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DIRECTORS AND MANAGEMENT

NAME	CAPACITY	YRS	OCCUPATION	
SA Sлом, BA Arts, BA LLB, Int Tax Law, 44	Non-executive Chairman	1	Advocate	R
HP Joffe, BA, 56	Non-executive acting Chief Executive Officer	3	Financial Consultant	
Dr DE Baloyi, PhD (Education), 49	Independent non-executive Director	8	Director – Kgorong	R
DD Golan, BA Economics and Stats, BA LLB, 61	Non-executive Director	1	Businessman	
BL Gruzd, BComm CA(SA), 59	Independent non-executive Director	1	Chartered Accountant	A
BHL Macdonald, BComm CA(SA), 59	Non-executive Director	3	Financial Consultant	AR
C de Beer, CA(SA), 35	Chief Financial Officer	4	Chartered Accountant	

COMPANY SECRETARY

C de Beer, CA(SA)

COMMITTEE

A = Audit

R = Remuneration



SHAREHOLDER INFORMATION

Analysis of the share register at 28 February 2006

Shareholding	Number of shareholders	% of shareholders	Number of shares	% of shares
1 to 50 000	1 466	94,9	4 577 211	8,5
50 001 to 100 000	27	1,7	2 170 455	4,1
Over 100 000	52	3,4	46 827 907	87,4
	1 545	100,0	53 575 573	100,0
Distribution of shareholders				
Individuals	1 255	81,2	8 358 534	15,6
Banks and nominees	135	8,8	10 016 220	18,7
Other corporate bodies	155	10,0	35 200 819	65,7
	1 545	100,0	53 575 573	100,0
Non-public shareholders				
Directors and associates of the company holdings	2	0,1	200 000	0,4
Strategic holdings (more than 10%)	2	0,2	23 284 679	43,5
	4	0,3	23 484 679	43,9
Public shareholders	1 541	99,7	30 090 894	56,1
Total	1 545	100,0	53 575 573	100,0
Major shareholders				
Grey Jade Trade & Invest 25 (Ceded)			17 869 688	33,3
Titan Share Dealers/Nominees			5 414 991	10,1
Mayflower Partnership			3 570 397	6,7
Clevo Corporation			2 530 000	4,7
			29 385 076	54,8
Directors' shareholding				
BHL Macdonald				
– Direct beneficial			150 000	0,3
– Indirect beneficial			50 000	0,1
SA Slom				
– Indirect beneficial			1 786 969	3,3
– Indirect non-beneficial			16 082 719	30,0
			18 069 688	33,7



SALIENT FEATURES

Attributable earnings
Earnings per share (cents)
Diluted earnings per share (cents)

Headline earnings

Operating loss
Headline earnings
Headline earnings per share (cents)
Diluted headline earnings per share (cents)
Net asset value per share (cents)

	2006 R000	2005 R000
Attributable earnings	16 475	3
Earnings per share (cents)	30,8	0,0
Diluted earnings per share (cents)	30,3	0,0
Operating loss	(2 518)	(24 861)
Headline earnings	2 766	3
Headline earnings per share (cents)	5,2	0,0
Diluted headline earnings per share (cents)	5,1	0,0
Net asset value per share (cents)	183,7	139,1



CHAIRMAN'S REVIEW

In December JB Zwart (your previous Chairman) and CD Stein (a non-executive director) resigned from the Board of Directors ("the Board") and BL Gruzd and I were appointed in their stead. On 18 March 2006 DD Golan was also appointed to the Board. I wish to take this opportunity to thank JB Zwart and CD Stein for their sterling efforts in assisting the Company and putting it back on a sound financial footing. The Company has for the past financial year continued to maximise shareholders' wealth by investing in listed investments.

Headline earnings per share was 5,2 cents (2005: 0,0) and earnings per share 30,8 cents (2005: 0,0). The net asset value of the Company at 28 February 2006 was 183,7 cents per share (2005: 139,1). The net asset value includes investments at market value, loans and debtors at fair value.

SA Slom
Chairman

21 April 2006



REPORT OF THE ACTING CHIEF EXECUTIVE OFFICER

The Company is a cash shell listed in the “Financial – Speciality and Other Finance” sector of the JSE Limited (“JSE”). The Company is aggressively investigating a number of possible transactions with a view to enhancing shareholders’ value. By virtue of a number of changes to the Board and a change in one of our major shareholders, the Company is embarking on a new strategic direction in the area of property development. To facilitate the proposed new strategic direction, the Company decreased its listed investment portfolio towards the end of the period under review, in anticipation of investing in the property development market.

As reported previously, the Company has no operating business, and its only income is from capital gains, interest and/or dividends received on its cash reserves and investments. During the period under review the income, realised and unrealised, so generated, amounted to R29,088 million (2005: R13,062 million) of which R8,046 million (2005: Nil) was recognised directly in equity. The only employee is the Chief Financial Officer. In terms of the sale agreement between First South Risk Solutions (Proprietary) Limited (formerly Newshelf 716 (Proprietary) Limited) and J&J Financial Services (Proprietary) Limited, the Company will be entitled to receive payment in respect of the outstanding balance of the disposal consideration of R11,924 million by not later

than November 2006 (reflected in the balance sheet at R11,287 million (2005: R10,195 million)).

The Company continues to pursue to the fullest the only remaining litigation claim against it by three former executive employees relating to their service agreements with the Company. Shareholders are referred to note 13 to the financial statements in this regard.

The Company lodged a notice of objection in pursuing the possible recovery of taxes overpaid by it to the SARS in relation to the City of Johannesburg Arbitration. The amount of approximately R9,27 million is included in the amount currently disclosed as a deferred tax asset. Refer to note 5 to the financial statements.

MANAGEMENT OF CAPITAL

- Share capital

During the year under review the Company listed no shares in respect of employee share options exercised in terms of the share option scheme.

