Combined Motor Holdings Limited

Integrated Annual Report 2013

CMH GROUP

SCOPE OF THIS REPORT

This integrated annual report is a holistic and integrated representation of the Group's performance, in terms of both finances and sustainability, for the year ended 28 February 2013. It contains information about the operations of the Group and the opportunities, risks and other material issues it faces in the normal course of business.

In the opinion of the Board, this report is a complete, timely, relevant and accurate disclosure of information on a basis comparable with that of previous years.

OUR MISSION

Customers

to provide a total commitment to customer satisfaction in all aspects of business, and to ensure that our customers are treated fairly and equitably by a motivated, well-trained team of specialists.

Suppliers

to conduct our relationship in an ethical and supportive manner conducive to the achievement of mutual long-term profit and market share objectives.

Employees

to provide a stable and challenging work environment in which employees are treated on an equal opportunity basis with open lines of communication, are encouraged to participate to the maximum of their ability and are rewarded commensurate with their achievement.

Shareholders

to produce a consistent, meaningful growth in earnings and dividends, commensurate with the risks involved, after making adequate provision for future expansion.

In doing so, to become a valued, respected and committed contributor to the society in which we all coexist.

CONTENTS



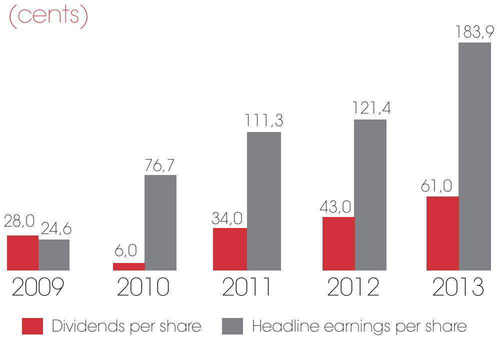




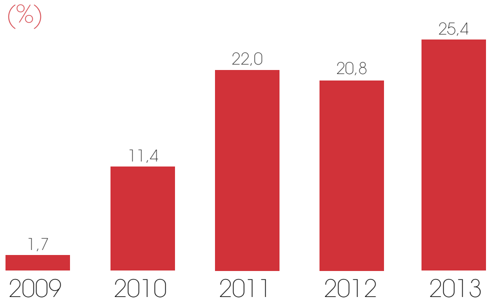

GROUP FINANCIAL HIGHLIGHTS

		2013	2012	% Change
Total assets	(R'000)	**2 733 997**	2 483 139	10
Net asset value per share	(cents)	**727**	616	18
Revenue	(R'000)	**8 971 811**	8 293 728	8
Operating profit	(R'000)	**293 734**	217 124	35
Net profit attributable to ordinary shareholders	(R'000)	**186 399**	131 297	42
Return on shareholders' funds	(%)	**25,4**	20,8	22
Earnings per share	(cents)	**171,7**	121,4	41
Headline earnings per share	(cents)	**183,9**	121,4	51
Dividends paid per share	(cents)	**61,0**	43,0	42
Dividend declared – payable June 2013	(cents)	**50,0**	36,0	39

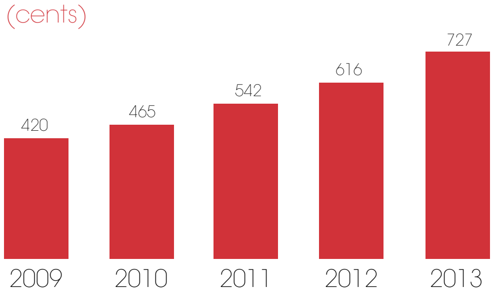
HEADLINE EARNINGS AND DIVIDENDS PER SHARE
(cents)



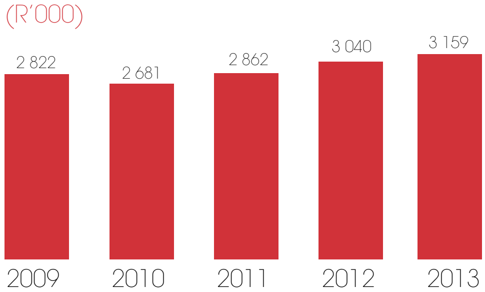
RETURN ON SHAREHOLDERS' FUNDS
(%)



NET ASSET VALUE PER SHARE
(cents)



REVENUE PER EMPLOYEE
(R'000)



Retail motor

VOLVO
Volvo Bryanston
Volvo Cape Town
Volvo Hatfield
Volvo Pretoria East
Volvo Tygervalley
Volvo Umhlanga
Volvo West Rand

FORD/MAZDA
Kempster Auto
Bluff
Durban
Umhlanga Rocks
Steyns Auto
Pretoria
Rand Auto
Randburg
Metro Auto
Gezina
Hatfield Auto
Hatfield

NISSAN
Datcentre Nissan
Durban
Hillcrest
Pietermaritzburg
Pinetown
CMH Nissan
Cape Town
Midrand
Sandton

SUZUKI
Pinetown
Umhlanga Rocks

KIA
Bryanston

FIAT/ALFA ROMEO
CMH Umhlanga
CMH Pietermaritzburg
CMH Hatfield
CMH West Rand

GENERAL MOTORS
East Rand GM
Boksburg
West Rand GM
Constantia
Umhlanga GM
Umhlanga Rocks

TOYOTA/LEXUS
CMH Toyota Alberton
CMH Toyota Melrose
CMH Toyota/Lexus Umhlanga

JAGUAR
Jaguar Cape Town
Jaguar Pretoria East
Jaguar Umhlanga

HONDA
Honda Hatfield
Honda Menlyn
Honda Pinetown

UD TRUCKS
CMH Commercial
Pietermaritzburg
Westmead

LAND ROVER
Land Rover Cape Town
Land Rover Hatfield
Land Rover Pretoria
Land Rover Umhlanga

BMW/MINI
Lyndhurst Auto
Melrose Arch
Menlyn Auto
Umhlanga Auto

VOLKSWAGEN
Cape City VW
Cape Town

PEUGEOT
Peugeot Johannesburg South
Peugeot Menlyn

CITROËN
Citroën Hatfield
Citroën Johannesburg South

RENAULT
Midrand

INFINITI
Pinetown

INVESTMENT CARS
Bryanston

BMW APPROVED REPAIR CENTRE
Umhlanga Rocks
Wynberg

NAVISTAR
CMH Commercial International
Westmead

MAHINDRA/ SSANGYONG
Menlyn

MORRIS GARAGES (MG)
Bryanston
East Rand
Gezina
Hatfield
Umhlanga Rocks
West Rand

Car hire

FIRST CAR RENTAL
OR Tambo (Johannesburg), King Shaka International (Durban), Bloemfontein, Port Elizabeth, Kimberley, Upington, East London, Nelspruit, George, Richards Bay, Pietermaritzburg, Lanseria and Cape Town airports, Cape Town central, Braamfontein, Durban, Pomona, Centurion, Sandton, Randburg, Pretoria, Bellville, Roodepoort, Polokwane, Stellenbosch, Rondebosch, Boksburg, Pinetown, Klerksdorp, Menlyn, Umhlanga Ridge, Witbank, Midrand, Mthatha, Southbroom, Kimberley, Bloemfontein, Port Elizabeth.

Distribution and franchising

BONERTS
Johannesburg

NATIONAL WORKSHOP EQUIPMENT
Pinetown

BRITISH MOTORS DISTRIBUTORS
Durban
Randburg

CMH GREEN
Countrywide

Financial and support services

Full Maintenance Leasing
Treasury
Warranty
Credit Life
Vehicle Insurance
CMH Finance
CMH Insurance
CMH Carshop

Marine and leisure

CMH RECREATIONAL PRODUCTS
Randburg

WATERWORLD
Randburg

BOARD OF DIRECTORS

JEBB McINTOSH
CA (SA)
Chief executive officer
Member of social, ethics and transformation committee
Age: 67
Board appointment: 1976

VUSI KHANYILE
BCom (Hons)
Independent non-executive
Chairman of social, ethics and transformation committee
Age: 62
Board appointment: 2007

MALDWYN ZIMMERMAN
Non-executive chairman
Member of remuneration committee
Age: 78
Board appointment: 1976

JOHN EDWARDS
CA (SA)
Independent non-executive
Lead independent director
Member of audit committee
Chairman of remuneration committee
Age: 77
Board appointment: 2002

STUART JACKSON
BCom (Hons)
(Tax Law), CA (SA)
Financial director
Age: 60
Board appointment:
1986

ZEE CELE
BCom, Postgrad Dip
Tax, MAcc (Tax)
Independent
non-executive
Member of audit
committee
Member of social,
ethics and
transformation
committee
Age: 60
Board appointment:
2007

JAMES DIXON
CA (SA)
Independent
non-executive
Chairman of audit
committee
Age: 61
Board appointment:
2010

MARK CONWAY
CA (SA)
Executive
Member of social,
ethics and
transformation
committee
Franchise director for
various motor retail
divisions, Marine and
Leisure and British
Motor Distributors
Age: 57
Board appointment:
2000

DINEO MOLEFE
Masters in
International
Accounting, CA (SA)
Independent non-
executive
Age: 35
Board appointment:
2011

DEFINITIONS

Acid-test ratio
Current assets less inventory divided by total current liabilities including short-term loans.

Basic earnings per share
Total profit attributable to equity holders divided by the weighted average number of shares in issue.

Current ratio
Current assets divided by current liabilities including short-term loans.

Dividend cover
Headline earnings per share divided by dividends paid per share.

Dividend yield
Dividends paid divided by the year-end share price on the JSE Limited.

Earnings yield
Headline earnings per share divided by the year-end share price on the JSE Limited.

Headline earnings per share
Total profit attributable to equity holders after excluding the impact of goodwill assets impaired and profit/losses on disposal of plant and equipment, divided by the weighted average number of shares in issue.

Net interest cover
Operating profit before net finance costs divided by net finance costs.

Net asset value per share
Total equity divided by the number of shares in issue at year-end.

Return on shareholders' funds
Total profit attributable to equity holders of the Company divided by the average ordinary shareholders' equity during the year.

Revenue per employee
Revenue divided by the number of employees in service at year-end.

Weighted average number of shares in issue
The number of shares in issue at the beginning of the year increased by shares issued during the year weighted on a time basis for the period during which they were issued.

GROUP FIVE-YEAR STATISTICAL REVIEW

Statement of financial position		2013	2012	2011	2010	2009
Interest-bearing debt to total assets	(%)	**0,0**	0,0	0,0	0,2	0,3
Interest-bearing debt to total equity	(%)	**0,0**	0,0	0,2	0,6	1,2
Current ratio	(ratio)	**1,4**	1,3	1,4	1,4	1,3
Acid-test ratio	(ratio)	**0,7**	0,7	0,7	0,8	0,7
Net asset value per share	(cents)	**727**	616	542	465	420
Total assets per employee	(R'000)	**963**	910	846	826	814

Statement of comprehensive income		2013	2012	2011	2010	2009
Weighted average number of shares in issue	('000)	**108 531**	108 179	107 943	107 562	107 470
Headline earnings per share	(cents)	**183,9**	121,4	111,3	76,7	24,6
Basic earnings per share	(cents)	**171,7**	121,4	111,2	50,6	7,6
Dividends per share	(cents)	**61,0**	43,0	34,0	6,0	28,0
Dividend cover	(times)	**3,0**	2,8	3,3	12,8	0,9
Net interest cover	(times)	**12,2**	11,4	10,2	6,1	1,4
Number of employees		**2 840**	2 728	2 572	2 427	2 418
Revenue per employee	(R'000)	**3 159**	3 040	2 862	2 681	2 822
Operating profit on average total equity	(%)	**40,0**	34,7	36,8	22,7	9,9
Return on shareholders' funds	(%)	**25,4**	20,8	22,0	11,4	1,7









GROUP FIVE-YEAR FINANCIAL REVIEW

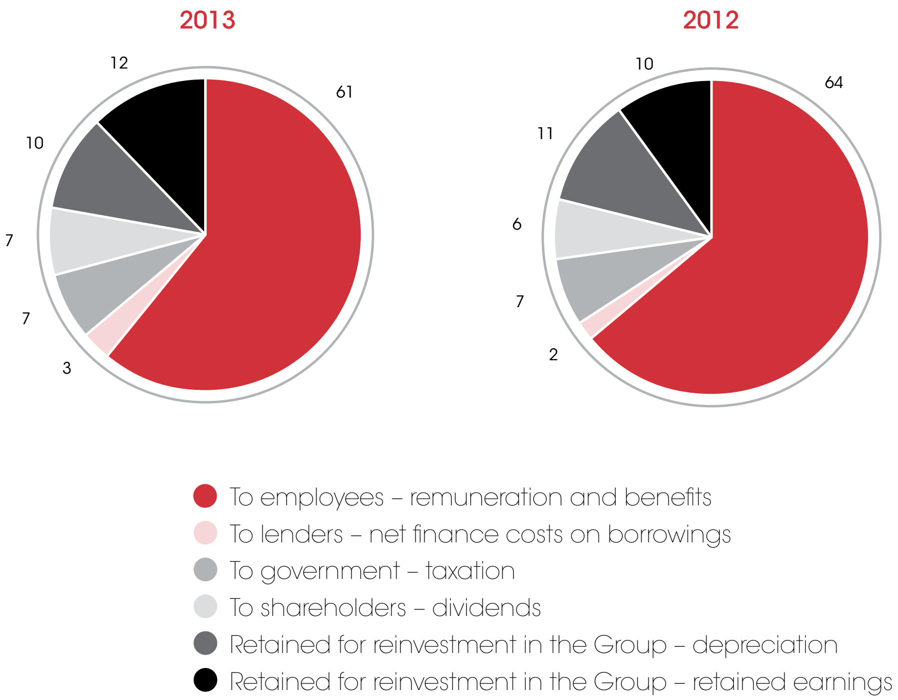
Statement of financial position	2013 R'000	2012 R'000	2011 R'000	2010 R'000	2009 R'000
ASSETS					
Plant and equipment	**68 803**	58 537	58 565	64 493	75 069
Investments	**233 613**	204 500	187 271	166 037	146 848
Deferred taxation	**45 707**	49 964	55 287	49 896	43 535
Goodwill	**74 972**	89 972	89 972	89 972	123 001
Current assets	**2 310 902**	2 080 166	1 785 666	1 634 769	1 579 834
Total assets	**2 733 997**	2 483 139	2 176 761	2 005 167	1 968 287
EQUITY AND LIABILITIES					
Ordinary shareholders' equity	**798 820**	671 543	588 572	500 764	451 905
Non-controlling interest	**(7 982)**	(5 301)	(2 563)	(818)	(433)
Interest-bearing debt	**–**	–	986	3 169	5 398
Non-controlling shareholders of subsidiaries	**135 639**	140 339	176 162	208 944	245 613
Assurance funds	**7 548**	7 731	13 137	14 766	19 458
Lease liabilities	**106 573**	111 167	110 176	98 079	88 613
Other current liabilities	**1 693 399**	1 557 660	1 290 291	1 180 263	1 157 733
Total equity and liabilities	**2 733 997**	2 483 139	2 176 761	2 005 167	1 968 287

Statement of comprehensive income	2013 R'000	2012 R'000	2011 R'000	2010 R'000	2009 R'000
Revenue	**8 971 811**	8 293 728	7 362 224	6 507 518	6 822 786
Profit to revenue (%)	**3,3**	2,6	2,7	1,7	0,7
Operating profit	**293 734**	217 124	199 992	108 103	46 378
Net finance costs	**(24 127)**	(19 110)	(19 517)	(17 734)	(33 295)
Profit before taxation	**269 607**	198 014	180 475	90 369	13 083
Tax expense	**(65 680)**	(53 868)	(50 139)	(35 586)	(11 023)
Total profit	**203 927**	144 146	130 336	54 783	2 060
Non-controlling interest	**(17 528)**	(12 849)	(10 305)	(344)	6 067
Attributable profit	**186 399**	131 297	120 031	54 439	8 127
Dividends	**(66 202)**	(46 513)	(36 703)	(6 457)	(30 094)
Retained earnings/(deficit)	**120 197**	84 784	83 328	47 982	(21 967)

VALUE-ADDED STATEMENT

	2013 R'000	2013 %	2012 R'000	2012 %
Wealth created				
Revenue	**8 971 811**		8 293 728	
Cost of goods and services	**(7 998 704)**		(7 466 361)	
Value added	**973 107**		827 367	
Wealth distribution				
To employees – remuneration and benefits	**598 277**	**61**	531 476	64
To lenders – net finance costs on borrowings	**24 127**	**3**	19 110	2
To government – taxation	**65 680**	**7**	53 868	7
To shareholders – dividends	**66 202**	**7**	46 513	6
Retained for reinvestment in the Group				
– depreciation	**98 624**	**10**	91 616	11
– retained earnings	**120 197**	**12**	84 784	10
	973 107	**100**	827 367	100

Wealth distribution



	Franchise	Operating locations	Staff	Senior management
	Volvo	Bryanston, Cape Town, Hatfield, Pretoria East, Tygervalley, Umhlanga Rocks, West Rand	250	S Atkinson (franchise manager), A Bell, W Edgar, O Fourie, D Gray, N Kelly, M Macpherson, C Pienaar
	Land Rover	Cape Town, Pretoria, Pretoria East, Umhlanga Rocks	84	S Atkinson (franchise manager), W Ellis, D Gray, E Vorster
	Jaguar	Cape Town, Pretoria East, Umhlanga Rocks	30	S Atkinson (franchise manager), W Ellis, D Gray, E Vorster
	Peugeot	Johannesburg South, Menlyn	45	S Atkinson (franchise manager), P Bell, W Edgar, J Nell
	Citroën	Johannesburg South, Hatfield	38	S Atkinson (franchise manager), J Nell, C Pienaar
	Nissan	Cape Town, Sandton, Durban, Pinetown, Pietermaritzburg, Hillcrest, Midrand	283	C Ferreira, G Gray (franchise manager), A Hughes, J Kimber, U Ludwig, C Massey-Hicks, S Singleton, J van der Linde, C Walters
	Navistar	Westmead	19	G Gray (franchise manager), L le Roux
	UD Trucks	Westmead, Pietermaritzburg	60	R Byng, G Gray (franchise manager)
	Honda	Hatfield, Menlyn, Pinetown	107	J Grant, D Grobler, C Thirion, J van der Linde, C Webber (franchise manager)
	Ford, Mazda	Durban, Bluff, Umhlanga Rocks, Pretoria, Gezina, Hatfield, Randburg	369	M Britz, M Buck, P Gething, K Kruger, T Morey (franchise manager), P Ras, C Smith, R Spence, C Thirion, Z van Greuning, C Wainwright
	General Motors	Boksburg, Constantia: West Rand, Umhlanga Rocks	155	M Conway (director), R Downs, A Hughes, S Singleton, J van der Linde, G Williams
	Mahindra, SsangYong	Menlyn	14	S Atkinson (franchise manager), P Bell

	Franchise	Operating locations	Staff	Senior management
	BMW, Mini	Melrose Arch, Menlyn, Umhlanga Rocks	328	B Cole, M Conway (director), W van Zyl, E Wilson
	BMW Approved Repair Centre	Wynberg, Umhlanga Rocks	90	B Cole, M Conway (director), E Wilson, D van Zyl
	Toyota	Alberton, Melrose Arch, Umhlanga Rocks	178	P de Villiers, A Hughes, D McCulloch, A Potgieter, D Stotter, C Webber (franchise manager)
	Lexus	Umhlanga Rocks	15	D McCulloch, C Webber (franchise manager)
	Volkswagen	Cape Town	53	S Atkinson (franchise manager), W Edgar, M Haf
	Fiat, Alfa Romeo	Umhlanga Rocks, Pietermaritzburg, Hatfield, West Rand	51	G Gray (franchise manager), N Grobler, N Hall, C McHardy, C Walters
	Suzuki	Pinetown, Umhlanga Rocks	34	B Faulds, D Spink, C Webber (franchise manager)
	Infiniti	Pinetown	4	G Gray (franchise manager), C Massey-Hicks
	Kia	Bryanston	26	T Morey (franchise manager), P van der Walt
	Investment Cars	Bryanston	26	M Bruce, T Morey (franchise manager)
	Renault	Midrand	10	C Ferreira, G Gray (franchise manager)
	Morris Garages	Bryanston, East Rand, Gezina, Hatfield, Umhlanga Rocks, West Rand	13	W Edgar, T Goddard, N Hall, S Jacobs, C Lanham-Love, S McHaffie, C Pienaar, A Potgieter, P Ras, P van der Walt

Financial and support services, and Car hire

	Franchise	Operating locations	Staff	Senior management
CMH Finance, CMH Insurance, CMH IT, CMH Carshop.co.za	CMH Fleet solutions, CMH Finance, CMH Insurance, CMH Carshop, CMH IT	All retail motor dealerships	85	G Bartel, S Cumming, JP de Bruyn, C Downs, S Eloff, K Fonseca, A Jithoo, A Julius, G Liebenberg, R Minnaar, V Naidoo, E Utermark,
First Car Rental	First Car Rental	**Airports** OR Tambo (Johannesburg), King Shaka International (Durban), Port Elizabeth, East London, George, Cape Town, Bloemfontein, Nelspruit, Kimberley, Upington, Richards Bay, Lanseria, Pietermaritzburg **Other** Durban, Cape Town central, Pomona, Randburg, Braamfontein, Richards Bay, Sandton, Pretoria, Centurion, Midrand, Polokwane, Kimberley, Upington, Stellenbosch, Boksburg, Pinetown, Bellville, Bloemfontein, Roodepoort, Port Elizabeth, Menlyn, Umhlanga Ridge, Witbank, Rondebosch, Mthatha, Southbroom, Klerksdorp	349	**Executive committee** B Barritt (managing director), U Crouse, R McKay, A Nel, M Storey, B Troeberg **Other senior management** C Ault, S Duriex, V Govender, L Hall, S Marshall, C McWilliams, C Saayman, M Voges, K Werth

GROUP OPERATIONS

Distribution and franchising, and Marine and leisure

	Franchise	Operating locations	Staff	Senior management
	Bonerts, National Workshop Equipment, CMH Green, British Motor Distributors	Bonerts: Johannesburg National Workshop Equipment: Pinetown CMH Green: Countrywide British Motor Distributors: Durban, Randburg	76	C Lanham-Love, R Margach, S McCulloch, I Pardy, A Sumares, G Thomas
	CMH Marine and Leisure, Waterworld	Randburg	48	A Hughes, F Fensham, C Lanham-Love, D Savadier

REPORT OF THE CHIEF EXECUTIVE OFFICER

"During the period under review a number of the strategies and structures implemented in 2010 and 2011 bore fruit, and the outcome was a remarkable result during an unremarkable economic period."

