	Impairment allowances 2007 R
Not past due	37 919	–	15 108	–
Past due 0 – 30 days	26 667	–	11 188	–
Past due 31 – 60 days	5 320	(72)	2 584	–
Past due 61 – 90 days	4 371	(84)	3 332	–
Past due 91+ days	6 559	(2 466)	9 418	(1 731)
<b>Balance at end of year</b>	<b>80 836</b>	<b>(2 622)</b>	41 630	(1 731)

	Group	
	2008 R'000	2007 R'000
The exposure to credit risk for trade receivables at the reporting date by geographic region was:		
Domestic	45 248	40 761
Other regions – Africa	4 256	869
Europe	31 332	–
	<b>80 836</b>	41 630



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	<b>Group</b>	
	<b>2008</b>	2007
	<b>R'000</b>	R'000
<b>25. FINANCIAL INSTRUMENTS (continued)</b>		
<b>Credit risk (continued)</b>		
The exposure to credit risk for trade receivables at the reporting date by type of customer was:		
Parastatals/government	<b>4 988</b>	2 829
Corporates	<b>46 110</b>	13 575
Small and medium enterprises	<b>29 368</b>	25 220
Individuals	<b>370</b>	6
<b>Balance at end of year</b>	<b>80 836</b>	41 630
The movement in the allowance for impairment in respect of trade receivables during the year was as follows:		
Balance at beginning of the year	<b>(1 731)</b>	(1 607)
Allowance utilised during the year	<b>957</b>	335
Acquired during the year	<b>(745)</b>	–
Impairment loss recognised	<b>(1 103)</b>	(459)
<b>Balance at end of the year</b>	<b>(2 622)</b>	(1 731)

The impairment allowances against trade receivables were determined based on amounts due from customers exceeding normal credit terms.

Based on historical default rates, the group believes that no impairment allowance is necessary in respect of trade receivables not past due or past due by up to 30 days. The amounts past due 31 days or greater have been specifically evaluated for recovery and the amounts that have not been impaired relate to customers that have a good payment record with the group.

The allowance for impairment in respect of receivables is used to record impairment losses unless the group is satisfied that no recovery of the amount owing is possible, at that point the amounts considered irrecoverable are written off against the financial asset directly.

	<b>Company</b>	
	<b>2008</b>	2007
	<b>R'000</b>	R'000
The exposure to credit risk for loans to subsidiaries at the reporting date by geographic region was:		
Domestic	<b>1 704</b>	12 826
Europe	<b>106 283</b>	–
	<b>107 987</b>	12 826



## 25. FINANCIAL INSTRUMENTS (continued)

### Liquidity risk

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Group		Group	
	Carrying value 2008 R'000	Fair value 2008 R'000	Carrying value 2007 R'000	Fair value 2007 R'000
Trade payables	44 940	44 940	26 419	26 419
Other payables	33 663	33 663	8 559	8 559
Secured bank loans	101 894	101 894	–	–
Unsecured loan stock	3 429	3 429	–	–
Finance lease liabilities	37	37	–	–
	<b>183 963</b>	<b>183 963</b>	34 978	34 978

	Group				
	Carrying amount 2008 R'000	Contracted cash flows 2008 R'000	One year 2008 R'000	Two to five years 2008 R'000	More than five years 2008 R'000
Trade payables	44 940	44 940	44 940	–	–
Other payables	33 663	33 663	33 663	–	–
Secure bank loans	101 894	153 584	30 716	122 868	–
Unsecured loan stock	3 429	3 429	–	–	3 429
Finance lease liabilities	37	39	39	–	–
	<b>183 963</b>	<b>235 655</b>	<b>109 358</b>	<b>122 868</b>	<b>3 429</b>

	Company		Company	
	Carrying value 2008 R'000	Fair value 2008 R'000	Carrying value 2007 R'000	Fair value 2007 R'000
Trade payables	6 388	6 388	356	356
Other payables	–	–	32 000	32 000
Loans from subsidiaries	18 058	18 058	–	–
Secured Bank Loans	101 894	101 894	–	–
	<b>126 340</b>	<b>126 340</b>	32 356	32 356

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25. FINANCIAL INSTRUMENTS (continued)

**Liquidity risk (continued)**

	Company				
	Carrying amount 2008 R'000	Contracted cash flows 2008 R'000	One year 2008 R'000	Two to five years 2008 R'000	More than five years 2008 R'000
Liquidity risk (continued)					
Trade payables	6 388	6 388	6 388	–	–
Loans from subsidiaries	18 058	18 058	18 058	–	–
Secured bank loans	101 894	153 584	30 716	122 868	–
	<b>126 340</b>	<b>178 030</b>	<b>55 162</b>	<b>122 868</b>	<b>–</b>

*Cash flow hedges*

Exposure to currency, interest rate and credit risk arises in the normal course of the company's business.

**Currency risk**

The group incurs currency risk as a result of transactions which are denominated in a currency other than the individual group companies' functional currency for purchases, sales and borrowings. The currencies giving rise to currency risks, in which the company primarily deals are Euro, Sterling and USD.

	Group		2007	
	2008 USD '000	2008 Euro '000	USD '000	Euro '000
Trade and other payables	3 239	1 047	1 866	761
Trade and other receivables	(173)	(122)	–	–
Forward exchange contracts	(1 600)	–	–	–
Net exposure	<b>1 466</b>	<b>925</b>	1 866	761

The following exchange rates were applied during the year:

	Average rate		Reporting spot rate	
	2008	2007	2008	2007
Rand				
EUR	10,96	9,46	11,40	9,92
USD	7,37	7,21	7,30	7,08

In addition the group has a currency exposure on an intercompany loan denominated in sterling, to the amount of GBP6,417 million.

*Sensitivity analysis*

A 10 percent strengthening/weakening in the rand against the Euro and USD would have increased/decreased profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2007.

