The definitions on page 7 of the Pre-listing Statement apply throughout this document.

Curro Holdings Limited
(Incorporated in the Republic of South Africa)
Registration number: 1998/025801/06
JSE share code: COH
ISIN: ZAE000156253
("**Curro**" or "**the Company**")

PRE-LISTING STATEMENT

This Pre-listing Statement is prepared and issued in terms of the JSE Listings Requirements. This Pre-listing Statement is not an invitation to the public to subscribe for Shares in Curro. It is issued in compliance with the JSE Listings Requirements, for the purpose of providing information to the public and investors with regard to Curro.

The JSE has granted the Company a Listing by way of introduction of all its issued ordinary shares on the Alt^{X} of the JSE under the abbreviated name "Curro", share code COH and ISIN ZAE000156253 with effect from the commencement of trade on Thursday, 2 June 2011.

As at the date of Listing, the total authorised ordinary share capital of the Company will comprise 200 000 000 (two hundred million) ordinary shares with a par value of R0.00001 each. The issued ordinary share capital will comprise of 80 607 040 (eighty million six hundred and seven thousand and forty) ordinary Shares with a par value of R0.00001 each. The share premium before Listing is R51 017 214 (fifty one million seventeen thousand two hundred and fourteen Rand) and on Listing will be R51 817 194 (fifty one million eight hundred and seventeen thousand one hundred and ninety four Rand).

All ordinary Shares in issue rank *pari passu* with each other.

Shareholders of Curro are advised that their Curro Shares will only be traded on the JSE in dematerialised form and accordingly all Shareholders who elect to receive their Curro Shares in certificated form will have to dematerialise their share certificates in order to trade their Curro Shares on the JSE. Such Shareholders must accordingly make arrangements with their CSDP or broker in terms of the Custody Agreement with their CSDP or broker.

The Board of Directors of Curro, whose names are set out in the *Corporate Information* section of this Pre-listing Statement, collectively and individually, accept full responsibility for the accuracy of the information contained herein and certify that, to the best of their knowledge and belief, there are no omissions of facts or considerations which would make any statements of fact or opinion contained in this Pre-listing Statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Pre-listing Statement contains all information required by the JSE Listings Requirements.

Deloitte & Touche whose reports are included in this Pre-listing Statement, have given and have not, prior to the issue of this Pre-listing Statement, withdrawn their written consent to the inclusion of their name in the capacity stated and of their reports in the form and context in which they appear. The designated adviser, corporate adviser, attorneys, bankers and transfer secretaries, whose names are included in this Pre-listing Statement, have given and have not, prior to registration, withdrawn their written consents to the inclusion of their names in the capacities stated and, where applicable, to their report being included in this Pre-listing Statement.

An abridged version of this Pre-listing Statement will be published on SENS on Thursday, 26 May 2011, and in the Press on Friday, 27 May 2011.

Auditors and reporting accountants	Corporate adviser	Designated adviser
Deloitte. Deloitte & Touche Registered Auditors	PSG CAPITAL	QuestCo

This Pre-listing Statement is only available in English. Copies may be obtained from the registered offices of Curro, the transfer secretaries and the corporate adviser whose addresses are set out in the *Corporate Information* section of this Pre-listing Statement from Thursday, 26 May 2011.

Date of issue: 26 May 2011

CORPORATE INFORMATION

Directors
Advocate JA Le Roux SC (Chairman)
Dr CR van der Merwe* (Chief Executive Officer)
AJF Greyling* (Chief Operating Officer)
B van der Linde* (Financial Director)
MC Mehl#
PJ Mouton
B Petersen#
M Vilakazi#

* Executive
# Independent

Corporate Adviser
PSG Capital (Proprietary) Limited
Registration number 2006/015817/07
1st Floor, Ou Kollege Building
35 Kerk Street
Stellenbosch
7599
(PO Box 7403, Stellenbosch, 7599)

and at
Ground Floor
DM Kisch Building
Inanda Greens Business Park
54 Wierda Road West
Wierda Valley
Sandton, 2196
(PO Box 987, Parklands, 2121)

Attorneys
DLA Cliffe Dekker Hofmeyr Inc
Registration number 1998/0181732/21
11 Buitengracht Street
Cape Town, 8001
(PO Box 695, Cape Town, 8000)

Bankers to Curro
ABSA Bank Limited
Registration number 1986/004794/06
Division: ABSA Business Bank
First Floor, Tijgerpark IV
Willie van Schoor Drive
Tyger Valley, 7530
(PO Box 4453, Tyger Valley, 7536)

Company Secretary and registered address
Bernardt van der Linde
BComm (Hons), CA(SA), CFA
8 Monaco Square
14 Church Street
Durbanville
7550 (PO Box 2436, Durbanville, 7551)

Registered Address of Curro:
8 Monaco Square
14 Church Street
Durbanville
7550

Designated Adviser
QuestCo Sponsors (Proprietary) Limited
Registration number 2004/018276/07
2nd Floor, The Pivot, Entrance D
1 Montecasino Boulevard, Fourways
2055
(PO Box 98956, Sloane Park, 2152)

Reporting Accountants and Auditors
Deloitte & Touche
1st Floor, The Square, Cape Quarter Extension
27 Somerset Road
Green Point, 8005
(PO Box 578, Cape Town, 8000)

Transfer Secretaries
Computershare Investor Services (Proprietary) Limited
Registration number 2004/003647/07
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

CONTENTS

SALIENT FEATURES

The definitions and interpretation commencing on page 7 apply to these salient features.

1. BUSINESS OF THE CURRO GROUP

1.1 Background to the business of the Curro Group

1.1.1 The main purpose of education is to empower every person with the opportunity to achieve their potential as individuals and members of society. Education is one of the cornerstones of society, providing the main strategic thrust to long-term South African development in line with our enshrined constitutional values.

1.1.2 As with medical care, people are willing to reprioritise their spending in order to acquire good education for themselves or their children. Both of these industries have proven to be quite resilient in tough economic environments. More often than not ordinary people are naturally inclined towards investing in the education and health of those near or dear to them. History has also proven that consumers are prepared to sacrifice other discretionary expenses, pay higher prices and travel further distances for educational facilities which exceed those of average standards.

1.1.3 Across the world, schooling has historically been a sector catered for by the state. However, international experience also indicates that independent or private schools have always had a role to play. Furthermore, governments across the world are facing increasing challenges in providing a high standard of education to all citizens, thereby leaving an escalating demand for quality affordable private schooling alternatives. Worldwide, in developed and developing countries, private schools represent approximately 14% and 20% of their respective schooling markets. However, for certain African countries this figure exceeds 50% of all schooling. These figures are in sharp contrast to the official South African statistics which indicate that the number of private school learners represent less than 4% of the South African schooling market.

1.1.4 The two main demand factors for private schools are:

- demand for a standard of education which exceeds that which the state can provide (usually developing countries); and
- differentiated demand for alternative types and quality of education than that provided by the state (usually developed countries).

1.1.5 Private schools can broadly be categorised in the following school groups:

- Community/Expatriate;
- Religious/Alternative schools;
- Profit-making; and
- Virtual schools.

1.1.6 In the case of South Africa, due to its particular history, during the apartheid years a significant part of the white population had access to good government schools, both in terms of teaching resources and infrastructure ("former model C schools"), while the previously disadvantaged section of the population was neglected in terms of schooling facilities. Government faces a massive challenge and financial backlog in its efforts to address the ever increasing contrast in the quality of schooling and schools available in the different areas in the country. Government resources are and will remain under strain in its attempts to focus on areas and communities that need the facilities most. Added to this are the educational implications and aspirations of a continuous, rapidly growing black middle income group on the demographic population graph, with a natural movement to higher income and more affluent residential areas, where the Government can at present, understandably, least afford to establish new schools.

1.1.7 Whilst the former model C schools have continued to provide excellent education, the growing South African middle class has also led to increased demand and therefore pressure on standards. Although the governing bodies of these schools can charge fees at their own discretion, learners cannot be excluded if their parents live in a school's geographical feeder area and earn an income below certain prescribed thresholds (whereupon schooling will be subsidised or free). This results in increased enrolment at these schools which leads to average class sizes increasing, with a concomitant inhibiting effect on the potential quality of education and personal development. Currently, government schools on average have more than 30 learners per class and the pressure is expected to increase.

1.1.8 During the past decade, Curro has identified the huge and ever increasing countrywide demand for schooling that exists in this market. It saw an opportunity for the establishment of private schools in line with section 29 of the South African Constitution, which recognizes the right to establish private schools as one of the constitutionally enshrined fundamental rights in our country. It has since established itself where there are no other significant players on national level and very few other significant players on regional levels. In addition, Curro has recognised the need for private enterprise to play a supportive role with Government in finding solutions for the educational needs of South Africa. By building schools in middle to affluent areas, Curro frees up valuable Government resources that can be spent in less affluent areas.

1.1.9 Whilst Curro places high importance on being a socially responsible corporate citizen, it is also a commercial enterprise which is accountable to its shareholders for their investment in the Company. Investors in any company (especially those in their early stages) take a risk when investing their money in a company and therefore expect a return on their investment to justify such risk. Substantial capital has already and additional capital will be invested in the Company by Shareholders in order for Curro to develop the necessary infrastructure and facilities for Curro schools. The Company will therefore always focus on achieving financial results that will ensure that Shareholders are appropriately rewarded for their investment in the Company and that the Company is sustainable for years to come.

1.2 History

1.2.1 Curro was established as a small private enterprise in 1998. Due to demand and the standards it offered, it immediately showed exceptional growth and in 2000 it developed its first separate and privately owned campus in Durbanville, Western Cape.

1.2.2 Curro has subsequently increased its present business to 12 schools countrywide which includes 8 schools on its own, self-developed campuses, 2 schools on already established purchased campuses and another 4 schools which are currently under construction, 2 of which are already partially in operation with the remaining 2 schools scheduled to open in 2012. This effectively means that Curro will own and operate at least 14 schools by 2012.

1.3 Overview of Curro

1.3.1 Group Structure

The structure of the Curro Group is set out in **Annexure 1.**

1.3.2 The Curro school operations

1.3.2.1 Curro provides the following levels of schooling:

- Play school – children from 6 months to 4 years;
- Pre-primary school – grades RR to R;
- Primary school – grades 1 to 7;
- High school – grades 8 to 12; and
- Aftercare facilities.

1.3.2.2 Curro aims to provide education based on the former model C school principles with guaranteed small classes of a maximum of 25 learners per class. On average, Curro has around 20 learners per class for Primary school classes and 15 learners per class for High school classes.

1.3.2.3 Curro's fees are between 20% and 40% less than other role players in the private education market. Curro attains a competitive edge in the South African private education market through:

- partnering with developers that provide land at attractive prices, as this will benefit their developments;
- development of its educational facilities using intellectual property gained through past experience with an "in-house/sourced" project management team that complete projects at a cost that is substantially less than the cost that would be charged by external professional teams;
- Curro's management team consists of leading educational experts with intimate knowledge of the requirements of the educational environment. Part of their business strategy entails the appointment of the best available headmasters and rectors who receive above average remuneration and incentives in accordance with their delegated powers and duties, based on the level of the independent decision–making standards for which they are expected to take responsibility; and
- services, such as debt collection, information technology, educational research and development (which includes the benchmarking of standards), provided to the Curro schools on a cost effective basis by the head office.

1.3.2.4 Academic learning is balanced with co-curricular activities (sports and cultural activities) in order to deliver well-balanced learners with the potential of becoming stalwarts of society.

1.3.2.5 Educational delivery takes place in English only from playschool to Grade 12 or parallel medium (Afrikaans and English in separate classes) up to Grade 9 and thereafter dual medium for Grade 10 to Grade 12.

1.3.2.6 Curro's schooling is based on four principles: child friendliness, creative teaching, positive discipline and a Christian ethos.

1.3.2.7 Curro has established the Curro Centre for Educational Excellence ("CCEE"), the purpose whereof is to:

- develop and apply latest trends in curriculum standards and dissemination;
- monitor quality of academic standards and ensure forms of standardisation across campuses;
- provide advice on educational and related matters to the rectors, principals and headmasters and teachers at the schools; and
- identify and develop master teachers, further centres and standards of excellence in subjects, with the primary focus on maths, science and technology.

1.3.2.8 IEB examinations have been accepted at all Curro schools and will be in full effect from 2012.

1.3.2.9 Current schools in operation and planned schools comprise the following:

School	Opened/opening	2011 Learners
1. Durbanville	1998	**1 195**
2. Langebaan	2007	**679**
3. Hazeldean (Pretoria East)	2008	**713**
4. Roodeplaat (Pretoria North)	2010	**444**
5. Witbank	2010	**513**
6. Serengeti Play school (Kempton Park)	2010	**88**
7. Hazeldean High School	2011	**111**
8. Helderwyk (Brakpan)	2011	**224**
9. Aurora (Honeydew)	2011	**1 058**
10. Hermanus	2011	**136**
11. Mossel Bay	2011	**146**
12. Heuwelkruin (Polokwane)	2011	**228**
13. Nelspruit	2012	**–**
14. Burgersfort	2012	**–**
15. Port Elizabeth	2013	**–**
16. Krugersdorp*	2013	**–**
17. Centurion*	2013	**–**
Total		**5 535**

* Not yet contracted in terms of binding, unconditional acquisition agreements but in firm discussions with the relevant counterparties.

2. LISTING ON JSE

2.1 JSE Approval

The JSE has formally approved the Listing of all of the ordinary shares in the issued share capital of Curro, by way of introduction of all its issued ordinary shares on the Alt^X of the JSE under the abbreviated name "Curro", share code COH and ISIN ZAE000156253 with effect from the commencement of trade on Thursday, 2 June 2011.

2.2 Purpose of Listing

The purpose of the Listing of Curro is:

2.2.1 to raise funds from Curro Shareholders for the planned expansion of Curro by way of the Rights Offer within a listed environment where Shareholders can trade their listed renounceable letters of allocation. The raising of capital will strengthen Curro's balance sheet;

2.2.2 to provide Curro Shareholders with a liquid, tradable asset within a regulated environment, with a market determined share price and an instant exit mechanism for those Shareholders who wish to exit;

2.2.3 to enhance the Company's deal making ability, as listed shares can be more readily utilised for the purposes of acquisitions in the form of share swaps;

2.2.4 to provide additional credibility for the Company to its clients and debt funders; and

2.2.5 to give the general public, more specifically clients, an opportunity to own an equity stake in the Company and thereby share in the successes of a company that they support as clients.

3. HISTORICAL AND FORECAST FINANCIAL INFORMATION

3.1 The financial information set out in this Pre-listing Statement is the responsibility of the Directors of Curro.

3.2 The audited historical financial information of Curro for the financial years ended 31 December 2009 and 31 December 2010 is presented in **Annexure 2** to the Pre-listing Statement.

3.3 The independent reporting accountants' report on the audited historical financial information is reproduced in **Annexure 3** to the Pre-listing Statement.

3.4 The unaudited forecasted statement of comprehensive income and statement of financial position for Curro for the years ending 31 December 2011 to 31 December 2013, the preparation of which is the responsibility of the Directors, is set out in **Annexure 4** to the Pre-listing Statement.

3.5 The independent reporting accountants' report on the unaudited forecast financial information is reproduced in **Annexure 5** to the Pre-listing Statement.

4. CAPITAL RAISING

Curro will, as soon as possible after the Listing, raise capital from its Shareholders by way of the renounceable Rights Offer allowing Shareholders to trade their renounceable letters of allocation. Curro intends raising approximately R322.4 million through the aforementioned Rights Offer. Paladin has confirmed that it will follow its rights in terms of the Rights Offer.

5. PROSPECTS

5.1 Curro's objective, by 2020, is to have at least 40 schools with a total learner enrolment in excess of 45 000 and a profit after tax of more than R450 million. The capital requirements for an additional 14 schools and expansion at existing campuses up to and including 2014 will amount to around R750 million, which will be financed through the Rights Issue of R322.4 million, as well as debt and cash from Curro's operations.

PLEASE NOTE THAT THE AFOREGOING STATEMENT OF CURRO'S OBJECTIVE HAS NOT BEEN REVIEWED OR REPORTED ON BY CURRO'S AUDITORS OR BY AN INDEPENDENT REPORTING ACCOUNTANT NOR IS SAME GUARANTEED. IT IS HOWEVER AN OBJECTIVE THAT CURRO WISHES TO ACHIEVE BY 2020.

5.2 Curro also intends expanding its operations by establishing a network of playschools called "Curro Kids" around Curro campuses that will serve as feeder schools into the primary schools.

5.3 Beyond 2020, based on the potential market that exists for private schools, Curro believes there can eventually be more than 200 Curro schools with the capacity of approximately 300 000 learners representing about 16% of the South African private education market.

SALIENT DATES AND TIMES

Salient dates and times of the Listing	2011[1]
Abridged Pre-listing Statement published on SENS on	Thursday, 26 May
Abridged Pre-listing Statement published in the Press on	Friday, 27 May
Pre-listing Statement posted to shareholders	Friday, 27 May
Listing of Curro on Alt^{X} at commencement of trade on	**Thursday, 2 June**
Accounts at CSDP or broker updated in respect of Dematerialised Shareholders on	Thursday, 2 June
Share certificates posted to Certificated Shareholders by registered post on or about	Thursday, 2 June

Notes:

1. All times referred to in the table above are local times in South Africa. The dates and times are subject to change. Any such change will be announced on SENS.
2. The Rights Offer will be undertaken as soon as possible after Listing.

DEFINITIONS AND INTERPRETATION

In this Pre-listing Statement, unless otherwise stated or the context otherwise indicates, the words in the first column shall have the corresponding meanings stated opposite them in the second column and words in the singular shall include the plural and *vice versa*, words importing natural persons shall include corporations and associations of persons and any reference to one gender shall include the other gender:

"Alt^{X}"	the Alternative Exchange of the JSE;
"Articles"	the articles of association of the Company;
"Aurora College"	Aurora College (Proprietary) Limited, registration number 2011/004552/07, a private company registered and incorporated in South Africa;
"Board" or "Board of Directors" or "Directors"	the present board of directors of Curro, further details of whom appear in the *Corporate Information* section of this Pre-listing Statement;
"Business Day"	any day other than a Saturday, Sunday or public holiday in South Africa;
"Certificated Shareholders"	Curro Shareholders who own Certificated Shares;
"Certificated Shares"	Shares which have not yet been dematerialised, title to which is represented by a share certificate or other Document of Title;
"Cent(s)"	South African cent(s);
"the Common Monetary Area"	the Republics of South Africa and Namibia and the Kingdoms of Lesotho and Swaziland;
"the Companies Act"	the Companies Act, 2008 (Act 71 of 2008), as amended;
"CPI"	consumer price index;
"CSDP"	a depository institution accepted by Strate as a participant in terms of the Securities Services Act, as amended, with whom a beneficial holder of Shares holds a dematerialised share account;
"Custody Agreement"	the agreement which regulates the relationship between the CSDP or broker and each beneficial holder of Dematerialised Shares;
"Curro" or "the Company"	Curro Holdings Limited, registration number 1998/025801/06, a public company registered and incorporated in South Africa;
"Curro Exco"	the executive committee of Curro, the members of whom are more fully set out in paragraph 2.1.5 on page 15 of this Pre-listing Statement;
"the Curro Group" or "the Group"	collectively, Curro and its Subsidiaries;
"Curro Langebaan"	Curro Langebaan (Proprietary) Limited, registration number 2004/010032/07, a private company registered and incorporated in South Africa;
"Dematerialised Shares"	shares which have been incorporated into the Strate system and which are no longer evidenced by certificates or other physical Documents of Title;
"Dematerialised Shareholders"	Shareholders who hold their Shares in dematerialised form;
"Documents of Title"	share certificates, certified transfer deeds, balance receipts or any other documents of title to Certificated Shares acceptable to Curro;
"Dreampark"	Dreampark (Proprietary) Limited, registration number 1996/011026/07, a private company registered and incorporated in South Africa;
"EBITDA"	earnings before interest, tax, depreciation and amortisation;

"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended;
"Florauna Akademie"	Florauna Akademie (Proprietary) Limited, registration number 1999/025509/07, a private company registered and incorporated in South Africa;
"Group Company"	Curro and/or any of its Subsidiaries;
"IEB"	the Independent Examinations Board;
"IFRS"	International Financial Reporting Standards;
"Income Tax Act"	Income Tax Act, 1962 (Act 58 of 1962), as amended;
"the JSE"	the JSE Limited, registration number 2005/022939/06, a public Company incorporated in South Africa and which is licensed as an exchange in terms of the Securities Services Act;
"the JSE Listings Requirements"	the Listings Requirements of the JSE;
"the Last Practicable Date"	the Last Practicable Date prior to the finalisation of this Pre-listing Statement, which date was Tuesday, 17 May 2011;
"the Listing"	the proposed Listing by way of introduction of the entire issued ordinary share capital of Curro on the Alt^{X} of the JSE, which Listing is anticipated to commence with the commencement of trade on the Listing Date;
"the Listing Date"	the proposed date of the Listing which is expected to be on Thursday, 2 June 2011;
"LSM"	the Living Standards Measure as developed by the South African Advertising Research Foundation which divides the population into 10 LSM groups, being LSM 10 (highest) to LSM 1 (lowest), based on living standards, using criteria such as degree of urbanisation, ownership of cars and major appliances;
"Non-resident"	a person whose registered address is outside the Common Monetary Area;
"Paladin"	Paladin Capital Financial Services (Proprietary) Limited, registration number 2009/022552/07, a private company incorporated in South Africa, being the holding company of Curro;
"Paladin Capital"	Paladin Capital Limited, registration number 2006/032836/06, a public company incorporated in South Africa and listed as an investment entity on the Alt^{X}, being the holding company of Paladin;
"Plot 100"	Plot 100 Bush Hill (Proprietary) Limited, registration number 2011/003833/07, a private company registered and incorporated in South Africa;
"Pre-listing Statement"	this bound document dated 26 May 2011, including all annexures and enclosures thereto;
"the Press"	collectively Business Day and Die Burger;
"PSG Capital"	PSG Capital (Proprietary) Limited, registration number 2006/015817/07, a private company incorporated in South Africa, which is a sponsor as contemplated in the Listings Requirements, and which will be acting as corporate adviser for the purpose of Curro's Listing;
"PSG Group"	PSG Group Limited, registration number 1970/008484/06, a public company incorporated in South Africa, being the holding company of Paladin Capital and the ultimate holding company of Curro;
"Rand" or "R"	South African Rand;
"Register"	the register of Curro Shareholders;
"Rights Offer"	the renounceable rights offer which Curro will make to its Shareholders as soon as possible after the Listing in order to raise capital of approximately R322.4 million from its Shareholders on the terms as will be more fully set out in the Rights Offer Circular;

"Rights Offer Circular"	the circular that will be posted to Shareholders recording the terms of the Rights Offer and making all required disclosures in regard to the Rights Offer as required in law and in terms of the JSE Listings Requirements;
"the Securities Services Act"	the Securities Services Act, 2004 (Act 36 of 2004), as amended;
"SENS"	the Securities Exchange News Service of the JSE;
"Shareholders" or "Curro Shareholders"	registered holders of Curro Shares;
"Shares" or "Curro Shares"	ordinary shares with a par value of R0.00001 each in the share capital of Curro;
"South Africa"	the Republic of South Africa;
"STC"	Secondary Tax on Companies as imposed in terms of the Income Tax Act;
"Strate"	the settlement and clearing system used by the JSE, managed by Strate Limited, registration number 1998/022242/06, a public Company incorporated in South Africa and which is a registered central securities depository in terms of the Securities Services Act;
"Stratland"	Stratland (Proprietary) Limited, registration number 1997/021692/07, a private company registered and incorporated in South Africa;
"the Subsidiaries"	collectively, Curro Langebaan, Aurora College, Plot 100, Dreampark, Stratland and Florauna Akademie;
"Transfer Secretaries"	Computershare Investor Services (Proprietary) Limited, registration number 2004/003647/07, a private company registered and incorporated in South Africa; and
"VAT"	Value-Added Taxation in terms of the Value-Added Tax Act 1991 (Act 89 of 1991), as amended.

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1.2 Incorporation

1.2.1 Curro was incorporated in South Africa under the name D E & P 42 Investments (Proprietary) Limited under registration number 1998/025801/07 on 30 December 1998.

1.2.2 The Company changed its name to Curro Properties (Proprietary) Limited on 18 August 1999 and to Curro Durbanville (Proprietary) Limited on 24 May 2006 and finally to Curro Holdings (Proprietary) Limited on 15 November 2007.

1.2.3 The Company converted to a public company under registration number 1998/025801/06 on 1 April 2011, with its name changing, as a result of such conversion, to Curro Holdings Limited.

1.2.4 The Company was founded by Dr CR van der Merwe, his wife Stephnie van der Merwe and Eduard ("Boetie") Ungerer.

1.3 History

1.3.1 Curro was specifically incorporated for the purpose of providing affordable, quality private school education in South Africa and the African continent.

1.3.2 Curro was established as a small private enterprise in 1998. Due to demand and the standards it offered, it immediately showed exceptional growth and in 2000 it developed its first separate and privately owned campus in Durbanville, Western Cape.

1.3.3 Curro has subsequently increased its present business to 12 schools countrywide which includes 8 schools on its own, self-developed campuses, 2 schools on already established purchased campuses and another 4 schools which are currently under construction, 2 of which are already partially in operation with the remaining 2 schools scheduled to open in 2012. This effectively means that Curro will own and operate at least 14 schools by 2012.

1.3.4 There have been no material changes in the nature of the business conducted by Curro since its incorporation other than the changes occasioned by the events referred to in paragraph 1.3.2 and 1.3.3 above.

1.4 Overview of Curro

1.4.1 Group Structure

The structure of the Curro Group is set out in **Annexure 1.**

1.4.2 The Curro school operations

1.4.2.1 Curro provides the following levels of schooling:

- Play school – children from 6 months to 4 years;
- Pre-primary school – grades RR to R;
- Primary school – grades 1 to 7;
- High school – grades 8 to 12; and
- Aftercare facilities.

1.4.2.2 Curro aims to provide education based on the former model C school principles with guaranteed small classes of a maximum of 25 learners per class. On average, Curro has around 20 learners per class for Primary school classes and 15 learners per class for High school classes.