I am proud to report on a pleasing set of financial results, achieved during a year which was characterised by uncertain global and local economic conditions, and only moderate growth in the industry segment in which the Group competes. Last year I recorded that the Group had sown the seeds for organic growth. During the period under review a number of the strategies and structures implemented in 2010 and 2011 bore fruit, and the outcome was a remarkable result during an unremarkable economic period.

FINANCIAL OVERVIEW

Improved gross margins and a tight control over selling and administration expenses resulted in the 8,2% increase in revenue converting into a 35,3% improvement in operating profit. The operating profit margin, before impairment of goodwill, has improved from 2,6% to a pleasing 3,4%, well ahead of the industry average. Net finance charges increased by 26% off a low base, and the tax rate reduced from 27% to 24%, principally because of the abolishment of secondary tax on companies and a higher content of tax-exempt dividend income. The net result, after accounting for minority interests, was a 51,5% increase in headline earnings per share. This represents a 25,4% return on shareholders' funds, compared with a 20,8% return last year. Included in these figures is a once-off receipt of dividend income in the sum of R21,2 million, full details of which are explained in note 6.3 to the annual financial statements. This amount accrued as a result of the change in the taxation of dividends and will not be repeated in future years.

The Group has been questioned in the past for having what is described as a "lazy" balance sheet, with a too high level of cash resources. During the year under review the Group has used a portion of its cash resources to reduce the level of interest-bearing trade liabilities in the retail motor (R60 million) and car hire (R20 million) segments. It must be borne in mind that the Group has a substantial level of interest-bearing trade debt and, with increasing pressure from motor manufacturers to raise inventory levels, a conservative approach to cash management provides a shield against potential interest-rate hikes.

The Group's statement of financial position remains sound and liquid. Working capital levels have increased, as expected, in line with increased activity levels. The current ratio and asset-test ratio remain comfortable.

The enhanced earnings and continued liquidity have prompted the directors to recommend a dividend of 50 cents per share which is 39% above that declared in April 2012.

OPERATIONAL OVERVIEW

The Group continued its focus on its strong accounting, internal control, IT systems and cash management base. Product marketing and customer service levels also remain top-of-mind in a competitive industry. The Group's internal audit team has been strengthened by the addition of personnel who are conversant with the motor industry and can add operational value to their traditional compliance testing.

The strength of the Group lies in its staff and, in particular, its operational managers. Other than on-the-job experience and training the industry has no breeding ground for aspirant department managers and dealer principals. To overcome this, the Group has intensified its focus on in-house training, both at its training college in Kempton Park and through web-based programmes, with a view to development of the CMH culture and internal promotion. Two additional training managers have been appointed to co-ordinate skills development programmes. During the year, in excess of 1000 staff members, from new trainees to senior management, were exposed to product knowledge, selling skills and customer relationship training. In addition, 1600 employees were exposed to 4600 opportunities for on-the-job, web-based or classroom training. Technical development is outsourced to two professional colleges which operate in conjunction with Merseta to provide a source of competent workshop technicians, a high proportion of whom are from historically-disadvantaged backgrounds.

The Group as a whole has retained its status as a B-BBEE level 4 contributor, and the car hire division, separately audited, as a level 3 contributor. The recent introduction of a revised and more challenging scorecard means that both the Group and the car hire division will be hard-pressed to achieve the same status during the year ahead.

Retail motor

The 9% increase in national new vehicle sales belies the true state of the industry from a retailer's perspective. A high proportion of the unit sales increase stems from the highly competitive entry level segment where trading margins are low. The increase has come at the expense of the used car market. Relatively modest new car price increases over the past two years have lead to a narrowing of the gap between new and used car prices and, given the attractive warranty and service plan packages on offer, customers have migrated to the new car option.

The Group's new vehicle unit sales level matched the national increase of 9%, and used vehicle volumes rose 4%. The latter was disappointing, but compares with an estimated decline of 2% in national volumes of one- to five-year-old vehicles, the segment in which the Group competes. Overall, selling margins improved and, with a pleasing increase in the marketing of after-sale products, both departments made significantly higher profit contributions. The industry is faced with increased manufacturer pressure to raise inventory levels above what management considers optimum. The severe pressure on sales in the European markets has, in some instances, led to a reallocation of surplus inventory to local suppliers, and local retailers are being coerced into accepting higher stock levels to absorb the oversupply. The Group's Peugeot and Citroën outlets have been particularly badly affected, and a decision has been taken to close four dealerships to stem trading losses. During the year one Infiniti, one Mahindra and two additional Nissan dealerships were opened. The purchase of an existing Volvo dealership will give the Group greater penetration in the Cape Town region.

The Group's parts and service departments continued to provide a solid and dependable base, and recorded a pleasing increase in revenue and profit. Many new and used vehicles are sold with extended warranty and/or service plans. Even though work performed and parts supplied in terms of these plans is at lower than market-related rates, dealerships do benefit from longer customer-retention periods.

Internet-based and social network marketing has become increasingly popular. Public awareness of the Group's brand, "Carshop, powered by the CMH Group" has grown and now generates more than 50% of sales leads.

The cost of establishing the MG and Maxus brands has exceeded initial estimates. At present the Group imports and distributes a limited derivative range of each product. The arrival of the new range of smaller and higher-volume MG models has been delayed until August 2013 because of a decision by the manufacturer to build all new models to the latest Euro 5 standard. Whilst frustrating in the short term, it does mean that when the new models do arrive, they will be comparable with the best in the world in terms of emissions, safety and build standards. The Group has five in-house, and supplies fourteen independent retail outlets.

The recent decline in the local currency will give manufacturers little option but to effect price increases well above those of the past two years. However, reasonable price increases do have some positive benefits for the retail industry. The historic price gap between new and used vehicles will widen and provide impetus to the used car market. This will help offset the expected pressure on new unit sales. Price increases also reduce the cost of depreciating the Group's car hire and demonstration vehicle fleet, as resale values improve.

I expect that national new vehicle sales will grow 3 – 5% next year. Much will depend on the economic climate, the degree to which anticipated further hikes in rates and utility costs reduce disposable spending, and the appetite of the banks to continue growing their lending books. One ongoing positive is that, because the country has no effective public transport system, the purchase of a vehicle is, for many, a necessity rather than a luxury. Although the average finance and replacement cycle has increased from 28 to 44 months in recent years, the longer period does provide workshop and replacement parts opportunities.

Car hire

First Car Rental achieved excellent results in a very competitive market. Rental days increased by 11%, against an industry average of 6%. Vehicle write-off and damage costs were reduced following a focus on quality business rather than chasing volume, and the fleet utilisation rate improved. A key component of the profit model is the price at which retired fleet vehicles can be sold. The policy of deploying vehicles which are different to those used by competitors means that the division is able to sell the vehicles into niche markets rather than competing in a market oversupplied by retired fleets. First Car Rental's focus on customer service was recognised when, in the face of stiff competition from well-established industry players, it was awarded Gold – 1st Place in the South African Service Awards. The division's web-based booking system is world class and its popular "Show and Go" loyalty card has proved to be a valuable time-saver for customers.

Financial services

This division comprises three insurance cells, providing both long and short term customer cover, and two joint venture vehicle financing operations in partnership with major finance houses. Profit from the insurance cells declined by 22% as the result of a higher than usual claims ratio. Being a relatively small portfolio, it is sensitive to movements in claims. On the positive side, the 50% increase in premium collections reflects the growth in policies written and augurs well for the income stream over the next three to five years. Prior year losses in the joint venture finance operations have been eliminated and these operations will show significant profit in the year ahead.

Marine and leisure

Disappointing results from this division reflect the extent to which the leisure market is still suffering from the depressed economic conditions which have prevailed for the past three years. The Group has taken a decision to focus on the wholesale side of the business and to offload its two retail outlets. To this end the Cape Town branch was sold during December 2012, and negotiations are in progress to sell the Randburg outlet. This move will reduce the division's cost base and working capital investment.

Environmental issues

CMH Green, the Group's waterless car wash system has proved to be a great success, both in terms of its water-saving nature and its creation of more than 200 opportunities for self employed entrepreneurs. The system is used at all Group outlets, and each month an increasing number of units is deployed at independent locations. At year end the Group had 205 of these systems on hire, up from 107 last year. Electricity-saving devices have been installed at all large dealerships, and savings in the order of 10 to 40% recorded.

PROSPECTS

Forecasts of expectations for the year ahead produce mixed signals. Consumers are experiencing a good deal more stress exacerbated by lower-than-inflation salary increase expectations and exorbitant increases in the cost of basic utilities, food and petrol. Recent instances of illegal and violent strikes have reduced business confidence for both local and offshore investors. The motor industry wage negotiations begin in June and, if not quickly resolved, may result in supply disruptions. In Gauteng, the ill-conceived toll road system will be both a financial burden for motorists and an administrative challenge for the car hire division and local dealerships. The car hire division will need to recoup toll fees from hirers but will not have timeous access to information from SANRAL.

On the positive side, the consensus opinion is that national new vehicle sales will increase 3 – 5% off a relatively high base. Whilst the weakening of the rand will feed through to vehicle price inflation, it is expected that an increased gap between new and used car prices will give a much needed boost to the used car market.

Positioned, as it is, in the retail market, the Group has a low investment in long term assets. The challenge of management is to react quickly to changes in the economic environment and to deploy working capital assets to best advantage. Only when there is a significant downturn, such as that experienced during 2009, does the Group's fixed overhead structure, principally long term property leases, start to have a detrimental effect.

I believe that the year ahead will be one of slow economic recovery. However, the Group is in a strong position to continue its recent earnings trend and achieve its growth budgets.

ACKNOWLEDGEMENT

The Group's trading partners, and particularly the motor manufacturers and finance houses, have played an important role in the achievement of its financial goals, and I record my appreciation of their contribution.

The executive committee and dealer principals provide the leadership and passion which drives the Group's success. I thank them and their staff for their efforts in producing results of which we can all be proud.

Finally, the non-executive directors provide guidance on strategic planning issues, are the ultimate gatekeepers on matters of corporate governance, and assist the executives to ensure that the Group is run ethically on fair business principles. Their input is valuable and appreciated.

JD McIntosh
Chief Executive Officer

19 April 2013











KEY	
√	Compliant
#	Partially compliant
?	Under review
ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP (page 20)	
√	Effective leadership based on an ethical foundation
√	Responsible corporate citizen
√	Effective management of Group's ethics
BOARDS AND DIRECTORS (page 20)	
√	The Board is the focal point for and custodian of corporate governance
√	Strategy, risk, performance and sustainability are inseparable
√	Directors act in the best interests of the Group
#	The chairman of the Board is an independent non-executive director (note 1)
√	Framework for the delegation of authority has been established
√	The Board comprises a balance of power, with a majority of non-executive directors who are independent
√	Directors are appointed through a formal process
?	Formal induction and ongoing training of directors is conducted (note 2)
√	The Board is assisted by a competent, suitably qualified and experienced company secretary
#	Regular performance evaluations of the Board, its committees and the individual directors (note 3)
√	Appointment of well-structured committees and oversight of key functions
√	An agreed governance framework between the Group and its subsidiary Board is in place
√	Directors and executives are fairly and responsibly remunerated
#	Remuneration of directors and senior executives is disclosed (note 4)
√	The Group's remuneration policy is approved by its shareholders
AUDIT COMMITTEE (page 25)	
√	Effective and independent
√	Suitably skilled and experienced independent non-executive directors
√	Chaired by an independent non-executive director
√	Oversees integrated reporting
√	A combined assurance model is applied to improve efficiency in assurance activities
√	Satisfies itself of the expertise, resources and experience of the Group's finance function
√	Oversees internal audit
√	Integral to the risk management process
√	Oversees the external audit process
√	Reports to the Board and shareholders on how it has discharged its duties
THE GOVERNANCE OF RISK (page 27)	
√	The Board is responsible for the governance of risk and setting levels of risk tolerance
√	The risk committee assists the Board in carrying out its risk responsibilities
√	The Board delegates the risk management plan to management
√	The Board ensures that risk assessments and monitoring are performed on a continual basis
√	Frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks
√	Management implements appropriate risk responses
√	The Board receives assurance of the effectiveness of the risk management process
√	Sufficient risk disclosure to stakeholders

THE GOVERNANCE OF INFORMATION TECHNOLOGY (page 28)	
√	The Board is responsible for information technology (IT) governance
√	IT is aligned with the performance and sustainability objectives of the Group
√	Management is responsible for the implementation of an IT governance framework
√	The Board monitors and evaluates significant IT investments and expenditure
√	IT is an integral part of the Group's risk management
√	IT assets are managed effectively
√	The audit and risk committee assists the Board in carrying out its IT responsibilities
COMPLIANCE WITH LAWS, CODES, RULES AND STANDARDS (page 28)	
√	The Board ensures that the Group complies with relevant laws
√	The Board has a working understanding of the relevance and implications of non-compliance
√	Compliance risk forms an integral part of the Group's risk management process
√	The Board has delegated to management the implementation of an effective framework and processes
INTERNAL AUDIT (page 29)	
√	Effective risk-based internal audit
#	Written assessment of the effectiveness of the Group's system of internal controls and risk management (note 5)
√	Internal audit is strategically positioned to achieve its objectives
GOVERNING STAKEHOLDER RELATIONSHIPS (page 29)	
√	Appreciation that stakeholders' perceptions affect the Group's reputation
√	Management proactively deals with stakeholder relationships
√	There is an appropriate balance amongst the Group's various stakeholder groupings
√	Equitable treatment of stakeholders
√	Transparent and effective communication to stakeholders
√	Disputes are resolved effectively and timeously
INTEGRATED REPORTING AND DISCLOSURE (page 30)	
√	Ensures the integrity of the Group's integrated report
√	Sustainability reporting and disclosure is integrated with the Group's financial reporting
#	Sustainability reporting and disclosure is independently assured (note 6)

NOTES

1. The chairman of the Board is not an independent non-executive director because of his indirect shareholding in CMH. A lead independent director has been appointed.
2. Induction of directors is not conducted through formal processes. This has not been necessary to date as new appointees have been familiar with the Group's operations, business environment and sustainability issues. Consideration will be given to an induction programme for future appointees.
3. Other than in respect of the audit committee, the Board does not conduct regular appraisals of its members and committees. Consideration will be given to this in future.
4. The remuneration of the three most highly-paid employees who are not directors has not been disclosed. The Board believes that such information is private to the individuals concerned, sensitive to peer review, and adds no value to stakeholders. The Board confirms that no such employee earns in excess of the executive directors.
5. The internal audit function is not subjected to an independent quality review as the Board does not believe this will add value.
6. Systems for the measurement and monitoring of various sustainability issues are in the process of being implemented. Sustainability reporting is not independently assured as the Board does not believe this will add value.

BACKGROUND

The King Code of Governance for South Africa 2009 ("King III") became effective on 1 March 2010. In terms of the JSE Limited Listings Requirements, the Group is required to report in line with the principles of King III.

The Board of directors ("the Board") of Combined Motor Holdings Limited ("CMH") is fully committed to business integrity, fairness, transparency and accountability in all its activities. To this end the Board subscribes to high standards of corporate governance in all aspects of the business and to the ongoing development and implementation of best business practices.

King III has adopted the "apply or explain" approach, which encourages consideration of how and whether the principles and recommendations can be applied. It is the duty of the Board to act in the best interests of CMH and its subsidiaries ("the Group") and, in following the "apply or explain" approach, the Board may decide that to follow a particular principle would not be in such best interests. The Group may apply an alternative practice, or decide that the principle adds no value due to the nature, size and scope of its operations, and still achieve the objective of the overreaching corporate governance principles. Where the cost of compliance is burdensome in terms of both time and direct cost, and there is a concern that the Board and management become focused on compliance issues at the expense of entrepreneurship, the Board has strived to achieve a balance which is appropriate to the Group. It is the duty of the Board to undertake risk for reward in order to increase the economic value of the Group. If the Board has an undue focus on compliance, the attention towards financial performance may be diluted.

The Board recognises that the ultimate compliance officers are the various stakeholders of the Group. They will, by their continued support or lack thereof, let the Board know whether they accept the Group's departure from a recommended practice. The Group aims to provide accurate, complete and reliable information in respect of financial and non-financial reporting through the strengthening of its overall control environment.

ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP

The Board recognises that good corporate governance emanates from effective, responsible leadership, which is characterised by the ethical values of responsibility, accountability, fairness and transparency.

To this end the Board has:

- accepted responsibility for ensuring that management activity cultivates a culture of ethical conduct and that the highest level of integrity permeates all aspects of the Group's business; and
- developed a Code of Ethics to provide guidance to all employees to ensure they act with uncompromising honesty and integrity. The Code is communicated to each employee at time of engagement, is reinforced at meetings of the Executive Committee ("Exco"), dealer principals and staff, and is posted on the Group's internal website. The Code aims to guide every level of the business in terms of expected behaviour and practices with reference to interaction with all material stakeholders. The Group's performance in this area is monitored by reference to the number of instances of unethical behaviour detected by management and the internal audit department, or reported via the outsourced, anonymous, toll-free hotline.

BOARDS AND DIRECTORS

Role

The role and responsibilities of the Board are set out in a charter which has been adopted and signed by each director. The Board recognises that its paramount responsibility is the positive performance of the Group in creating value. This value creation is designed to satisfy the legitimate interests and expectations of all stakeholders.

Function

King III imposes various specific responsibilities on the Board. The directors embrace these and acknowledge that the Board has primary responsibility for ensuring that:

- **Group strategy, risk, performance and sustainability are inseparable;**

  The Board plays a prominent role in the strategy development process and ensures that it is aligned with the purpose of the Group and its value drivers. Key performance indicators are identified in areas of finance and sustainability. Such indicators are clear and measurable and, if attained, result in profitable and sustainable results.

- **it provides effective leadership based on an ethical foundation of responsibility, accountability, fairness and transparency;**

  The Board takes active measures to ensure that the Group's code of conduct is adhered to in all aspects of business.

- **the Group is and is seen to be a responsible corporate citizen;**

  The Board is not merely responsible for the Group's financial bottom line, but for its performance within the triple context in which it operates: economic, social and environmental.

- **the Group has an effective and independent audit and risk committee;**

  Full details of the audit and risk committee are provided on page 25.

- **the Board has an effective system for the governance of risk;**

  Whilst management has responsibility for the implementation of the risk management plan and for providing assurance to the Board in this regard, the Board ensures, through the audit committee, that risk monitoring is a continual process and that risk assessments are performed on an ongoing basis with appropriate risk responses.