*Effect*

	Profit or loss	
	2008 R'000	2007 R'000
EUR	1 055	755
USD	1 070	1 321



## 25. FINANCIAL INSTRUMENTS (continued)

### Interest rate risk

At the reporting date the interest rate profile of the group interest-bearing financial instruments was:

	Group		Group	
	Carrying amount 2008 R'000	Fair value 2008 R'000	Carrying amount 2007 R'000	Fair value 2007 R'000
<b>Variable rate instruments</b>				
Financial liabilities	101 931	101 931	–	–

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency, rate remain constant. The analysis is performed on the same basis for 2007.

	Profit or loss		Equity	
	100 Increase	100 Decrease	100 Increase	100 Decrease
<b>31 July 2008</b>				
Variable rate instruments	(1 019)	1 019	(1 019)	1 019
31 July 2007				
Variable rate instruments	–	–	–	–

At the reporting date the interest rate profile of the company interest-bearing financial instruments was:

	Company		Company	
	Carrying amount 2008 R'000	Fair value 2008 R'000	Carrying amount 2007 R'000	Fair value 2007 R'000
<b>Variable rate instruments</b>				
Financial liabilities	101 894	101 894	–	–

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency, rate remain constant. The analysis is performed on the same basis for 2007.

	Profit or loss		Equity	
	100 Increase	100 Decrease	100 Increase	100 Decrease
<b>31 July 2008</b>				
Variable rate instruments	(1 019)	1 019	(1 019)	1 019
31 July 2007				
Variable rate instruments	–	–	–	–



26. RELATED PARTIES

**26.1 Identity of related parties**

The subsidiaries of the group are identified in note 9.

The directors are listed in the directors' report.

**26.2 Material related party transactions**

*Material transactions and balances with the company*

Directors' emoluments (note 28).

*Material transactions with the group*

Loans to subsidiaries are disclosed in note 9.

Except as disclosed below, there were no other transactions with related parties during the year.

Loans to directors from the SecureData Holdings share incentive trust included in:

	<b>2008</b>	2007
	<b>R'000</b>	R'000
DTK Brazier	<b>549</b>	–
BK Parker	<b>549</b>	–
P Sneddon	<b>110</b>	–
	<b>1 208</b>	–

The loans to directors are secured over the shares issued and bear interest at prime. The loans are repayable within one year of inception.

**Movement in directors' loans for the year:**

	<b>Opening balance R'000</b>	<b>Advances R'000</b>	<b>Interest R'000</b>	<b>Closing balance R'000</b>
DTK Brazier	–	<b>524</b>	<b>25</b>	<b>549</b>
BK Parker	–	<b>524</b>	<b>25</b>	<b>549</b>
P Sneddon	–	<b>105</b>	<b>5</b>	<b>110</b>
	–	<b>1 153</b>	<b>55</b>	<b>1 208</b>



	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>27. NOTES TO THE CASH FLOW STATEMENT</b>				
<b>27.1 Cash generated by operations</b>				
<b>Profit/(loss) before taxation</b>	<b>15 593</b>	37 698	<b>(11 460)</b>	8 966
Non-cash and other adjustments:				–
– depreciation	<b>2 651</b>	1 020	–	–
– amortisation	<b>6 081</b>	–	–	–
– loss on disposal of subsidiary	–	(507)	–	–
– loss on disposal of discontinued operation	–	(20 135)	–	–
– share-based payment expense	<b>1 867</b>	615	<b>1 867</b>	615
– profit on disposal group	–	(2 291)	–	–
– impairment of loan to associate	<b>720</b>	–	<b>720</b>	–
– finance income	<b>(1 289)</b>	(845)	<b>(1 531)</b>	–
– finance expenses	<b>13 420</b>	28	<b>11 190</b>	–
<b>Operating income before working capital charges</b>	<b>39 043</b>	15 583	<b>786</b>	9 581
Changes in working capital:				
Decrease/(Increase) in inventories	<b>2 813</b>	(6 744)	–	–
Decrease/(increase) in contracts in progress	–	421	–	–
Decrease/(increase) in trade and other receivables	<b>6 495</b>	(15 156)	–	–
Increase/(decrease) in trade and other payables	<b>14 873</b>	2 163	<b>6 032</b>	53
	<b>63 224</b>	(3 733)	<b>6 818</b>	9 634
<b>27.2 Taxation paid</b>				
Amount payable at beginning of year	<b>4 978</b>	5 056	–	–
Acquisitions during the year	<b>281</b>	–	–	–
Income statement charge	<b>9 283</b>	9 810	–	–
Secondary tax on companies	–	1 121	–	–
Amount payable at end of year	<b>(1 184)</b>	(4 978)	–	–
	<b>13 358</b>	11 009	–	–

# [NOTES TO THE ANNUAL FINANCIAL STATEMENTS] CONTINUED

for the year ended 31 July 2008

## 28. DIRECTORS' REMUNERATION

### 28.1 Directors' remuneration

	Director's fees R'000	Basic salary R'000	Other expense R'000	Pension fund contribution R'000	Bonus and related R'000	Share-based payments R'000	2008 Total R'000	2007 Total R'000
P Sneddon*	92	-	-	-	-	62	154	94
DTK Brazier	-	720	180	-	911	561	2 372	1 956
TN Mali*	68	-	-	-	-	-	68	46
YT Moerane*	42	-	-	-	-	-	42	61
BK Parker	-	666	180	54	778	561	2 239	1 537
AJ Ritzlmayr	-	-	-	-	-	-	-	616
CJ Lessing	-	-	-	-	-	-	-	262
	<b>202</b>	<b>1 386</b>	<b>360</b>	<b>54</b>	<b>1 689</b>	<b>1 184</b>	<b>4 875</b>	4 572

\* Independent non-executive

Note: AJ Ritzlmayr resigned on 28 February 2007.

The above remuneration is classified as a short-term employee benefit, with the exception of pension fund contribution and share-based payments.

All of the executive directors have employment contracts with the group with three month notice periods for termination.