1.4.2.3 Curro's fees are between 20% and 40% less than other role players in the private education market. Curro attains a competitive edge in the South African private education market through:

- partnering with developers that provide land at attractive prices, as this will benefit their developments;
- development of its educational facilities using intellectual property gained through past experience with an "in-house/sourced" project management team that complete projects at a cost that is substantially less than the cost that would be charged by external professional teams;
- Curro's management team consists of leading educational experts with intimate knowledge of the requirements of the educational environment. Part of their business strategy entails the appointment of the best available headmasters and rectors who receive above average remuneration and incentives in accordance with their delegated powers and duties, based on the level of the independent decision–making standards for which they are expected to take responsibility; and
- services, such as debt collection, information technology, educational research and development (which includes the benchmarking of standards), provided to Curro schools on a cost effective basis by the head office.

1.4.2.4 Academic learning is balanced with co-curricular activities (sports and cultural activities) in order to deliver well-balanced learners with the potential of becoming stalwarts of society.

1.4.2.5 Educational delivery takes place in English only from playschool to Grade 12 or parallel medium (Afrikaans and English in separate classes) up to Grade 9 and thereafter dual medium for Grade 10 to Grade 12.

1.4.2.6 Curro's schooling is based on four principles: child friendliness, creative teaching, positive discipline and a Christian ethos.

1.4.2.7 Curro has established the Curro Centre for Educational Excellence ("CCEE"), the purpose whereof is to:

- develop and apply latest trends in curriculum standards and dissemination;
- monitor quality of academic standards and ensure forms of standardisation across campuses;
- provide advice on educational and related matters to the rectors, principals and headmasters and teachers at the schools; and
- identify and develop master teachers, further centres and standards of excellence in subjects, with the primary focus on maths, science and technology.

1.4.2.8 IEB examinations have been accepted at all Curro schools and will be in full effect from 2012.

1.4.2.9 Current schools in operation and planned schools comprise the following:

School	Opened/opening	2011 Learners
1. Durbanville	1998	1 195
2. Langebaan	2007	679
3. Hazeldean (Pretoria East)	2008	713
4. Roodeplaat (Pretoria North)	2010	444
5. Witbank	2010	513
6. Serengeti Play school (Kempton Park)	2010	88
7. Hazeldean High School	2011	111
8. Helderwyk (Brakpan)	2011	224
9. Aurora (Honeydew)	2011	1 058
10. Hermanus	2011	136
11. Mossel Bay	2011	146
12. Heuwelkruin (Polokwane)	2011	228
13. Nelspruit	2012	–
14. Burgersfort	2012	–
15. Port Elizabeth	2013	–
16. Krugersdorp*	2013	–
17. Centurion*	2013	–
Total		**5 535**

*Not yet contracted in terms of binding, unconditional acquisition agreements but in firm discussions with the relevant counterparties.

1.4.3 Curro facilities

With the exception of schools purchased, Curro develops its own school facilities. The development of the school facilities provides a strategic benefit in that it reduces the cost of the facilities, which translates into lower school fees while still offering attractive margins for investors.

1.4.3.1 Land

Dependent on the availability, price and shape of the land and the envisaged size of the school, the land can vary from 4 hectares for a small primary school development to more than 12 hectares for a combined Primary and High school that will be able to cater for more than 2 000 learners.

Relationships with residential developers are a key focus for Curro management. The establishment of a school makes a development/residential area more attractive for buyers and therefore leads to higher prices and greater liquidity for the development's property market. Developers are therefore willing to subsidise the cost of the school land as part of the overall residential development plan.

1.4.3.2 School buildings

The size and pace of development for the different schools vary according to the unique circumstances around each new school site. School buildings are usually completed in a three phase approach which caters for approximately 1 500 learners consisting of a play, primary and secondary school. A fourth phase will be included for a school with a capacity of 2000 learners. The physical size and costs of an average Curro school building may typically vary as follows:

Learner Capacity	m^2	Cost (Rm)
600	3 000	22
1 500	10 000	53
2 000	13 000	65

1.4.3.3 Transport

At certain schools, Curro provides bus transport to and from the school which is excluded from school fees. For sports and cultural activities, Curro provides transport to learners, where necessary, in which case transport fees are normally included in the monthly school fee.

1.4.4 Financial summary for a Curro school

1.4.4.1 Revenue

- Curro's revenue consists of tuition and new entrant enrolment fees.
- School fees make up approximately 90% of the revenue of a Curro school. The fees charged vary between the schools and depends on the development cost, location, area specific cost drivers (i.e. municipal costs, levies, salaries) and the available capacity of the school.
- School fees are paid monthly in advance therefore providing a smooth and consistent revenue stream throughout the year.
- Curro charges a once off enrolment fee for each new entrant, which is similar to a non-refundable deposit. The enrolment fees currently represent about 5% of Curro's turnover.
- Other income comprises of after-care fees, rental income from facilities and bus services, the extent of which is dependent on the need for such services and the location of the applicable school.

1.4.4.2 Expenses

- Curro's expenses consist predominantly of salaries and wages, administrative expenses (such as photocopiers and related charges, telephone and bank charges), maintenance and facility related expenses (such as security, fuel and oil, rates and taxes, water and electricity) and other school operational expenses (such as copying costs and computer licences).
- Salaries are the single most significant operating expense for a Curro school. At established schools it is approximately 55% of the turnover of the applicable school.
- The predominant finance and other support functions remains at Curro's head office.

1.4.4.3 Financing

- Due to the capital intensiveness of building a school campus, funding is a crucial part of the business of Curro. ABSA Bank is currently Curro's only 3rd party financier and have to date provided about R100 million in debt funding.
- In order to roll out new schools and grow the business, Paladin have provided bridging finance to build new campuses to the value of R68 million by the end of 2010. It is estimated that an additional R230 million will be required in this regard for the 2011 year. The proceeds raised from the Rights Offer will be used to settle the aforementioned bridging finance and to provide the additional funding required.
- Selected qualifying moveable assets are financed through normal finance leases.

1.4.5 The Curro target market

1.4.5.1 South Africa's population is approximately 50 million people, consisting of approximately 12.3 million households. Of these households 14% fall within LSM 9 to 10. Whereas the average household size within LSM 9 to 10 is approximately 4 members per household in South Africa, for the purposes of the Curro's target market, the average size of a LSM 9 to 10 household of 1 school going learner per household was assumed.

1.4.5.2 The total target market of LSM 9 to 10 school going learners is therefore approximately 1.7 million learners.

1.4.5.3 The current approximate spread of schools, learners and teachers of schools in South Africa is:

	Government	Private providers
Number of learners ('000)	11 900	455
Number of schools	24 751	1 124
Teacher/learner ratio	1 to 33	1 to 16

Source: Department of Education, School Realities 2008

1.4.5.4 There is accordingly an additional 1.2 million learners in LSM 9 to 10 households in Government schools falling within the ambit of Curro's target market.

1.4.5.5 With an expected population growth of 1% per annum for the Curro target market (LSM 9 to 10), the target market effectively grows by 17 000 (more than 12 schools) per year.

1.4.6 Comparable market players

1.4.6.1 Government Model C schools

The Government's former Model C schools can be characterised by lower school fees, good existing infrastructure, growing average class sizes and are exposed to government intervention at any given point in time.

1.4.6.2 Private institutions

The private institutions' education market for profit and not for profit is widely fragmented with no dominant players. Subsectors in these markets include:

- Well known historical significant private schools i.e. Michaelhouse, Kearsney College, Hilton (KwaZulu-Natal), St Stithians College (Johannesburg), St Albans College (Pretoria), Bishops Diocesan College (Cape Town). These schools have long histories and fees are quite high, usually exceeding R5 000 per month but can exceed R14 000 per month if boarding is included.
- Other recognisable brands or groupings at the upper end of the market include Crawford and Trinity House schools with 8 sites and forming part of the listed Advtech group, Reddam House schools with 3 sites, Centurus schools with 3 sites in Gauteng. School fees are around R5 000 per month for high school learners.
- A myriad of other single independent schools varying in size and facilities. Fees range between R1 500 to R5 000 per month.
  - o Other smaller schools
    Smaller schools are usually established by a group of individuals that wanted to provide a service to the community driven by the needs of their own children. The schools average between 80 to 150 learners but can grow up to 300 learners whereupon a significant investment into new facilities is required for which the founders/owners normally do not have the appetite. Most of these schools tend to be pre-primary and primary schools. Due to subject choices for high school learners, economies of scale are required to establish this as a sustainable economic unit.
  - o Other larger schools
    Larger schools usually have more than a 1 000 learners and are established where owners and/or developers have the need and capacity to do so. Developers have often seen schools as a draw card to sell residential properties in their residential developments. An example is Midstream Estate in Centurion which boasts a school, established by the developer, of more than 2 500 learners.
- Religious groups i.e. the Catholic Institute of Education which has around 100 independent schools (excluding 250 public schools on private property). 75% of the schools are in previously disadvantaged communities in township or rural areas with 73% of their fees below R500 per year.
- Other low cost private schools usually with very basic facilities. Fees between R300 and R800 per month.

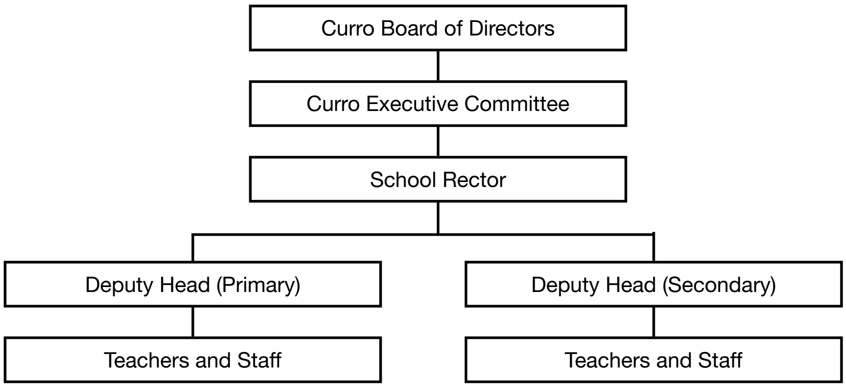
2. MANAGEMENT AND CORPORATE GOVERNANCE

2.1 Governance and management structure

2.1.1 Curro is governed by its Board of Directors who are responsible for ensuring that Curro complies with all of its statutory obligations as specified in the Companies Act, its Articles, all other relevant law, as well as the JSE Listings Requirements subsequent to Listing.

2.1.2 The Board at all times acts in the best interests of the Company in ensuring an effective compliance framework, the integrity of its financial reporting and risk management, together with timely and transparent disclosure to Shareholders.

2.1.3 The Board on the Listing Date of the Company will consist of the individuals, whose details appear in the *Corporate Information* section and in paragraph 2.2.1 of this Pre-listing Statement. The diagram below illustrates the current governance structure of Curro:



2.1.4 Curro has a central executive committee, positioned at its head office, also referred to herein as the Curro Exco, being specifically tasked to manage the business of the Company in all respects, including the day to day operations of the Company, and which is also responsible for formulating and driving the Company's strategic direction, in conjunction with the Board.

2.1.5 The Curro Exco consist of Dr CR van der Merwe (Chief Executive Officer), Mr AJF Greyling (Chief Operating Officer), Mr B van der Linde (Financial Director), Mr EA Conradie (Manager: Marketing), Mr H Louw (Manager: New Business), Mr J Kotze (Manager: Finances), Mr M Neethling (Manager: Infrastructure), Mr MJ Franken (CCEE: School Management) and Mr E Ungerer (CCEE: Curriculum), whose details appear in paragraph 2.2.3 of this Pre-listing Statement.

2.2 Details of Directors and management

2.2.1 Details of Directors

The full names, ages, business address and capacities of the Directors of Curro are outlined below:

Full name	Age	Capacity	Business Address
Adv JA le Roux SC	59	Non-executive Chairman	Suite 611, Sixth Floor, Huguenot Building, Queen Victoria Street, Cape Town
Dr CR van der Merwe	48	Chief Executive Officer	8 Monaco Square, 14 Church Street, Durbanville
Mr AJF Greyling	41	Executive	8 Monaco Square, 14 Church Street, Durbanville
Mr B van der Linde	33	Executive	8 Monaco Square, 14 Church Street, Durbanville
Mr MC Mehl	66	Independent non-executive	West Block, Tannery Park, Belmont Ave, Rondebosch
Mr PJ Mouton	35	Non-executive	1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch
Mr B Petersen	51	Independent non-executive	Wale Street Chambers, 38 Wale Street, Cape Town
Me M Vilakazi	33	Independent non-executive	Block B Techno Square, 42 Morningside Road, N'dabeni

1. All Directors are South African citizens.
2. None of the Directors are partners with unlimited liability.
3. The audit committee has satisfied itself of the appropriateness of the expertise and experience of Mr B van der Linde to act as the executive financial director of the Company.
4. A list of other Directorships held by Directors is set out in Annexure 9.

Details of the directors of the Subsidiaries are set out in **Annexure 8**.

2.2.2 Experience of Directors

Advocate Johan Andries le Roux SC ("Fef") BA (Law), LLB

Fef was born in the town of Robertson in 1952. He matriculated at Robertson High School in 1969. During 1970 he spent his compulsory military training year at the Army Gymnasium in Heidelberg, Transvaal, completing his officers course. He studied law at the University of Stellenbosch from 1971 to 1975, during which years he attained the BA (Law) and LLB degrees. From 1976 to 1980 he spent his contractual bursary obligations with the State, first as the public prosecutor of

Stellenbosch in 1976 and then as a member of the State Attorney's Office in Cape Town from 1977 to 1980, during which years he also wrote the professional examinations and qualified himself as an attorney, conveyancer and notary of the High Court of South Africa. He joined the Cape Bar in 1981, where he has practised as an advocate since. In 1996 he was awarded Senior Counsel status by President Nelson Mandela. He became a director and shareholder of Curro in 1998 and has acted as the non-executive Chairman of the Company since 2009.

Dr Chris Rudolph van der Merwe ("Chris") BPrim(Ed), BEd, MEd (Cum laude), PhD in Education

Chris matriculated at the High School JG Meiring at the end of 1979. He studied education at University of Stellenbosch and completed the degree BPrim(Ed) at the end of 1983. He accepted his first teaching post at Gene Louw Primary School in the beginning of 1986 and obtained the degree BEd (UNISA) in 1988 before becoming Head of Department in 1992. In this year he also obtained the Degree MEd (Cum laude).

In 1993 he started a close corporation "SkoolCor" whilst teaching at Gene Louw Primary School. This company produced electronic learning modules as surrogate for text books and supplied them to schools nationwide. In 2008, the Shuttleworth Foundation purchased more than 1 000 learning modules and today they form an integral part of a Open Source Methodology.

Chris became the deputy principal of Fanie Theron Primary School in 1997 and in the same year he obtained a doctorate at the University of Stellenbosch.

During 1998 Chris founded the Curro Private School in a church in Durbanville. In 1999 he constructed Curro Durbanville's campus and in January 2000 approximately 320 learners started the academic year on this new campus. Since 1999 Chris has been Chief Executive Officer of Curro.

Andries Jacobus Ferdinandus Greyling ("Andries") BComm (Hons), CA(SA)

Andries obtained his BComm Accounting degree at RAU (now University of Johannesburg) and thereafter qualified as chartered accountant. He completed his articles at KPMG where his clients as audit manager included Secunda manager of Sasol Synthetic Fuels. He thereafter worked at Sasko (a division of Pioneer Foods), Distell and PricewaterhouseCoopers. In 2000 he joined Media 24's, ICG (brand names includes INTEC, Damelin) as financial director whereafter he was promoted to financial director of Educor. In 2006 Educor bought a 26% stake in Curro, where Andries with Dr. Van der Merwe, compiled the expanded business plan upon which Curro's current growth strategy is based. When in 2007 Naspers disposed of Educor including Curro, Andries acquired a stake in and joined the company as Financial Director.

Bernardt van der Linde ("Bernardt") BComm (Hons), CA(SA), CFA

Bernardt is a qualified chartered accountant and a CFA Charterholder. He completed his articles and remained as manager in the Financial Services (Banking) division of PricewaterhouseCoopers Inc. until 2005. Thereafter he joined Finweek as writer and Head of Companies and Markets. Bernardt joined PSG Group in 2007 where he has, inter alia, been part of the executive team at Paladin. Bernardt is or has been a non-executive director on the boards of various PSG Group and Paladin investment companies.

Merlyn Claude Mehl ("Merlyn") PhD (Physics)

Merlyn serves on the boards of various companies. He was previously Chancellor of Peninsula Technikon and Chief Executive of the Independent Development Trust. He is presently Executive Chairman of Triple L Academy and is a non-executive director of Capitec Bank.

Petrus Johannes Mouton ("Piet") BComm (Maths)

Piet is the chief executive officer of PSG Group. He serves as a non-executive director on the boards of various PSG Group companies including Capitec Bank, Paladin Capital and Thembeka Capital Limited, a black-owned and controlled Black Economic Empowerment investment holding company. He has been active in the investment and financial services industry since 1999.

Barend Petersen ("Barend") CA(SA)

Barend Petersen is a chartered accountant with broad international business experience in mining, finance, auditing, oil industry, energy, government relations, business turnarounds, corporate recovery, consulting and corporate governance.

In the past decade Barend has had a wide involvement in De Beers Family of Companies. Barend is Executive Chairman of De Beers Consolidated Mines and the Chairman of the Environment, Community, Health and Safety Committee of the De Beers Family of Companies. He also owns a stake in Ponahalo the black empowerment partner of De Beers Consolidated Mines.

He is a director of several companies including being non-executive director of Anglo American South Africa Limited and Alexander Forbes Group. Barend is the Chairman of Sizwe Business Recoveries which he founded in 1997.

Mary Vilakazi ("Mary") BComm (Hons), HDip Auditing, CA(SA)

Mary Vilakazi is the chief financial officer of the Mineral Services Group (MS Group). She serves as the Managing Trustee of the Zenzele Development Trust, a trust founded by the MS Group. Prior to joining the MS Group, Mary was an audit partner at PricewaterhouseCoopers until 2008, where she gained extensive experience in the audit of financial services companies.

Mary serves as a director on the MMI Holdings Limited board, and is a member of the Audit, Actuarial and Balance Sheet Management board committees. She is also the Chairperson of the audit committee of the Council of Conciliation, Mediation and Arbitration. At present she serves on the FSB's long-term insurance advisory committee to the Minister of finance.

2.2.3 Experience of management

The full names, ages and experience of the members of Curro Exco, excluding Messrs CR van der Merwe, AJF Greyling, B van der Linde, Adv JA le Roux SC and PJ Mouton, who are all directors of Curro and whose details and experience appear in paragraphs 2.2.1 and 2.2.2 above, are set out below:

Edward Alwyn Conradie ("Eddie") (Age 59) Higher Education Diploma, BA, BEd (Cum laude)

Eddie matriculated at Vredenburg High School and obtained the Higher Education Diploma at Wellington Training College, and his BA and BEd (cum laude) degrees at Stellenbosch University. He started teaching in 1976 at Durbanville Primary School where he was promoted to Head of Department in 1982. Eddie became Deputy Head at Gene Louw Primary School in Durbanville in 1987 and Headmaster of Wolraad Woltemade Primary School in Bothasig in 1990. He was promoted to Circuit Manager in the Bellville Region of the Western Cape Education Department in 1996.

In 1999 he joined his fellow founder members at Curro Durbanville when he served as Registrar, Curriculum Head and principal of the Primary School. He currently serves as Marketing Manager in Curro Holdings.

Hennie Louw (43) BComm (Hons), CTA, CA(SA)

Hennie Louw matriculated at Durbanville High School in 1986. After school Hennie completed a BAccounting degree at University of Stellenbosch, followed with a CTA and BComm (Accounting) Honors at the Rand Afrikaans University (now University of Johannesburg) in Johannesburg. He completed his articles at Deloitte and successfully obtained his CA(SA) qualification.

After articles Hennie lectured Auditing at the University of the Western Cape. In 1996 Hennie joined Hospiplan as Group Financial Director, a group that developed private hospitals across South Africa. He was part of the team that listed the group in 1997. In 1998 the group was sold to the Medi-Clinic Group. Hennie joined Educor, a private education company in the Naspers Group, as Managing Director of their distance learning division, ICG, in 1998, and in 2004 was appointed Educor's Group Managing Director, a position he held until Naspers sold the group in 2007. After working in the venture capital industry as an investment manager for Mark Shuttleworth's venture capital firm HBD, Hennie joined Curro in 2010 as Manager: New Business, a position he currently holds.

Jaco Kotze (38)

Jaco matriculated from Trompsburg High School in 1991. During 1992 he joined PwC where he completed his articles specialising in the manufacturing and public sectors. From 1998 to 2003 Jaco was employed as a finance manager at companies including Elf Gas Southern Africa and International College Group (a subsidiary of Naspers Group). During 2003 he joined Imaging Data Solutions (also a subsidiary of Naspers) as financial manager and was later promoted to financial director. During 2008 Jaco joined HBD Venture Capital (a division of Shuttleworth Foundation) as a turnaround specialist and acting CEO. In 2010 he left HBD Venture Capital to join the Curro team as finance manager and IT control specialist for the Curro Group.

Marinus Neethling (35) Diploma in Building Management, BTech (Quantity Surveying)

Marinus matriculated from Stellenberg High School in 1994. He obtained his qualifications from Cape Technikon between 1995 and 1999. He previously held positions as Quantity Surveyor and Construction Co-ordinator at GLC Development. Marinus is currently a managing member of MNK Projects, where he has been involved since 2004 and is responsible for all the Curro school developments.

Matthys Johannes Franken ("Thys") (61) BA, BEd, BEd (Masters)

Thys matriculated in 1967 in Tygerberg High School and has obtained his first educational qualification in Primary Education in 1970. This was followed by a BA degree in 1972, a BEd degree in 1981 and a Master's degree in Education in 1994. Thys started his career in 1973 at Montagu Primary School and later joined Eversdal Primary School from where he became a Head of Department in 1979 at Wolraad Woltemade Primary School and was promoted to Deputy

Headmaster at Gene Louw Primary in 1984. In 1987 he became the Headmaster of Saffier Primary School and was appointed as Headmaster of Durbanville Primary School in 1994. In 1996 he became Chief Education Specialist and later acting Director of Professional Staffing Services in the Western Cape Education Department.

In 1999 Thys joined the private school sector with the Curro Education Development. He has worked as the Headmaster of the Curro Primary Private School in Durbanville for seven years. During 2006 he became the Director of Human Resources for Curro Group. Currently Thys is working as an Adviser at the Curro Centre for Educational Excellence (CCEE) focusing on Curriculum and School Management.

Eduard Ungerer (60) BA, BEd, BEd (Masters)

Eduard matriculated in 1968 in Overberg High School, Caledon. Eduard obtained his first educational qualification in Primary Education in 1974. This was followed by a BA degree in 1976, a BEd degree in 1980 and a Master's degree in Education in 1989.

Eduard progressed in his teaching career in 1976 at Parow-West Primary School and after two years moved to Durbanville High School where he was promoted to Head of Department. In 1986 he was seconded by the Department of Education to the Parow Teacher's Centre as Coordinator of Gifted Education in the Western Cape. In 1990 he was appointed as Deputy Superintendent of Education, Curriculum Development and Enrichment Education, in the Head office of the Department of Education.

In June 1998 Eduard joined Dr Chris van der Merwe as co-founder of the Curro Private School. During 2006 he became Director of Curriculum Development and the registration of Curro schools with the Education Departments including Health & Safety matters. Currently Eduard is working as an Adviser: Curriculum in the newly formed Curro Centre for Educational Excellence (CCEE).

2.2.4 Qualification, remuneration and borrowing powers of the directors of the Group

A summary of the provisions of the Articles of Curro and of the articles of the Subsidiaries with regards to the following matters is set out in **Annexure 6** to this Pre-listing Statement:

2.2.4.1 qualification of directors;

2.2.4.2 remuneration of directors;

2.2.4.3 any power enabling directors to vote remuneration to themselves or any members of their board;

2.2.4.4 the borrowing powers of the directors. The borrowing powers may only be varied by special resolution and none of the companies within the Curro Group have exceeded such borrowing powers since Curro's incorporation.

2.2.5 Appointment, retirement and powers of Directors

2.2.5.1 The relevant provisions of the Articles of Curro relating to the following matters are set out in **Annexure 6**:

- the appointment and retirement of the Directors;
- any power of a Director to vote on a proposal, arrangement or contract in which he is materially interested;
- any power enabling the Directors, in the absence of an independent quorum, to vote remuneration, including pension and other benefits, to themselves or any other Board member;
- the borrowing powers of the Directors and how such powers can be varied. As stated above in paragraph 2.2.4, the borrowing powers may only be varied by special resolution and none of the companies within the Curro Group have exceeded such borrowing powers since Curro's incorporation.

2.2.5.2 None of the Directors of Curro, nor the directors of the Subsidiaries nor the members of the Curro Exco have:

- been declared bankrupt, insolvent or have entered into any individual voluntary compromise arrangements;
- been or are directors with an executive function for any company or other entity during the preceding 12 months that has, or is contemplating, business rescue plans and/or has proposed resolutions to be put under business rescue, or where application has been made for such company or entity to be put in business rescue or any notices in terms of section 129(7) of the Companies Act have been issued nor has any such company or entity entered into any receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangement with creditors generally or any class of creditors of any such company or entity;
- entered into any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where such individuals are or were partners during the preceding 12 months;
- entered into any receiverships of any asset(s) or of a partnership where such individuals are or were partners during the preceding 12 months;
- been publicly criticised by a statutory or regulatory authority, including recognised professional bodies or disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- committed any offence involving dishonesty, fraud or embezzlement;

- been removed from an office of trust, on the grounds of misconduct, involving dishonesty; and/or
- been declared delinquent by an order of court nor been placed under probation in terms of section 162 of the South African Companies Act and/or section 47 of the South African Close Corporations Act, 1984 (Act 69 of 1984) nor been disqualified by a court to act as a director in terms of section 219 of the South African Companies Act, 1973 (Act 61 of 1973).