Number of shares at beginning
and end of year 53 575 573

- Share price as quoted on the JSE

During the year under review, the share traded between a high of 175 cents per share (2005: 110 cps) and a low of 89 cents per share (2005: 82 cps). The volume of shares traded during this period was 58,290 million



REPORT OF THE ACTING CHIEF EXECUTIVE OFFICER

(2005: 35,690 million) shares at an average price of 119 cents per share (2005: 97cps). At year end the share price as quoted on the JSE was 146 cents per share (2005: 97cps).

- Share buy-back

At the last Annual General Meeting of the Company held on 2 June 2005, shareholders voted to renew the general authority granted to the Company to purchase its own shares. This purchase is limited to 20% of the issued share capital of the Company and subject to the rules and regulations of the JSE.

During the 12 months under review, the Company repurchased no such shares.

STATEMENT ON CORPORATE GOVERNANCE

The Company is cognisant of the fact that investors and shareholders have become insistent on high standards of corporate governance requiring increasing levels of transparency, integrity, openness and accountability by directors. Details of how the Company applied these principles can be found in the paragraphs ahead.

THE BOARD

The past twelve months have seen changes to the Board. The nomination of prospective directors is made by the Chairman or the Chief Executive Officer and approved by the Board. On 20 December 2005 the Chairman, JB Zwart

and a non-executive director, CD Stein resigned. On the same date SA Slom was appointed Chairman and BL Gruzsd was appointed non-executive director. Subsequent to year end, on 3 March 2006, DD Golan was appointed non-executive director.

The Board is responsible for ensuring that the Company is managed in compliance with all statutory and legal requirements including the Companies Act and the JSE listing requirements. This includes compliance with King II, more specifically the accountability to shareholders for creating, protecting and enhancing the wealth and resources of the Company. The directors are cognisant of their role in bringing independent judgement to bear on the issues of strategy, performance, resources and control for the business.

Board meetings are held at least every quarter or whenever deemed necessary. During the year 2005/2006 the Board convened four times, the following being the dates, the major items on the agenda and the number of attending directors:



REPORT OF THE ACTING CHIEF EXECUTIVE OFFICER

Date	Agenda	Number of attending directors
2 June 2005	Board meeting – legal matters, feedback on AGM, appointment of new auditors, future business	4
2 June 2005	Remuneration Committee – share options, attendance fees	4
30 September 2005	Board meeting – 2006 interim results, litigation, future business	5
30 September 2005	Remuneration Committee – share options, attendance fees	5
30 September 2005	Audit Committee – 2006 interim results	5
23 December 2005	Special Board meeting – changes to the Board, future business	4
3 March 2006	Audit Committee – planning year end audit	4
3 March 2006	Board meeting – litigation, future business	4
3 March 2006	Remuneration Committee – attendance fees	4

Where deemed necessary the Company and its directors make use of independent professional advisors, specifically in relation to legal and accounting matters pertaining to the Company's business. All these costs are borne by the Company.

AUDIT COMMITTEE

The Audit Committee consists of two non-executive directors, BL Gruzd and BHL Macdonald. The invitees include the external auditors, Grant Thornton, and where necessary the acting Chief Executive Officer and the Chief Financial Officer. The role of the committee is to ensure that financial results are

communicated to shareholders on a regular basis in accordance with JSE listing requirements and to review the effectiveness of the internal controls adopted by the Company including reviewing the appropriateness of the accounting policies adopted and the presentation of information to shareholders. The Company believes that its current business does not justify the costs of having a separate internal audit function, and that the Audit Committee has sufficient experience and qualification to fulfil this role.

The committee meets at least twice a year – before the announcement of the annual financial results and the interim results.



REPORT OF THE ACTING CHIEF EXECUTIVE OFFICER

The specific terms of reference of the Audit Committee as approved by the Board includes but is not limited to:

- Reviewing financial information and results
- Reviewing reports from the external auditors
- Assessment of the risk of fraudulent reporting
- Reviewing the code of ethics
- Compliance with internal control procedures
- Approval of audit fees
- Reporting to the Board any aspects considered relevant

REMUNERATION COMMITTEE

The Remuneration Committee consists of three non-executive directors. The members are SA Slom (Chairman), BHL Macdonald and Dr DE Baloyi. The responsibilities of the Remuneration Committee include determination of non-executive directors' fees and the framework for approval of remuneration paid to employees. Remuneration in this context includes annual packages, bonuses and participation in the share option scheme.

The specific terms of reference of the Remuneration Committee as approved by the Board includes:

- Appointment/discharge of directors
- All matters relating to the quantum of the remuneration of directors and employees

- All matters relating to the conditions of service of employees
- Participation in the bonus scheme
- Participation in the share option scheme

ACCOUNTABILITY

The Board is responsible for the preparation and presentation of the financial statements. These financial statements present a balanced and carefully considered assessment of the Company's position and prospects. The auditors are responsible for reporting on the fairness of the financial statements presented in terms of compliance with the Companies Act and International Financial Reporting Standards ("IFRS").

The directors are satisfied that the internal controls and systems are sufficient to provide reasonable assurance as to the integrity and reliability of the financial statements, to safeguard the resources of the business and to detect and minimise the potential for loss or material misstatement. There is no reason to believe that the business will not be a going concern in the year ahead.

RELATIONS WITH SHAREHOLDERS

The Company believes in an open door policy and is always available to shareholders, institutions and analysts for assistance with a clearer understanding of the business or any relevant issue at the time.



REPORT OF THE ACTING CHIEF EXECUTIVE OFFICER

DEALING IN SECURITIES

The Company has restricted periods in which directors, officers and all employees are prohibited from trading in the securities of the Company. The restricted period is from the last day of the financial year or half year to the date of the respective announcements relating to the period. For dealings at any other time of the year the Company Secretary maintains a record. Any dealings by a director are reported to the JSE in terms of their applicable rules.

Thanks

HP Joffe

Acting Chief Executive Officer (non-executive)

Randburg

21 April 2006



DIRECTORS' APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The reports and statements set out herein comprise the annual financial statements as presented to shareholders.

The directors of the Company are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements. The external auditors are responsible for reporting on the annual financial statements. The annual financial statements are prepared in accordance with IFRS and the Companies Act in South Africa. These annual financial statements have been prepared on a going concern basis.