  In addition, the Board ensures that the frameworks are such that they increase the probability of anticipating unpredictable risks, and that appropriate risk disclosure is made to stakeholders.

- **the Board understands and manages the risks, benefits and constraints of the information technology ("IT") department. These include the relevant structures, processes and mechanisms to enable IT to facilitate the achievement of the Group's strategic objectives;**

  Full details on IT governance are provided on page 28.

- **the Group complies with applicable laws and considers adherence to non-binding rules, codes and standards;**

- **there is an effective risk-based internal audit function and an adequate system of internal controls;**

- **there is an appreciation that stakeholders' perceptions affect the Group's reputation;**

  Whilst Exco is tasked with managing stakeholder relationships, the Board gives due consideration to the effect of stakeholder perceptions on the Group's reputation and strives to optimise the impact on various stakeholder groupings in its decision-making processes.

- **the Board underpins the integrity of the Group's integrated report; and**

- **the Board and its members act in the best interests of the Group.**

Leadership

The position of chairman is held by a non-executive director, M Zimmerman, whose role is clearly defined and separate from that of the chief executive officer ("CEO"), JD McIntosh. M Zimmerman is not an independent director as he indirectly holds a substantial proportion of the issued shares of CMH. For this reason the Board has appointed JTM Edwards as lead independent non-executive director to serve as chairman on occasions when the independence of the chairman may be questioned or impaired.

Both the chairman and CEO provide leadership and guidance to the Board, encouraging deliberation on all matters requiring the Board's attention, and obtaining optimum input from the other directors.

Composition

In line with the requirements of King III, the Board comprises a majority of non-executive directors, the majority of whom are independent. The current Board structure consists of nine directors, five of whom are independent non-executive, one non-executive, and three executive. The executive directors are all full-time salaried employees of the Group.

Three sub-committees, viz. audit and risk assessment, remuneration, and social, ethics and transformation, have been appointed to assist the Board in the discharge of its duties. The Board and its committees are currently constituted as follows:

MAIN BOARD

Independent non-executive directors
LCZ Cele
JS Dixon
JTM Edwards
VP Khanyile
D Molefe

Non-executive director
M Zimmerman (chairman)

Executive directors
JD McIntosh (chief executive officer)
SK Jackson (financial)
MPD Conway

Alternate director
JW Alderslade (alternate to VP Khanyile and D Molefe)

Audit and risk assessment committee

JS Dixon (chairman)
LCZ Cele
JTM Edwards

Remuneration committee

JTM Edwards (chairman)
M Zimmerman

Social, ethics and transformation committee

VP Khanyile (chairman)
BWJ Barritt
LCZ Cele
MPD Conway
K Fonseca
JD McIntosh

Other directors attend various committee meetings on an ad hoc basis, by invitation of the committee chairman.

Directors

The non-executive directors come from diverse backgrounds in commerce and industry. They bring with them a wide range of experience, insight and independent judgement on issues of strategy, performance, resources, marketing and standards of conduct. Collectively they are ultimately responsible for the performance of the Group, its long term sustainable growth and enhancement of shareholder value.

The Board is responsible for the appointment of the CEO and for providing input on the appointment of the financial director and other senior executives. The collective responsibilities of management vest in the CEO who bears ultimate responsibility for all management functions and duties.

All directors have unrestricted access to the chairman, CEO, financial director and company secretary. Directors are encouraged, at the reasonable cost of the Group, to seek independent, professional advice on all matters which they consider necessary. Meetings of the Board and its sub-committees are held at varying intervals during the year. The chairman and CEO encourage full and proper deliberation on all matters requiring the Board's attention and obtain optimum participation and input from all directors.

Attendance at meetings during the year under review, is tabled on page 23.

Director appointment and tenure

Newly-appointed directors hold office until the next annual general meeting, at which time they retire and become eligible for re-election. After three years each of the directors is subject to retirement by rotation. The Board recommends re-election by the shareholders after due consideration is given to the individual director's past attendance and performance.

Where the Board believes that it will benefit from the appointment of a new director with skills and expertise that will complement those of existing members, an ad hoc nominations committee will be formed. The committee will consider proposals and input from all directors before making a recommendation for approval by the Board.

Non-executive directors have no fixed term of employment. There is no formal process in terms of which new directors are inducted with the objective of maximising their understanding of the Group and enabling immediate input and decision-making. This has not been necessary as appointees to date have been familiar with Group operations. Consideration will be given to introducing an induction programme for future appointees.

There are no long term contracts of service between the Group and any of the executive directors, and all are terminable after one month's written notice.

Independence assessment

Independent directors are those who are independent in fact and in the perception of a reasonably informed outsider. Independence reduces the possibility of conflict of interest and promotes objectivity. An evaluation of the independence of directors is conducted each year.

Five of the non-executive directors meet the independence criteria. By virtue of his personal indirect interest in CMH, M Zimmerman is not considered independent. Despite being nominees of Thebe Investment Corporation ("TIC"), the Group's empowerment partner, VP Khanyile and D Molefe do meet the independence criteria in terms of King III. TIC does not have the ability to control or significantly influence the Board, the directors' personal interest in the Group is less than 5% of issued shares, and is not material to their respective personal wealth.

Of the independent non-executive directors, JTM Edwards is approaching his eleventh year in office, having been appointed in 2002. The Board has rigorously examined his position and, after due consideration and discussion with him, concluded that his long association with the Group has not impaired his independence.

Board charter

The Board is governed by a formal charter supported by relevant authority limits. The charter has been reviewed and amended where necessary to align with the King III requirements, and is updated periodically to incorporate developing best practice.

Board meetings

The Board has three scheduled meetings each year, and these are augmented when necessary with meetings held at short notice. Proceedings at meetings are directed by a formal agenda. The proposed agenda is circulated prior to the meeting to allow Board members sufficient opportunity to request additional agenda items.

In addition, a comprehensive board pack is distributed to all directors in advance of meetings to ensure that they are properly informed and enable them to undertake meaningful discussion and effectively discharge their duties. These packs typically include:

- agenda;
- previous meeting minutes;
- documentation in support of all matters on the agenda;
- update on matters arising since the last Board meeting; and
- governance update to assist directors in remaining abreast of relevant legislation.

Performance assessment

Contrary to the requirements of King III, and with the exception of the audit and risk assessment committee, the Group does not conduct a formal annual appraisal of the Board, its committees and individual directors. Such appraisals are informally conducted through peer review and candid discussion amongst Board members. Where deficiencies are identified, plans are immediately developed and implemented for the director concerned to acquire the necessary skills and/or to develop appropriate behavioural patterns.

Subsidiary boards of directors

When deliberating on matters pertaining to CMH, the Board is always mindful of the impact that decisions may have on subsidiaries. The Board recognises the fiduciary duties of the directors of subsidiaries who are not directors of CMH.

Directors' share dealings

The Board complies with the JSE Limited Listings Requirements in relation to restrictions on the trading of CMH's shares by directors and Exco members during the defined closed periods. Restrictions may also be placed on share dealings at other times if the Group is involved in corporate activity or sensitive negotiations. The company secretary notifies all directors and Exco members prior to the commencement of the closed trading periods, which commence 15 days before the half-year and year-end, and end on the date the respective results are published. Details of directors' share dealings are disclosed to the listings division of the JSE Limited and communicated through its electronic news service, SENS. There is a process in place in terms of the JSE Limited Listings Requirements for directors to obtain prior clearance before dealing in the Company's shares. All transactions are conducted at the ruling market price on the JSE Limited.

Directors' interests in contracts

In addition to a formal annual disclosure process, directors are required to make ongoing disclosures of any interests in contracts. The interests of directors in contracts is disclosed in note 28 to the attached financial statements.

Executive directors are not permitted to hold non-executive directorships in any outside companies, except personal interest companies and non-profit companies.

Directors' shareholdings are recorded on page 74.

Succession

The Board holds the responsibility to ensure adequate succession planning for all main Board directors, committees and members of Exco. It is appreciated that advanced planning is the key to succession, and due consideration is given to this on an ongoing basis.

COMPANY SECRETARY

The company secretary is appointed by the Board in compliance with the Companies Act and the JSE Limited Listings Requirements. The appointee is not a director of the Company, but provides the Board with guidance on discharging its responsibilities, and advice on matters of ethics and corporate governance. All dealings between the Board and the company secretary are on an arm's-length basis.

K Fonseca CA(SA) was appointed company secretary on 27 May 2010. She is a qualified chartered accountant with 13 years' post-graduate experience, of which seven years have been with the Group. The Board considers her to be suitably qualified and experienced.

In considering her level of competence the Board has reviewed the:

- timing and frequency of meetings of the Board and its various sub-committees;
- timing and content of agendas and supplementary information provided for each meeting;
- timeous distribution and accurate content of minutes of meetings;
- dissemination of financial, share trading and other information to the JSE Limited for release on SENS;
- update of statutory information in the Company's records and submission to the Companies and Intellectual Property Commission; and
- quality and frequency of interaction with Board and executive committee members.

Attendance at meetings during the year under review

Director	Full Board	Audit and risk committee	Remuneration committee	Social, ethics and transformation committee	Executive committee
LCZ Cele	3/3	2/2		2/2	
MPD Conway	3/3			2/2	5/5
JS Dixon	3/3	2/2			
JTM Edwards	3/3	2/2	2/2		
SK Jackson	3/3	2/2*	2/2*		5/5
VP Khanyile	3/3			2/2	
JD McIntosh	3/3	2/2*	2/2*	2/2	5/5
D Molefe	1/3				
M Zimmerman	3/3		1/2		
JW Alderslade**	2/3*	2/2*			

* *By invitation*

** *Alternate to VP Khanyile and D Molefe*

The Board has concluded that she has executed her responsibilities with the required level of competency. The Certification by the Company Secretary is recorded on page 36.

MAIN BOARD COMMITTEES

The main Board has delegated specific responsibilities to Board committees, each with its own charter that defines its powers and duties. The committees review their charters on an annual basis. All committees are chaired by an independent non-executive director.

The Board committees meet independently and provide feedback to the main Board through their chairpersons. In addition, the minutes of all committee meetings are included in the main board packs and all directors are given the opportunity to raise any questions or concerns arising from these minutes.

The composition of these committees as well as changes thereto during the current year are reflected earlier in this report.

Remuneration committee

Members:

- JTM Edwards *(independent non-executive)* – chairman
- M Zimmerman *(non-executive)*

Attendance at meetings is recorded on page 23. The committee is charged with the responsibility of ensuring that the Group has a transparent procedure for developing policies on executive remuneration and determining remuneration packages of individual directors and senior executives within agreed terms of reference and within the framework of good corporate governance. Such packages are designed to ensure that executives are fairly and appropriately remunerated for their contribution to the operating and financial performance of the Group, and the value created over the long term. The committee aims to promote a culture that supports enterprise and innovation with an appropriate mix of short-term and long-term performance-related rewards that are fair and challenging.

Remuneration report

The Group's remuneration report, as recorded below, will be tabled at the annual general meeting for a non-binding advisory vote. This vote will enable shareholders to express their views on the Group's remuneration policies adopted, and on their implementation.

Elements of executive remuneration

The remuneration of executive directors and Exco members comprises the following four principal elements:

- base salary;
- annual performance-related awards;
- share incentive awards; and
- other benefits.

The committee seeks to ensure an appropriate balance between the fixed and performance-related elements of remuneration, and between those aspects of the package aligned to short term financial performance and those linked to longer term shareholder value creation. The policy relating to each component of remuneration is summarised below:

Base salary

The base salary of each executive is subject to annual review and is set to be responsible and competitive with reference to external market practice in similar companies which are comparable in terms of size, market sector and business complexity. Group performance, individual performance and changes in responsibilities are also taken into account when determining annual base salaries.

Annual performance-related awards

All executives are eligible to receive a performance-related annual award. The award is partly contractual and partly non-contractual, and is not pensionable. The committee reviews awards annually and determines the level of the award based on performance criteria set at the start of the performance period. In respect of executive directors, the criteria are based on overall Group performance in terms of earnings growth, return on shareholders' funds, attainment of Black Economic Empowerment targets and cash flow generation. At Exco level the criteria are closely aligned to those areas which each member has the ability to affect and control. These include divisional operating profit, working capital management and performance against manufacturer targets, and take into account the overall level of accountability assigned to each Exco member.

Share incentive schemes

Three long term incentive plans have been approved by shareholders. Participation in the schemes by executives is based on criteria set by the committee. The schemes embody the following elements:

Share Appreciation Rights ("SAR") Scheme

Selected participants receive periodic grants of SARs, which are conditional rights to receive CMH shares equal in value to the difference between the exercise price and the grant price. Vesting of rights is subject to performance conditions. The performance conditions and performance period are determined by the committee in respect of each new grant of rights.

The targets and measuring terms relating to each issue are detailed in the letter of grant. After vesting, the rights will become exercisable. Upon exercise by a participant, the relevant employer subsidiary will settle the value representing the difference between the exercise price and the grant price by delivering CMH shares that will constitute a fresh issue or be purchased on the open market or, as a fall-back provision only, by settling the value in cash.

Details of SARs granted to employees to date are reflected in note 13 to the annual financial statements. On 1 June 2012, 950 000 SARs were awarded, bringing the total number awarded to date to 4 500 000. These may be exercised in equal instalments over three, four and five years of service.

Forfeitable Share Plan ("FSP")

A FSP entails the free award of CMH shares subject to forfeiture and disposal restrictions until the expiry of the vesting period, intended to be over three to five years. Participants will have all shareholder rights (including voting and dividend rights) from the award date.

No FSP awards have been made.

Share Option Scheme

During October 2004 the Group granted twelve employees the option to acquire a total of 4 350 000 shares at R5,12 per share. All the options were exercised immediately and have now vested, but 2 510 000 (2012: 3 116 000) shares have not yet been taken up. No further grants will be made in terms of the scheme.

Retirement and medical aid

Executives participate in contributory retirement schemes, which provide retirement, death and disability benefits, and medical aid schemes.

Other benefits

Executives are entitled to a car allowance or the use of a fully-expensed vehicle, and reimbursement of reasonable business expenses.

Non-executive directors' fees

Directors' fees take into account the estimated time which a director is expected to dedicate to Group affairs, and the personal responsibility which the position entails. Fees are proposed by the remuneration committee in conjunction with the executive directors, and recommended by the Board for approval by shareholders.

Directors' emoluments

Directors' emoluments and participation in long-term incentive plans are recorded on pages 73 and 74.

Contrary to the requirements of King III, the emoluments of the three most highly-paid employees who are not directors of CMH have not been disclosed. The Board believes that this information is confidential to the employees concerned and adds no value to stakeholders. However, it confirms that no employee earned in excess of the executive directors.

Audit and risk assessment committee

Members:

- JS Dixon *(independent non-executive)* – chairman
- LCZ Cele *(independent non-executive)*
- JTM Edwards *(independent non-executive)*

The committee is vital to ensure, inter alia, the integrity of integrated reporting and internal controls, and identify and manage business risks. The members of the committee are elected annually at the annual general meeting from a list of suitable candidates presented by the Board. The committee performs its functions in terms of a written charter approved by the Board.

The committee meets formally twice a year. Attendance details are recorded on page 23. In addition, the members meet at least twice annually with the external and internal auditors, without management's presence. In its deliberations the committee acts on behalf of CMH and each of its subsidiaries.

The qualifications of the committee members are disclosed on the inside back cover. The Board is satisfied that collectively the committee members have a sound knowledge and understanding of integrated reporting, internal financial controls, the external and internal audit process, corporate law, risk management and IT governance, and sustainability issues. Subject to approval by shareholders, the Board nominates the committee and its chairman, who is a person able to lead constructive dialogue with Group executives, the internal and external auditors, and Board members. The chairman is present at the annual general meeting to answer questions on the audit committee's activities and matters within the scope of its responsibilities.

The Companies Act, 2008 has transformed the audit committee from being a committee of the Board to a separate statutory committee appointed by shareholders. As such, it has specific statutory responsibilities over and above those assigned by the Board.

The role and functions of the committee, and the manner in which it has discharged its responsibilities are as follows:

Oversee integrated reporting

- evaluate significant judgements and reporting decisions made by management, including changes in accounting policies and decisions requiring a significant element of judgement;
- be informed of any monitoring or enforcement actions and involved in management's response thereto;
- consider any evidence that comes to its attention that brings into question any previously-published Group information;
- review forward-looking statements of financial or sustainable information to ensure their credibility;
- review and comment on the annual and interim financial statements, accounting practices and internal financial controls; and
- review management's statement regarding the going concern status of the Group.

The committee has discharged this function by:

- taking appropriate steps to ensure that the financial statements are prepared in accordance with International Financial Reporting Standards, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee, the Financial Pronouncements, as issued by the Financial Reporting Standards Council, and the Companies Act, 2008;
- considering and, when appropriate, making recommendations on internal financial control;
- dealing with concerns or complaints relating to accounting policies, internal audit and internal financial controls; and
- recommending to the Board that the financial statements and integrated report be approved, and that the Group's status as a going concern be confirmed.

Ensure that a combined assurance model is applied to promote a co-ordinated approach to assurance activities

The committee has satisfied itself that the combined assurance provided by internal and external assurance providers and management is sufficient to address significant risk areas within the Group and to ensure that suitable controls exist to mitigate and reduce these risks.

Satisfy itself of the expertise, resources and experience of the Group's finance function

The committee has evaluated and satisfied itself of the suitability of the expertise and experience of the financial director, SK Jackson, and the adequacy of resources and expertise of the finance department and its senior management.

Accept responsibility for overseeing of internal audit

The committee has satisfied itself that the Group's internal audit function is independent and has the necessary resources, budget, standing and authority within the Group to enable it to discharge its functions. The internal audit plan has been considered and approved, and areas of overlap between internal and external audit identified so as to optimise the combined assurance model.

Accept responsibility for the Group's risk management function

Full details of the committee's role and function in this area are provided on pages 27 and 28.

Oversee the appointment of the external auditor and the external audit process

- recommend to shareholders the appointment, reappointment and removal of the external auditor;
- approve the external auditor's terms of engagement and remuneration;
- review, monitor and report on the external auditor's independence and objectivity;
- define, for Board approval, a policy addressing the nature, extent and terms under which the external auditor may perform non-audit services; and
- develop a process in terms of which the committee receives, and communicates to the Board, any notices of reportable irregularities reported by the external auditor.

The committee reviewed and approved the external audit plan and the external auditor's terms of engagement and remuneration. It is satisfied, after due consideration, that the external auditor is independent of the Group, and able to express an objective opinion. The re-appointment of PricewaterhouseCoopers, and appointment of the lead partner, SF Randelhoff, were reviewed and recommended for approval by shareholders at the forthcoming annual general meeting.

Social, ethics and transformation committee

Members:

- VP Khanyile *(independent non-executive)* – chairman
- BWJ Barritt *(executive committee member)*
- LCZ Cele *(independent non-executive)*
- MPD Conway *(executive)*
- K Fonseca *(executive committee member)*
- JD McIntosh *(chief executive officer)*

Previously this committee dealt only with issues relating to skills development, employment equity and transformation. The newly constituted committee held its first meeting in May 2012 and a second in October 2012. Attendance at meetings is reflected on page 23.

A charter was adopted with terms of reference that ensure that the Group performs its duties in terms of the Companies Act, 2008 and King III.

In compliance with these regulations, the committee has endeavoured to monitor the Group's activities and level of compliance with relevant legislation and codes of best practice with regards to those issues recorded in Regulation 43(5) of the Companies Act Regulations, 2011.

The committee is satisfied with the Group's progress during the year, and its plans for the year ahead. There were no matters of a material nature which the committee deemed necessary to bring to the attention of the Board.

A formal report to shareholders by the chairman of the committee is set out on page 36.

Executive committee

Assisting the CEO in the discharge of his overall responsibility for the day-to-day management of the Group is the Exco. Exco is comprised of the executive directors, JD McIntosh (CEO), SK Jackson (finance director) and MPD Conway, and the members listed on page 27.

The Exco members represent the key management of the Group. Their wide range of complementary skills, together with their years of experience in their particular fields of expertise, justify their selection to Exco. None of the members of Exco (other than the executive directors) has the individual authority to exercise executive control over and management of the whole, or a significant portion, of the business and activities of the Company or the Group. Consequently the Board considers that they do not meet the Companies Act definition of "prescribed officers" and their remuneration is not individually recorded in this report. The Board confirms that no Exco member earns in excess of the executive directors.

THE GOVERNANCE OF RISK

The Board recognises the critical role of risk management in the Group and accepts responsibility for the governance of risk through formal processes which include the total system and process of risk management. The Group operates within an effective risk management framework in the normal course of its business. All material risks are identified, managed and mitigated to within acceptable levels, to enable sustainable growth of the Group.