2.2.6 Remuneration of Directors

2.2.6.1 For the year ended 31 December 2010, emoluments paid to the Directors of Curro were as follows:

	Salary (R)	Directors' fees (R)	Fees for other services (R)	Provident fund & medical aid contributions (R)	Bonuses (R)	Total (R)
Adv JA le Roux SC	–	–	240 000	–	–	240 000
Dr CR van der Merwe*	690 000	–	–	–	218 000	908 000
Mr AJF Greyling	660 000	–	–	–	93 000	753 000
Mr B van der Linde*(1)	–	–	–	–	–	–
Mr MC Mehl(2)	–	–	–	–	–	–
Mr PJ Mouton(3)	–	–	–	–	–	–
Mr B Petersen(4)	–	–	–	–	–	–
Me M Vilakazi(4)	–	–	–	–	–	–
Total	**1 350 000**	**–**	**240 000**	**–**	**311 000**	**1 901 000**

* Executive directors

Notes:

(1) Mr B van der Linde was remunerated by a subsidiary of PSG Group, the ultimate holding company of Curro, in the form of a basic salary of R690 000 and performance related fees of R357 500, for his services rendered within the PSG Group for the year ended 28 February 2011, which services include acting as the financial director on the Board of Curro;

(2) and (4) Messrs Mehl, Petersen and Me Vilakazi were appointed as Directors on 16 April 2011 and have accordingly not received any remuneration or benefits for the year ended 31 December 2010.

(3) Mr PJ Mouton was remunerated by a subsidiary of PSG Group, in the form of a basic salary of R1 425 600, and performance related fees of R1 728 000, for his services rendered to PSG Group for the year ended 28 February 2011, which services including acting as director on the Board of Curro.

2.2.6.2 Curro has established a share incentive scheme for its senior employees, management and directors which complies with the JSE Listings Requirements and which was approved by the JSE on 11 May 2011. As at the Last Practicable Date, no awards have been made in terms of the share incentive scheme.

2.2.6.3 For the financial year ended 31 December 2010, the following Directors of Curro had been awarded shares in terms of the PSG Group Supplementary Share Incentive Trust:

Director	Opening balance of shares awarded at 1 March 2010	Vesting price per share	Number of shares awarded during the year (i.e. from 1 March 2010 to 28 February 2011)	Number of shares exercised in the financial year ending 28 February 2011	Exercise price per share (Rand)	Date shares granted	Closing balance of share options as at 28 February 2011
Mr B van der Linde	57 655	15.52	–	–	–	20/04/2009	57 655
	47 720	18.77	–	–	–	28/08/2009	47 720
	12 651	22.09	–	–	–	28/02/2010	12 651
Mr PJ Mouton	140 935	15.52	–	–	–	20/04/2009	140 935
	163 309	18.77	–	–	–	28/08/2009	163 309
	151 086	22.09	–	–	–	28/02/2010	151 086
	–	39.61	301 859	–	–	28/02/2011	301 859
Total	**573 356**		**301 859**	**–**	**–**		**875 215**

Note:

Shares awarded under the PSG Group Supplementary Share Incentive Trust vest over a five year period from the grant date, namely:

- 25% thereof as at the second anniversary of the option grant date;
- 25% thereof as at the third anniversary of the option grant date;
- 25% thereof as at the fourth anniversary of the option grant date; and
- 25% thereof as at the fifth anniversary of the option grant date.

2.2.6.4 There will be no variation in the remuneration receivable by any of the Directors of Curro as a direct consequence of the Listing.

2.2.6.5 The Curro Group has not paid any amounts (whether in cash or in securities), nor given any benefits to any Directors or to any company in which Directors are beneficially interested, or to any partnership, syndicate or other association of which the Directors are members, or to any Director as an inducement to become a director or otherwise, or otherwise for services rendered by Directors or by the associate company or associate entity in connection with the promotion or formation of the Company or any of its Subsidiaries, in the 3 years preceding the Last Practicable Date.

2.2.6.6 There have been no fees payable to a third party in lieu of Directors' fees in the preceding financial year.

2.2.6.7 Neither the business of Curro nor any of its Subsidiaries, or any part thereof, is managed or proposed to be managed by any third party under contract or arrangement.

2.2.6.8 No Shares have been issued in terms of a share option scheme, other scheme or structure, which have not been fully paid for.

2.2.7 Interests of Directors

2.2.7.1 At the Last Practicable Date, the following Directors (and their associates), including previous directors of the Company who had resigned in the 18 months prior to the Last Practicable Date, held, in aggregate, directly and indirectly, approximately 19.07% of Curro's issued Shares, in the manner set out below:

	Beneficial			Percentage
Director	**Direct**	**Indirect**	**Total**	**Held (%)**
Adv JA le Roux SC	–	7 685 478	7 685 478	9.53
Dr CR van der Merwe	–	2 929 510	2 929 510	3.63
Mr AJF Greyling	–	909 158	909 158	1.13
Mr M J Franken(1)	–	2 227 476	2 227 476	2.77
Mr E Ungerer(1)	–	1 019 334	1 019 334	1.26(2)
Mr E A Conradie(1)	–	606 106	606 106	0.75
Total	–	15 377 062	15 377 062	19.07

Notes:

(1) Mr MJ Franken, Mr E Ungerer and Mr EA Conradie resigned from the Board on 5 October 2010.

(2) In the period between 31 December 2010 and the Last Practicable Date, Mr E Ungerer disposed of 400 000 Shares.

2.2.7.2 There have been no dealings by the Directors in the Company's Shares in the period between 31 December 2010 and the Last Practicable Date.

2.2.7.3 Save as disclosed in the table in paragraph 2.2.7.1 above in relation to Shares held in the Company, no Director of Curro nor any director of its Subsidiaries, has or had any beneficial interest, directly or indirectly, in any transaction which is, or was, material to the business of Curro and which was effected by Curro during the current financial year or the immediately preceding financial year or in respect of any previous financial year which remains in any respect outstanding or unperformed.

2.2.8 Service contracts of executive directors

2.2.8.1 Each of the executive Directors have concluded service contracts with terms and conditions that are standard for such appointments, which are available for inspection in terms of paragraph 7.12 below.

2.2.8.2 Restraints of trade have been imposed on the Chief Executive Officer and Chief Operating Officer for 5 years from June 2010 thereafter a 2 month notice period is applicable. Neither the Chief Executive Officer nor the Chief Operating Officer received any consideration for binding themselves to the aforementioned restraints. No restraints of trade have been imposed on any other of the executive or non-executive Directors and the contracts of all executive Directors are terminable on one month's notice.

2.2.8.3 The duration of each executive Director's appointment is determined by the service contracts referred to in paragraph 2.2.8.1 above, whilst the duration of the appointment of non-executive Directors are determined by the provisions of the Articles of Curro, excerpts of which are contained in **Annexure 6** hereto.

2.3 Directors' responsibility statement

The Directors of Curro whose names are given in the *Corporate Information* section:

2.3.1 have considered all statements of fact and opinion in this Pre-listing Statement;

2.3.2 accept, collectively and individually, responsibility for the accuracy of such statements; and

2.3.3 certify that, to the best of their knowledge and belief, there are no omissions of facts or considerations which would make any statements of fact or opinion contained in this Pre-listing Statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Pre-listing Statement contains all information required by the Listings Requirements.

2.4 Code of corporate practice and conduct

2.4.1 Curro and its Directors are committed to the principles of effective corporate governance and application of the highest ethical standards in the conduct of its business and affairs.

2.4.2 Curro is committed to the principles of transparency, integrity and accountability as advocated in the King Code III. Accordingly, Curro endorses the King Code III and aims to apply its principles in all sensible and material respects with the spirit and intent thereof in the control, management and direction of the Company in the future.

2.4.3 Details of Curro's code of corporate practice and conduct and its application of the King Code III are set out in **Annexure 11**.

3. SHARE CAPITAL

3.1 Authorised and issued share capital

3.1.1 The authorised and issued share capital of Curro at the Last Practicable Date and as at the Listing Date, are set out below:

Before Listing as at the Last Practicable Date	Number of Shares	Share Capital R
Authorised		
Ordinary Shares of R0.00001 each	200 000 000	2 000
Issued		
Ordinary Shares of R0.00001 each	80 407 040	804
Share premium		51 017 214
Total issued share capital and share premium		**51 018 018**

On Listing	Number of Shares	Share Capital R
Authorised		
Ordinary Shares of R0.00001 each	200 000 000	2 000
Issued		
Ordinary Shares of R0.00001 each	80 607 040	806
Share premium		51 817 194
Total issued share capital and share premium		51 818 000

3.1.2 The share premium of Curro prior to Listing, as at the Last Practicable Date, is R51 017 214 and on Listing, following the issue of the 200 000 Shares as more fully described in paragraph 3.3.3 below, will be R51 817 194 (before the deduction of Listing expenses).

3.1.3 Curro has developed an unsecured debenture type instrument that will allow parents to invest in a sinking investment fund up to a maximum period of their children's entire school-going career in order to hedge against excessive inflation in school fees. As at the Last Practicable Date, the aforementioned debentures are immaterial in number and in value, with further details in regard thereto disclosed in note 12 to the historical financial information presented in **Annexure 2.**

3.2 Alterations to authorised share capital

3.2.1 Curro was incorporated with an initial authorised ordinary share capital of 400 ordinary shares with a par value of R1 each on 30 December 1998.

3.2.2 In the last 3 years prior to the Last Practicable Date, the Company has:

3.2.2.1 increased its authorised ordinary share capital of R400 to R1 000 by the creation of an additional 600 ordinary shares with a par value of R1 per ordinary share on 29 June 2009;

3.2.2.2 sub-divided its authorised ordinary share capital of 1 000 ordinary Shares with a par value of R1 per ordinary share into 100 000 000 ordinary Shares with a par value of R0.00001 per ordinary share on 23 April 2010; and

3.2.2.3 increased its authorised ordinary share capital of R1 000 to R2 000 by the creation of an additional 100 000 000 ordinary shares with a par value of R0.00001 per ordinary share on 29 March 2011.

3.3 Issues of Shares

3.3.1 On incorporation, Curro issued and allotted 400 ordinary shares with a par value of R400 per ordinary share to its founding shareholders.

3.3.2 In the last 3 years preceding the Last Practicable Date, Curro issued the following Shares:

3.3.2.1 on 1 June 2009, 400 Shares were issued at R125 000 per Share, at a share premium of R124 999 per Share, being the fair value thereof, to Paladin Capital Limited (formerly known as Friedshelf 927 (Proprietary) Limited) in terms of a capital raising initiative; and

3.3.2.2 on 4 June 2010, a further 407 040 Shares were issued to its existing Shareholders in proportion to their shareholding at the time at R2.50 per Share, at a share premium of R2.49999 per Share, being the fair value thereof, in terms of a capitalisation issue.

3.3.3 On the Listing Date, a further 200 000 Shares will be issued to various public shareholders as defined in the JSE Listings Requirements at R4.00 (four rand) per ordinary share, at a share premium of R3.99999 per Share, to ensure that Curro on Listing has more than 100 public shareholders, as defined in the JSE Listings Requirements, representing a public shareholder spread exceeding 10%.

3.3.4 Save for the issues as set out in this paragraph 3.3 and the issues that may be made in terms of the Rights Offer, no further offers or issues of Shares have been made or are anticipated to be made by any Group Company.

3.3.5 Save as set out in this paragraph 3.3, no share repurchases, sub-divisions or consolidations have been undertaken by the Curro Group.

3.4 Unissued Shares

At the general meeting of Shareholders held on 29 March 2011, the ordinary resolution placing all of the authorised but unissued share capital in the Company under the control of the Directors, to issue and allot such Shares in their absolute discretion, was approved by the requisite majority of Shareholders.

All unissued Shares in the authorised share capital of the Company are accordingly under the control of the Directors.

3.5 Voting, variation, conversion and other rights of Shareholders

3.5.1 The provisions of the Articles relating to the voting rights and variation of rights attaching to Shares are set out in **Annexure 6**.

3.5.2 There are currently no treasury Shares, preferential conversion or exchange rights to Shares in Curro, nor do any Shareholders have any redemption rights or preferential rights to profits or capital.

3.5.3 The rights of Shareholders to participate in dividends, rights to profits or capital, including the rights of Shareholders on liquidation or distribution of capital assets of the Company are determined by the Articles and the relevant extracts are set out in **Annexure 6**.

3.6 Other Listings

All of the Company's issued Shares will be listed on the Alt^{X} of the JSE under the abbreviated name "Curro" and the share code "COH".

No Shares of Curro will be listed on any other stock exchange.

3.7 Major and controlling Shareholders and shareholder spread

3.7.1 At the Last Practicable Date, the following Shareholder, other than the Directors of the Company, to the best of the Directors' knowledge and belief, is beneficially interested in 5% or more of the issued share capital of Curro.

Name of shareholder	Number of shares held	Percentage held (%)
Paladin	61 003 520	75.68
Total	61 003 520	75.68

3.7.2 As at the Last Practicable Date, Paladin is the controlling shareholder of Curro in that it directly holds and exercises 75.68% of the voting rights in the Company. There will be no change in the controlling shareholding of the Company as a result of the Listing.

3.7.3 At the time of Listing, Curro shall have a share capital of at least R2 million and a public shareholding in excess of 100 public shareholders holding in excess of 10% of the issued share capital of Curro.

3.8 Options and preferential rights in respect of Shares

Other than the share incentive schemes referred to in paragraphs 2.2.6.2 and 2.2.6.3 above and save for the Shares that will be issued pursuant to the Rights Offer, there is no contract or arrangement, either actual or proposed, whereby any option or preferential right of any kind has been or will be given to any person to subscribe for any Shares in the Company or in any of its Subsidiaries.

3.9 Shares issued other than for cash

On 4 June 2010, 407 040 shares were issued to the Shareholders as a capitalisation issue.

4. FINANCIAL INFORMATION

4.1 Dividend policy

4.1.1 There are no fixed dates for payment of dividends by the Company.

4.1.2 Curro is in a significant growth phase and therefore no dividends will be paid in the foreseeable future.

4.1.3 In terms of the Articles, any dividends unclaimed for a period of three years from the date on which they were declared or confirmed (as the case may be) may be declared forfeited by the Directors for the benefit of the Company. The Company will hold monies, other than dividends, due to Shareholders in trust indefinitely until lawfully claimed by the Shareholders.

4.1.4 There are no arrangements under which future dividends have been waived or have been agreed to be waived.

4.2 Historical and forecast financial information

4.2.1 The financial information set out in this Pre-listing Statement is the responsibility of the Directors of Curro.

4.2.2 The audited historical financial information of Curro for the financial years ended 31 December 2009 and 31 December 2010 is presented in **Annexure 2** to the Pre-listing Statement.

4.2.3 The independent reporting accountants' report on the audited historical financial information is reproduced in **Annexure 3** to the Pre-listing Statement.

4.2.4 The unaudited forecasted statement of comprehensive income and statement of financial position for the Curro Group for the years ending 31 December 2011 to 31 December 2013, the preparation of which is the responsibility of the Directors, is set out in **Annexure 4** to the Pre-listing Statement.

4.2.5 The independent reporting accountants' report on the unaudited forecast financial information is reproduced in **Annexure 5** to the Pre-listing Statement.

4.3 Capital raising

Curro will, as soon as possible after the Listing, raise capital from its Shareholders by way of the renounceable Rights Offer allowing Shareholders to trade their renounceable letters of allocation. Curro intends raising approximately R322.4 million through the aforementioned Rights Offer. Paladin has confirmed that it will follow its rights in terms of the Rights Offer.

4.4 Material changes

4.4.1 Other than the material acquisition, details whereof are set out in **Annexure 7**, there have been no material changes in the financial or trading position of the Curro Group since 31 December 2010, being the end of the last audited financial period, until the Last Practicable Date.

4.4.2 Other than the growth and expansion of the business of Curro as described in paragraphs 1.3.2 and 1.3.3 above, there have been no material changes in the business of the Curro Group during the 5 years preceding the Last Practicable Date.

4.4.3 The following changes in the controlling shareholding of Curro have occurred in 5 years preceding the Last Practicable Date:

4.4.3.1 on 1 July 2009, Curro issued 400 Shares to Paladin Capital Limited which resulted in a dilution of the existing shareholding in the Company, which in turn, resulted in the loss of controlling shareholding by management and directors, and after which there was no longer a controlling Shareholder; and

4.4.3.2 on 1 July 2010, Paladin purchased an additional 26% of the shareholding in Curro, thereby acquiring effective control over the Company.

4.4.4 There have been no changes in the controlling shareholding of any of the Subsidiaries, in the 5 years preceding the Last Practicable Date or, if any companies became Subsidiaries at any time during such five year period, then since such date of becoming a Subsidiary, as the case may be.

4.4.5 There has been no change in the trading objects of Curro nor any of its Subsidiaries in the last five years since the Last Practicable Date.

4.5 Material commitments, lease payments and contingent liabilities

The Curro Group had no material commitments, material lease payments or material contingent liabilities at the Last Practicable Date, save as disclosed in paragraph 4.6.2 below.

4.6 Loans and borrowing powers

4.6.1 No material loans have been made by Curro or any of its Subsidiaries to any party other than inter-company loans to Group Companies as more fully set out in **Annexure 10**.

4.6.2 No material loans have been made to Curro or any of its Subsidiaries by any party, other than:

4.6.2.1 the unsecured shareholder loan from Paladin as referred to in paragraph 1.4.4.3 above and other inter-company loans made by Group Companies, the details whereof are more fully set out in **Annexure 2** and in **Annexure 10**; and

4.6.2.2 the secured financing from ABSA Bank as referred to in paragraph 1.4.4.3 above, the details whereof are more fully set out in **Annexure 2**.

4.6.3 Neither Curro nor any of its Subsidiaries have made any loans to or for the benefit of any director, manager or associate of any director or manager of the Curro Group.

4.6.4 No repayment of loan capital is currently overdue.

4.6.5 As stated in paragraph 2.2.5.1 above, the borrowing powers of the Company may only be varied by special resolution and have not been exceeded in the past three years since the Last Practicable Date. No exchange control or other restrictions have been imposed on the Company or any of its Subsidiaries' borrowings powers in the past three years since the Last Practicable Date.

4.6.6 The borrowing powers of the Directors are set out in **Annexure 6**.

4.6.7 Other than the inter-company loans referred to in paragraph 4.6.2.1 above, there are no material inter-Company financial or other transactions. Inter-Company balances before elimination on consolidation are set out in **Annexure 10**.

4.7 Adequacy of working capital

The Directors are of the opinion that the working capital available to the Curro Group, both prior and subsequent to the Listing, is adequate for the present requirements of the Curro Group, i.e. for a period of 12 months from the date of issue of this Pre-listing Statement.

5. PROSPECTS

5.1 Curro's objective, by 2020, is to have at least 40 schools with a total learner enrolment in excess of 45 000 and a profit after tax of more than R450 million. The capital requirements for an additional 14 schools and expansion at existing campuses up to and including 2014 will amount to around R750 million, which will be financed through the Rights Issue of R322.4 million, as well as debt and cash from Curro's operations.

PLEASE NOTE THAT THE AFOREGOING STATEMENT OF CURRO'S OBJECTIVE HAS NOT BEEN REVIEWED OR REPORTED ON BY CURRO'S AUDITORS OR BY AN INDEPENDENT REPORTING ACCOUNTANT NOR IS SAME GUARANTEED. IT IS HOWEVER AN OBJECTIVE THAT CURRO WISHES TO ACHIEVE BY 2020.

5.2 Curro also intends expanding its operations by establishing a network of playschools called "Curro Kids" around Curro campuses that will serve as feeder schools into the primary schools.

5.3 Beyond 2020, based on the potential market that exists for private schools, Curro believes there can eventually be more than 200 Curro schools with the capacity of approximately 300 000 learners representing about 16% of the South African private education market.

6. LISTING ON THE JSE

6.1 JSE approval

The JSE has formally approved the Listing of all of the Shares in the issued share capital of Curro, by way of introduction of all its issued ordinary shares on the Alt^{X} of the JSE under the abbreviated name "Curro", share code COH and ISIN ZAE000156253 with effect from the commencement of trade on Thursday, 2 June 2011.

6.2 Purpose of Listing

The purpose of the Listing of Curro is:

6.2.1 to raise funds from Curro Shareholders for the planned expansion of Curro by way of the Rights Offer within a listed environment where Shareholders can trade their listed renounceable letters of allocation. The raising of capital will strengthen Curro's balance sheet;

6.2.2 to provide Curro Shareholders with a liquid, tradable asset within a regulated environment, with a market determined share price and an instant exit mechanism for those Shareholders who wish to exit;

6.2.3 to enhance the Company's deal making ability, as listed shares can be more readily utilised for the purposes of acquisitions in the form of share swaps;

6.2.4 to provide additional credibility for the Company to its clients and debt funders; and

6.2.5 to give the general public, more specifically clients, an opportunity to own an equity stake in the Company and thereby share in the successes of a company that they support as clients.

6.3 Trading Curro Shares on the JSE

6.3.1 Shareholders who wish to trade their Curro Shares on the JSE on Listing date, are required to open a share trading account with a broker or CSDP, and provide details thereof to the Company's transfer secretaries timeously prior to Listing, so as to ensure that their Shares can be traded in electronic form on Listing.

6.3.2 Shareholders are accordingly advised that if they have not yet opened a trading account as per paragraph 6.3.1 above, then they should do so on or before Thursday, 26 May 2011 so as to ensure that they will be able to trade their Shares in electronic form on Listing date.

6.3.3 Accordingly, any Shareholder who does not appoint a broker or CSDP account, and provide the necessary information to the Company's transfer secretaries on or before Thursday, 26 May 2011, will be receiving a new share certificate in respect of their Curro Shares which will be posted by registered post to such Shareholder within five Business Days of Listing.

6.3.4 Any Shareholder as referred to in paragraph 6.3.3 above who fails to take such steps timeously in anticipation of the Listing, and who therefore will still hold his Shares in certificated form on Listing date, but who wishes to trade in his Curro Shares on the JSE, will have to have his new Curro share certificate dematerialised first before he can trade such Shares in electronic form on the JSE.

6.3.5 Curro Shareholders should note that once listed, all original Curro share certificates will no longer be valid for delivery. Only new share certificates as issued in terms of paragraph 6.3.3 above will constitute valid title. Accordingly, any Shareholder who does not receive his new Curro share certificate or who only has his original Curro share certificate should immediately contact the Company's transfer secretaries, whose details appear at the *Corporate Information* section of this Pre-listing Statement, who will advise as to the appropriate course of action. Curro Shareholders are advised however that the Directors reserve, in their absolute discretion, the right to require indemnification against any loss or damage that may arise in such circumstances where a Shareholder is not able to demonstrate valid title.

6.3.6 Accordingly, Curro Shareholders are urged to immediately contact the Company's transfer secretaries, whose details appear at the *Corporate information* section of this Pre-listing Statement, who will be able to advise them as to the appropriate steps to take in the dematerialisation of their Shares, or, alternatively, to appoint a broker or CSDP as soon as possible, but before, Thursday, 26 May who should then forthwith contact the Company's transfer secretaries and provide them with such information as is necessary in order to ensure that such shareholders' Shares may be traded in electronic form on the Listing Date.

6.4 Exchange Control Regulations

The following is intended as a guide of the Exchange Control Regulations and is not, therefore, a comprehensive statement. Shareholders and/or any party interested in trading Curro Shares are advised to consult their professional advisers if they have any doubt as to the effect or applicability of these regulations to their individual circumstances.

6.4.1 **Emigrants from the Common Monetary Area**

New share certificates issued on the Listing of Curro as contemplated in this Pre-listing Statement to any emigrant Shareholders will be endorsed and deposited with the authorised dealer controlling such emigrant's blocked assets. In terms of the Exchange Control Regulations, these Curro Shares will not be freely transferable from the Common Monetary Area. The CSDP or broker concerned will ensure that all requirements in respect of the Exchange Control Regulations are adhered to in respect of any of their clients being Curro Shareholders falling into this category, whether such clients hold their Shares in dematerialised or certificated form.

6.4.2 **All other non-residents of the Common Monetary Area**

Non-resident Shareholders whose Documents of Title are endorsed "Non-resident" will receive a new Curro share certificate similarly endorsed. The CSDP or broker concerned will ensure that all requirements in respect of the Exchange Control Regulations are adhered to in respect of any of their clients being Curro Shareholders falling into this category, whether such clients hold their Shares in dematerialised or certificated form.

6.4.3 **Shareholders in other jurisdictions**

Non-residents must satisfy themselves as to the full observance of the laws of any relevant territory concerning the trading of Curro Shares on the JSE, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due to such territory (if applicable).

Any future payments to be made to Shareholders (whether in the form of dividends of otherwise) who are residents in, or citizens or nationals of jurisdictions outside of South Africa or custodians, nominees or trustees for residents who are citizens or nationals of other countries, may be prohibited or affected by the laws of the relevant jurisdictions. Such persons should therefore acquaint themselves with and observe any applicable legal requirements.

7. ADDITIONAL INFORMATION

7.1 Secretarial and technical fees

Curro and its Subsidiaries have in aggregate paid a total of R59 781 (inclusive of VAT) to third parties in respect of managerial, secretarial and technical fees in the 3 years preceding the Last Practicable Date. Secretarial fees relate to corporate secretarial work done by various service providers and by the auditors for the Curro Group.

7.2 Details of Subsidiaries

Details of Curro's Subsidiaries appear in **Annexure 8**.

7.3 Principal immovable property owned and leased

7.3.1 The required disclosures in regard to immovable property owned by the Curro Group are presented in **Annexure 7** hereto.

7.3.2 The Curro Group does not lease any immovable property by way of leasehold tenure.

7.4 Property and Subsidiaries acquired or to be acquired

7.4.1 Details of the material acquisition of property made by the Curro Group in the preceding 3 years prior to the date of issue of this Pre-Listing Statement are set out in **Annexure 7**.

The material acquisition resulted from Curro acquiring 100% of the equity interest of Aurora College and 100% of the equity interest of Plot 100, resulting in Curro obtaining control over Aurora College and over Plot 100 for a total consideration of R42 million, with effect from 1 January 2011.

Plot 100 and Aurora College were previously close corporations and were, as a term of the acquisition agreement, converted to private companies on 16 February 2011 and 24 February 2011, respectively, and therefore have not, as at the Last Practicable Date, prepared audited financial information.

The material acquisition has been included in the unaudited forecasted statement of comprehensive income and statement of financial position for the Curro Group for the years ending 31 December 2011 to 31 December 2013 as set out in **Annexure 4** to the Pre-Listing Statement.

Detailed disclosure regarding the *pro forma* financial effects of the material acquisition, including the effects of the Rights Offer, will be disclosed in the Rights Offer Circular.