The financial statements which appear on pages 13 to 35 were approved by the Board on 21 April 2006 and are signed on their behalf by:

SA Slom
Chairman

HP Joffe
Acting Chief Executive Officer (non-executive)



CERTIFICATE BY COMPANY SECRETARY

To the members of Enterprise Risk Management Limited

In my capacity as Company Secretary, I hereby confirm, in terms of the Companies Act, 1973, that for the 12 months ended 28 February 2006, the Company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.

C de Beer
Company Secretary

21 April 2006



REPORT OF THE INDEPENDENT AUDITORS

To the members of Enterprise Risk Management Limited.

We have audited the annual financial statements of Enterprise Risk Management Limited set out on pages 13 to 35 for the year ended 28 February 2006. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

SCOPE

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

QUALIFICATION

The Company is owed an amount relating to the disposal of a business in previous years. The

amount receivable is disclosed as a loan receivable and is reflected on the balance sheet at R11,287 million. We have not been able to obtain sufficient audit evidence to support the recoverability of this amount.

QUALIFIED AUDIT OPINION

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements fairly present, in all material respects, the financial position of the Company at 28 February 2006 and the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act in South Africa.

GRANT THORNTON

*Registered Accountants and Auditors
Chartered Accountants (S.A.)*

Johannesburg
21 April 2006



DIRECTORS' REPORT

NATURE OF ACTIVITIES

The Company remains listed in the "Financial – Speciality and Other Finance" sector of the JSE. Surplus funds are deposited with leading financial institutions or are invested in a limited number of listed securities in order to maximise returns to shareholders.

FINANCIAL RESULTS

The results of the Company are set out in the financial statements and accompanying notes.

Results are more fully commented on in the report of the Acting Chief Executive Officer.

SHARE CAPITAL

There have been no changes to the authorised or issued capital of the Company during the year.

DIVIDENDS

No dividend has been proposed or declared for the year ended 28 February 2006.

SHARE OPTION SCHEME

Shareholders approved the share option scheme in 1997. The scheme is in total limited to 15% of the issued capital of the Company.

During the year 850 000 (2005: 710 000) new options at a weighted average strike price of R1,06 (2005: R0,95) were issued. Full details as to the maturity of these share options can be found at note 16 to the financial statements.

BOARD AND SECRETARY

Full details pertaining to the Board and secretary of the Company appear on page 2 of this annual report. In terms of the Articles of Association of the Company, Dr DE Baloyi, HP Joffe and BHL Macdonald retire by rotation and BL Gruzdz, DD Golan and SA Slom retire and being eligible offer themselves for re-election. Full details pertaining to directors' interests can be found in note 17 to these financial statements.

CORPORATE GOVERNANCE

The directors endorse and recommend the principles of corporate governance as contained in the King Committee Code of Corporate Governance II, and fully subscribe to these.

EVENTS AFTER BALANCE SHEET DATE

Subsequent to year end the company decreased its listed investment portfolio by 15,3% at a profit of R4,7 million.



INCOME STATEMENT

for the year ended 28 February 2006

		2006	2005
	Note	R000	R000
Turnover		–	–
Operating loss	1	(2 518)	(24 861)
Realised capital gains on sale of investments		16 031	896
Finance costs		(185)	–
Investment income	3	5 021	16 643
Profit/(loss) before taxation		18 349	(7 322)
Taxation	5	(1 874)	7 325
Profit after taxation		16 475	3
Weighted average number of shares		53 575	53 575
Earnings per share (cents)	7	30,8	0,0
Diluted earnings per share (cents)	7	30,3	0,0
Headline earnings per share (cents)	7	5,2	0,0
Diluted headline earnings per share (cents)	7	5,1	0,0



BALANCE SHEET

at 28 February 2006

	Note	2006 R000	2005 R000
ASSETS			
Non-current assets		54 165	72 422
Financial assets	8	50 217	54 857
Deferred taxation	5	3 948	7 370
Loan receivable	10	–	10 195
Current assets		44 638	2 516
Accounts receivable	11	666	1 035
Loan receivable	10	11 287	–
Cash and cash equivalents	12	32 685	1 481
Total assets		98 803	74 938
EQUITY AND LIABILITIES			
Equity attributable to equity holders		98 394	74 524
Stated capital	14	59 001	59 001
Retained earnings		24 197	15 365
Fair value and other reserves		15 196	158
Current liabilities		409	414
Accounts payable		225	255
Financial liabilities	9	25	–
Shareholders for dividends		159	159
Total equity and liabilities		98 803	74 938
Net asset value per share (cents)		183,7	139,1



STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2006

	2006 R000	2005 R000
Stated capital		
Opening balance	59 001	59 001
Movement	–	–
Closing balance	59 001	59 001
Distributable reserves		
Opening retained earnings as previously reported	16 686	15 247
Prior year adjustment		
– Deferred tax (note 5)	(1 163)	126
Change in accounting policy as a result of IFRS	(158)	(45)
Restated balance	15 365	15 328
Transfer to fair value reserves as a result of IFRS conversion	(7 643)	–
Net profit for the period	16 475	3
Dividends written back	–	34
Closing balance	24 197	15 365
Fair value reserves		
Transfer from distributable reserves as a result of IFRS conversion	7 643	–
Fair value gains net of tax	20 547	–
Transferred to income statement on disposal net of tax	(13 668)	–
Closing balance	14 522	–
Other reserves		
Opening balance as previously reported	–	–
Change in accounting policy as a result of IFRS	158	45
Restated balance	158	45
Value of services provided	516	113
Closing balance	674	158
Fair value and other reserves	15 196	158



CASH FLOW STATEMENT

for the year ended 28 February 2006

	Note	2006 R000	2005 R000
Cash (utilised in)/generated from operating activities	15.1	(2 747)	13 386
Finance costs		(185)	–
Investment income		1 724	7 294
Dividend income		2 205	603
Taxation refunded	15.2	380	–
Net cash flows from operating activities		1 377	21 283
Cash flows from investing activities			
Proceeds on sale of investments		55 760	5 779
Additions to investments		(25 933)	(29 497)
Net cash flows from investing activities		29 827	(23 718)
Net cash flow from financing activities		–	34
Net increase/(decrease) in cash and cash equivalents		31 204	(2 401)
Cash and cash equivalents at the beginning of the year		1 481	3 882
Cash and cash equivalents at the end of the year		32 685	1 481



1. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and are covered by IFRS 1 - First time adoption of International Financial Reporting Standards. They have been prepared on a going concern basis.