The Board has assigned oversight of the Group's risk management function to the audit and risk assessment committee. The committee gives due consideration to the effectiveness of the risk management activities, the key risks facing the Group, and the responses identified to address them.

Group management is responsible for designing, implementing and monitoring the risk management plan, and integrating it into the day-to-day activities. Whilst formal accountability to the Board lies with the CEO, it is appreciated that risk management requires an all-inclusive approach for effective operation. A systematic, documented, formal risk assessment is conducted annually. Potential risks are categorised firstly by "likelihood of occurrence" in the short and medium-term future, and then by "level of impact". Where possible, risks are quantified and tolerance levels set.

Risk review

The primary risks identified by the Group, and management's strategies to reduce the impact thereof are as follows:

Financial risks

- full details of the Group's exposure to a variety of financial risks is disclosed on page 51.

Low economic growth

- rapid reduction of working capital assets
- close monitoring of accounts receivable levels and quality
- review of operation overheads and efficiencies
- maximise efforts to retain existing customers and attract new customers by the provision of good service and follow up

Information technology

- appropriate disaster recovery and business continuity plans
- decentralisation of systems
- implementation of access controls and segregation of duties
- emphasis on IT security

Management succession

- identification of individuals within the Group for training and leadership focus
- mentoring members of Exco to be the Group's leaders of tomorrow
- extensive training programmes for lower management levels and technical staff

Key suppliers

- diversification of product range to reduce dependency on a single supplier
- development of good working relationships with principal suppliers

Business continuity

- diversification of business across many geographically-dispersed operating units
- wide range of key suppliers
- wide range of product offerings

Crime

- continual review of branch security
- strong internal financial controls
- established anti-hijacking measures
- anonymous, toll-free whistle-blowing facility for reporting of irregular activities
- gap analysis, being regular monitoring of actual profitability and working capital levels against budget

Exco member	Function	Age	Years of service
SL Atkinson	Motor retail	52	18
BWJ Barritt	Car hire	54	13
JP de Bruyn	Customer finance and insurance	58	32
K Fonseca	Company secretary, chief audit executive	37	7
GP Gray	Motor retail	54	21
RJ Minnaar	Information technology	49	23
TH Morey	Motor retail	45	17
CG Webber	Motor retail	44	13

Legal compliance

- ongoing review of applicable legislation
- centralisation of selected specialist areas, eg. taxation and contracts, where compliance risk is high
- management awareness seminars on legislation amendments
- liaison with industry bodies on compliance issues

Insurance

The Group has in effect a comprehensive insurance policy administered by a reputable broker and underwritten by financially sound insurers. The principal areas of cover include:

- tangible assets – fire and allied perils;
- business interruption;
- public and employers' liability;
- directors' and officers' liability;
- fidelity;
- business travel;
- motor fleet (subject to limits recorded below); and
- riot, strike and civil commotion.

In all instances, cover is subject to an excess which must be borne by the Group, and which is within the Group's tolerance limits.

Because of the perceived high cost: benefit assessment, the Group has no insurance cover in respect of "on-road" motor vehicle losses such as accident damage and theft. The low aggregation risk and the predictability of these losses mitigates against insurance, but full provision for potential losses is provided internally.

To-date, no material unexpected losses have occurred in respect of these uninsured risks.

THE GOVERNANCE OF INFORMATION TECHNOLOGY

Information technology ("IT") is essential to manage the transactions, information and knowledge necessary to initiate and sustain the Group. It is an integral part of the business and fundamental to its support, sustainability and growth. The Board is responsible for IT governance, being the framework that supports effective and efficient management of IT resources to facilitate the achievement of the Group's strategic objectives. The IT strategy is integrated with the Group's strategic and business processes.

Management is responsible for the implementation of the structures, processes and mechanisms to execute the governance framework. This is performed with a view to minimise IT risk, deliver value, ensure business continuity and efficiently and cost-effectively manage IT resources.

The individual responsible for the IT department is appointed by the CEO. He is suitably qualified and experienced and, being a member of Exco, interacts regularly on IT matters with both the Board and executive management.

The Group has a relatively low level of investment in IT hardware, the majority of it related to desktop equipment and communications devices. All software programmes and the hosting thereof are outsourced and used in terms of software licence and operating agreements. The principal programmes utilised by the Group are in respect of:

- retail motor dealer management;
- car hire management;
- payroll;
- emails, SMSs and web-hosting; and
- various marketing initiatives.

Programme updates, amendments and protection are controlled by the outsourced providers. Adequate measures are in place to govern information security management and privacy. A comprehensive disaster recovery programme has been documented.

The audit and risk assessment committee ensures that IT risks are adequately addressed through its risk management, monitoring and assurance processes.

Terms and conditions of use have been formulated and communicated to all users in respect of the Group's website, electronic communications and email messaging.

COMPLIANCE WITH LAWS, RULES, CODES AND STANDARDS

The Board is responsible for the Group's compliance with applicable laws and with any non-binding rules, codes and standards with which the Group has elected to comply. The responsibilities include:

- identifying and advising the Group on existing and new legislation that is applicable to the Group's business;
- facilitating compliance with relevant legislation and assigning responsibility for areas of compliance;
- facilitating compliance with internal policies, rules, guidelines and procedures; and
- monitoring of compliance.

The internal audit department works closely with the Board in monitoring compliance. Where significant deviations are detected, immediate remedial action is taken. The Board is not aware of any material areas of non-compliance during the year under review.

INTERNAL AUDIT

It is the responsibility of the Board to establish and maintain an effective risk-based internal audit function. The key responsibility of internal audit is to perform the following functions:

- evaluate the Group's governance processes, including ethics;
- ensure that the Group's financial processes are designed to minimise the possibility of material misstatement of reported results;
- perform an objective assessment of the effectiveness of risk management and the overall internal control framework;
- analyse business processes and associated controls; and
- provide information regarding instances of fraud, corruption, unethical behaviour and irregularities.

As such the audit process needs to be dynamic and flexible to adapt to ever-changing business operational and assurance needs.

A formal internal audit charter has been defined and approved by the Board.

The Group's internal audit team pursues a risk-based approach rather than a compliance approach. The risk-based approach assesses whether the process intended to serve as a control is an appropriate risk measure, rather than merely evaluating whether procedures have been adhered to.

The internal audit function is independent of management, and the chief audit executive ("CAE") is appointed by and reports directly to the chairman of the audit committee.

Through this committee, internal audit provides assurance to the Board regarding the effectiveness of the Group's systems of internal control and risk management. This assurance covers financial, operational and compliance issues. The CAE attends all audit committee meetings and provides the committee with a written assessment of the effectiveness of the Group's systems of internal control and risk management. The audit committee evaluates the performance of the internal audit function. However, this function is not subjected to an independent quality review. The Board considers that such review will not add value.

The CAE is a member of Exco and has a standing invitation to attend, as an invitee, any other committee meetings. The audit committee is of the opinion that the CAE and the internal audit team have the appropriate competencies and resources to fulfil their obligations.

GOVERNING STAKEHOLDER RELATIONSHIPS

The Board recognises the important role it has to play as the ultimate custodian of the corporate reputation of the Group and its relationships with stakeholders. Whilst management is responsible for the implementation of the policies and processes relating to stakeholder engagement, the Board performs an oversight role in ensuring that there are no significant gaps between stakeholder perceptions and the performance of the Group.

The Board acknowledges the importance of proactive engagement with all of its stakeholders and, in this connection, strives to foster sound relationships between the Group and each stakeholder grouping. The identified stakeholder groups include:

- employees;
- shareholders and investors;
- banks and other vehicle finance houses;
- customers;
- suppliers; and
- industry bodies

The Board acknowledges that the main audience of this integrated report is shareholders and investors. Communication with these stakeholder groupings is primarily through formal means via the Group's website, the JSE stock exchange news service, the financial press (where this is required) and through the distribution of annual and interim reports.

Executive directors are accessible to investors, and regular meetings are held with shareholders, both current and prospective. In addition, invitations are extended to members of the Investment Analysts Society to attend results presentations to provide them with timeous and relevant information regarding financial performance and prospects. A summary of the Group's engagement with its various stakeholders is as follows:

Employees

- regular dialogue and communication sessions
- team-building exercises
- notice boards
- newsletters
- training and development sessions
- internet and email
- branch visits

Shareholders and investors

- presentation of results
- investor relations meetings
- annual and interim reports, SENS and profit announcements
- annual general meeting
- Group website

Banks and other vehicle finance houses
- regular meetings with senior management

Customers
- interaction on dealership floors
- sales follow-up
- email and SMS

Suppliers
- daily communication with dealership staff
- periodic meetings with executive management

Industry bodies
- regular update sessions

Executive management strives to ensure that disputes are resolved expeditiously and effectively in a cost-efficient manner.

INTEGRATED REPORTING AND DISCLOSURE
Integrated reporting means a holistic and integrated representation of performance in terms of both finances and sustainability. Key to the Group's long-term success is providing deliverables to all stakeholders. The starting point is a sustainable return to shareholders. A profitable and cash-generating business is the foundation which underpins the Group's interactions with other stakeholders.

Sustainability
Sustainability implies conducting business in such a manner as to meet present needs without compromising the ability of future generations to meet their own needs.

This section provides an overview of the principal focus areas which determine the Group's sustainability programme:

- contributing positively to the economy by providing stable employment, generating business for local suppliers, paying taxes and supplying quality goods and services at value-driven, competitive prices.

  Details of the Group's financial results are addressed throughout this report. A summary of pertinent financial information is contained in the table below.

- providing a safe place of work where employees are treated on an equal opportunity basis with open lines of communication, are trained and encouraged to participate to the maximum of their ability and are rewarded commensurate with their achievement.

  Realising that there is no formal training school for tomorrow's leaders in the retail motor industry, the Group has invested extensively in skills development programmes for its departmental and branch managers, and technical staff. Further details are provided in the report on transformation.

- promoting sound environmental practices in all Group operations.

Operating as it does in the retail industry, the Group has a relatively low environmental impact. However, measures are being taken to determine the Group's utilisation of resources and implement steps to effect reductions. Further details are provided in the report on environmental issues on page 33.

TRANSFORMATION AND EMPLOYMENT EQUITY
The Board recognises the role it has to play in the transformation process. The social, ethics and transformation committee is tasked with ensuring that an appropriate strategy exists that aligns with the Broad-based Black Economic Empowerment Act, and that the Group complies with the principles embodied in the Skills Development Act and Employment Equity Act. The Board believes that development of initiatives in these areas will generate long-term benefits for the Group and the country as a whole.

Key sustainability issues at a glance		2013	2012
FINANCIAL			
Revenue	(R'000)	**8 971 811**	8 293 728
Operating profit	(R'000)	**293 734**	217 124
Headline earnings per share	(cents)	**183,9**	121,4
Dividends paid per share	(cents)	**61,0**	43,0
Cash generated from operating activities	(R'000)	**27 127**	181 849
Cash resources	(R'000)	**340 659**	395 408
Return on shareholders' funds	(%)	**25,4**	20,8
EMPLOYMENT			
Number of employees		**2 840**	2 728
Revenue per employee	(R'000)	**3 159**	3 040
Employment costs	(R'000)	**598 277**	531 476
ENVIRONMENTAL			
Energy usage and water consumption: The Group is currently developing a framework for measuring these statistics. More detailed information will be provided when a base-line has been established and trends can be monitored.			

Employment equity

Employment equity policies have been implemented within the Group to create an environment in which employees from previously disadvantaged backgrounds are trained, instructed, promoted and rewarded according to their initiative, loyalty and work ethic. The Group has, during each year since the inception of the Skills Development Act, exceeded its training targets. Full compliance with the requirements of the Skills Development Act and Employment Equity Act has been achieved and the Group has timeously submitted the report in terms of Section 21 of the Employment Equity Act. As a result, the Group has, over the past six years, recouped in full its costs in respect of the Skills Development Levy. An extract of the most recent report submitted, as at 31 August 2012, is tabled below.

The Group continues to move towards an organisational structure which reflects the diverse mix of the population, and supports the principles embodied in the National Skills Development strategy.

The Board's philosophy regarding the appointment of management has been based on the concept of "merit with bias". Where there are a number of candidates who merit promotion to a particular position, then bias will be shown towards those from a disadvantaged background. It is not considered wise to promote managers, from whatever background, beyond their perceived level of competency and training.

Continued growth in the retail motor industry has led to a shortage of manpower skills. The Board has realised that there is no "training school" for previously disadvantaged dealership managers other than on-the-job experience and mentoring. Consequently, the Group's thrust has been to develop candidates from lower levels in the expectation that, given time, the "cream" will rise to higher positions.

As the service departments continue to provide a fertile source of dealership managers, significant focus is placed on workshop staff development and skills training. In January 2008, Merseta launched an initiative labelled the Accelerated Artisan Training Programme ("AATP") which encouraged the accelerated training and qualification of apprentices over a two-year period. The Group has supported this programme since inception and has, to date, successfully cycled 133 apprentices through the system, the majority of which come from previously disadvantaged backgrounds. During the year under review, 35 apprentices qualified with 60% being retained as artisan technicians within the Group. These newly-qualified artisans have all subsequently been enrolled on product-specific technical training programmes with their respective manufacturers and, once successfully completed, will gain the status of master technician. The Group aims to maintain a complement of 100 apprentices.

Non-technical skills training, in the form of short term learnerships, was introduced into the Group last year and specifically aligned towards the development

OCCUPATIONAL LEVELS	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	M	F	
Top management	1	1	3	57	2	2	0	18	1	0	85
Senior management	7	16	43	156	6	6	27	99	2	0	362
Professionally qualified and experienced specialists	167	37	142	340	38	21	32	111	7	2	897
Skilled technical and academically qualified	23	17	27	20	28	16	33	69	0	0	233
Semi-skilled	322	50	135	57	48	19	58	101	1	1	792
Unskilled	176	15	37	32	69	9	8	11	5	0	362
Total permanent	696	136	387	662	191	73	158	409	16	3	2 731
Temporary employees	5	1	1	11	0	0	2	1	0	0	21
Total August 2012	**701**	**137**	**388**	**673**	**191**	**73**	**160**	**410**	**16**	**3**	**2 752**
Total August 2011	696	121	372	675	146	67	139	436	3	1	2 656

Key: A = African; C = Coloured; I = Indian; W = White; M = Male; F = Female.

of workshop front-line and finance and insurance personnel. This programme was completed during the first quarter of 2013 with a total of 34 learners, all from previously disadvantaged backgrounds, qualifying and attaining NQF 4 status. The majority of these candidates are now permanently employed in the Group and are making a positive contribution. The Group has applied to Merseta for registration and funding of a further 340 short term learnerships.

In an effort to ensure a high success rate and consistent level of competency among learners, the Group will retain the services of training providers KwaZulu Automotive Training Services and Invuya Training College. This will provide learners with continued access to training of an international standard.

The Group has also focused on identifying "champions" within its employees, with a view to promotion into second tier supervisory, administrative or customer liaison positions. Appropriate training in this regard will be provided by the Group by way of a combination of on-the-job training and on-line interactive modular training. The initiative should see an increase in previously disadvantaged staff being promoted to junior and middle management from within the Group.

Over the past 24 months, the car hire division has recruited 44 students from previously disadvantaged backgrounds for on-the-job training. Whilst being paid during their 12-month session, these students are rotated through all the departments to enable them to gain general work experience and select areas in which they would like to specialise. Should the employees not be retained within the Group at the end of their contract, they will be in a position to find further employment having had work experience and operational training.

Broad-based black economic empowerment ("B-BBEE")

The aim of the Board is to achieve sustainable empowerment through alignment with the seven elements of the B-BBEE code, being: ownership, management control, employment equity, skills development, preferential procurement, enterprise development and socio-economic development. Clear guidelines have been defined for each element and ongoing progress is measured and monitored to ensure continuous improvement towards targets. The Group's scorecard ratings are recorded in the table below. CMH Car Hire maintained its level 3 rating, despite the application of the more onerous B-BBEE targets in 2013, that impacted on the ownership, employment equity and preferential procurement pillars. The total Group has not been independently audited since the implementation of these targets, but an internal assessment indicates that it will maintain its current B-BBEE ratings, despite the more onerous requirements.

Under the banner of "CMH Green" the Group empowered more than 200 previously-disadvantaged individuals through enterprise development by creating self-employment opportunities in the Group. In the early phases of this division the Group offered employees of outsourced car wash service providers

B-BBEE SCORECARD RATINGS	Maximum	2014 target	**2013 actual**	2012 actual
TOTAL GROUP				
Ownership	20,0	14,5	**15,6**	15,6
Management control	10,0	4,5	**4,2**	4,4
Employment equity	15,0	7,0	**7,0**	8,0
Skills development	15,0	6,5	**8,4**	7,4
Preferential procurement	20,0	12,5	**12,4**	12,4
Enterprise development	15,0	15,0	**15,0**	15,0
Socio-economic development	5,0	5,0	**5,0**	5,0
	100,0	65,0	**67,6**	67,8
B-BBEE recognition level contributor		4	**4**	4
CAR HIRE DIVISION (independently audited)				
Ownership	15,0	14,0	**13,4**	12,1
Management control	14,0	8,1	**8,1**	7,0
Employment equity	14,0	10,5	**10,3**	6,4
Skills development	20,0	18,0	**18,0**	18,0
Preferential procurement	15,0	13,0	**12,7**	12,5
Enterprise development	14,0	14,0	**14,0**	12,8
Socio-economic development	8,0	5,0	**5,0**	8,0
	100,0	82,6	**81,5**	76,8
B-BBEE recognition level contributor		3	**3**	3

the opportunity to become self-employed and provide car wash and ancillary services to the Group. Most of the individuals took up the offer as they realised that this was an opportunity to increase, and have more control over, their monthly earnings. The Group provides the individuals with uniforms, training and the necessary equipment and materials to provide an independent car wash solution to Group outlets.

The Group now outsources its requirements to these contractors and pays them an agreed rate per vehicle cleaned.

ENVIRONMENTAL ISSUES

Operating as it does in the retail business sector, the Group is a relatively low consumer of basic utilities such as water and electricity, and consequently has a small carbon footprint. Nevertheless, the directors are aware of the negative impact which recent and projected steep rises in the cost of these utilities will have on Group profitability.

During the past year the Group continued a process of measuring electricity consumption at its dealerships. Measures implemented to reduce consumption have had a positive impact on both the Group and the environment.

To date the Group has invested R1,6 million in energy saving equipment and R180 000 in installing electricity meters. The consumption reductions generated by the use of more efficient lighting and automated timing devices are regularly monitored. In the initial phase, consumption in dealerships has been reduced. Over the year ahead the programme will be extended to additional dealerships and, once a Group base-line has been established, the directors will be able to report on consumption savings.

The "CMH Green" waterless car wash system has been implemented throughout the Group. Through its showrooms and service departments the Group washes more than 2 200 vehicles daily. A traditional car wash uses between 70 and 200 litres of water. The new system uses less than half a litre of water per vehicle and produces no harmful by-products. The concept has the added advantage of empowering workers through enterprise development.

At its larger outlets, where car washing and water usage is high, the car hire division has installed water filtration and recycling plants. Combined with rain water capture facilities, these systems have reduced consumption by up to 45%.

SOCIAL ISSUES

Whilst appreciating that long-term financial success is an essential component of stakeholder confidence, the directors recognise that the Group's operations and activities must be such that it is able to support the communities in which it operates, and ensure that its operations do not adversely impact the environment to the detriment of future generations.

The concept of sharing the wealth generated by Group operations has prompted the directors to select and support a wide range of charitable projects. These include:

- Training and Resources in Early Education;
- Kwamakhuta Comprehensive High School;
- The Unit for Students with Disabilities at the University of the Free State;
- Teachers Across Borders South Africa; and
- Masigcine Children's Home.

Full details of these projects, and the Group's contribution, are reflected on pages 34 and 35.

A number of additional projects are supported in areas where the Group has operations, and the Group also provides free use of vehicles to the following charitable organisations:

- Reach for a Dream
- Children of Fire; and
- Wet Nose Animal Rescue Centre.

Training and Resources in Early Education ("TREE")

The Group has been working with TREE for many years. Its assistance is in the form of unconditional sponsorship of vehicles and business advice to ensure the sustainability of the organisation.

Established in 1984, TREE is a non-profit organisation, with a vision of assisting adults (mostly women) from disadvantaged communities, to provide their young children with access to qualified early childhood development ("ECD") programmes, that promote the child's holistic development, health and welfare. TREE believes that all children should have access to quality, sustainable ECD so that they can develop to their full educational and personal potential. TREE's vision is to see a nation that values and affirms young children and provides them with opportunities to develop to their full potential, in line with their developmental rights and needs.