7.4.2 Details of Subsidiaries acquired by Curro within the past 3 years are set out in **Annexure 7**.

7.4.3 The application for Listing does not coincide, directly or indirectly, with the acquisition by the Company, or any of its Subsidiaries, of securities in or of the business undertaking of any other Company, in consequence of which that Company or business undertaking will become a subsidiary of or part of the business of Curro.

7.5 Property and Subsidiaries disposed of or to be disposed of

No material property has been disposed of by the Curro Group during the preceding 3 years prior to the date of issue of this Pre-listing Statement, nor will any such property be disposed of in the foreseeable future, other than the inter-Group distribution of assets between Curro and certain of its Subsidiaries, which is anticipated to take place in the 12 months following the Listing Date, as more fully described in **Annexure 1.**

7.6 Promoters' and other interests

7.6.1 No director or promoter of the Curro Group has, in the 3 years preceding the Last Practicable Date, had any material beneficial interest, either direct or indirect, in the promotion of the Company or in respect of any property acquired within the Curro Group in the 3 years preceding the Last Practicable Date, or to be acquired, nor has any cash or securities been paid or any other benefit given to any promoter in the aforementioned 3 year period.

7.6.2 No commissions, discounts, brokerages or other special terms have been granted by Curro in the 3 years preceding the Last Practicable Date, in connection with the issue or sale of any Shares in Curro, where this has not been disclosed in the audited annual financial statements of the Company.

7.6.3 No commissions were paid by Curro in respect of any underwriting in the 3 years preceding the Last Practicable Date. Shareholders are referred to the Rights Offer Circular which will detail the fees payable to Paladin as underwriter of the Rights Offer.

7.6.4 No royalties are payable to any party by the Curro Group.

7.7 Material contracts

No material contracts have been entered into by any Group Company, other than in the ordinary course of business, in the 2 years preceding the Last Practicable Date, or at any time, that contains an obligation or settlement that is material to the Curro Group at the Last Practicable Date.

7.8 Advisers' consents

Each of the advisers, whose names appear in the Corporate Information section of this Pre-listing Statement, have given and have not, prior to the formal approval of this Pre-listing Statement by the JSE, withdrawn their written consents to the inclusion of their names, and acting in the capacities stated and, where applicable, to their reports being included in this Pre-listing Statement.

7.9 Government protection and investment encouragement law

There is no government protection or investment encouragement law affecting the Curro Group.

7.10 Expenses and Listing fees

7.10.1 The estimated expenses of the Listing, exclusive of VAT, are as follows:

		R'000
Printing, publication, distribution and advertising expenses	Greymatter & Finch	163
JSE documentation fees	JSE	61
JSE Listing fees	JSE	22
Strate	Strate	30
Transfer Secretaries	Computershare Investor Services (Proprietary) Limited	25
Corporate adviser	PSG Capital	1150
Designated Adviser	QuestCo Sponsors (Proprietary) Limited	50
Auditors and reporting accountants	Deloitte & Touche	400
Contingency		50
TOTAL		1 951

7.10.2 Other than the cost of R5 700 that will be incurred in issuing the 200 000 ordinary shares referred to in paragraph 3.3.3 above to meet the public shareholder spread requirements in terms of the JSE Listings Requirements, no preliminary expenses were incurred by Curro within the three years preceding the issue date of this Pre-listing Statement.

7.11 Litigation

There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened) of which Curro is aware, which may have or have had, in the recent past, being at least the previous 12 months to the Last Practicable Date, a material effect on the Group's financial position.

7.12 Documents available for inspection

The following documents, or copies thereof, will be available for inspection at the registered offices of Curro, and at the offices of PSG Capital in both Stellenbosch and Johannesburg, during normal office hours from the date of issue of this Pre-listing Statement until Thursday, 2 June 2011:

7.12.1 the memorandum and Articles of Curro as well as the memoranda and articles of association of the Subsidiaries;

7.12.2 the audited annual financial statements of Curro for the financial years ended 31 December 2009 and 31 December 2010;

7.12.3 the forecast financial information for the years ended 31 December 2011 to 2013;

7.12.4 written consents from each of the advisers referred to in paragraph 7.8 above;

7.12.5 the independent reporting accountants' report on the historical financial information of Curro, as reproduced in **Annexure 3;**

7.12.6 the independent reporting accountants' report on the forecast financial information of Curro for the years ended 31 December 2011 to 2013, as reproduced in **Annexure 5**;

7.12.7 copy of the executive service contracts of the executive directors within the Group;

7.12.8 a copy of the share incentive trust deed referred to in paragraph 2.2.6.2 above; and

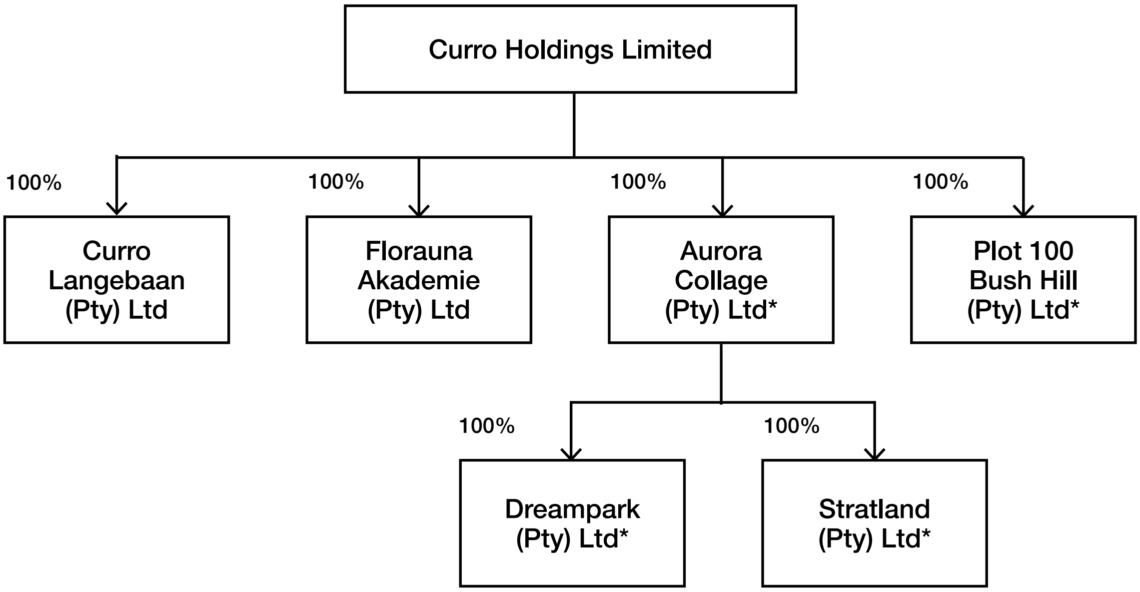
7.12.9 a copy of this Pre-listing Statement dated 26 May 2011.

SIGNED AT CAPE TOWN ON 26 MAY 2011 BY DR CHRIS VAN DER MERWE ON BEHALF OF ALL THE DIRECTORS OF CURRO HOLDINGS LIMITED, AS LISTED BELOW, IN TERMS OF POWERS OF ATTORNEYS SIGNED BY SUCH DIRECTORS

ADV JA LE ROUX
DR CR VAN DER MERWE
AJF GREYLING
MC MEHL

PJ MOUTON
B PETERSEN
M VILAKAZI

GROUP STRUCTURE



*** The assets will be distributed to Curro Holdings Limited and these companies will be wound up in the next 12 months:**

Following the Listing, all assets of Plot 100 and of Aurora College, including the shareholding of Aurora College in Dream Park and in Stratland, will be distributed to Curro. Thereafter, Dream Park and Stratland will be the direct subsidiaries of Curro and will, in turn, distribute all of their assets to Curro. Following the aforementioned distributions and within the period of 12 months following the Listing, Plot 100, Aurora College, Dreampark and Stratland will be wound up.

HISTORICAL FINANCIAL INFORMATION

BASIS OF PREPARATION

The consolidated statements of financial position, statements of comprehensive income, statements of changes in equity, cash flow statements and notes of Curro for the financial years ended 31 December 2009 and 31 December 2010, have been extracted and compiled from the audited consolidated annual financial statements of Curro. The preparation of this Annexure 2 is the responsibility of the directors of Curro.

The historical financial information of Curro was audited by SDK Chartered Accountants (SA) and was reported on without qualification for all of the aforementioned financial periods. Deloitte & Touche was appointed by Curro to review the 2009 financial year and to re-audit the 2010 financial year presented below and to provide the necessary report on historical financial information, as set out in **Annexure 3.**

COMMENTARY

1. Incorporation

The company was incorporated on 30 December 1998 and obtained its certificate to commence business on the same day.

2. Review of activities

Main business and operations

The group is engaged in private school, property holding and investments activities and operates principally in South Africa.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net profit of the group was R5,232,902 (2009: R1,793,910 profit), after taxation of R552,446 (2009: R(331,057)).

3. Events after the reporting period

Subsequent to year end, the following transactions took place:
- Contracts have been signed to purchase the following properties:
- Portion of Erf 1250, Witfontein ext 37, Kempton Park for R5,700,000
- Portion 45 of Erf 2657, Parsonsvlei, Port Elizabeth for R2,850,000
- Erf 18984, a portion of Erf 2001, Mossel Bay for R3,203,625
- Erven 2106 to 2148, 2199 to 2208, 2239 to 2256 and 2274 to 2281 Sonheuwel Extention 8, Nelspruit for R11,983,51
- Portion 8 of the Farm Myngenoegen, Polokwane.

Transfer of these properties are still pending.

Additional schools were acquired through business combinations as disclosed in note 23 to the Financial Statements.

4. Authorised and issued share capital

The authorised share capital of 1,000 ordinary shares of R1 each were subdivided into 100,000,000 ordinary shares of R0.00001 on 28 April 2010. The issued share capital changed from 800 ordinary shares of R1 each to 80,000,000 ordinary shares of R0.00001.

A capitalisation issue was approved on 4 June 2010. 407,040 shares of R0.00001 were issued at a premium of R2.4999 per share. The total share premium raised is R1,017,595, the total value of the capitalisation issue is R1,017,600.

5. Non-current assets

There were no major changes in the nature of the non-current assets of the company.

6. Dividends

A capitalisation issue was approved on 4 June 2010. 407,040 shares of R0.00001 were issued at a premium of R2.4999 per share. The total share premium raised is R1,017,595, the total value of the capitalisation issue is R1,017,600.

7. **Directors**

The directors of the company during the year and to the date of this report are as follows:

Name	Changes
EA Conradie	Resigned 5 October 2010
MJ Franken	Resigned 5 October 2010
AJF Greyling	
Adv JA le Roux	
PJ Mouton	
FW Swart	Resigned 1 February 2011
E Ungerer	Resigned 5 October 2010
B van der Linde	
Dr CR van der Merwe	

8. **Secretary**

The company had no secretary during the year.

9. **Holding company**

The company's holding company is Paladin Capital Financial Services (Pty) Ltd incorporated in South Africa.

10. **Ultimate holding company**

The company's ultimate holding company is PSG Group Ltd incorporated in South Africa.

11. **Interest in subsidiaries**

Name of subsidiary	Total comprehensive income/(loss) after tax for 2010 R	Total comprehensive income/(loss) after tax for 2009 R
Curro Langebaan (Pty) Ltd	938,954	450,029
Florauna Akademie (Pty) Ltd	(229,068)	94,778

Details of the company's investment in subsidiaries are set out in note 25.

12. **Auditors**

Deloitte & Touche will continue in office in accordance with section 270(2) of the Companies Act.

STATEMENT OF FINANCIAL POSITION

At 31 December 2010

	Notes	2010 Audited R	2009 Reviewed R
ASSETS			
Non-current assets		236 889 412	103 568 875
Property, plant and equipment	5	225 321 064	94 523 176
Goodwill	6	8 207 210	6 984 772
Intangible assets	7	1 783 093	1 094 729
Deferred tax	8	1 578 045	966 198
Current assets		6 422 245	12 426 483
Trade and other receivables	9	2 285 035	1 924 639
Cash and cash equivalents	10	4 137 210	10 501 844
Total assets		243 311 657	115 995 358
EQUITY AND LIABILITIES			
Equity		57 685 974	52 453 072
Share capital and premium	11	51 018 000	50 000 400
Retained income		6 667 974	2 452 672
Non-current liabilities		99 786 752	53 431 794
Other financial liabilities	12	99 779 621	53 405 848
Operating lease liability		7 131	25 946
Current liabilities		85 838 931	10 110 492
Loans from group companies	13	54 440 582	–
Other financial liabilities	12	10 832 373	3 195 831
Current tax payable		63 359	544 123
Operating lease liability		28 578	–
Trade and other payables	14	17 250 547	6 370 538
Bank overdraft	10	3 223 492	–
Total equity and liabilities		243 311 657	115 995 358
Net asset value per share (cents)		71,74	65,23
Tangible net asset value per share (cents)		59,32	55,19

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2010

	Notes	2010 Audited R	2009 Reviewed R
Revenue	15	74 028 504	47 966 258
Other income		1 573 294	584 398
Employment costs		(48 015 079)	(31 114 430)
Operating expenses		(17 800 675)	(8 904 982)
Operating profit	16	9 786 044	8 531 244
Investment revenue	17	137 335	79 202
Finance costs	18	(5 242 923)	(6 485 479)
Profit before taxation		4 680 456	2 124 967
Taxation	19	552 446	(331 057)
Profit for the year		5 232 902	1 793 910
Other comprehensive income for the year		–	–
Total comprehensive income for the year		5 232 902	1 793 910
Earnings per share (cents)		6,51	2,23
Diluted earnings per share (cents)		6,51	2,23
Dividends per share (cents)		–	–
Headline earnings per share (cents)		6,54	2,23

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2010

	Share capital R	Share premium R	Retained income R	Total R
Balance at 1 January 2009	400	–	685 762	659 162
Profit for the year	–	–	1 793 910	1 793 910
Comprehensive income for the year	–	–	–	–
Issue of shares	400	49 999 600	–	50 000 000
Balance at 31 December 2009 – Reviewed	800	49 999 600	2 452 672	127 605 175
Profit for the year	–	–	5 232 902	5 232 902
Comprehensive income for the year	–	–	–	–
Capitalisation issue	4	1 017 596	(1 017 600)	–
Balance at 31 December 2010 – Audited	804	51 017 196	6 667 974	57 685 974

STATEMENT OF CASH FLOWS

for the year ended 31 December 2010

	Notes	Audited R	Reviewed R
Cash flows from operating activities			
Cash generated from operations	21	15 766 449	7 939 826
Interest income		137 335	79 202
Finance costs		(5 242 923)	(6 485 479)
Taxation (paid) received	22	(593 680)	96 360
Net cash inflow from operating activities		10 067 181	1 629 909
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(120 612 661)	(33 715 952)
Sale of property, plant and equipment		100 000	–
Cash outflow on acquisition of business	23	(690 147)	(1 081 478)
Net cash outflow from investing activities		(121 202 808)	(34 797 430)
Cash flows from financing activities			
Proceeds on share issued	11	–	50 000 000
Proceeds from other financial liabilities		62 143 899	3 183 365
Repayment of other financial liabilities		(15 036 980)	(386 894)
Repayment of shareholders loans		–	(3 915 623)
Proceeds from loans from group companies		54 440 582	–
Net cash inflow from financing activities		101 547 501	48 880 848
Net (decrease)/increase in cash and cash equivalents		(9 588 126)	15 713 327
Cash and cash equivalents at beginning of the year		10 501 844	(5 211 483)
Cash and cash equivalents at end of the year	10	913 718	10 501 844

1. ACCOUNTING POLICIES

The historical financial information has been prepared in accordance with International Financial Reporting Standards, and incorporates the following principal accounting policies which have been consistently applied in all material respects.

These accounting policies are consistent with the previous period, except for the changes set out in note 2 “Change in accounting policy”.

1.1 Consolidation

Basis of consolidation

The historical financial information incorporates the historical financial information of the company and all entities, including special purpose entities, which are controlled by the company.

Control exists when the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries are included in the historical financial information from the effective date of acquisition to the effective date of disposal. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group’s interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions which result in changes in ownership levels, where the group has control of the subsidiary both before and after the transaction are regarded as equity transactions and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

Business combinations

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the assets, liabilities or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments.

The acquiree’s identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 – Business Combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held-for-sale in accordance with IFRS 5 – Non-current Assets Held-For-Sale and discontinued operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the group assesses the classification of the acquiree’s assets and liabilities and reclassifies them where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interest arising from a business combination is measured either at their share of the fair value of the assets and liabilities of the acquiree or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations.

In cases where the group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

1.2 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:
- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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

Property, plant and equipment, is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Buildings	50 years
Premises equipment	5 years/6 years
Furniture and fixtures	6 years
Motor vehicles	5 years
Office equipment	6 years
Computer equipment	3 years
Computer software	2 years
School equipment	5 years/6 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

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

Land is not depreciated as it is deemed to have an indefinite life. Buildings are not depreciated as the residual value exceeds the carrying value.

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

1.3 Intangible assets

An intangible asset is recognised when:
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed every period end.

Amortisation is provided to write down the intangible assets based on the pattern in which the asset's future economic benefits are expected to be derived.

Item	Useful life
Learner enrolments	Up to 14 years

1.4 Financial instruments

Classification

The group classifies financial assets and financial liabilities into the following categories:
- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments.

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

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Impairment of financial assets

At each reporting date the group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale. Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loans from group companies

These include loan from holding companies and are recognised initially at fair value plus direct transaction costs. Loans from group companies are classified as financial liabilities measured at amortised cost.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

1.5 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

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

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

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

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

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

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

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income,
- a transaction or event which is recognised, in the same or a different period, directly in equity, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income. Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted. Any contingent rents are expensed in the period they are incurred.

1.7 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

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

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

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

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

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

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

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

1.8 Share capital and equity

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

1.9 Employee benefits

Short-term employee benefits

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

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.10 Provisions and contingencies

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

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

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

Provisions are not recognised for future operating losses. If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:
- has a detailed formal plan for the restructuring, identifying at least:
  - o the business or part of a business concerned;
  - o the principal locations affected;
  - o the location, function, and approximate number of employees who will be compensated for terminating their services;
  - o the expenditures that will be undertaken; and
  - o when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:
- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 27.

1.11 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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

Interest is recognised, in profit or loss, using the effective interest rate method.

1.12 Turnover

Turnover comprises of service rendered to customers. Turnover is stated at the invoice amount.

1.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted. Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are completed.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

2. CHANGE IN ACCOUNTING POLICY

IAS 16 – Property, plant and equipment

During the year, the company changed its accounting policy with respect to the treatment of Property, plant and equipment from the revaluation model to the cost model.

The loans from group companies has been reclassified from non-current liabilities to current liabilities on the statement of financial position.

The aggregate effect of the changes in accounting policy on the historical financial information for the year ended 31 December 2009 is as follows:

Statement of financial position and statement of changes in equity

	2010 Audited R	2009 Reviewed R
Property, plant and equipment		
Previously stated	–	181 909 342
Adjustment	–	(87 386 166)
	–	94 523 176
Deferred tax on revaluation		
Previously stated	–	(11 267 865)
Adjustment	–	12 234 063
	–	966 198
Revaluation reserve		
Previously stated	–	(75 152 103)
Adjustment	–	75 152 103
	–	–

	2010 Audited R	2009 Reviewed R
Certain comparative figures have been reclassified.		
The effects of the reclassification are as follows:		
Profit or loss		
Revenue	–	(577 320)
Other income	–	208 320
Operating expenses	–	368 744
Investment revenue	–	993 230
Finance costs	–	(992 974)

3. USE OF ESTIMATES AND JUDGEMENTS IN THE PREPARATION OF HISTORICAL FINANCIAL INFORMATION

In the preparation of the historical financial information, management is required to make estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the historical financial information within the next financial period. Judgements made by management that could have a significant effect on the amounts recognised in the historical financial information include:

- useful lives and residual values used to calculate depreciation of property, plant and equipment;
- future cash flows of cash-generating units used to test for impairment or reversal of impairment of property, plant and equipment; intangible assets, goodwill and intangible assets;
- assumptions used to make reliable estimates of provisions; and
- recoverability of accounts receivable.

4. NEW STANDARDS AND INTERPRETATIONS

4.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

IFRS 3 – Business Combinations (Revised)

The revisions to IFRS 3 – Business combinations require:

- Acquisition costs to be expensed.
- Non-controlling interest to either be calculated at fair value or at their proportionate share of the net identifiable assets of the acquiree.
- Contingent consideration to be included in the cost of the business combination without further adjustment to goodwill, apart from measurement period adjustments.
- All previous interests in the acquiree to be remeasured to fair value at acquisition date when control is achieved in stages, and for the fair value adjustments to be recognised in profit or loss.
- Goodwill to be measured as the difference between the acquisition date fair value of consideration paid, non-controlling interest and fair value of previous shareholding and the fair value of the net identifiable assets of the acquiree.
- The acquirer to reassess, at acquisition date, the classification of the net identifiable assets of the acquiree, except for leases and insurance contracts.
- Contingent liabilities of the acquiree to only be included in the net identifiable assets when there is a present obligation with respect to the contingent liability.

The effective date of the standard is for years beginning on or after 1 July 2009. The group has adopted the standard for the first time in the 2010 historical financial information. The impact of the standard is not material.

IAS 27 (Amended) Consolidated and Separate Financial Statements

The revisions require:

- Losses of the subsidiary to be allocated to non-controlling interest, even if they result in the non-controlling interest being a debit balance.
- Changes in level of control without loss of control to be accounted for as equity transactions, without any gain or loss being recognised or any remeasurement of goodwill.
- When there is a change in the level of control without losing control, the group is prohibited from making reclassification adjustments.
- When control is lost, the net identifiable assets of the subsidiary as well as non-controlling interest and goodwill are to be derecognised. Any remaining investment is remeasured to fair value at the date on which control is lost, and a gain or loss on loss of control is recognised in profit or loss.

The effective date of the amendment is for years beginning on or after 1 July 2009. The group has adopted the amendment for the first time in the 2010 historical financial information. The impact of the amendment is not material.

IAS 7 – Statement of Cash flows: Consequential amendments due to IAS 27 – Consolidated and Separate Financial Statements (Amended)

Cash flows arising from changes in level of control, where control is not lost, are equity transactions and are therefore accounted for as cash flows from financing transactions.

The effective date of the amendment is for years beginning on or after 1 July 2009. The group has adopted the amendment for the first time in the 2010 historical financial information. The impact of the amendment is not material.

IAS 12 – Income Taxes – consequential amendments due to IAS 27 – Consolidated and Separate Financial Statements (Amended)

The amendment is as a result of amendments to IAS 27 – Consolidated and Separate Financial Statements. The amendment refers to situations where a subsidiary, on acquisition date, did not recognise a deferred tax asset in relation to deductible temporary differences, because, for example, there may not have been sufficient future taxable profits against which to utilise the deductible temporary differences. If the deferred tax asset subsequently becomes recognisable, the amendment now requires that the deferred tax asset should be recognised against goodwill (and profit or loss to the extent that it exceeds goodwill), only if it results from information in the measurement period about circumstances that existed at acquisition date. No adjustment may be made to goodwill for information outside of the measurement period.

The effective date of the amendment is for years beginning on or after 1 July 2009.

The group has adopted the amendment for the first time in the 2010 historical financial information. The impact of the amendment is not material.

2009 Annual Improvements Project: Amendments to IAS 1 – Presentation of Financial Statements

The amendment clarifies that a liability which could, at the option of the counterparty, result in its settlement by the issue equity instruments, does not affect its classification as current or non-current.

The effective date of the amendment is for years beginning on or after 1 January 2010. The group has adopted the amendment for the first time in the 2010 historical financial information. The impact of the amendment is not material.

2009 Annual Improvements Project: Amendments to IAS 7 – Statement of Cash Flows

The amendment provides that expenditure may only be classified as 'cash flows from investing activities' if it resulted in the recognition of an asset on the statement of financial position.

The effective date of the amendment is for years beginning on or after 1 January 2010. The group has adopted the amendment for the first time in the 2010 historical financial information. The impact of the amendment is not material.

2009 Annual Improvements Project: Amendments to IAS 17 – Leases

The amendment removes the guidance that leases of land, where title does not transfer, are operating leases. The amendment therefore requires that lease classification for land be assessed in the same manner as for all leases. The amendment is to be applied retrospectively, unless the information is not available. In these cases, existing leases shall be reconsidered based on facts and circumstances existing at the date of adoption of the amendment. The lease asset and lease liability shall, in these cases be recognised at their fair values on that date, with any difference in those fair values recognised in retained earnings.

The effective date of the amendment is for years beginning on or after 01 January 2010. The group has adopted the amendment for the first time in the 2010 historical financial information. The impact of the amendment is not material.

2009 Annual Improvements Project: Amendments to IAS 18 – Revenue

The amendment provides additional guidance in the determination of whether an entity is acting as an agent or principal in a revenue transaction.

The effective date of the amendment is for years beginning on or after 1 June 2009. The group has adopted the amendment for the first time in the 2010 historical financial information. The impact of the amendment is not material.

2009 Annual Improvements Project: Amendments to IAS 36 – Impairment of Assets

The amendment now requires that, for the purpose of goodwill testing, each group of units to which goodwill is allocated shall not be larger than an operating segment as defined in paragraph 5 of IFRS 8 – Operating Segments. Thus the determination is now required to be made before operating segments are aggregated.

The effective date of the amendment is for years beginning on or after 1 January 2010. The group has adopted the amendment for the first time in the 2010 historical financial information. The impact of the amendment is not material.

2009 Annual Improvements Project: Amendments to IAS 38 – Intangible Assets

The amendment provides guidance on the measurement of intangible assets acquired in a business combination.

The effective date of the amendment is for years beginning on or after 1 July 2009. The group has adopted the amendment for the first time in the 2010 historical financial information. The impact of the amendment is not material.

2009 Annual Improvements Project: Amendments to IAS 39 – Financial Instruments: Recognition and Measurement

In terms of the amendment, forward contracts to buy or sell an acquiree that will result in a business combination in the future, are only exempt from the Standard if the term of the contract does not exceed that which is reasonably necessary to obtain the required approval and complete the transaction. The amendment further clarifies that in a cash flow hedge of a forecast transaction, gains or losses should be reclassified from equity to profit or loss in the period in which the hedged forecast cash flow affects profit or loss. The amendment also clarifies that a prepayment option is not closely related to the host contract unless the exercise price is approximately equal to the present value of the lost interest for the remaining term of the host contract.