2. SIGNIFICANT JUDGEMENTS

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

2.1 Options granted

Management used the Black Scholes Model to determine the value of the options at grant date. Refer to note 16 – Share option scheme.

3. FINANCIAL INSTRUMENTS

Financial instruments carried on the balance sheet include loans, investments, cash and cash equivalents, derivatives, accounts receivable and accounts payable. All financial instruments are initially measured at cost, being the fair value of the consideration given and include transaction costs. Subsequent to initial recognition, financial instruments are measured as follows:

3.1 Accounts receivable and loans

Accounts receivable and loans originated by the Company are measured at amortised cost using the effective interest rate method.

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate (i.e. the effective interest rate computed at initial recognition).

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.



3. FINANCIAL INSTRUMENTS (continued)

3.2 Investments

Share and loan investments are classified as available-for-sale financial assets and are subsequently measured at fair value. The fair values of quoted investments are based on current bid prices. These investments are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. In terms of IAS 39, fair value adjustments for the period on available-for-sale assets are recognised directly in equity, through the statement of changes in equity.

A deferred tax asset and/or liability is recognised through equity on the potential unrealised capital gains and/or losses from available-for-sale financial assets.

3.3 Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

3.4 Accounts payable

Financial liabilities are subsequently measured at amortised cost, being original debt value less principal repayments and amortisation.

3.5 Financial liabilities at fair value through profit and loss

Derivative instruments are measured at fair value by reference to the quoted market prices for similar instruments. Realised and unrealised gains and losses are recognised through the income statement.

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when the Company has a legal right to set off the recognised amounts and intends to either settle on a net basis or to realise the asset and the liability simultaneously.

3.6 Derecognition of assets and liabilities

Assets

Assets are derecognised from the balance sheet when the contractual rights expire or when the Company transfers the asset and does not retain substantially all the risks and rewards of ownership or control.

Liabilities

Liabilities are derecognised from the balance sheet when the obligation is discharged or expires.



4. LEASES

Lease agreements where the lessor effectively retains substantially all the risk and benefits of ownership are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease terms.

The Company has no finance leases.

5. STATED CAPITAL

Stated capital is recognised at the fair value of the consideration received by the Company.

6. REVENUE RECOGNITION

If it is probable that economic benefits associated with the revenue element will flow to the enterprise, and can be reliably measured, then revenue is recognised as follows:

6.1 Interest income

Interest income is recognised on a time proportion basis that takes into account the effective yield on the asset.

6.2 Dividend income

Dividend income is recognised when the right to receive payment is established.

7. BORROWING COSTS

Borrowing costs are recognised as expenses in the period in which they occur.

8. DEFERRED TAXATION

Deferred taxation is provided using the balance sheet method, on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax assets or 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 that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the asset can be utilised.

9. DIVIDENDS PAYABLE

Dividends payable are recognised when the shareholder's right to receive payment is determined by the declaration of a dividend by the directors.



10. PROVISIONS

Provisions are recognised when an obligation exists and it is probable that there will be an outflow of resources.

11. EQUITY-SETTLED SHARE-BASED PAYMENTS

The Company has changed its accounting policy with regard to equity-settled share-based payments to comply with IFRS 2. Costs associated with share-based awards to employees and non-executive directors under the share option scheme are now charged to the income statement over the vesting periods. The cost is determined by using independent valuations of the share options. For equity-settled share-based payment transactions, the goods or services received are measured, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the fair value of the goods or services received cannot be estimated reliably, their value and the corresponding increase in equity, indirectly, are measured by reference to the fair value of the equity instruments granted.

12. COMPARATIVE INFORMATION

The presentation and classification of items in the financial statements are retained from one period to another unless an International Financial Reporting Standard requires a change in presentation.

13. TRANSITION TO IFRS

The Company's financial statements for the year ended 28 February 2006 are the first annual financial statements that comply with IFRS. The Company's transition date is 1 March 2004. In preparing the annual financial statements the Company has applied certain of the optional exemptions from full retrospective application of IFRS.

The Company has elected:

- not to restate comparatives for IAS 32 and IAS 39
- not to apply IFRS 2 to share options granted prior to 7 November 2002, that had not yet vested by 1 March 2005.



DEFINITION OF TERMS USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

CASH FLOW

Financing activities

Activities which result in changes to the capital structure of the Company.

INVESTING ACTIVITIES

Activities relating to the acquisition, holding and disposal of long-term investments.

OPERATING ACTIVITIES

Activities that are not investing or financing activities.

CASH AND CASH EQUIVALENTS

Cash resources include cash at bank and deposits in the money market and short dated marketable investments with registered financial institutions, at fair value.

EARNINGS PER SHARE

Basic earnings basis

Net profit after tax divided by the weighted average number of ordinary shares in issue during the year.

HEADLINE EARNINGS PER SHARE

Earnings attributable to ordinary shareholders, adjusted for profits and losses on capital items recognising the tax impacts of these adjustments, divided by the weighted average number of ordinary shares in issue during the year.

EFFECTIVE TAX RATE

The normal taxation charge in the income statement as a percentage of earnings.

NET ASSET VALUE PER SHARE

Share capital and reserves divided by the number of shares in issue and expressed in cents per share.

WEIGHTED AVERAGE NUMBER OF SHARES

The number of shares in issue at the beginning of the year, increased by shares issued during the year, weighted on a time basis for the period during which they have participated in income.



