

**WOESA INVESTMENT HOLDINGS LIMITED
AND ITS SUBSIDIARY**

REGISTRATION NUMBER 2006/004764/06

**GROUP ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
28 FEBRUARY 2011**

**WOESA INVESTMENT HOLDINGS LIMITED
AND ITS SUBSIDIARY**

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FOR THE YEAR ENDED 28 FEBRUARY 2011**

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Preparation of financial statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards under the supervision of the Chief Executive officer, Ms K.Ntlha



T. Sibanda

**WOESA INVESTMENT HOLDINGS LIMITED
AND ITS SUBSIDIARY**

DIRECTORS' RESPONSIBILITIES AND APPROVAL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2011

The directors are required by the Companies Act of South Africa, 1973, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with its accounting policies. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial controls established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets out standards for internal control aimed at reducing the risk of error or loss in a cost - effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

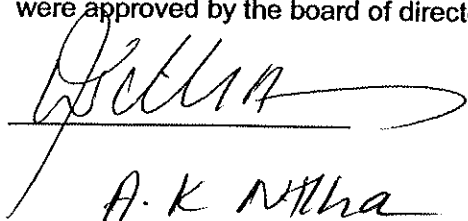
The directors are of the opinion, based on the information and explanations given by management, that the system of internal controls provides reasonable assurance that the financial records may be relied on for the presentation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 28th February 2013 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the board of directors is primarily responsible for the financial affairs of the company, it is supported by the company's external auditors.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 2 and 3.

The annual financial statements set out on pages 4 to 22, which have been prepared on the going concern basis, were approved by the board of directors on the 22nd August 2012 and were signed on its behalf by:



A. K. Ntsha

**REPORT OF THE INDEPENDENT AUDITORS
TO THE SHAREHOLDERS**

**WOESA INVESTMENT HOLDINGS LIMITED
AND ITS SUBSIDIARY**

P O BOX 32707
BRAAMFONTEIN
2017
SOUTH AFRICA

TEL (011) 403 3835
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Report on the financial statements

We have audited the accompanying financial statements of WOESA Investment Holdings Limited and Group, which comprise the directors' report, statement of financial position as at 28 February 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 4 to 21.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and the fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), 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. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk 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.

Basis for qualified opinion

These financial statements have been prepared on the basis of accounting practices applicable to a going concern. This basis presumes that, despite the fact that the company and group's liabilities exceed its assets, fairly valued, the company and group will continue as a going concern for as long as existing levels of finance by major creditors are maintained.

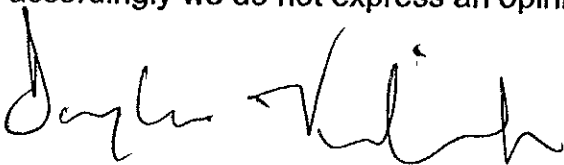
The directors need to make a concerted effort to raise additional funding and further curtail future expenditure.

Qualified Opinion

In our opinion, these financial statements fairly present, in all material respects, the financial position of WOESA Investment Holdings Limited and Group as at 28 February 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), and in the manner required by the Companies Act of South Africa.

Supplementary information

The supplementary schedule set out on page 22 does not form part of the annual financial statements and is presented as additional information. We have not audited this schedule and accordingly we do not express an opinion on this.



Douglas & Velcich
Chartered Accountants (S.A.)
Registered Accountants and Auditors

Johannesburg
22 August 2012

WOESA INVESTMENT HOLDINGS LIMITED AND ITS SUBSIDIARY

REPORT OF THE DIRECTORS FOR THE YEARS ENDING 28 FEBRUARY 2011 AND 29 FEBRUARY 2012

Overview

The past two years have been challenging for the global, including the South African economy. This meant that global recession we are still experiencing is affecting the WOESA group of companies. These challenges are manifested in the lower number of enquiries that came WOESA's way for potential partnership than in the previous years.

The predictions that the FIFA World Cup would yield positive results for the whole economy did not pan out as expected. Only some industries yielded positive results through this international initiative. During the run up to the event and the actual period of the event, it further slowed down other sector business activities like acquisitions and training.