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>28.2 Directors' emoluments</b>				
Paid by subsidiary companies:				
- for services as director	264	201	-	-
- for other services	4 611	4 371	-	-
	<b>4 875</b>	4 572	<b>-</b>	-

	Exercise price R	Options held at beginning of year '000		Exercised and paid '000	Options held at end of year '000	
		Options issued '000	Options at end of year '000			
<b>28.3 Options to directors</b>						
<i>Issued 2007</i>						
DTK Brazier	1,31	2 000	(400)	-	1 600	
BK Parker	1,31	2 000	(400)	-	1 600	
P Sneddon	1,31	400	(80)	-	320	
		4 400	(880)	-	3 520	



28. DIRECTORS' REMUNERATION (continued)

28.3 Options to directors (continued)

	Options held Exercise price R	at beginning of year '000	Exercised and paid '000	Options issued '000	Options held at end of year '000
<b>Issued 2008</b>					
DTK Brazier	1,15	–	–	2 000	2 000
BK Parker	1,15	–	–	2 000	2 000
		–	–	4 000	4 000
<b>Closing balance summary</b>					
DTK Brazier		2 000	(400)	2 000	3 600
BK Parker		2 000	(400)	2 000	3 600
P Sneddon		400	(80)	–	320
		4 400	(880)	4 000	7 520

These options are exercisable as follows:

Between one and two years	1 680
Between two and three years	3 360
More than three years	2 480
	<b>7 520</b>

28.4 Share option gains

	Options exercised (number of shares)	Exercise price (rands)	Market price at exercise date (rands)	Gain 2008 R'000	Gain 2007 R'000
<i>Executive directors</i>					
DTK Brazier	400	1,31	1,40	36	390
BK Parker	400	1,31	1,40	36	300
P Sneddon	80	1,31	1,40	7	–
AJ Ritzlmayr	–	–	–	–	180
				<b>79</b>	870

[NOTES TO THE ANNUAL FINANCIAL STATEMENTS] CONTINUED

for the year ended 31 July 2008

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>29. OPERATING LEASE COMMITMENTS</b>				
<b>Future operating lease charges for premises and office equipment</b>	<b>14 004</b>	14 550	–	–
– payable within one year	<b>5 769</b>	2 250	–	–
– payable between one and five years	<b>8 235</b>	12 300	–	–
<b>Guarantees in respect of rental payments</b>	<b>577</b>	577	–	–
– Medscheme Holdings	<b>577</b>	577	–	–

The group moved into the Medscheme building in October 2006. The lease is for a period of five years with an annual escalation of 10% per annum.

	Turnover R'000	EBITDA R'000	Assets R'000	Liabilities R'000
<b>30. SEGMENTAL ANALYSIS AND RELATED INFORMATION</b>				
<i>By class of business</i>				
<b>2008</b>				
Continuing operations				
– SecureData Africa	<b>221 941</b>	<b>24 320</b>	<b>319 971</b>	<b>156 003</b>
– SensePost	<b>20 549</b>	<b>6 801</b>	<b>6 652</b>	<b>2 657</b>
– MIS–CDS	<b>28 857</b>	<b>5 335</b>	<b>96 593</b>	<b>81 169</b>
	<b>271 347</b>	<b>36 456</b>	<b>423 216</b>	<b>239 829</b>
2007				
Continuing operations				
– SecureData Africa	148 221	37 901	121 703	72 336
	148 221	37 901	121 703	72 336
<i>By region</i>				
<b>2008</b>				
Continuing operations				
– South Africa	<b>242 490</b>	<b>31 121</b>	<b>326 623</b>	<b>158 660</b>
– United Kingdom	<b>28 857</b>	<b>5 335</b>	<b>96 593</b>	<b>81 169</b>
	<b>271 347</b>	<b>36 456</b>	<b>423 216</b>	<b>239 829</b>
2007				
Continuing operations				
– South Africa	148 221	37 901	121 703	72 336
	148 221	37 901	121 703	72 336



### 31. RETIREMENT BENEFITS

The group provides retirement benefits for its permanent employees through a defined contribution plan in South Africa and a defined contribution fund in the United Kingdom. Contributions to retirement benefits are expensed as incurred.

### 32. DIVIDENDS DECLARED

The company did not declare a dividend during the year.

During the previous year a dividend of 5 cents per ordinary share was declared on 27 September 2006 and paid to shareholders on 4 December 2006.

### 33. ACQUISITIONS OF SUBSIDIARIES

The company acquired two new companies during the year, details are as follows:

**33.1** SecureData acquired a 75,8% interest in MIS Corporate Defence Solutions Limited in June 2008 for a consideration of R196 million. The purchase was funded by the issue of 62 million shares at R1,70 each (R105 million), raising a loan facility of R100 million, of which R30 million was used to repay existing debt.

The table below indicates the effect on results had the results for MIS-CDS been included in the group results for the full year:

	<b>Reported R'000</b>	<b>Pro forma with MIS-CDS R'000</b>	
<b>Revenue</b>	<b>271 347</b>	<b>426 960</b>	
<b>Earnings before interest, taxation, depreciation and amortisation (EBITDA)</b>	36 456	52 202	
<b>Profit after taxation</b>	8 939	4 787	
Profit attributable to ordinary shareholders	8 699	3 771	
Adjusted earnings per share	10,9	9,9	
Earnings per ordinary share (cents)	5,0	1,7	
Number of shares ('000)	173 219	225 385	
	Pre-acquisition carrying amount R'000	Fair value adjustments R'000	Recognised values on acquisition R'000
MIS-CDS			
<i>Net assets acquired with MIS-CDS</i>			
Property, plant and equipment	3 771	–	3 771
Intangible assets	24 466	96 284	120 750
Deferred taxation	35 470	(33 786)	1 684
Inventories	610	–	610
Trade and other receivables	38 056	–	38 056
Cash and cash equivalents	15 778	–	15 778
Trade and other payables	(43 609)	–	(43 609)
Outside shareholders' interest	(21 530)	–	(21 530)
Net identifiable assets and liabilities	53 012	62 498	115 510
Goodwill on acquisition			80 987
Consideration paid			196 497
Cash acquired			(15 778)
Net cash outflow			180 719

The acquisition of MIS-CDS has been accounted for on a preliminary basis and the purchase price allocation (PPA) required by IFRS 3 have been carried out by management provisionally. The finalisation of the PPA required by IFRS 3 will be conducted during the prescribed 12 month period and may require restatement of these financial statements in the forth coming year.