NOTES TO THE FINANCIAL STATEMENTS

at 28 February 2006

1. OPERATING LOSS

Operating loss is stated after taking into account:

Expenses

Auditors' remuneration

- Audit fee
- Under provision – prior year
- Other services

**=estimated fee for 2006 audit not provided for in the financial statements*

Share-based payments

Staff costs

Impairment loss

Financial liabilities at fair value through the income statement

Income

Investment income

Realised capital gains on sale of investments

Other income

Realised profits – derivatives

	2006 R000	2005 R000
	110*	135
	213	82
	45	–
	368	217
	516	113
	484	442
	–	19 532
	25	–
	5 021	16 643
	15 983	896
	48	614
	1 109	–



NOTES TO THE FINANCIAL STATEMENTS

at 28 February 2006

2. RECONCILIATION BETWEEN IFRS AND GAAP INCLUDING OTHER PRIOR YEAR ADJUSTMENTS

Reconciliation of equity as at:

	1 March 2004 R000	28 February 2005 R000
Equity as previously reported	74 248	75 687
IFRS reconciling items		
– Fair value reserves	–	–
– Share-based payment reserves	45	158
– Distributable reserves	–	(158)
Other prior year adjustments not related to IFRS		
– Change in accounting policy in respect of share-based payments	(45)	–
– Deferred tax	126	(1 163)
Equity as reported in terms of IFRS	74 374	74 524

Reconciliation of net income

Net income as previously reported in terms of GAAP	1 405
IFRS reconciling items	
– Fair value reserves	–
– Share-based payments	(113)
Other prior year adjustments not related to IFRS	
– Deferred tax	(1 289)
Net income as reported in terms of IFRS	3



NOTES TO THE FINANCIAL STATEMENTS

at 28 February 2006

3. INVESTMENT INCOME

Interest received – cash and cash equivalents
 Interest received – listed investments
 Imputed interest – loan receivable
 Dividend income
 Fair value adjustment on listed investments

	2006 R000	2005 R000
	276	4 817
	1 448	2 477
	1 092	1 046
	2 205	603
	–	7 700
	5 021	16 643
In terms of IAS 39 fair value adjustments on available-for-sale assets are recognised directly in equity through the statement of changes in equity. The Company has made use of the exemption available under IFRS 1 to only apply IAS 32 and IAS 39 with effect from 1 March 2005.		
4. DIRECTORS' EMOLUMENTS		
Non-executive directors		
JB Zwart (Former Chairman) – Resigned 20 December 2005 – For services as director		
	129	160
DE Baloyi – For services as director		
	50	30
SA Slom (Chairman) – Appointed 20 December 2005 – For other services		
	97*	–
CD Stein – Resigned 20 December 2005 – For other services		
	34*	60*
BHL Macdonald – For services as director		
	87	82
HP Joffe		
	153	135
– For services as director		
	43	40
– For other services		
	110*	95*
BL Gruzd – Appointed 20 December 2005 – For services as director		
	15	–
Total directors' emoluments		
	565	467

*=fees paid to outside consulting professionals

For details of directors' share options refer note 16.



NOTES TO THE FINANCIAL STATEMENTS

at 28 February 2006

5. TAXATION (continued)

DEFERRED TAX ASSET (continued)

As previously reported, arising from the arbitrated reduction in income of prior years, the Company believes an amount of R9,27 million is refundable by SARS. SARS is of the opinion that the amount gives rise to an assessed loss, not a refund. The Company has lodged an appeal and the amount has been included in the deferred tax asset.

The utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences.

The Company provided for deferred tax on the unrealised and realised capital gains and losses on its investment portfolio for the year ended 28 February 2006 in the amount of R1,2 million. The Company did not provide for deferred tax on the realised and unrealised capital gains and losses on its investment portfolio for the year ended 28 February 2005 in the amount R1,3 million (2005: (R0,1) million). The comparative figures have been restated accordingly. The effect of this adjustment is a reduction in the net asset value of the Company as at 28 February 2005 of 2,2 cents per share.

6. DIVIDENDS

The Board has resolved not to declare any dividend to shareholders for this reporting period.



NOTES TO THE FINANCIAL STATEMENTS

at 28 February 2006

9. FINANCIAL LIABILITIES

Derivatives

120 Mar06 HARQ single stock futures bought at a price of 86,77 cents on 17 November 2005

– Fair value as at 28 February 2006

10. LOAN RECEIVABLE

Part proceeds on disposal of business undertaking

Present value adjustment

Fair value on initial recognition

Cumulative imputed interest

Cumulative impairment

IAS 39 requires that financial assets be initially measured at the fair value of the consideration receivable. The Company estimates that the fair value of the consideration relating to the payment due from First South Risk Solutions (Proprietary) Limited in November 2006, on a discounted present value basis, is R11,3 million (2005: R10,2 million). The interest rate used to discount the loan is 11,44% (2005: 11,44%). The difference between the fair value at initial recognition and future value is recognised on the effective interest rate basis. The amount so recognised in this period is R1,1 million (2005: R1,0 million).

11. ACCOUNTS RECEIVABLE

Sundry debtors, prepayments and deposits

	2006 R000	2005 R000
	25	–
	12 000	12 000
	(2 300)	(2 300)
	9 700	9 700
	2 740	1 648
	(1 153)	(1 153)
	11 287	10 195
	666	1 035
	666	1 035



NOTES TO THE FINANCIAL STATEMENTS

at 28 February 2006

15. CASH FLOW INFORMATION

15.1 Net profit/(loss) before taxation

Adjustments for:

Share-based payments

Financial liabilities at fair value through the
income statement

Realised gains on sale of investments

Impairment loss

Finance costs

Investment income

**Cash generated from movements in
working capital**

Decrease in accounts receivable

Decrease in accounts payable

**Cash (utilised in)/generated from
operating activities**

15.2 Taxation refunded

Taxation unpaid at the beginning of the year

Recognised in the income statement

Taxation unpaid at the end of the year

	2006 R000	2005 R000
	18 349	(7 322)
	516	113
	25	–
	(17 140)	(896)
	–	20 685
	185	–
	(5 021)	(16 643)
	(3 086)	(4 063)
	369	18 957
	(30)	(1 508)
	339	17 449
	(2 747)	13 386
	–	81
	380	(81)
	–	–
	380	–



NOTES TO THE FINANCIAL STATEMENTS

at 28 February 2006

16. SHARE OPTION SCHEME

The Company offers from time to time, share options to directors and employees. The options are non-transferable and vest with the individual after three, four and five years on a one third per anniversary basis. All options not exercised within 10 years of the option date lapse. During the period under review and in terms of the conditions as set out in the Company's share option scheme, the Board resolved to cancel the vesting periods for share options granted to HP Joffe and BHL Macdonald. The effect of this acceleration in the vesting period is a reduction in net income of R0,34 million for the current year.