TREE achieves this through:

- formal, training courses through the ETDP SETA (Education, Training and Development Practices, Sector Education and Training Authority);
- support, monitoring and assessment visits to pre-school teachers in their pre-schools or crèches on a regular basis;
- ECD enrichment programmes that will improve services to young children;
- working in communities with parents, caregivers, community members and organisations that impact on the lives of young children;
- producing and selling educational toys, equipment and printed resource materials to sustain TREE's programmes;
- teaching and assisting people to develop skills to make educational toys and equipment from waste and other materials;
- indirectly providing opportunities and linkages for women's empowerment, income generation and community development;
- networking, partnerships and co-operation with government departments at local, provincial and national levels, as well as other stakeholders, on all issues that affect young children; and
- advocating for the rights of young children at local, provincial, national and international forums.

The Unit for Students with Disabilities at the University of the Free State ("USD")

The USD, established in 2001, has grown from supporting 12 students to more than 130 students. The USD offers support to registered students with disabilities at the University of the Free State. The support offered is individualised for each student according to his/her specific needs to ensure student success and a complete student life experience at the university, striving towards full inclusion and integration in all aspects of student life. Providing transport for the students with disabilities was identified as a high priority for the USD as many students are faced with great challenges in this regard. The Group responded by providing two vehicles to the unit, including a minibus that has been converted to meet the specific needs of the students.

Kwamakhuta Comprehensive High School ("Kwamakhuta")

The Group has identified Kwamakhuta as one of many technical government high schools that require additional funding to assist them produce matriculants with the subjects necessary to be employed as technical apprentices in the motor industry. To assist the school, the Group has established a trust fund. Group employees make voluntary monthly contributions to the fund and the amount collected is matched by a Group donation. The funds raised are being utilised to renovate an existing classroom and fit it with the necessary technical equipment to create a fully functional science laboratory that complies with the Department of Education's standards. The renovations commenced in December 2012 and the laboratory is expected to be fully functional by the start of the 2014 school year.

Masigcine Children's Home ("Masigcine")

Masigcine is home to 28 orphaned, abandoned and HIV-infected children between the ages of three months and six years. Masigcine's goal is to ensure that each child receives the very best attention, love and affection, a sense of security, age-appropriate stimulation, medical attention, and healthy nutrition. The home was started in 1989 and, despite financial restraints, operates on a stringent budget to ensure it performs as effectively and efficiently as possible. The Group supports Masigcine by supplying a vehicle to fulfil their transport requirements.

Teachers Across Borders South Africa ("TABSA")

Teachers Across Borders supports leaders, worldwide, with professional development opportunities and tools that connect them with information and each other so that they can play a more vital role in their communities. They focus on teachers with initiative, who are passionate about their subjects and compassionate towards children. The Group supports TABSA by supplying vehicles to the project leaders during their stay in South Africa.

REPORT OF THE AUDIT COMMITTEE

The audit committee was appointed by shareholders in respect of the year ended 28 February 2013. All members are independent non-executive directors of the Company. The committee is satisfied that, in respect of the financial year, it has performed all the functions required to be performed by an audit committee as set out in the Companies Act, 2008, the committee's terms of reference, and as more fully set out in the Corporate Governance Report on pages 25 and 26.

Nothing has come to the attention of the committee that would lead it to believe that the Group's system of internal control is not adequate or effective.

The committee has satisfied itself that the external auditor, PricewaterhouseCoopers is independent of the Company and the Group having given due consideration to the parameters enumerated in section 94(8) of the Companies Act, 2008 and the principles contained in the King Code of Governance for South Africa 2009. The appointment of ME Jones as the designated auditor is in compliance with the Auditing Profession Act, 2005 and the JSE Limited Listings Requirements.

JS Dixon
Chairman

19 April 2013

REPORT OF THE SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

The social, ethics and transformation committee has performed all the functions required to be performed by the committee as set out in Regulation 43(5) of the Companies Act Regulations, 2011. These functions include monitoring the Group's activities relating to social and economic development, good corporate citizenship, the environment, health and public safety, consumer relationships, and labour and employment.

The committee has satisfied itself that the Group's activities have regard to relevant legislation and prevailing codes of best practice in each of the relevant areas.

VP Khanyile
Chairman

19 April 2013

CERTIFICATION BY THE COMPANY SECRETARY

In my capacity as company secretary, I hereby confirm that, for the year ended 28 February 2013, the Company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act, 2008, and that all such returns are true, correct and up to date.

K Fonseca
Company Secretary

19 April 2013

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Board of directors reports with reference to both the Company and the Group.

The directors are responsible for the preparation, integrity and fair presentation of the financial statements. The financial statements presented on pages 38 and 39 and 41 to 75 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee, Financial Pronouncements, as issued by the Financial Reporting Standards Council, and in the manner required by the Companies Act, 2008, and include amounts based on judgements and estimates made by management.

The directors consider that in preparing the financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all IFRSs that they consider to be applicable have been followed.

The directors are satisfied that the information contained in the financial statements fairly presents the results of operations for the year and the financial position of the Company and Group at year-end. The directors also prepared the other information included in the integrated annual report and are responsible for both its accuracy and its consistency with the financial statements.

The directors have responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the Company and the Group to enable the directors to ensure that the financial statements comply with the relevant legislation.

The Company and the Group operated in a well-established control environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the business are controlled.

The going-concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Group or any company within the Group will not be going concerns in the foreseeable future, based on forecasts and available cash resources. These financial statements support the viability of the Company and the Group.

The Code of Corporate Practices and Conduct has been adhered to.

The annual financial statements were prepared by SK Jackson, CA (SA). They have been audited by the Group's external auditor, PricewaterhouseCoopers Inc. in compliance with the requirements of the Companies Act, 2008. The financial statements were approved by the Board of directors and are signed on its behalf by:

JD McIntosh
Chief Executive Officer

M Zimmerman
Chairman

19 April 2013

DIRECTORS' REPORT
for the year ended 28 February 2013

Your directors have pleasure in submitting their report on the affairs of the Company and the Group during the year ended 28 February 2013.

NATURE OF BUSINESS

The Company's business is that of an investment holding company, its principal assets being its investment in and loan to CMH Holdings Proprietary Limited, and a preference share investment in Main Street 445 Proprietary Limited.

Through its subsidiaries, the Group has significant interests in retail motor, car hire, marine and leisure and financial services. Full details of the Group's operations and operating locations appear on pages 3 and 10 to 13.

The Company is listed in the "General Retailers" sector of the JSE Limited.

OPERATING RESULTS

Full details of the operating results of the Company and the Group are set out in the attached financial statements.

SHARE CAPITAL

Details of the authorised and issued share capital are set out in note 12 to the attached financial statements.

DIVIDENDS

The following dividends were declared during the year under review:

	2013 R'000	2012 R'000
Ordinary dividend number 49: 25 cents, declared 9 October 2012	**27 206**	–
Ordinary dividend number 48: 36 cents, declared 19 April 2012	**38 996**	–
Ordinary dividend number 47: 13 cents, declared 12 October 2011	**–**	14 065
Ordinary dividend number 46: 30 cents, declared 15 April 2011	**–**	32 448
	66 202	46 513

RESOLUTIONS

At the annual general meeting of shareholders held on 31 May 2012 the following special resolutions were passed:

- authorisation of the directors in terms of Section 45(3) of the Companies Act, 2008, to bind the Company in the provision of direct or indirect financial assistance to a related company;
- approval of the fees of non-executive directors for their services as directors; and
- approval of the memorandum of incorporation.

No other special resolutions were passed by the Company during the year under review.

DIRECTORS AND SECRETARY

The directors in office at the date of this report are:

M Zimmerman (non-executive chairman)

JD McIntosh (chief executive officer)

LCZ Cele (independent non-executive)

MPD Conway (executive)

JS Dixon (independent non-executive)

JTM Edwards (independent non-executive)

SK Jackson (executive)

VP Khanyile (independent non-executive)

D Molefe (independent non-executive)

JW Alderslade (alternate to VP Khanyile and D Molefe)

The executive directors, together with the members of the executive committee reflected on page 27, represent the key management of the Company and the Group.

Messrs MPD Conway and VP Khanyile retire by rotation at the forthcoming annual general meeting but, being eligible, offer themselves for re-election. Brief curriculum vitae of Messrs MPD Conway and VP Khanyile appear in the Notice of Meeting.

The secretary of the Company is K Fonseca, whose business and postal addresses are:

Business	**Postal**
1 Wilton Crescent	PO Box 1033
Umhlanga Ridge	Umhlanga Rocks
4319	4320

DIRECTORS' SHAREHOLDINGS

Details of the directors' direct and indirect shareholdings in the Company are reflected on page 74.

There has been no change in directors' shareholdings between the financial year-end and the date of this report.

SUBSIDIARIES

Full details of the Company's subsidiaries are set out on page 72.

The results of the subsidiaries, so far as concerns the Company, comprise aggregate income and losses for the year, after taxation, of R205 044 000 (2012: R146 528 000) and R16 870 000 (2012: R7 850 000) respectively.

AUDITOR

PricewaterhouseCoopers Inc. will continue in office in accordance with section 90(6) of the Companies Act. At the annual general meeting, shareholders will be requested to appoint PricewaterhouseCoopers Inc. as the Group's auditor for the 2014 financial year. It is noted that SF Randelhoff will be the individual registered auditor who will undertake the audit.

SUBSEQUENT EVENTS

Other than that recorded in note 32 to the attached financial statements, no fact or circumstance material to an appreciation of these financial statements has occurred between the financial year-end and the date of this report.

Durban
19 April 2013

INDEPENDENT AUDITOR'S REPORT

To the members of Combined Motor Holdings Limited

We have audited the consolidated and separate financial statements of Combined Motor Holdings Limited set out on pages 41 to 75, which comprise the statements of financial position as at 28 February 2013, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Combined Motor Holdings Limited as at 28 February 2013, its consolidated and separate financial performance, and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 28 February 2013, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

PricewaterhouseCoopers Inc.
Director: ME Jones
Registered Auditor

Durban
19 April 2013

SEGMENT INFORMATION

Information provided to the chief executive officer and executive committee in respect of the reportable segments for the year ended 28 February 2013 is as follows:

	TOTAL				RETAIL MOTOR			
	2013 R'000	%	2012 R'000	%	2013 R'000	%	2012 R'000	%
Segment revenue	9 416 416	100	8 794 348	100	8 865 952	95	8 296 967	94
Inter-segment revenue	(444 605)	100	(500 620)	100	(435 041)	98	(497 122)	99
External revenue	8 971 811	100	8 293 728	100	8 430 911	95	7 799 845	94
Operating profit	293 734	100	217 124	100	242 723	83	167 491	77
Net finance costs	(24 127)	100	(19 110)	100	(50 754)	210	(59 125)	309
Profit before taxation	269 607	100	198 014	100	191 969	71	108 366	55
Total assets	2 733 997	100	2 483 139	100	1 496 905	55	1 270 677	51
Total liabilities	1 943 159	100	1 816 897	100	1 149 474	59	1 073 663	59
Goodwill at year-end	74 972	100	89 972	100	74 972	100	84 972	94
Employee costs	598 277	100	531 476	100	489 941	82	436 270	82
Number of staff	2 840	100	2 728	100	2 344	83	2 263	83

	CAR HIRE				MARINE AND LEISURE			
	2013 R'000	%	2012 R'000	%	2013 R'000	%	2012 R'000	%
Segment revenue	317 559	3	292 851	4	150 756	2	173 155	2
Inter-segment revenue	(752)	–	(937)	–	–	–	–	–
External revenue	316 807	3	291 914	4	150 756	2	173 155	2
Operating profit	24 560	8	23 445	11	(5 533)	(2)	2 642	1
Net finance costs	1 500	(6)	–	–	(278)	1	(320)	2
Profit before taxation	26 060	10	23 445	12	(5 811)	(2)	2 322	1
Total assets	559 576	20	511 575	21	69 599	3	63 749	3
Total liabilities	616 807	32	555 236	30	13 814	1	21 967	1
Goodwill at year-end	–	–	–	–	–	–	5 000	6
Employee costs	56 647	9	49 171	9	14 762	3	15 021	3
Number of staff	349	12	307	11	48	2	64	2

	FINANCIAL SERVICES				CORPORATE SERVICES/OTHER			
	2013 R'000	%	2012 R'000	%	2013 R'000	%	2012 R'000	%
Segment revenue	23 150	–	15 559	–	58 999	–	15 816	–
Inter-segment revenue	–	–	–	–	(8 812)	2	(2 561)	1
External revenue	23 150	–	15 559	–	50 187	–	13 255	–
Operating profit	11 246	4	14 529	7	20 738	7	9 017	4
Net finance costs	456	(2)	503	(3)	24 949	(103)	39 832	(208)
Profit before taxation	11 702	4	15 032	8	45 687	17	48 849	24
Total assets	5 834	–	9 620	–	602 083	22	627 518	25
Total liabilities	7 369	–	9 916	1	155 695	8	156 115	9
Goodwill at year-end	–	–	–	–	–	–	–	–
Employee costs	–	–	–	–	36 927	6	31 014	6
Number of staff	–	–	–	–	99	3	94	4

The operating segments are based on the reports reviewed by the chief executive officer and executive committee that are used to make strategic decisions. The chief executive officer and executive committee assess the performance of the operating segments based on a measure of profit before taxation. This measurement is consistent with the recognition and measurement principles applied within the statement of comprehensive income.

Sales amongst segments are carried out at arm's length. The revenue from external customers reported to the chief executive officer and executive committee is measured in a manner consistent with that in the statement of comprehensive income. The Group operates only in the Republic of South Africa. Full details of products and services are reflected on pages 3 and 10 to 13.

STATEMENTS OF FINANCIAL POSITION
at 28 February 2013

	Notes	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
ASSETS					
Non-current assets					
Plant and equipment	4	**68 803**	58 537	**–**	–
Goodwill	5	**74 972**	89 972	**–**	–
Investments	6	**233 613**	204 500	**233 613**	204 500
Deferred taxation	7	**45 707**	49 964	**–**	–
Investment in subsidiary	8	**–**	–	**297 566**	449 857
		423 095	402 973	**531 179**	654 357
Current assets					
Investments	6	**1 000**	3 000	**1 000**	3 000
Car hire fleet vehicles	4	**520 162**	467 376	**–**	–
Inventory	9	**1 184 968**	1 001 472	**–**	–
Trade and other receivables	10	**264 113**	212 868	**–**	–
Tax paid in advance		**–**	42	**–**	–
Cash and cash equivalents	11	**340 659**	395 408	**292 257**	148 677
		2 310 902	2 080 166	**293 257**	151 677
Total assets		**2 733 997**	2 483 139	**824 436**	806 034
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	12	**29 500**	25 438	**29 500**	25 438
Share-based payment reserve	13	**13 024**	10 006	**3 702**	4 620
Non-distributable reserve		**–**	5 896	**–**	5 896
Retained earnings		**756 296**	630 203	**790 459**	766 631
Ordinary shareholders' equity		**798 820**	671 543	**823 661**	802 585
Non-controlling interest	14	**(7 982)**	(5 301)	**–**	–
Total equity		**790 838**	666 242	**823 661**	802 585
Non-current liabilities					
Non-controlling shareholders of subsidiaries	14	**128 384**	135 489	**–**	–
Assurance funds	15	**7 548**	7 731	**–**	–
Lease liabilities	16	**97 481**	104 528	**–**	–
		233 413	247 748	**–**	–
Current liabilities					
Non-controlling shareholders of subsidiaries	14	**7 255**	4 850	**–**	–
Derivative financial liabilities		**–**	1 778	**–**	–
Trade and other payables	17	**1 690 765**	1 546 201	**479**	460
Lease liabilities	16	**9 092**	6 639	**–**	–
Current tax liabilities		**2 634**	9 681	**296**	2 989
		1 709 746	1 569 149	**775**	3 449
Total liabilities		**1 943 159**	1 816 897	**775**	3 449
Total equity and liabilities		**2 733 997**	2 483 139	**824 436**	806 034

STATEMENTS OF COMPREHENSIVE INCOME
for the year ended 28 February 2013

	Notes	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
Revenue	18	**8 971 811**	8 293 728	**44 113**	18 601
Cost of sales	19	**(7 408 617)**	(6 922 488)	**–**	–
Gross profit		**1 563 194**	1 371 240	**44 113**	18 601
Other income	20	**3 000**	3 000	**3 000**	3 000
Impairment of goodwill	5	**(15 000)**	–	**–**	–
Selling and administration expenses	19	**(1 257 460)**	(1 157 116)	**(223)**	(213)
Operating profit		**293 734**	217 124	**46 890**	21 388
Finance income	21	**12 535**	14 927	**51 680**	53 900
Finance costs	21	**(36 662)**	(34 037)	**–**	(10)
Profit before taxation		**269 607**	198 014	**98 570**	75 278
Tax expense	22	**(65 680)**	(53 868)	**(14 436)**	(19 681)
Total profit and comprehensive income		**203 927**	144 146	**84 134**	55 597
Attributable to:					
Equity holders of the company		**186 399**	131 297	**84 134**	55 597
Non-controlling interest		**17 528**	12 849	**–**	–
		203 927	144 146	**84 134**	55 597
EARNINGS PER SHARE (cents)					
Basic	23	**171,7**	121,4		
Diluted basic	23	**169,3**	121,0		

STATEMENTS OF CHANGES IN EQUITY

for the year ended 28 February 2013

	Share capital R'000	Non-distri-butable reserve R'000	Share-based payment reserve R'000	Retained earnings R'000	Attri-butable to equity holders of the company R'000	Non-con-trolling interest R'000	Total equity R'000
GROUP							
Balance at 28 February 2011	25 013	5 896	7 039	550 624	588 572	(2 563)	586 009
Issue of shares	307				307		307
Total profit and comprehensive income				131 297	131 297	12 849	144 146
Transfer to share capital	118		(118)				
Share-based payment reserve			3 085		3 085		3 085
Dividends paid				(46 513)	(46 513)	(15 123)	(61 636)
Purchase of non-controlling shareholders' interest in subsidiaries				(5 205)	(5 205)	(464)	(5 669)
Balance at 29 February 2012	25 438	5 896	10 006	630 203	671 543	(5 301)	666 242
Issue of shares	3 144				3 144		3 144
Total profit and comprehensive income				186 399	186 399	17 528	203 927
Transfer to share capital	918		(918)				
Share-based payment reserve			3 936		3 936		3 936
Dividends paid				(66 202)	(66 202)	(20 209)	(86 411)
Non-distributable reserve transferred to retained earnings		(5 896)		5 896			
Balance at 28 February 2013	**29 500**	**–**	**13 024**	**756 296**	**798 820**	**(7 982)**	**790 838**
COMPANY							
Balance at 28 February 2011	25 013	5 896	4 738	757 547	793 194		
Issue of shares	307				307		
Transfer to share capital	118		(118)				
Total profit and comprehensive income				55 597	55 597		
Dividends paid				(46 513)	(46 513)		
Balance at 29 February 2012	25 438	5 896	4 620	766 631	802 585		
Issue of shares	3 144				3 144		
Transfer to share capital	918		(918)				
Non-distributable reserve transferred to retained earnings		(5 896)		5 896			
Total profit and comprehensive income				84 134	84 134		
Dividends paid				(66 202)	(66 202)		
Balance at 28 February 2013	**29 500**	**–**	**3 702**	**790 459**	**823 661**		

STATEMENTS OF CASH FLOWS
for the year ended 28 February 2013

	Notes	Group 2013 R'000	Restated Group 2012 R'000	Company 2013 R'000	Restated Company 2012 R'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers		**8 947 132**	8 308 882	**44 113**	1 372
Cash paid to suppliers and employees		**(8 805 361)**	(8 037 774)	**(44 317)**	(172)
Cash generated from operations	24	**141 771**	271 108	**(204)**	1 200
Finance income	21	**12 535**	14 927	**51 680**	53 900
Finance costs	21	**(36 662)**	(34 037)	**–**	(10)
Dividends paid	25	**(66 202)**	(46 513)	**(66 202)**	(46 513)
Taxation paid	26	**(68 428)**	(40 865)	**(17 129)**	(18 739)
Net cash movement from operating activities		**(16 986)**	164 620	**(31 855)**	(10 162)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of non-current plant and equipment		**(37 077)**	(26 410)	**–**	–
Proceeds on disposal of non-current plant and equipment		**1 079**	1 904	**–**	–
Investments		**20 000**	–	**20 000**	–
Purchase of non-controlling shareholders' interest in subsidiaries		**–**	(5 669)	**–**	–
Repayment by subsidiary		**–**	–	**152 291**	33 906
Net cash movement from investing activities		**(15 998)**	(30 175)	**172 291**	33 906
CASH FLOWS FROM FINANCING ACTIVITIES					
Non-controlling shareholders of subsidiaries	27	**(24 909)**	(50 946)	**–**	–
Proceeds of issue of shares		**3 144**	307	**3 144**	307
Interest-bearing loans		**–**	(986)	**–**	–
Net cash movement from financing activities		**(21 765)**	(51 625)	**3 144**	307
Net movement in cash and cash equivalents		**(54 749)**	82 820	**143 580**	24 051
Cash and cash equivalents at beginning of year		**395 408**	312 588	**148 677**	124 626
Cash and cash equivalents at end of year	11	**340 659**	395 408	**292 257**	148 677

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation

The annual financial statements and consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee, Financial Pronouncements, as issued by the Financial Reporting Standards Council, and in the manner required by the Companies Act, 2008 (the "Act"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The policies set out below have been consistently applied to all the years presented unless otherwise stated.