The effective date of the amendment is for years beginning on or after 1 January 2010. The group has adopted the amendment for the first time in the 2010 historical financial information. The impact of the amendment is not material.

4.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2011 or later periods:

IFRS 9 – Financial Instruments

This new standard is the first phase of a three phase project to replace IAS 39 – Financial Instruments: Recognition and Measurement. Phase one deal with the classification and measurement of financial assets. The following are changes from the classification and measurement rules of IAS 39:

- Financial assets will be categorised as those subsequently measured at fair value or at amortised cost.
- Financial assets at amortised cost are those financial assets where the business model for managing the assets is to hold the assets to collect contractual cash flows (where the contractual cash flows represent payments of principal and interest only). All other financial assets are to be subsequently measured at fair value.
- Under certain circumstances, financial assets may be designated as at fair value
- For hybrid contracts, where the host contract is within the scope of IFRS 9, then the whole instrument is classified in accordance with IFRS 9, without separation of the embedded derivative. In other circumstances, the provisions of IAS 39 still apply.
- Voluntary reclassification of financial assets is prohibited. Financial assets shall be reclassified if the entity changes its business model for the management of financial assets. In such circumstances, reclassification takes place prospectively from the beginning of the first reporting period after the date of change of the business model.
- Investments in equity instruments may be measured at fair value through other comprehensive income. When such an election is made, it may not subsequently be revoked, and gains or losses accumulated in equity are not recycled to profit or loss on derecognition of the investment. The election may be made per individual investment.
- IFRS 9 does not allow for investments in equity instruments to be measured at cost under any circumstances.

The effective date of the standard is for years beginning on or after 1 January 2013.

The group expects to adopt the standard for the first time in the 2013 annual financial statements. The adoption of this standard is not expected to impact on the results of the company, but may result in more disclosure than is currently provided in the annual financial statements.

IAS 24 – Related Party Disclosures (Revised)

The revisions to IAS 24 include a clarification of the definition of a related party as well as providing a partial exemption for related party disclosures between government-related entities.

In terms of the definition, the revision clarifies that joint ventures or associates of the same third party are related parties of each other. To this end, an associate includes its subsidiaries and a joint venture includes its subsidiaries. The partial exemption applies to related party transactions and outstanding balances with a government which controls, jointly controls or significantly influences the reporting entity as well as to transactions or outstanding balances with another entity which is controlled, jointly controlled or significantly influenced by the same government.

In such circumstances, the entity is exempt from the disclosure requirements of paragraph 18 of IAS 24 and is required only to disclose:

- The name of the government and nature of the relationship
- Information about the nature and amount of each individually significant transaction and a quantitative or qualitative indication of the extent of collectively significant transactions. Such information is required in sufficient detail to allow users to understand the effect.

The effective date of the amendment is for years beginning on or after 1 January 2011. The group expects to adopt the amendment for the first time in the 2011 annual financial statements.

The adoption of this amendment is not expected to impact on the results of the company, but may result in more disclosure than is currently provided in the annual financial statements.

2010 Annual Improvements Project: Amendments to IFRS 3 – Business Combinations

The amendment clarifies the initial measurement of non-controlling interests. Only those interests which represent a present ownership interest shall be measured at either fair value or the present ownership's proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interest shall be measured at their acquisition date fair values, unless otherwise required by IFRS.

It further provides transitional provisions for dealing with contingent consideration arrangements in a business combination that occurred before the effective date of the revised IFRS 3.

For equity settled share based payment transactions of the acquiree that the acquirer does not exchange for its share based payment transactions, vested transactions shall be measured as part of non-controlling interest at market based measure. Unvested transactions shall be measured at market based measure as if acquisition date were grant date. This measure is then allocated to non-controlling interest based on the ratio of vesting period completed to greater of total vesting period or original vesting period.

The effective date of the amendment is for years beginning on or after 1 July 2010. The group expects to adopt the amendment for the first time in the 2011 annual financial statements. It is unlikely that the amendment will have a material impact on the company's annual financial statements.

2010 Annual Improvements Project: Amendments to IFRS 7–Financial Instruments: Disclosures

Additional clarification is provided on the requirements for risk disclosures

The effective date of the amendment is for years beginning on or after 1 January 2011. The group expects to adopt the amendment for the first time in the 2011 annual financial statements. The adoption of this amendment is not expected to impact on the results of the company, but may result in more disclosure than is currently provided in the annual financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

	2010 Audited			2009 Reviewed		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	R	R	R	R	R	R
Land and buildings	209 924 897	(68 458)	209 856 439	86 477 522	(43 470)	86 434 052
Premises equipment	971 696	(296 868)	674 828	720 560	(131 698)	588 862
Furniture and fixtures	6 575 096	(2 055 167)	4 519 929	4 386 149	(1 226 012)	3 160 137
Motor vehicles	3 291 942	(1 014 118)	2 277 824	684 997	(268 474)	416 523
Office equipment	1 255 114	(446 289)	808 825	1 204 072	(257 517)	946 555
Computer equipment	7 196 110	(1 912 897)	5 283 213	2 768 756	(975 971)	1 792 785
Computer software	972 076	(286 540)	685 536	254 271	(126 115)	128 156
School equipment	1 912 566	(698 096)	1 214 470	1 422 265	(366 159)	1 056 106
	232 099 497	(6 778 433)	225 321 064	97 918 592	(3 395 416)	94 523 176

Reconciliation of property, plant and equipment

	Opening balance R	Additions R	Additions through business combinations	Disposals R	Depreciation R	Total R
Land and buildings	86 434 052	116 829 474	6 617 900	–	(24 987)	209 856 439
Premises equipment	588 862	228 987	1	–	(143 022)	674 828
Furniture and fixtures	3 160 137	1 927 184	162 033	–	(729 425)	4 519 929
Motor vehicles	416 523	2 375 571	81 368	(57 934)	(537 704)	2 277 824
Office equipment	946 555	22 209	34 815	–	(194 754)	808 825
Computer equipment	1 792 785	4 151 685	112 081	–	(773 338)	5 283 213
Computer software	128 156	717 805	–	–	(160 425)	685 536
School equipment	1 056 106	490 301	–	–	(331 937)	1 214 470
	94 523 176	126 743 216	7 008 198	(57 934)	(2 895 592)	225 321 064

Additions amounting to R6 130 555 (2009: Rnil) have not been paid at year end and is included in trade payables and liabilities.

There was no major change in the nature of property, plant and equipment.

During the year, the company changed its accounting policy with respect to the treatment of Property, plant and equipment from the revaluation model to the cost model. Disclosure of the financial effect on the historical financial information is made in note 2.

Land and buildings are valued independently every 3 years and annually by the directors of the company.

Valuations were performed by an independent valuer, Mr CJ Gerber (Registered Professional Valuer in Terms of Section 19 of Act 47 of 2000, Registration Number 1717/4), of Cassie Gerber Property Valuers CC. Cassie Gerber Property Valuers CC is not connected to the company. The last evaluation was performed on 8 August 2008 for R144,5 million.

The market value of the land and buildings is R173,2 million (2009: R173,2 million). The directors' valuation as at 31 December 2010 and 2009 indicated no change in the market value of the land and buildings.

Pledged as security

Carrying value of assets pledged as security for ABSA Bank Ltd loans as disclosed in note 10 and 12:

	2010 Audited R	2009 Reviewed R
Land and buildings	109 460 867	64 981 856
Premises equipment	128 220	–
Furniture and fixtures	62 609	–
Motor vehicles	2 471 234	393 975
Office equipment	581 281	714 368
Computer equipment	2 252 921	641 903
Computer software	1	65 044
School equipment	91 599	195 182
Borrowing costs capitalised		
Borrowing costs capitalised to qualifying assets	6 405 281	1 390 838
The qualifying assets consist of land and buildings	108 474 620	10 078 536
Capitalisation rate used to determine the amount of borrowing costs		
Eligible for capitalisation	13,81%	13,81%

	2010 Audited R	2009 Reviewed R
Details of properties		
Durbanville		
Land and buildings consist of erf 13748, Durbanville. Held under the title deed number T30788/2001. The buildings consist of school and administration buildings.		
– Purchase price: 3 May 2001	4 333 705	4 333 705
– Capitalised expenditure – 2007 and before	16 067 955	16 067 955
– Capitalised expenditure – 2008	1 048 438	1 048 438
– Capitalised expenditure – 2009	3 961 685	3 961 685
– Capitalised expenditure – 2010	1 765 633	–
	27 177 416	25 411 783
Hazeldean Primary		
Land and buildings consist of erven 103 and 104, Pretoria. Held under title deed number T102419/2007. The buildings consist of school and administration buildings.		
– Purchase price: 3 August 2007	4 560 000	4 560 000
– Capitalised expenditure – 2007	8 736 010	8 736 010
– Capitalised expenditure – 2008	9 572 924	9 572 924
– Capitalised expenditure – 2009	3 507 585	3 507 585
– Capitalised expenditure – 2010	994 692	–
	27 371 211	26 376 519
Roodeplaat		
Land and buildings consist of unit 347 of farm 297, Kameelfontein, and erf 314, Sable Hills Waterfront Estate. Held under title deed numbers T11492/2010 and T9008/2010. The buildings consist of school and administration buildings.		
– Purchase price: 27 March 2009	3 507 150	3 507 150
– Capitalised expenditure – 2009	17 867 514	17 867 514
– Capitalised expenditure – 2010	4 184 690	–
	25 559 354	21 374 664
Langebaan		
Land and buildings consist of erf 8593, Langebaan. Held under title deed number T2551/2007. The buildings consist of school and administration buildings.		
– Purchase price: 18 January 2007	2 000 000	2 000 000
– Capitalised expenditure – 2007	5 586 285	5 586 285
– Capitalised expenditure – 2008	5 240 277	5 240 277
– Capitalised expenditure – 2009	366 992	266 992
– Capitalised expenditure – 2010	5 670 190	–
	18 863 744	13 093 554
College Hazeldean		
Land and buildings consists of erven 989 and 990, Pretoria. Held under title deed number T71955/2010 and T2861/2010. The buildings consist of school and administration buildings.		
– Purchase price: 15 January 2010	9 848 375	–
– Capitalised expenditure – 2010	25 856 840	–
	35 705 215	–
Bankenveld		
Land and buildings consists of erf 301, Witbank. Held under title deed number T9991/2010. The buildings consist of school and administration buildings.		
– Purchase price: 19 March 2010	1 710 000	–
– Capitalised expenditure 2010	26 783 714	–
	28 493 714	–
Serengeti		
Land and buildings consists of portion 1 of erf 1377, Witfontein ext. 32. The buildings consist of school and administration buildings.		
– Purchase price: 1 April 2010	3 197 899	–
– Capitalised expenditure 2010	6 791 693	–
	9 989 592	–

Helderwyk

Land and buildings consists of erf 179 to 192 and 550, Helderwyk. Held under title deed number T36294/2010. The buildings consist of school and administration buildings.

– Purchase price: 20 July 2010	5 000 000	–
– Capitalised expenditure 2010	16 884 832	–
	21 884 832	–

Hermanus

Land and buildings consists of erf 2836, Sandbaai. The buildings consist of school and administration buildings.

– Purchase Price: 3 November 2010	4 360 000	–
– Capitalised expenditure 2010	4 935 553	–
	9 295 553	–

6. GOODWILL

	2010 Audited			2009 Reviewed		
	Opening Cost R	Accumulated impairment R	Carrying value	Costs R	Accumulated impairment R	Carrying value R
Goodwill	8 384 525	(177 315)	8 207 210	7 162 087	(177 315)	6 984 772

Reconciliation of goodwill

	Opening balance R	Additions through business combinations R	Impairment loss R	Total
Goodwill 2010 – Audited	6 984 772	1 222 438	–	8 207 210
Goodwill 2009 – Reviewed	6 262 216	794 774	(72 218)	6 984 772

Goodwill arose in the business combinations because the cost of the business combinations included a control premium paid to acquire the entities and operations. In addition, the consideration paid included amounts in relation to the benefit of expected synergies, revenue growth, future market development and knowledgeable and experienced employees

The goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit that is expected to benefit from that business. Goodwill is assessed for impairment annually, irrespective of whether or not there is any indication of impairment. The recoverable amount of the cash-generating unit is determined by a value in use calculation. The key assumptions for the value in use calculation are those regarding the discount rates and growth rates. Management estimates the discount rates using pre-taxation rates that reflect current market assessments of the time value of money and the risk specific to the cash-generating unit. The growth rate is based on the industry growth rate. Cash flow forecasts were used in the value in use calculation.

The group prepared cash flow forecasts derived from the most recent financial budgets approved by management for the next year and extrapolated cash flows for the following years based on the estimated growth rate.

7. INTANGIBLE ASSETS

	2010 Audited			2009 Reviewed		
GROUP	Cost/ valuation R	Accumulated amortisation R	Carrying value	Cost/ valuation R	Accumulated amortisation R	Carrying value R
Learner enrolments	1 966 762	(183 669)	1 783 093	1 158 703	(63 974)	1 094 729

Reconciliation of intangible assets

	Opening balance R	Additions through business combinations R	Amortisation R	Total R
Learner enrolments 2010 – Audited	1 094 729	808 059	(119 695)	1 783 093
Learner enrolments 2009 – Reviewed	646 656	474 129	(26 056)	1 094 729

		2010 Audited R	2009 Reviewed R
8.	**DEFERRED TAX**		
	Deferred tax asset (liability)		
	Accelerated depreciation charge	(129 894)	(405 632)
	Commercial building allowance	(3 166 874)	(1 203 198)
	Income received in advance	2 091 278	1 468 962
	Operating lease liability	9 998	7 270
	Provision for doubtful debts	52 494	23 120
	Tax losses available for set off against future taxable income	2 721 043	1 075 676
		1 578 045	966 198
	Reconciliation of deferred tax asset		
	At beginning of the year	966 198	1 234 767
	Increase in tax losses available for set off against future taxable income	1 645 367	249 242
	Reversing/(Originating) temporary difference on accelerated depreciation charge	275 738	(405 632)
	Reversing temporary difference on commercial building allowance	(1 963 677)	(568 859)
	Originating temporary difference on income received in advance	622 316	426 290
	Originating temporary difference on operating lease liability	2 728	7 270
	Originating temporary difference on provision for doubtful debts	29 375	23 120
		1 578 045	966 198

Deferred tax rates

The deferred tax rate applied on the commercial property allowance and all other temporary differences are 28%.

9.	**TRADE AND OTHER RECEIVABLES**		
	Trade receivables	2 186 810	1 824 590
	Provision for doubtful debts	(249 968)	(45 094)
	Employee costs in advance	32 600	1 300
	Prepayments	250 046	83 787
	Deposits	65 547	60 056
		2 285 035	1 924 639

There are no loan receivables nor were any loans made or security furnished by the issuer or by any of its subsidiaries for the benefit of any director or manager, or any associate of any director or manager.

Credit periods are maximum up to 30 days and interest is charge on overdue accounts at management discretion. There are no customers with balances that are individually significant to the group.

Trade receivables past due but not impaired.

Trade receivables with renegotiated terms of payment or with acceptable payment history are not considered to be impaired. At 31 December 2010, R1 634 861 (2009: R1 644 219) were past due but not impaired.

	2010 Audited R	2009 Reviewed R
The ageing of amounts past due but not impaired is as follows:		
1 month past due	1 088 191	906 108
2 months past due	372 942	304 557
3 months past due	97 366	124 684
4 months past due	16 691	21 964
5 months past due	59 671	286 906

Trade receivables impaired

As at 31 December 2010, trade receivables of R551 949 (2009: R180 371) were impaired and R249 968 (2009: R45 094) were provided for.

	2010 Audited R	2009 Reviewed R
The ageing of these impaired trade receivables are as follows:		
1 to 3 months	216 331	81 050
4 to 6 months	335 618	99 321

The net carrying values of receivables are considered to be close approximation of their fair values.

Movement in the allowance for doubtful debts

The provision for irrecoverable amounts has been determined by reference to individual analysis of accounts.

	2010 Audited R	2009 Reviewed R
Opening Balance	45 094	112 824
Additional provision raised	936 734	266 073
Bad debt expense	(731 860)	(333 803)
Balance at end of the year	249 968	45 094

10. CASH AND CASH EQUIVALENTS

	2010 Audited R	2009 Reviewed R
Cash and cash equivalents consist of:		
Cash on hand	30 983	37 176
Bank balances	4 106 227	10 464 668
Bank overdraft	(3 223 492)	–
	913 718	10 501 844
Current assets	4 137 210	10 501 844
Current liabilities	(3 223 492)	–
	913 718	10 501 844

Bank balances and cash on hand comprise cash held by the group as well as credit bank balances. The carrying amount of these equals their fair value.

Facilities

ABSA Bank Limited

Overdraft facilities of R6 300 000 (Reduced by R4 000 000 on 31 January 2011), loan facilities of R95 102 161, ACB Debit facilities of R900 000, AVAF facilities of R5 225 078 and derivate swap limit of R6 000 000.

All facilities are subject to review in September 2011.

The securities for the banking facilities and long term funding are as follow:

- Securities over Erf 13748 Durbanville, held under Title Deed: T30788/2001:
  1st Continuous Covering Mortgage Bond for R5 400 000
  2nd Continuous Covering Mortgage Bond for R2 000 000
  3rd Continuous Covering Mortgage Bond for R11 500 000
  4th Continuous Covering Mortgage Bond for R1 100 000
  5th Continuous Covering Mortgage Bond for R2 100 000
  6th Continuous Covering Mortgage Bond for R5 000 000
  7th Continuous Covering Mortgage Bond for R12 000 000
  Cession of lease agreement
- Securities over Erf 103 Tijger Valley, held under Title Deed: T102419/2007:
  1st Continuous Covering Mortgage Bond for R13 000 000
  2nd Continuous Covering Mortgage Bond for R10 000 000

3rd Continuous Covering Mortgage Bond for R15 310 000 also rank as a 1st Continuous Covering Mortgage Bond over Erf 989 & 990, held under Title Deed: T71955/2010 & T2861/2010

- Securities over Erf 8593 Langebaan, held under Title Deed: T2551/2007:
  1st Continuous Covering Mortgage Bond for R7 280 000
  2nd Continuous Covering Mortgage Bond for R12 000 000
  3rd Continuous Covering Mortgage Bond for R10 000 000
- Unlimited suretyship by Curro Langebaan (Pty) Ltd, including loan account
- Bond over all moveable assets for R2 500 000
- Bond over moveable assets for R2 000 000
- Other assets ceded or pledged as security:
  Santam Policy Number: 340/43719323024 for R13 600 000
  Santam Policy Number: 58/63108672418 for R10 000 000
  Santam Policy Number: 340/43719319104 for R207 000
  Santam Policy Number: 340/63108672418 for R61 800 000
- A cession in securitatem debiti by the borrower of rights in and to leases and rentals in respect of properties and insurances
- A cession in securitatem debiti by the borrower of rights in and to revenues
- An undertaking by the sureties and/or shareholders of the borrower to inject all funds needed to cost overruns and cash flow shortfalls in respect of the development of properties
- Letter of comfort from Paladin Capital Ltd

		2010 Audited R	2009 Reviewed R
11.	**SHARE CAPITAL AND PREMIUM**		
	Authorised		
	100 000 000 Ordinary share of R0,00001 each	1 000	1 000
	Reconciliation of number of ordinary shares		
	Issued:		
	Reported as at 1 January 2010	800	400
	Subdivision of shares	79 999 200	–
	Capitalisation issue	407 040	–
	Issue of shares	–	400
		80 407 040	800

The authorised share capital of 1 000 ordinary shares of R1 each were subdivided into 100 000 000 ordinary shares of R0.00001 on 28 April 2010. The issued share capital changed from 800 ordinary shares of R1 each to 80 000 000 ordinary shares of R0,00001.

19 592 960 unissued ordinary shares are under the control of the directors in terms of a resolution of shareholders passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

	2010 Audited R	2009 Reviewed R
Issued		
80 407 040 Ordinary shares of R0,00001 each	804	800
Share premium	51 017 196	49 999 600
	51 018 000	50 000 400

Reconciliation of share capital and share premium	**Share capital R**	**Share premium R**
Balance at 1 January 2009	400	–
Issue of shares	400	49 999 600
Balance at 31 December 2009 – Reviewed	800	49 999 600
Capitalisation issue	4	1 017 596
Balance at 31 December 2010 – Audited	804	51 017 196

Previous issues of shares were made to raise additional capital for expansion of operations. There are no convertible securities issued.

A capitalisation issue was approved on 4 June 2010. 407 040 shares of R0,00001 were issued at a premium of R2,4999 per share. The total share premium raised is R1 017 596 the total value of the capitalisation issue is R1 017 600.

		2010 Audited R	2009 Reviewed R
12.	**OTHER FINANCIAL LIABILITIES**		
	ABSA Bank Ltd	55 944 836	14 494 600
	The secured loans bear interest at rates varying from 7.55% to 9.50% per annum, payable in monthly instalments ranging from R75 270 to R256 622. Secured as disclosed in note 10. The last instalment is payable on 5 November 2020.		
	ABSA Bank Ltd	40 043 574	40 413 392
	The secured loan bears interest at an average rate of 11.81% per annum, payable in monthly instalments approximately R610 714. Secured as disclosed in note 10. The last instalment is payable on 4 June 2016.		
	ABSA Bank Ltd – Instalment Sale Agreements	5 359 533	1 693 687
	The secured loans bear interest at rates varying from 9.50% to 14.50% per annum, payable in monthly instalments ranging from R447 to R126 139. Secured by fixed assets as disclosed in note 5. The last instalment is payable on 1 August 2015.		
	Mnandi Property Developments (Pty) Ltd	2 663 055	–
	The secured loan is amortised at 13.81% and is repayable in monthly instalments over three years starting August 2011. Secured by land and buildings as disclosed in note 5. The last instalment is payable on 30 June 2014.		
	Total secured loans	104 010 998	56 601 679
	African Kingdom Holdings (Pty) Ltd	3 483 396	–
	The unsecured loan bears interest at rates varying from 0% to prime and is payable on registration of the land in the name of the Curro Holdings (Pty) Ltd. The amount is payable on transfer of property.		
	Debentures – Fixed Fee	200 000	–
	The debenture is interest free in exchange for a fixed school fee of R17 000 per annum for 12 years. The capital is repayable on 27 August 2021.		
	Debentures – Interest Set Off	400 000	–
	The debentures bear interest at prime plus 2.5% per annum, with the option to either capitalise the interest or have it set off against school fees. The initial amount plus any capitalised interest is repayable on 27 August 2014.		
	Debentures – Pre-Paid Block	2 517 600	–
	The debentures are interest free and are repaid through set off against annual school fees over period of enrolment.		
	Total unsecured loans	6 600 996	–
	Total other financial liabilities	110 611 994	56 601 679
	Non-current liabilities		
	At amortised cost	99 779 621	53 405 848
	Current liabilities		
	At amortised cost	10 832 373	3 195 831
		110 611 994	56 601 679

All borrowings arose from the purchase of property, plant and equipment.

Repayments are to be made from operating cash flows and restructuring of the balance sheet either by raising of equity or obtaining new debt finance.

		2010 Audited R	2009 Reviewed R
13.	**LOANS FROM GROUP COMPANIES**		
	Paladin Capital Ltd	54 440 582	–

The unsecured loan bears interest at the prime plus 4% per annum and has no fixed terms of repayment, but are by intend of a long term nature. The loan arose as a result to a need to finance operating activity, expansion activities and to acquire property, plant and equipment. Repayments are to be made from operating cash flows and restructuring of the balance sheet either by raising of equity or obtaining new debt finance.

		2010 Audited R	2009 Reviewed R
14.	**TRADE AND OTHER PAYABLES**		
	Trade payables	5 884 457	106 294
	Income received in advance	7 468 851	5 246 293
	Entrance deposits	445 280	–
	Accrued expenses	3 451 959	1 017 951
		17 250 547	6 370 538

Credit periods obtained vary among suppliers. No significant interest is charged on the trade payables. The group has financial risk policies in place to ensure that all payables are paid within the agreed terms. The directors consider that the carrying value of trade and other payables approximates fair value.

		2010 Audited R	2009 Reviewed R
15.	**REVENUE**		
	Registration and tuition fees	70 273 769	45 334 181
	Aftercare income	2 105 455	1 605 071
	Fund-raising projects	1 649 280	1 027 006
		74 028 504	47 966 258
	The amount of revenue consists out of the following:		
	Revenue	78 871 095	50 763 211
	Discounted granted	(4 842 591)	(2 796 953)
		74 028 504	47 966 258

16. **OPERATING PROFIT**

Operating profit for the year is stated after accounting for the following:

	2010 Audited R	2009 Reviewed R
Auditor remuneration	433 176	192 368
Audit fees	263 203	164 010
Accounting fees	108 507	11 713
Tax and secretarial fees	61 466	16 645
Operating lease charges		
Premises Contractual amounts	422 536	382 453
Equipment Contractual amounts	1 682 350	817 065
	2 104 886	1 199 518
Profit on sale of property, plant and equipment	42 066	–
Amortisation on intangible assets	119 695	26 056
Bad debt expense	731 860	376 169
Depreciation on property, plant and equipment	2 894 571	230 725
Employee costs	48 015 079	31 114 430

		2010 Audited R	2009 Reviewed R
17.	**INVESTMENT REVENUE**		
	Interest revenue		
	Bank	82 360	79 202
	Interest charged on trade and other receivables	54 975	–
		137 335	79 202
18.	**FINANCE COSTS**		
	Group companies	2 440 582	–
	Other financial liabilities	8 509 821	7 441 130
	Bank	689 746	314 761
	Trade and other payables	8 055	120 426
	Less: Interest capitalised	(6 405 281)	(1 390 838)
		5 242 923	6 485 479

Capitalisation rates used during the period was 13.81% on general borrowings for capital projects.

Total interest expense, calculated using the effective interest rate, on financial instruments not through profit or loss amounted to R6 405 281 (2009: R1 390 838).