Through its effective governance policies, the WOESA Board has ensured a continuous review of the Investment strategy that WOESA employs to drive its Empowerment Mandate. The Board took a decision to allow for members, to actively drive partnerships with WOESA in pursuing economic opportunities. This decision has enabled the WOESA Group of Companies to enter areas of work that the office did not have the human capital to take on. For its survival the WOESA Group continued to explore other opportunities for generating income to cover its day to day expenses. This resulted in a drive for WOESA to acquire its own Trading Licence and to prepare for trading activities into the future. In addition to Empower Paint, other businesses were explored in order to minimise the cash flow crises experienced by the Group.

To ensure access to finance, relationships were built with the National Empowerment Fund, the DBSA, which is already funding one of the WOESA Investments, and other Private Equity Funders. With the current economic indications that the worst of the recession is over, we maintain our goal of achieving an enterprise value of R1 billion within the next ten years.

WOESA has been successful in raising its profile with key stakeholders. This is evident in WOESA's inclusion in major national activities in the Energy sector and is a key strategy in securing ongoing business opportunities.

Current Activities

Bethlehem Hydro

This award winning project remains one of the most successful WOESA Investments projects to date. The second site was opened in June 2010. The business is well run, with the two sites generating and successfully billing both Eskom and the Dihlabeng Municipality. Investment in this project proves to have been a wise choice. The current challenges of the project are the processes of qualifying for a refit tariff.

Sasol Inzalo

The share price of these shares has been improving steadily over the past year. All indications are that the plans in place by Sasol will ensure that at the end of the 10 year period, there will be positive results from this investment. The office has ensured that WOESA complies with all annual requirements of confirming the BBBEE status as per the terms of the Financing Agreement.

MTN

The combined dividend of R 14 369 was received for the last two years under review.

Petroline

The project has experienced major hurdles that are as a result of the change in the tariff and levy methodology provided by the government to Transnet. Several hearings were held during the course of the year to ensure compliance with the Licensing requirements. The Investment Banks have indicated the potential unbankability of the project if there are no interventions by government on the participation of the Private Sector in the Pipeline Business. The team working on the project employed a Mpumalanga based Law firm to represent the Project at the NERSA hearings on the delay in the implementation of the project.

**WOESA INVESTMENT HOLDINGS LIMITED
AND ITS SUBSIDIARY**

**REPORT OF THE DIRECTORS FOR THE YEARS ENDING
28 FEBRUARY 2011 AND 29 FEBRUARY 2012 (Continued)**

Greif

Greif survived the recession while some companies closed down. Measures taken to save the company, included the appointment of new management who are South African, have proven to be effective because the financial results for four quarters were positive.

Fair Value Adjustment in Grief SA:

A fair value adjustment of Grief SA was performed by Grant Thornton as at 31 October 2011, resulting in the increase of R6,5m to the investment value. This resulted in the significant enhancement of WIH's retained income for the period as indicated in the financial statements.

Norconsult Iyanda

Norconsult is an engineering consulting company which provides consulting services to mainly Eskom. WOESA was invited to acquire a 7% stake in Norconsult Iyanda valued at R3,43 million via a special purpose vehicle called Sizalex in which WOESA owns 70% and a WOESA member company 30%. The Investment was vendor financed and 10% cash equity was raised from existing shareholders. WOESA has received a dividend from this investment already.

New Investments

WOESA has acquired a 4.75% stake in Smile Communications through the facilitation of one of the Board members.

Renewable Energy

The future of WOESA in the sector will rely on our ability to participate effectively in the renewable energy space. This area is highly specialised with most of the technology being imported into South Africa. A number of initiatives have been taken to engage with potential partners with the necessary technology and experience. Some of the discussions started in 2009 have had to be terminated due to incompatibility of values. New partnerships are being explored.

Financial position

The financial survival of WOESA Group has been through the continued support of a few shareholders who have bought additional shares in WOESA. All endeavours to generate income have been slow and also required cash injection. This position threatens WOESA's ability to participate in new deals.

Prospects

We remain optimistic about the future given the initiatives currently in process. We will continue to capitalise on the strength of the WOESA brand and the commitment of our members to be successful participants in the Oil and Energy sector.