Outstanding at 1 March 2005	1 490 000
Issued	850 000
Exercised	—

Outstanding at 28 February 2006	<u>2 340 000</u>
--	------------------

Exercise price (cents)	270	92	95	100	134	Total
Total number of options granted	90 000	690 000	710 000	700 000	150 000	2 340 000
Total number of options vesting in 2006	60 000	630 000	600 000	600 000		1 890 000
Fair value of the call option (cents)		45-57	20-31	22-33		
Total number of options vesting in 2007	30 000	30 000	36 666			96 666
Fair value of the call option (cents)		52	20			
Total number of options vesting in 2008		30 000	36 667	33 333	50 000	150 000
Fair value of the call option (cents)		57	25	22	60	
Total number of options vesting in 2009			36 667	33 333	50 000	120 000
Fair value of the call option (cents)			31	28	69	
Total number of options vesting in 2010				33 334	50 000	83 334
Fair value of the call option (cents)				33	76	



NOTES TO THE FINANCIAL STATEMENTS

at 28 February 2006

16. SHARE OPTION SCHEME (continued)

Exercise price (cents)	270	92	95	100	134
Total number of options granted	90 000	690 000	710 000	700 000	150 000

Fair value was determined by using the Black Scholes Merton Valuation Model. The following inputs were used:

– value of underlying share (cents)	–	89	98	100	146
– average risk free rate	–	8,90%	8,81%	7,29%	7,05%
– volatility	–	68,31%	17,42%	14,93%	43,13%
– expected dividends	–	–	–	–	–

At 28 February 2006, the non-executive directors held 1 900 000 share options as follows:

Name	Number of options	Option price	Date granted
HP Joffe	500 000	92c	25-Aug-03
	500 000	95c	24-Aug-04
	500 000	100c	2-Jun-05
	<u>1 500 000</u>		
BHL Macdonald	100 000	92c	25-Aug-03
	100 000	95c	24-Aug-04
	100 000	100c	2-Jun-05
	<u>300 000</u>		
DE Baloyi	<u>100 000</u>	134c	23-Dec-05
Total	<u><u>1 900 000</u></u>		

17. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.



NOTES TO THE FINANCIAL STATEMENTS

at 28 February 2006

17. RELATED PARTY TRANSACTIONS (continued)

17.1 With directors

The directors' emoluments are disclosed at note 4.

Directors' shareholding	Number	%	Number	%
	of shares 2006	of shares 2006	of shares 2005	of shares 2005
BHL Macdonald				
– Direct beneficial	150 000	0,3%	150 000	0,3%
– Indirect beneficial	50 000	0,1%	50 000	0,1%
JB Zwart				
– Indirect beneficial	–	–	65 000	0,1%
SA Slom				
– Indirect beneficial	1 786 969	3,3%	–	–
– Indirect non-beneficial	16 082 719	30,0%	–	–
	18 069 688	33,7%	265 000	0,5%

No director either purchased or disposed of any shares in the Company from 1 month prior to the year-end to the date of publication of these results.

During the year share-based payments in an amount of R0,5 million (2005: R0,1 million) was recognised in the income statement in respect of share options granted to directors.

	2006 R000	2005 R000
17.2 With key management		
– short-term employee benefits	436	431
– share-based payments	25	15

18. FINANCIAL RISK MANAGEMENT

The Company manages its financial instruments in terms of credit risk, interest rate risk and liquidity risk.

18.1 Credit risk

Cash and cash equivalents

Cash and cash equivalents represents cash at bank and cash held at financial institutions. The Company has no borrowing facilities.

Accounts receivable

Due to the nature of accounts receivable (including pre-payments, value added tax and dividends receivable), the risk related to accounts receivable is low.



NOTES TO THE FINANCIAL STATEMENTS

at 28 February 2006

18. FINANCIAL RISK MANAGEMENT (continued)

18.1 Credit risk (continued)

Financial liabilities at fair value through profit and loss

The purpose of investing in Single Stock Futures is to apply inexpensive and readily available financing with the intention of acquiring listed investments.

18.2 Interest rate risk

Cash and cash equivalents

These investments comprise call and term deposits in the money markets with maturity dates of less than three months. During the year under review, these investments attracted interest at rates averaging 7,56% per annum (2005: 7,83%).

Accounts receivable and payable

Due to the short-term nature of accounts receivable and payable, the Company is not exposed to any material interest rate risk.

18.3 Liquidity risk

Active daily cash flow management ensures that the Company has sufficient liquidity to meet its ongoing commitments based on forecasts. This liquidity management is achieved through a combination of call term investments and sufficient short-term facilities.

Accounts receivable and payable

The collection of accounts receivable is actively managed. The cash conversion profile of accounts receivable is built into liquidity management.

Accounts payable are paid when the amount is due, unless an early settlement discount is offered, which is then taken.

19. COMMITMENTS

The Company has no material commitments.

20. SEGMENT REPORT

No segment report is presented as the Company does not operate in different geographical areas nor does it have separately identifiable business units.



NOTICE OF ANNUAL GENERAL MEETING

Enterprise Risk Management Limited

(Registration number: 1995/001603/06)
Incorporated in the Republic of South Africa
Share code: ERM ISIN: ZAE000037701
("ERM" or the "Company")

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

Notice is hereby given that the ninth annual general meeting of members of the Company will be held on Thursday, 18 May 2006 at 25 St. John Road, Houghton, at 11:00 to conduct the following business:

1. ORDINARY RESOLUTION NUMBER 1

To receive, consider and adopt the annual financial statements of the Company for the year ended 28 February 2006, including the directors' report and the report of the auditors therein.