# [NOTES TO THE ANNUAL FINANCIAL STATEMENTS]

CONTINUED for the year ended 31 July 2008

## 33. ACQUISITIONS OF SUBSIDIARIES (continued)

**33.2** The group acquired the shares of New Generation Solutions (Proprietary) Limited, effective 1 August 2007 for a consideration of R14 million. The purchase price was paid R7 million in cash and the issue of 4,5 million shares based on achievement of profit targets. A provision of R4,725 million has been raised as settlement of the amount outstanding on the purchase of this investment.

	Pre-acquisition carrying amounts R'000	Fair value adjustments R'000	Recognised values on acquisition R'000
<i>New Generation Solutions</i>			
<i>Net assets acquired with New Generation Solutions</i>			
Property, plant and equipment	110	–	110
Intangible assets	–	5 419	5 419
Deferred taxation	234	(1 572)	(1 338)
Inventories	513	–	513
Trade and other receivables	1 316	–	1 316
Cash and cash equivalents	3	–	3
Bank overdraft	(554)	–	(554)
Trade and other payables	(1 116)	–	(1 116)
Shareholders' loans	(1 405)	–	(1 405)
Net identifiable assets and liabilities	(899)	3 847	2 948
Goodwill on acquisition			11 122
Consideration paid			14 070
Cash acquired			551
Net cash outflow			14 621

**33.3** The group acquired the shares of SensePost (Proprietary) Limited, effective 1 July 2007 for a consideration of R32 million paid in cash. In the prior year, the acquisition of SensePost was accounted for on a preliminary basis, at cost pending the purchase price allocation as required by IFRS 3.

	Pre-acquisition carrying amounts R'000	Fair value adjustments R'000	Recognised values on acquisition R'000
<i>SensePost</i>			
<i>Net assets acquired with SensePost</i>			
Property, plant and equipment	364	–	364
Intangible assets	9	10 119	10 128
Deferred taxation	150	(2 935)	(2 785)
Trade and other receivables	1 142	–	1 142
Cash and cash equivalents	1 675	–	1 675
Taxation payable	(281)	–	(281)
Trade and other payables	(2 445)	–	(2 445)
Net identifiable assets and liabilities	614	7 184	7 798
Goodwill on acquisition			24 202
Consideration paid			32 000
Cash acquired			(1 675)
Net cash outflow			30 325
Previously accounted for in 2007			(32 000)
Net cash inflow			(1 675)



### 33. ACQUISITIONS OF SUBSIDIARIES (continued)

**33.4** The group, through its wholly owned subsidiary, SecureData Security (Pty) Limited, acquired the business of Value Added Distributors (VAD) effective 1 November 2006, for a consideration of R4 million in cash and R1,015 million in shares. In the prior year acquisition of VAD was accounted for on a preliminary basis, at cost pending the purchase price allocation as required by IFRS 3.

	Pre-acquisition carrying amounts R'000	Fair value adjustments R'000	Recognised values on acquisition R'000
<i>Value Added Distributors</i>			
<i>Net assets acquired with Value Added Distributors</i>			
Property, plant and equipment	11	–	11
Intangible assets	–	3 801	3 801
Deferred taxation	–	(1 102)	(1 102)
Net identifiable assets and liabilities	11	2 699	2 710
Goodwill on acquisition			2 305
Consideration paid/net cash outflow			5 015

Pre-acquisition carrying amounts were determined based on the applicable IFRSs immediately before the acquisition. The values of assets, liabilities and contingent liabilities recognised on acquisition are their estimated fair values.

The goodwill recognised on the acquisition is attributable mainly to the skills and technical talent of the acquired business' work force, and the synergies expected to be achieved from integrating the company into the group

### 34. STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE

At the date of authorisation of the financial statements of SecureData Holdings Limited for the year ended 31 July 2008, the following Standards and Interpretations were in issue but not yet effective:

	<b>Standard/Interpretation</b>	<b>Effective date</b>
IAS 1 (AC 101)	Presentation of Financial Statements	Annual periods commencing on or after 1 January 2009
IAS 23 (AC 114)	Borrowing Costs	Annual periods commencing on or after 1 January 2009
IAS 27 (AC 132) & IFRS 1 (AC 138) amendment	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	Annual periods commencing on or after 1 January 2009
IAS 32 and IAS 1 amendment	IAS 32 – Financial Instruments: Presentation and IAS 1 – Presentation of Financial Statements: Puttable Financial Instruments and Obligations Arising on Liquidation	Annual periods commencing on or after 1 January 2009
IAS 39 amendment	Eligible Hedged Items	Annual periods commencing on or after 1 July 2009
IFRS 1 and IAS 27 amendment	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	Annual periods commencing on or after 1 January 2009
IFRS 2	IFRS 2 – Share-based Payment: Vesting Conditions and Cancellations	Annual periods commencing on or after 1 January 2009
IFRS 3 (AC 140)	Business Combinations	Annual periods commencing on or after 1 July 2009



[NOTES TO THE ANNUAL FINANCIAL STATEMENTS] CONTINUED  
for the year ended 31 July 2008

34. STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE

	<b>Standard/Interpretation</b>	<b>Effective date</b>
IFRS 8	Operating Segments	Annual periods commencing on or after 1 January 2009
IFRIC 12	Service Concession Arrangement	Annual periods commencing on or after 1 January 2008
IFRIC 13	Customer Loyalty Programmes	Annual periods commencing on or after 1 July 2008
IFRIC 14	IAS 19 – The Limit on a Defined – benefit Asset, Minimum Funding Requirements and their Interaction	Annual periods commencing on or after 1 January 2008
IFRIC 15	Agreements for the Construction of Real Estate	Annual periods commencing on or after 1 January 2009
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	Annual periods commencing on or after 1 October 2008
IAS 27 (AC 132) amendment	Consolidated and Separate Financial Statements	Annual periods commencing on or after 1 July 2009
IFRS 5 (AC 142) amendment	Improvements to IFRSs – IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations	Annual periods commencing on or after 1 July 2009

\* All standards and Interpretations will be adopted at their effective date

All the above listed standards except for IAS 32, IAS 1, IAS 39 amendment, IFRIC 12, IFRIC 13, IFRIC 14, IFRIC 15, IFRIC 16 and IFRS 5 are applicable to the business of the company and will therefore have an impact on future financial statements.