We are grateful to our Chief Executive, Khumo Ntsha, for her commitment and positive energy that enables her to be an effective ambassador for the marginalised women in the sector. Facilitating the participation of ordinary women in the sector and keeping the connection with our 1200 shareholders and 288 members.

I would also like to thank our outgoing board member Almorie Maule who has assured us of her continued support even as she retires. Almorie has played a major role in building WOESA to what it is today. And to our remaining board members I salute you for your unwavering support in ensuring that women in this country remain a force to reckon with. Finally, thank you to our shareholders, for their belief in WOESA, and to those who continue to buy additional shares, we thank you for making additional investments and explorations possible.

**WOESA INVESTMENT HOLDINGS LIMITED
AND ITS SUBSIDIARY**

**REPORT OF THE DIRECTORS FOR THE YEARS ENDING
28 FEBRUARY 2011 AND 29 FEBRUARY 2012 (Continued)**

Statement of responsibility

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies act in South Africa. The directors are also responsible for the companies' systems of internal control. These are designed to provide reasonable, but not absolute assurance as to the reliability of the financial statements, and to safe guard, verify and maintain accountability of assets and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems as occurred during the period under review.

The financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

Dividends

No dividend was declared or recommended during the year under review.

Post financial position events

No material fact or circumstance has occurred between the statement of financial position date and the date of this report.

Directorate of the company

The following persons served as directors during the year under review.

Peta Mashinini

Khumo Ntsha

Nonhlanhla Mabusela

Grace Nndwammbi

Pria Hassan

Sibongile Nkosi

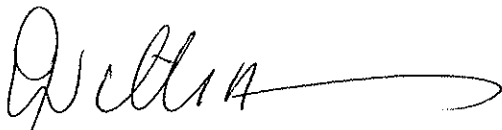
Jacqueline Williams

Company secretary

The company secretary is Douglas & Velcich Management Services CC

Auditors

Douglas & Velcich were retained during the year under review in accordance with section 270(2) of the companies act.



Jacqueline Williams
Chairperson

**WOESA INVESTMENT HOLDINGS LIMITED
AND ITS SUBSIDIARY**

STATEMENTS OF FINANCIAL POSITION AS AT 28 FEBRUARY 2011

		Group		Company	
	Note	2011 R	2010 R	2011 R	2010 R
ASSETS					
Intangible asset - trademark	2	1 000 000	1 000 000	1 000 000	1 000 000
Non - Current assets		5 603 385	3 359 950	2 698 056	2 695 986
Tangible assets	4	15 049	27 873	15 049	27 873
Investment in subsidiary	3	-	-	100	100
Available for sale investments	5	5 588 336	3 332 077	2 682 907	2 668 013
Current assets		117 510	1 347 196	2 960 450	2 044 568
Accounts receivable	6	113 950	294 967	20 549	30 823
Cash and cash equivalents	7	3 560	1 052 229	3 460	1 052 129
Woesa Investments (Pty) Ltd	3	-	-	2 936 441	961 616
Total assets		6 720 895	5 707 146	6 658 506	5 740 554
EQUITY AND LIABILITIES					
Capital and reserves		6 130 103	4 556 464	6 103 236	4 611 144
Share capital	8	1 353 689	1 132 349	1 353 689	1 132 349
Share premium	8	8 210 340	6 218 280	8 210 340	6 218 280
Retained income		(3 433 926)	(2 794 165)	(3 460 793)	(2 739 485)
Current liabilities		590 792	1 150 682	555 270	1 129 410
Trade and other payables	9	354 313	93 518	318 791	72 246
Woesa (Association incorporated under section 21)	10	76 044	311 458	76 044	311 458
Share subscribers	11	160 435	745 706	160 435	745 706
Total equity and liabilities		6 720 895	5 707 146	6 658 506	5 740 554