2. ORDINARY RESOLUTION NUMBER 2

To re-elect and confirm the appointment of directors in accordance with the provisions of the Company's Articles of Association.

An abbreviated curriculum vitae of each director offering himself for re-election appears on page 2 of the annual report to which this notice is attached.

In accordance with Article 90, the following directors who were appointed during the period under review, retire and, being eligible, offer themselves for re-election:

- 2.1 SA Slom**
- 2.2 BL Gruzd**
- 2.3 DD Golan**

In accordance with Article 95, the following directors are nominated for appointment:

- 2.4 B Ngcuka**
- 2.5 JM Jullienne**
- 2.6 R Wolmer**
- 2.7 A Dlodlo**

In accordance with Article 94, the following retiring directors are eligible and offer themselves for re-election:

- 2.8 Dr DE Baloyi**
- 2.9 BHL Macdonald**
- 2.10 HP Joffe**



NOTICE OF ANNUAL GENERAL MEETING

3. ORDINARY RESOLUTION NUMBER 3

- 3.1 To approve the directors' emoluments for the year ended 28 February 2006, as reflected in note 4 to the annual financial statements.
- 3.2 To confirm the re-appointment of Grant Thornton as independent auditors of the Company for the ensuing financial year and to authorise the directors to determine the auditors' remuneration.

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

4. ORDINARY RESOLUTION NUMBER 4

Control of authorised but unissued ordinary shares

“Resolved to place the unissued ordinary shares of the Company under the control of the directors in terms of Section 221 of the Companies Act, (Act 61 of 1973) (as amended) and to renew the authority of the directors, subject to the provisions of section 221 and 222 of the Companies Act (Act 61 of 1973)(as amended), and the Listings Requirements of the JSE, to allot and issue any of the shares of the Company to such person or persons on such terms and conditions as they may deem fit. Such authority shall expire at the next annual general meeting of the Company.”

5. ORDINARY RESOLUTION NUMBER 5

Approval to issue shares for cash

“Resolved to authorise the directors of the Company by way of general authority, to allot and issue unissued shares of the Company for cash on such terms and conditions as they may deem fit, subject to no less than 75% of the shareholders present in person or represented by proxy and entitled to vote at the annual general meeting at which this ordinary resolution is to be considered, voting in favour thereof, subject to the following limitations:

- The shares must be of a class already in issue;
- The shares must be issued to public shareholders and not to related parties;
- The number of shares to be issued for cash in any one financial year may not exceed 15% of the Company's issued shares of that class;
- The maximum discount at which shares may be issued is 10% of the weighted average traded price of those shares over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors of the Company;



NOTICE OF ANNUAL GENERAL MEETING

- That a press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within one year, 5% or more of the number of shares of that class in issue prior to the issues; and
- This general authority shall only be valid until the earlier of the Company's next annual general meeting or the variation or revocation of this general authority by ordinary resolution at any general meeting of the Company prior to such annual general meeting; provided that it shall not extend beyond fifteen months from the date of the passing of this ordinary resolution."

6. SPECIAL BUSINESS

To consider and, if deemed fit, to pass and renew, with or without modification, the following Special Resolution:

SPECIAL RESOLUTION NUMBER 1

General approval to repurchase shares

"Resolved that the directors of the Company and/or any of its subsidiary companies be and are hereby authorised, by way of a general authority, to repurchase ordinary shares issued by the Company as provided for in sections 85 to 90 of the Companies Act (Act 61 of 1973) (as amended) and subject to the Listings Requirements of the JSE being that:

- Any such repurchase of shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counter party;
- This general authority shall only be valid until the earlier of the Company's next annual general meeting or the variation or revocation of this general authority by special resolution at any general meeting of the Company prior to such annual general meeting; provided that it shall not extend beyond fifteen months from the date of the passing of this special resolution;
- When the Company has cumulatively repurchased 3% of the number of a class of shares on the date of passing of this special resolution number 1 ("the initial number"), and for each 3% in aggregate of the initial number of that class of shares acquired thereafter, an announcement will be published as soon as possible and not later than 08:30 on the second business day following the date on which the relevant threshold is reached or exceeded, and the announcement must comply with the JSE Listings Requirements;
- Any general repurchase by the Company of its own shares shall not, in aggregate, in any one financial year exceed 20% of the Company's issued shares of that class as at the date of the passing of this special resolution number 1;
- In determining the price at which the shares issued by the Company are repurchased by it in terms of this general authority, the maximum price at which such shares may be repurchased will be 10% above the weighted average of the market value of such shares traded on the JSE for the five business days immediately preceding the date on which the transaction is effected;



NOTICE OF ANNUAL GENERAL MEETING

- Provided that, upon entering the market to proceed with the repurchase, the Company's sponsor has complied with its responsibilities contained in Schedule 25 of the JSE Listings Requirements;
- The Company may only undertake a repurchase of shares if, after such repurchase, it still complies with paragraphs 3.37 to 3.41 of the Listings Requirements concerning shareholder spread requirements;
- The Company or its subsidiary may not repurchase shares during a prohibited period as defined in paragraph 3.67 of the Listings Requirements;
- At any point in time, the Company may only appoint one agent to effect any acquisition/s on its behalf.

The Board has considered the impact of a repurchase of 20% of the Company's shares, being the maximum permissible under a general authority in terms of the Listings Requirements, and is of the opinion that:

- The Company in the ordinary course of business will be able to pay its debts for a period of 12 months after the date of this notice of annual general meeting;
- The assets of the Company will exceed the liabilities of the Company for a period of 12 months after the date of this notice of annual general meeting, calculated in accordance with IFRS used in the audited financial statements for the period ended 28 February 2006;
- The ordinary capital and reserves of the Company for a period of 12 months after the date of the notice of annual general meeting will be adequate;
- The working capital of the Company for a period of 12 months after the date of this notice of annual general meeting will be adequate.