		2010	2009
19.	**TAXATION**		
	Current		
	Local income tax – current period	59 402	49 557
	Local income tax – recognised in current tax for prior periods	–	8 973
	STC	–	3 957
		59 402	62 487
	Deferred		
	Originating and reversing temporary differences	(611 848)	268 570
		(552 446)	331 057
	Reconciliation of the tax expense		
	Reconciliation between accounting profit and tax expense.		
	Accounting profit	4 680 456	2 124 967
	Tax at the applicable tax rate of 28% (2009: 28%)	1 310 528	594 991
	Tax effect of adjustments on taxable income		
	Amortisation and impairment not deductible for tax	469 136	27 517
	Interest capitalised	(1 725 068)	(297 124)
	Non-deductible expenses	35 700	33 082
	Effect of temporary difference on commercial building allowance	(1 963 676)	(632 699)
	Profit on sale of assets	1 334	–
	Non-taxable income	(474 043)	–
	Effect of temporary difference on income received in advance	661 534	426 290
	Effect of temporary difference on operating lease rentals	(9 998)	7 270
	Effect of temporary difference on depreciation and wear and tear	5 047	(405 632)
	Effect of temporary difference on provision for doubtful debts	65 119	23 120
	Assessed loss brought forward	1 683 789	272 742
	Local income tax – recognised in current year for prior periods	–	8 973
	STC	–	3 957
	Deferred tax effect	(611 848)	268 570
		(552 446)	331 057

Holding and main operating company

No provision has been made for 2010 normal tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R9 718 009 (2009: R3 222 795).

		2010 Audited R	2009 Reviewed R
20.	**HEADLINE EARNINGS RECONCILIATION**		
	Profit for the year	5 232 902	1 793 910
	Profit on disposal of property, plant and equipment	42 066	–
	Taxation thereon	(14 887)	–
	Headline earnings	5 260 081	1 793 910
21.	**CASH GENERATED FROM OPERATIONS**		
	Profit before taxation is reconciled to cash generated from operations as follows:		
	Profit before taxation	4 680 456	2 124 967
	Adjustments for:		
	Depreciation and amortisation	3 014 266	256 781
	Profit on sale of assets	(42 066)	–
	Interest received	(137 335)	(79 202)
	Finance costs	5 242 923	6 485 479
	Impairment loss	–	72 218
	Movements in operating lease assets and accruals	9 763	25 946
	Changes in working capital:		
	Increase in trade and other receivables	(360 396)	(1 071 053)
	Decrease in trade and other payables	3 358 838	124 690
		15 766 449	7 939 826
22.	**TAXATION (PAID)/REFUNDED**		
	Balance at beginning of the year	(544 123)	(385 276)
	Current tax for the year recognised in profit or loss	(59 402)	(62 487)
	Adjustment in respect of businesses sold and acquired during the year	(53 514)	–
	Balance at end of the year	63 359	544 123
		(593 680)	96 360
23.	**BUSINESS COMBINATIONS**		
	Business combinations during the current and prior year		
	Aggregated business combinations		
	Property, plant and equipment	7 008 198	69 271
	Intangible assets	808 059	474 129
	Trade and other receivables	–	198 588
	Cash and cash equivalents	117 577	474 312
	Other financial liabilities	(6 960 069)	–
	Trade and other payables	(1 388 479)	(455 284)
	Total identifiable net (liabilities)/assets	(414 714)	761 016
	Goodwill	1 222 438	794 774
		807 724	1 555 790
	Consideration paid		
	Cash	(807 724)	(1 555 790)
	Net cash outflow on acquisition		
	Cash consideration paid	(807 724)	(1 555 790)
	Cash and cash equivalents acquired	117 577	474 312
		(690 147)	(1 081 478)

Florauna Akademie

During the 2009 financial year the group acquired 100% of the equity interest of Florauna Akademie (Pty) Ltd.

Liberty Christian College

On 1 January 2010 the group acquired the business operations of Liberty Christian College which resulted in the group obtaining control over Liberty Christian College. Liberty Christian College is principally involved in the private school industry.

Goodwill of R302 913 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the entities, as well as from intangible assets which did not qualify for separate recognition. Goodwill is not deductible for income tax purposes.

Serengeti Academy pre-school

On 1 April 2010 the group acquired the business operations of Serengeti Academy pre-school which resulted in the group obtaining control over Serengeti Academy pre-school. Serengeti Academy pre-school is principally involved in the private school industry.

Goodwill of R919 525 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the entities, as well as from intangible assets which did not qualify for separate recognition. Goodwill is not deductible for income tax purposes.

24. DIRECTORS' EMOLUMENTS

Executive

2010 – Audited	**Emoluments**	**Total**
In connection with the affairs of the company or its subsidiaries	2 739 000	2 739 000
2009 – Reviewed		
In connection with the affairs of the company or its subsidiaries	2 467 081	2 467 081

	Salary R	**Fees for other services** R	**Bonuses** R	**Total** R
Adv JA Le Roux	–	240 000	–	240 000
Dr CR van der Merwe	690 000	–	238 000	928 000
Mr AJF Greyling	660 000	–	92 000	752 000
Total 2010 – Audited	1350 000	240 000	330 000	1920 000

There are no expense allowance, contribution to pension schemes, commissions or share options in the company or other material benefits.

25. INFORMATION OF SUBSIDIARY COMPANIES

There were no changes in the nature of the business of holding company or any of its subsidiaries during the year. All subsidiary companies are incorporated in the Republic of South Africa and the nature of business is the provision of educational services.

Investment in subsidiaries

	2010 Audited % holding	**2009 Reviewed % holding**	**2010 Audited Carrying amount**	**2009 Reviewed Carrying amount**
Curro Langebaan (Pty) Ltd	100	100	6 000 000	6 000 000
Florauna Akademie (Pty) Ltd	100	100	1 555 790	1 555 790
			7 555 790	7 555 790
Impairment of investment in subsidiaries in holding company records			(1 555 790)	–
			6 000 000	7 555 790

Issued share capital	**2010 Audited Issued share capital**	**2009 Reviewed Issued share capital**
Curro Langebaan (Pty) Ltd	120	120
Florauna Akademie (Pty) Ltd	1 000	1 000

The carrying amounts of subsidiaries are shown net of impairment losses in the holding company. The voting powers equal the percentage holding in all subsidiaries. No rights are held by any individual to change voting powers.

Loans to subsidiaries

	2010 R	2009 R
Curro Langebaan (Pty) Ltd The unsecured loan bears interest at 13.81% per annum and have no fixed terms of repayment.	19 152 182	14 718 586
Florauna Akademie (Pty) Ltd The unsecured loan bears interest at rates varying from 0% to the prime bank rate. The loan was repaid in full during the year.	–	(103 011)
	19 152 182	14 615 575

The loans to subsidiary companies are pledged for collateral to ABSA Bank Limited to the value of R19 152 182 (2009: R14 718 586). No provision has been made against loans to subsidiary companies.

Group total comprehensive income for the year is stated after including the company's share of total comprehensive income (loss) in the following entities:

	2010 Audited R	2009 Reviewed R
Curro Langebaan (Pty) Ltd	938 954	450 029
Florauna Akademie (Pty) Ltd	(229 068)	94 778

26. RELATED PARTIES

Relationships

Ultimate holding company	PSG Group Ltd
Holding company	Paladin Capital Financial Services (Pty) Ltd
Subsidiaries	Refer to note 25
Members of key management	Dr CR van der Merwe
	E Conradie
	E Ungerer
	MJ Franken
	Adv JA le Roux
	AJF Greyling

MNK Construction Projects CC is controlled by M Neethling. M Neethling is a close family member of MJ Franken.

	2010 Audited R	2009 Reviewed R
Related party balances		
Loan accounts – owing to related parties		
Paladin Capital Financial Services (Pty) Ltd	54 440 582	–
Amounts included in trade payables regarding related parties		
MNK Construction Projects CC	4 720 555	–

There were no other material borrowings with related parties. No provision for doubtful debts existed at year end pertaining to any of the above related parties (2009: Rnil). No bad debts were written during the year pertaining to the above related party balances (2009: Rnil).

Related party transactions		
Interest paid to related parties		
Paladin Capital Financial Services (Pty) Ltd	2 440 582	–
Purchases from related parties		
Paladin Capital Ltd	240 000	–
Adv JA le Roux	386 400	305 200
M Neethling	950 000	448 000
Dr CR van der Merwe	60 000	60 000

	2010 Audited R	2009 Reviewed R
Discounts granted to related parties		
AFJ Greyling	47 580	41 760
E Ungerer	–	35 820
Dr CR van der Merwe	54 780	49 320
Construction costs for land and buildings		
MNK Construction Projects CC	57 859 484	15 599 441

Compensation to directors and other key management

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity and include the managing director/equivalent, financial director/equivalent, production director/equivalent and sales director/equivalent. The remuneration of directors and other members of key management during the period were as follows:

	2010 Audited R	2009 Reviewed R
Short-term employee benefits	3 200 004	2 467 081

27. CONTINGENCIES

Tax consequences of undistributed reserves		
STC on remaining reserves	606 179	222 970

A fine amounting to R552 000 was imposed on the group for construction being started prior to completion of all environmental requirements for a new school development. The group is appealing the fine.

28. OPERATING LEASE COMMITMENTS

Total of future minimum lease payments for each of the following periods:		
Within 1 year	334 712	304 284
Within 2 to 5 years	67 069	401 781
	401 781	706 065

29. RISK MANAGEMENT

Capital risk management

The group's objectives when managing capital are to safeguard the group's 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.

The capital structure of the group consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 12, 13, cash and cash equivalents disclosed in note 10, and equity as disclosed in the statement of financial position.

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.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year. The group's board of reviews the capital structure on a regular basis.

The gearing ratio at 2010 and 2009 respectively were as follows:

	Notes	2010 Audited R	2009 Reviewed R
Total borrowings			
Loans from group companies	12	54 440 582	–
Other financial liabilities	13	110 611 994	56 601 679
		165 052 576	56 601 679
Less; Cash and cash equivalents	10	(913 718)	(10 501 844)
Net debt		164 138 858	46 099 835
Total equity		57 685 974	52 453 072
Total capital		221 824 832	98 552 907
Gearing ratio		74%	47%

Liquidity and interest risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities.

The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the group's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

2010 – Audited	Interest rate %	Year 1	Years 1 – 5	Over 5 years	Total
Assets					
Trade and other receivables	Interest free	2 285 035	–	–	2 285 035
Cash on hand	Interest free	30 983	–	–	30 983
Cash at bank	Daily bank rate	4 106 227	–	–	4 106 227
		6 422 245	–	–	6 422 245
Liabilities					
Loan from group companies	prime +4%	–	54 440 582	–	54 440 582
Other financial liabilities	Various	10 832 373	99 779 621	–	110 611 994
Current tax payable	Interest free	63 359	–	–	63 359
Trade and other payables	Interest free	17 250 547	–	–	17 250 547
Bank overdraft	Daily bank rate	3 223 492	–	–	3 223 492
		31 369771	154 220 203	–	185 589 974

2009 – Reviewed	Interest rate %	Year 1	Years 1 – 5	Over 5 years	Total
Assets					
Trade and other receivables	Interest free	1 924 639	–	–	1 924 639
Cash on hand	Interest free	37 176	–	–	37 176
Cash at bank	Daily bank rate	10 464 668	–	–	10 464 668
		12 246 483	–	–	12 246 483
Liabilities					
Other financial liabilities	Various	3 195 831	53 405 848	–	56 601 679
Current tax payable	Interest free	544 123	–	–	544 123
Trade and other payables	Interest free	6 370 538	–	–	6 370 538
		10 110 492	53 405 848	–	63 516 340

Interest rate risk

As the group has no significant interest-bearing assets, the group's income and operating cash flows are substantially independent of changes in market interest rates.

The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the group's profit for the year ended 31 December 2010 would decrease or increase by R1 641 389 (2009: R161 370). This is mainly attributable to the group's exposure to interest rates on its variable rate borrowings. The group's sensitivity to interest rates has increased during the current period mainly due to the increase in variable rate debt instruments.

Credit risk

Credit risk is managed on a group basis.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Due to the long-term nature of the service provided, the threat of suspension of said prove to be a strong factor in encouraging customers to settle their dues. In addition there are certain retention rights that can be effectively used in order to effect performance. Management consider the provision against possible bad debt to be sufficient at year end.

28. OPERATING SEGMENTS

The group operates a number of private schools across South Africa. It services consist mostly of education fees and auxiliary services. It does not have any mayor individual clients. Due to all of the services being educational related and within South Africa it has only one reportable segment. All historical information presented represents the financial information of this single segment

	2010 Audited R	2009 Reviewed R
29. COMMITMENTS		
Capital expenditure		
– Contracted	76 819 109	62 000 000
– Authorised by the directors, but not contracted	114 902 372	11 000 000
	191 721 481	72 000 000

Finance required to meet this expenditure will be funded from existing cash resources and generated funds.

30. RETIREMENT BENEFIT ARRANGEMENTS

It is the policy of the group to provide retirement benefits through independent funds.

The company does not make any company contributions to retirement benefit funds. Employees are remunerated on a total cost of employment basis and can select the amount to be deducted and paid over to the fund on their behalf.

31. STAFF SCHEMES

Curro has short staff schemes in place designated at driving the desired corporate objectives appropriate to each level of staff. As at 31 December 2010, Curro had not established a long term share incentive scheme for its employees.

32. SUBSEQUENT EVENTS

Subsequent to year end, the following transactions took place:

Contracts have been signed to purchase the following properties:

- Portion of Erf 1250, Witfontein ext 37, Kempton Park for R5 700 000
- Portion 45 of Erf 2657, Parsonsvlei, Port Elizabeth for R2 850 000
- Erf 18984, a portion of Erf 2001, Mossel Bay for R3 203 625
- Erven 2106 to 2148, 2199 to 2208, 2239 to 2256 and 2274 to 2281 Sonheuwel Extension 8, Nelspruit for R1 198 351
- Portion 8 of the Farm Myngenoegen, Polokwane.

Transfer of these properties are still pending.

The company has borrowed an additional amount of R126 007 683 from Paladin.

Business combinations occurring after the end of the reporting period

On 1 January 2011 the group acquired 100% of the equity interest of Aurora College (Pty) Ltd and 100% of the equity interest of Plot 100 Bush Hill (Pty) Ltd which resulted in the group obtaining control over Aurora College (Pty) Ltd and its subsidiaries Dream Park (Pty) Ltd and Stratland Development (Pty) Ltd and Plot 100 Bush Hill (Pty) Ltd for a total consideration of R42 000 000. Aurora College (Pty) Ltd is principally involved in the private school industry. Dream Park (Pty) Ltd and Plot 100 Bush Hill (Pty) Ltd owns the property on which the school is situated.

On 1 January 2011 the group acquired the following business operations:

The business operations of Heuwelkruin, Kollege, a private school in Polokwane, for a consideration of R1. The business comprises the school, immovable property, business assets and business liabilities of Heuwelkruin Kollege. The liabilities assumed amount to approximately R13 000 000.

The business operations of Overstrand Learning Academy, a private school in Hermanus, for a consideration of R350 000 and the business operations of Berghof Pre-primary, a primary school in Hermanus, for a consideration of R450 000.

The business operations of Siloam Academy of Learning, a private school in Brakpan for a consideration of R4 000 000.

The business operations of Cape St Blaize Independent School, a private school in Mossel Bay for a consideration of R401 041 plus the amount required to settle the ABSA loan with a maximum value of R1 415 759.

All the abovementioned business combinations relate to subsequent events.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION

"23 May 2011

The Board of Directors
Curro Holdings Limited
PO Box 2436
Durbanville
7551

Dear Sirs

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE HISTORICAL FINANCIAL INFORMATION OF CURRO HOLDINGS LIMITED ("CURRO"), REPORTED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Introduction

The board of directors of Curro has resolved to apply for a listing on the Alt^{X} of the JSE Limited ("the proposed listing").

At your request and for the purposes of the Pre-listing Statement of Curro, to be dated on or about 26 May 2011 ("the Pre-listing Statement"), we present our report on the historical financial information of Curro presented in the Report of Historical Information ("the financial information") relating to Curro for the financial years ended 31 December 2009 and 31 December 2010, as set out in **Annexure 2** to the Pre-listing Statement, in compliance with the Listings Requirements of the JSE Limited ("JSE").

Management's Responsibility for the financial information

Management is responsible for the preparation and fair presentation of these financial information in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial information that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Reporting Accountant's Responsibility

Our responsibility is to express an opinion on the historical financial information included as **Annexure 2** of this circular.

Scope

We have audited the financial information of Curro for the year ended 31 December 2010, and reviewed the financial information for the year ended 31 December 2009.

Basis of opinion

Audit opinion

Our responsibility is to express an opinion on the historical financial information 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 historical financial information are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the historical financial information, 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 information 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.

Review opinion

We conducted our review in accordance with the International Standard on Review Engagements 2400 applicable to the review of Financial Information. This standard requires that we plan and perform the review to obtain moderate assurance that the historical financial information for the year ended 31 December 2009, presented in terms of International Financial Reporting Standards, is free of material misstatement. A review is limited primarily to enquiries of company personnel and analytical procedures applied to financial data and this provides less assurance than an audit. We have not performed an audit of the abovementioned historical financial information and, accordingly, we do not express an audit opinion thereon.

Opinion

Audit opinion

In our opinion, the historical financial information of Curro for the year ended 31 December 2010 fairly presents, in all material respects, the financial position at that date, and the results of the operations and cash flows for the year then ended in accordance with International Financial Reporting Standards and the JSE Listings Requirements.

Review opinion

Based on our review, nothing has come to our attention that causes us to believe that the historical financial information of Curro for the year ended 31 December 2009, is not fairly presented, in all material respects, in accordance with International Financial Reporting Standards and the JSE Listings Requirements.

Consent

We consent to the inclusion of this report, which will form part of the Pre-listing Statement to shareholders of Curro Holdings Limited, to be posted to shareholders on or about 27 May 2011, in the form and context in which it appears.

Yours faithfully

Deloitte & Touche
Registered Auditors
Per MA Van Wyk
Partner

Deloitte & Touche
1st Floor, The Square
Cape Quarter Extension
27 Somerset Road
Green Point
8005
South Africa

National Executive: GG Gelink Chief Executive AE Swiegers Chief Operating Officer GM Pinnock Audit DL Kennedy Risk Advisory NB Kader Tax & Legal Services L Geeringh Consulting L Bam Corporate Finance JK Mazzocco Human Resources CR Beukman Finance TJ Brown Clients & Markets NT Mtoba Chairman of the Board MJ Comber Deputy Chairman of the Board

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

FORECAST FINANCIAL INFORMATION

The forecast financial information of the Company for the financial periods ending 31 December 2011 to 31 December 2013 has been prepared by, and is the responsibility of, the Directors. The accounting policies applied in arriving at forecast income are consistent in all respects with International Financial Reporting Standards. The assumptions on which the forecast financial information is based are considered by the directors to be reasonable, prudent and conservative.

The assumptions made and applied in the preparation of the profit forecast, which is considered by the Board of Directors to be material and significant, are set out below. The assumptions as set out below are not an exhaustive list, nor are they intended to be. General assumptions usually applicable to profit forecasts of this nature have not been expressly set out below, as such assumptions are considered implicit in the context of the forecasted financial information, or having an insignificant effect on such forecasted financial information. Due to the nature of assimilating such information, a view is taken by the Board of Directors as to the impact of market conditions and/or future events. In the opinion of the Directors, the assumptions below are significant to the forecasts as being key factors upon which the financial results of the Company will depend. However, certain assumptions may not materialise and/or certain unforeseen events may occur or circumstances may arise subsequent to the forecasts being made. Accordingly, the results achieved for the forecasted periods may differ from those forecasted.

Profit Forecast (Including learner number and school development forecast)

FOR THE YEAR ENDING 31 DECEMBER (R'm)

	Actual Audited 2010	Forecast Unaudited 2011	Forecast Unaudited 2012	Forecast Unaudited 2013
Number of schools	5	12	14	17
Number of learners	3 083	5 535	7 457	9 594
INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME				
Gross Income	75.7	161.7	221.9	299.2
School fees	67.5	147.3	206.4	280.2
New entrants	4.8	10.0	10.8	13.4
Other income	3.4	4.4	4.7	5.6
Operating Expenses	(62.8)	(146.1)	(184.9)	(240.6)
Salaries & Wages	(48.0)	(115.1)	(146.6)	(187.3)
Other expenses	(14.8)	(31.0)	(38.3)	(53.3)
EBITDA	12.9	15.6	37.0	58.6
Depreciation	(3.0)	(5.5)	(10.7)	(13.6)
Earnings before interest and tax	9.9	10.1	26.3	45.0
Interest	(5.2)	(13.1)	(9.4)	(25.4)
Profit before tax	4.7	(3.0)	16.9	19.6
Tax	0.5	3.8	(2.9)	(3.5)
Profit after tax	5.2	0.8	14.0	16.1

FOR THE YEAR ENDING 31 DECEMBER (R'm)

	Actual Audited 2010	Forecast Unaudited 2011	Forecast Unaudited 2012	Forecast Unaudited 2013
SHARE STATISTICS				
Number of shares in issue ('000)	80 407	161 214	161 214	161 214
Weighted number of shares in issue	80 407	114 076	161 214	161 214
Earnings per share ("EPS") and headline EPS ("HEPS")	6.5	0.7	8.7	10.0
Growth in EPS and HEPS				14.9%

STATEMENT OF FINANCIAL POSITION				
Property, plant and equipment	225.3	444.7	579.4	722.0
Other assets	12.3	12.3	12.3	12.3
Deferred tax	1.6	5.3	2.4	(1.2)
Cash and cash equivalents	4.1	56.8	12.8	12.8
TOTAL ASSETS	243.3	519.1	606.9	745.9
EQUITY	57.6	380.0	394.0	410.1
Capital and premium	51.0	372.6	372.6	372.6
Retained profits	1.4	6.6	7.4	21.4
Profit & Loss	5.2	0.8	14.0	16.1
LIABILITIES	185.7	139.1	212.9	335.8
Loan accounts	165.1	129.0	192.3	315.2
Bank overdraft	3.2	–	10.5	10.5
Current liabilities	17.4	10.1	10.1	10.1
TOTAL EQUITY AND LIABILITIES	243.3	519.1	606.9	745.9

The unaudited profit forecast for the years ending 31 December 2011 to 31 December 2013 is based, *inter alia*, on the following assumptions:

1. The forecasts incorporate the following material assumptions in respect of revenue, expenses, assets and liabilities that can be influenced by the Directors of Curro:
   - Curro intends to operate 12, 14, and 17 schools in 2011, 2012 and 2013 respectively.
   - School fees per learner escalate by 10% per annum.
   - Maximum learners per class range from 20 – 25 learners.
   - Teacher numbers are directly correlated with the maximum learners per class.
   - Other operating expenses, excluding salaries and bad debts, are maxed at a margin of 15% to revenue. This is in line with historic costs at current Curro schools. These expenses relate to administrative expenses (photocopiers and related charges, telephone, bank charges etc), maintenance and related expenses (security, fuel and oil, rates and taxes, water and electricity etc.) and other school operational expenses (copying costs, computer licenses etc).
   - Due to the nature of Curro's centralised business model and economies of scale, head office expenses are not 100% linked to the number of schools or learners. The head office costs escalate at 10% per annum.
   - No dividend declaration is anticipated in the foreseeable future due to aggressive growth plans
   - R322.4 million will be raised by means of a renounceable rights offer during July 2011 after the successful listing of Curro. Shareholders will get 1 rights offer share for each share currently held in Curro.
   - The rights offer proceeds will be used to repay the Paladin loan account and the bank overdraft. Any additional cash balances will be utilized for further capital expansion. The bank overdraft facilities will be used from 2012 to finance working capital and operating costs.

2. The forecasts incorporate the following material assumptions in respect of revenue, expenses, assets and liabilities that cannot be influenced by the Directors of Curro:
   - Corporate tax rate of 28% and a capital gains tax rate of 14% has been applied throughout.
   - A school with capacity of 1 500 learners, costs approximately R65 million to construct. This includes all relevant expenditure including furniture and equipment. The cost of construction has been escalated at 8% per annum.
   - It takes between 5 to 10 years for a Curro school to reach full capacity. This is largely driven by Curro's historical experience.
   - Salaries and other operation expenses increase at a rate of 8% per annum.
   - A bad debt ratio of 1% of turnover is assumed which is in accordance with historical trends.
   - Interest is calculated based on current and estimated facilities, which are mainly driven by the schools capital expenditure. Current facilities attract a floating interest between 0% and 4% above the prime interest rate.
   - Excess net cash is reinvested against the current debt facilities.
   - Depreciation is in line with current accounting policies of Curro and the assumptions applicable to the industry.
   - All assets that reach their maximum useful life are replaced.

3. The assumptions on which the forecasted figures are based are considered by the Directors to be reasonable, prudent and conservative.

4. No allowance for revenue growth arising from further strategic Company acquisitions has been made in the forecasted figures.

5. The forecast for the years ending 31 December 2011 to 31 December 2013 have been compiled utilising the accounting policies of Curro, which subject to any legislative amendments, are expected to remain in place for the duration of the forecasted periods.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE FORECAST FINANCIAL INFORMATION

"23 May 2011

The Directors
Curro Holdings Limited
PO Box 2436
Durbanville
7551

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE FORECAST OF CURRO HOLDINGS LIMITED ("CURRO" OR "THE COMPANY")

We have examined the accompanying consolidated forecast of Curro Holdings Limited for the years ending 31 December 2011, 31 December 2012 and 31 December 2013 ("the profit forecast") as set out in **Annexure 4** of the Pre-listing Statement of Curro, to be dated on or about 26 May 2011 ("the Pre-listing Statement").

Directors' responsibility

The directors of Curro are responsible for the profit forecast, including the assumptions as set out in **Annexure 4** of the Pre-listing Statement, on which it is based, and for the financial information from which it has been prepared.

Reporting accountant's responsibility

Our responsibility is to provide a limited assurance report on the profit forecast. We conducted our assurance engagement in accordance with ISAE 3400: the International Standard on *Assurance Engagements applicable to the Examination of Prospective Financial Information* and the *Revised Guide on Forecasts issued by The South African Institute of Chartered Accountants*, except where otherwise indicated. This standard requires us to obtain sufficient appropriate evidence as to whether or not:

- management's best-estimate assumptions on which the profit forecast is based are not unreasonable and are consistent with the purpose of the information;
- the profit forecast is properly prepared on the basis of the assumptions;
- the profit forecast is properly presented and all material assumptions are adequately disclosed; and
- the profit forecast is prepared and presented on a basis consistent with the accounting policies of the Company in question for the period concerned.