WOESA INVESTMENT HOLDINGS LIMITED
REGISTRATION NUMBER 2006/004764/06

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2011

		Group		Company	
	Note	2011 R	2010 R	2011 R	2010 R
REVENUE		-	-	-	-
Other income		95 797	14 000	-	14 000
OPERATING EXPENSES		826 987	966 243	812 737	944 971
Administration expenses		826 987	966 243	812 737	944 971
Other expenses		-	-	-	-
OPERATING (LOSS)	12	(731 190)	(952 243)	(812 737)	(930 971)
DIVIDEND RECEIVED		5 107	2 451	5 107	2 451
NET FINANCE INCOME		71 428	31 007	71 428	31 007
Finance income - call accounts		71 428	75 132	71 428	75 132
Finance charges payable to Ignis Project and Finance Solutions (Pty) Ltd		-	(44 125)	-	(44 125)
(LOSS) BEFORE TAXATION		(654 655)	(918 785)	(736 202)	(897 513)
TAXATION	14	-	-	-	-
(LOSS) FOR THE YEAR		(654 655)	(918 785)	(736 202)	(897 513)

**WOESA INVESTMENT HOLDINGS LIMITED
AND ITS SUBSIDIARY**

**STATEMENTS OF CHANGES IN EQUITY FOR
THE YEAR ENDED 28 FEBRUARY 2011**

GROUP	Share capital R	Share premium R	Retained income R	Total R
Balance at 1 March 2009	814 076	3 353 823	(1 904 356)	2 263 543
(Loss) for the year	-	-	(918 785)	(918 785)
Shares issued during the year	318 273	2 864 457	-	3 182 730
Fair value adjustment to investment	-	-	28 976	28 976
Balance at 28 February 2010	1 132 349	6 218 280	(2 794 165)	4 556 464
(Loss) for the year	-	-	(654 655)	(654 655)
Shares issued during the year	221 340	1 992 060	-	2 213 400
Fair value adjustment to investment	-	-	14 894	14 894
Balance at 28 February 2011	1 353 689	8 210 340	(3 433 926)	6 130 103

COMPANY				
Balance at 1 March 2009	814 076	3 353 823	(1 870 948)	2 296 951
(Loss) for the year	-	-	(897 513)	(897 513)
Shares issued during the year	318 273	2 864 457	-	3 182 730
Fair value adjustment to investment	-	-	28 976	28 976
Balance at 28 February 2010	1 132 349	6 218 280	(2 739 485)	4 611 144
(Loss) for the year	-	-	(736 202)	(736 202)
Shares issued during the year	221 340	1 992 060	-	2 213 400
Fair value adjustment to investment	-	-	14 894	14 894
Balance at 28 February 2011	1 353 689	8 210 340	(3 460 793)	6 103 236

**WOESA INVESTMENT HOLDINGS LIMITED
AND ITS SUBSIDIARY**
**STATEMENTS OF CASH FLOWS FOR THE
YEAR ENDED 28 FEBRUARY 2011**

	Note	Group		Company	
		2011 R	2010 R	2011 R	2010 R
Cash flows from operating activities					
Cash paid to service providers		(553 368)	(1 420 930)	(553 368)	(1 387 522)
Cash (utilised in) operations	16	(553 368)	(1 420 930)	(553 368)	(1 387 522)
Dividend received		5 107	2 451	5 107	2 451
Finance income		71 428	75 132	71 428	75 132
Finance charges		-	(44 125)	-	(44 125)
Cash (outflow) from operating activities		(476 833)	(1 387 472)	(476 833)	(1 354 064)
Cash (utilised in) investing activities		(2 145 568)	(15 500)	10 274	(15 500)
Purchase of investments		-	(15 500)	-	(15 500)
Loan advanced to HydroWSA		(2 145 568)	-	-	-
Cash paid for rental deposit		-	-	10 274	-
Cash generated from financing activities		1 573 732	959 236	(582 110)	925 828
Cash received from HydroWSA consortium		181 017	13 265	-	-
Issue of share capital		221 340	318 273	221 340	318 273
Issue of share premium		1 992 060	2 864 457	1 992 060	2 864 457
Cash held on behalf of related companies		(235 414)	(72 159)	(2 210 239)	(92 302)
Cash received from subscribers in terms of prospectus		(585 271)	(2 164 600)	(585 271)	(2 164 600)
Net cash (outflow) for the year		(1 048 669)	(443 736)	(1 048 669)	(443 736)
Cash and cash equivalents at beginning of year		1 052 229	1 495 965	1 052 129	1 495 865
Cash and cash equivalents at end of year	7	3 560	1 052 229	3 460	1 052 129

**WOESA INVESTMENT HOLDINGS LIMITED
AND ITS SUBSIDIARY**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2011**

ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act of South Africa.