IAS 1 will be adopted for the first time for the financial reporting period ending 31 July 2009.

IAS 23 will be adopted by the company, but is not expected to have any significant implications as the company already capitalises borrowing costs.

IFRS 1 and IAS 27 amendment will be adopted by the company for the financial reporting period ending 31 July 2009.

IFRS 2 amendment will be adopted by the company for the financial reporting period ending 31 July 2009.

IFRS 3 will be adopted by the company for the financial reporting period ending 31 July 2009.

IFRS 8 will be adopted by the company for the financial reporting period ending 31 July 2009. In terms of this IFRS, segment reporting will be based on the information that management uses internally for evaluating segment performance and when deciding how to allocate resources to operating segments.

IAS 27 will be adopted by the company for the financial reporting period ending 31 July 2009.



	Number of shareholders	%	Number of shares	%
<b>Shareholder spread</b>				
1 – 1 000	182	30,95	52 842	0,02
1 001 – 5 000	135	22,96	380 588	0,16
5 001 – 10 000	72	12,24	590 098	0,24
10 001 – 50 000	98	16,67	2 503 793	1,03
50 001 – 100 000	29	4,93	2 084 444	0,86
100 001 shares and over	72	12,24	236 489 921	97,68
	<b>588</b>	<b>100,00</b>	<b>242 101 686</b>	<b>100,00</b>
<b>Distribution of shareholders</b>				
Banks	7	1,19	1 728 111	0,71
Close Corporation	9	1,53	524 961	0,22
Empowerment	2	0,34	56 104 293	23,17
Endowment Fund	2	0,34	35 200	0,01
Individuals	481	81,80	29 802 029	12,32
Insurance Companies	1	0,17	512 000	0,21
Investment Company	3	0,51	3 828 350	1,58
Mutual Fund	20	3,40	47 278 171	19,53
Nominees and Trust	21	3,57	5 072 750	2,10
Other Corporations	12	2,04	11 996 055	4,95
Pension Fund	1	0,17	7 346 550	3,03
Private Company	24	4,08	60 406 141	24,95
Public Company	3	0,51	1 502 352	0,62
Treasury Stock	2	0,34	15 964 723	6,60
	<b>588</b>	<b>100,00</b>	<b>242 101 686</b>	<b>100,00</b>
<b>Public and non-public shareholders</b>				
<b>Non-public shareholders</b>	9	1,54	84 224 630	34,79
Directors and Associates of the Company Holdings	5	0,86	14 163 590	5,85
Empowerment	2	0,34	54 096 317	22,34
Treasury Stock	2	0,34	15 964 723	6,60
<b>Public shareholders</b>	579	98,46	157 877 056	65,21
	<b>588</b>	<b>100,00</b>	<b>242 101 686</b>	<b>100,00</b>
<b>Beneficial shareholders holding 3% or more</b>				
RMB Ventures Five (Pty) Limited			42 000 000	17,35
Treacle Investments (Pty) Limited			33 376 664	13,79
Treacle Fund II Trust			22 727 629	9,39
SecureData Administration (Pty) Limited (treasury shares)			15 964 723	6,60
Barbicon Investments (Pty) Limited			15 828 109	6,54
Brazier, DTK (chief executive officer)			10 398 587	4,30
Golden Hind Fund			9 035 983	3,73
36One Flexible Opportunity Fund			8 350 100	3,45
Mayflower Fund (BlueBay Fund Managers)			8 305 000	3,43
Eskom Pension & Provident Fund			7 346 550	3,03



[JSE LIMITED STATISTICS] as at 31 July 2008

	2008	2007	2006	2005	2004
Issued number of shares	<b>242 101 686</b>	180 101 686	179 316 878	175 700 136	172 236 394
Market capitalisation at year-end (Rand)	<b>338 942 360</b>	340 392 187	252 836 798	298 690 231	199 794 217
Total number of transactions recorded	<b>1 037</b>	2 102	2 426	2 495	1 984
Total number of shares traded	<b>45 895 540</b>	46 495 009	71 861 255	80 702 660	47 533 272
Total value of shares traded (Rand)	<b>83 402 317</b>	75 277 878	117 355 766	99 426 002	48 940 061
Lowest price per share (cents)	<b>116</b>	117	132	109	75
Highest price per share (cents)	<b>215</b>	240	207	183	130
Closing price at 31 July (cents)	<b>140</b>	189	141	170	116
Total volume as % of total issued shares	<b>18,96</b>	25,82	40,08	45,93	27,60

The company is listed on the Main Board of the JSE Limited (JSE) in the **Information Technology: Software and Computer Services Sector**.