Standards, amendments and interpretations effective in 2013 or early adopted by the Group

There are no standards, amendments or interpretations that became effective in 2013 and that are relevant to the Group. No standards, amendments and interpretations not yet effective have been early adopted by the Group.

1.2 Basis of consolidation

Investment in subsidiaries

Subsidiaries are those entities in which the Group has an interest of more than one-half of the voting rights or has the power to govern the financial and operating policies.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are included until the date on which control ceases. The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired, and liabilities and contingent liabilities assumed, in a business combination are measured initially at their fair value at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non- controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in subsidiaries

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss.

1.3 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each subsidiary are measured using the currency of the primary economic environment in which the subsidiary operates (the functional currency). The consolidated financial statements are presented in South African Rands, which is the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income in the period in which they arise.

1.4 Plant and equipment

Plant and equipment is recorded at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. Depreciation is provided using the straight-line method to write off the cost of the assets to their residual values over their estimated useful lives as follows:

Plant and machinery	4 to 5 years
Furniture and office equipment	3 to 10 years
Car hire fleet and other motor vehicles	4 to 5 years
Leasehold improvements	the period of the lease

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year-end.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are recognised in the statement of comprehensive income within "selling and administration expenses".

Where it is the Group's intention to dispose of items of plant and equipment within 12 months after the year-end date, such items are disclosed as current assets.

1.5 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets in the business combination at the date of acquisition. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Goodwill arising on business combinations is initially reflected at its original cost. Goodwill is not amortised but is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

1.6 Classification of financial assets

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its assets at initial recognition. Financial assets are initially measured at fair value plus transaction costs. Thereafter they are measured at amortised cost using the effective-interest-rate method, less impairment losses, which are recognised in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred, and the Group has transferred substantially all the risks and rewards of ownership.

The Group assesses at each financial year-end whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment losses are recognised in the statement of comprehensive income in the period in which they occur.

1.7 Investments

Investments are recognised initially at fair value and subsequently measured at amortised cost, using the effective-interest-rate method, less provision for impairment. Investments are impaired when there is objective evidence that the Group will not be able to collect all amounts owing according to the original terms of investments.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment is recognised in the statement of comprehensive income within "selling and administration expenses".

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

1.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income. The tax expense is calculated on the basis of the tax laws enacted or substantially enacted at the year-end.

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred taxation is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred taxation is determined using tax rates and laws that have been enacted or substantially enacted by the year-end and are expected to apply when the related deferred taxation asset is realised or the deferred taxation liability is settled.

Deferred tax assets relating to income and dividend taxes are recognised to the extent that it is probable that future taxable profit or dividends paid will be available against which the temporary differences can be utilised.

1.9 Inventory

Inventories are stated at the lower of cost and net realisable value, due recognition having been made for obsolescence and redundancy. Net realisable value is determined as set out in note 3.3. Cost includes all costs incurred that are necessary to bring the goods to saleable condition and location, and is determined on the following basis:

New vehicles	actual cost
New marine craft	actual cost
Used and demonstration vehicles	actual cost
Used and demonstration marine craft	actual cost
Parts and accessories	weighted average cost
Petrol, oils and other inventory	actual cost

Vehicles and parts purchased, which are paid for within the short time periods provided for in the manufacturers' standard franchise agreements, are recognised as inventory when received. This policy is applied despite the fact that certain agreements provide that ownership will remain vested in the manufacturer until the purchase price has been paid in full.

1.10 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective-interest-rate method, less provision for impairment. Trade receivables are impaired when there is objective evidence that the Group will not be able to collect all amounts owing according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment is recognised in the statement of comprehensive income within "selling and administration expenses".

1.11 Cash and cash equivalents

Cash and cash equivalents comprise deposits held at call with banks, net of bank overdrafts, and balances held by insurance underwriters. These are reflected in the statement of financial position and statement of cash flows at cost. Bank overdrafts are reflected under current liabilities except where they are held at the same bank and branch as favourable balances and there is a legal right of set-off.

1.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.13 Financial liabilities

The Group has the following financial liabilities:

Trade and other payables: these are initially measured at fair value less transaction costs and subsequently stated at amortised cost. Short-term payables are measured at original invoice amount which approximates fair value.

Borrowings: these are measured initially at the fair value of proceeds received, net of transaction costs incurred, when the Group becomes party to the contractual provisions. Borrowings are subsequently stated at amortised cost, using the effective-interest-rate method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised as finance cost/income in the statement of comprehensive income over the period of the borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the year-end.

Financial liabilities are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expires.

1.14 Derivative financial instruments

Derivatives held comprise forward exchange contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into. Subsequently the derivatives are carried at fair value through profit or loss. Gains or losses arising from a change in the fair value of the derivatives are included in the statement of comprehensive income within "selling and administration expenses" in the period in which they arise. The fair value of these contracts is determined using quoted forward exchange rates at the year-end date.

1.15 Employee benefits

Pension

The Group provides retirement benefits for its employees through a number of defined contribution plans. A defined contribution plan is a pension plan under which the Group pays a fixed contribution to a separate entity and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to their employment service.

Payments to the retirement contribution plans are charged to the statement of comprehensive income as incurred.

Health care

The Group provides health care benefits for its employees through contributions to various independent medical aid schemes. Payments to the medical aid schemes are charged to the statement of comprehensive income as incurred. The Group has no post-retirement obligations to employees.

Remuneration

The cost of all short term employee remuneration is recognised during the period in which the employee renders the related service. An accrual is made for employee entitlement to salary, bonuses, profit share and leave pay based on contractual obligations at current rates of remuneration.

Equity compensation plans

The Group enters into share-based payment transactions in terms of the employee share option and share appreciation rights schemes. Costs incurred in administering the schemes are expensed as incurred. The charge to profit or loss required by IFRS 2: Share-based Payment is accounted for on the basis that the instruments are equity-settled. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options/rights determined at the grant date using the Black-Scholes valuation model. Non-market vesting conditions are included in assumptions about the number of options/rights that are expected to become exercisable or the number of options/rights that the employee will ultimately receive. The amount determined is charged or credited to the statement of comprehensive income, with a corresponding adjustment to equity. The proceeds received on exercise of the options/rights, net of any directly attributable transaction costs, are credited to equity.

1.16 Provisions

Provisions are recognised when the Group has a present or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be established.

The Group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

1.17 Revenue recognition

Group revenue comprises revenue from trading activities after deducting value-added tax, and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and, in respect of the sale of vehicles, marine craft, parts and accessories, the risks and rewards of ownership have been transferred to the customer. The retail motor division eliminates revenue arising from the sale of pre-owned vehicles to the wholesale motor trade. Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of business.

Interest income is recognised as it accrues, taking into account the effective yield on the asset. Dividends are recognised when the right to receive payment is established.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

1.18 Dividends paid

Dividends paid are recorded in the financial statements during the period in which they are approved by the Board of directors.

1.19 Segment reporting

Operating segments are reported in a manner consistent with that used for internal reporting provided to the chief executive officer and executive committee. The chief executive officer and executive committee, responsible for allocating resources and assessing performance of the operating segments, have been identified as the body that makes strategic decisions.

The various segments of the Group are each subject to risks and returns that are different from other business segments. The principal business segments identified within the Group are retail motor, car hire, marine and leisure, and financial services. The corporate services segment provides management support and expertise for the business segments.

Segment assets, liabilities, revenue and expenditure are those directly attributable to the segment. Transfers between segments are accounted for at competitive market prices and are eliminated on consolidation.

1.20 Assurance activities

Underwriting results are determined on an annual basis in accordance with generally accepted practice for short-term insurers. The principle applied is that the costs of incurred claims, commission and related expenditure are applied against the earned proportion of premiums received, as follows:

- claims incurred comprise claims and related expenditure paid in the year and changes in the provision for outstanding claims incurred but not reported, and are expensed in the year during which they are incurred; and
- commission paid is expensed in the year during which it is incurred.

Premiums written relate to business written during the year, together with premiums written in prior years and not yet taken to income.

Unearned premiums represent that portion of the premiums that relates to unexpired terms of the insurance policy, calculated on a time-proportionate basis.

1.21 Operating leases

Operating leases are those where substantially all the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease. Penalties payable on cancellation of leases are charged to the statement of comprehensive income in the period in which the penalties become payable.

1.22 Finance leases

The Group leases certain car hire and demonstration vehicles. Leases of vehicles where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised when the lease commences, at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding lease obligations, net of finance charges, are included in "trade and other payables". The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The vehicles acquired under finance leases are depreciated to their estimated residual value over the lease term.

2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the chief executive officer and financial director under policies approved by the Board of directors. They identify, evaluate and hedge financial risks in close co-operation with the Group's operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign currency risk, interest rate risk, credit risk, use of derivative financial instruments, and the investment of excess liquidity.

2.1 Interest rate risk

Interest rate exposures are reviewed regularly. The Group is exposed to interest rate risk on its investments and borrowing facilities, all of which are linked to the prime overdraft rate.

Had interest rates for the year been 0,5 percentage point higher or lower and been applied to the interest-bearing debt and investments at year-end, the profit before taxation for the year would have been lower or higher by R2 062 000 (2012: R1 522 000) on the assumption that all other factors remained constant.

2.2 Foreign currency risk

The Group has no significant foreign currency risk. Certain balances arising on material transactions denominated in foreign currencies are economically hedged through the use of forward exchange contracts. At 28 February 2013, the Group had accounts receivable to the value of US$1 544 764 denominated in foreign currency (2012: nil), and had trade payables to the value of €60 349 (2012: nil) and US$406 238 (2012: US$3 628 374). No portion of this (2012: US$2 800 700) was hedged through the use of forward exchange contracts. These trade payables will be settled within the next 12 months. Had the South African Rand been 5% weaker or stronger against the US Dollar and the Euro at year-end, the profit before taxation for the year would have been lower or higher by R481 000 (2012: R307 000).

2.3 Credit risk

The Group's credit risk lies principally in its trade receivables. These comprise a number of major banks which finance vehicle sales, together with a large, wide-spread customer base. Regular credit assessments of customers are conducted. All amounts receivable are subject to the Group's standard credit terms and are due within a period of 1 to 60 days after sale. There are no significant concentrations of credit risk.

Cash and cash equivalents are placed only with major financial institutions with secure credit ratings.

2.4 Equity price risk

The Group has no direct exposure to any equity price risk.

2.5 Liquidity risk

The Group manages its liquidity risk by regularly monitoring its projected cash flow requirements against its cash resources and unutilised borrowing facilities. At year-end the Group's position was as follows:

	2013 R'000	2012 R'000
Cash resources, excluding those held by insurance underwriters	**334 931**	385 994

In terms of its memorandum of incorporation the Company has unlimited borrowing powers.

The expected maturity of all significant financial liabilities is disclosed in the relevant notes to the financial statements.

2.6 Capital risk

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

3.1 The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates will, by definition, rarely equal the actual results achieved. 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 judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

The estimates and underlying 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.

3.2 Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1.5. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations use projections based on financial budgets approved by management.

The value-in-use calculation uses estimates and assumptions made by management. Management determines budgeted operating profit based on past performance and future expectations. The weighted average growth rates are consistent with the forecasts used in industry reports. The discount rates used reflect specific risks relating to the relevant cash-generating units.

3.3 Determination of net realisable value of inventory

Net realisable value is the estimate of the selling price of inventory in the ordinary course of business, less applicable variable selling expenses. Management is required to exercise judgement in the determination of this estimate, specifically relating to the forecasting of demand and inventory pricing (refer to note 1.9).

3.4 Consolidation of investment

The Group has applied SIC 12: Consolidation – Special Purpose Entities in determining whether to consolidate its investment in Main Street 445 (Pty) Ltd ("Main Street"). The Group has not consolidated this investment on the basis that it has determined that the Group does not have rights to obtain the majority of the residual benefits of Main Street, nor does it retain the majority of the residual or ownership risks related to the company in order to obtain benefits from its activities.

4. PLANT AND EQUIPMENT

4.1 Details of plant and equipment

	Total R'000	Leasehold improvements R'000	Plant and machinery R'000	Furniture and office equipment R'000	Car hire fleet and other motor vehicles R'000
GROUP					
At 28 February 2013					
Cost	**801 161**	**46 785**	**52 462**	**92 065**	**609 849**
Accumulated depreciation	**(212 196)**	**(20 109)**	**(37 764)**	**(68 468)**	**(85 855)**
Net book value	**588 965**	**26 676**	**14 698**	**23 597**	**523 994**
Less: vehicles transferred to current assets	**(520 162)**	**–**	**–**	**–**	**(520 162)**
Non-current portion	**68 803**	**26 676**	**14 698**	**23 597**	**3 832**
At 29 February 2012					
Cost	710 163	31 600	47 711	85 558	545 294
Accumulated depreciation	(184 250)	(15 540)	(31 617)	(62 057)	(75 036)
Net book value	525 913	16 060	16 094	23 501	470 258
Less: vehicles transferred to current assets	(467 376)	–	–	–	(467 376)
Non-current portion	58 537	16 060	16 094	23 501	2 882
COMPANY: Nil					

4.2 Reconciliation of movement

	Total R'000	Leasehold improvements R'000	Plant and machinery R'000	Furniture and office equipment R'000	Car hire fleet and other motor vehicles R'000
GROUP					
Net book value 28 February 2011					
– non-current	58 565	14 501	15 920	24 097	4 047
– current	415 636	–	–	–	415 636
Additions	422 937	6 655	7 816	10 968	397 498
Disposals	(279 609)	–	(468)	(688)	(278 453)
Depreciation charge	(91 616)	(5 096)	(7 174)	(10 876)	(68 470)
Net book value 29 February 2012					
– non-current	58 537	16 060	16 094	23 501	2 882
– current	467 376	–	–	–	467 376
Additions	430 723	17 422	5 738	10 605	396 958
Disposals	(269 047)	(320)	(359)	(392)	(267 976)
Depreciation charge	(98 624)	(6 486)	(6 775)	(10 117)	(75 246)
Net book value 28 February 2013					
– non-current	**68 803**	**26 676**	**14 698**	**23 597**	**3 832**
– current	**520 162**	**–**	**–**	**–**	**520 162**

4.3 The insurance replacement value of plant and equipment excluding motor vehicles is R165 000 000 (2012: R145 985 000).

4.4 R25 000 000 (2012: R35 000 000) has been budgeted and authorised for capital expenditure in respect of leasehold improvements and the replacement of plant and equipment excluding car hire fleet vehicles. No portion of this was committed at year-end. This amount will be financed from existing cash resources.

	Goup 2013 R'000	Group 2012 R'000
4. PLANT AND EQUIPMENT continued		
4.5 Depreciation is recognised in the statement of comprehensive income as follows:		
– Cost of sales	**73 207**	66 360
– Selling and administration expenses	**25 417**	25 256
	98 624	91 616
4.6 Car hire fleet vehicles aggregating R520 162 000 (2012: R467 376 000) have been pledged as security for trade and other payables aggregating R563 116 000 (2012: R525 769 000).		
5. GOODWILL		
5.1 Cost	**155 473**	155 473
Accumulated impairment	**(80 501)**	(65 501)
Net book value at end of year	**74 972**	89 972
5.2 Net book value at beginning of year	**89 972**	89 972
Amounts impaired during year	**(15 000)**	–
Net book value at end of year	**74 972**	89 972

5.3 Goodwill acquired through business combinations has been attributed to individual cash-generating units ("CGUs").

The carrying value of goodwill is subject to annual impairment testing using the value-in-use method. Detailed operating budgets for the 2014 year formed the basis of projected cash flows. In respect of the CGUs with attributable goodwill, the budgets contained average sales volume growth of 4% (2012: 4%). In respect of the forecast years two to five, growth of between 4% and 5% (2012: 4% and 5%) per annum was predicted, and a discount rate of between 13% and 14% (2012: 13% and 14%) applied. On this basis, the value-in-use calculations indicated that goodwill relating to certain CGUs exceeded the calculated value and an impairment charge of R15 000 000 was processed during the year under review.

5.4 The cash flows for the remainder of the CGUs were stress-tested by adversely amending the parameters listed above. Neither parameter change had an impact on the outcomes.

5.5 Amounts impaired are shown separately on the face of the statement of comprehensive income.

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
6. INVESTMENTS				
6.1 Main Street 445 (Pty) Limited				
Cost at acquisition	**124 387**	124 387	**124 387**	124 387
Discount on initial recognition	**(21 409)**	(21 409)	**(21 409)**	(21 409)
Reversal recognised				
– Prior years	**15 000**	12 000	**15 000**	12 000
– Current year	**3 000**	3 000	**3 000**	3 000
	(3 409)	(6 409)	**(3 409)**	(6 409)
Dividends accrued	**113 635**	89 522	**113 635**	89 522
Amortised cost at end of year	**234 613**	207 500	**234 613**	207 500
Less: current portion	**(1 000)**	(3 000)	**(1 000)**	(3 000)
Non-current portion	**233 613**	204 500	**233 613**	204 500

6.2 The investment in Main Street 445 (Pty) Limited ("Main Street") comprises 124 387 'C' redeemable cumulative preference shares of R0,00001 each issued at a premium of R999,99999 each. The preference shares accrue a semi-annual dividend providing a dividend yield to the holder on the unredeemed capital and accrued dividends equivalent to the prime overdraft rate (2012: 85% of the prime overdraft rate). Main Street is a wholly-owned subsidiary of Thebe Investment Corporation ("TIC"). This investment was made in support of the BEE transaction concluded with TIC in October 2006.

6.3 With effect from 1 April 2012, secondary taxation on companies was abolished, and dividend withholding tax introduced. This change constitutes a "variation event" in terms of the preference share subscription agreement. To compensate CMH shareholders for the new tax, the dividend yield on the preference shares has increased from 85% to 100% of the prime overdraft rate, effective on all dividends received after 1 April 2012. In respect of dividends accrued but not yet received at 1 April 2012, the effect is that the amount accrued has been increased by R21 225 000. This one-off amount has been credited to revenue in the statements of comprehensive income during the year under review.

6.4 A discount of R21 409 000 was applied when the investment was initially recognised at fair value on acquisition date. This discount is reversed through the statements of comprehensive income over the initially-estimated period of settlement of the investment.

		Group 2013 R'000	Group 2012 R'000
7.	**DEFERRED TAXATION**		
7.1	Balance at beginning of year	**49 964**	55 287
	Movements during year:		
	Prior year adjustments	**–**	(84)
	Temporary differences		
	– income taxation	**(4 257)**	(4 372)
	– secondary taxation on companies	**–**	(867)
	Balance at end of year	**45 707**	49 964
7.2	Balance at end of year comprises:		
	Impairment of receivables	**1 962**	1 657
	Lease liabilities	**29 133**	30 303
	Taxation allowances	**(7 828)**	(5 244)
	Accruals and provisions	**12 517**	9 915
	Assessed losses	**606**	6 953
	Receipts in advance	**6 717**	4 872
	Share-based payment reserve	**2 610**	1 508
	Prepayments	**(10)**	–
		45 707	49 964

7.3 The movement on the deferred taxation account was as follows:

	Closing balance 28 February 2013 R'000	Statement of comprehensive income movement 2013 R'000	Closing balance 29 February 2012 R'000	Statement of comprehensive income movement 2012 R'000	Closing balance 28 February 2011 R'000
Impairment of receivables	**1 962**	**305**	1 657	(763)	2 420
Lease liabilities	**29 133**	**(1 170)**	30 303	354	29 949
Taxation allowances	**(7 828)**	**(2 584)**	(5 244)	394	(5 638)
Accruals and provisions	**12 517**	**2 602**	9 915	1 846	8 069
Secondary taxation	**–**	**–**	–	(867)	867
Assessed losses	**606**	**(6 347)**	6 953	(6 568)	13 521
Receipts in advance	**6 717**	**1 845**	4 872	(597)	5 469
Share-based payment reserve	**2 610**	**1 102**	1 508	864	644
Prepayments	**(10)**	**(10)**	–	14	(14)
Total	**45 707**	**(4 257)**	49 964	(5 323)	55 287

7.4 At 28 February 2013, certain subsidiaries had assessable losses aggregating R29 992 000 (2012: R30 188 000) against which no deferred taxation asset has been raised as the future generation of taxable income by those companies is not assured beyond reasonable doubt.