The annual financial statements have been prepared on the historical basis, except for financial instruments and incorporate the principal accounting policies set out below.

1.1 SIGNIFICANT JUDGEMENTS

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

1.2 TANGIBLE ASSETS

The cost of an item of tangible assets is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of tangible assets and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of tangible assets, the carrying amount of the replaced part is derecognised.

Tangible assets are carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided on all tangible assets other than freehold land, to write down the cost, less residual value, by equal instalments over their useful lives as follows:

Item	Useful life
Furniture and fittings	6 years
Leasehold improvements	Over term of the lease

The depreciation charge for each period is recognised in profit or loss, unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognising of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognising of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

**WOESA INVESTMENT HOLDINGS LIMITED
AND ITS SUBSIDIARY**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 28 FEBRUARY 2011 (Continued)**

ACCOUNTING POLICIES (Continued)

1.3 FINANCIAL INSTRUMENTS

1.3.1 Initial recognition

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

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

Financial assets and liabilities are recognised initially at fair value. In the case of financial assets or liabilities not classified as at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument are added to the fair value.

An asset that is subsequently measured at cost or amortised cost is recognised initially at its fair value on the trade date.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is not recognised for assets carried at cost or amortised cost, other than impairment losses.

Assets carried at fair value: the change in fair value shall be recognised in profit or loss or in equity, as appropriate.

1.3.2 Subsequent measurement

After initial recognition, financial assets are measured as follows:

- loans and receivables and held-to-maturity investments are measured at amortised cost using the effective interest method;
- investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost;
- other financial assets, including derivatives, at fair value, without any deduction for transaction costs which may incur on sale or other disposal.

After initial recognition financial liabilities are measured as follows:

- financial liabilities, including derivatives that are liabilities, are measured at fair value through profit and loss.
- other financial liabilities are measured at amortised cost using the effective interest method.

**WOESA INVESTMENT HOLDINGS LIMITED
AND ITS SUBSIDIARY**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 28 FEBRUARY 2011 (Continued)**

ACCOUNTING POLICIES (Continued)

1.3 FINANCIAL INSTRUMENTS (Continued)

1.3.3 Gains and losses

A gain or loss arising from a change in a financial asset or financial liability is recognised as follows:

- A gain or loss on a financial asset or financial liability classified as at fair value through profit or loss is recognised in profit or loss.
- A gain or loss on an available-for-sale financial asset is recognised directly in equity, through the statement of changes in equity, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity is recognised in profit or loss.
- Financial assets and financial liabilities carried at amortised cost: a gain or loss is recognised in profit or loss when the financial asset or financial liability is derecognised or impaired, and through the amortisation process.

1.4 CASH AND CASH EQUIVALENTS

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of change in value.

Cash and cash equivalents are measured at fair value.

1.5 IMPAIRMENT OF ASSETS

The company assesses at each financial position date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss on assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss on a revalued asset is treated as a revaluation decrease.

**WOESA INVESTMENT HOLDINGS LIMITED
AND ITS SUBSIDIARY**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 28 FEBRUARY 2011 (Continued)**

ACCOUNTING POLICIES (Continued)

1.5 IMPAIRMENT OF ASSETS (Continued)

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.6 SHARE CAPITAL AND EQUITY

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.7 TRADE AND OTHER PAYABLES

Trade and other payables are measured at amortised cost using the effective interest method.

1.8 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

**WOESA INVESTMENT HOLDINGS LIMITED
AND ITS SUBSIDIARY**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 28 FEBRUARY 2011 (Continued)**

ACCOUNTING POLICIES (Continued)

1.8 PROVISIONS AND CONTINGENCIES (Continued)

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions shall not be recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

After their initial recognition, contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

1.9 TAXATION

Current tax assets and liabilities

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

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the financial position date.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- goodwill for which amortisation is not deductible for tax purposes; or
- the initial recognition of an asset or liability in a transaction which:
 - is not a business combination; and
 - at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

**WOESA INVESTMENT HOLDINGS LIMITED
AND ITS SUBSIDIARY**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 28 FEBRUARY 2011 (Continued)**

ACCOUNTING POLICIES (Continued)

1.9 TAXATION (Continued)

Deferred tax assets and liabilities (continued)

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable the taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination, and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the financial position date.