**SECUREDATA HOLDINGS LIMITED**

(Incorporated in the Republic of South Africa)  
(Registration number 1998/010017/06)  
Share code: SDH  
ISIN number: ZAE000096368  
(SecureData or the company or the group)

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**If you are in any doubt as to what action you should take in respect of the following resolutions, please consult your Central Securities Depository Participant (CSDP), broker, banker, attorney, accountant or other professional adviser immediately.**

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Notice is hereby given that the ninth annual general meeting of shareholders of the company will be held at the boardroom of the company, Medscheme Office Park, Ground Floor South, 10 Muswell Road South, Bryanston, 2021, at 12:00 on Wednesday, 18 March 2009 to conduct the following business:

1. To receive, consider and adopt the annual financial statements of the company and the group for the financial year ended 31 July 2008, including the directors' report and the report of the auditors therein.
2. To re-elect, Ms YT Moerane who, in terms of Article 90 of the company's articles of association, retires by rotation at this annual general meeting but, being eligible to do so, offers herself for re-election.
3. To re-elect, Mr P Sneddon who, in terms of Article 90 of the company's articles of association, retires by rotation at this annual general meeting but, being eligible to do so, offers himself for re-election.
4. To re-elect, Mr JG du Toit who, in terms of Article 90 of the company's articles of association, retires by rotation at this annual general meeting but, being eligible to do so, offers himself for re-election.
5. To re-elect, Mr R Pretorius who, in terms of Article 90 of the company's articles of association, retires by rotation at this annual general meeting but, being eligible to do so, offers himself for re-election.
6. To re-elect, Mr S Murray who, in terms of Article 90 of the company's articles of association, retires by rotation at this annual general meeting but, being eligible to do so, offers himself for re-election.

An abbreviated *curriculum vitae* in respect of each director offering himself/herself for re-election appears on page 2 or 3 of the annual report to which this notice is attached.

7. To confirm the re-appointment of KPMG Inc. (Group lead partner: Mr G Parker) as independent auditors of the company for the ensuing financial year and to authorise the directors to determine the auditors' remuneration.
8. To confirm the non-executive directors' remuneration for the year ended 31 July 2008 as reflected in note 28 to the annual financial statements.

As special business, to consider and, if deemed fit, to pass, with or without modification, the following resolutions:

**ORDINARY RESOLUTION NUMBER 1**

**Control of authorised but unissued ordinary shares**

9. **"Resolved** by way of a general authority that the authorised but unissued ordinary shares in the capital of SecureData Holdings Limited (the company) be and are hereby placed under the control and authority of the directors of the company (directors) and that the directors be and are hereby authorised and empowered to allot and issue all or any of such ordinary shares, or to issue any options in respect of all or any of such ordinary shares, to such person/s on such terms and conditions and at such times as the directors may from time to time and in their discretion deem fit, subject to the provisions of sections 221 and 222 of the Companies Act, 1973 (Act 61 of 1973), as amended, the articles of association of the company and the Listings Requirements of JSE Limited from time to time."

ORDINARY RESOLUTION NUMBER 2

**Approval to issue ordinary shares, and to sell treasury shares, for cash**

10. **“Resolved that** the directors of SecureData Holdings Limited (the company) and/or any of its subsidiaries from time to time be and are hereby authorised, by way of a general authority, to:

- allot and issue, or to issue any options in respect of, all or any of the authorised but unissued ordinary shares in the capital of the company; and/or
- sell or otherwise dispose of or transfer, or issue any options in respect of, ordinary shares in the capital of the company purchased by subsidiaries of the company,

for cash, to such person/s on such terms and conditions and at such times as the directors may from time to time in their discretion deem fit, subject to the Companies Act, 1973 (Act 61 of 1973), as amended, the articles of association of the company and its subsidiaries and the Listings Requirements of JSE Limited (the JSE Listings Requirements) from time to time.

The JSE Listings Requirements currently provide, *inter alia*, that:

- the securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- any such issue may only be made to "public shareholders" as defined in the JSE Listings Requirements and not to related parties;
- the number of ordinary shares issued for cash shall not in any one financial year in the aggregate exceed 15% (fifteen percent) of the number of issued ordinary shares. The number of ordinary shares which may be issued shall be based, *inter alia*, on the number of ordinary shares in issue, added to those that may be issued in future (arising from the conversion of options/convertibles) at the date of such application, less any ordinary shares issued, or to be issued in future arising from options/convertible ordinary shares issued during the current financial year; plus any ordinary shares to be issued pursuant to a rights issue which has been announced, is irrevocable and is fully underwritten, or an acquisition which has had final terms announced;
- this general authority will be valid until the earlier of the company's next annual general meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given;
- an announcement giving full details, including the impact on net asset value per share, net tangible asset value per share, earnings per share and headline earnings per share and, if applicable, diluted earnings and headline earnings per share, will be published when the company has issued ordinary shares representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) or more of the number of ordinary shares in issue prior to the issue;
- in determining the price at which an issue of ordinary shares may be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on the JSE Limited of the ordinary shares over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the issuer and the party subscribing for the securities; and



- whenever the company wishes to use ordinary shares, held as treasury stock by a subsidiary of the company, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of ordinary shares."

Under the JSE Limited (the JSE) Listings Requirements, ordinary resolution number 2 must be passed by a 75% (seventy five percent) majority of the votes cast in favour of the resolution by all members present or represented by proxy at the annual general meeting.

### SPECIAL RESOLUTION NUMBER 1

#### General approval to acquire shares

11. **“Resolved**, by way of a general approval that SecureData Holdings Limited (the company) and/or any of its subsidiaries from time to time be and are hereby authorised to acquire ordinary shares in the company in terms of sections 85 to 89 of the Companies Act, 1973 (Act 61 of 1973), as amended, the articles of association of the company and its subsidiaries and the Listings Requirements of JSE Limited (the JSE) from time to time.

The JSE Listings Requirements currently provide, *inter alia*, that:

- the acquisition of the ordinary shares must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counter party;
- this general authority shall only be valid until the earlier of the company's next annual general meeting or the expiry of a period of 15 (fifteen) months from the date of passing of this special resolution;
- in determining the price at which the company's ordinary shares are acquired in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the weighted average of the market value at which such ordinary shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date on which the transaction is effected;
- the acquisitions of ordinary shares in the aggregate in any one financial year may not exceed 20% (twenty percent) of the company's issued ordinary share capital;
- the company or its subsidiaries may not acquire ordinary shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements;
- the repurchase of ordinary shares may only be undertaken if, after such repurchase, the company will still comply with paragraphs 3.37 to 3.41 of the JSE Listings Requirements concerning shareholder spread;
- an announcement will be published once the company has cumulatively repurchased 3% (three percent) of the number of the ordinary shares in issue at the time this general authority is granted (initial number), and for each 3% (three percent) in aggregate of the initial number acquired thereafter; and
- at any point in time, the company may only appoint one agent to effect any acquisition/s on its behalf."