		Company 2013 R'000	Company 2012 R'000
8.	**INVESTMENT IN SUBSIDIARY**		
8.1	Shares, at cost less amounts impaired	**1**	1
	Amount owing by subsidiary	**297 565**	449 856
		297 566	449 857

8.2 Financial information in respect of Group subsidiaries is stated on page 72.

8.3 The amount owing by subsidiary is unsecured, earns interest at 2% above the prime overdraft rate and has no fixed repayment terms.

8.4 Costs of impairment of investments in subsidiaries are charged to the statement of comprehensive income under the heading "selling and administration expenses".

8.5 Directors' valuation of investment in subsidiaries – R921 271 000 (2012: R729 256 000).

		Group 2013 R'000	Group 2012 R'000
9.	**INVENTORY**		
9.1	Inventory has been valued as stated in note 1.9 and comprises:		
	– new vehicles	**606 958**	506 908
	– new marine craft	**44 652**	31 667
	– used and demonstration vehicles	**469 701**	406 998
	– used and demonstration marine craft	**3 460**	5 040
	– parts and accessories	**49 984**	43 163
	– petrol, oils and other inventory	**10 213**	7 696
		1 184 968	1 001 472

9.2 Inventory of new and demonstration vehicles aggregating R742 399 000 (2012: R594 518 000) forms security for trade payables aggregating R838 700 000 (2012: R749 253 000).

9.3 The cost of inventory sold during the year is recognised as an expense and charged to "cost of sales" in the statement of comprehensive income.

9.4 Certain demonstration vehicles are subject to finance leases. These leases all mature within 12 months. Because of the nature of the business and the short period of the leases, the leased vehicles are reflected as inventory and the corresponding liability is included in trade payables.

	Group 2013 R'000	Group 2012 R'000
10. TRADE AND OTHER RECEIVABLES		
10.1 Trade receivables	**201 615**	176 936
Less: impairment	**(7 008)**	(6 680)
	194 607	170 256
Other receivables	**69 506**	42 612
	264 113	212 868
10.2 Trade receivables are primarily in respect of vehicle, marine craft, car hire, parts and workshop sales. These amounts are subject to the Group's standard credit terms and are due within a period of 1 to 60 days after year-end. No interest is charged on these accounts and there are no significant concentrations of credit risk.		
10.3 Other receivables comprise primarily incentive and warranty claims payable by motor manufacturers, deposits and payments in advance.		
10.4 The carrying value of trade and other receivables approximates their fair value.		
10.5 Trade receivables can be analysed as follows:		
0 to 30 days, neither overdue nor impaired	**146 840**	138 731
31 to 60 days, overdue less than 61 days and impaired	**33 634**	23 010
Impairment	**(219)**	(403)
	33 415	22 607
61+ days, overdue more than 60 days and impaired	**21 141**	15 195
Impairment	**(6 789)**	(6 277)
	14 352	8 918
Total	**201 615**	176 936
Impairment	**(7 008)**	(6 680)
	194 607	170 256
10.6 The movement in the allowance for impairment is as follows:		
At beginning of year	**6 680**	10 006
Written off during year	**(4 484)**	(3 632)
Increase in impairment	**4 812**	306
At end of year	**7 008**	6 680

10.7 The net movement in the allowance for impairment and the charge for bad and doubtful debts for the year has been included under "selling and administration expenses" in the statement of comprehensive income.

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
11. CASH AND CASH EQUIVALENTS				
Bank balances, net of overdrafts	**334 931**	385 994	**292 257**	148 677
Held by insurance underwriters	**5 728**	9 414	**–**	–
	340 659	395 408	**292 257**	148 677
The effective interest rate earned on bank balances was 4% (2012: 4%).				
12. SHARE CAPITAL				
12.1 Preference share capital				
Authorised				
1 032 400 7,5% 'C' redeemable cumulative preference shares of R1 each				
Issued				
Nil shares				
12.2 Ordinary share capital				
Authorised				
143 590 560 ordinary shares of no par value				
Issued				
At beginning of year – 108 198 573 shares	**25 438**	25 013	**25 438**	25 013
During year – 626 000 (2012: 60 000) shares	**3 144**	307	**3 144**	307
Transfer from share-based payment reserve	**918**	118	**918**	118
At end of year – 108 824 573 shares	**29 500**	25 438	**29 500**	25 438
12.3 During 2001 shareholders approved the introduction of an employee share incentive scheme. In terms of the scheme 20% of the Company's issued shares, less those shares that are subject to the terms and conditions of the Combined Motor Holdings Limited Share Trust, were made available to issue to employees as option shares. Share options which have been granted to date, and which have now fully vested, net of options which have matured and been exercised, are as follows ('000 shares):				
– October 2002 at R2,06 per share	**–**	20	**–**	20
– October 2004 at R5,12 per share	**2 510**	3 116	**2 510**	3 116
	2 510	3 136	**2 510**	3 136
12.4 Details of the share options are ('000 shares):				
Granted at beginning of year	**3 136**	3 196	**3 136**	3 216
Taken up during year	**(626)**	(60)	**(626)**	(80)
Granted at end of year	**2 510**	3 136	**2 510**	3 136

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
13. SHARE-BASED PAYMENT RESERVE				
Share option scheme 2001	**3 702**	4 620	**3 702**	4 620
Share appreciation rights scheme 2010	**9 322**	5 386	**–**	–
	13 024	10 006	**3 702**	4 620

13.1 Share option scheme 2001

13.1.1 During October 2004, the Group granted 12 employees the option to acquire a total of 4 350 000 shares at R5,12 per share. All the options were exercised immediately and have now fully vested.

13.1.2 A reconciliation of the movement in the number of share options is as follows ('000 shares):

	Group 2013	Group 2012	Company 2013	Company 2012
Outstanding at beginning of year	**3 116**	3 176	**3 116**	3 196
Taken up during year	**(606)**	(60)	**(606)**	(80)
Outstanding at end of year	**2 510**	3 116	**2 510**	3 116

13.1.3 The amounts recognised in the financial statements for these share-based payment transactions are as follows:

	Group 2013	Group 2012	Company 2013	Company 2012
Balance at beginning of year	**4 620**	4 738	**4 620**	4 738
Transferred to share capital	**(918)**	(118)	**(918)**	(118)
Balance at end of year	**3 702**	4 620	**3 702**	4 620

13.2 Share appreciation rights scheme 2010

13.2.1 On 1 June 2010, the Group introduced the Combined Motor Holdings Limited Share Appreciation Rights Scheme 2010 ("the scheme"). Under the scheme, participating employees are awarded the right to receive shares equal in value to the difference between the exercise price and the grant price. The employee therefore participates in the share price appreciation of the Company. The vesting of the right is conditional on the achievement of Group performance levels over a performance period.

13. SHARE-BASED PAYMENT RESERVE continued

13.2 Share appreciation rights scheme 2010 continued

Grant date	Grant price	Expiry date	Number of rights at 1 March 2012 '000	Rights granted during the year '000	Rights exercised during the year '000	Rights forfeited during the year '000	**Number of rights at 28 February 2013 '000**
June 2010	R10,31	Dec 2013	1 043	–	–	–	**1 043**
June 2010	R10,31	Dec 2014	1 043	–	–	–	**1 043**
June 2010	R10,31	Dec 2015	1 044	–	–	–	**1 044**
			3 130	–	–	–	**3 130**
June 2011	R11,48	Dec 2014	140	–	–	–	**140**
June 2011	R11,48	Dec 2015	140	–	–	–	**140**
June 2011	R11,48	Dec 2016	140	–	–	–	**140**
			420	–	–	–	**420**
June 2012	R10,84	Dec 2015	–	316	–	–	**316**
June 2012	R10,84	Dec 2016	–	317	–	–	**317**
June 2012	R10,84	Dec 2017	–	317	–	–	**317**
			–	950	–	–	**950**
			3 550	950	–	–	**4 500**

The Group has used a Black-Scholes model to determine the fair value of the share appreciation rights (SARs). The model used the following parameters:

Grant price	The grant price at which the SAR is issued, being the 30-day weighted average share price quoted on the JSE Limited on the grant date
Share price at grant date	The closing share price as quoted by the JSE Limited at grant date
Expected option life	Between 3,25 and 5,25 years
Risk-free rate	Between 7,6% and 7,9%
Annualised volatility	Between 38,8% and 49,1% based on historic volatility determined by the statistical analysis of daily share price movements over the past three years
Dividend yield	Between 3,4% and 3,6% based on historic dividend payments over the three years prior to the grant date
Vesting	1 043 000 on 1 June 2013 (rights expire on 1 December 2013) 1 183 000 on 1 June 2014 (rights expire on 1 December 2014) 1 500 000 on 1 June 2015 (rights expire on 1 December 2015) 457 000 on 1 June 2016 (rights expire on 1 December 2016) 317 000 on 1 June 2017 (rights expire on 1 December 2017)
Performance conditions	Compound real growth in headline earnings per share of the Company
Non-market conditions	Growth in headline earnings per share
Market conditions	No market conditions

13. SHARE-BASED PAYMENT RESERVE continued

13.2 Share appreciation rights scheme 2010 continued

Estimated fair value per right at grant date	Grant date: June 2010 Expiry date 1 December 2013: R0,99 Expiry date 1 December 2014: R1,33 Expiry date 1 December 2015: R1,33
	Grant date: June 2011 Expiry date 1 December 2014: R0,93 Expiry date 1 December 2015: R1,29 Expiry date 1 December 2016: R1,50
	Grant date: June 2012 Expiry date 1 December 2015: R0,98 Expiry date 1 December 2016: R1,12 Expiry date 1 December 2017: R1,42
Average remaining life	Between 0,5 and 4,5 years

		Group 2013 R'000	Group 2012 R'000
13.2.2	The amounts recognised in the financial statements for these share-based payment transactions are as follows:		
	Balance at beginning of year	**5 386**	2 301
	Charged as "selling and administration expenses" during year	**3 936**	3 085
	Balance at end of year	**9 322**	5 386

13.2.3 The total cost of the rights, as reflected by the model, is R16 351 000 which will be charged to the statement of comprehensive income as follows:

	R'000
2011	2 301
2012	3 085
2013	**3 936**
2014	3 374
2015	2 237
2016	982
2017	368
2018	68
	16 351

	Group 2013 R'000	Group 2012 R'000
14. NON-CONTROLLING INTEREST		
14.1 Advance from non-controlling shareholders of subsidiaries		
Non-current portion	**128 384**	135 489
Current portion	**7 255**	4 850
	135 639	140 339
Share of deficit in subsidiaries	**(7 982)**	(5 301)
	127 657	135 038
14.2 The advance from non-controlling shareholders of subsidiaries is interest-free. It is repayable as follows:		
Next 12 months	**7 255**	4 850
Months 13 to 24	**4 035**	7 000
No defined terms	**124 349**	128 489
	135 639	140 339
14.3 The non-controlling shareholders of subsidiaries are related parties of the Company.		
15. ASSURANCE FUNDS		
Underwriting activities are conducted through special purpose entities on commercial terms and conditions and at market rates.		
Statement of comprehensive income effect:		
– gross written premium	**20 583**	13 714
– investment income	**456**	498
– decrease in assurance funds	**183**	5 406
– claims paid	**(3 880)**	(1 708)
– other expenses	**(7 225)**	(4 900)
– profit before taxation	**10 117**	13 010
Reflected in the statement of financial position as:		
– assurance funds	**(7 548)**	(7 731)
– trade and other receivables	**106**	200
– cash and cash equivalents	**5 728**	9 414
– current tax liabilities	**(369)**	(2 172)
– trade and other payables	**548**	(12)
16. LEASE LIABILITIES		
At beginning of year	**111 167**	110 176
Movement during year	**(4 594)**	991
At end of year	**106 573**	111 167
Less: current portion	**(9 092)**	(6 639)
Non-current portion	**97 481**	104 528

This liability arose as a result of the implementation of the "straight-line" concept contained in IAS 17: Leases.

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
17. TRADE AND OTHER PAYABLES				
17.1 Trade payables	**1 566 958**	1 430 952	**–**	–
Accrued expenses	**123 807**	115 249	**479**	460
	1 690 765	1 546 201	**479**	460

17.2 Trade and other payables comprise primarily trade payables in respect of the purchase of vehicles, marine craft and parts. They are payable according to terms varying between 30 and 180 days.

17.3 All payables are interest-free except those in respect of vehicle purchases and car hire fleet vehicles which bear interest at rates varying between 7,5% and 10% per annum (2012: 7,5% and 10%) for the period they are outstanding in excess of an initial interest-free period.

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
18. REVENUE				
Revenue is derived from the various segments of the business as follows:				
Retail motor	**8 430 911**	7 799 845	**–**	–
Car hire	**316 807**	291 914	**–**	–
Marine and leisure	**150 756**	173 155	**–**	–
Financial services	**23 150**	15 559	**–**	–
Corporate services/other	**50 187**	13 255	**44 113**	18 601
	8 971 811	8 293 728	**44 113**	18 601

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
19. EXPENSES BY NATURE				
Cost of sales	**7 408 617**	6 922 488	**–**	–
Impairment of goodwill	**15 000**	–	**–**	–
– Employee benefit expense (note 19.1)	**598 277**	531 476	**–**	–
– Depreciation	**25 417**	25 256	**–**	–
– Auditor's remuneration (note 19.3)	**4 537**	4 350	**52**	49
– Operating lease charges	**194 777**	183 684	**–**	–
– Impairment charge for bad and doubtful debt	**4 812**	306	**–**	–
– Foreign exchange losses	**3 756**	919	**–**	–
– Valuation of derivative financial instrument	**(2 263)**	1 778	**–**	–
– Other expenses	**428 147**	409 347	**171**	164
Selling and administration expenses	**1 257 460**	1 157 116	**223**	213
19.1 Employee benefit expense				
Employee costs	**537 975**	474 337	**–**	–
Pension fund contributions	**32 898**	29 536	**–**	–
Medical aid contributions	**23 468**	24 518	**–**	–
Share-based payment expense	**3 936**	3 085	**–**	–
	598 277	531 476	**–**	–
19.2 Key management employee benefit expense				
Short-term employee benefits	**32 964**	30 078	**–**	–
Share-based payment expense	**2 149**	1 581	**–**	–
	35 113	31 659	**–**	–
These amounts are included in "Employee benefit expense" above.				
19.3 Auditor's remuneration				
Fees for audit	**4 449**	4 272	**52**	49
Fees for other services	**88**	75	**–**	–
Prior year adjustment	**–**	3	**–**	–
	4 537	4 350	**52**	49

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
20. OTHER INCOME				
Fair value discount reversed (note 6)	**3 000**	3 000	**3 000**	3 000
21. FINANCE INCOME/FINANCE COSTS				
Interest paid – trade payables	**(36 655)**	(33 994)	**–**	(10)
– other	**(7)**	(43)	**–**	–
	(36 662)	(34 037)	**–**	(10)
Interest received – bank	**12 394**	14 669	**10 460**	7 706
– subsidiary	**–**	–	**41 220**	46 194
– other	**141**	258	**–**	–
	12 535	14 927	**51 680**	53 900
Net finance cost	**(24 127)**	(19 110)	**51 680**	53 890
22. TAX EXPENSE				
22.1 South African normal taxation				
– current year	**61 268**	44 640	**14 436**	15 030
– prior year adjustment	**155**	(17)	**–**	–
– deferred – current year	**4 257**	4 372	**–**	–
– prior year	**–**	84	**–**	–
Secondary taxation on companies				
– current	**–**	3 922	**–**	4 651
– deferred	**–**	867	**–**	–
	65 680	53 868	**14 436**	19 681
	%	%	**%**	%
22.2 Reconciliation of rate of taxation				
Statutory rate	**28,0**	28,0	**28,0**	28,0
Adjusted for:				
Disallowable expenditure	**2,4**	0,9	**–**	–
Exempt income and allowances	**(5,6)**	(3,4)	**(13,4)**	(8,0)
Secondary taxation on companies				
– current	**–**	2,0	**–**	6,1
– deferred	**–**	0,4	**–**	–
Assessed losses not recognised	**0,8**	0,1	**–**	–
Assessed losses utilised	**(1,2)**	(0,8)	**–**	–
Effective rate	**24,4**	27,2	**14,6**	26,1

23. EARNINGS PER SHARE

23.1 Basic earnings and headline earnings per share are based on total profit and comprehensive income, and headline earnings attributable to equity holders of the Company respectively, and are calculated using the weighted average of 108 531 000 (2012: 108 179 000) shares in issue during the year.

23.2 On the assumption that all of the share options referred to in note 12.4 are taken up by employees, earnings and headline earnings per share will be diluted.

The number of shares used to calculate diluted earnings and headline earnings per share is determined by adding to the weighted average number of shares in issue the number of shares that could have been purchased using the value representing the discount between the price at which the option shares were granted and the year-end value of the existing shares. No adjustment is made to total profit or headline earnings.

	Group 2013 R'000	Group 2012 R'000
Weighted average number of shares in issue during year ('000 shares)	**108 531**	108 179
Adjustment for option shares	**1 555**	307
Weighted average number of shares for dilution calculation	**110 086**	108 486
23.3 Reconciliation of headline earnings		
Total profit and comprehensive income	**203 927**	144 146
Non-trading items:		
– impairment of goodwill	**15 000**	–
– loss on sale of plant and equipment	**542**	–
Headline earnings	**219 469**	144 146
Attributable to:		
Equity holders of the Company	**199 610**	131 297
Non-controlling interest	**19 859**	12 849
	219 469	144 146
23.4 Earnings per share (cents)		
Basic	**171,7**	121,4
Diluted basic	**169,3**	121,0
Headline	**183,9**	121,4
Diluted headline	**181,3**	121,0

	Group 2013 R'000	Restated Group 2012 R'000	Company 2013 R'000	Restated Company 2012 R'000
24. CASH GENERATED FROM OPERATIONS				
Operating profit	293 734	217 124	46 890	21 388
Adjustments for non-cash items:				
Dividend accrued	(44 113)	(17 229)	(44 113)	(17 229)
Movement in lease liabilities	(4 594)	991	–	–
Movement in share-based payment reserve	3 936	3 085	–	–
Depreciation	98 624	91 616	–	–
Movement in provisions	–	(1 500)	–	–
Valuation of derivative financial liability	(1 778)	1 778	–	–
Loss on sale of plant and equipment	542	–	–	–
Fair value discount reversed	(3 000)	(3 000)	(3 000)	(3 000)
Impairment of goodwill	15 000	–	–	–
Assurance funds movement	(183)	(5 406)	–	–
Sale of car hire fleet vehicles	267 426	277 705	–	–
Purchase of car hire fleet vehicles	(393 646)	(396 527)	–	–
	231 948	168 637	(223)	1 159
Working capital changes:				
Inventory	(183 496)	(176 271)	–	–
Trade and other receivables	(51 245)	17 063	–	–
Trade and other payables	144 564	261 679	19	41
	(90 177)	102 471	19	41
Cash generated from operations	141 771	271 108	(204)	1 200

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
25. DIVIDENDS PAID				
Ordinary dividends				
Dividend number 49	(27 206)	–	(27 206)	–
Dividend number 48	(38 996)	–	(38 996)	–
Dividend number 47	–	(14 065)	–	(14 065)
Dividend number 46	–	(32 448)	–	(32 448)
	(66 202)	(46 513)	(66 202)	(46 513)
26. TAXATION PAID				
Taxation paid is reconciled to the amounts disclosed in the statements of comprehensive income as follows:				
Amounts unpaid at beginning of year	(9 639)	(1 959)	(2 989)	(2 047)
Amounts charged to the statements of comprehensive income	(61 423)	(48 545)	(14 436)	(19 681)
Amounts unpaid at end of year	2 634	9 639	296	2 989
	(68 428)	(40 865)	(17 129)	(18 739)
27. NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES				
Repayment of loans	(4 700)	(35 823)		
Payment of dividends	(20 209)	(15 123)		
	(24 909)	(50 946)		

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
28. RELATED PARTY TRANSACTIONS				
28.1 During the year a number of subsidiary companies occupied properties which are owned directly or indirectly by various directors of the Company.				
Rentals paid during the year amounted to	**61 249**	46 485	**–**	–
The directors are of the opinion that the terms and conditions of the rental agreements approximate those available in the open market.				
28.2 Other transactions conducted and balances with related companies were as follows:				
Dividends received				
– Main Street 445 Proprietary Limited (note 6)	**(44 113)**	(17 229)	**(44 113)**	(17 229)
– inter-group	**–**	–	**–**	(1 372)
Interest received				
– inter-group	**–**	–	**(41 220)**	(46 194)
Dividends paid				
– Main Street 445 Proprietary Limited	**20 059**	15 123	**–**	–
– Chez Investments Proprietary Limited	**150**	–	**–**	–
Year-end balances				
– advance to subsidiary	**–**	–	**297 565**	449 856
– investment in Main Street 445 Proprietary Limited	**234 613**	207 500	**234 613**	207 500
– advance from Main Street 445 Proprietary Limited	**135 384**	140 234	**–**	–
– advance from Chez Investments Proprietary Limited	**255**	105	**–**	–
Main Street 445 Proprietary Limited and Chez Investments Proprietary Limited are non-controlling shareholders of Group companies.				
29. COMMITMENTS				
Operating lease commitments				
The future minimum lease payments under non-cancellable operating leases are as follows:				
Next 12 months	**176 092**	170 635	**–**	–
Years 2 to 5	**377 533**	418 002	**–**	–
Years 6+	**100 837**	176 232	**–**	–
	654 462	764 869	**–**	–
Less: accrued in statement of financial position	**(106 573)**	(111 167)	**–**	–
Future expense	**547 889**	653 702	**–**	–

30. EMPLOYEE BENEFIT INFORMATION

30.1 Membership of motor-related union pension funds is compulsory for certain artisans and other employees, whilst membership of the Group pension fund, Combined Motor Holdings Pension Fund, is available for all other classes of employees commencing employment before the age of 55 years.