1.10 REVENUE

Dividends are brought to account on the last day for registration.

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 company.

1.11 EXPENDITURE

Expenditure is recognised on the accrual basis of accounting.

1.12 EMPLOYEE BENEFITS

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employee renders service that increases their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

**WOESA INVESTMENT HOLDINGS LIMITED
AND ITS SUBSIDIARY**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 28 FEBRUARY 2011 (Continued)**

2. INTANGIBLE ASSET

In the course of the 2008 year, in line with the decision set out in the prospectus in November 2007, the company issued 440,429 shares at par in exchange for the use of the trademark, Women in Oil and Energy, in recognition of the value of the network of members and potential members of the Section 21 company, and of the investment opportunities acquired through that network. The asset has been valued by directors at R1 million, and does not require to be impaired.

3. INVESTMENT IN SUBSIDIARY COMPANY

	Company	
	2011	2010
	R	R
Shares, at cost	100	100
100 shares in Woesa Investments (Proprietary) Limited - at cost		

ADVANCE TO/(FROM) SUBSIDIARY COMPANY

Woesa Investments (Proprietary) Limited.	2 936 441	961 616
The loan does not bear interest, and is expected to be settled within the ensuing years.		

4. TANGIBLE ASSETS

	Leasehold Improvements R	Furniture & fittings R	Total R
28 February 2011			
Balance at beginning of year	10 326	17 547	27 873
At cost	26 553	23 838	50 391
Accumulated depreciation	(16 227)	(6 291)	(22 518)
Additions during the year	-	-	-
Depreciation for the year	(8 851)	(3 973)	(12 824)
Net book value - 28 February 2011	1 475	13 574	15 049
At cost	26 553	23 838	50 391
Accumulated depreciation	(25 078)	(10 264)	(35 342)
28 February 2010			
Balance at beginning of year	19 177	21 520	40 697
At cost	26 553	23 838	50 391
Accumulated depreciation	(7 376)	(2 318)	(9 694)
Additions during the year	-	-	-
Depreciation for the year	(8 851)	(3 973)	(12 824)
Net book value - 28 February 2010	10 326	17 547	27 873
At cost	26 553	23 838	50 391
Accumulated depreciation	(16 227)	(6 291)	(22 518)

**WOESA INVESTMENT HOLDINGS LIMITED
AND ITS SUBSIDIARY**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 28 FEBRUARY 2011 (Continued)**

	Group		Company	
	2011 R	2010 R	2011 R	2010 R
5. AVAILABLE FOR SALE INVESTMENTS				
5.1 INVESTMENT IN MTN EMPOWERMENT SCHEME				
Balance at beginning of the year	151 513	122 537	151 513	122 537
Fair value adjustment, through equity	14 894	28 976	14 894	28 976
	<u>166 407</u>	<u>151 513</u>	<u>166 407</u>	<u>151 513</u>
5.2 INVESTMENT IN JOINT VENTURE IN GREIFSA OPERATING COMPANY				
Shares - at cost	8	8	-	-
Capital contribution in terms of agreement	90 000	90 000	-	-
	<u>90 008</u>	<u>90 008</u>	<u>-</u>	<u>-</u>
5.3 INVESTMENT IN HYDROWSA INVESTMENT IN BETHLEHEM HYDRO (PTY) LTD.				
Shares at cost	169 056	169 056	-	-
Additional shares acquired	95 797	-	-	-
Initial additional funding	405 000	405 000	-	-
Additional funds advanced	2 145 568	-	-	-
	<u>2 815 421</u>	<u>574 056</u>	<u>-</u>	<u>-</u>
5.4 INVESTMENT IN SASOL INZALO SHARES				
At cost	2 500 000	2 500 000	2 500 000	2 500 000
Fair value adjustment, through equity	-	-	-	-
	<u>2 500 000</u>	<u>2 500 000</u>	<u>2 500 000</u>	<u>2 500 000</u>
5.5 INVESTMENT IN PETROLINE				
At cost	1 000	1 000	1 000	1 000
Fair value adjustment, through equity	-	-	-	-
	<u>1 000</u>	<u>1 000</u>	<u>1 000</u>	<u>1 000</u>
5.5 INVESTMENT IN EMPOWER PAINT SHARES				
At cost - acquired during the year	15 500	15 500	15 500	15 500
Fair value adjustment, through equity	-	-	-	-
	<u>15 500</u>	<u>15 500</u>	<u>15 500</u>	<u>15 500</u>
Totals	<u>5 588 336</u>	<u>3 332 077</u>	<u>2 682 907</u>	<u>2 668 013</u>