#### **Reason for and effect of special resolution number 1**

The reason for and effect of this special resolution number 1 is to obtain an authority for, and to authorise, the company and the company's subsidiaries, by way of a general authority, to acquire the company's issued ordinary shares.

It is the intention of the directors of the company to use such authority should prevailing circumstances (including tax dispensations and market conditions) in their opinion warrant it.

#### **Other disclosure in terms of paragraph 11.26 of the JSE Listings Requirements**

The JSE Listings Requirements require the following disclosure, which are contained in the annual report of which this notice forms part:

- directors and management – pages 2 and 3;
- major shareholders of SecureData Holdings Limited – page 61;
- directors' interests in securities – page 16; and
- share capital of the company – note 16.

#### **Litigation statement**

In terms of paragraph 11.26 of the JSE Listings Requirements, the directors, whose names are given on pages 2 and 3 of the annual report of which this notice forms part, are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous twelve months, a material effect on the group's financial position.

#### **Material change**

Save for the fact and developments detailed on pages 4 to 5 of the annual report there have been no material changes in the affairs or financial position of SecureData Holdings Limited and its subsidiaries since the company's financial year end and the date of this notice.

#### **Directors' responsibility statement**

The directors, whose names are given on pages 2 and 3 of the annual report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 1 and certify that to the best of their knowledge and belief there are no facts in relation to special resolution number 1 that have been omitted which would make any statement in relation to special resolution number 1 false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that special resolution number 1 together with this notice contains all information required by law and the JSE Listings Requirements in relation to special resolution number 1.



### **Adequacy of working capital**

At the time that the contemplated repurchase is to take place, the directors will ensure that, after considering the effect of the maximum repurchase and for a period of twelve months after the date of this notice of annual general meeting:

- the company and its subsidiaries will be able to pay their debts as they become due in the ordinary course of business;
- the consolidated assets of the company and its subsidiaries, fairly valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the company and its subsidiaries;
- the issued share capital and reserves of the company and its subsidiaries will be adequate for the purpose of the ordinary business of the company and its subsidiaries; and
- the working capital available to the company and its subsidiaries will be sufficient for the group's requirements.

The company may not enter the market to proceed with the repurchase until its Sponsor, Merchantec (Proprietary) Limited, has discharged of all of its responsibilities in terms of the JSE Listings Requirements insofar as they apply to working capital statements for the purposes of undertaking an acquisition of its issued ordinary shares.

### **ORDINARY RESOLUTION NUMBER 3**

#### **Signature of documents**

12. **“Resolved that** each director of SecureData Holdings Limited (the company) be and is hereby individually authorised to sign all such documents and do all such things as may be necessary for or incidental to the implementation of those resolutions to be proposed at the annual general meeting convened to consider the resolutions which are passed, in the case of ordinary resolutions, or are passed and registered by the Companies and Intellectual Property Registration Office (formerly the Registrar of Companies), in the case of special resolutions.”

#### **Other business**

To transact such other business as may be transacted at the annual general meeting of the company.

### **VOTING AND PROXIES**

A shareholder entitled to attend and vote at the annual general meeting is entitled to appoint a proxy or proxies to attend and act in his/her stead. A proxy need not be a member of the company. For the convenience of registered members of the company, a form of proxy is attached hereto.

The attached form of proxy is only to be completed by those ordinary shareholders who:

- hold ordinary shares in certificated form; or
- are recorded on the sub-register in “own name” dematerialised form.



## [NOTICE OF ANNUAL GENERAL MEETING] CONTINUED

Ordinary shareholders who have dematerialised their ordinary shares through a CSDP or broker without "own name" registration and who wish to attend the annual general meeting, must instruct their CSDP or broker to provide them with the relevant Letter of Representation to attend the meeting in person or by proxy and vote. If they do not wish to attend in person or by proxy, they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

Proxy forms should be forwarded to reach the transfer secretaries, Computershare Investor Services (Proprietary) Limited, at least 48 hours, excluding Saturdays, Sundays and public holidays, before the time of the meeting.

By order of the board

**K Rossam**

*Company secretary*

23 January 2009

Johannesburg



**SECUREDATA HOLDINGS LIMITED**

(Incorporated in the Republic of South Africa)  
 (Registration number: 1998/010017/06)  
 Share code: SDH  
 ISIN number: ZAE000096368  
 (SecureData or the Company or the group)

**For use only by ordinary shareholders who:**

- hold ordinary shares in certificated form (certificated ordinary shareholders); or
- have dematerialised their ordinary shares (dematerialised ordinary shareholders) and are registered with "own-name" registration, at the ninth annual general meeting of ordinary shareholders of the company to be held at the boardroom of the company, Medscheme Office Park, Ground Floor South, 10 Muswell Road South, Bryanston, 2021, at 12:00 on Wednesday, 18 March 2009 and any adjournment thereof.