30.2 During the year under review the Combined Motor Holdings Pension Fund operated as a defined contribution plan governed by the Pension Funds Act.

30.3 The Group pays a fixed monthly contribution to these separate legal entities and has no legal or constructive obligation to pay further contributions if the funds do not hold sufficient assets to pay all employees the benefits relating to their employment service.

30.4 The Group pays a fixed monthly contribution to various independent medical schemes. It has no post-retirement obligations to employees.

31. RESTATEMENT OF STATEMENTS OF CASH FLOWS

31.1 Dividend income receivable but not yet received by the Group and Company was reflected in the Statements of Cash Flows for the year ended 29 February 2012, both as cash inflows and as an increase in Investments. Further, the line items "Cash paid to suppliers and employees" (Group) and "Cash receipts from customers" (Company) also included an entry recording dividends accrued.

31.2 The 2012 Statements of Cash Flows have been adjusted to remove the effect of these items, as follows:

	As previously reported R'000	Adjustment for dividend income R'000	As restated R'000
Group 2012			
Cash paid to suppliers and employees	(8 020 545)	(17 229)	(8 037 774)
Cash generated from operations	288 337	(17 229)	271 108
Net cash movement from operating activities	181 849	(17 229)	164 620
Investments	(17 229)	17 229	–
Net cash movement from investing activities	(47 404)	17 229	(30 175)
Company 2012			
Cash receipts from customers	18 601	(17 229)	1 372
Cash generated from operations	18 429	(17 229)	1 200
Net cash movement from operating activities	7 067	(17 229)	(10 162)
Investments	(17 229)	17 229	–
Net cash movements from investing activities	16 677	17 229	33 906

31.3 Note 24 detailing "Cash generated from operations" has also been restated to reflect this adjustment.

31.4 The restatement had no impact on the net movement in cash and cash equivalents, nor the balance thereof at year-end.

32. SUBSEQUENT EVENT

A dividend (dividend number 50) of 50 cents per share will be paid on Tuesday 18 June 2013 to members reflected in the share register of the Company at the close of business on the record date, Friday 14 June 2013. Last day to trade 'cum' dividend is Friday 7 June 2013. First day to trade 'ex' dividend is Monday 10 June 2013. Share certificates may not be dematerialised or rematerialised from Monday 10 June 2013 to Friday 14 June 2013, both days inclusive.

The number of ordinary shares in issue at the date of the declaration is 108 825 000. Consequently, the gross dividend payable is R54 413 000 and will be distributed from income reserves. There are no STC credits available for utilisation. The dividend will be subject to dividend withholding tax at a rate of 15%, which will result in a net dividend of 42,5 cents to those shareholders who are not exempt in terms of section 64F of the Income Tax Act.

33. NEW STANDARDS AND AMENDMENTS TO EXISTING STANDARDS AND INTERPRETATIONS THAT ARE NOT YET EFFECTIVE TO THE GROUP'S OPERATIONS

A number of new standards, and amendments to existing standards and interpretations have been published that are mandatory for the Group's future accounting periods, but that the Group has not early adopted. None of these is expected to have an impact on the consolidated financial statements of the Group in future periods, except for the following:

IFRS 9	(Revised) Financial Instruments (effective for periods beginning on or after 1 January 2015)
IFRS 10	Consolidated Financial Statements (effective for periods beginning on or after 1 January 2013)
IFRS 11	Joint Arrangements (effective for periods beginning on or after 1 January 2013)
IFRS 12	Disclosure of Interests in Other Entities (effective for periods beginning on or after 1 January 2013)
IAS 34	(Amendment) Interim Financial Reporting (effective for periods beginning on or after 1 January 2013)

Management is currently assessing the impact of the above on the results and disclosures of the Group and intends to adopt the standards at their respective effective dates.

SUBSIDIARIES

Name of company	Issued share capital R	Activity	Effective holding (indirect)/direct 2013 %	2012 %	Shares at cost less amounts written off 2013 R'000	2012 R'000	Indebtedness by subsidiaries 2013 R'000	2012 R'000
CMH Autogas Products	100	5	**(85)**	(85)	**–**	–	**–**	–
CMH Car Hire	100	3	**(85)**	(85)	**–**	–	**–**	–
CMH Holdings	1 000	5	**85**	85	**1**	1	**297 565**	449 856
CMH Luxury Motors (Lyndhurst)	200	1	**(85)**	(85)	**–**	–	**–**	–
CMH Marine and Leisure	67 000	4	**(85)**	(85)	**–**	–	**–**	–
Combined Motor Finance	2	2	**(85)**	(85)	**–**	–	**–**	–
Datcentre Motors	250 000	1	**(85)**	(85)	**–**	–	**–**	–
Kempster Sedgwick	1 800 400	1	**(85)**	(85)	**–**	–	**–**	–
Mandarin Motors	100	1	**(77)**	(77)	**–**	–	**–**	–
Mandarin Motors Three	100	1	**(85)**	(85)	**–**	–	**–**	–
Pipemakers	100	5	**(60)**	(60)	**–**	–	**–**	–
Waterworld	1	6	**(85)**	(85)	**–**	–	**–**	–
Whitehouse Motors	25	1	**(85)**	(85)	**–**	–	**–**	–
					1	1	**297 565**	449 856

Notes

1. *All subsidiaries are Proprietary Limited companies incorporated in South Africa.*
2. *Activity index:*
   1 *retail motor*
   2 *financial services*
   3 *car hire*
   4 *marine and leisure*
   5 *corporate services/other*
   6 *dormant/deregistered in current year*
3. *No business of a subsidiary was managed by a third party during the year under review.*

DIRECTORS' EMOLUMENTS

Executive directors	Total R'000	MPD Conway R'000	SK Jackson R'000	JD McIntosh R'000
2013				
Salary	**9 519**	**2 880**	**3 064**	**3 575**
Performance-related payments	**4 400**	**1 300**	**1 300**	**1 800**
Share-based payment award	**476**	**476**	**–**	**–**
Other benefits	**756**	**252**	**252**	**252**
Contributions to pension and medical aid funds	**1 035**	**307**	**347**	**381**
	16 186	**5 215**	**4 963**	**6 008**
2012				
Salary	8 807	2 604	2 863	3 340
Performance-related payments	3 740	1 100	1 100	1 540
Other benefits	744	248	248	248
Contributions to pension and medical aid funds	918	234	327	357
	14 209	4 186	4 538	5 485

Non-executive directors	Total R'000	LCZ Cele R'000	JS Dixon R'000	JTM Edwards R'000	VP Khanyile R'000	D Molefe R'000	MH Shelembe R'000	M Zimmer-man R'000
2013								
Fees	**1 495**	**176**	**215**	**273**	**141**	**105**	**–**	**585**
2012								
Fees	1 355	169	195	257	134	50	50	500
Other benefits	36	–	–	–	–	–	–	36
Contributions to medical aid fund	51	–	–	–	–	–	–	51
	1 442	169	195	257	134	50	50	587

Notes

1. *All remuneration paid by subsidiary companies.*

DIRECTORS' SHAREHOLDING

('000 shares)	Total	MPD Conway	JTM Edwards	SK Jackson	JD McIntosh	M Zimmer-man	JW Alder-slade
Beneficial shareholding at 29 February 2012							
– direct	219	5	7	87	112	–	8
– indirect	75 271	1 408	–	5 000	25 395	43 468	–
	75 490	1 413	7	5 087	25 507	43 468	8
Shares acquired/(disposed of) during the year							
– indirect	(100)	(100)	–	–	–	–	–
Beneficial shareholding at 28 February 2013							
– direct	219	5	7	87	112	–	8
– indirect	75 171	1 308	–	5 000	25 395	43 468	–
	75 390	**1 313**	**7**	**5 087**	**25 507**	**43 468**	**8**
Options held subject to the terms and conditions of the Share Option Scheme 2001							
– at R5,12 per share	**2 137**	**338**	**–**	**787**	**1 012**	**–**	**–**
Rights held subject to the terms and conditions of the CMH Share Appreciation Rights Scheme 2010 ('000 rights)							
At 29 February 2012	300	300	–	–	–	–	–
Granted during year	125	125	–	–	–	–	–
At 28 February 2013	**425**	**425**	**–**	**–**	**–**	**–**	**–**

ANALYSIS OF ORDINARY SHAREHOLDERS

	Number of shareholders		Number of shares held ('000)		Percentage of shares held	
	2013	2012	**2013**	2012	**2013**	2012
Individuals	**539**	521	**5 035**	4 908	**4,6**	4,5
Nominee companies and trusts	**74**	74	**4 489**	4 448	**4,1**	4,1
Other corporate bodies	**108**	120	**99 301**	98 842	**91,3**	91,4
	721	715	**108 825**	108 198	**100,0**	100,0
Holdings						
1 – 2 500	**374**	380	**338**	338	**0,3**	0,3
2 501 – 5 000	**94**	99	**349**	360	**0,3**	0,3
5 001 – 10 000	**86**	75	**674**	583	**0,6**	0,5
Over 10 000	**167**	161	**107 464**	106 917	**98,8**	98,9
	721	715	**108 825**	108 198	**100,0**	100,0
Public shareholders	**715**	709	**33 435**	32 708	**30,7**	30,2
Non-public shareholders – directors of Company	**6**	6	**75 390**	75 490	**69,3**	69,8
	721	715	**108 825**	108 198	**100,0**	100,0

Notes

1. *So far as is known, only one shareholder other than a director is directly or indirectly beneficially interested in 5% or more of the ordinary issued share capital. Old Mutual Group holds 7,4%.*
2. *A copy of the detailed share register as at 28 February 2013 is available on written request to the company secretary.*

STOCK EXCHANGE PERFORMANCE

			2013	2012
Closing price	28 February 2013	(cents)	**1 330**	1 000
Volume of shares traded		('000)	**13 673**	6 077
Value of shares traded		(R'000)	**160 903**	64 833
Number of transactions			**1 657**	193
Volume of shares traded as percentage of total issued shares		(%)	**12,6**	5,6
JSE General Retailers Index			**60 588**	52 486
JSE All-share Index			**39 710**	34 296
Lowest price	16 March 2012	(cents)	**965**	880
Highest price	15 February 2013	(cents)	**1 440**	1 339
Earnings yield	28 February 2013	(%)	**13,8**	12,1
Dividend yield	28 February 2013	(%)	**4,6**	4,3

NOTICE OF MEETING

Notice is hereby given that the twenty-fourth annual general meeting of shareholders of Combined Motor Holdings Limited will be held in the boardroom at the CMH Head Office located at 1 Wilton Crescent, Umhlanga Ridge, on Thursday 30 May 2013 commencing at 15h00 for the following purposes:

1. **Ordinary resolution number 1**
   Approval of annual financial statements
   To receive, approve and adopt the annual financial statements, and the reports of the directors, and audit committee and social, ethics and transformation committee of the Company and the Group for the year ended 28 February 2013.

2. **Ordinary resolution number 2**
   Election and re-election of directors
   To confirm the re-election of the following directors who retire by rotation in terms of the Memorandum of Incorporation and who have offered themselves for re-election:

   2.1 MPD Conway

   2.2 VP Khanyile

   A brief curriculum vitae of each of the above directors is recorded on page 78. The directors recommend the election of each of the directors.

3. **Ordinary resolution number 3**
   Election of audit and risk assessment committee
   To elect members of the audit and risk assessment committee for the ensuing year. The directors propose the re-election of the following members:

   JS Dixon (chairman)
   LCZ Cele
   JTM Edwards

4. **Ordinary resolution number 4**
   Appointment of external auditor
   To appoint PricewaterhouseCoopers Inc. and designated partner SF Randelhoff, as auditor of the Company and the Group for the ensuing year.

5. **Ordinary resolution number 5**
   Remuneration report
   To confirm, on a non-binding advisory basis, the approval by shareholders of the remuneration report of the Group. The remuneration report is recorded on pages 24 and 25.

6. **Special resolution number 1**
   Approval of fees of non-executive directors
   To approve, in terms of Section 66(8) of the Companies Act, 2008 ("Act"), the fees of non-executive directors for their services as directors, as follows:

	2014 R'000
Chairman of the Board	520
Lead independent director	205
Director	110
Audit and Risk Assessment Committee	
– chairman	100
– member	30
– per meeting	10
Remuneration Committee	
– chairman	25
– member	10
– per meeting	7
Social, Ethics and Transformation Committee	
– chairman	25
– member	10
– per meeting	7

In order for an ordinary resolution to be adopted the support is required of more than 50% of the total number of votes which the shareholders present or represented by proxy at this meeting are entitled to cast.

In order for a special resolution to be adopted the support is required of more than 75% of the total number of votes which the shareholders present or represented by proxy at this meeting are entitled to cast.

A shareholder who is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his stead. The person so appointed need not be a shareholder. In terms of the Act, any shareholder or proxy who attends the meeting must provide satisfactory identification. A South African green bar-coded identification document, driver's licence or passport will be acceptable. Proxy forms should be forwarded to reach the registered office of the Company by not later than 15h00 on Wednesday 29 May 2013.

The record date in terms of section 59(1)(a) of the Act for shareholders to be recorded on the securities register of the Company in order to receive notice of the annual general meeting is Friday 19 April 2013.

The record date in terms of section 59(1)(b) of the Act for shareholders to participate in and vote at the annual general meeting is Friday 24 May 2013.

By order of the Board of directors

K Fonseca
Company Secretary

19 April 2013

CURRICULA VITAE

A brief curriculum vitae of each of the directors standing for election or re-election is as follows:

VP Khanyile, BCom (Honours), was appointed to the Board in 2007. Having persuaded key individuals that an investment fund should be set up to finance community projects, Vusi helped to establish Thebe Investment Corporation in 1992. A community activist for most of his adult life, Vusi has participated in numerous development programmes and community-based organisations. He has served as director on a number of listed and unlisted companies, and serves on various boards in a non-executive capacity. These include Shell SA Refinery and Vodacom SA. He is also the independent chairman of Santam and lead independent director of the JD Group. He holds an Honours degree in Accounting and Finance from the University of Birmingham, a Fellowship in Development Finance at Princeton University and an Honorary Doctorate from the University of Transkei. Vusi's previous appointments include: ANC Head of Finance (1990 to 1992), chairman of the Educational Development Trust (since 1989), NECC founding chairman (1985 to 1989), and Special Assistant to the Vice Chancellor, and later Deputy Registrar, at the University of Cape Town. Vusi started his career in the finance division at Anglo American and later ran his own finance company. He was last re-elected to the Board in 2010.

MPD Conway, CA(SA), joined the CMH Group as Datcentre Motors' financial manager in 1987. During 1991 he transferred to the operating side of the business as dealer principal of Datcentre Durban and, in 1995, was appointed franchise director for the Group's Nissan, Fiat and Alfa Romeo dealerships. Mark was appointed to the Board in 2000 and has been responsible for numerous franchises in the Group. Mark is currently responsible for the Group's BMW, GM, Marine and Leisure, Import and Distribution and panel-beating businesses. He has served on the Fiat, Nissan Diesel and Honda National Dealer Councils and served as chairman of the Nissan National Dealer Council. Mark was last re-elected to the Board in 2010.

FORM OF PROXY

COMBINED MOTOR HOLDINGS LIMITED ANNUAL GENERAL MEETING 30 MAY 2013

I/We the undersigned,

being the holder/s of ordinary shares of no par value in Combined Motor Holdings Limited,

do hereby appoint

or

or failing him the chairman of the meeting as my/our proxy to transact on my/our behalf at the annual general meeting of the Company to be held at 15h00 on Thursday 30 May 2013 and at each adjournment thereof.

Signature(s) Date

Please indicate with an "X" in the appropriate space below how you wish your vote to be cast:

	For	Against	Abstention
Ordinary resolution number 1			
Ordinary resolution number 2.1: MPD Conway			
Ordinary resolution number 2.2: VP Khanyile			
Ordinary resolution number 3			
Ordinary resolution number 4			
Ordinary resolution number 5			
Special resolution number 1			

Notes

1. A shareholder who is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his stead. The person so appointed need not be a shareholder.
2. Proxy forms should be signed, dated and forwarded to reach the registered office of the Company, 1 Wilton Crescent, Umhlanga Ridge 4319, by no later than 15h00 on Wednesday 29 May 2013.
3. If no direction is given as to how a vote is to be cast, then the proxy holder will be entitled to vote as he/she deems fit.
4. In terms of the Act, any shareholder or proxy who attends the meeting must provide satisfactory identification. A South African green bar-coded identification document, driver's licence or passport will be acceptable.

Registered office
1 Wilton Crescent Umhlanga Ridge 4319

Postal address
PO Box 1033 Umhlanga Rocks 4320

ADMINISTRATION

Registration number: 1965/000270/06
Income tax reference number: 9471/712/71/2
Share code: CMH
ISIN: ZAE000088050

DIRECTORS

LCZ Cele, BCom, Postgrad Dip Tax, MAcc (Tax) *(independent non-executive)*
MPD Conway, CA (SA) *(executive)*
JS Dixon, CA (SA) *(independent non-executive)*
JTM Edwards, CA (SA) *(independent non-executive)*
SK Jackson, BCom (Hons) (Tax Law), CA (SA) *(executive)*
VP Khanyile, BCom (Hons) *(independent non-executive)*
JD McIntosh, CA (SA) *(executive)*
D Molefe, BCom, BCompt (Hons), Masters International Accounting, CA (SA) *(independent non-executive)*
M Zimmerman *(non-executive)*
JW Alderslade, CA (SA) (alternate to VP Khanyile and D Molefe)

EXECUTIVE COMMITTEE

SL Atkinson
BWJ Barritt
JP de Bruyn
K Fonseca
GP Gray
RJ Minnaar
TH Morey
CG Webber

COMPANY SECRETARY

K Fonseca

AUDITOR

PricewaterhouseCoopers Inc.

BANKERS

First National Bank of Southern Africa

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
PO Box 61051
Marshalltown 2107

BUSINESS ADDRESS AND REGISTERED OFFICE

1 Wilton Crescent
Umhlanga Ridge 4319

POSTAL ADDRESS

PO Box 1033
Umhlanga Rocks 4320

SPONSORS

PricewaterhouseCoopers Corporate Finance
Proprietary Limited
Private Bag X36
Sunninghill 2157

SHAREHOLDERS' DIARY

Year-end	February
Annual general meeting	May
REPORTS	
Interim	October
Integrated annual report	May
DIVIDENDS	
Interim	Declared October, paid December
Final	Declared April, paid June

www.cmh.co.za