The company has 64.70% (2010 : 41.75% share in the HydroWSA (Pty) Ltd, which in turn holds a 37.7% share in Bethlehem Hydro (Pty) Ltd.

During the year under review additional funding of R2,2 million was required by Bethlehem Hydro (Pty) Ltd from its shareholders to meet additional capital outlay commitments. WOESA Investments (Pty) Ltd was the only shareholder in HydroWSA (Pty) Ltd that could raise the additional financing, and thus its shareholding in the Hydroscheme increased from an effective 15.74% to 24.39% holding.

The company has decided against a fair value adjustment in respect of the investments in Greif SA, HydroWSA and SASOL Inzalo as there are currently significant uncertainties over the timing and quantum of future cash flows from these investments, and it would be both too costly and speculative to attempt to determine credible fair values at statement of financial position date.

**WOESA INVESTMENT HOLDINGS LIMITED
AND ITS SUBSIDIARY**
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 28 FEBRUARY 2011 (Continued)**

	Group		Company	
	2011 R	2010 R	2011 R	2010 R
6. ACCOUNTS RECEIVABLE				
Funds due from HydroWSA consortium	93 401	264 144	-	-
Rental deposit	20 549	30 823	20 549	30 823
	<u>113 950</u>	<u>294 967</u>	<u>20 549</u>	<u>30 823</u>

The funds due from HydroWSA consortium, relates from additional funding of R1000,000 that was due from HydroWSA (Pty) Ltd to Bethlehem Hydro (Pty) Ltd. This was paid on behalf of HydroWSA, and this is the balance of funds due to WOESA Investments (Pty) Ltd.

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise :

ABSA - call account	-	962 003	-	962 003
ABSA - cheque account and cash	492	19 224	492	19 224
ABSA - savings account	968	68 902	968	68 902
Petty cash	2 100	2 100	2 000	2 000
	<u>3 560</u>	<u>1 052 229</u>	<u>3 460</u>	<u>1 052 129</u>

8. SHARE CAPITAL
Authorised

5,000,000 Ordinary shares of R1,00 each	<u>5 000 000</u>	<u>5 000 000</u>	<u>5 000 000</u>	<u>5 000 000</u>
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Unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting.

Issued

1,353,689 (2010 - 1,132,349) Ordinary shares of R1 each	<u>1 353 689</u>	<u>1 132 349</u>	<u>1 353 689</u>	<u>1 132 349</u>
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Share premium

Premium of R9 a share on issued capital	<u>8 210 340</u>	<u>6 218 280</u>	<u>8 210 340</u>	<u>6 218 280</u>
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9. TRADE AND OTHER PAYABLES

Trade payables	<u>354 313</u>	<u>93 518</u>	<u>318 791</u>	<u>72 246</u>
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10. LOAN PAYABLE - RELATED PARTY

Women in Oil and Energy South Africa (Association
Incorporated under Section 21)

	<u>76 044</u>	<u>311 458</u>	<u>76 044</u>	<u>311 458</u>
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The loan is unsecured, does not bear interest and is scheduled for repayment within the ensuing year.