In a limited assurance engagement, the evidence – gathering procedures are more limited than for a reasonable assurance engagement and, therefore, less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that:

i) the assumptions, barring unforeseen circumstances, do not provide a reasonable basis for the preparation of the forecast;
ii) the forecast has not been properly compiled on the basis stated;
ii) the forecast has not been properly presented and all material assumptions are not adequately disclosed; and
iv) the forecast, is not presented on a basis consistent with the accounting policies of the company in question.

Actual results are likely to be different from the profit forecast, since anticipated events frequently do not occur as expected and the variation may be material; accordingly no assurance is expressed regarding the achievability of the profit forecast.

Deloitte & Touche
Registered Auditors
Per MA Van Wyk
Partner

Deloitte & Touche
1st Floor, The Square
Cape Quarter Extension
27 Somerset Road
Green Point
8005
South Africa

National Executive: GG Gelink Chief Executive AE Swiegers Chief Operating Officer GM Pinnock Audit DL Kennedy Risk Advisory NB Kader Tax & Legal Services L Geeringh Consulting L Bam Corporate Finance JK Mazzocco Human Resources CR Beukman Finance TJ Brown Clients & Markets NT Mtoba Chairman of the Board MJ Comber Deputy Chairman of the Board

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

EXTRACTS FROM THE ARTICLES OF ASSOCIATION OF THE GROUP COMPANIES

A. EXTRACTS FROM THE ARTICLES OF ASSOCIATION OF CURRO

" PART IV – DIRECTORS

22. COMPOSITION

22.1.1 The number of the directors shall not be less than four.

22.1.2 A director shall not be required to hold any qualifying shares.

22.2.1 The directors shall be entitled to such remuneration as the company in general meeting may from time to time determine, which remuneration shall be divided among the directors in such proportions as they may agree, or in default of such agreement, equally, except that in such event any director holding office for less than a year shall only rank in such division in proportion to the period during which he has actually held office.

22.2.2 Such remuneration shall accrue to the directors from day to day.

22.2.3 Any director who

22.2.3.1 serves on any executive or other committee; or

22.2.3.2 devotes special attention to the business of the company; or

22.2.3.3 goes or resides outside South Africa for the purpose of the company; or

22.2.3.4 otherwise performs or binds himself to perform services which, in the opinion of the directors, are outside the scope of the ordinary duties of a director, may be paid such extra remuneration or allowance in addition to or in substitution of the remuneration to which he may be entitled as a director, as a disinterested quorum of the directors may from time to time determine.

22.2.4 The directors shall also be paid all their travelling and other expenses necessarily expended by them in connection with –

22.2.4.1 the business of the company; and

22.2.4.2 attending meetings of the directors or of committees of the directors or of the company.

22.3.1 Without prejudice to any contrary provisions in the articles, a director shall vacate his office if –

22.3.1.1 his estate is sequestrated or he surrenders his estate or enters into a general compromise with his creditors;

22.3.1.2 he is found to be or becomes of unsound mind;

22.3.1.3 a majority of his co-directors sign and deposit at the office a written notice wherein he is requested to vacate his office (which shall become operative on deposit at the office) but without prejudice to any claim for damages;

22.3.1.4 he be removed by a resolution of the company of which proper notice has been given in terms of the Act (but without prejudice to any claim for damages);

22.3.1.5 he shall, pursuant to the provisions of the Act or any order made thereunder, be prohibited from acting as a director;

22.3.1.6 he resigns his office by notice in writing to the company;

22.3.1.7.1 he is absent from meetings of the directors for three consecutive months without leave of the directors while not engaged in the business of the company; and

22.3.1.7.2 he is not represented at any such meetings during such three consecutive months by an alternate director; and

22.3.1.7.3 the directors resolve that his office be, by reason of such absence, vacated, provided that the directors shall have power to grant to any director leave of absence for a definite or indefinite period.

22.3.2 Notwithstanding any contrary provisions contained in these articles, a director shall vacate his office at the close of the annual general meeting of the company relating to the financial year in which the director reaches the age of 70 years.

22.4 A director may hold any other office or place of profit under the company (except that of auditor) or any subsidiary of the company in conjunction with his office of director, for such period and on such terms as to remuneration (in addition to the remuneration to which he may be entitled as a director) and otherwise as a disinterested quorum of the directors may determine

22.5 A director of the company may be or become a director or other officer of, or otherwise interested in, any company promoted by the company or in which the company may be interested as shareholder or otherwise and (except insofar as otherwise decided by the directors) he shall not be accountable for any remuneration or other benefits received by him as a director or officer of or from his interest in such other company.

22.6 Any director may act personally or through his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services rendered as if he were not a director.

22.7 A director who is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the company, shall declare the nature of his interest in accordance with the Act.

22.8.1 No director or intending director shall be disqualified by his office from contracting with the company with regard to

22.8.1.1 his tenure of any other office or place of profit under the company or in any company promoted by the company or in which the company is interested;

22.8.1.2 professional services rendered or to be rendered by such director;

22.8.1.3 any sale or other transaction.

22.8.2 No such contract or arrangement entered into by or on behalf of the company in which any director is in any way interested is voidable solely by reason of such interest.

22.8.3 No director so contracting or being so interested shall be liable to account to the company for any profit realised by any such appointment, contract or arrangement by reason of his office as director or of the fiduciary relationship created thereby.

22.9 A director may not vote nor be counted in the quorum (and if he shall do so his vote shall not be counted) on any resolution for his own appointment to any other office or place of profit under the company or in respect of any contract or arrangement in which he is interested, provided that this prohibition shall not apply to

22.9.1 any arrangement for giving to any director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the company; or

22.9.2 any arrangement for the giving by the company of any security to a third party in respect of a debt or obligation of the company which the director has himself guaranteed or secured; or

22.9.3 any contract by a director to subscribe for or underwrite shares or debentures of the company; or

22.9.4 any contract or arrangement with a legal person in which he is interested by reason only of being a director, officer, creditor or member of such legal person,
and these provisos may at any time be suspended or relaxed either generally, or in respect of any particular contract or arrangement, by the company in general meeting.

22.10.1 A contract which violates the terms of article 22.9 can be ratified by the company in general meeting.

22.10.2 The terms of article 22.9 shall not prevent a director from voting as a member at a general meeting at which a resolution in which he has a personal interest is tabled.

22.11.1 The directors may exercise the voting powers conferred by the shares held or owned by the company in any other company in such manner in all respects as they think fit, including the exercise thereof in favour of any resolution appointing themselves or any of them to be directors or officers of such other company or for determining any payment of or remuneration to the directors or officers of such other company.

22.11.2 A director may vote in favour of a resolution referred to in article 22.11.1 for the exercise of the voting rights in the manner described in article 22.11.1 notwithstanding that he may be, or is about to become, a director or other officer of such other company and for that or any other reason may be interested in the exercise of such voting rights in the manner aforesaid.

24. RETIREMENT OF DIRECTORS BY ROTATION

24.1.1 Subject to article 29 hereof, at every annual general meeting, one third of the directors for the time being or if their number is not a multiple of three, then the number nearest to but not less than one third shall retire from office.

24.1.2 The directors so to retire shall be those who have been longest in office since their last election, but in the case of persons who became directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

24.1.3 Notwithstanding anything herein contained, if at the date of any annual general meeting any director shall have held office for a period of three years since his last election or appointment, he shall retire at such meeting either as one of the directors to retire by rotation or additionally thereto.

24.1.4 The length of time a director has been in office shall be computed from his last election, appointment or date upon which he was deemed re-elected.

24.1.5 A director retiring at a meeting shall retain office until the election of directors at that meeting has been completed.

24.2.1 Retiring directors shall be eligible for re-election.

24.2.2 No person, other than a director retiring at the meeting shall, unless recommended by the directors, be eligible for election to the office of a director at any general meeting, unless –

24.2.2.1 not more than fourteen, but at least seven clear days before the day appointed for the meeting, there shall have been delivered at the office of the company a notice in writing by a member (who may also be the proposed director) duly qualified to be present and to vote at the meeting for which such notice is given;

24.2.2.2 such notice sets out the member's intention to propose a specific person for election as director; and

24.2.2.3 notice in writing by the proposed person of his willingness to be elected is attached thereto (except where the proposer is the same person as the proposed).

24.3 Subject to the preceding article, the company may at the meeting at which a director retires, fill the vacated office by electing a person thereto and in default the retiring director, if willing to continue to act, shall be deemed to have been re-elected, unless

24.3.1 it is expressly resolved at such meeting not to fill such vacated office; or

24.3.2 a resolution for the re-election of such director was put to the meeting and rejected.

24.3.1 The company in general meeting or the directors may appoint any person as director either to fill a casual vacancy or as an additional director, but the total number of directors shall not at any time exceed the maximum number fixed by or in accordance with the articles.

24.3.2 A person appointed by the directors as a director in terms of article 24.4.1

24.3.2.1 shall retire at the following annual general meeting;

24.3.2.2 shall not be considered in determining the directors to retire by rotation;

24.3.2.3 shall be eligible for re-election.

24.3.3 If the number of directors should become less than the permissible minimum in terms of the articles, the remaining directors may only act –

24.3.3.1 to fill any vacancies on the board of directors; or

24.3.3.2 to convene general meetings.

24.3.4 If the company in general meeting increases or reduces the number of directors, it may also determine in what rotation such increased or reduced number is to retire.

25. POWERS OF DIRECTORS

25.3 The directors may –

25.3.1 establish any contributory or non-contributory pension, retirement, provident, medical or other funds for the benefit of; and

25.3.2 pay on behalf of the company a gratuity or pension or allowance on retirement or other benefit to,
any director or ex-director or other officer or employee of the company, its holding or subsidiary company (if any), whether or not he has held any other salaried office with the company, or to his widow or dependants, and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance or life assurance or other benefits, subject to the provisions of the Act.

26. BORROWING POWERS

26.1 Subject to the provisions of article 26.3 the directors may from time to time –

26.1.1 borrow for the purpose of the company such sums as they think fit;

26.1.2 secure the payment or repayment of any such sums or any other sum, as they think fit, whether by the creation and issue of debentures, mortgage or charge upon all or any of the property or assets of the company, including its uncalled or unpaid capital;

26.1.3 make such regulations regarding the transfer of debentures, the issue of certificates therefor (subject to article 7 hereof) and all such other matters incidental to debentures as the directors think fit.

26.3 The directors shall procure (but as regards subsidiaries of the company only insofar as by the exercise of voting and other rights or powers of control exercisable by the company they can procure) that the aggregate principal amount at any one time outstanding in respect of moneys so borrowed or raised by –

26.3.1 the company; and

26.3.2 all the subsidiaries for the time being of the company (excluding moneys borrowed or raised by any of such companies from any other of such companies but including the principal amount secured by any outstanding guarantees or suretyships given by the company or any of its subsidiaries for the time being for the share capital or indebtedness of any other company or companies whatsoever and not already included in the aggregate amount of the moneys so borrowed or raised), shall not exceed the aggregate amount at that time authorised to be borrowed or secured by the directors of the company's holding company (if any) in respect of that holding company and all the then subsidiaries of that holding company, provided that no such sanction shall be required to the borrowing of any moneys intended to be applied and actually applied within 90 days in the repayment (with or without any premium) of any moneys then already borrowed and outstanding and notwithstanding that new borrowing may result in the abovementioned limit being exceeded.

29. EXECUTIVE DIRECTORS

29.1.1 The directors may from time to time appoint –

29.1.1.1 managing and other executive directors (with or without specific designation) of the company;

29.1.1.2 any director to any other executive office with the company,
as the directors shall think fit, for a period as the directors shall think fit, and may from time to time remove or dismiss such persons from office and appoint another or others in his or their place or places.

29.2.1 Any director appointed in terms of article 29.1 –

29.2.1.1 shall not (whilst he continues to hold that position or office, be subject to retirement by rotation (subject to the provisions of the contract under which he is employed stating as such); and

29.2.1.2 shall not, during the currency of such appointment, be taken into account in determining the directors to retire by rotation; and

29.2.1.3 shall be subject to the same provisions as to removal as the other directors of the company, and if he ceases to hold office as a director, his appointment to such position or executive office shall *ipso facto* terminate, without prejudice to any claims for damages which may accrue to him as a result of such termination.

29.2.2 If the provisions regarding the retirement of directors by rotation apply, only a minority of the directors may be so appointed on the basis that they shall not be subject to retirement by rotation.

29.3 The remuneration of a director appointed to any position or executive office in terms of article 29.1 –

29.3.1 shall be determined by a disinterested quorum of the directors;

29.3.2 shall be in addition to or in substitution of any ordinary remuneration as a director of the company, as the directors may determine;

29.3.3 may consist of a salary or a commission on profits or dividends or both, as the directors may direct.

29.4 The directors may –

29.4.1 from time to time confer upon a director appointed to any position or executive office in terms of article 29.1 any or all powers exercisable under the articles by the directors;

29.4.2 confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions, as they think expedient;

29.4.3 confer such powers with or to the exclusion of or in substitution for any powers of the directors;

29.4.4 from time to time revoke, withdraw or vary such powers.

32. DIVIDENDS

32.1 Subject to the provisions of the Act, the company in general meeting or the directors may from time to time declare a dividend.

32.2.1 No dividend shall be declared or paid except out of the profits of the company and no dividend shall bear interest against the company except as otherwise provided under the conditions of issue of the shares in respect of which such dividend is payable.

32.2.2 Dividends may be declared either free of or subject to the deduction of income tax and any other tax or duty in respect of which the company may be chargeable.

32.3.1 The directors may from time to time declare and pay to the members such interim dividends as the directors consider to be justified by the profits of the company.

32.3.2 The directors may also pay the fixed dividend payable on any share of the company bearing a fixed dividend half-yearly or on fixed dates, as the directors may deem fit.

32.4 Unless otherwise determined by the directors, dividends shall be declared payable to members registered as such on a date at least fourteen days after the date of the declaration or confirmation (as the case may be) of the dividend, whichever is the later.

32.5 No larger dividend shall be declared by the company in general meeting than is recommended by the directors, but the company in general meeting may declare a smaller dividend.

32.6 Dividends unclaimed for a period of three years from the date on which they were declared or confirmed (as the case may be) may be declared forfeited by the directors for the benefit of the company. The company will hold monies other than dividends due to shareholders in trust indefinitely until lawfully claimed by the shareholders."

B. EXTRACTS FROM THE ARTICLES OF ASSOCIATION OF THE SUBSIDIARIES OF CURRO
(Note: all Subsidiaries have adopted the same articles of association)

" DIRECTORS

53.2 A director shall not be required to hold any qualifying shares.

54.1 The directors shall be entitled to such remuneration as the company in general meeting may from time to time determine, which remuneration shall be divided among the directors in such proportions as they may agree or, in default of such agreement, equally, except that in such event any director holding office for less than a year shall only rank in such division in proportion to the period during which he has actually held office.

54.2 Such remuneration shall accrue to the directors from day to day.

54.3 Any director who –

54.3.1 serves on any executive or other committee; or

54.3.2 devotes special attention to the business of the company; or

54.3.3 goes or resides outside South Africa for the purpose of the company; or

54.3.4 otherwise performs or binds himself to perform services which, in the opinion of the directors, are outside the scope of the ordinary duties of a director,

may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a director, as a disinterested quorum of the directors may from time to time determine.

54.4 The directors may also be paid all their travelling and other expenses necessarily expended by them in connection with –

54.4.1 the business of the company; and

54.4.2 attending meetings of the directors or of committees of the directors of the company.

55. Subject to any contrary provisions in the articles, the office of a director shall be vacated in any of the following events –

55.1 if his estate is sequestrated or he assigns his estate or enters into a general compromise with his creditors;

55.2 if he is found to be or becomes of unsound mind;

55.3 if a majority of his co-directors sign and deposit at the office a written notice wherein he is requested to vacate his office (which shall become operative on deposit at the office), but without prejudice to any claim for damages;

55.4 if he shall, pursuant to the provisions of the Act or any order made thereunder, be prohibited from acting as a director;

55.5 if he resigns his office by any notice in writing to the company;

55.6 if –

55.6.1 he is absent from meetings of the directors for 6 (six) consecutive months without leave of the directors otherwise than on the business of the company; and

55.6.2 he is not represented at any such meetings during such 6 (six) consecutive months by an alternate director; and

55.6.3 the directors resolve that his office, by reason of such absence, be vacated;

provided that the directors shall have power to grant to any director leave of absence for a definite or indefinite period.

56. A director may hold any other office or place of profit under the company (except that of auditor) or any subsidiary of the company in conjunction with his office of director, for such period and on such terms as to remuneration (in addition to the remuneration to which he may be entitled as a director) and otherwise as a disinterested quorum of the directors may determine.

57. A director of the company may be or become a director or other officer of, or otherwise interested in, any company promoted by the company or in which the company may be interested as shareholder or otherwise and (except insofar as otherwise decided by the directors) he shall not be accountable for any remuneration or other benefits received by him as a director or officer of or from his interest in such other company.

58. Any director may act by himself or through his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director.

59. A director who is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the company, shall declare the nature of his interest in accordance with the Act.

60.1 No director or intending director shall be disqualified by his office from contracting with the company with regard to –

60.1.1 his tenure of any other office or place of profit under the company or in any company promoted by the company or in which the company is interested;

60.1.2 professional services rendered or to be rendered by such director;

60.1.3 any sale or other transaction.

60.2 No such contract or arrangement entered into by or on behalf of the company in which any director is in any way interested is voidable.

60.3 No director so contracting or being so interested shall be liable to account to the company for any profit realised by any such appointment, contract or arrangement by reason of such director holding office or of the fiduciary relationship thereby established.

61. A director may not vote nor be counted in the quorum, and if he shall do so his vote shall not be counted, on any resolution for his own appointment to any other office or place of profit under the company or in respect of any contract or arrangement in which he is interested, but this prohibition shall not apply to –

61.1 any arrangement for giving to any director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the company; or

61.2 any arrangement for the giving by the company of any security to a third party in respect of a debt or obligation of the company which the director has himself guaranteed or secured; or

61.3 any contract by a director to subscribe for or underwrite shares or debentures in the company; or

61.4 any contract or arrangement with a corporation in which he is interested by reason only of being a director, officer, creditor or member of such corporation,

and these prohibitions may at any time be suspended or relaxed, either generally or in respect of any particular contract or arrangement, by the company in general meeting.

62.1 A contract which violates the terms of Article 61 can be ratified by the company in general meeting.

62.2 The terms of Article 61 shall not prevent a director from voting as a member at a general meeting at which a resolution in which he has a personal interest is tabled.

63.1 The directors may exercise the voting powers conferred by the directors held or owned by the company in any other company in such manner in all respects as they think fit, including the exercise thereof in favour of any resolution appointing themselves or any of them to be directors or officers of such other company or for determining any payment of or remuneration to the directors or officers of such other company.

63.2 A director may vote in favour of a resolution referred to in Article 63.1 for the exercise of the voting rights in the manner described in Article 63.1 notwithstanding that he may be, or is about to become, a director or other officer of such other company and for that or any other reason may be interested in the exercise of such voting rights in the manner aforesaid.

ELECTION/APPOINTMENT OF DIRECTORS

65. No person shall, unless recommended by the directors, be eligible for election to the office of a director at any general meeting, unless –

65.1 not more than 14 (fourteen), but at least 7 (seven), clear days before the day appointed for the meeting, there shall have been delivered at the office a notice in writing by a member (who may also be the proposed director) duly qualified to be present and vote at the meeting for which such notice is given; and

65.2 such notice sets out the member's intention to propose a specific person for election as director; and

65.3 notice in writing by the proposed person of his willingness to be elected is attached thereto (except where the proposer is the same person as the proposed).

66.1 The company in general meeting (or for so long as the company is a wholly owned subsidiary of another company, the secretary of such other company by notice in writing delivered to the company at its registered office), or the directors shall have the power at any time to appoint any person as director, either to fill a casual vacancy or as an additional director, but the total number of directors shall not at any time exceed the maximum number fixed by or in accordance with the articles.

66.2 A person appointed by the directors as a director in terms of Article 66.1 –

66.2.1 shall retire at the following annual general meeting;

66.2.2 shall be eligible for re-election.

POWERS OF DIRECTORS

68. The directors may –

68.1 establish any contributory or non-contributory pension, retirement, provident, medical or other fund for the benefit of; and

68.2 pay on behalf of the company a gratuity or pension or allowance on retirement or other benefit to,

any director or ex-director or other officer or employee of the company, its holding or subsidiary companies (if any), whether or not he has held any other salaried office with the company, or to his widow or dependants, and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance or life assurance or other benefits, subject to the provisions of the Act.

BORROWING POWERS

70.1 The directors may from time to time –

70.1.1 borrow for the purposes of the company such sums as they think fit;

70.1.2 secure the payment or repayment of any such sums or any other sum, as they think fit, whether by the creation and issue of debentures, mortgage or charge upon all or any of the property or assets of the company, including its uncalled or unpaid capital;

70.1.3 make such regulations regarding the transfer of debentures, the issue of certificates therefor and all such other matters to debentures as the directors think fit,

provided that the total amount owing by the company in respect of monies so raised, borrowed or secured shall not exceed the amount authorised by the company's holding company, if any.

EXECUTIVE DIRECTORS

74. The directors may from time to time appoint –

74.1 managing and other executive directors (with or without specific designation) of the company;

74.2 any director to any other executive office with the company,
for a period not exceeding 5 (five) years and otherwise as the directors shall think fit, and may from time to time remove or dismiss such persons from office and appoint another or others in his or their place or places.

75. Any director appointed in terms of Article 74 shall be subject to the same provisions as to removal as the other directors of the company, and if he ceases to hold office as a director, his appointment to such position or executive office shall *ipso facto* terminate, without prejudice to any claim for damages which may accrue to him as a result of such termination.

76. The remuneration of a director appointed to any position or executive office in terms of Article 74 –

76.1 shall be determined by a disinterested quorum of the directors;

76.2 shall be in addition to or in substitution for any ordinary remuneration as a director of the company, as the directors may determine;

76.3 may consist of a salary or a commission on profits or dividends or both, as the directors may direct."

MATERIAL ACQUISITIONS AND IMMOVABLE PROPERTY HELD

1. MATERIAL ACQUISITIONS BY THE GROUP

Curro made the following material acquisition in the 3 years preceding the Last Practicable Date:

Nature of asset acquired ("the Property")	School property and operations
Valuation of the Property	R42 million for land, specialised school buildings and school operations
Purchase Price	R42 million (including commission) paid in cash
Financing	The acquisition of the Property was financed by a loan from Paladin which loan attracts interest at the prime rate plus 4% per annum, repayable on demand. It is intended that the aforementioned loan be settled and replaced in due course by a mortgage loan from a financial institution over the Property
Effective Date of Acquisition	4 January 2011
Implementation Date	4 March 2011

Notes:

(1) Curro is bound by confidentiality undertakings in terms of the acquisition agreement concluded with the vendor of the Property and cannot therefore disclose the name or other details in regard to the vendor.

(2) The vendor owned the Property for a period of more than 3 years before selling the Property to Curro.

(3) The vendor has not guaranteed the debtors or other assets. Normal warranties in relation to the sale of the Property were furnished to Curro by the vendor in terms of the acquisition agreement.

(4) The acquisition agreement contains standard restrictions, including appropriate restraints of trade, precluding the vendor from conducting business in competition with Curro, which restrictions were on standard terms. No additional sums were paid in consideration for the aforementioned restraint of trade.

(5) The Property was acquired by acquiring 100% of the interest in Plot 100 and in Aurora College, which, in turn, held 100% of the interest in Dream Park and Stratland ("the Aurora Group") which resulted in Curro obtaining control over Aurora College and its subsidiaries Dream Park and Stratland and Plot 100 for a total consideration of R42 000 000. The purchase did not include any goodwill that may have been associated with the Property. The value of the assets and liabilities of the Aurora Group, as at the effective date of the acquisition, were:

(5.1)	Property, plant and equipment	R45 553 324
(5.2)	Trade and other receivables	R589 556
(5.3)	Cash and cash equivalents	R5 418 061
(5.4)	Current tax liabilities	(R791 057)
(5.5)	Trade and other payables	(R10 797 035)
(5.6)	Bank overdrafts	(R2 220 147)
(5.7)	Intangible assets	R7 481 912
	Total assets and liabilities acquired	R45 234 614
	Less:	
	Cash and cash equivalents	(R5 418 061)
	Plus:	
	Bank overdraft	R2 220 147
	Total purchase consideration:	R42 036 700

(6) As set out above, the Property was acquired by acquiring 100% of the interest in the entities that owned the Property and the liability for accrued taxation to the date of acquisition of the Property did not require settlement upon the implementation of the acquisition.