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

	Page no.
Directors and management	2
Material change	6–10
Litigation statement	6, 30
Major shareholders	3
Directors' interests in securities	3, 34
Share capital of the Company	30
Responsibility statement	11

Reason and effect

The reason and effect of special resolution number 1 is to grant the Company a general approval in terms of the Companies Act (Act 61 of 1973) (as amended), for the repurchase of shares of the Company. Such general authority will provide the Board with flexibility, subject to the requirements of the Companies Act (Act 61 of 1973) (as amended) and the JSE, to repurchase shares should it be in the interest of the Company at any time while the general authority exists. This general approval shall be



NOTICE OF ANNUAL GENERAL MEETING

valid until the earlier of the next annual general meeting of the Company, or its variation or revocation of such general authority by special resolution by a subsequent general meeting of the Company, provided that the general authority shall not be extended beyond 15 months from the date of passing of this special resolution.”

7. TO TRANSACT SUCH OTHER BUSINESS AS MAY BE TRANSACTED AT AN ANNUAL GENERAL MEETING.

8. GENERAL

Voting and proxies

A member (certificated or own name dematerialised member) entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his/her stead. The proxy need not be a member of the Company.

Proxy forms should be forwarded to reach the registered office of the Company, 25 St. John Road, Houghton, Johannesburg, 2106 or Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001, (PO Box 61051, Marshalltown, 2107), (fax (011) 688-5238), at least forty eight hours before the commencement of the meeting. If shareholders have dematerialised their shares with a CSDP or broker, other than own name dematerialised shareholders, they must arrange with the CSDP or broker concerned to provide them with the necessary authorisation to attend the general meeting and vote thereat or the shareholder concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned, in the manner and cut-off time stipulated therein.

By order of the Board

C de Beer

Company Secretary

21 April 2006



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FORM OF PROXY

Enterprise Risk Management Limited

(Registration number: 1995/001603/06)
Incorporated in the Republic of South Africa
Share code: ERM ISIN: ZAE000037701
("ERM" or the "Company")

To be completed by certificated and own name dematerialised shareholders

For use at the annual general meeting of the Company to be held on Thursday, 18 May 2006 at 25 St John Road, Houghton, Johannesburg, at 11:00.

I/We (please print)

Of

being the holder of _____ shares of the Company,

Do hereby appoint (see note 1)

1. _____ or failing him

2. _____ or failing him

3. the chairman of the annual general meeting as my/our proxy to act for me/us at the annual general meeting which will be held at Houghton and at each adjournment or postponement thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the ordinary shares in the issued share capital of the Company registered in my/our names (see note 2).

Resolution	Subject of	For	Against	Abstain
Ordinary Resolution 1	To receive, consider and adopt the Company's Annual Financial Statements			
Ordinary Resolution 2	To elect directors in accordance with the Company's Articles of Association			
Ordinary Resolution 2.1	SA Slom			
Ordinary Resolution 2.2	BL Gruzd			
Ordinary Resolution 2.3	DD Golan			
Ordinary Resolution 2.4	B Ngcuka			
Ordinary Resolution 2.5	JM Jullienne			
Ordinary Resolution 2.6	R Wolmer			
Ordinary Resolution 2.7	A Dlodlo			
Ordinary Resolution 2.8	Dr DE Baloyi			
Ordinary Resolution 2.9	BHL Macdonald			
Ordinary Resolution 2.10	HP Joffe			
Ordinary Resolution 3.1	To approve directors' emoluments			
Ordinary Resolution 3.2	To confirm the re-appointment of Grant Thornton as auditors and authorise the directors to determine the auditors' remuneration			
Ordinary Resolution 4	Control of authorised but unissued ordinary shares			
Ordinary Resolution 5	Approval to issue ordinary shares for cash			
Special Resolution 1	General approval to acquire shares			

Signed at _____ on _____ 2006

Signature _____

Assisted by me _____

(where applicable)



NOTES TO PROXY FORM

1. A member entitled to attend and vote at the meeting may appoint a proxy to speak and vote in this capacity. A proxy need not be a member of the Company. Proxy forms should be forwarded to reach the Company's registered office or the offices of its transfer secretaries at least forty-eight hours before the commencement of the meeting. The appointment of a proxy will not preclude a member from attending the meeting.
2. An ordinary shareholder may insert the name of a proxy or alternative proxy of the ordinary shareholder's choice in the space provided with or without deleting "the chairman of the annual general meeting". The shareholder must initial any such deletion. The person whose name appears first on the form of proxy and has not been deleted will be entitled to act as a proxy to the exclusion of those whose names follow.
3. An ordinary shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the chairman of the annual general meeting, if he is an authorised proxy, to vote in favour of the resolutions, or any other proxy to vote or abstain from voting at the annual general meeting as he/she deems fit, in respect of the shareholder's votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, but the total of votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or his/her proxy.
4. An alteration or correction must be initialled by the signatory/ies.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the transfer secretaries of the Company or waived by the chairman of the annual general meeting.
6. His/her parent or guardian, as applicable, must assist a minor or any other persona under legal incapacity unless the relevant documents establishing his/her capacity are produced or have been registered by the Company.
7. The completion and lodging of this form of proxy will not preclude the relevant ordinary shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such ordinary shareholder wish to do so.
8. Forms of proxy must be forwarded to the Company's registered office, 25 St. John Road, Houghton, 2106 or the Company's transfer secretaries, Ground Floor, 70 Marshall Street, Johannesburg, 2001, (PO Box 61051, Marshalltown 2107), (fax (011) 688 5238), to be received not later than forty-eight hours before the time of the meeting.
9. The chairman of the annual general meeting may accept or reject a form of proxy which is completed and/or received other than in accordance with the instructions, provided that he shall not accept a form of proxy unless he is satisfied as to the manner in which a shareholder wishes to vote.
10. If shareholders have dematerialised their shares with a CSDP or broker, other than own name dematerialised shareholders, they must arrange with the CSDP or broker concerned to provide them with the necessary authorisation to attend the general meeting and vote thereat or the shareholder concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

C de Beer
Company Secretary

21 April 2006