Dematerialised ordinary shareholders holding ordinary shares other than with "own-name" registration who wish to attend the annual general meeting must inform their Central Securities Depository Participant (CSDP) or broker of their intention to attend the annual general meeting and request their CSDP or broker to issue them with the relevant Letter of Representation to attend the annual general meeting in person or by proxy and vote. If they do not wish to attend the annual general meeting in person or by proxy, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker: **These ordinary shareholders must not use this form of proxy.**

I/We (Full name in BLOCK LETTERS please)

of (address)

Telephone work ( ) Telephone home ( )

being the holder/custodian of  ordinary shares in the company, hereby appoint (see note):

1.  or failing him/her;
2.  or failing him/her;

3. the Chairperson of the meeting,  
 as my/our proxy to attend and act for me/us on my/our behalf at the annual general meeting of the company convened for purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat (resolutions) and at each postponement or adjournment thereof and to vote for and/or against such resolutions, and/or abstain from voting, in respect of the ordinary shares in the issued share capital of the company registered in my/our name/s in accordance with the following instructions:

	Number of ordinary shares		
	For	Against	Abstain
1. To receive, consider and adopt the annual financial statements of the company and group for the financial year ended 31 July 2008			
2. To approve the re-election as director of Ms YT Moerane who retires by rotation			
3. To approve the re-election as director of Mr P Sneddon who retires by rotation			
4. To approve the re-election as director of Mr JG du Toit who retires by rotation			
5. To approve the re-election as director of Mr R Pretorius who retires by rotation			
6. To approve the re-election as director of Mr S Murray who retires by rotation			
7. To confirm the re-appointment of KPMG Inc. (Group lead partner: Mr G Parker) as auditors of the company for the ensuing financial year			
8. To confirm the non-executive directors' remuneration for the financial year ended 31 July 2008 as reflected in note 28			
9. Ordinary resolution number 1 Control of authorised but unissued ordinary shares			
10. Ordinary resolution number 2 Approval to issue ordinary shares, and to sell treasury shares, for cash			
11. Special resolution number 1 General approval to acquire shares			
12. Ordinary resolution number 3 Signature of documents			

Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable. A member entitled to attend and vote at the annual general meeting may appoint one or more proxies to attend and act in his stead. A proxy so appointed need not be a member of the company.

Signed at  on  2009

Signature

Assisted by (if applicable)



## [NOTES TO FORM OF PROXY]

1. The form of proxy must only be completed by shareholders who hold shares in certificated form or who are recorded on the sub-register in electronic form in "own name".
2. All other beneficial owners who have dematerialised their shares through a CSDP or broker and wish to attend the annual general meeting must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.
3. A shareholder entitled to attend and vote at the annual general meeting may insert the name of a proxy or the names of two alternate proxies of the shareholder's choice in the space provided, with or without deleting "the Chairperson of the meeting". The person whose name stands first on this form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those proxy(ies) whose names follow.
4. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. If an "X" has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholders or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
5. A vote given in terms of an instrument of proxy shall be valid in relation to the annual general meeting notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the ordinary shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall have been received by the transfer secretaries not less than forty-eight hours before the commencement of the annual general meeting.
6. If a shareholder does not indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the annual general meeting be proposed, such proxy shall be entitled to vote as he/she thinks fit.
7. The Chairperson of the annual general meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
8. A shareholder's authorisation to the proxy including the Chairperson of the annual general meeting, to vote on such shareholder's behalf, shall be deemed to include the authority to vote on procedural matters at the annual general meeting.
9. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
10. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company's transfer secretaries or waived by the Chairperson of the annual general meeting.
11. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the transfer secretaries of the company.
12. Where there are joint holders of ordinary shares:
  - any one holder may sign the form of proxy;
  - the vote(s) of the senior ordinary shareholders (for that purpose seniority will be determined by the order in which the names of ordinary shareholders appear in the company's register of ordinary shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).

### **13. Forms of proxy should be lodged with or mailed to Computershare Investor Services (Proprietary) Limited:**

#### **Hand deliveries to:**

Computershare Investor Services (Proprietary) Limited  
Ground Floor, 70 Marshall Street  
Johannesburg, 2001

#### **Postal deliveries to:**

Computershare Investor Services (Proprietary) Limited  
PO Box 61051  
Marshalltown, 2107

to be received by no later than 12:00 on Monday, 16 March 2009 (or 48 hours before any adjournment of the annual general meeting which date, if necessary, will be notified on SENS).

14. A deletion of any printed matter and the completion of any blank space need not be signed or initialled. Any alteration or correction must be signed and not merely initialled.

## [ADMINISTRATION]



### SECUREDATA HOLDINGS LIMITED

(SecureData or the group or the company)  
Incorporated in the Republic of South Africa  
Registration number: 1998/010017/06  
Share code: SDH  
ISIN: ZAE000096368  
Website: [www.securedataholdings.co.za](http://www.securedataholdings.co.za)  
e-mail: [info@securedata.co.za](mailto:info@securedata.co.za)

### COMPANY SECRETARY AND REGISTERED OFFICE

K Rossam  
Bachelor of Commerce  
Medscheme Office Park, Ground Floor South  
10 Muswell Road South, Bryanston, 2021  
PO Box 4673, Rivonia, 2128

### SPONSOR AND CORPORATE ADVISOR

Merchantec (Proprietary) Limited  
Registration number: 2008/014219/07  
2nd Floor, North Block  
Hyde Park Office Tower  
Corner Sixth Road and Jan Smuts Avenue  
Hyde Park, Johannesburg, 2196  
(PO Box 41480, Craighall, 2024)

### TRANSFER SECRETARIES

Computershare Investor Services (Proprietary) Limited  
Registration number 2004/00364/07  
Ground Floor, 70 Marshall Street, Johannesburg 2001  
(PO Box 61051, Marshalltown 2107)

### ATTORNEYS

Fluxmans Inc.  
Registration number: 2000/024775/21  
11 Bierman Avenue  
Rosebank, Johannesburg, 2196  
(Private Bag X41, Saxonwold, 2032)

### AUDITORS

KPMG Inc.  
Registered Accountants (SA)  
Registered Accountants and Auditors  
85 Empire Road, Parktown, 2122  
Private Bag 9, Parkview, 2122

### COMMERCIAL BANKERS

First National Bank of Southern Africa Limited  
50 Wierda Road West, Wierda Valley, Sandton, 2146  
PO Box 787428, Sandton, 2146

**SecureData** HOLDINGS  
LIMITED

[www.securedataholdings.co.za](http://www.securedataholdings.co.za)