2. DISCLOSURES IN REGARD TO IMMOVABLE PROPERTY HELD BY THE GROUP

The following immovable property is held by the Curro Group:

1.	**Property**	Erf 13748, Sonstraalhoogte, Durbanville held under title deed number T30788/2001 consisting of land, school and administration buildings
	Nature of interest	Freehold
	Area of the property	5.8 ha
2.	**Property**	Erf 8593, Langebaan held under title deed number T2551/2007 consisting of land, school and administration buildings
	Nature of interest	Freehold
	Area of the property	2.1 ha with exclusive use servitude of 6.1 ha
3.	**Property**	Erven 103 and 104, Hazeldean, Pretoria East held under title deed number T102419 consisting of land, school and administration buildings
	Nature of interest	Freehold
	Area of the property	6.2 ha

4.	**Property**	Unit 347 of farm 297, Kameelfontein and erf 314 Sable Hills Waterfront Estate, Roodeplaatdam, Kameelfontein, Pretoria North. Held under title deed numbers T11492/2010 and T9008/2010 consisting of land, school and administration buildings
	Nature of interest	Freehold
	Area of the property	7.0 ha
5.	**Property**	Erven 989 and 990, Hazeldean, Pretoria East held under title deed numbers T71955/2010 and T2861/2010 consisting of land, school and administration buildings
	Nature of interest	Freehold
	Area of the property	10 ha
6.	**Property**	Erf 301, Bankenveld estate, Emalahleni (Witbank), Mpumalanga held under title deed number T9991/2010 consisting of land, school and administration buildings
	Nature of interest	Freehold
	Area of the property	4.2 ha with exclusive use servitude of 9.7 ha
7.	**Property**	Portion 1 of erf 1377, Witfontein ext 32, Serengeti Estate, Johannesburg East
	Nature of interest	Freehold
	Area of the property	6.8 ha
8.	**Property**	Holding 101, Bush Hill Estate, Portion 13 of Erf 4154 Randparkrif Extension 72, Portion 246 Boschkop and Portion 357 Boschkop Hondeydew, Randburg, Johannesburg held under title deed numbers T30874/1998, T14730/2010, T17038/1975, T5860/1999 consisting of land, school and administration buildings
	Nature of interest	Freehold
	Area of the property	10.1 ha
9.	**Property**	Erf 179 to 192 and 550, Helderwyk Estate, Brakpan, Johannesburg East held under title deed number T36294/2010
	Nature of interest	Freehold
	Area of the property	7 ha
10.	**Property**	Erf 2836, Sandbaai, Hermanus
	Nature of interest	Freehold
	Area of the property	6.4 ha
11.	**Property**	Erf 16118, Mossel Bay
	Nature of interest	Freehold (in the process of being transferred to Curro)
	Area of the property	6.5 ha
12.	**Property**	Portion 8 of the farm Myngenoegen 1000, Heuwelkruin, Polokwane, Limpopo
	Nature of interest	Freehold (in the process of being transferred to Curro)
	Area of the property	8.2 ha
13.	**Property**	Erven 2106 to 2148, 2199 to 2208, 2239 to 2256 and 2274 to 2281, Sonheuwel Ext 8, The Rest Estate, Nelspruit, Mpumalanga
	Nature of interest	Freehold (in the process of being transferred to Curro)
	Area of the property	8.2 ha

DETAILS OF SUBSIDIARIES

1. **History and incorporation of Subsidiaries**

	Name of company	Date and place of incorporation	Registration No.	Issued share capital	% held by Curro	Inter-company loan (R) as at the Last Practicable Date	Nature of business	Date of becoming a Subsidiary	Directors
1.	Curro Langebaan (Pty) Ltd	16 April 2004	2004/010032/07	120	100	17 979 909	Property holding and school operating company	1 February 2007	Dr CR van der Merwe Mr AJF Greyling
2.	Florauna Akademie (Pty) Ltd	18 November 1999	1999/025509/07	1 000	100	–	Dormant company	1 July 2009	Dr CR van der Merwe Mr AJF Greyling
3.	Aurora College (Pty) Ltd	24 February 2011	2011/004552/07	100	100	(28 816 717)	School operating company	4 March 2011	B van der Linde
4.	Plot 100 Bush Hill (Pty) Ltd	16 February 2011	2011/003833/07	100	100	17 188 367	Property holding company	4 March 2011	B van der Linde
5.	Dreampark (Pty) Ltd	19 August 1996	1996/011026/07	100	100	1 664 584	Property holding company	4 March 2011	B van der Linde
6.	Stratland (Pty) Ltd	11 December 1997	1997/021692/07	100	100	1 689 896	Property holding company	4 March 2011	B van der Linde

OTHER DIRECTORSHIPS

The table below sets out the names of the companies and other entities of which the Directors of Curro are or have been directors, members or partners during the five years preceding the Last Practicable Date:

Director	Name of company or entity	Capacity
Adv JA le Roux SC	Interactive Curriculum Services (Proprietary) Limited	Resigned
	Curro Langebaan (Proprietary) Limited	Resigned
	Plusco 181 (Proprietary) Limited	Director
	Duin in die Weg Toerisme BK	Member
	Dagbreek Verblyf BK	Member
Dr CR van der Merwe	Curro Eiendomme (Proprietary) Limited	Resigned
	Interactive Curriculum Services (Proprietary) Limited	Resigned
	The Chris van der Merwe Family Trust	Trustee
	The Stephanie van der Merwe Family Trust	Trustee
Mr AJF Greyling	Greyling Familie Trust	Trustee
	Wosprop 135 CC	Member
	Educor Holdings Limited	Resigned
	International Colleges Group	Resigned
Mr B van der Linde	Friedshelf 903 (Proprietary) Limited (T/A Protea Gietery)	Director
	Adato Capital Holdings Limited	Resigned
	Quince Property Finance (Proprietary) Ltd	Resigned
	PSG FutureWealth Limited	Resigned
	PSG BEE Trust	Trustee
	Van der Linde Trust	Trustee
Mr MC Mehl	Capitec Bank Limited	Director
	Capitec Bank Holdings Limited	Director
	Key Distributors (Proprietary) Limited	Director
	Triple L Academy (Proprietary) Limited	Director
	Nasou Via Afrika (Proprietary) Limited	Director
	International Computer Drivers Licence (ICDL) S.A. (non profit organisation)	Director
	Open Learning Group (Proprietary) Limited	Resigned
Mr PJ Mouton	Dana Beleggings (Proprietary) Limited	Director
	Klipbank Beleggings (Proprietary) Limited	Director
	Jasmyn Corporate Holdings (Proprietary) Limited	Director
	Thembeka Capital Limited	Director
	GRW Holdings (Proprietary) Limited	Director
	Capitec Bank Holdings Limited	Director
	Capitec Bank Limited	Director
	Koktyls Investments (Proprietary) Limited	Director
	Spirit Capital (Proprietary) Limited	Director
	PSG Group Limited	Director
	PSG Financial Services Limited	Director
	Paladin Capital Limited	Director
	PSG Capital (Pty) Limited	Director
	Ou Kollege Beleggings Limited	Director
	Axiam Holdings Limited	Director
	PSG Corporate Services (Proprietary) Limited	Director
	PSG Fund Management Group (Proprietary) Limited	Director

Director	Name of company or entity	Capacity
Mr B Petersen	Alexander Forbes Equity Holdings (Proprietary) Limited	Director
	Anglo America South Africa Limited	Director
	De Beers Consolidated Mines Limited	Executive Chairman
	DBCM Holdings (Proprietary) Limited	Director
	De Beers Equal Allocation Trust	Trustee
	De Beers Key Employee Trust Number One	Trustee
	De Beers Key Employee Trust Number Two	Trustee
	De Beers Societé Anonyme	Director
	De Beers Societé Anonyme Audit Committee	Resigned
	De Beers Societé Anonyme Environmental, Community, Health and Safety Committee	Chairman
	Fixtrade 771 Limited	Director
	Investment Solutions Holdings Limited	Director
	JGK Trust	Trustee
	Kovacs Investments 776 (Proprietary) Limited	Director
	Ntinga Ntaka Investments (Proprietary) Limited	Director
	Petersen Investment Trust	Trustee
	Petersen Family Trust	Trustee
	AC Petersen Trust	Trustee
	N Hannes Trust	Trustee
	DS Scholtz Trust	Trustee
	J Swarts Trust	Trustee
	DM Petersen Trust	Trustee
	RC Petersen Trust	Trustee
	NC Basson Trust	Trustee
	Ponahalo Capital (Proprietary) Limited	Director
	Ponahalo Holdings (Proprietary) Limited	Director
	Ponahalo Investments (Proprietary) Limited	Director
	SBR Management Services (Proprietary) Limited	Director
	Sizwe Business Recoveries (Proprietary) Limited	Director
	Superflex Limited	Director
	Tamarron Trading 181 (Proprietary) Limited	Director
	The De Beers South African Distribution Access Share Trust	Trustee
	Thornbirds Trade and Invest 2 (Proprietary) Limited	Director
	Two-Tone Investments 16 (Proprietary) Limited	Director
	Ultimate Financial Management Services cc	Member
Me Vilakazi	MS Risk (Proprietary) Limited	Director
	Zenzele Development Trust	Trustee
	Zenzele Housing Solutions (Proprietary) Limited	Director
	Blackwagon Transport (Proprietary) Limited	Director
	MS Aviation Holdings (Proprietary) Limited	Director
	MS Operations (Proprietary) Limited	Director
	ZDT Financial Solutions (Proprietary) Limited	Director
	ZDT Investment Holdings (Proprietary) Limited	Director
	Zenzele Entrepreneurial Ventures (Proprietary) Limited	Director
	Zenzele Manica Minerals (Proprietary) Limited	Director
	Zenzele Remote Drilling Services (Proprietary) Limited	Director
	Spatial Dimension (Proprietary) Limited	Director
	PricewaterhouseCoopers Inc.	Resigned

INTER-COMPANY LOANS AND BORROWINGS

Lender	Borrower	Balance owing as at the Last Practicable Date (incl interest) R	Carrying value of loan as at the Last Practicable Date R
Curro	Curro Langebaan (Proprietary) Limited	17 979 909	17 979 909
Aurora College (Proprietary) Limited	Curro	4 273 870	4 273 870
Aurora College (Proprietary) Limited	Plot 100 Bush Hill (Proprietary) Limited	17 188 367	17 188 367
Aurora College (Proprietary) Limited	Dreampark (Proprietary) Limited	1 664 584	1 664 584
Aurora College (Proprietary) Limited	Stratland (Proprietary) Limited	1 689 896	1 689 896
Paladin Capital	Curro	180 448 265	180 448 265

Notes:

1. The inter-company loans are repayable on demand and no impairments have been raised in respect of any of the inter-company loans.
2. All the inter-company loans, other than the loan from Paladin Capital to Curro, are interest-free. The loan from Paladin Capital to Curro attracts interest at the prime rate plus 4% per annum.

STATEMENT OF CORPORATE PRACTICE AND CONDUCT

This **Annexure 11** should be read in conjunction with paragraph 2.4 of the Pre-listing Statement.

PART A

CURRO COMMITMENT

Curro is committed to and endorses the application of the principles of transparency, integrity and accountability as recommended in the King III Code of Corporate Practices and Conduct ("**King Code**").

The King Code recognises that no "one size fits all" approach can be adopted in the application of its principles and that it may not be appropriate for entities to adopt all of its principles, in the context of its particular business and/or operational environment.

The Board is satisfied that the Company applies the King Code in all material respects with the related JSE Listings Requirements, as dealt with under appropriate sections throughout this statement.

A full report is attached in Part B hereof which, to the best of the knowledge and belief of the Board, sets out the extent of Curro's current application of the principles of King III and explains the non-application of certain of its principles and/or where principles are not fully applied.

The key principles underpinning the corporate governance of the Company and systems of control that form an integral part of corporate governance are set out hereunder:

BOARD OF DIRECTORS

The Board is key to the Company's corporate governance system and is ultimately accountable and responsible for the key governance process and the performance and affairs of the Company. The Board monitors and ensures that the Company operates ethically and conforms to the highest standards of corporate governance. It will also ensure that the internal controls, both operational and financial, are adequate and that through effective internal controls the financial accounts accurately and objectively reflect the company's business.

Board appointments

Appointments to the Board are made in terms of clear policy in terms of which recommendations are made by fellow Board members with the input of other significant stakeholders, on the basis of the needs of the Company and the set of skills/experience that such appointee can bring to the table. The Board takes cognizance of these factors before making any such appointment. There is no nomination committee as the entire Board takes responsibility for its appointments.

Board composition

The composition of the Board comprises of executive and sufficient non-executive Directors, with a majority being non-executive directors. Accordingly Curro has a fully functional unitary board, comprising of executive and non-executive directors, which leads and controls the Company. Currently there are 3 executive directors and 5 non-executive directors, of whom 3 are considered to be independent.

The composition of the Board ensures that no individual has unfettered powers of decision and authority, and as a result there is a clear division of responsibilities at Board level to ensure a balance of power and authority.

The Board is chaired by Adv JA le Roux SC who acts in this capacity as a non-executive chairman. The chairman of the board is responsible, inter alia, for ensuring the integrity and effectiveness of the Board's governance processes.

The Board's governance and management functions are linked through the chief executive officer, Dr CR van der Merwe, who is tasked with the running of the business and the implementation of the policies and strategies adopted by the Board, as recommended by the Curro Exco.

Rotation of directors

A staggered rotation of non-executive Directors ensures continuity of experience and knowledge. Executive Directors are excluded from rotation by virtue of their employment contracts. Annexure 6 sets out the relevant provisions relating to the Company's Articles dealing with rotation of non-executive Directors.

Delegation of powers

The Board has empowered the Curro Exco to perform the required functions necessary for implementing the strategic direction set by the Board as well as for the effective day to day running of the company, with due regard to fiduciary responsibility on the one hand and operational efficiency on the other, while simultaneously still retaining effective control of the Company. There is a clear distinction between the responsibilities at Board level and that delegated to Curro Exco. This assists in ensuring that no single director has unfettered decision making powers.

Where appropriate, the Board authority delegates certain specific powers usually for the purpose of implementation by way of written Board resolution.

BOARD COMMITTEES

The Board is authorised to form committees to assist in the execution of its duties, powers and authorities. As stated previously, no nomination committee has been appointed as the entire board takes responsibility for appointing appropriate Board members and senior management to the organisation.

AUDIT COMMITTEE

The audit committee is primarily responsible for overseeing the Company's financial reporting process on behalf of the Board. The audit committee sets the principles for the annual appointment and evaluation of the external auditors, the audit plan and audit fees, as well as the use of external auditors for non-audit services. The audit committee on an annual basis considers and satisfies itself as to the appropriateness of the expertise and experience of the financial Director of the Company. The audit committee comprises only of independent, non-executive directors, being Messrs M Mehl, B Petersen and Ms M Vilakazi. The audit committee meets at least twice a year.

REMUNERATION COMMITTEE

The remunerations committee is responsible for assisting the Board in remunerating Directors and senior management within the Group. The nominations committee is comprised predominately of non-executive Directors, being Messrs Le Roux and Mouton as well as invitees, being Messrs CA Otto and N Treurnicht, the majority of whom are independent and is chaired by Mr CA Otto. The remuneration committee meets at least once a year.

COMMUNICATIONS

The Company believes in clear, transparent, concise and timely dissemination of relevant information to all stakeholders. The Board strives to provide its stakeholders, Government, regulatory bodies, industry analysts, prospective investors and the media with relevant and accurate information. In this connection, the regulatory requirements regarding the dissemination of information are strictly observed.

PART B – APPLICATION OF PRINCIPLES IN KING III

Preamble

Curro accepts the obligation to apply the practices prescribed by the King III report and has resolved as a business philosophy to adopt and pursue the same. It therefore strives to meet those objectives in accordance with the content of the table below.

1 – Not applied/will not be applied.
2 – In process/partially applied.
3 – Full application.

	Principle	Stage of Maturity	Comments
1.	**Ethical leadership and corporate citizenship**		
1.1	The board should provide effective leadership based on an ethical foundation.	3	Applied.
1.2	The board should ensure that the company is, and is seen to be, a responsible corporate citizen.	3	Although Curro does not currently have a formalised policy and procedure in place regarding corporate citizenship, the board has established Curro as, and is continuing to ensure, that Curro acts as a responsible corporate citizen. Given that Curro was operating in a private, unlisted environment and given the size and nature of Curro's operations, such a formal policy and procedure was not considered appropriate. Since Curro has now converted to a public company, which will operate in a listed environment as from the Listing Date, the Board will implement a formal policy and procedure in this regard, going forward.
1.3	The board should ensure that the company's ethics are managed effectively.	3	The ethics of the Company are currently managed informally by the board in application of King III. Given that Curro has converted from a private company to a public company which will operate in a listed environment from the Listing Date, the board now considers it appropriate and will, going forward, specifically include ethical behaviour across the organisation as a re-occurring item on the agenda for board meetings.
2.	**Board and Directors**		
2.1	The board should act as the focal point for and custodian of corporate governance.	3	Applied.
2.2	The board should appreciate that strategy, risk, performance and sustainability are inseparable.	3	Applied.
2.3	The board should provide effective leadership based on an ethical foundation.	3	Applied.
2.4	The board should ensure that the company is and is seen to be a responsible corporate citizen.	3	Applied.
2.5	The board should ensure that the company's ethics are managed effectively.	3	Applied.
2.6	The board should ensure that the company has an effective and independent audit committee.	3	Applied.
2.7	The board should be responsible for the governance of risk.	3	Applied.
2.8	The board should be responsible for information technology (IT) governance.	3	Applied.
2.9	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	3	Applied.
2.10	The board should ensure that there is an effective risk-based internal audit.	2	Given that Curro was operating in a private, unlisted environment and given the size and nature of the business operations of Curro, it was not considered necessary that a formal internal audit function should be established in regard to internal audit and risk. Since Curro has now converted to a public company, which will operate in a listed environment, an internal audit function appropriate to the size and nature of Curro's business will be implemented over time.
2.11	The board should appreciate that stakeholders' perceptions affect the company's reputation.	3	Applied.

2.12	The board should ensure the integrity of the company's integrated report.	2	Although elements of an integrated report has always been present in the Curro reporting structure, given that Curro was operating in a private, unlisted environment, and given the size and nature of Curro's operations, it was not considered appropriate to produce a comprehensive integrated report, applying all principles of King III in regard to such report. Curro will formulate and implement a process to ensure the integrity of the Company's integrated report, the contents whereof will be consistent with the size and nature of Curro's business.
2.13	The board should report on the effectiveness of the company's system of internal controls.	3	In the context of private shareholding, Curro's business has always been open, transparent and effectively communicated to stakeholders. Given that Curro was operating in a private, unlisted environment and given the size and nature of the business operations of Curro, it was not considered necessary for the board to formally report on the effectiveness of the company's internal controls and its private shareholders did not require such reporting. As Curro has now converted to a public company that will be operating in a listed environment, the board will, over time, introduce procedures to measure the company's system of internal controls, as appropriate to the size and nature of its business, and will report on such controls.
2.14	The board and its directors should act in the best interests of the company.	3	Applied.
2.15	The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Act.	3	Applied.
2.16	The board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfil the role of chairman of the board.	2	The roles of the CEO and Chairman are fulfilled by separate individuals. The current chairman is non-executive but is not independent. After careful consideration, the board believes that this is most appropriate for the business given the experience of the chairman and the relative inexperience of the independent non-executive directors pertaining to Curro's business. A lead independent director will be appointed as soon as reasonably possible.
2.17	The board should appoint the chief executive officer and establish a framework for the delegation of authority.	3	Applied.
2.18	The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent.	2	The majority of the directors is non-executive. The majority of directors is not independent. Given the size of Curro's business and that the JSE Listings Requirements for Alt^{X} Companies does not require that the majority of directors be independent and given that the board is satisfied that all directors, notwithstanding that they may not meet the technical definition of independence as laid down by King lll, are capable of exercising their decisions on an independent basis, board does not consider that the cost of appointing additional independent directors warrants the application of this principle.
2.19	Directors should be appointed through a formal process.	2	After careful consideration, the board is of the view that the size of the organisation does not justify a separate nominations committee. This approach is in line with the Listings Requirements of the JSE which does not require that Alt^{X} listed companies appoint a nominations committee where it is not appropriate to the business of the company.

2.20	The induction of and ongoing training and development of directors should be conducted through formal processes.	2	The nature of the business does not warrant a formal induction process. New directors will have unlimited access to the Company's resources in order to familiarise themselves with all matters related to the Company.
2.21	The board should be assisted by a competent, suitably qualified and experienced company secretary.	2	Due to size of Curro's business, the administrative function of the financial director and company secretary is shared by the same person, who takes appropriate corporate secretarial advice from external service providers, when appropriate, to ensure compliance with all corporate secretarial aspects. The Company will appoint a separate, suitably qualified company secretary within 6 (six) months of the Listing Date.
2.22	The evaluation of the board, its committees and the individual directors should be performed every year.	2	Given that Curro was operating in a private, unlisted environment and given the size and nature of the business operations of Curro, it was not considered necessary to formally evaluate the board, its committees and individual directors every year. A process suitable to the nature and size of Curro's business will now be implemented.
2.23	The board should delegate certain functions to well-structured committees without abdicating its own responsibilities.	3	Applied.
2.24	A governance framework should be agreed between the group and its subsidiary boards.	3	Applied. Given that the director who serves on the boards of subsidiaries are also a directors of the company, due to the current size of the business and due to the relative simplicity of its operations, the board is of the view that it is not necessary to formulate a governance framework between Curro and its Subsidiaries. The situation will be continuously monitored.
2.25	Companies should remunerate directors and executives fairly and responsibly.	3	Applied. The board is of the view that executive directors are remunerated fairly and reasonably. Given that Curro previously operated as a private company, many of the non-executive directors were appointed to represent shareholders and the payment of non-executive directors' fees were not considered appropriate. Going forward, the board will consider and adopt, a policy in regard to the payment of non-executive directors' fees to the extent deemed appropriate for the size and nature of Curro's business.
2.26	Companies should disclose the remuneration of each individual director and certain senior executives.	3	Given that Curro was previously a private company operating in an unlisted environment, it was not considered necessary to disclose the remuneration f directors and senior executives. As the Company has converted to a public company and will be operating in a listed environment, the board will re-consider the matter and to the extent considered appropriate, will implement the principle over time.

2.27	Shareholders should approve the company's remuneration policy.	2	Given that Curro was previously a private company with a limited number of private shareholders having representation at board level, it was not considered necessary for shareholder to approve the remuneration policy. After careful consideration, the board is of the view that its directors are best placed, having specific industry knowledge, to determine and approve the company's remuneration policy. This will be monitored and to the extent that circumstances change, the board will reconsider the application of this principle.
3.	**Audit Committees**		
3.1	The board should ensure that the company has an effective and independent audit committee (private company exception).	3	Applied.
3.2	Audit committee members should be suitably skilled and experienced independent, non-executive directors (subsidiary exception).	3	Applied.
3.3	The audit committee should be chaired by an independent non-executive director.	3	Applied.
3.4	The audit committee should oversee the integrated reporting (integrated reporting, financial, sustainability and summarised information). The audit committee should be responsible for evaluating the significant judgements and reporting decisions affecting the integrated report. The audit committee's review of the financial reports should encompass the annual financial statements, interim reports, preliminary or provisional result announcements, summarised integrated information, any other intended release of price-sensitive financial information, trading statements, circulars and similar documents.	2	Given that Curro was operating in a private, unlisted environment, and given the size and nature of Curro's operations, it was not considered appropriate to produce a comprehensive integrated report, applying all principles of King III in regard to such report. Curro will, going forward put processes in place for the compilation of an integrated report, the contents whereof will be appropriate for the size and nature of Curro's business. Given that the audit committee is newly constituted, the audit committee has not had the opportunity to formally meet and approve the Pre-listing Statement. However, each individual member of the Board of Directors has had the opportunity to review the Pre-listing Statement.
3.5	The audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities.	3	Applied.
3.6	The audit committee should satisfy itself of the expertise, resources and experience of the company's finance function.	3	Applied.
3.7	The audit committee should be responsible for overseeing of internal audit.	3	Applied.
3.8	The audit committee should be an integral component of the risk management process.	3	Applied.
3.9	The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.	3	Applied.
3.10	The audit committee should report to the board and shareholders on how it has discharged its duties.	3	Applied.
4.	**The governance of risk**		
4.1	The board should be responsible for the governance of risk.	3	Applied.
4.2	The board should determine the levels of risk tolerance.	3	Applied.

4.3	The risk committee or audit committee should assist the board in carrying out its risk responsibilities.	3	Applied.
4.4	The board should delegate to management the responsibility to design, implement and monitor the risk management plan.	3	Applied.
4.5	The board should ensure that risk assessments are performed on a continual basis.	3	Applied.
4.6	The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.	3	Applied.
4.7	The board should ensure that management considers and implements appropriate risk responses.	3	Applied.
4.8	The board should ensure continual risk monitoring by management.	3	Applied.
4.9	The board should receive assurance regarding the effectiveness of the risk management process.	3	Applied.
4.10	The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.	3	Applied.
5.	**The governance of Information Technology**		
5.1	The board should be responsible for information technology (IT) governance.	3	Applied.
5.2	IT should be aligned with the performance and sustainability objectives of the company.	3	Applied.
5.3	The board should delegate to management the responsibility for the implementation of an IT governance framework.	3	Applied. Due to the size, nature and extent of Curro's activities and recent IT acquisitions, it has been easier for the board to integrate IT into its governance.
5.4	The board should monitor and evaluate significant IT investments and expenditure.	3	Applied.
5.5	IT should form an integral part of the company's risk management.	3	Applied.
5.6	The board should ensure that information assets are managed effectively.	3	Applied.
5.7	A risk committee and audit committee should assist the board in carrying out its IT responsibilities.	2	Due to the size, nature and extent of Curro's activities and the fact that it was a private company operating in an unlisted environment, this principle has not been applied formally and document. In future, this principle will be applied formally and documented in accordance with the current governance benchmarks relevant to the size and complexity of Curro's business.
6.	**Compliance with laws, codes, rules and standards**		
6.1	The board should ensure that the company complies with applicable laws and considers adherence to nonbinding rules, codes and standards.	3	Applied.
7.4	The audit committee should be responsible for overseeing internal audit.	3	Applied.
7.5	Internal audit should be strategically positioned to achieve its objectives.	3	Applied.
8.	**Governing stakeholder relationships**		
8.1	The board should appreciate that stakeholders' perceptions affect a company's reputation.	3	Applied.
8.2	The board should delegate to management to proactively deal with stakeholder relationships.	3	Applied.

8.3	The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company.	3	Applied.
8.4	Companies should ensure the equitable treatment of shareholders (only applicable to companies and state owned companies).	3	Applied.
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.	3	Applied.
8.6	The board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible.	3	Applied.
9.	**Integrated Reporting and disclosure**		
9.1	The board should ensure the integrity of the company's integrated report.	2	As stated previously and for the reasons given, Curro has not previously presented an integrated report. Curro will embark on the journey to implement an integrated report.
9.2	Sustainability reporting and disclosure should be integrated with the company's financial reporting.	1	Due to the nature of its business (i.e. education on annuity basis and inherent soft impact on the environment) Curro will not produce a separate sustainability report for the time being.
9.3	Sustainability reporting and disclosure should be independently assured.	1	Due to the nature of its business (i.e. education on annuity basis and inherent soft impact on the environment) Curro will not produce a separate sustainability report for the time being.
6.2	The board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the company and its business.	3	Applied.
6.3	Compliance risk should form an integral part of the company's risk management process.	3	Applied.
6.4	The board should delegate to management the implementation of an effective compliance framework and processes.	3	Applied.
7.	**Internal Audit**		
7.1	The board should ensure that there is an effective risk-based internal audit.	3	Applied.
7.2	Internal audit should follow a risk-based approach to its plan.	3	Applied.
7.3	Internal audit should provide a written assessment of the effectiveness of the company's system of internal control and risk management.	3	Applied.