11. SHARE SUBSCRIBERS

	<u>160 435</u>	<u>745 706</u>	<u>160 435</u>	<u>745 706</u>
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These amounts represents amounts due to subscribers whose shares are to be issued after year end.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 28 FEBRUARY 2011 (Continued)

	Group		Company	
	2011 R	2010 R	2011 R	2010 R
12. OPERATING (LOSS)				
Operating (loss) for the year has been determined after taking into account the following:-				
12.1 Auditors' remuneration				
Audit fees - 2010	54 150	-	39 900	-
Audit fees - 2009	-	60 420	-	39 900
Other services	-	1 504	-	752
	<u>54 150</u>	<u>61 924</u>	<u>39 900</u>	<u>40 652</u>
13. DIRECTOR'S REMUNERATION				
For services as employee	<u>394 372</u>	<u>328 812</u>	<u>394 372</u>	<u>328 812</u>
14. TAXATION				
South African normal tax				
Current year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
The company has not provided for taxation in the current year, as it has an estimated taxable loss of 3,323,146 (2010 : 2,586,944)				
15. COMMITMENTS				
Lease property				
- payable within a year	30 534	106 704	30 534	106 704
- payable thereafter	<u>-</u>	<u>30 534</u>	<u>-</u>	<u>30 534</u>
	<u>30 534</u>	<u>137 238</u>	<u>30 534</u>	<u>137 238</u>
Office equipment				
- payable within a year	4 622	7 036	4 622	7 036
- payable thereafter	<u>-</u>	<u>4 622</u>	<u>-</u>	<u>4 622</u>
	<u>4 622</u>	<u>11 658</u>	<u>4 622</u>	<u>11 658</u>
16. CASH (UTILISED IN) OPERATIONS				
(Loss) for the year	(654 655)	(918 785)	(736 202)	(897 513)
Adjusted for :				
Depreciation	12 824	12 824	12 824	12 824
Capital gain - HydroWSA Shares	(95 797)	-	-	-
Dividend received	(5 107)	(2 451)	(5 107)	(2 451)
Finance income	(71 428)	(75 132)	(71 428)	(75 132)
Finance charges	-	44 125	-	44 125
Operating (loss) before working capital changes	<u>(814 163)</u>	<u>(939 419)</u>	<u>(799 913)</u>	<u>(918 147)</u>
Working capital changes	<u>260 795</u>	<u>(481 511)</u>	<u>246 545</u>	<u>(469 375)</u>
Increase/(decrease) in accounts payable	<u>260 795</u>	<u>(481 511)</u>	<u>246 545</u>	<u>(469 375)</u>
	<u>(553 368)</u>	<u>(1 420 930)</u>	<u>(553 368)</u>	<u>(1 387 522)</u>

**WOESA INVESTMENT HOLDINGS LIMITED
AND ITS SUBSIDIARY**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 28 FEBRUARY 2011 (Continued)**

17. RELATED PARTY TRANSACTIONS

Related parties include:

Holding company

Woesa (Association incorporated under section 21)

Wholly -owned subsidiary

Woesa Investments (Pty) Ltd

Director's remuneration refer to note 13.

The company entered into transactions in the ordinary course of business with various fellow subsidiaries and its holding company. These transactions are conducted on an arms length basis and relate to funding and administrative services. Details of the advances are set out in note 3 and 10.

**WOESA INVESTMENT HOLDINGS LIMITED
AND ITS SUBSIDIARY**

**DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2011
- COMPANY AND GROUP**

	2011 R	2010 R
INCOME		
Other income	95 797	14 000
EXPENDITURE	826 987	966 243
Accounting fees	4 700	11 000
Advertising and promotions	5 545	1 710
Audit fees	54 150	61 924
Bank charges	10 008	15 046
Computer expenses	-	14 283
Depreciation	12 824	12 824
General expenses	9 897	6 189
Insurance	-	687
Legal fees	-	93 750
Postage, printing and stationery	59 122	97 194
Rates and other operating costs	18 513	35 803
Rent, water and electricity	80 995	142 906
Salaries and contributions	438 232	364 203
Secretarial fees	7 000	8 350
Subscriptions	1 541	-
Telephone and fax	30 229	24 554
Travel and accommodation	94 231	75 820
NET (LOSS) BEFORE INTEREST AND DIVIDENDS	(731 190)	(952 243)